

**People's Republic of Bangladesh****Income Support Program for the Poorest Project****December 16, 2014****Chair Summary\***

Executive Directors approved a credit in the amount of SDR 202.4 million (US\$ 300 million equivalent) to the People's Republic of Bangladesh for the Income Support Program for the Poorest Project (IDA/R2014-0336) on the terms and conditions set out in the President's Memorandum.

Directors expressed broad support for the operation, which aims at providing income support to the poorest mothers while increasing the mothers' use of child nutrition and cognitive development services and enhancing local governments' capacity to deliver safety nets. They underscored the importance of building on the lessons of the successful conditional cash transfer pilot which underpins the proposed operation.

Despite Bangladesh's remarkable record in reducing poverty over the last three decades, Directors noted the persistence of high poverty rates which pose a daunting development challenge for the country. In this respect, Directors appreciated the operation's focus on targeting the extremely poor households, the emphasis on nutrition, and the direct relevance to the goal of eliminating extreme poverty by 2030. Directors welcomed the operation's complementarity with other Bank-financed operations to improve the delivery of social safety nets. Over the longer term, they encouraged attention to promoting the sustainability of the project's intended development impacts.

Directors acknowledged the implementation risks stemming from the governance environment and weak institutional capacity at the local government level. To that end, Directors emphasized the importance of strengthening local government capacity, with a view of establishing a sound fiduciary and governance framework. Directors expressed support for the mitigation measures embedded in the project design and underscored the importance of a robust monitoring and evaluation framework. Directors welcomed the project's innovative approach to safety net delivery as well as the collaboration with other donors and the NGO community. The project's grievance redress system was also recognized. They encouraged the Bank to use the operation as a platform for cross-country learning, particularly for countries that face similar challenges of weak institutional capacity.

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\* This summary is not an approved record