



Building climate resilient livelihoods in vulnerable landscapes in Bangladesh (BCRL)

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10207

Countries

Bangladesh

Project Name

Building climate resilient livelihoods in vulnerable landscapes in Bangladesh (BCRL)

Agencies

FAO

Date received by PM

12/8/2020

Review completed by PM

5/13/2021

Program Manager

Fareeha Iqbal

Focal Area

Climate Change

Project Type

FSP

PIF
CEO Endorsement

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

12/17/2020:

Yes; it is aligned with CCA objectives 1 and 2.

Agency Response

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request 5/24/2021:

Cleared.

Update: 5/18/2021:

Comments of 5/4 are cleared. However, please see the comment below:

Table B, PMC row: The ratio of cofinance applied to PMC needs to match that of the LDCF portion applied to PMC. If the LDCF contribution is 4.2% to PMC, then for a total co-financing of \$46,460,000, the expected contribution to PMC needs to be around \$1,951,320 instead of \$1,000,000 (which is 2%). Alternatively, the LDCF contribution

to PMC may be decreased to reach the ratio of the cofinance. As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional.

5/4/2021:

We are unable to identify where the Agency response is to the comment of 4/22 and whether the Agency confirms there will be no direct execution of the activities.

4/22/2021:

Not yet. Items 6 and 7 are cleared, thank you -- but item 3 is not. The GEF cannot support any direct execution by agency. Please consider working with another organization in the country that can provide support on the trainings.

3/1/2021:

Please see request for clarifications on 3), 6) and 7)

1) Thank you for correcting the co-finance categorization. Cleared.

2) Thank you for the scientific references requested. Cleared.

3) FAO is welcome to share its various tools and analytical frameworks that may be relevant for the project. The GEF Secretariat only wishes to stress the point that it cannot support direct execution of any project activity by the Implementing Agency. Can the agency please verify that there will be no direct execution?

4) Thank you, cleared.

5) Noted.

7) Re the weather advisories, will a strategy be developed for how to sustain their dissemination to farmers after the project is completed?

6) We find Component 3 interesting and potentially innovative, and would like to better understand it:

(a) Will the \$60k be used to finance technical assistance to commercial and local agricultural banks to design lending products for small holder farmers and MSMEs to invest in income generating climate resilient and adaptation activities?

(b) Have the commercial and local agricultural banks been identified? If not yet, is it possible to provide a list of potentially interested banks to partner with for this output?

(c) Is the intention for Bangladesh Bank to provide a line of credit (at 4% interest rate or otherwise) to the commercial and local agricultural banks to offer lending products focused on climate resilience and adaptation to small holder farmers and MSMEs? If so, (i) how will climate resilience impacts from the financing be defined and tracked? (ii) Have you considered working with Bangladesh Bank to include one or several KPIs in their line of credit related to climate resilience? (iii) Is there scope in the project design and budget to provide a grant-based guarantee to Bangladesh Bank to

motivate their committing a line of credit at accessible terms with explicit KPIs on climate and ecosystem resilience?

(d) Re the grants totaling \$720,000, will these be grant-based guarantees for lines of credit to include climate resilience KPIs at accessible terms for small scale farmers and MSEMs?

(e) Could the \$2 million (for equipment transfer) be used as a grant-based guarantee for a line of credit?

(f) Will the TA of \$153,000 include expertise on design of inclusive and micro finance for climate resilience and adaptation?

12/18/2020:

Adjustments and/or further information are requested:

- 1) Awaiting response to review comment for item 4, below (co-finance).
- 2) In the section on climate-related vulnerabilities for SW Coastal Bangladesh, please include reference to scientific literature that links increase in waterlogging and salinity with climate change.
- 3) We note that a letter has been submitted from GoB requesting direct execution for several activities. The GEF Secretariat is unable to approve this request. If Government of Bangladesh partners are unable to execute certain functions for this project, then FAO is requested to seek other agencies/partners that are able to.
- 4) Table B components all appear to be TA, capacity building, training, prioritization exercises, and strengthening of various mechanisms. While these are each undoubtedly important, please be advised that 50-80 percent of the LDCF grant is expected to support concrete, on-the-ground, adaptation investment. Please clearly identify which activities will be doing so, with specifics of each activity discussed.
- 5) Please discuss why the wording has been changed from "EWS operationalized" (PIF sub-component 2.1.2) to "improved capacity to use basic agro-met advisories". The investment element of this sub-component is no longer evident.
- 6) Please clarify what is being proposed in sub-component 3.5, and the LDCF resources that would be associated with this activity.
- 7) Please provide more information on the crop weather advisories that will be disseminated to farmers, as well as the modality. Will this be paid or unpaid? Will it be through SMS or require internet? Etc. How will this activity be sustained beyond the life of the project?

Agency Response
Response to the comments on 5/18/2021

Duly noted. The co-financing amount for PMC in Table B has been increased to USD 2.5 million, which is 5.2% of the total co-financing amount, and proportional to the GEF contribution. The activities under PMC co-financing is mentioned in page 10 of the project document (below Table C)

Response to the comments on 5/4/2021

We confirm that there is no direct execution by FAO.

Response to the comments on 3/1/21:

3) In order to address the institutional, technical, and operational complexity in the country and to ensure coherency, the Government of Bangladesh has requested FAO to perform minor, targeted execution support functions essential to the smooth and consistent delivery of the project. As requested, this support has now been limited to one training package (accounting for less than 1% of the project budget) comprising the following: Trainings of Master Trainers for Gender-sensitive Value Chains and Assessing Climate Risks / Adaptation Measures in Agriculture Sectors. During the PPG phase, the Government of Bangladesh and stakeholders identified this training and capacity building as a priority need. FAO was requested to do Training of Trainers on this subject as part of the project Gender Action Plan, based on FAO's experience and existing tools and frameworks. Executing Agencies alone do not have the expertise to do this. Part of these trainings will be co-funded through FAO's own agency fees and resources.

7) The BCRL project will develop crop advisories in collaboration with DAE's Bangladesh Agrometeorological Information System Development (AMISDP) Project and disseminate the advisories using the same system adopted by AMISDP. As AMISDP is mostly focused on the conventional crops, BCRL project will complement to AMISDP by developing advisories for high value climate resilient crops. It will also help improve the overall effectiveness of the advisories through process evaluation surveys of end-users, which will seek feedback on understandability, timeliness, relevance etc. of information provided (activity supported from project budget, Climate Smart Agriculture Expert along with DAE Deputy Project Director and Project Implementation Coordinator). This will further strengthen the activities of AMISDP Phase II which is expected to be designed and launched with World Bank loan support at the end of AMISDP Phase I. In the post project period, the BCRL project beneficiary information will be retained by DAE and it is anticipated that AMISDP will continue to disseminate the crop advisories from government's regular or AMISDP project. This will support the post project sustainability/durability of BCRL project and ensure climate resilience in long term as well.

6) We find Component 3 interesting and potentially innovative, and would like to better understand it:

(a) Will the \$60k be used to finance technical assistance to commercial and local agricultural banks to design lending products for small holder farmers and MSMEs to invest in income generating climate resilient and adaptation activities?

