

Government of Bangladesh

Danish Ministry of Foreign Affairs

**AGRICULTURAL GROWTH AND EMPLOYMENT
PROGRAMME**

2013-2018

BANGLADESH

PROGRAMME DOCUMENT

June 2013

COVER PAGE

Country	: Bangladesh
Programme	: Agricultural Growth and Employment Programme (AGEP)
Components	: Integrated Farm Management Component (IFMC) : Agriculture and Food Security Project (AFSP) in the Chittagong Hill Tracts : Agro Business Development Component (ABDC)
National Agencies	: Department of Agricultural Extension (DAE)/Ministry of Agriculture : UNDP/Ministry of Chittagong Hill Tracts Affairs : Development partner basket fund (Katalyst)/Ministry of Commerce
Starting date	: July 2013
Duration	: 5 years
Budget	: Total Budget DKK 405 million. (Danish contribution/DPA: DKK 330 million GOB Contribution : DKK 75 million)

Summary description of programme:

The development objective of the programme is to contribute to an increased pro-poor and inclusive growth and sustainable employment creation.

The immediate objectives are: (i) Agricultural production of female and male marginal and small farm households increased and diversified through Integrated Farm Management (IFM) Farmer Field Schools (FFS) and (ii) Strengthening of the competitiveness of the agricultural and agro-business sectors.

In addition to supporting the overall objectives of the 6th Five Year Plan of Bangladesh the programme and its two components are also in accordance with the Millennium Development Goals, in particular the goals on eradication of extreme poverty and hunger and promotion of gender equality and empowerment of women.

The IFMC will support the core business of DAE, i.e. provide extension service through conduction of FFSs. Farmer Clubs and Farmers Organisations will be established and developed into sustainable organisations.

AFSP will be implemented by UNDP under overall supervision of the Ministry of Chittagong Hill Tracts Affairs. The AFSP in CHT II will promote IFM FFS in the Chittagong Hills Tracts..

The ABDC will support the multi Development Partner (DFID, SDC and Denmark) basket fund project titled “Agribusiness for Trade Competitiveness Program (ATC)., popularly branded as Katalyst and implemented by Swiscontact. The Ministry of Commerce will be the counterpart ministry.

Gender aspects are mainstreamed into all levels of the IFMC and AFSP, including immediate objective, outputs, activities, indicators, targets, monitoring and implementation arrangements. Katalyst is expected to place gender high on the agenda in its third phase.

The total Danish contribution to the AGEF budget is distributed among components as follows:

Component	TOTAL	Danish contribution
IFMC	300*	225
AFSP in CHT	45	45
ABDC	50	50
Reviews, Studies	5	5
Unallocated	5	5
Total	405	330

* includes GOB contribution of DKK 75 million for IFMC

EXECUTIVE SUMMARY

Objective

1. The development objective of the Agricultural Growth and Employment Programme (AGEP) is to contribute to an increased pro-poor and inclusive growth and sustainable employment creation. The AGEP will have a strong focus on both female and male beneficiaries, on supporting households in the poorer parts of the country, on using private sector instruments to take poor people (consumers, labourers and farmers) permanently out of poverty through providing value addition to agricultural produce, all leading to a more inclusive and pro-poor growth.
 2. The AGEP is fully aligned to the objectives of the 6th Five Year Plan. The requirement for large scale poverty reduction is high economic growth and associated sustainable productive employment and incomes for a sizable number of people. Economic growth by itself does not reduce poverty on a large scale, as assets and incomes in Bangladesh are very unequally distributed. An inclusive and pro poor growth strategy is therefore needed to ensure a substantial reduction in poverty.
 3. In addition to supporting the overall objectives of the 6th Five Year Plan, the AGEP is also in accordance with the Millennium Development Goals, in particular the goals on eradication of extreme poverty and hunger (goal 1) and promotion of gender equality and empowerment of women (goal 3).
 4. The strategic objectives of the 6th Five Year Plan is in full accordance with the overall objective of poverty reduction of the Danish international development assistance. Further, it is also in accordance with the Danish strategy for development cooperation “The right to a better life”. This strategy emphasise application of a human rights-based approach, including the right to food and education, generation of visible progress for the rights and opportunities of women, and reduction of poverty through green economic growth, increased employment and improvement in living conditions.
 5. Agriculture being the largest private sector in many of Denmark’s priority countries results in sustainable food production being one of the main focus areas of Danish development assistance. This implies a.o. support to the right for all people to have sufficient food, to be obtained through strengthening of the capacity of the rural population to have their say and share in both social and economic development. Strengthening the rights and ability of the rural population to withstand crisis is an integrated part of AGEP and will be directly supported through implementation of Farmer Field Schools (FFS), establishment of Farmer Clubs and support to establishment and strengthening of Farmer Organisations (FO) that enable democratically elected FO members to raise their voices and be part of establishing a civil society.
 6. The AGEP will have immediate objectives, which are within the same framework of the 6th Five Year Plan.
- Integrated Farm Management Component (IFMC)**
7. The immediate objective of the Integrated Farm Management Component (IFMC) is “Agricultural production of female and male marginal and small farm households

increased and diversified through IFM FFS”.

Within the framework of the New Agricultural Extension Policy, the IFMC will support the provision of extension services on the basis of an IFM FFS approach. Outputs of the IFMC are: (i) IFM FFS curricula for a menu of IFM modules including high-value activities with high female interest/demand developed along with supporting training packages; (ii) Capacity of Farmer Facilitators and Government of Bangladesh (GoB) field level staff developed for implementation, monitoring and backstopping of IFM FFS with special attention to female participation; (iii) IFM FFS organised and conducted with targeted farmers and in targeted locations; (iv) Curriculum for FO leaders and Department of Agricultural Extension (DAE) Upazila and field staff have been designed, reviewed and revised; (v) Capacity development of DAE officers on support to development of FOs, (vi) FOs with female and male members established with efficient agri-business plan and linked to service providers, market actors and micro-finance services; (vii) National dialogue on farmer-centred extension approaches strengthened, and

9. The expected major results of the IFMC can be summarised as follows:

- Household real income increased by 10% point compared to control group;
- 1,000,000 Female and male farmers have participated in 20,000 FFS, and
- 80% of FOs successfully linked to marketing opportunities.

Agriculture and Food Security Project (AFSP) in the Chittagong Hill Tracts

8. The immediate objective of AFSP in CHT is “agricultural production of female and male marginal and small farm households increased and

diversified through IFM FFS in the Chittagong Hill Tracts”.

The outputs of AFSP Phase II are: (i) Communities mobilised to establish FFS; (ii) Agro-ecological system assessed in new upazillas; (iii) FFS curriculum developed, (iv) Training programmes for FFS trainers/facilitators; (v) IFM-FFS implementation; (vi) Follow-up programme implemented, (vii) Union farmers’ facility centre established; and (viii) Policy, coordination and CHT institutions supported.

The expected major results are as follows:

- Household income increased by 25%,
- 50,000 male and female farmers have participated in IFM FFS

Agro Business Development Component

9. The immediate objective of the Agro Business Development Component (ABDC) is “strengthening of the competitiveness of the agricultural and agro-business sectors”.

10. The ABDC will support a multi development partner (SDC, DFID and Danida) basket fund, Katalyst , which is titled “Agribusiness for Trade Competitiveness Programme” The Ministry of Commerce will be the Counterpart Ministry.

11. The overall goal for the ATC project is”.. to contribute to sustainable poverty reduction in Bangladesh through inclusive growth and to support the country in the achievement of middle income status by 2021.

12. Some of the expected results include :

- a total additional net income of around USD 250 million for 1.5 million farmers/SMEs by 2017
- a better business and trade facilitating environment at sub-national level that attracts more private sector innovation and investment
- strengthened and more dynamic domestic markets in several agribusiness and poverty-relevant sub-sectors (e.g. maize, fish, vegetables)
- significant contribution to the achievement of Digital Bangladesh through innovative and sustainable ICT-based business models
- stronger and innovative models for public-private partnerships (e.g. between DAE and business membership organisations) in place in almost 50% of all Upazilas in the country
- a contribution to the generation of more options for export diversification in agribusiness related sectors

Specific measures to address other issues

13. Gender aspects are mainstreamed into all levels of the IFMC and AFSP, including its immediate objective, outputs, activities, indicators, targets, monitoring and implementation arrangements. A specific gender strategy for IFMC implementation has been included in the Component Description. Katalyst is expected to place gender high on the agenda in its third phase.
14. Social inclusion will be incorporated at two levels in the IFMC. As a principle, there will not be allowed any kind of discrimination against any people according to their gender, sex, ethnic group or religion.

15. In the case of AFSP in CHT, the socio-economic structure is different from the rest of the country. There is an almost equal division of the population between the Adivasi or indigenous people of CHT and the Bengali community. The Peace Accord of 1997 recognises the need to take into account the aspirations of the indigenous people and to build unity among the different population groups.

16. Environmental and climate change adaptation considerations have been directly addressed in design of the IFMC/AFSP.

17. Participation is an integral part of the FFS approach, with the experimental learning cycle being key to farmer education and empowerment. The principle of accountability is directly promoted through the process of establishing farmer clubs and building democratically operated FOs.

Budget

18. The total budget of AGEF is DKK 405 million. The Danish contribution is DKK 330 million. Budget details are found in Chapter 7 and annex 1.

Management

19. The IFMC, being designed according to the framework of the Development Project Proforma (GoB format) will have a Component Steering Committee, chaired by the Secretary, Ministry of Agriculture, and with participation of a range of government ministries, departments and organisations, including but not limited to DAE, Department of Fisheries, Department of Livestock Services and the Embassy of Denmark.

20. The AFSP is to be implemented by the UNDP-managed Chittagong Hill Tracts

Development Facility's (CHTDF), under the Ministry of Chittagong Hill Tracts Affairs (MOCHTA), and is a successor of the similarly managed AFSP I 2009-13. The rationale and justification for this project proposal is the impact and good performance of the AFSP I under the CHTDF during 2009-13, and the good performance of the Farmer Field Schools under the Danida-funded programmes in Bangladesh 2001-13..

21. Katalyst will be governed by a Joint Financing Agreement (JFA), A lead partner among the four Development Partners will be designated. The day-to-day management of Katalyst will be contracted out to an international consultancy consortium, which towards the overall Katalyst governance structure will be responsible for implementation.
22. The financial management procedures in the AGEP will follow three distinct methodologies.
 - Due to the fiduciary risks in the GoB financial systems, the financial support from Danida provided through the IFMC will follow the Decentralised Project Accounting Guidelines of Danida.
 - The financial support for the Agriculture and Food Security Project in the Chittagong Hill Tracts will be earmarked funding to UNDP-
 - The financial support provided to Katalyst will be non-earmarked funding to the basket fund, to be guided by the JFA.

Monitoring

23. The monitoring of AGEP impact will be aligned to the result based framework as set out in the Joint Cooperation Strategy signed in 2010 between the GoB and Development Partners. The indicators and

the set targets in the result based framework of the 6th Five Year Plan will be used to measure the impact of the AGEP. This includes poverty headcount ratio, rate of growth in agricultural GDP, average growth of wages in kg of rice and prevalence of underweight in children under five years. This will be supplemented by monitoring by the two components of higher and lower impact and outcome indicators.

Key assumptions and risks

24. The major assumptions are:
 - The GoB will provide all agreed staff and a full time Project Director to the IFMC;
 - The GoB shows its financial commitment to the IFMC by timely provision of its financial contribution;
 - Sector policies continue to develop in the current direction, including integration of extension services on crop, livestock and fisheries;
 - DAE continue to support FFS as an appropriate methodology for group extension;
 - The CHT Peace Accord 1997 continues to be progressively implemented.
 - Resourcing of the CHT transferred line departments of DAE, DLS and DOF will continue to improve.
 - The CHTDF or other UNDP programmatic vehicle for support in CHT will continue after 2015
 - The support to Para Development Committee (PDC) establishment will be re-instated for the five new upazila,
 - Katalyst, in its third phase has full flexibility for effective implementation according to the best international M4P principles;
 - The business environment will continue to develop and be conducive for private sector development;

- Market conditions facilitate income improvements and improved returns to labour in agriculture, and
- Social conditions allow for full participation of female and male members of households in programme activities.

25. Major risks are:

- Slow and inflexible implementation of support provided through the IFMC due to government bureaucracy;
- Coordination mechanisms between DAE, DLS , DOF other government extension service providers will not be operational,
- Coordination between Ministry of Chittagong Hill Tracts Affairs Hill District Councils and line departments in

CHT will not be effective due to institutional and other barriers;

- Gender social conditions will not allow for full participation of female members of households in FFS, training and FO activities;
- Fiduciary risks for Public Financial Management in involved government ministries, departments and organisations, and risk of corruption, and
- Market opportunities will not exist for farmers producing especially high value crops and other high value agricultural commodities.

