

## PROJECT INFORMATION DOCUMENT (PID) APPRAISAL STAGE

Report No.: PIDA17645

<b>Project Name</b>	Nuton Jibon Livelihood Improvement Project (P149605)
<b>Region</b>	SOUTH ASIA
<b>Country</b>	Bangladesh
<b>Sector(s)</b>	General agriculture, fishing and forestry sector (40%), Other social services (20%), Public administration- Other social services (20%), Agro-industry, marketing, and trade (20%)
<b>Theme(s)</b>	Rural services and infrastructure (40%), Participation and civic engagement (25%), Rural non-farm income generation (15%), Nutrition and food security (10%), Other rural development (10%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P149605
<b>Borrower(s)</b>	Government of Bangladesh
<b>Implementing Agency</b>	Social Development Foundation
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared/Updated</b>	25-Nov-2014
<b>Date PID Approved/Disclosed</b>	01-Feb-2015
<b>Estimated Date of Appraisal Completion</b>	18-Dec-2014
<b>Estimated Date of Board Approval</b>	26-Mar-2015
<b>Decision</b>	

### I. Project Context

#### Country Context

Throughout the 2000-2010 decade, Bangladesh experienced steady and strong GDP growth, averaging a rate of nearly 6 percent per year. Poverty rates also declined at an impressive rate during this period with an average decline of 1.7 percentage points per year. During this time, Bangladesh also achieved better health outcomes, improved living conditions of the poor, lowered childhood mortality, increased under-five vaccination rates for all children, increased literacy rates, and improved its safety net coverage. Despite those achievements, malnutrition remains a challenge in Bangladesh, especially for pregnant and lactating mothers, adolescent girls and children. Rural poverty continues to be significantly higher and more extreme than urban. While the decline of extreme poverty in rural areas has been impressive - from 37.9 percent in 2000 to 21.1 percent in 2010 - the poverty level remains almost three times that of urban areas. Extreme poverty continues to be a rural phenomenon. Rural poverty and food security thus remain critical policy areas with emphasis on the need for growth to be inclusive and pro-poor. With more than 70 percent of the population and the majority of the poor residing in rural areas, agriculture remains important for the

rural economy. The recent Poverty Assessment Report found that almost half of the poverty decline has been driven by growth in farm incomes and that poor households living in the poorest regions are less able to cope with shocks.

### **Sectoral and institutional Context**

Bangladesh remains a predominantly agricultural country where the agriculture sector plays a pivotal role in economic stability, increasing food and nutrition security, and securing rural livelihoods. While the contribution of the agricultural sector (crops, livestock, forestry, fisheries) to economy is declining, it remains one of the largest sectors (contributing 19.4% to the country's GDP) and employing about 43 percent of country's labor force. Agriculture has also proven one of the sectors more resilient to the recent political turmoil. Most of Bangladesh's poor in rural areas are directly or indirectly linked to the agricultural sector. Increasing rural incomes by linking poor support to productive employment opportunities building and expanding on sustainable community support mechanisms and increased integration into higher value commodity supply chains will continue to be an important strategy for the country to address poverty and extreme poverty.

A comprehensive support model for the poorest and most left out rural people was introduced in Bangladesh about ten years ago building on self-governed community institutions – the Social Investment Program (or Nuton Jibon). This program combines livelihood support, empowerment, access to finance, and community development. An impact evaluation shows that this program successfully increased beneficiary incomes, participation and access to microfinance, increased empowerment of the predominantly female beneficiaries and positively impacted youth employment, food security, and school attendance.

The Program was piloted in two districts and 120 villages in 2003. In 2008, the program was scaled-up under the Social Investment Program Project (SIPP-I), covering seven districts and 1,587 villages (incl. additional financing) and introducing new opportunities for improving access to financial resources for hard-core poor and poor. A follow-up project (SIPP-II) expanded activities into 16 districts and around 3,200 villages. The program is implemented by the Social Development Foundation (SDF), an autonomous 'Non-profit' organization established in the year 2000 under the Ministry of Finance. SIPP-II, with a currently scheduled closing date of mid-2016, is estimating to have fully disbursed its funds by mid-2015. The Government has, therefore, requested a follow-up project that would build and expand on SIPP-II and be ready to start by around mid-2015.