The US\$ 60K is not specifically intended to be used for direct technical assistance to banks but does not exclude that possibility either. Per the original proposal, the US\$60k will be used to contract a vendor to design innovative credit products for farmers and MSMEs, and we anticipate that this will require close coordination with commercial and local agricultural banks to understand their priorities for lending in this space. The focus of vendor's technical assistance is expected to be on (1) increasing the technical

awareness of credit officers/lenders on climate smart technologies; (2) enabling a different (generic) approach to assessing credit risk of smallholders and MSMEs, as needed; (3) providing inputs on alternative collateral or risk management options; (4) determining the loan size, loan usage / activities funded, tenure and repayment schedules, and interest rates for a few typologies of smallholders and MSMEs. The last component will be informed by project's engagement with MSMEs to develop business models. The intensity of technical assessment for commercial and local agricultural banks will be a function of their expressed / vendor assessed need, and the number of entities that engage with the project. At the MSME level, it is expected that most MSMEs will benefit from access to seed loans or working capital loans.

(b) Have the commercial and local agricultural banks been identified? If not yet, is it possible to provide a list of potentially interested banks to partner with for this output?

During PPG, FAO consulted with some commercial and local agricultural banks. A list of few potentially interested banks are furnished below.

- Mutual Trust Bank (National commercial bank)
- Prime Bank (National commercial bank)
- Rajshahi Krishi Unnayan Bank (Local agricultural bank situated in HBT)
- Bangladesh Krishi Bank (National agricultural bank)

(c) Is the intention for Bangladesh Bank to provide a line of credit (at 4% interest rate or otherwise) to the commercial and local agricultural banks to offer lending products focused on climate resilience and adaptation to small holder farmers and MSMEs? If so, (i) how will climate resilience impacts from the financing be defined and tracked? (ii) Have you considered working with Bangladesh Bank to include one or several KPIs in their line of credit related to climate resilience? (iii) Is there scope in the project design and budget to provide a grant-based guarantee to Bangladesh Bank to motivate their committing a line of credit at accessible terms with explicit KPIs on climate and ecosystem resilience?

The Bangladesh Bank follows an Agricultural and Rural Credit Policy Program for each financial year. The major objective of this program is to foster Sustainable Development Goals i.e., eradicate poverty, ensure safe and nutritious food, promote good health, etc. These Program announcements also fix the agricultural credit targets for each fiscal year: for 2020-21, this target was BDT 262.92 billion (US\$ 309.32 million) which is 8.99% higher than the target set for 2019-20. Targets are demarcated and tracked for state owned and specialized commercial banks (42% of target, BDT. 110.45 billion, for 2020-21), and private and foreign commercial banks (58% of target, BDT. 152.47 billion for 2020-21). Additionally, the Program tracks disbursements to women, small and marginal farmers, and farmers of char (river island), Haor (wetland area), and less developed areas of Bangladesh.

Since project activities are climate smart / resilient in nature, credit lines extended to project beneficiaries are eligible to be counted towards the targets for Agricultural and Rural Credit Policy Program, and might enable project's partner banks to borrow at 4% from Bangladesh Bank for on-lending. However, the ultimate decision for whether project activities qualify for the low-interest credit lines from Bangladesh Bank will depend on the Program for each financial year, and the central bank's decision.

(c) (ii) (iii) During the PPG, FAO met with Bangladesh Bank on the potential for collaboration, and the Bank advised further discussion with commercial banks and local agricultural banks (see response to question (b) above). While the issue of enabling banks to identify and develop a climate-resilient lending portfolio was discussed, designing Key Performance Indicators at the Bangladesh Bank level to track portfolio

and impact was not. We appreciate this suggestion and will outline the potential for such an activity in the vendor procurement document for credit product design during implementation. In general, the credit product design will suggest a flexible Banking system to accommodate new indicators where needed during credit disbursement and monitoring.

Given the limited size of the project budget, the option to setup a guarantee instrument (GEF grant based) for Bangladesh Bank was not considered, and we do not think it would be feasible at this point in the design process. Our assessment is that Bangladesh Bank is highly committed to climate and sustainable finance (e.g., through engagement with GCF), and have been fairly successful in using policy instruments such as the Agricultural and Rural Credit Policy Program to direct lending (i.e., targets have always been exceeded in all but one of the five years since 2015-16). It is in broadening the scope of lending (including more smallholders, women, MSMEs), ensuring activities supported are truly climate resilient in nature, and improving the design of credit products ? at the commercial and local agricultural bank level ? that focus is needed as the immediate next step. BCRL experience can then help Bangladesh Bank re-assess what changes in or new policies will be needed to scale up climate adaptation and resilience finance.

(d) Re the grants totaling \$720,000, will these be grant-based guarantees for lines of credit to include climate resilience KPIs at accessible terms for small scale farmers and MSEMs?

Under this activity, a total of 180 farmers organizations (FO) will each be offered via a LOA US\$ 4,000 grant for their capacity building and business development. E.g., formal registration, capital investments, and technical and business training with the assistance and advice of DAE officials and FO facilitators. In addition, the grants can be integrated into the design of the aforementioned credit products. The vendor will consider how these grants can function as alternate to collateral or be used in risk assessment frameworks of banks towards lending to FOs. At the same time, the capacity of FOs to absorb additional credit during the project period will vary, and not all FOs will seek additional credit (i.e., over and above the grant) to setup or develop their business during the project period. However, because BCRL activities will develop capacity of FOs, and project banks will develop credit lines for smallholders and MSMEs, it is theorized that lending operations will continue beyond project period with a readymade base of priority sector clients.

(e) Could the \$2 million (for equipment transfer) be used as a grant-based guarantee for a line of credit?

Yes, equipment transfer to agri-business entrepreneurs and MSMEs (which could include farmers and FOs) will function as a grant-based guarantee for start-up capital (say to fund rudimentary building construction) or working capital (purchase of complementary equipment, rent for office, etc.) loans.

(f) Will the TA of \$153,000 include expertise on design of inclusive and micro finance for climate resilience and adaptation?

The additional technical assistance will be provided by two consultants: one, an agri-business expert, and two, a senior consultant to support DAE in linking FOs to agri-businesses. The second consultant is not expected to have expertise in financial inclusion or micro-finance for climate resilience / adaptation. The first consultant will have some expertise in financial inclusion or micro-lending for MSMEs, and familiarity with climate resilience / adaptation projects and activities.

2) Thank you for the careful review of the climate rationale. There is strong scientific evidence that climate change is a driver of both waterlogging and salinity conditions in Bangladesh. These are both due to direct and indirect impacts for which references have been added. We have revised the text in the ProDoc and described local management and infrastructure as the cause of original waterlogging conditions but that these conditions are worsened by climate change induced flooding. We also note that salinity intrusion and waterlogging, together with sea-level rise and natural disasters, are highlighted as the main vulnerabilities of the the SW coastal Bangladesh in the CSAIP and addressing them are prioritized under investment package 2 (focusing on Khulna and Barisal).

References linking climate change to waterlogging and salinity:

24 Choudhury, A.M., Neelormi, S., Quadir, D.A., Mallick, S. and Ahmed, A.U., 2005. Socio-economic and physical perspectives of water related vulnerability to climate change: results of field study in Bangladesh. *Science and Culture*, 71(7/8), p.225.

25 Whitehead, P.G., Barbour, E., Futter, M.N., Sarkar, S., Rodda, H., Caesar, J., Butterfield, D., Jin, L., Sinha, R., Nicholls, R. and Salehin, M., 2015. Impacts of climate change and socio-economic scenarios on flow and water quality of the Ganges, Brahmaputra and Meghna (GBM) river systems: low flow and flood statistics. *Environmental Science: Processes & Impacts*, 17(6), pp.1057-1069.