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ABBREVIATIONS

ABDC	Agro Business Development Component
AGEP	Agricultural Growth and Employment Programme
AW&B	Annual Work plan and Budget
BDT	Bangladesh Taka
CHT	Chittagong Hill Tracts
CIDA	Canadian International Development Agency
CIP	Country Investment Plan
CMU	Component Management Unit
CSC	Component Steering Committee
DAE	Department of Agricultural Extension
Danida	Danish International Development Assistance
DCED	Donor Committee for Enterprise Development
DFID	Department for International Development
DKK	Danish Kroner
DLS	Department of Livestock Services
DoF	Department of Fisheries
DPP	Development Project Proforma
EoD	Embassy of Denmark
FF	Farmer Facilitators
FO	Farmer Organisation
FFS	Farmer Field Schools
GDP	Gross Domestic Product
GoB	Government of Bangladesh
IFM	Integrated Farm Management
IFMC	Integrated Farm Management Component
IPM	Integrated Pest Management
JFA	Joint Financing Agreement
Kg	Kilogramme
M&E	Monitoring & Evaluation
M4P	Making markets work for the poor
MOA	Ministry of Agriculture
MOC	Ministry of Commerce
MOCHTA	Ministry of Chittagong Hill Tracts Affairs
MRM	Monitoring and Result Measurement
MTBF	Medium Term Budgetary Framework
MTR	Mid Term Review
NAEP	National Agricultural Extension Policy
NGO	Non-Government Organisation
PD	Project Director
SDC	Swiss Agency for Development and Cooperation
UNDP	United Nations Development Programme
USD	United States Dollars

1. INTRODUCTION

Danida has for many years provided support to and accumulated vast experience from agricultural sector development in Bangladesh. The support began with a wide range of projects with focus on primary agricultural production both within crop, livestock and aquaculture, followed by a more programmatic approach at the beginning of the new century. Primary agricultural production was still the main element of the programmatic approach, but central level institutional and policy development support was included. In terms of value for money, it became clear that extension oriented support should be prioritised over and above institutional and policy development, which was later phased out. Support to rural roads was in the new century also included in the agricultural sector programme with a view to increase market access for smallholder farmers. As the government has allocated sufficient resources to continue this work it will not be included in the new package of assistance from Denmark.

It is the experience from other Danida supported agricultural sector programmes that the impact is increased when focus is turned towards private sector development and value added through agro-processing. The extension system in Bangladesh has traditionally only focussed on increased production and not marketability or making farming a business. The possibilities for farmers in Bangladesh to effectively market their produce will likewise increase their livelihood and add to their family income.

A programme that supports both agricultural extension and private sector agri-business development has therefore been developed during 2011-12 in consultation with the Department of Agricultural Extension (DAE) and with the multi development partner Katalyst private sector programme.

2. JUSTIFICATION

2.1 POVERTY REDUCTION

Agriculture is an important sector of the economy of Bangladesh and one of the main drivers of economic growth. The current contribution of this sector to GDP at constant prices is around 20 % with a decreasing trend over the last few years. However, there is significant indirect contribution of the sector to the overall growth of GDP. Particularly, the growth of service sectors such as wholesale and retail trade, hotel and restaurants, transport and communication, are strongly supported by the agriculture sector. Besides, about 44 % of the total labour force of the country is engaged in agricultural activities and more than 5 % of total export earnings are from agricultural products. The government is committed to achieve self-sufficiency in food by 2013 and give highest importance to the agriculture and rural development sectors in this context.

Agriculture in Bangladesh is focussed on rice production. Even though this might not be an optimal strategy for the country, the rationale is that the country should be self-sufficient in production of its main stable food item. Although rice production has managed to increase with the growing population, large scale diversification of agriculture has not taken place. Apart from the need to diversify towards higher value crops and other agricultural products, increased productivity at the farm level and value addition through processing and marketing are prerequisites to increase the prospects for inclusive economic growth.

One of the ways to increase income of smallholder and marginal farmers is to increase and diversify their production. Experience from previous support has shown that a cornerstone in this is more and better knowledge on methods and technologies, transferred to farmers through the Farmers Field Schools (FFS) methodology. The evaluation of FFS in Bangladesh shows that there is a strong production diversification effect from FFS. An integrated approach, including crop, livestock and aquaculture technologies as it may be relevant for the individual farmers in their specific contexts, has been piloted. As farmers often have possibilities to combine some or all of these activities, Integrated Farm Management (IFM) will be an integral part of the FFS approach.

There is a large scope for private investment in the agricultural and agri-business sector, both at the primary and higher levels of value chains. This does require that an enabling policy environment exists. There is a long range of constraints for the primary agricultural producers to obtain better prices, increase their marketable production and make farming a business. A concerted effort to remove obstacles and to increase the demand from the higher level actors in value chains will improve the possibilities for increasing the income of primary producers, agro-processing companies and market outlets (supermarkets etc.), leading to higher economic growth. Especially at the processing and other higher levels of the value chains will there be possibilities to increase employment.

To unleash the investment opportunities there are also a need for a much stronger regulatory framework to allow the development of secured contractual arrangements between the various actors along value chains, revision of the tariff system which is non-conducive for local production as well as a reduction of support to state entities involved in business activities which results in unfair competition and limits private investments. In addition, concerted effort at all levels to combat the widespread and intrinsic corruption is a prerequisite for a significant increase in private sector investment.

The Agricultural Growth and Employment Programme (AGEP) is fully aligned to the objectives of the 6th Five Year Plan. The requirement for large scale poverty reduction is high economic growth and associated sustainable productive employment and incomes for a sizeable number of people. Economic growth by itself does not reduce poverty on a large scale, as assets and incomes in Bangladesh are very unequally distributed. An inclusive and pro poor growth strategy is therefore needed to ensure a substantial reduction in poverty.

With low productivity and income in the agricultural sector an important strategy will be to shift a large number of people employed in low productivity agriculture to higher productivity sectors of the economy, including manufacturing. This should be done concurrently with creating more employment opportunities in the manufacturing sector. But also through a strategy of increasing land productivity and increasing diversification of the agricultural production, as agricultural diversification in and between both crop and non-crop sectors, by shifting from lower to higher value added production, will promote commercialisation of agriculture and increase farm household incomes.

The driving forces for transforming the economy towards a higher growth path will be the expansion of a labour-intensive export-oriented manufacturing sector, and a much more diversified, commercially motivated agricultural sector. To reach this goal, the competitiveness of both the agricultural and manufacturing sectors needs to be increased.

The evaluation of FFS investments in Bangladesh has shown that the average annual income within households that have participated in a FFS has increased significantly more than in control village households, providing a clear indication that FFS investments generate growth in income at the household level. Considering the small size of landholdings and the structure of the agricultural sector this does not necessarily have positive direct employment effects, although it can reduce under-employment and in some cases lead to direct increase in wage employment. However, the higher income results in both increased capital formation and consumption, which will increase employment through multiplier effects. There are also clear indications in the FFS evaluation that the FFS approach as applied in Bangladesh has a positive (above one) benefit-cost ratio, with a pay-back period of less than a year of FFS investments, i.e. the average initial investment cost of carrying out a FFS is less than the average annual increase in income as a result of participation in the FFS. When the households continue to apply the knowledge and methodologies learned from the FFS, investments in FFS are clearly both viable and sustainable.

2.2 EXPECTED RESULTS

The expected major results of AGEP can be summarised as follows:

IFMC:

- Household real income increased by 10% point compared to control group;
- 1,000,000 female and male participants have participated in 20,000 FFS, and
- 80% of Farmer Organisations (FO) successfully linked to marketing opportunities.

AFSP in CHT

- Household income increased by 25%,
- 50,0000 female and male farmers have participated in IFM FFS

ABDC

- a total additional net income of around USD 250 million for 1.5 million farmers/SMEs by 2017
- a better business and trade facilitating environment at sub-national level that attracts more private sector innovation and investment
- strengthened and more dynamic domestic markets in several agribusiness and poverty-relevant sub-sectors (e.g. maize, fish, vegetables)
- a significant contribution to the achievement of Digital Bangladesh through innovative and sustainable ICT-based business models
- stronger and innovative models for public-private partnerships (e.g. between DAE and business membership organisations) in place in almost 50% of all Upazilas in the country
- a contribution to the generation of more options for export diversification in agribusiness related sectors

More details on indicators and targets can be found in the Component Document/Project Proposal/Concept Note.

The above results are the means that will contribute to an increased inclusive growth and sustainable employment generation in Bangladesh benefitting both women and men.

2.3 MAJOR DIFFERENCE AGEP WILL MAKE

The Danish support will especially make a difference in the following areas:

- Although DAE has implemented the concept of FFS for many years, it will not have the same impact on e.g. poverty reduction, inclusion of female farmers and nutrition if there had not been and will not be Danish/international support including technical assistance. Likewise, a much higher focus on non-rice crops and a large scale introduction of IFM principles is not likely to happen without continued technical and other types of assistance. The FFS evaluation has shown that the implemented FFS approaches have had a positive impact;
- The establishment and strengthening of FO on the basis of a dual approach of securing the right of female and male farmers to raise their voices and be part of a civil society on the one hand, and of a business oriented approach to FO development on the other hand would not receive support from a government (non-Development Partner) supported project;
- AGEP will contribute in capacity building of the Hill District Councils in the Chittagong Hill Tracts;
- AGEP will strengthen the coordination between the Hill District Councils and the line departments.
- The AGEP will through its support to all levels of agri-business value chains provide a link between farmers and the wider markets and offer an opportunity for value addition to agricultural produce thereby increasing the poverty reduction effect, and
- Further, support to a new phase of the Katalyst basket fund will improve the possibilities to increase its outreach and close the funding gap when CIDA withdraw their support at the end of the second phase of Katalyst.

3. SUMMARY OF DESIGN

3.1 STRATEGIES

The strategic objectives of the 6th Five Year Plan is in full accordance with the overall objective of poverty reduction of the Danish international development assistance. Further, it is also in accordance with the Danish strategy for development cooperation “The right to a better life”. This strategy emphasise application of a human rights-based approach, including the right to food and education, generation of visible progress for the rights and opportunities of women, and reduction of poverty through green economic growth, increased employment and improvement in living conditions.

One of the strategic priority areas for the Danish international development assistance is sustainable green economic growth and employment, with focus on promoting private sector led economic growth, enabling increased earnings, productivity and competitiveness. A sustainable increase in agricultural sector productivity and production is the foundation for permanent poverty reduction for the majority of poor women and men in rural areas of Bangladesh. The AGEP will lift small and marginal farmers out of poverty a.o by increasing their income as well as improving the living conditions of poor people in their capacity of producers, labourers and consumers. This will be obtained through a variety of means: Training through the FFS approach which will enable farmers to diversify their production towards higher value crops, application of Integrated Pest Management

(IPM) approaches which will reduce costs of farmers in addition to being environmental friendly, organising farmers to enable bulk purchase and selling leading to higher farm profitability, linking organised farmers to private sector agri-business companies and providing support also to the higher levels of profitable value chains. In consideration of the structure of the agricultural sector in Bangladesh with very small landholdings, the positive direct job creation effect will mainly materialise through the support to higher levels of agri-business value chains. The strategy in AGEP is to work at all stages of selected value chains from the farmer to the end consumer levels, depending on identified constraints and opportunities. This does also include emphasis on an improved enabling business environment, being an integrated part of the Making markets work for the poor (M4P) approach of Katalyst.

The AGEP is aligned to the Vision 2021, which a.o is emphasising the need for a vigilant and active civil society to ensure that democratically elected institutions are working effectively. The role of the civil society in this respect is to enforce transparency and accountability on the part of the political leaders and government officials, as well as engaging in a continued process of dialogue with politicians and government officials, especially at the local level. The AGEP support to establishment of FOs will play an important role in building an active civil society at the local level.

The AGEP has also been designed within the framework of the Bangladesh Country Investment Plan (CIP). Of the 12 CIP programmes, Danida is directly mentioned as main Development Partner involved in five of the programmes: (i) “Integrated research and extension to develop and propagate sustainable approaches to climate change”, (ii) “Supply and sustainable use of agricultural inputs”, (iii) “Fisheries development programme”, (iv) “Livestock development programme”, and (v) “Access to markets, improved agricultural value added, increased non-farm income”. AGEP is also aligned to the CIP programme “Community based nutrition activities through livelihood approaches”.

The Joint Cooperation Strategy between the GoB and the group of Development Partners as signed in 2010 emphasise both the alignment and harmonisation agenda. Selection of partners in AGEP is based on the mandate and capacity of DAE (core partner of the IFMC); UNDP’s past experience in Chittagong Hill Tracts, especially in implementing AFSP I in CHT and of the role played by Katalyst (partner of the Agro Business Development Component). Although the alignment agenda is not an effective way to reach aid effectiveness in the bureaucratic and very corrupt context of the public sector in Bangladesh, the IFMC is implemented under the auspices of DAE and there is alignment to the New Agricultural Extension Policy (NAEP), the National Agricultural Policy, National IPM Policy, National Seed policy, the National Fisheries Strategy and Action Plan, the National Livestock Policy and the National Food Policy. To participate in a basket fund with other Development Partners is also in full accordance with the harmonisation agenda as agreed in the Joint Cooperation Strategy. The Katalyst programme is aligned to the Export policy (2009-12), which emphasise export diversification and mentions agro-products and agro-processed products as one of the highest priority sectors in this respect.

The GoB has increasingly prioritised the provision of extension service through the Medium Term Budgetary Framework (MTBF). The non-development part of the DAE budget (consisting of more than 60 % of the total DAE budget) is projected to increase until 2016/7. The budget projections in the MTBF for the Ministry of Agriculture (MoA) indicate an increasing trend in both the development and non-development budgets. The total Danida contribution to the IFMC budget is less than 5 % of the total MoA development budget.