## **II. Proposed Development Objectives**

The proposed Project Development Objective is to improve livelihoods of the poor and extreme poor in the project areas.

## **III. Project Description**

### **Component Name**

Component A – Community Institutions and Livelihood Development

### **Comments (optional)**

The objective of this component is to: (i) mobilize the poor and extreme poor in selected rural communities by building and strengthening beneficiary community institutions; (ii) provide funding for small infrastructure and livelihood support for project beneficiaries; and (iii) provide nutrition

awareness and agricultural production knowledge. The planning and institutional process of engaging with communities and creating and strengthening the community groups would remain largely the same as in SIPP-II.

#### **Component Name**

Component B – Business Development and Institutional Strengthening

#### **Comments (optional)**

This component would aim to (i) build and strengthen producer organizations as market partners and commercially oriented entities; (ii) facilitate interaction between producers and traders/processors of products in the down- and up-stream value chains; and (iii) support market/business oriented investment to solve bottlenecks in the market chains and/or adding value to the products (e.g. poor and hardcore poor capturing a higher share in the value chain). The design of the component would built on and further develop the approaches started under the on-going SIPP-II. The component would also continue the youth employment support as provided under SIPP-II.

#### **Component Name**

Component C – Project Management, Monitoring and Learning

#### **Comments (optional)**

This component would support the management of the project, monitoring and continuous learning throughout the project period. The component would continue supporting third party monitoring and impact evaluation activities as well as build and expand on communication/presentation aspects that SIPP-II has initiated. SIPP-II has established a well-functioning Monitoring and Information System that would be built on and expanded. Information and communication technology supported feed-back mechanisms will be introduced under the proposed project to simplify and feed into existing feedback and monitoring tools.

### **IV. Financing (in USD Million)**

Total Project Cost:	220.00	Total Bank Financing:	200.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
BORROWER/RECIPIENT			20.00
International Development Association (IDA)			197.02
IDA recommitted as a Credit			2.98
Total			220.00

### **V. Implementation**

The project would be implemented by the Social Development Foundation (SDF), an autonomous organization 'Not –for profit' established in 2000 under the Ministry of Finance. The GoB envisages the long-term development of SDF as an institutional resource on the community-driven approach to poverty reduction and livelihoods development. The project would be implemented in accordance with the rules and procedures agreed upon in the Project Implementation Plan, Community Operational Manuals, Community Professional Training and Learning Manuals and SDF's Human Resources Policy and Manual. The documents outline the roles and responsibilities of the implementing agency, other stakeholder and community organizations and provide details of project processes and implementation steps. The operational documents have been developed and improved upon to respond to lessons and experiences gained under the previous project. The

documents would be reviewed periodically by GoB and IDA with stakeholder participation to ensure that they remain adaptable, relevant and responsive to issues arising during the implementation process of the project.

## VI. Safeguard Policies (including public consultation)

<b>Safeguard Policies Triggered by the Project</b>	<b>Yes</b>	<b>No</b>
Environmental Assessment OP/BP 4.01	<b>x</b>	
Natural Habitats OP/BP 4.04	<b>x</b>	
Forests OP/BP 4.36		<b>x</b>
Pest Management OP 4.09	<b>x</b>	
Physical Cultural Resources OP/BP 4.11		<b>x</b>
Indigenous Peoples OP/BP 4.10	<b>x</b>	
Involuntary Resettlement OP/BP 4.12		<b>x</b>
Safety of Dams OP/BP 4.37		<b>x</b>
Projects on International Waterways OP/BP 7.50		<b>x</b>
Projects in Disputed Areas OP/BP 7.60		<b>x</b>

**Comments (optional)**

## VII. Contact point

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### **Borrower/Client/Recipient**

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