26 Change, I.P.O.C., 2001. Climate change 2007: Impacts, adaptation and vulnerability. *Genebra, Su??a*.

27 Hutton, C, Rahman, M, Harfoot, A., Haque, A., Shourov, M, Hossain, D., Chapman, A., Lazar, A., Salehin, M., Nicholls, R., Hill, C., 2018. The Application of an integrated assessment model (IAM) to waterlogging in South West Bangladesh. A contracted study from DFID Bangladesh. Contract Number: PO 40111886 Study on the economics of waterlogging in Southern Bangladesh

28 Ibid.

29 Whitehead, P.G., Barbour, E., Futter, M.N., Sarkar, S., Rodda, H., Caesar, J., Butterfield, D., Jin, L., Sinha, R., Nicholls, R. and Salehin, M., 2015. Impacts of climate change and socio-economic scenarios on flow and water quality of the Ganges, Brahmaputra and Meghna (GBM) river systems: low flow and flood statistics. *Environmental Science: Processes & Impacts*, 17(6), pp.1057-1069.

30 SRDI. (2010). *Saline Soils of Bangladesh*. SRMAF Project, Soil Resource Development Institute (SRDI), Ministry of Agriculture: Dhaka, Bangladesh.

31 Dasgupta, S., Hossain, M.M., Huq, M., and Wheeler, D. (2015). Climate Change and Soil Salinity: The Case of Coastal Bangladesh. *Ambio*, 44:815-826.

32 GED (2018b). *Bangladesh Delta Plan 2100*. General Economics Division, Bangladesh Planning Commission, Ministry of Planning: Dhaka, Bangladesh.

33 Goosen, H., Hasan, T., Saha, S.K., Rezwana, N., Rahman, M.R., Assaduzzaman, M., Kabir, A., Dubois, G., and Scheltinga, C.T. (2018). National Climate Vulnerability Assessment in Bangladesh. Final Draft, November 2018. MoEF and GIZ

34 Hutton, C, Rahman, M, Harfoot, A., Haque, A., Shourov, M, Hossain, D., Chapman, A., Lazar, A., Salehin, M., Nicholls, R., Hill, C., 2018. The Application of an integrated assessment model (IAM) to waterlogging in South West Bangladesh. A contracted study from DFID Bangladesh. Contract Number: PO 40111886 Study on the economics of waterlogging in Southern Bangladesh

3) Duly noted. We have revised the activities and reallocated those related to contracts for producing videos and printing of awareness-raising materials under component 4, to DOE. FAO will support DOE with identifying suitable vendors to ensure efficiency in delivering these activities. However, there are a few activities (e.g., of evaluative nature and linked to project's MEL) wherein FAO's breadth of technical experience and partnerships will enhance delivery and credibility of findings while at the same time build the capacities of DOE and DAE, including in terms of overcoming capacity gaps identified in the fiduciary assessments. The rationale for each activity is provided below:

1. **Household surveys (900 project beneficiaries in years 1, 3 and 5 of the project) and two process evaluations:** For the survey of 900 farmers to assess project outputs, outcomes and impacts, FAO will draw on the tools it has developed i.e., TAAS (Tracking Adaptation in the Agriculture Sectors), TAPE (Tool for Agroecology Performance Evaluation), SHARP (Self-evaluation and Holistic Assessment of Climate Resilience), Sustainable Food and Value Chains prioritization tool, etc., and customize it to the Bangladesh context. Because FAO has a long-term vision to leverage LDCF experience in developing a Climate Smart Agriculture project with the Government of Bangladesh to the GCF, it will also consider (as a secondary goal) how this survey can support GCF project development. For the process evaluation of crop advisories, as stated below, FAO will draw on its experience in Lao PDR and directly adapt the survey. Similarly, FAO is well positioned to leverage its partnerships with Bangladesh agricultural universities (and students therein) to bring an element of independence (thereby increasing credibility) in evaluating Component 2 activities. These surveys and process evaluations will be utilized as an input to the MTR (mid-term review) and Terminal Evaluation-TE, and this is another critical reason why FAO managing this (over the government) is preferred. Finally, FAO Bangladesh is setting up a dedicated MEL Unit within the country office that can further enhance oversight and execution of these activities of an evaluative nature. DAE (nor DOE) currently does not have the capacity to engage in additional data collection and analysis, and as is, has to lead other technical activities in which they do not have prior experience (Vulnerability Risk

Assessments), have not yet implemented via an online system (e.g., the MEL tool developed by ICRISAT), or will need to bring new evidence to bear (value chain mapping).

Vendor to support the development of Component 4 case studies: FAO will work closely with DAE and DOE (as well as the vendor) to pre-select adaptation measures of farmers, and those farmer organizations' business initiatives and institutional innovations that are important to document from the learning and knowledge management perspective. However, based on past experience with the DS-SLM project (Decision Support for Mainstreaming and Scaling out of Sustainable Land Management) that involved similar documentation, considering the existing demands on DOE's project management capacity and that the fiduciary assessment of DAE precludes vendor management, as well as the links between this activity and project MEL, FAO will provide technical oversight for this activity.

3. **Trainings of Master Trainers for Gender Value Chains and Assessing Climate Risks / Adaptation Measures in Ag Sector:** FAO has developed several modules (in the form of training manuals / guidelines) on gender and inclusion in agriculture value chains, and prioritizing measures / actions for sustainable food systems, and pioneered the Climate-Smart Agriculture framework. This activity will directly develop the capacity of selected government of Bangladesh officials in DAE, DOE, and the two Ministries ? train them as Master Trainers ? so that they can teach these modules in the future. That is, by building the capacity of trainers at the national level, sustainability of these activities is enhanced.

4) Thank you for pointing this out. Activities under Component 2 and 3 (the bulk of the project funding) are investments and have been revised accordingly.

5) This change was based on the recommendations of stakeholders during PPG ?including government officials, development partners (e.g., CIMMYT ? the International Center for Maize and Wheat Research; WMO ? World Meteorological Organization, World Bank's AMIDSP - Agro-Meteorological Information Systems Development Project project staff) and farmers and farmer groups?to avoid duplication of existing activities, and to target specific gaps in the agricultural extension and development systems. That is, Bangladesh has well-developed Early Warning Systems (EWS) that have substantially reduced deaths?particularly during cyclones. There are a number of ongoing projects on Early Warning/Early Action being implemented by UN agencies (FAO, WFP ? World Food Programme) and NGOs such as ICRC ? International Committee of the Red Cross across Bangladesh. However, it was evident from stakeholder discussions that farmers and MSMEs have very specific, unmet

weather and climate information requirements. These are both long-range forecasts (e.g., expectations relating to monsoon rains) and regular weather data (3-5 day forecasts) as well as advice on specific measures they should take to mitigate risks (e.g., harvest crop, apply pest control measures). Hence, the activity name was changed from EWS operationalized to reflect the nature of activity.