There are three main exit strategies in the AGEF. (i) A wider application, also within DAE, of the successful (as demonstrated in the FFS evaluation) extension approaches developed through many years of project support, will be directly addressed in the IFMC through establishment of a national platform for extension actors. (ii) Through the capacity building of Hill District Councils/line departments in CHT and strengthening the collaboration between HDCs and line departments, UNDP's role may be gradually phased out. (iii) ATC project will include a built-in exit strategy

3.2 SYNERGIES

The dual approach of supporting both primary agricultural production and the subsequent higher levels of value chains provide ample scope for creating practical links and synergies between the two components. Agro-businesses including processors have an interest in being able to effectively source large amounts of inputs in terms of quality agricultural produce. This is facilitated through the AGEF support to FFS as a first step but in particular through the formation and strengthening of commercially oriented FOs, which will be able to perform and benefit from collective marketing. The strategy is to deepen the support to FOs with a strong focus on creating a critical mass of produce that can be channelled to the market and agro-processors, a process that will be driven partly by the commercial incentives on the sides of both suppliers and buyers of agricultural products, partly by the strong focus on linkage building in – and between - the components of AGEF. The established linkages between the on-going Danida intervention in support of primarily aquaculture on the one hand and companies supported by the second phase of Katalyst on the other shows the potential scope. The design of the third phase of Katalyst will emphasise the need to establish new and strengthen existing linkages to FOs being promoted by the IFMC. Focus will in the IFMC also be on linking FOs to market players who do not necessarily obtain support from Katalyst.

3.3 SELECTED IMPLEMENTATION MODALITIES

The objectives of the 6th Five Year Plan underpin the selection of components in the AGEF. Agricultural commercialisation, diversification and agro-processing are all key elements of both the 6th Five Year Plan and the AGEF.

Danida has a long experience in working with the DAE, the core government institution providing extension service to farmers. While other government departments also provide extension service (Department of Fisheries (DoF) and Department of Livestock Services (DLS)), these are not effectively staffed at the lowest organisational levels and are generally regarded as less strong organisations compared to DAE. To effectively implement an IFM approach at farm level it is needed that only one organisation be made responsible for implementation. Experience shows that there is a high degree of departmentalisation in the public sector in Bangladesh, resulting in non-optimal effects of projects implemented across various departments. To benefit from the long cooperation with DAE, this organisation has been selected as the core implementing institution for FFS activities.

The national institutional set-up is different in CHT, in that all development activities are under the responsibility of the Ministry of Chittagong Hill Tracts Affairs and the Hill District Councils. AFSP II will be delegated to UNDP, which is responsible for implementation of a large umbrella programme, Chittagong Hill Tracts Development Facility, a programme that also includes agriculture. A new phase of this umbrella programme is expected to be developed.

Support to agro business development needs to be provided through a highly flexible instrument to have impact. The ABDC will support the multi development partner (SDC, DFID and Danida) basket fund, Katalyst , which is titled “Agribusiness for Trade Competitiveness Project”. The Ministry of Commerce will be the Counterpart Ministry.

The AGEF will have a high degree of focus on pro-poor inclusive growth. The target group for the IFMC will be female and male landless, marginal and small farm households. While the IFMC will be nationwide in coverage, there will be a specific focus on the delta regions and the North West .. Criteria for selection of Upazilas to be covered by the IFMC for FFS implementation will a.o include poverty mapping in order to include the most vulnerable and poor areas of the country. However, the need for establishing sufficient volume in terms of agricultural produce for processing and marketing, which is a prerequisite for increased investments at the higher levels of the value chains, calls for a deepening of support to FOs. This will imply designing a range of criteria for selecting the specific intervention areas for the FO support. Criteria could include value chains identified by Katalyst or others as being profitable and having a high potential for expansion in terms of volume, profitability and employment, and existence of already well-functioning FOs. AFSP will focus on all 25 Upazillas of CHT. The immediate objectives identifies “the female and male marginal and small farm households of CHT” as the primary target group, but further segmentation of this target group may be necessary. This includes all ethnic groups. Secondary target groups for AFSP are: (i) the relevant value chain actors; including traders, processors, suppliers, exporters, (ii) supporting CHT line departments and local government entities.

4. DEVELOPMENT OBJECTIVE

Within the above framework the development objective of the AGEF will be “*to contribute to an increased pro-poor and inclusive growth and sustainable employment creation*”. The programme will have a strong focus on both female and male beneficiaries, on supporting households in the poorer parts of the country, on providing value addition to agricultural produce also from the poorer segments of the population, all leading to a more inclusive and pro-poor growth. Direct support to employment generation will not be provided, but increased job creation and sustainable employment opportunities are expected to be generated especially through the higher level of economic activity as a direct result of the interventions supporting value added to agricultural produce. Apart from supporting the overall objectives of the 6th Five Year Plan it is also in accordance with the Millennium Development Goals, in particular the goals on eradication of extreme poverty and hunger (goal 1) and promotion of gender equality and empowerment of women (goal 3).

5. IMMEDIATE OBJECTIVES

The AGEF will have two immediate objectives, both of which are within the same framework of the 6th Five Year Plan.

5.1 INTEGRATED FARM MANGEMENT COMPONENT

The immediate objective of the IFMC is “Agricultural production of female and male marginal and small farm households increased and diversified through IFM FFS”.

Within the framework of the NAEP, the IFMC will support the provision of extension services on the basis of an IFM FFS approach. Outputs of the IFMC are: (i) IFM FFS curricula for menu of IFM modules including high-value activities with high female interest/demand developed along with supporting training packages; (ii) Capacity of Farmer Facilitators (FF) and GoB field level staff developed for implementation, monitoring and backstopping of IFM FFS with special attention to female participation; (iii) IFM FFS organised and conducted with targeted farmers and in targeted locations; (iv) Curriculum for FO leaders and DAE Upazila and field staff have been designed, reviewed and revised; (v) Capacity development of DAE officers on support to development of FOs, (vi) FOs with female and male members established with efficient agri-business plan and linked to service providers, market actors and micro-finance services; and (vii) National dialogue on farmer-centred extension approaches strengthened,

The strategy to reach the immediate objective include:

- Mainstreaming gender into all levels of IFMC implementation. This will a.o be addressed through assigning specific gender monitoring and implementation responsibilities within the IFMC management arrangement at national and regional level, through Gender Focal Points, and by including gender related responsibilities in all job descriptions. A specific gender strategy for the IFMC implementation has been made and is an integrated part of the IFMC Description.
- The IFMC will be implemented with a strong focus on quality, which will be maintained throughout implementation. The strength of the FFS approach is that it is not limited to technology transfer. It is equally important that the FFS encourages sharing of information amongst the farmers and stimulates the groups of farmers to consciously analyse and learn from experience. The experimental learning cycle is the key to farmer education and empowerment. Therefore capacity development of FFs will have its main emphasis on facilitation skills.
- The concept of IFM FFS recognises that the livelihood of marginal and small farmers is diversified in order to offset risk so that the FFS should combine crops, including vegetables and fruit from the homestead, livestock and freshwater aquaculture into a single framework.
- An important focus in the IFMC is on diversification into high value agricultural produce. The curriculum in the IFM FFS will be widened to include higher value commodities selected by the farmers on the basis of local comparative advantage.
- The FFS approach will be widened to stress whole farm production planning including production for the market thus encouraging farmers to seek to market their surplus production, however limited.
- It is considered relevant and feasible to provide support to establishment and strengthening of only a selected number of FOs. It is the strategy to use a gradual geographic roll out of the support to FOs. To ensure that the provided assistance has sufficient impact, particularly in linking the FOs to the relevant value chains in order to improve the returns for the farmers, the strategy is to deepen the process by establishing and strengthening only a selected number of FOs identified as having potential in terms of having market opportunities.
- The formation and strengthening process of FOs will be guided by the principles of right based approaches, in which the FOs also will be able to address wider social and other issues of importance for the well-being of both female and male farmers.
- To enable FOs to financially sustain themselves they will undertake income generating activities and play a key role in the marketing process from which they will have an opportunity to obtain an income. The IFMC will facilitate linkages to financial service providers (Micro Finance

Institutions and other available financial resources) as well as to input and output markets as and when relevant and advantageous to farmer members.

- To ensure sufficient capacity within IFMC for support to establishment and strengthening of FOs and in consideration of the workload, experience and profile of DAE staff, hired national technical assistance with a mixture of strong social mobilisation, institutional strengthening, human resource development, business and financial skills will be the main IFMC staff responsible for implementation of support to FOs.
- Strengthening of the national dialogue on farmer centred extension approaches will be led by DAE. Through structured discussions among all major extension providers, including but not limited to DAE, DoF, DLS, various projects implemented by these organisations, larger NGOs and private sector companies, a common understanding of different approaches as well as of activities being implemented by the players in the national agricultural extension system, will be made.
- The aims of the dialogue are twofold: As an exit strategy for Danida assistance there should be a wider application of the successful (a.o demonstrated in the FFS evaluation) extension approaches developed through many years of project support. Further, the dialogue should be used as a platform for wider exchange of information, ideas, best practises and possible joint cooperation between different players, including existing and future projects.

The inherent logic of the IFMC is that the participatory FFSs will lead to increased empowerment in terms of practical, social and economic skills of farmers, provided participants are able to absorb the field training and increase their level of knowledge. The empowerment will lead to changed farming practises, to the degree farmers are able to apply their increased skills in terms of adopting new or improved technologies and farm management practices. The changed farming practises can result in increased production, diversification, marketing and/or increased productivity, with the aim of increasing income and employment and improving the nutritional status of household members.

5.2 AGRICULTURE AND FOOD SECURITY PROJECT IN THE CHITTAGONG HILL TRACTS

In CHT the institutional structure is different from the rest of the country. Following the Peace Accord in 1997, HDCs were established and made responsible for coordination of development activities and for coordinating line departments. All line department staff are either on deputation to the HDC or recruited directly by the HDCs, and the budget of the line departments are with the HDCs. This results in the need for having a separate implementation mechanism for support to IFM FFS in CHT. This institutional platform also provides an opportunity for strong coordination between line departments and for implementation of an IFM approach.

The UNDP is managing a multi-donor funded Chittagong Hill Tracts Development Facility and, as part of this Facility and with financial support from Danida, UNDP manages the on-going Agricultural and Food Security Project from 2009 – 2013 (AFSP Phase 1). The implementation of AFSP Phase II will also be delegated to UNDP. The Ministry of Chittagong Hill Tracts Affairs (MOCHTA) will be the counterpart ministry.

The Immediate Objective of AFSP in CHT is “agricultural production of female and male marginal and small farm households increased and diversified through IFM FFS in the Chittagong Hill Tracts”.

The outputs of AFSP in CHT are i) Communities mobilised to establish FFS; ii) agro-ecological system assessed in new upazillas; iii) FFS curriculum developed; iv) training programmes for FFS trainers/facilitators; v) IFM-FFS implementation; vi) follow-up programme implemented; vi) Union farmers’ facility centre established; and vii) policy, coordination and CHT institutions supported. The immediate objectives identifies “the female and male marginal and small farm households of CHT” as the primary target group, but further segmentation of this target group may be necessary. This includes all ethnic groups.

Secondary target groups for AFSP are: (i) the relevant value chain actors; including traders, processors, suppliers, exporters, (ii) supporting CHT line departments and local government entities.

5.3 AGRO BUSINESS DEVELOPMENT COMPONENT

The ABDC will support the multi development partner (SDC, DFID and Danida) basket fund, which is titled “Agribusiness for Trade Competitiveness Programme The Ministry of Commerce will be the Counterpart Ministry. The overall goal for the ATC project is”.. to contribute to sustainable poverty reduction in Bangladesh through inclusive growth and to support the country in the achievement of middle income status by 2021.

The strategic rationale for joining a new phase of Katalyst is that with its application of the M4P approach and consequent unique position among agro-business development programmes in Bangladesh, Katalyst offers a natural platform for the implementation of the Danida Private Sector Agro-business Development Component. Compared to the alternative of establishing an own Danida supported implementation set-up, the option of joining the group of Development Partners behind Katalyst is obviously beneficial.

The following considerations support this: (i) Katalyst has been through the resource and time consuming process of establishing an organisational structure with specialised professional capacity for implementation of activities in accordance with M4P principles; (ii) Although in principle working in all sectors, Katalyst is primarily engaged in agro-business value chains and market systems; (iii) In a development assistance environment like the one in Bangladesh where alignment is very challenging, joining Katalyst would enhance harmonisation among Development Partners supporting private sector development thereby contributing to implementation of the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action and the Busan Partnership for Effective Development Co-operation; (iv) Placing the implementation of the Private Sector Agro-business Development Component with Katalyst would require only few personnel resources from the EoD; and (v) By joining Katalyst, Danida would be involved in a programme that covers most aspects of a full-scale business sector support programme.

The Developing Business Services Markets (DBSM) Project, which ran in two phases from 2002 to 2013, has been an example of successful collaboration between the Ministry of Commerce and its development partners in the field of *private sector-led market development*. With support from the MOC and other GoB agencies, and implemented by Swiscontact, the project has evolved from its

original focus on business development services for SMEs to a highly *innovative and systemic approach* to change behaviour of public and private market actors.

DBSM has yielded some impressive achievements, and has gained global recognition as a flagship programme in the area of private sector development. In many ways Bangladesh - through DBSM - has set the pace for the rest of the world in this area and has carried a positive message for a country that is all too often – undeservedly - negatively reflected in global media.

The programme is well on track to meet its ambitious phase 2 targets of reaching 2.3 million farmers and SMEs exhibiting improvements in competitiveness and contributing to an additional accumulated net income of USD 280 million by December 2013 (0.3% of the country's GDP). Independent reviews conducted in 2010 (Mid Term Review) and 2012 (Annual Review) have confirmed the programme's effectiveness in achieving a large outreach with strong impact. It has further been among the best performing projects in terms of disbursement according to MOC TPP with almost 95% 3 months before the end of phase 2 in March 2013.. The new project will be based on the learnings made by DBSM.

The new project is titled "Agribusiness for Trade Competitiveness Project (ATC)". The overall goal of the ATC project is to '...contribute to sustainable poverty reduction in Bangladesh through inclusive growth and to support the country in the achievement of middle income status by 2021' as outlined in the Perspective Plan. With poverty still being to a wide extent a rural phenomenon the main focus of the project will be on the rural economy in Bangladesh, where the project will '...contribute to increased income of small enterprises'.

The *expected results* include:

- a total additional net income of around USD 250 million for 1.5 million farmers/SMEs by 2017
- a better business and trade facilitating environment at sub-national level that attracts more private sector innovation and investment
- strengthened and more dynamic domestic markets in several agribusiness and poverty-relevant sub-sectors (e.g. maize, fish, vegetables)
- a significant contribution to the achievement of Digital Bangladesh through innovative and sustainable ICT-based business models
- stronger and innovative models for public-private partnerships (e.g. between DAE and business membership organisations) in place in almost 50% of all Upazilas in the country
- a contribution to the generation of more options for export diversification in agribusiness related sectors

The proposed project will be implemented by Swiscontact, an international NGO with a proven track record of delivering high quality projects applying an innovative market and private sector development approach in several countries at global level.

The *Ministry of Commerce* (MOC) will be the counterpart ministry due to its longstanding experience with the implementation of DBSM and the market development approach, as well as its focus on issues of competitiveness and strengthening of domestic/international markets, which are at the heart of ATC-P.

The project will support MoC to fulfil its mandate in the area of (i) market diversification, product diversification (ii) Value addition and value chain Improvement (iv) Various supply chain constraints such as capacity, export competitiveness, supply chain management including

packing, for which a close and constructive, collaboration between MoC leadership and he project will be necessary. However, most importantly, fund for the project will not be released by donors before the approval of the project by the competent authority of the Government of Bangladesh so that project implementation cannot be started before such approval.

The new programme will focus on a broad range of areas, all of which are aligned with the Perspective Plan. The major intervention activities to be undertaken in these areas are

- Strengthening Public Private Partnership,
- Financing ICT Service Markets for a Digital Bangladesh
- Developing Post-Harvest Practices
- Creating Innovative Agri-Business Solutions.

6. SPECIFIC MEASURES TO ADDRESS OTHER ISSUES

Gender aspects are mainstreamed into all levels of the IFMC/AFSP , including immediate objective, outputs, activities, indicators, targets and implementation arrangements. Included in the gender strategy are five areas of specific attention, which all will be dealt appropriately with during implementation. These are: (i) People: Selection of participants, trainers, staff, (ii) Training: Content and implementation, (iii) Income: Control over generated income and related household and family issues, (iv) Groups and FOs: Membership, development of leadership, and (v) Monitoring and Evaluation (M&E).

Katalyst is expected to place gender higher on the agenda in its third phase based on the recommendations of the MTR. Mainstreaming gender into the AGEF, including improvement of women's employment opportunities, is in full line with the strategy of the 6th Five Year Plan for addressing gender issues.

Social inclusion will be incorporated at two levels in the IFMC. As a principle, there will not be allowed any kind of discrimination against any people according to their gender, sex, ethnic group or religion.

In the case of AFSP in CHT, the socio-economic structure is different from the rest of the country. There is an almost equal division of the population between the Adivasi or indigenous people of CHT and the Bengali community. The Peace Accord of 1997 recognises the need to take into account the aspirations of the indigenous people and to build unity among the different population groups. AFSP is working specifically in CHT in full accordance with the Peace Accord, will directly address social inclusion issues.

Environmental considerations have been directly addressed in design of the IFMC. The IFM approach incorporates principles of nutrient recycling between crops, livestock and aquaculture. The farmer learning process will include options for recycling of crop residues and animal manures for aquaculture and homestead gardening as well as reuse of pond water for small scale irrigation of crops on pond banks and watering of livestock. In addition, the crop modules of IFM FFS will include the principles of IPM and integrated nutrient management that will discourage farmers from the indiscriminate use of pesticides and chemical fertilizers and provide information on cheaper and more environmental friendly methods.

AFSP seeks to address several environmental issues including land degradation and will promote environmentally sound farming technologies, erosion control, the use of natural fertilizers and pesticides and will seek to preserve the bio-diversity of the area.

In the third phase of the Katalyst programme, environmental considerations will as well be included. Working with private sector companies might involve the need for Environmental Impact or other assessments depending on facilitated investments, and Occupational Health and Safety considerations will as well be included where relevant.

The principles of the FFS approach will strengthen the ability of farmers to assess and deal with emerging challenges and will give them tools to enable them to adapt to climate change. Climate change adaptation methods addressed in this way will include testing of new varieties and husbandry methods. In addition, the FFS approach assists farmers to be better prepared for an uncertain future and encourage flexibility and experimentation, both essential skills for farmers living in a climate change prone country. Involvement of farmers and their organisations in adaptive research will also ensure the relevance of adaptations within the particular resource contexts.

Participation is an integral part of the FFS approach, with the experimental learning cycle being key to farmer education and empowerment. The principle of accountability is directly promoted through the process of establishing Farmer Clubs and building democratically operated FOs.

7. BUDGET

Table 1 presents the total budget along with the Danish contribution.

Table 1 Total AGEP Budget in DKK Million

MAIN OUTPUTS	DKK MILLION	Danida Contribution
1. Curriculum development	1	1
2. Capacity development	11	6
3. IFM FFS implementation	161	123
4. Farmers Organisation	15	15
5. National dialogue	1	1
Long term international Technical Assistance	12	12
Other technical assistance, staff, operations	79	54
Contingency	20	13
Sub-Total IFMC	300	225
AFSP in CHT	45	45
ABDC	50	50
Reviews, Studies	5	5
Unallocated	5	5
Grand Total	405	330

* With total GOB contribution of DKK 75 million (for IFMC)

8. MANAGEMENT AND ORGANISATION

In consideration of the two distinct implementation arrangements in the AGEP, with the IFMC being implemented within the framework of a government system on the one hand and the support to a highly flexible multi development partner basket fund on the other, it is not beneficial to establish a joint (of the two components) programme steering committee.

The IFMC, designed according to the framework of the GoB Development Project Proforma (DPP) will have a Component Steering Committee (CSC), chaired by the MoA, and with participation of a range of government ministries, departments and organisations, including but not limited to DAE, DoF, DLS, a representative from the Ministry of Chittagong Hill Tracts Affairs and the EoD.

The responsibility of the CSC will be to approve the Annual Work plans and Budget (AW&B), the IFMC inception report, half yearly progress and financial reports as well as the final report, monitoring of impact and outcome, making decisions on deviations from plans and budgets, including changes in outputs and budget reallocation between these, and endorsement of terms of reference for joint reviews and of review recommendations.

The IFMC will be managed on a day-by-day basis by a DAE designated Project Director (PD) with assistance from a Senior Adviser. Being a component that to a high degree will transfer technical knowledge to farm households, develop capacity at several layers of the GoB system as well as support institution building of FOs, and which will be implemented within the framework of a Decentralised Project Accounting system due to fiduciary risks, two long term international advisers will be employed. In addition, long term national technical assistance staff will be contracted for specific areas (a.o financial management, M&E, training and extension).

AFSP in CHT will be managed by UNDP, through the CHT Development Facility and its existing management structures, and under the guidance of the National Steering Committee (NSC) and with inputs from the national Technical Advisory Committee. The UNDP Director for CHTDF will be ultimately responsible for DANIDA funds and the overall management of AFSP. AFSP will be delivered through the existing CHTDF Community Empowerment Programme (CEP). The Chief, CEP, located in the Rangamati office, is responsible for CEP and will thus also be responsible for implementation of AFSP. Day to day management, planning, monitoring and evaluation, and reporting, is the responsibility of the Chief, CEP, supported by the AFSP Programme Officer and with the M&E Officer.

Katalyst will be governed by a Joint Financing Agreement (JFA),. A lead partner among the four development partners will be designated. The day-to-day management of Katalyst will be contracted out to an international consultancy consortium which towards the overall Katalyst governance structure will be responsible for implementation.

9. FINANCIAL MANAGEMENT AND PROCUREMENT

The financial management procedures in the AGEP will follow three distinct methodologies.

IFMC: Due to the fiduciary risks in the GoB financial systems, the financial support from Danida provided through the IFMC will follow the Decentralised Project Accounting Guidelines of Danida.

AFSP in CHT: All the financial arrangements and reporting will be done as per the UNDP Direct Execution (DEX)/Direct Implementation Modality (DIM) guidelines and as per UNDP financial rules and regulations. All the expenditures will be recorded in Combined Delivery Reports (CDRs) and appropriate expenditure control mechanisms and internal controls will be introduced to be in line with UNDP Internal control framework

ABDC/Katalyst: The financial support provided to Katalyst will be non-earmarked funding to the basket fund, to be guided by the JFA.

9.1 BUDGETING AND FLOW OF FUNDS

IFMC: Work planning and budgeting in the IFMC will be managed by the Component Management Unit (CMU) following the allocation in the Annual Development Plan (ADP) . A condition for transfer of funds to the IFMC is that there exists a work plan and budget approved by the CSC. The following overall procedures will apply in transferring fund to IFMC:

- Funds from the GoB to the IFMC will be transferred to a separate GoB account on the basis of fund request submitted by the PD following GoB financial procedures. The PD is the signatory to payments from this account but there must be a consultation in CMU for agreement to the expenditure from this fund.
- Funds from Danida to the IFMC will be transferred on the basis of the quarterly requesting release of funds from the EoD. The EoD will make funds available through a separate, non-convertible currency account (in BDT) in the name of the IFMC. A system of double signatories will apply for payments, where the PD and the Senior Adviser will both sign vouchers and cheques based on the decisions of CMU.
- Payments in foreign currency to suppliers/contractors/service providers will be done directly by the EoD based on signed contracts and conditions of payment, provided that the CMU has endorsed the transaction.
- All costs associated with long term international advisers will be directly paid by Danida.

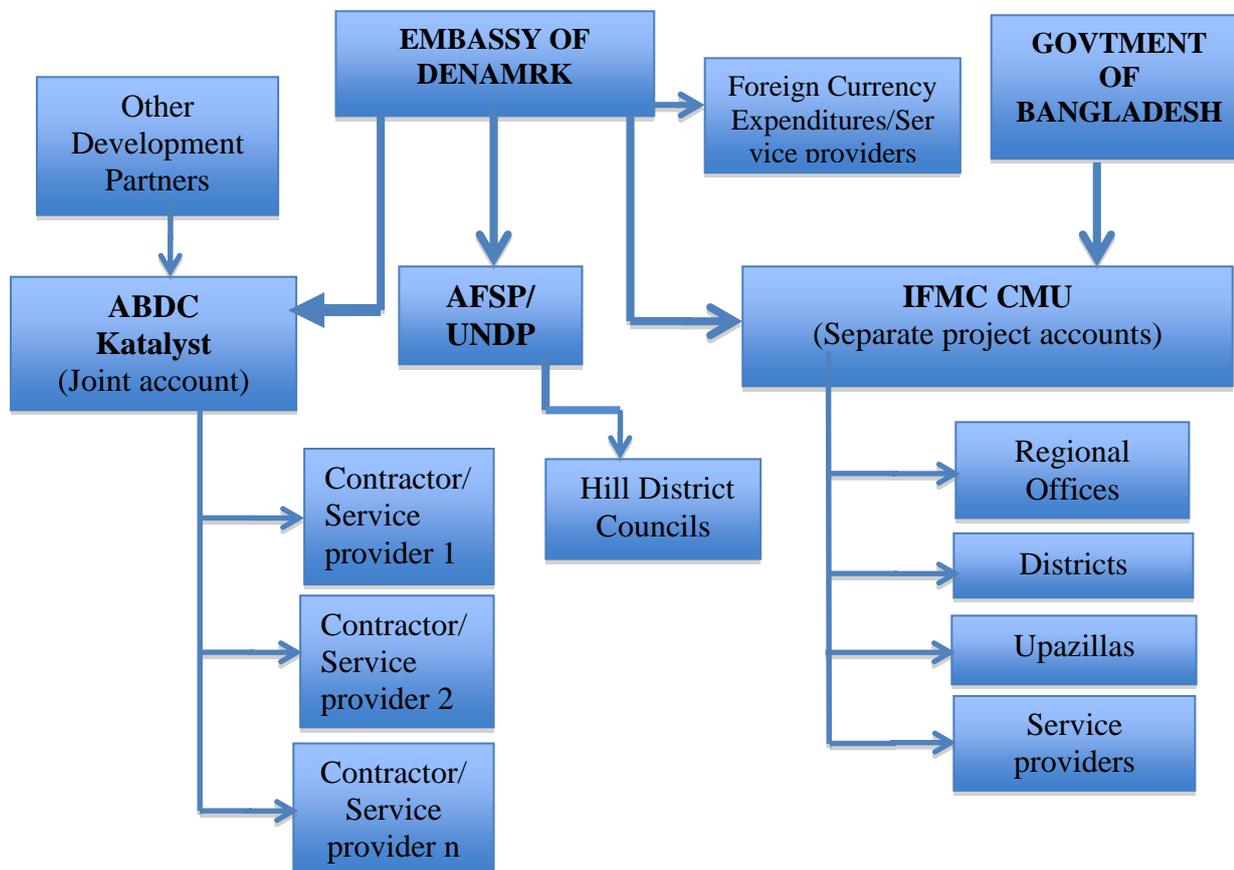
AFSP in CHT: Danida will transfer funds to UNDP/CHTDF, which will transfer funds directly to the Hill District Councils (HDCs) to support the relevant AFSP II activities. Each Hill District Council has, in this context, a Project Implementation Committee (PIC). These have been established to oversee CHTDF funded activities and will as such also oversee the proper financial management of these funds. UNDP may, over time, route funding for HDCs through MoCHTA or other central institutions moving gradually towards piloting a national financing mechanism for HDCs and aligning further development finance with national systems. For field level activities, the HDCs will directly disburse funds to the PDC, using the PDC Bank Account.