In this regard, there have been a few successful pilot projects such as that of CIMMYT and EMPOWER- PAD (Precision Agriculture for Development) that have provided information via SMS (short messaging service) in certain Bangladesh upazilas and for specific crop-risk combinations (e.g., wheat blast and rust; potato and late blight). More importantly, DAE leads one of the three components of the World Bank AMISDP (Agro-Meteorological Information Systems Development Project) and as described in the ProDoc, AMISDP has funded research (e.g., trigger thresholds for pest / disease / weather-induced crop loss), infrastructure (e.g., rain gauges) and extension (e.g., agro-meteorological information display boards) activities in all districts of Bangladesh. AMISDP has developed crop-weather calendars and uses traditional extension system (e.g., SAAOs informing common interest groups and farmers) as well as new systems (display boards, SMS) to disseminate weather forecasts, crop advisories, and warnings. LDCF-BCRL will utilize lessons from pilot projects and leverage AMISDP investments through the following activities:

- ? Develop new crop-season calendars for LDCF-BCRL crops, not already developed by AMISDP (regular budget, Climate Smart Agriculture Expert along with DAE Deputy Project Director and Project Implementation Coordinator)
- ? Develop, where feasible, post-harvest crop management advisories for farmer groups and MSMEs (regular budget, Climate Smart Agriculture Expert and Agribusiness Expert along with DAE Deputy Project Director and Project Implementation Coordinator)
- ? Disseminate information to project farmers, farmer groups, and MSMEs via SMS (US\$ 95,480)
- ? Use yearly process evaluations to evaluate the timeliness, relevance, adequacy, and understandability of crop advisories (US\$ 27,500). This will draw on FAO's experience in implementing and evaluating a similar system via the SAMIS project (Strengthening agro-climatic monitoring and information systems to the adaptation to climate change and food security in the Lao PDR).

Because of how LDCF-BCRL will leverage AMISDP (Phase I that ends in 2021/22 and a proposed Phase II), the additional investment is US\$ 122,980 i.e., only 1.4% of project investment.

6) The LDCF investment (US\$ 60,000) under output 3.5 will be used to develop credit products for farmers and farmer groups to support their on- and off-farm activities and with the aim of working capital loans for entrepreneurs and MSMEs to setup or expand their agri-business. Such credit products will be innovative because there is very limited lending from commercial and local agriculture banks to women, smallholder farmers and MSMEs. Even when lending occurs, the amount of credit offered is often not substantive enough to support agricultural investments. Through output/activity 3.5, a vendor with financial inclusion expertise will work with project beneficiaries, DAE and DOE project officials, and commercial banks and local agricultural banks (i.e., at the district level) to (a) identify credit needs across target groups; (2) design suitable credit products (e.g., methodology to assess credit default risk of these target groups; how to mitigate risks ? for e.g., drawing on microfinance experience to lend to farmer groups; terms for repayment, etc.); and (3) consult with Bangladesh Bank on how its re-financing terms (4% interest rate) can further incentivize banks to lend to LDCF-BCRL target groups.

Project investments will not be utilized to make loans. Indirect support to increase credit absorption and repayment capacity is as follows: farmer organizations, entrepreneurs, and MSMEs will receive grants (FOs, US\$ 720,000), equipment transfers (US\$ 2m), and training on business development, finance and management (US\$ 153,000 for two consultants ? one an agri-business expert and another FO expert).

7) Please also refer to our response to question 5) regarding agro-met services. DAE, via the AMIDSP - Agro-Meteorological Information Systems Development Project, is setting up systems (technology, human resources, collaboration with the Bangladesh Meteorological Department and Bangladesh Water Development Board, etc.) in place that will be further strengthened through the AMIDSP project's Phase II. This will be the primary focus of institutionalization efforts.

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description

of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

5/28/2021:

Cleared.

5/28/2021:

Not yet. As per GEF Policy, 'In-kind' co-finance is considered recurring expenditure, not investment mobilized. Please amend Table C accordingly.

5/24/2021:

Not yet. Please see comments of 5/18 below.

- a) All co-finance for which the letters specify that in-kind cofinance will be provided, needs to be marked as "in-kind" in Table C.
- b) The Palli Karma-Sahayak Foundation needs to be categorized as "Other" in the 'Source of Cofinance' column. It is currently identified as recipient country government.

Updated comment, 5/18/2021 - adjustments needed.

- Co-financing letter from Recipient Country Government (DOE) indicates ?in-kind? co-financing (not grant). Please revise.
- Co-financing letter from FAO indicates several other different donor funds. Please include these in the table C.
- Co-financing letter from Palli Karma-Sahayak Foundation should be classified as ?other?. Their co-financing is also ?in-kind? and not grant.

2/18/2021:

Cleared.

12/1/2020:

Adjustments are requested:

- 1) Table C: please correct the categorization of the co-finance. In order to qualify as "investment mobilized", the co-finance would need to be Grant or Loan, not in-kind. Please re-classify.
- 2) For a LDCF grant of this size - \$10 million - we expect the agency to mobilize investment, at a substantial level, and not exclusively indicate in-kind support as co-finance, especially given the high expected impact/scale of the proposed project. At PIF stage, the agency had indicated that a grant for \$15.4 million would be provided by the FAO as co-finance for this project. It is currently not visible in Table C of the CER.

Agency Response

Response to comments 28/5/21

Addressed

Response to comments on 5/24/2021

a) The ?type of co-financing? column in Table C has been revised to ?in-kind? in line with the co-financing letters

b) The ?source of co-finance? column for Palli Karma-Sahayak Foundation has been revised to ?Other?

Response to comments on 5/18/2021

As suggested, the following changes have been made in Table C (page 9).

- Co-financing letter from Recipient Country Government (DOE) classified as Other.
- The different donor funds indicated in the FAO co-financing letter are included in table C
- Co-financing letter from Palli Karma-Sahayak Foundation is classified as Other

1) Well noted. After discussion and based on the co-financing sources, we have re-classified co-finance as grants. The detailed breakdown/co-finance projects are provided in the portal and ProDoc.

2) As noted above, the co-financing, including from FAO, has been reclassified as the sources are all grant-based. The actual co-finance from FAO is lower than what was anticipated at PIF stage. However, the total amount of co-finance for the project has more than doubled ? from USD 21,4 million at PIF stage to USD 47,4 million at CEOER ? as a result of efforts to mobilize additional investment, especially from PKSF.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request 5/24/2021:

Cleared.

Updated comment, 5/18/2021 - adjustments needed:

- (a) The budget table in the Portal is not readable ? please include a table with (i) thinner columns (ii) less columns (perhaps just report on Components instead of 'Components + outputs'). Then the table would likely fit and be readable.
- (b) 'Project implementation Coordinator' is part of project's staff ? as such, it much be charged to PMC (to both GEF and co-financing portions) instead of to the Project's components;
- (c) Project Steering Committee meetings must be charged to M&E, not to PMC.
- (d) Rent and utilities, Computers and laptops can be charged to PMC.
- (e) Miscellaneous costs can not be covered by the GEF portion ? please charge this to the co-financing portion of PMC.

2/18/2021:

Cleared.

12/18/2020:

Unclear.

Clearance is pending response to review comment for item 4, above, on Co-finance. (A significant reduction in investment mobilized appears to have occurred (relative to PIF stage) which could affect viability of the project design).

Agency Response

Response to comments on 5/18/2021

- (a) A more readable version of the budget has been re-entered in the portal.
- (b) Since this position combines both coordination and technical advisory support functions, the budget has been split between Component 1 and PMC in proportion to the time spent for both functions, with a more appropriate title - Climate Change Adaptation Coordinator. The expert will support implementation of Component 1 and other climate change adaptation (CCA) activities of the project, with technical backstopping of the DOE and DAE. Please refer to row 16 of the budget highlighted in grey. The ToR is attached in page 157 of the Prodoc.
- (c) The PSC meetings are charged to M&E, as advised. Please refer to row 57 highlighted in grey
- (d) The rent and utilities have been moved to PMC. Please refer to row 93 highlighted in grey
- (e) The Miscellaneous costs is excluded from the budget.

Please refer to our comments/revisions under item 4.

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request 12/18/2020:

Yes.

Agency Response

Core indicators

**7. Are there changes/adjustments made in the core indicator targets indicated in Table E?
Do they remain realistic?**

Secretariat Comment at CEO Endorsement Request 5/13/2021:

Cleared.

5/4/2021:

Based on the project description, it seems additional categories for Output 1.2.2 of the LDCF Results Framework may be selected, such as microfinance/risk insurance/equity or Other (e.g., equipment transfer). Would you like to consider identifying some of these, as appropriate?

2/18/2021:

The changes requested on 12/18 have not yet been made for the "Target at CEO Endorsement" column. At PIF stage, sub-indicator values were entered and checkboxes selected for the type(s) of climate hazard being addressed; the type of climate information system being developed or strengthened; modes of dissemination of the climate information; financial instruments or models; etc. Please complete to the extent possible for the "Target at CEO Endorsement" column. Where an exact match is not listed among the choices, please tick "Other" and enter the appropriate phrase in the brackets provided. The last column ("Comments") is only for further explanation.

12/18/2020:

Further information requested.

Yes, changes have been made: (i) number of proposed beneficiaries has increased; and (ii) instead of Core Indicator 3 (policy mainstreaming), the project now proposes to report against Core Indicator 3 (number of people trained on climate resilience). These changes are acceptable.

However, where possible, the agency is requested to provide at least the same level of

detail for the activity sub-indicators for the 'Target at CEO Endorsement' column as it has for the 'Baseline at CEO Endorsement' column.

Agency Response

Response to comments on 5/4/2021

We have identified '**other**' - **credit product**, to be determined and designed by a vendor. Eg, combining a grant instrument with formal credit product for technology upgradation or equipment purchase.

Please note: Due to formatting issues in the excel sheet, it is not possible to specify in column E row 101. Instead, 'credit product' has been entered in column H row 101. The revised tracking tool has been uploaded in the Roadmap section

The tracking tool has been revised accordingly and uploaded in the Roadmap section.

It appears that there was a formatting error in the excel sheet, which by mistake increased the number of beneficiaries. This has now been corrected and we have adjusted the activity sub-indicators in the Target at CEO Endorsement column, as per recommendations above.

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

2/18/2021:

Cleared, thank you.

12/21/2020:

The agency is requested to clarify the link between waterlogging/salinity and climate change, for SW coastal Bangladesh.

Agency Response

Thank you for the careful review of the climate rationale. We have clarified the link between climate change and waterlogging and salinity in the revised ProDoc (see below text).

Waterlogging and salinity-prone areas (Southwest Coastal Bangladesh). This landscape comprises the coastal areas of the Ganges tidal plain and features highly productive agricultural systems. However, due to their low-lying topography and exposure, these systems are among the most climate-vulnerable agricultural landscapes in the world. The increase of waterlogged areas is a severe problem, particularly in the coastal districts of Jessore, Khulna, and Satkhira districts. Reduced river flows have resulted in drainage congestion and left vast areas waterlogged. Climate change has been identified as a key driver of waterlogging because it contributes to increased flooding through increased precipitation and sea level rise²⁴. Indirect climate change related impacts include increased water demand and more extreme water flow patterns²⁵, and cyclones which are projected to become more frequent and intense²⁶. These interact with local manmade impacts of poorly planned embankment and road construction, lack of water infrastructure maintenance, and unsustainable aquaculture practices²⁷, which are the actual cause of the original waterlogging conditions. Considering these interactions together in a business as usual setting, waterlogging is projected to increase 25% by 2050 under a warmer and wetter climate scenario, precisely within the areas targeted in this project²⁸. Crops and livelihoods will likely suffer from both an increase in the extent of waterlogging and also extended periods of waterlogging.

Climate change induced sea level rise is also a driver for increasing salinity, which is perhaps an even more severe problem both nationally and especially within the project areas. Salinity in soils affects the growth and production of agricultural crops, including rice. Harmful soil and water salinity is mainly attributed to rising sea levels when arable land is affected by tidal flooding during the rainy season, direct inundation by saline water, upward and lateral movement of saline groundwater during the dry season and lack of freshwater inputs²⁹. There are 19 coastal districts, covering 32% of the country and accommodating more than 35 million people where primary production system, coastal biodiversity, and human health are at risk due to salinity intrusion. The rate of increase in salinity is accelerating: salinity affected land increased from 0.833 million hectares in 1973 to 1.02 in 2000, and then to 1.06 in 2009 (Figure 4). Sea level is projected to rise by 0.2m, 0.5m, and 1m by 2020, 2050, and 2100 respectively, and in 2100, about 17.5% of the country's land area will be under water³⁰. As a result, by 2050, the annual median change in soil salinity is projected to be 39%, with some areas in Barisal, Chittagong, and Khulna experiencing much larger increases. The Paikgachha and Batiaghata upazilas targeted in this project, have been identified as some of the most vulnerable upazilas to the effects of waterlogging/salinity in the country, and Dumuria similarly suffers from high water quality degradation vulnerability³¹. One model for the area projects a 28% decrease in rice production by 2050 as a result of increased salinity³².

References linking climate change to waterlogging and salinity:

24 Choudhury, A.M., Neelormi, S., Quadir, D.A., Mallick, S. and Ahmed, A.U., 2005. Socio-economic and physical perspectives of water related vulnerability to climate change: results of field study in Bangladesh. *Science and Culture*, 71(7/8), p.225.

25 Whitehead, P.G., Barbour, E., Futter, M.N., Sarkar, S., Rodda, H., Caesar, J., Butterfield, D., Jin, L., Sinha, R., Nicholls, R. and Salehin, M., 2015. Impacts of climate change and socio-economic scenarios on flow and water quality of the Ganges, Brahmaputra and Meghna (GBM) river systems: low flow and flood statistics. *Environmental Science: Processes & Impacts*, 17(6), pp.1057-1069.

26 Change, I.P.O.C., 2001. Climate change 2007: Impacts, adaptation and vulnerability. *Genebra, Su??a*.

27 Hutton, C, Rahman, M, Harfoot, A., Haque, A., Shourov, M, Hossain, D., Chapman, A., Lazar, A., Salehin, M., Nicholls, R., Hill, C., 2018. The Application of an integrated assessment model (IAM) to waterlogging in South West Bangladesh. A contracted study from DFID Bangladesh. Contract Number: PO 40111886 Study on the economics of waterlogging in Southern Bangladesh

28 Ibid.

29 Whitehead, P.G., Barbour, E., Futter, M.N., Sarkar, S., Rodda, H., Caesar, J., Butterfield, D., Jin, L., Sinha, R., Nicholls, R. and Salehin, M., 2015. Impacts of climate change and socio-economic scenarios on flow and water quality of the Ganges, Brahmaputra and Meghna (GBM) river systems: low flow and flood statistics. *Environmental Science: Processes & Impacts*, 17(6), pp.1057-1069.