ABDC/Katalyst: In the ABDC, the AW&B will be prepared by the Katalyst contractor for approval by the Development Partner consortium according to the procedures to be agreed to in the JFA. Funds from Danida will on the basis of the AW&B and a request for funding be transferred to a joint convertible currency bank account.

The planning, budgeting, accounting, auditing and procurement procedures to be set up by the Katalyst contractor will have to be endorsed by the overall Katalyst governance mechanism before Danida funding can be transferred to the basket fund. These procedures will follow internationally accepted standards. Danida reserve the right to examine and assess the procedures of Katalyst at any time in order to secure that these are acceptable.

The overall flow of funds within AGEP is shown in figure 1.

Figure 1 AGEP Flow of Funds



Note: All recipients of funds will provide financial reporting to the organisation/unit having provided the funds.

The DPP for the IFMC and the Project Proposal on AFSP in CHT provide more detailed descriptions of funds flow and financial reporting lines.

All transfer requests to the EoD must include information on the amount and the bank account into which the money is to be deposited. A copy of the bank statement with a reconciliation of the bank account must be attached to the request. A receipt should be submitted to the EoD as soon as the funds have been received.

9.2 ACCOUNTING

IFMC

Accounting within the IFMC will follow the Accounts Manual to be prepared. The Accounts Manual will have to be approved by the EoD.

Accounting as well as financial reporting from the IFMC CMU will be conducted in BDT. Any payments made in other currencies by the EoD will be converted into BDT in the accounts at the time of transaction. As the appropriations from Danida is in DKK, the EoD will monitor currency fluctuations' influence on commitments and disbursements insofar these are made in other currencies.

AFSP in CHT

All the financial arrangements and reporting will be done as per the UNDP Direct Execution (DEX)/Direct Implementation Modality (DIM) guidelines and as per UNDP financial rules and regulations. All the expenditures will be recorded in Combined Delivery Reports (CDRs) and appropriate expenditure control mechanisms and internal controls will be introduced to be in line with UNDP Internal control framework

ABDC/Katalyst

The Katalyst procedures for financial management must comply with International Financial Reporting Standards. In cases of shortcomings, the Katalyst procedures must be strengthened as needed to ensure acceptable fiduciary standards.

This implies that accounts must be kept in accordance with international standards, ensuring that:

- The grants from Danida and other Development Partners are entered into the accounts as income;
- Reporting on expenditures is of at least the same level of detail as in the grants budget;
- All expenditures are documented by vouchers, original invoices and original, signed receipts;
- A register is maintained of equipment and other assets financed from the grants;
- Acceptable control procedures are put in place, and accounts are signed by the responsible management, and
- The administration adheres to established written procedures.

The accounting periods of the GoB, UNDP and Katalyst will be followed for financial reporting. However, financial reporting will also be made according to the calendar year.

Interest accrued from bank holdings must be returned to the EoD on an annual basis, immediately following the end of the foregoing fiscal period, for onward transfer to the Danish Ministry of Finance.

The accounting documents and records must be kept for five years after the completion of AGEF. The documents and records shall be made available for control purposes to the Auditor General of GoB, the Danish Auditor General and/or to the Headquarter of Danida or their representatives, upon request.

9.3 AUDITING

The accounts of all AGEF activities must be audited annually in accordance with International Standards of Auditing. The final annual audit reports, including a financial statement for the period audited and a memorandum of examination must be available no later than six months following the end of the accounting period.

The IFMC will be audited by a private sector auditor selected by the EoD. In addition, the Office of the Auditor General will audit the IFMC.

The auditing of financial statements will be done in accordance with UNDP rules and regulations and the management of UNDP will be deciding the frequency of the internal audits. An audit of AFSP will be conducted as part of the overall audit of CHTDF.

Katalyst will be audited annually by a private sector auditor, selected according to the procedures as to be agreed by the Katalyst governance structure and as will be specified in the JFA.

The annual audit must encompass – but not be limited to – inspection of accounting records, including examination of supporting documentation of the transactions, confirmation of cash and bank holdings, checking of bank reconciliation, direct confirmation of accounts receivables, and verification of physical inventories and fixed assets. The audit will also test compliance with the accounting manual and examine the procurement function.

The EoD is entitled to request from all AGEP implementing partners all information relevant to the implementation and progress of activities, and have the right to carry out inspection at any time during the period of the agreement.

To EoD can at any time undertake special audits, including Value for Money Audits of all activities.

9.4 PROCUREMENT

Procurement in the IFMC will as a principle be carried out through use of the GoB procurement system. Where required for the purposes of implementation efficiency, other procedures can be applied, as long as they observe Danida's procurement regulations. The selection of CMU national staff including master trainers at the national, regional and district levels in the IFMC will be done through an open and transparent procedure. This includes advertisements of all jobs and a shortlisting of candidates by a reputable and experienced human resource recruitment company. The selection committee will include representatives of the EoD and GoB. The selection of international long term advisers will be managed by Danida. Shortlisting of candidates will be carried out by a human resource recruitment company, with the selection committee consisting of representatives from both Danida and the GoB.

Procurement of goods and services in AFSP will be done following UNDP's procurement policies.

The international contractor responsible for day-to-day management of Katalyst will develop a procurement system for approval by the Katalyst governance structure. Contracting of the international consultancy consortium for Katalyst will be administered according to the procedures to be agreed to by the Katalyst governance structure.

10. MONITORING, REPORTING, REVIEWS AND EVALUATIONS

10.1 MONITORING

As a first step towards introduction of result based management across all ministries and departments, the GoB is developing a results framework to monitor implementation of the 6th Five Year Plan. The General Economics Division of the Planning Commission is responsible for overall monitoring of the 6th Five Year Plan implementation, towards which the AGEP is aligned. As a follow-up on the Joint Cooperation Strategy of June 2010 a results based framework for monitoring the progress of the 6th Five Year Plan targets were jointly developed by the GoB and Development Partners. This framework will be used as one of the ingredients for monitoring the overall impact of the AGEP.

The outcome in terms of poverty and agriculture, food security and rural development in the 6th Five Year Plan are a reduction in poverty across all groups and regions, while offering effective social protection to marginalised groups including access to food. Indicators include poverty headcount ratio, rate of growth of agricultural GDP, average growth of wages in kg of rice and prevalence of underweight in children less than five years. In terms of private sector the indicators include private investment as % of GDP and total export as % of GDP. These indicators and the set targets in the result based framework will be one of the methods used to measure the impact of the AGEP.

This will be supplemented by monitoring impact and outcome of AGEP at component level.

The M&E plan of IFMC will consist of three sub-components: (i) impact evaluations to be carried out by external consultants at different intervals, (ii) joint monitoring of the process of implementation by a team represented by MOA, Planning Commission, ERD, IMED, EOD and (iii) internal monitoring of outputs and activities to be conducted regularly by the IFMC staff. All M&E sub-components will collect and analyse data with appropriate gender disaggregating.

The main focus of the impact evaluations will be to assess the outcomes of the IFMC as designed in the Logical Framework Analysis including its indicators and targets. This will involve a Baseline Survey, followed by Mid-Term and Final Evaluations. The baseline survey will be contracted by EOD prior to the start of the IFMC, and funded separately. A Technical Advisory Group for IFMC Impact Evaluation will be assisting in the more technical aspects of the baseline survey and likely also the Mid-term and Final Evaluations. The baseline survey will form the basis of a revision of the log frame's indicators and targets, which will be included in the Inception Report and subject to an external review (see below). The Inception Report will also include a selected number of "golden indicators" found to be appropriate for summarizing aggregated performance.

The focus of joint monitoring is overseeing the process of implementation of IFMC with special attention to the targets and achievements in respect of the Development Project Proposal. It will be conducted using qualitative and quantitative methods of data collection including review of literature. A team represented by MOA, ERD, Planning Commission, IMED, EOD and other relevant organizations will carry out this monitoring in every crop season. The report of the joint monitoring will be submitted to the Component Management Unit (CMU), IFMC for necessary action.

The focus of the internal monitoring is tracking the activities against targets with special attention to the quantity and quality of interventions (effectiveness and efficiency). Therefore, both qualitative and quantitative data requires to be collected through the internal monitoring system. To get the data, the design of the internal monitoring system needs to consider the cost and benefits of data gathering. Use of statistical strong sampling methodologies is a solid foundation for designing a cost effective internal monitoring system. Assessment of an FFS approach should not be seen only in terms of adoption of technology and improved productivity and returns (typical of any type of agricultural extension project), but also in terms of measurements of the key elements of 'empowerment' or capacity development of the participants.

Monitoring and evaluation of the AFSP will include systems and procedures which will ensure the development of sound monitoring and evaluation systems and reflective practices. A monitoring and evaluation (M&E) officer is proposed for this project and CHTDF will support project monitoring through the central M&E unit based at Dhaka namely Planning, Monitoring and Reporting (PMR) unit.

CHTDF will make use of reflective practices in its internal monitoring and evaluation. All staffs will be trained on the project logical framework/results framework so that they can pragmatically act themselves in order to achieve the goal and objectives. The project will establish Progress Monitoring tools for assessing progress on planned activities and outputs. The monitoring plan will also include assumptions and risks identified in the design phase. In addition, project staff will conduct periodic case studies with participants. The project will also develop a Participatory M&E strategy that will become part of FFS/village level capacity building. A monitoring survey will be conducted each year during the period.

In the ABDC, impact information will be obtained from the Katalyst Monitoring and Result Measurement (MRM) system.

Katalyst, with the support of its Development Partners and the Donor Committee for Enterprise Development (DCED), has invested significantly in its MRM system, and has also been a major contributor to the development of international M&E standards by the DCED. Katalyst is working towards a full audit of its MRM system by the DCED. Therefore it is expected that the MRM system will form the backbone of the monitoring system of the third phase of Katalyst.

The MRM system has become an integral part of the way Katalyst designs interventions and monitors their implementation and impact. Results chains are developed for all interventions. These result chains conform to the strategic logic of the Logical Framework Analysis, and demonstrate the process through which Katalyst interventions are intended to change market systems, which ultimately will lead to sustainable impact for the target groups. At each level of the results chain, target figures are established through informed assumptions based on sector studies and other sources.

During implementation, Katalyst evaluates each step of the results chains for all interventions, and in almost all interventions, the assumptions leading from each step in the results chain are validated. According to the MTR of the second phase of Katalyst, the MRM system provides evidence of impact with an unusually high standard of validity and reliability for a programme of this nature.

The MRM system measures the sustainability of the programme's interventions along the different levels in the results chains. In addition, it measures the systemic improvements and their impact on results chains, over time, and most importantly after the end of a Katalyst intervention. In the second phase of Katalyst, a process for following up on finished interventions up to 2 years after Katalyst's involvement has ended, has been established. This comes closest to measuring actual sustainability.

10.2 REPORTING

IFMC

The following reports will be produced for the IFMC:

- Inception report after 6 months of start of implementation. The inception report replaces the first progress report;
- Half yearly progress reports, including rolling AW&B and monitoring results;
- Half yearly financial reports;
- Draft Final Report 6 months before completion of AGEP.

While the reporting on progress should ideally follow GoB formats, there needs to be a clear focus especially on outputs and outcomes.

In addition to the above, a number of regular reports will be produced according to GoB requirements and formats.

AFSP in CHT

UNDP shall provide full information on the implementation of AFSP during the implementation period to the Embassy of Denmark.

- An Inception Report will be prepared after 3 months and Final Completion Report will be prepared as per UNDP and/or Danida guidelines.
- Semi-annual Progress Reports will be required. These reports will have narrative, indicator targets and financial parts. The narrative part will concentrate on strategic issues, while the indicator parts will concentrate on achievement of target and objectives.
- The ERP system of UNDP will be used to record and report all the financial information.

Measures will be taken to mitigate the identified project risks and issues, and mechanisms will be introduced to escalate the issues to the management of the CHTDF.

ABDC

Reporting from Katalyst will follow the to be agreed reporting schedule.

10.3 REVIEWS

IFMC: An inception review will be undertaken at the beginning of 2014 in order to provide recommendations to the draft inception report of the IFMC. The inception report will among other things provide the following:

- Refined indicators, targets and means of verification at the objective, output and activity levels;
- An annex with the required baseline studies undertaken during the inception phase as applicable, and

- AWP&B for 2014.

A mid-term technical review of the IFMC will be carried out in the first half of 2016.

AFSP in CHT: A mid-term review will take place, separately financed by the Danida programme, while a UNDP evaluation is included in the AFSP budget.

ABDC/Katalyst: Reviews of Katalyst will be carried out jointly with the other signatories to the JFA, as and when jointly agreed.

10.4 EVALUATIONS

As an external evaluation of FFS in Bangladesh was undertaken in 2011. FFS evaluation recommendations and lessons learnt have been taken into account during development of AGEF.

The final evaluation of AFSP in CHT will take place after four and half years implementation by an external evaluation team.

A Final Joint (Denmark and Bangladesh) Evaluation of AGEF may be conducted at the completion of the programme.

11. KEY ASSUMPTIONS AND RISKS

Key assumptions are that:

- The GoB will provide all agreed staff and a full time PD to the IFMC;
- The GoB shows its financial commitment to the IFMC by timely provision of its financial contribution;
- Sector policies continue to develop in the current direction, including integration of extension services on crop, livestock and fisheries;
- DAE continue to support FFS as an appropriate methodology for group extension;
- The CHT Peace Accord 1997 continues to be progressively implemented.
- Resourcing of the CHT transferred line departments of DAE, DLS and DOF will continue to improve.
- Katalyst, in its third phase has full flexibility for effective implementation according to the best international M4P principles;
- The business environment will continue to develop and be conducive for private sector development;
- Market conditions facilitate income improvements and improved returns to labour in agriculture, and
- Social conditions allow for full participation of female and male members of households in programme activities.

Major risks are:

- Slow and inflexible implementation of support provided through the IFMC due to government bureaucracy. This risk is rated as medium with high impact. The risk mitigation measure is the inbuilt relative flexible design of the Component Description.
- Coordination mechanisms between DAE and , other government extension service providers will not be operational due to institutional and other barriers. This risk is rated as medium with

medium impact. The risk mitigation measure is to include all relevant ministries, departments and organisations in dialogue and discussions, both through the CSC and in the activities of the output supporting a strengthened national dialogue on farmer-centred extension approaches. Coordination between Ministry of Chittagong Hill Tracts Affairs Hill District Councils and line departments will not be operational due to institutional and other barriers. This risk is rated as medium with medium impact. The risk mitigation measure is to include all relevant ministries, departments and organisations in dialogue and discussions...Gender social conditions will not allow for full participation of female members of households in FFS, training and FO activities. This risk is rated as low with high impact. The low risk stems from the gradual changes in the social environment in which women are increasingly active in all sectors of Bangladesh. Risk mitigation measures include mainstreaming gender into objectives, outputs, activities, implementation arrangements, monitoring, indicators and targets and implementing the gender strategy of the IFMC.

- Fiduciary risks for Public Financial Management in involved government ministries, departments and organisations, and risk of corruption. Both these risks are rated as high with high impact. In the IFMC the main risk mitigation measure is to carry out financial management according to Danida's Decentralised Project Accounting guidelines as far as the Danida contribution is concerned. Both normal and special audits, including Value for Money audits will be carried out. While procurement will be carried out according to GoB procurement rules, other procedures can be applied, if required.
- Market opportunities will not exist for farmers producing especially high value crops and other high value agricultural commodities. This risk is rated as low, with medium impact. The risk mitigation measure is to further deepen the support to develop and strengthen business oriented FOs, which can enable the farmers to react optimally to market signals in terms of quality and quantity of production. Further, the Private Sector Agro-business Development Component will focus on creating links between organised primary producers and profitable markets.

ANNEXES

Annex 1: AGEP Budget Details

Annex 2: IFMC Description (DPP format)

Annex 3: AFSP in CHT Project Proposal

Annex 4: Concept Note on Agribusiness for Trade Competitiveness Programme (Katalyst/ABDC)

Annex 5: Gender Equality Rolling Plan

Annex 6: Assessment according to ten budget support principles

Annex 7: Climate Change and Environmental Screening Note

AGEP BUDGET DETAILS

Table 1: Total AGEP Budget in DKK Million

MAIN OUTPUTS	DKK MILLION	Danida Contribution
1. Curriculum development	1	1
2. Capacity development	11	6
3. IFM FFS implementation	161	123
4. Farmers Organisation	15	15
5. National dialogue	1	1
Long term international Technical Assistance	12	12
Other technical assistance, staff, operations	79	54
Contingency	20	13
Sub-Total IFMC	300	225
AFSP in CHT	45	45
ABDC	50	50
Reviews, Studies	5	5
Unallocated	5	5
Grand Total	405	330

* With total GOB contribution of DKK 75 million (for IFMC)

Table 2: Year-wise Budget in DKK Million

COMPONENT	TOTAL	2013/4	2014/5	2015/6	2016/7	2017/8
IFMC	300	58	63	67	67	45
AFSP in CHT	45	9	12	10	9	5
ABDC	50	10	10	10	10	10
Reviews, Studies	5	1	1	1	1	1
Unallocated	5	5				
Total	405	83	86	88	87	61

Table 3 Budget according to funding source in DKK Million

FUNDING SOURCE	DKK MILLION	% of Total
IFMC		
GoB	75	19
Danida	225	56
Agro Business Development Component	50	12
AFSP in CHT	45	11
Reviews, Studies	5	1
Unallocated	5	1
Total	405	100

IFMC DESCRIPTION (DPP Format)

(Separate file)

PROJECT PROPOSAL ON AFSP IN CHT
(Separate file)

**PROJECT DOCUMENT FOR THIRD PHASE OF KATALYST/
Concept Note Agribusiness for Trade Competiveness Program**

GENDER EQUALITY ROLLING PLAN

<u>Basic Information</u>	
Programme title:	Agricultural Growth and Employment Programme, Bangladesh 2013-2018
Sector:	Agriculture
Country:	Bangladesh
Budget: (Danida contribution):	330 million DKK
Starting date and duration:	2013- 2018 (5 years)

<u>Programme Phase</u>	<u>Information Requirement</u>	<u>Indication of where the required information can be found in relevant project documents</u>	<u>Summary of information available</u>
Identification	<p>Provide an assessment on opportunities and constraints for improving the gender equality situation in the given sector with respect to men and women's rights, access to resources and political influence based on the below listed elements in the gender equality analysis (see below).</p> <p>1. National level</p> <ul style="list-style-type: none"> i. Int.& regional conventions and commitments) ii. National strategies, policies, legislation, institutional set-up & capacity iii. Non-gov. stakeholders 	<p>National level</p> <p>1.i International & regional conventions</p> <p>1.ii National strategies, policies and legislation:</p>	<p>1.i</p> <p>Bangladesh has signed and ratified the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) on 6th November 1984. Though Bangladesh is yet to withdraw reservation on articles 2 and 16(1)c on the basis of religious sentiment. In accordance with CEDAW, Beijing Platform for Action and other international commitments, a set of specific goals has been included in the Bangladesh National Policy on Advancement of Women (March 1997) and the National Action Plan for Women's Advancement in</p>

		<p>1998.</p> <p>1.ii</p> <p>Equal rights for men and women are enshrined in the Constitution of Bangladesh. A new ‘Women Development Policy’ was adopted in March 2008. Yet equal inheritance has remained as an area of religious sentiment in this regard. The PRSP has included gender equality as cross cutting issue all through its document. Government of Bangladesh also took some legal initiatives such as: creating Department of Women Affairs in 1984, enacting Family Courts Law in 1985, enacting Muslim Family Laws (Amendment) Ordinance in 1992, declaring compulsory primary education for girls in 1992, declaring full-free schooling up to class-VIII in 1993, declaring food for education in 1993-94, providing stipends to girl students from class-VIII to class-X in 1994-97, enacting the Special Tribunal Act in 1995, allowing women to contest in direct election in three reserved seats in the Union Parishad in 1997, enacting the Women and Children Repression Prevention Act in 2000, enacting the Acid Crime Prevention Act and the Acid Control Act in 2002. Acts on Domestic Violence and Sexual harassment are in the pipe-line.</p> <p>The Agricultural Extension Policy (1996) explicitly addresses the challenge of mainstreaming women by emphasizing that extension services need to be tailored to different client groups, including women farmers and small and medium farmers.</p> <p>The Ministry of Women and Children Affairs is the lead agency responsible for improving women’s</p>
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National institutional set-up & capacity:

	<p>2. Sectoral level</p> <ul style="list-style-type: none"> i. Policies, legislation, institutional set-up & capacity ii. Indicators, sex-disaggregated data iii. Non-gov. stakeholders 	<p>1.iii Non-Gov. stakeholders</p> <p>2. Sectoral level</p> <p>2.i Policies, legislation, institutional set-up</p> <p>2.ii Indicators</p>	<p>rights. The National Council for Women's Development (NCWD) headed by the Prime Minister is mandated to provide guidance in the formulation of regulations to ensure women's legal rights including prevention of oppression against women. Women's development activities are monitored across the sectors by NCWD. To review and update existing laws towards addressing all forms of discrimination against women, a high-powered committee has been formed under the chair or the Minister of Law, Justice and Parliamentary Affairs. A number of legislations have been enacted and some existing laws are modified for protection of women's interest and equal rights, including Women and Child Repression (Special) Act of 1995 and Prevention of Women and Children Repression Act 2000. An Inter-ministerial Committee for prevention of violence against women and children is headed by the Minister of Women and Children Affairs reviews the national VAW situation at intervals and monitors inter-agency activities. The central prevention of Cell on VAW under MOWCA monitors VAW at national level. District and Upazila level committees provide legal aid to women victims. Special courts have been set up in each district for quick disposal of cases. The Agricultural Sector, in particular within government, is male dominated. Only very few women are employed in MoA and DAE,</p> <p>1.iii</p> <p>There are many well-reputed and leading NGOs that have women rights as their main area of interest. Some of the NGOs have been working on women empowerment through micro-credit, awareness</p>
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2.iii Non-gov. stakeholders (CSOs)

raising on women rights and building capacity to involve women as active leaders in local governance. Several of these e.g. provide services for victims of VAW such as legal assistance and run a shelter home. Several international NGOs such as Oxfam and Action Aid lead major awareness campaigns with local partners concerning women rights. Electronic media focus programmes like Spot, Drama, Talk show, News, Debate, and Magazine for awareness raising of people in this regard. Print media have also capacity to promote women rights issues that's why newspaper editors can allocate a page for women everyday. Independent Women's Rights Commission be constituted to monitor compliance with equality provisions, and results of measures to eliminate discriminatory laws, policies and practices. So far, the civil society and non-government stakeholders have played an important role in gender related issues.

2.i

A significant gender disparity persists in both income and human poverty, especially at the lower end of income distribution. Overall Bangladesh's performance with regard to achieving gender equality and women's empowerment (MDG 3) remains mixed. There has been a narrowing of the gender gap in most social MDG indicators in general and in the education sector in particular, where, as a result of targeted government policies, female enrolment rates in primary and secondary schools exceeds those for males. However, in other areas such as economic and political participation and adult literacy, much still remains to be done to ensure the rights to survival,

		<p>livelihood and participation.</p> <p>2.ii Bangladesh Bureau of Statistics gathers data on some sectors such as general health, reproductive health, and education. However, in many other sectors no indicators have been established.</p> <p>2.iii See above</p>
<p>Programme Committee</p>	<p>Assessment of major issues, opportunities and constraints Present opportunities and constraints for improving gender equality in the given sector based on the assessment made during identification/formulation. Indicate possible objectives to improve gender equality.</p>	<p>Issues, opportunities and constraints: Issues, constraints and opportunities The legal and political framework is to a great extent in place, but major issues/constraints for addressing gender equality have been noted:</p> <ul style="list-style-type: none"> • Issues such as Gender discrimination, domestic violence are not recognized by law. • Approach of implementers of law needs to be changed. They are to understand that violence against women is a 'public' matter as it halts the overall economic development of the country. • There is a lack of capacity among political decision makers and civil servants to implement policies and strategies. • Historically and culturally there is a deeply entrenched practice of discriminating against women, which makes it difficult to create lasting change, especially among the poor and marginalized. • The service-delivery mechanisms are not gender sensitized. Therefore there should be gender and development training for Government official specially police, administration and judiciary cadre. <p>However, there are also opportunities in the current</p>

			<p>political context with a female Prime Minister, Leader of the Opposition and notable numbers of female ministers with significant ministries in the cabinet:</p> <ul style="list-style-type: none"> • The government set up a task force which would take up proposals of appropriate legal amendments, within a stipulated time frame, to make laws consistent with the provisions of CEDAW and the Constitution. • Bangladesh needs to design schemes for compensation, insurance or safety nets for women workers. • There is immense opportunity to enhance the female leadership of local level governance and thus ensure gender sensitivity at lower tier.
Preparatory Studies	Steps taken to fill knowledge gaps identified in the identification/formulation phase.	Challenges and opportunities for supporting gender equality will be part of the formulation process.	The Danida Gender Equality Toolbox among other instruments will be used during formulation.
Formulation	<p>Inclusion of:</p> <ol style="list-style-type: none"> 1. Objectives on gender equality 2. Strategies and modalities to reach objectives on gender equality 3. Gender equality indicators 4. Monitoring and evaluation systems sensitive to gender objectives 	DPP Programme Document	<p>The IFMC and AFSP consider gender in the objective, and gender is mainstreamed into outputs, activities, inputs, monitoring and evaluation and implementation arrangements.</p> <p>The selection of FFS participants will target households rather than individual farmers and will require at least one female participant from each household. Further the component will specifically target female headed households and landless households as well as small and marginal households.</p> <p>The selection of livestock enterprises and high value crops on which to develop modules for inclusion in the IFM FFS will specifically target enterprises that have high female participation.</p> <p>Farmer trainers will be paid a transport allowance rather than supplied with bicycles as use of bicycles</p>

			<p>restricts female participation. In recruitment and in capacity development training high female participation is targeted. Portion of females graduated from IFM FFS (50%) Portion of female headed households that have been trained in IFM FFS (10%) Percent of households reporting Increase in female control of household income (50%) Data to the extent possible will be gender disaggregated and will be analysed for gender impact and outcomes.</p>
Appraisal	Assessment of steps taken to integrate gender equality, including objectives and indicators, in the programme based on recommendations made in the program's preparatory documents.	Appraisal report	The IFMC Description summarise how gender will be strategically addressed during implementation. Following appraisal a gender strategy has been included as an annex to the IFMC.
Annual Reviews	Assessment of the extent to which progress has been achieved in fulfilling the gender objectives of the programme. Recommendations for changes needed to fulfil stated gender objectives where applicable.	Review aide memoire	
Programme Completion Report		Programme completion Report	
Evaluation		Evaluation Report	