30 SRDI. (2010). *Saline Soils of Bangladesh*. SRMAF Project, Soil Resource Development Institute (SRDI), Ministry of Agriculture: Dhaka, Bangladesh.

31 Dasgupta, S., Hossain, M.M., Huq, M., and Wheeler, D. (2015). Climate Change and Soil Salinity: The Case of Coastal Bangladesh. *Ambio*, 44:815-826.

32 GED (2018b). *Bangladesh Delta Plan 2100*. General Economics Division, Bangladesh Planning Commission, Ministry of Planning: Dhaka, Bangladesh.

33 Goosen, H., Hasan, T., Saha, S.K., Rezwana, N., Rahman, M.R., Assaduzzaman, M., Kabir, A., Dubois, G., and Scheltinga, C.T. (2018). National Climate Vulnerability Assessment in Bangladesh. Final Draft, November 2018. MoEF and GIZ

34 Hutton, C, Rahman, M, Harfoot, A., Haque, A., Shourov, M, Hossain, D., Chapman, A., Lazar, A., Salehin, M., Nicholls, R., Hill, C., 2018. The Application of an integrated assessment model (IAM) to waterlogging in South West Bangladesh. A contracted study from DFID Bangladesh. Contract Number: PO 40111886 Study on the economics of waterlogging in Southern Bangladesh

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

12/21/2020:

Yes.

Agency Response

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

5/13/2021:

Cleared.

5/4/2021:

We note that vehicle hire has been included. Can you please remove any vehicle-related expenses from the budget, and explore the use of cofinance for it instead? Thank you.

4/22/2021:

Not yet. Unfortunately we are unable to open the embedded excel file of the budget within the ProDoc. Can you please also submit as a standalone file?

2/18/2021:

Thank you for the explanations and adjustments. Please note, however, that the vehicle related expenses cannot be supported by the GEF grant.

12/21/2020:

See comments for review item 2 of Part I of the review. Also see comments on the proposed project budget below:

- 1) The budget proposed that nearly a fifth of the LDCF grant will support consultants. This proportion is excessively high. Please revise.
- 2) The budget includes line items for rates for personnel from DoE and DAE. Please note that the LDCF cannot support salaries for Government staff. These show in a column titled "Operational partner budget" yet are included in the "Total GEF" column. Please remove these amounts.
- 3) The time commitment and rate for the Senior Monitoring Officers is excessive. The GEF can cover one officer for monitoring, who will likely not be needed fulltime. Please

use co-finance for any extra support needed.

4) Can you please advise where we can find the ToRs for the proposed LDCF-supported project staff?

5) Please remove vehicle-related expenses from the LDCF budget.

6) The on-the-ground investments (rows 81-87 of the budget table) appear to total around \$4 million, or less than half the project grant. Please rebalance the amount for consultants, travel, trainings etc., so that the bulk of the budget is applied here.

Agency Response

Response to comments on 5/4/2021

FAO confirms that the budget does not include vehicle related expenses.

In accordance with the GEF Policy, we confirm that the project budget does not include the purchase of vehicles.

1) After discussions among the PTF and in agreement with the Government (DOE/DAE), the budget for project consultants has been modified. In line with GEFSEC recommendations (comment 3, above), the two Senior Monitoring Officers and one Programme Officer position has been combined into one Project Implementation Coordinator position resulting in a savings of US\$ 204,000). Additionally, the number of months that the Communications Expert will be supported from GEF-LDCF funds has been reduced from 60 months to 30 months, resulting in savings of US\$ (20,000). Currently, the cost of full-time and part-time consultants amounts to 19% of the total GEF budget. The savings (US\$ 224,000 in total) has been reallocated to the field level activity on procurement of farm and agro-processing equipment (in response to comment 6, above).

2) We understand that the way budget items were listed (with references to DOE/DAE) may have created an impression of rates for government personnel to be covered under the project. We have corrected this in the revised budget. Please also note that government staff i.e., members of the Project Steering Committee, Project Implementation Committee, Project Directors, Deputy Project Directors, and SAAOs and UAOs (extension officers at sub-district and district level) as well as other DAE and DOE staff at sub-national level who support and monitor the project will be paid by Government of Bangladesh.

All personnel listed in the LDCF-BCRL budget are dedicated consultants who will be competitively recruited for the project and will be based 100% of the time at the project offices at national or sub-national level. The titles for various consultants use terms such as ?officer?, ?assistant? etc. in line with GoB norms.

3) We have revised according to the recommendations ? please refer to response 1) above.

4) ToRs have now been included in the revised ProDoc attached in the roadmap section ? please refer to Annex O.

5) We have consulted with DOE and DAE, who have reiterated that vehicles are critical for project execution in the targeted regions. Unfortunately, neither the Government nor the co-financing initiatives have any additional field-based vehicles in the targeted regions/upazilas that can be used by the project, so those expenses have been kept in the budget. Furthermore, the sharing of project vehicles is restricted by official regulations^[1] related to the use of government vehicles and regrettably, no vehicles are currently available in the BCRL-targeted project areas.

6) Please refer to our response in 1) above. In fact, the bulk of the project budget will go towards on-the-ground investments. In addition to technical experts, on the ground investment include:

- ? US\$ 135,000: Costs associated with conducting CBA assessments and Vulnerability Risk Assessments (VRAs) at the community or village level.
 - ? US\$ 800,000: Costs associated with conducting Farmer Field Schools (FFS) ? approximately US\$ 1,000 per FFS ? which can be used to setup demonstration plots and equipment for use by farmers.
 - ? US\$ 4,406, 970: Costs of input and equipment that will be transferred to farmers, farmer organizations, and MSMEs.
- The above investment items total to US\$ 5,341,970 or 60% of the GEF budget.

[1] According to Official Vehicle (Regulation of Use) Rules. 1986:

No public servant shall use any official vehicle or journey beyond his local jurisdiction, if any, or beyond the radius of twenty-five miles from his office or official residence, whichever is applicable:

Provided that the provisions of this rule shall not apply to a public servant who falls within the scope of the exceptions made in the Chief Martial Law Administrator?s Secretariat letter No. 7009/2/Civil-1, dated 5th May, 1983, 14th July, 1983, 22nd September, 1983 and 21st November, 1985.

Definitions:

(a) ?official Vehicle? means a vehicle belonging to, or provided by, the Government or, as the case may be any other organization;

(b) ?Public servant? means a person in the service of the Republic and includes a chairman, a director, trustee member, commissioner, teacher, officer or other employee of any local authority, statutory corporation, including a university or any other body,

authority or an organization constituted or established by the Government or by or under any law, herein referred to as any other organization, but does not include any person who:

- (i) is a member of any defense services;
- (ii) is a member of any law enforcing agency; or
- (iii) holds any office which is filled by Election under any law:

Provided that, in the case of a member of any law enforcing agency, this exception shall apply only to such member as is specifically authorized by his head of the department to use the official vehicle.

(c) **?Local jurisdiction?** means

- (i) in the case of a district official the limits of the district concerned;
- (ii) in the case of Upazila official the limits of the Upazila concerned; and
- (iii) in case of any other official, the limits of the district in which his office is situated.

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

12/21/2020:

Yes.

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

12/21/2020:

Yes.

Agency Response

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

12/21/2020:

Yes.

Agency Response

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

12/21/2020:

Yes.

Agency Response

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

12/18/2020:

Yes.