ASSESSMENT ACCORDING TO TEN BUDGET SUPPORT PRINCIPLES

Principle	Specific SBS related analysis	Comments
1. Good Governance	<p>Bangladesh has taken steps to improve governance through continuing some of the reforms initiated by the Caretaker Government. Efforts have been made towards consolidating democracy, strengthening parliamentary oversight, improving budgetary control, reducing corruption through regulatory reforms, strengthening anti-corruption commission, promoting human rights and gender equality.</p> <p>The current Government continued its efforts to improve the overall governance environment in 2011. Efforts have been made to improve governance systems in areas such as public financial management and e-procurement. It activated watchdog institutions and improved electoral processes. Although the President has the constitutional mandate to appoint chief election commissioner and other election commissioners, he made such appointments in consultations with all the political parties. This is seen as a positive democratic development by neutral observers. Despite some of these positive initiatives towards reform, some of the important democratic institutions including Parliament remain weak mainly due to continued boycott of Parliament session by opposition political parties. The ruling party however did not make any realistic attempts to make the Parliament functional.</p> <p>However, holding of the local government elections at municipal level, by-elections of the two vacant Parliamentary seats and elections to over 4,000 Union Parishads in 2011 in a free and fair manner has been a sign of improvement in the political and electoral practices of the country.</p> <p>Despite some positive trend, the country has generally suffered from weak governance, poverty and limited government capacity to deliver basic services. There have been critical human rights violations, including extra judicial killings by law enforcing agencies, custodial deaths and torture with impunity, violence against women, discrimination against indigenous peoples in land</p>	

	<p>and access to justice, discrimination against religious minorities, child labour and disregard for prisoners' rights. The tradition of denial by the Government of such elements of poor governance has further aggravated the situation.</p> <p>Politicisation of bureaucracy and judiciary has remained a chronic governance issue in Bangladesh over the past decade. Rampant politicisation of important institutions of democratic governance has hampered service delivery and access to justice. People in general have lost their faith in the justice system of the country, which has adversely impacted the rule of law situation. Decentralisation that is very important for effective and efficient service delivery at the local level has been hindered, as the Government has not taken any steps to resolve the impasse created at Upazila level (sub-district level) due to enactment of the Upazila law, which curtails the Upazila representative's decision-making powers by making MPs consent mandatory. The Government is, however, continuously expressing its commitment to promote good governance by improving rule of law, human rights and gender equity. The Government is also expressing its determination to strengthen the key democratic institutions such as the Anti-Corruption Commission, the National Human Rights Commission and the Election Commission. But, unfortunately real actions do not correspond with the rhetoric.</p>	
<p>2. Anti-corruption</p>	<p>The current democratic Government assumed power with a strong commitment of continuing the efforts of the Caretaker Government, which initiated a massive crackdown on corruption. But, it is widely believed that the reform trajectory has plunged significantly under the current political government, particularly in combating corruption mainly due to a lack of political commitment. As a result, Bangladesh had slipped one spot down in 2010 in the Corruption Perception Index (CPI) of Transparency International. However, in 2011 Bangladesh has shown improvement on the CPI of Transparency International. In a scale of 0-10, Bangladesh has scored 2.7, which is 0.3 higher than in 2010, and has occupied 120th place among 183 countries compared to 134th among 178 countries in 2010.</p>	

	<p>The Anti-Corruption Commission is apparently committed to carry out its activities to continue its fight against corruption. ACC's initiation of inquiries against influential individual like the Leader of the Opposition Khaleda Zia has demonstrated its firm commitment against corruption. Some observers however see such initiative as politically motivated.</p> <p>But the recent Government's approval of the amendments to the Anti-Corruption Commission (ACC) law is a big blow to the independence of this watchdog institution. According to the amendments, the ACC must obtain permission from the government before filing any graft case against government officials. The amendment also makes the ACC accountable to the president of the republic. Other provisions of the amendments include: anyone filing a false case could be jailed up to five years with fine and ACC investigators must complete investigation into a case within maximum 120 days. This is considered a major departure from the 2004 Anti-Corruption Commission Act that allowed the commission to move independently in pursuing corruption cases against anyone, including government officials.</p> <p>The silver lining in the cloud is that the Parliamentary Standing Committee on the Ministry of Law, Justice and Parliamentary Affairs has not provided its clearance on the proposed amendment and the Law Minister lately announced that the no permission would be required to file graft cases against government officials.</p> <p>During the past three years, there have also been other set-backs including ministers not disclosing assets as promised before the election, an increase in illegal land grabbing and other developments. Also, the bureaucracy is being increasingly politicized with many appointments at all levels associated with the ruling party. There are also signs that the space for civil society is shrinking, among others affecting anti-corruption efforts.</p>	
<p>3. Poverty Solid poverty reduction strategy and the will to</p>	<p>In Bangladesh the proportion of population below the poverty line is 31.5% as per the Sixth Five Year Plan. There is indication that Bangladesh is on its</p>	

<p>implement</p> <p>(adapted to sector/thematic level)</p>	<p>way to achieve targeted prevalence of poverty. Projections based on simple trends indicate that Bangladesh is well on its way to reach the MDG target for poverty head count rates by 2013, two years ahead of schedule. However, the forecasted rate of poverty based on changes in log of mean income suggests that the target will take longer to reach – 2016, instead of 2013.</p> <p>Bangladesh has made considerable progress in child survival rates. At the UN Assembly 2010, Bangladesh received a UN award for its achievement in attaining the Millennium Development Goal particularly in reducing child mortality.</p> <p>The annual economic growth has been around 6% during recent years. However, with a population growing with app. 3 million people per year, an economic growth rate of app. 8% is needed if the country is going to effectively reduce the large numbers of poor people in the country. Rising food prices on commodities caused by global market developments and a recent inflation increase of up to nearly 12% during the last quarter of 2010 affects many poor people in the country.</p> <p>Declines in poverty show marked regional variations, and income inequality has increased over time in Bangladesh. Attaining food security and nutritional well-being still remain challenging. Chronic under nutrition in children remains alarmingly high. Intergenerational malnutrition dynamics is a major hurdle in reducing hunger. Estimates of unemployment have remained low, but there is widespread underemployment in the country. Job opportunities are few and millions of Bangladeshis therefore work in the Middle East and in other parts of the world. Remittances are the biggest source of income for the country amounting to app. USD 16 Billion annually.</p> <p>The Poverty Reduction Strategy introduced by the Caretaker Government in 2008 has been replaced by the Sixth Five Year Plan and has been made effective from July 2011. The Sixth Five Year Plan includes a chapter on Strategy for Raising Farm Productivity and Agricultural Growth. The vision of the Agricultural sector includes, among others, a) promote sustained improvements in income, nutrition and employment of small and marginal farmers; b) promote. b) Decentralised and integrated</p>	
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	<p>farming systems based approach to extension system; c) diversification in agricultural production; d) formation of growers organizations to ensure fair price; e) business development initiatives in agriculture especially capacity development of extension personnel;</p> <p>Over the last decade, the GDP of the country has grown at the exponential rate of 5.5 percent. During the same period, agriculture GDP (crop, fisheries, livestock, poultry and forestry) has grown at a moderate rate of 3.4 percent. The annual average growth of food grain and fisheries is 300% and 400% in the last two decades, respectively. In the national budget Agriculture Sector receives the allocation of Taka 105 billion (USD 1.3 billion).</p>	
<p>4. Track Record Positive experiences with development cooperation generally and budget support specifically, as well as on-going documentation of concrete development results.</p> <p>(adapted to sector/thematic level)</p>	<p>Bangladesh is receiving generous financial support from the Development Partners mostly as project aid and some budget support also to cover the fiscal gap. The total foreign aid to Bangladesh was estimated at app. USD 1.5 Billion in 2011.</p> <p>The latest MDG report shows improvements in reducing child and maternal mortality, increasing enrolment in primary education and coverage of safe water and sanitation. According to the World Bank the annual average rate of poverty reduction during 2000-2005 in Bangladesh was the second highest in South Asia which was just under 2%. The latest household survey was conducted in 2005 and a new survey is under way.</p> <p>Limited absorption capacity and low performance of many public institutions, both at central and local levels, remain a serious challenge for aid effectiveness. The Economic Relations Division (ERD) in the Ministry of Finance has estimated that utilization of foreign aid declined 2011 due to low performance, delays and inefficient government agencies in implementing projects</p> <p>There is no significant experience with Sector Budget Support (SBS) for the Agriculture sector in Bangladesh. World Bank and ADB channelled to a limited extent sector budget support through the Bangladesh Bank. The Embassy is exploring options for channelling funds through the Bangladesh Bank</p> <p>In general, the documentation of the achieved development results by the Government was weak as it was input-based and focused on financial</p>	

	<p>progress reporting. However, with the transition from PRSP to Five Year Plans, an overarching results framework has been developed jointly with the DPs which will be used to monitor progress of the Plan. The ASPS II components therefore still prepare progress reports for the Embassy and the Government. In the ASPS II, the Programme Support Unit in Planning Commission has developed a reporting and monitoring format, which is followed by all ASPS II components.</p> <p>The total resource requirement for the Agriculture sector is estimated at 13.2 USD billion for the Sixth Five Year Plan period (2012-2016).</p>	
5. Finance Act	<p>The budget formulation has shifted from input oriented accounting exercise towards a performance orientation through the introduction of a Medium-term Budgetary Framework (MTBF) under the ongoing multi-donor reform program where Denmark is contributing. A new law 'Public Money and Budget Management Act 2009' was passed for providing space to accommodate required changes in the business process. Budget Management Committee (BMC) and Budget Working Groups (BWG) are formed in all line ministries for its implementation. Greater transparency is ensured by posting all budget documents on the website of the Finance Division once it is placed in the Parliament. Serious discussion on the budget proposal in the Parliament is not taking place due to dysfunctional Parliament with no participation of opposition parties.</p> <p>The 3rd budget of the coalition government placed in the Parliament in June 2011 is expansionary. Top priority is given to infrastructure, more specifically power sector due to severe power shortage while agriculture and rural development continued to be in the high priority list considering the food security of approx. 150 million people.</p>	
6. Public Procurement	<p>The public procurement rules (PPR) are broadly in-line with international standards. However, an opposite tendency was reflected in the recent amendment to the PPR act through relaxation of some qualification criteria for instance limited tendering for contracts below BDT 20 million. There is one positive aspect also, if seen from the objective of promoting more competition. Despite compliance with the PPR, the procurement process</p>	

	<p>is delayed due to limitations of the delegation of financial authority to the project directors. Limited delegation of authority within the administration continues to minimize the use of PPR. Quantitative restrictions imposed by the GOB project formats obstruct better use of PPR. Electronic government procurement is under consideration by the Government to reduce process time and avoid collusive practices. Addressing the inconsistencies between the procurement cycle and the budget cycle, leading to decreases in actual development spending, is under review by the PFM reform program.</p> <ul style="list-style-type: none"> • The Government of the People's Republic of Bangladesh has approved the e-GP guidelines in pursuant to Section 65 of the Public Procurement Act, 2006. As per approved guidelines, e-GP system is being introduced in two phases. • In the first phase, e-Tendering will primarily be introduced on pilot basis, in the CPTU and 16 (sixteen) Procuring Entities (PEs) under 4 (four) sectoral agencies, namely: Bangladesh Water Development Board (BWDB), Local Government Engineering Department (LGED), Roads and Highways Department (RHD) and Rural Electrification Board (REB). The system will gradually be rolled out to 291 PEs of those 4 sectoral agencies up to district level and ultimately it will be expanded to all the PEs of the government. • In the second phase, e-Contract Management System (e-CMS) will be introduced covering complete Contract Management processes such as work plan submission, defining milestone, tracking and monitoring progress, generating reports, performing quality checks, generation of running bills, vendor rating and generation of completion certificate. <p>CPTU developed an integrated and comprehensive dynamic procurement website to ensure the widest possible exposure to Procurement Plans, actual Procurement Notices of over Tk.10.0</p>	
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	<p>million and Contract Awards with ease of use on one hand and convenient for the administrators on the other. This also contributed to be the starting point for data acquisition for monitoring.</p> <p>Under the project an MIS was developed based on criteria set by the Development Partners that came to be known as the OECD Indicators. The Government adopted the criteria and Dohatec New Media implemented the same and it came to known as “PROMIS”. In developing this system input was provided by experts from the government, the international legal profession and the procurement specialists of the World Bank. The CPTU-IMED was first in envisioning and successfully implementing this system in the world and the same was recognized internationally. The Secretary IMED and CPTU were invited to make several presentations to a worldwide audience at the World Bank HQ, Washington DC, in December 2005. The PROMIS was recognized as a powerful and robust tool which was of interest to different government across the globe.</p> <p>The present ASPS II makes extensive use of PPR for procurement of goods and services as well as works. In line with the Danish alignment initiative in procurement, PPR is the default modality from 01 July 2010 for Danish funded projects and programmes. However, the Embassy is in agreement with GoB to use PPR to the extent feasible with proper checks and balances to mitigate any fiduciary risk.</p> <p>The Embassy has implemented procurement capacity development plan for the water supply and sanitation and agriculture sectors, which included training, development of guidelines, post-procurement review and performance monitoring.</p>	
7. Audit	<p>The independence of Comptroller and Auditor General (CAG) in Bangladesh is an unfinished agenda as the institution is to a large extent still part of the executive. The CAG is appointed by the</p>	

	<p>President on the advice of the Parliament. The executive still assigns its budget like any other spending unit in the government. The CAG cannot hire qualified auditors, restructure or promote staff without the approval of the government. Audit reports are first sent to the Government who then it is sent to the Parliament. Capacity constraints of the CAG result in significant backlogs. The CAG has 22,000 auditable units and 3,500 staff most of whom are junior level accountants. Public audits cover about 16-25% of CAG's mandate every year. The quality of report does not draw the attention of line ministry management as audit reports include too many trivial issues at the expense of major violations. The follow-up process is often not timely and not coordinated. Transparency of audit findings, responses and follow-up are generally limited reducing demand-side pressures that provide added incentives for accountability. With this backdrop, the on-going PFM reform program strives to improve the quality and timeliness of government audit.</p>	
<p>8. Public Finance Management</p> <p>Expert appraisal of quality and capacity of public finance management.</p>	<p>On-going reform has marked improvements in some areas of the budget cycle. Comprehensive and transparent budgeting, participation in the budget process, and multi-year perspective have significantly improved PFM over the years. Medium Term Budget Framework (MTBF) that is currently rolled out to all line ministries/divisions has played a key role in this regards. It has the potential to provide greater autonomy and empowerment to Line Ministries in the planning and management of their budgets and has positively influenced the incentive structure of key players, especially in Line Ministries. Revenue collection has gone up while the country is still suffering from low budget execution rate due to cumbersome processes and practices. Automation in accounting and reporting suffers from flaws in system design. A Public Expenditure and Financial Accountability (PEFA) report is currently underway, which will provide the necessary expert appraisal of the PFM quality in Bangladesh.</p> <p>Highly centralized and rigid planning and budget procedures, which leave no room for flexibility or efficient management and execution, continue to affect implementation and the efficiency and effectiveness of projects undertaken by public</p>	

	<p>institutions, including projects supported by donors with public institutions as executing agency. The Ministry for Agriculture (MoA) is included in the MTBF and is undergoing reforms for improving budget preparation and execution, accounting and auditing standards under the on-going PFM reform programme under a Multi-donor trust fund including Danish support.</p> <p>The financial management systems and accounting procedures within the MoA and Department Agriculture Extension (DAE) are considered as being weak and poorly functioning. It is most likely that the finance and accounting departments under MoA at present are not performing up to a standard required for SBS.</p>	
<p>9. Partnership</p> <p>Mutual observance of agreed obligations</p>	<p>The partnership between Denmark and Bangladesh is guided by the Joint Cooperation Strategy (JCS) signed in June 2010 by the Government of Bangladesh and 18 Development Partners.</p> <p>The basic principles of JCS are : The Government of Bangladesh will:</p> <ul style="list-style-type: none"> • Exercise ownership and leadership in developing and implementing national development strategies through broad consultative processes among the relevant stakeholders. • Translate national development strategies into prioritised, balanced, results-oriented operational programmes as expressed in Medium Term Budgetary Frameworks and Annual Development Programmes. • Coordinate aid at national, regional and local government levels in an inclusive partnership dialogue with the DPs and other stakeholders, and encourage the participation of civil society and the private sector. • Continue to implement key reforms and programmes in democratic governance, economic governance and socio-economic development. <p>Development Partners will:</p> <ul style="list-style-type: none"> • Respect partner country leadership and take 	

	<p>effective steps to strengthen the partner country’s capacity, including aid management and public financial management, to exercise this leadership.</p> <ul style="list-style-type: none"> • Support implementation and monitoring of the national development plans and strategies, programmes, and policies. • Align with GoB’s policies and strategies and increase the use of GoB systems and procedures according to the individual mandate and country strategy, if any, of each DP. • Share information on programme spending and commitments with relevant GoB programme partners to facilitate improved predictability of DP funds. • Ensure the complementarity of various assistance modalities and align their support with the Medium Term Budgetary Framework. <p>Government and Development Partners will jointly:</p> <ul style="list-style-type: none"> • Implement the Bangladesh JCS to improve aid effectiveness in the country, monitor progress towards greater aid and development effectiveness and hold each other accountable on the basis of the JCS Action Plan and the Joint Development Results Framework. 	
<p>10. Harmonisation</p> <p>Consensus among all budget support donors regarding approach (incl. rules for transfer and monitoring) and conditions for general budget support.</p>	<p>The World Bank and the Asian Development Bank are providing sector budget support to Bangladesh. The support is concessional loans and funds release are tied to certain conditions being met in the power, education and agriculture sectors (World Bank) and power, water, Small and Medium-sized Enterprises and governance sector (ADB). EU is also considering provision of sector budget support in the coming years. Harmonisation of budget support to Bangladesh is limited.</p> <p>The Government has difficulties in meeting the conditions for SBS for water provided by ADB. As a result the Programme Support Unit of ASPS II, based in Planning Commission, is assisting the Planning Commission and other ministries in policy and regulatory mechanisms for the sector.</p>	

	<p>Only very few DPs are providing SBS to Bangladesh. At present only the health and education sectors are implementing Sector-Wide Approaches (SWAp) with multi-DP involvement. Both programmes include significant technical assistance with close monitoring by the DPs. The experiences with the programmes are mixed, and implementation of the two programmes has not been without difficulties. At present only EU has an ambition to introduce SBS within the coming 2-3 years corresponding with new cycles of some of their programmes.</p> <p>The progress on harmonising budget support among the DPs is limited.</p>	
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CLIMATE CHANGE AND ENVIRONMENTAL SCREENING NOTE

Basic Information	
Programme title:	Agricultural Growth and Employment Programme (AGEP)
Country/region:	Bangladesh
Estimated allocation:	330 Million DKK
Brief description of the Programme support:	<p>In the context of the Bangladeshi policy environment, the Danish Development Policy and the lessons learnt from the past support to the agriculture sector, the programme will focus on production as well as on agro-processing and agri-business development and will have two components, namely agricultural extension component and private sector agro-business development component.</p> <p>The overall goal of the programme is to contribute to an increased pro-poor and inclusive growth and sustainable employment creation.</p> <p>The immediate objectives are:</p> <p>a) agricultural production of female and male marginal and small farm households increased and diversified through Integrated Farm Management (IFM) Farmer Field Schools (FFS);</p> <p>b) agricultural production of female and male marginal and small farm households increased and diversified through IFM FFS in the Chittagong Hill Tracts and (iii) Strengthening of the competitiveness of the agricultural and agro-business sectors.</p> <p>The IFMC will support the core business of the Department of Agricultural Extension, i.e. provide extension service through conduction of FFSs.</p> <p>IFM FFS will be conducted in Chittagong Hills Tracts under AFSP in CHT Farmer clubs and higher level farmers associations will be established and developed into sustainable organisations.</p> <p>The Private Sector Agro Business Development</p>

Component will support the third phase of the multi donor (expected to also consist of SDC, DfID and the Netherlands) basket fund, Katalyst.

Dates (expected): Programme committee: March 2011 Appraisal: April 2012

Screening of Country Climate Change Framework

Assess the adequacy of policies and strategies to respond to climate change in the country and sector For OECD/DAC guidance document see [[link](#)]. If the issue is inadequately dealt with (indicated by a tick in the “no” box), please add comments and indicate further work to be undertaken (see also “next steps” section, below).

<i>Issue:</i>	<i>Yes</i>	<i>No</i>	<i>Comments and further work to be done:</i>
1. Are the processes and impacts of climate change understood and documented (e.g. in national communications to the UNFCCC)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2. Is there a national climate change policy or strategy , including estimates of the economic costs of adaptation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
3. Have nationally appropriate mitigation actions (NAMAs) been identified (e.g. targets for renewable energy production)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4. Has a national adaptation programme of action (NAPA) been approved identifying key sectors where adaptation is required?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
5. Are there effective and operational meteorological and disaster preparedness organizations ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Summarize the overall assessment of climate change impacts and responses:

Climate change impacts are new to the policy makers. The National Adaptation Programme of Actions (NAPA) provides guidance for adaptation measures taken up to combat climate change impacts. The revised version of National Agriculture Policy of 2011, has included climate change as one of its three priority areas. The Agriculture Extension Policy of 1996 puts emphasis on sustainable agricultural however and explicit consideration on extension of climate resilient variety or cropping pattern need incorporation. There is an implicit mentioning that the policy should increase self-reliance of farmers by promoting locally developed and crop management practices which eventually address adaptation to climate change. National Seed Policy needs to put priority on seed production likely to be affected by climate change.

Besides, Food Security and Social Protection is one of the six pillars of the Bangladesh Climate Change Strategy and Action Plan 2009 and one of the actions under these pillars is developing of Climate Change Resilient Cropping System, Fisheries and Livestock Systems to ensure local and national food security. The strategy and Action Plan is an integral part of the overall development polices of the country and supposed to be integrated with any sort of development practice, e.g. Agriculture.

Screening of Country and Sector Environmental Framework			
Assess the adequacy of legislation, policies and procedures for environmental management and impact assessment in the country and sector. If an issue is inadequately dealt with (indicated by a tick in the “no” box), please add comments and indicate further work to be undertaken (see also “next steps” section, below).			
<i>Issue:</i>	<i>Yes</i>	<i>No</i>	<i>Comments and further work to be done:</i>
1. Do national procedures and legislation for Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA) exist?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2. Are there operational national environmental action plans or environment sector programmes ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
3. Are there regularly updated state of the environment reports and environmental monitoring systems with indicators ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4. Is environmental management sufficiently integrated into the sector plans ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
5. Is there sufficient institutional and human capacity for environmental management in the sector concerned?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Summarise the overall impression of the Country and Sector Environmental Framework:			
<p>The Government plans to undertake the following policies, strategies and programmes during the Sixth Five Year Plan:</p> <ul style="list-style-type: none"> • Drafting of EIA guidelines for all sectors under the Environment Conservation Act (ECA) 1995 will be formulated in order to ensure effective enforcement of EIA. • Existing environmental laws and regulations will be amended to address new environmental issues. • Sectoral legislations are to be reviewed and redrafted in the light of Bangladesh’s commitments expressed through signing and ratifying of a number of International Conventions and Protocols on environment. • ‘National Environment Fund’ will be established in order to provide assistance to the victims of environment degradation caused by the natural disasters and anthropogenic activities. 			
Opportunities and risks of the programme related to Climate change and the environment			
Assess how climate change and environmental opportunities and risks will arise through the programme:			
<i>Will the programme ...</i>	<i>Oppor-tunity:</i>	<i>Risk:</i>	<i>None:</i>
1. ... have an impact on the pollution of soil, water or air as a result of emissions or discharges ?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. ... lead to changes in land and resource tenure and access rights,	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

including the rights of indigenous peoples ?			
3. ... include activities within or adjacent to protected or environmentally sensitive areas ?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. ... result in livelihood changes (including resettlement) that can increase or reduce the pressure on available natural resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. ... have direct or indirect impact on occupational health and safety ?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. ... have direct or indirect impact on environmental health ?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. ... have direct or indirect impact on climate change (e.g. through increasing or reducing emissions of greenhouse gases)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8. ... have direct or indirect impact on the resilience of communities in the face of natural disasters ?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Summarise and explain climate change and environmental opportunities:			
<p>The overall programme will have a mitigating role in addressing climate change and environmental issues.</p> <p>The IFMC and AFSP in CHT will promote the concept of IFM through FFS. IFM FFS will address issues like integrated pest management, crop diversification, balanced use of fertiliser and good manure management practices and safe management of water bodies and irrigation, integrated crop-fish culture, environmentally sound fresh water prawn culture and biodiversity in aquaculture.</p> <p>The FFS approach will strengthen farmers' analytical skills and their ability to conduct their own experimentation with new varieties and husbandry methods. This will in principle improve their ability to deal with challenges as they emerge as a result of climate change e.g. increasing soil salinity in the coastal areas, drought, and the emergence of new pests and diseases.</p> <p>Integrated Pest Management and integrated soil fertility management will contribute to reducing the use of pesticides and more efficient use of fertilizers. The reduction of pesticide use will have positive implication for farmers "occupational health and safety" as it relates to pesticide spraying.</p> <p>The IFM approach will contribute to improved resource utilisation by providing opportunities for nutrient recycling within the farm, reuse of pond water for small-scale irrigation on pond banks, and watering of livestock.</p>			
Summarise and explain climate change and environmental risks:			
<p>The programme is focused on climate change adaptation and environmental improvements, and no major climate change or environmental risks are anticipated.</p>			
<p>Identify requirements for undertaking an Environmental Impact Assessment (EIA). Categories are: [A] Full EIA required; [B] Partial EIA required; [C] No EIA required¹.</p>			

¹ Category A = Intervention is likely to have adverse environmental impacts that may be sensitive, irreversible, and significant in scale/scope; B = Intervention is likely to have negative impacts, but which are

<i>Component Name:</i>	<i>Category A, B or C:</i>
1: Integrated Farm Management Component	C - No EIA
2: Private Sector Agro Business Development Component	C - No EIA
3:	Select category:
Will national regulations and procedures for EIA be applicable to activities of the programme that have potential environmental impacts? – Yes <input type="checkbox"/> - No <input type="checkbox"/>	
When will the EIA be undertaken?	
Next Steps – process action plan	
Need for further work during the preparation, appraisal and implementation of the programme arising from the climate change and environment screening:	
<i>Suggested activity:</i>	<i>Action needed Comments and elaboration:</i>
1. Assessment of Environmental Management in sector development plan.	<input type="checkbox"/>
2. Assessment of capacity for Environmental Management in the sector.	<input type="checkbox"/>
3. Prepare ToR for and conduct Country Analytical Work.	<input type="checkbox"/>
4. Prepare ToR for and conduct SEA(s) of sector policies or plans.	<input type="checkbox"/>
5. Prepare ToR for and conduct EIA(s) for programme support activities.	<input type="checkbox"/>
6. Initiate donor harmonisation in the sector on environmental assessment and management.	<input type="checkbox"/>
7. Other...?	
Signature of Screening Note	
<i>Dhaka and 12 July 2012</i>	
.....	
Mogens Strunge Larsen Danish Representation in Dhaka	

less significant, not as sensitive, numerous, major or diverse; C = The environmental risk of the intervention are of little or no concern.