Agency Response

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

Stakeholders

**Does the project include detailed report on stakeholders engaged during the design phase?
Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request

2/18/2021:

Cleared.

12/21/2020:

Further information is requested.

Information on stakeholders, their roles, and status of consultations has been provided.

Please also discuss whether and how traditional knowledge will be incorporated in project design and implementation.

Agency Response

The project recognizes that some of the climate adaptation solutions proposed were developed by farmers (at a small scale and individual level) and tested/improved by the agricultural research system. Therefore, farmers' learning via adaptation will both be encouraged and documented throughout the project period. The CBA and Vulnerability Risk Assessments, planned at the village or community level, will capture traditional knowledge including: feedback on livelihoods and associated weather/climate risks, recent weather/climatic trends as well as adaptation measures implemented by the community or identified as suitable for implementation (and requires additional support).

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

12/21/2020:

Yes.

Agency Response

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request

3/1/2021:

Thank you. Cleared.

12/21/2020:

Further information is requested:

- 1) The agency comment in the PIF review sheet states: "Systematic consultations with superstore chains will be conducted during the PPG stage. We are confident that superstore chains will continue to be interested to engage further in the project's approach." Please discuss where this engagement currently stands and the perspectives that were presented by superstore chains during the consultations.
- 2) Please provide further information on how the project will support: "Design, piloting, and scaling financial instruments (credit) for farmers, entrepreneurs, or MSMEs in target landscapes (as service providers and beneficiaries)".
- 3) Please provide further information on how the project will support: "Development and dissemination of climate and weather information services for farmers and value chain actors (as SMS service providers and beneficiaries/private sector institutions)".

Agency Response

1) Based on stakeholder consultations, it was determined that a major focus of project activities should be at the sub-national level to improve access to agricultural inputs, and storage / processing / transportation facilities ? given that these segments of the value chain are constraints to effective adaptation and improved resilience and need strengthening.

During the PPG phase, discussions were held with ACI (which is the parent company for Shawpno ? a superstore) and Northend (a coffee chain). Coffee was not prioritized as a value chain commodity for CHT despite Northend's interest and it was not possible to determine products involved and production volumes to take discussions forward with ACI. The agri-business expert, during project implementation, will seek to link farmer organizations and MSMEs (especially those involved in storage and aggregation) to urban and peri-urban superstores where feasible. This may also result in contract farming arrangements for horticulture products in demand such as mango and dragon fruit. As such, Shwapno along with Agora, Meena Bazaar, Chal Dal etc. maybe linked with FOs / MSMEs.

2) Private sector actors (financial inclusion experts) will be responsible for design of credit products. Private commercial banks and local agricultural banks will be partners in delivering credit to farmers, farmer organizations, and MSMEs / entrepreneurs. For further details, please also refer to our response to 6) under Part 1, item 2.

3) Please also refer to our response to 7) under Part 1, item 2. In addition to farmers and FOs, private agri-business firms ? particularly those involved in produce aggregation, storage, processing and transport ? at the sub-national level would benefit from weather/climatic advisories developed under this activity. Larger agri-business firms (superstores, grocery stores, etc.) will indirectly benefit from improved produce/product quality (e.g., horticulture products harvested at appropriate times to avoid weather-related quality loss/spoilage).

Finally, private mobile vendor will partner with the project and receive funding to send crop advisory SMSs to farmers, farmer organizations and/or SAAOs/UAOs (in bulk).

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request

12/21/2020:

Yes. The table also includes execution risk due to Covid-19.

Agency Response

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

12/21/2020:

Yes.

Agency Response

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

12/21/2020:

Yes.

Agency Response

Knowledge Management

Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

12/21/2020:

Yes.

Agency Response

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request

4/22/2021:

Cleared.

2/18/2021:

Thank you. Kindly upload the climate risk assessment when available.

12/21/2020:

A climate risk assessment for any identified climate risks for the project is needed at CEO Endorsement stage. Can you please submit this?

Agency Response

The climate risk assessment has now been uploaded in the Roadmap section.

The climate risk screening is under development and we will upload it asap.

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

5/24/2021:

Cleared.

Updated comment, 5/18/2021:

Please include totals in the table for the M&E budget (Table 4) in the Portal entry.

12/21/2020:

Yes.

Agency Response
Response to comments on 5/18/2021

The total M&E budget is USD 356,900 as shown in row104 N in the budget sheet and the same is reflected in Table 4 in the portal.

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

5/13/2021:

Cleared.

5/4/2021:

Thank you for the explanation on how the project will aid in green recovery efforts. Please include a summary of this explanation in the actual Portal entry text, thank you.

3/3/2021:

Please provide further information on how this project will aid in green recovery in the COVID context.

12/21/2020:

Yes, the project has a focus on improving local livelihoods and enhancing resilience, especially for smallholder farmers, vulnerable women, individual entrepreneurs, and farmers organizations. It will deliver adaptation benefits including socio-economic benefits as well as enhance green recovery from Covid-19.

Agency Response

Response to comments on 5/4/2021

A summary of how the project will aid green recovery efforts is now included in the Benefits section of the portal and in the revised project document.

The adaptation nature of this project lends itself well to responding not only to climate change, but also shocks to the agricultural system, such as COVID-19. For example, the project will apply lessons learned from recent success in farmer adaptation to COVID from the Missing Middle Initiative (MMI) project. During 2020, FO?s under MMI used different technologies such as mobile phones, web-based messaging service, digital money, and online meeting platforms, to not only continue, but also prosper during government shutdowns/restrictions. These experiences will be seamlessly expanded into the activities of this project, specifically Activity 3.3. Enhanced linkages between FOs

and private sector to enable direct sale by farmers and Activity 3.4. Improved access to technology in crop supply chains to generate value addition opportunities for entrepreneurs and MSMEs. These skills and technologies will remain after COVID-19, and continue to benefit livelihoods connected to the value chains addressed in this project.

The project is well aligned with Bangladesh's post COVID-19 recovery plan. The country is keenly aware of the impacts of COVID on farmers, and is positioning itself to respond strongly. Specific actions in this direction are outlined in the Eighth Five Year Plan (2021-2026) and can be paired with the outputs of this project. Under the 8FYP, agricultural value chains will be strengthened to ensure food security post-COVID and this project similarly addresses the inclusion of women in economic recovery and critical gaps among several value chains distributed in the most affected areas. For example, COVID response will naturally be adopted into the development of FO field materials for developing women-led businesses (Component 2). The vermi-compost and seed banks business promoted through training under this project will put participating women in a good position to take early advantage of emerging green economy opportunities.

Furthermore, the government will provide a stimulus package for farmers, including cash and seeds. This project also aids in green recovery by strengthening sustainable value chains with similar inputs of cash, climate resilient seeds, and machinery for conservation agriculture (Component 2). The grants provided to FO's will come at a good time, as they will be enabled to understand new opportunities and risks, and make collective decisions about adopting green technologies (i.e. conservation agriculture). This will be complemented by FO sessions that will emphasize conservation agriculture. These measures are expected to protect incomes, reduce risk, and improve purchasing power of the most impacted farmers.

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

Yes.

Agency Response

Project Results Framework

Secretariat Comment at CEO Endorsement Request 12/21/2020:

Yes.

Agency Response

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request 5/13/2021:

Cleared.

5/4/2021:

Please also provide responses to the GEF Sec review comments (comments provided at PIF review for consideration at CEO Endorsement). These were as follows:

- 1) Please provide further information on how the proposed project will coordinate with other relevant planned or ongoing initiatives.
- 2) Please discuss in detail how sustainability of project activities and outcomes will be ensured.
- 3) Please outline a plan for sustainable private sector engagement.
- 4) Please discuss how the project will seek to address the particular vulnerability of women and, put in place measures to empower them.
- 5) Please discuss how communities will be engaged in project design and implementation.
- 6) Please provide further information on the establishment of the innovation incubator.

Agency Response

Response to comments on 5/4/2021

1) The ways in which the project will complement and coordinate with GCF, GEF, and other GoB projects are outlined in Section 6.b *Coordination with other relevant GEF-financed projects and other initiatives*, Section 2: *The baseline scenario and any associated baseline projects*, and in Annex P: *Brief Description of Other Relevant Baseline Projects*. Note that since submission of the first version of the project document, there are some developments regarding coordination efforts with other relevant projects, which has been updated in Section 6.b, namely the recently approved GEF6 project (Integrating Climate Change Adaptation into Sustainable Development Pathways), GCF Readiness project, GCF project in saline areas, and World Bank agricultural transformation project.

2) Sustainability of the project activities and outcomes is included in Section 7. In summary, this includes developing ownership through strengthening the formalization of farmer organizations (agreements between private sector and FO's, management training, continued dialogue, etc). Value chain adaptation plans will consider long-term sustainability. Technology trainings, machinery, and other procured materials will contribute to the long-term adoption of sustainable agriculture practices.

3) Private sector engagement is a key component of the project and is summarized in Section 4. Private Sector Engagement. Briefly, this includes mapping value chain networks and identifying investment opportunities, dissemination of technologies to service providers, establishment of agreements between farmers/farmer collective

organizations and private sector institutions, and design, piloting, and scaling financial instruments to MSMEs.

4) A gender analysis has been completed, and a Gender Action Plan is included, which identifies gender responsive approaches. The plan includes trainings, gender mainstreaming, and women-led FO's and businesses. Sex-disaggregated targets are now presented for all core indicators and targets, and gender-responsiveness is reflected in results/logical framework.

5) Community-based organizations, local govt. organizations, farmer's organization, NGOs, SMEs and educational institutions were part of the inception workshop, sub-national consultations, and validation workshop (Annex N). A stakeholder engagement plan outlines how the range of stakeholders will be engaged during implementation.

Flexibility has been built into design of project activities and budget to allow for adjustments, particularly based on farmer and community feedback. A sequence of activities, including community-level CBAs and VRAs, FFS, and activities with FOs, will allow for adjustments during project implementation based on changing conditions and feedback received from target beneficiaries. This will be completed by MEL activities, including process evaluations and surveys of farmers.

6) The innovation incubator no longer exists in the proposal. It was proposed in the PIF but later revised. This change and other changes are documented in 8) Summary of changes in alignment with the project design with the original PIF.

Council comments

Secretariat Comment at CEO Endorsement Request 12/21/2020:

Yes.

Agency Response

STAP comments

Secretariat Comment at CEO Endorsement Request 12/21/2020:

Yes.

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request 12/21/2020:

Yes; Annex C has been submitted.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request 12/21/2020:

Yes.

Agency Response

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

5/28/2021:

Cleared.

5/28/2021:

Not yet. Please address comment for item 4 (Co-finance).

5/26/2021:

Not yet. Please address comment for item 4 (Co-finance).

5/18/2021:

Not yet. Please address Updated Comments of 5/18/2021 for the following:

Part I of review sheet: items 2, 4 and 5;

Part II of review sheet: M&E

5/4/2021:

Not yet. Please address comments for items 2 and 7 of Part I of the review sheet, and comments for the sections on 'Benefits' and 'GEF SEC comments' in Part II of the review sheet.

4/22/2021:

Not yet. Please address the remaining comments in the review sheet, thank you.

2/18/2021:

Not yet. The agency is requested to please:

- (i) Provide clarifications requested in item (2) of Part I of the review sheet (Table B);
- (ii) Address comment for item 7 of Part I of the review sheet (i.e., complete the LDCE/SCCF results indicator matrix for 'Target at CEO Endorsement');
- (iii) Address item (3) of Part II of the review sheet (removal of vehicle-related expenses); and

- (iv) Address the comment for the ESS section, i.e., upload the climate risk assessment for the project.
- (v) Provide further information on how the project will assist green recovery in the COVID context (see comment in Social Benefits section of the review sheet).

12/21/2020:

Not yet, The agency is requested to please address:

- a) Part I of the review sheet: review comments for items 2, 4, 5 and 7; and
- b) Part II of the review sheet: review comments for items 1 and 3, as well as sections on Stakeholders, Private Sector Engagement and ESS.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	12/21/2020	
Additional Review (as necessary)	3/3/2021	
Additional Review (as necessary)	4/22/2021	
Additional Review (as necessary)	5/13/2021	
Additional Review (as necessary)	5/18/2021	

CEO Recommendation

Brief reasoning for CEO Recommendations

CONTEXT

Bangladesh is a South Asian LDC that is highly vulnerable to adverse impacts of climatic change and variability. Two-thirds of its rural workforce is directly employed in agriculture, which faces constraints from water logging, saltwater intrusion, water shortages and drought. In addition, the country is susceptible to cyclones, floods, extreme winds and storm surges, which climate change is expected to exacerbate. Communities have limited adaptive capacities to cope with current and future climate

risks and hazards.

COMPONENTS AND RESULTS

The LDCF project will support the following:

Component 1: will strengthen the technical capacities of relevant ministries in finance and environment in Bangladesh. It will also support the inclusion of medium- and long-term climate change risks and adaptation options into existing plans and budgeting processes.

Component 2: will implement adaptation measures to address climate vulnerabilities in food security and to increase the resilience of livelihoods of agricultural communities living in vulnerable landscapes. Farmer field schools will provide training opportunities to enhance technical capacities at the community level and the best practices from resilient adaptation solutions will be replicated.

Component 3: will aim to promote robust climate-resilient livelihoods through improved access to credit, markets and modern technologies. It will utilize/ implement innovative financial solutions, promote investment models, and create market opportunities for diversified sustainable livelihood alternatives.

Component 4: will strengthen the capacity of local government technical staff to ensure effective monitoring and evaluation of the project activities. Knowledge management and monitoring strategies and tools for adaptation will be tested, validated and operationalized at the landscape level. A systematic approach to establishing multi-level South-South cooperation for knowledge and innovation sharing will be explored.

The project has been designed with a strong focus on gender equality and empowerment. Overall, it will directly benefit 120,000 people (50% women), enable the climate resilient management of 16,000 ha of land, and train 33,680 people about climate risks and adaptation measures.

Innovations at the landscape level will include the application of agro-ecological modeling, while innovative financial instruments will be introduced to foster local agribusiness, MSME and value chain development.

The project will work closely with and complement Climate Fund (GCF) supported projects in the country.

Ongoing impacts of COVID-19 (pandemic related lockdowns and morbidity/mortality) in society, market systems, and livelihood sectors are worsening the vulnerability of poor communities and have pushed more people into poverty. The project will support green recovery through enhanced food security for vulnerable communities. It will deliver services to farmers related to crop production and post-harvest transport or

storage, and will support MSMEs who engage in aggregation, agro-processing, or specialized input provision.