

July 30, 2013

Comments from United Kingdom on Approval by mail: IFC Investment Project 1” Promoting Climate Resilient Agriculture and Food Security”, and Technical Assistance Project 2 “Feasibility Study for a Pilot Program of Climate Resilient Housing in the Coastal Region” (Bangladesh)

Dear colleagues

Thank you for sending these proposals. The UK welcomes these projects and is content to endorse the allocation of resources, subject to the following issues being addressed in implementation:

Project 1 Promoting Climate resilient Agriculture and Food Security

- This project is bringing a much needed private sector focus on the agriculture sector; promoting a full or whole supply and value chain approach. However some questions to be addressed:
- Explanation of the relationship between this programme and the **Bangladesh Climate Change Resilience Fund’s £25 million Agriculture Project currently under design with the Department of Agricultural Extension (DAE)** (in the Ministry of Agriculture and Extension). There is potential overlap but more importantly an opportunity for closer synergy. The Comprehensive Disaster Management Programme (CDMP) has also been working with DAE on training farmers through market based farmer field schools and has a strong focus on climate change adaptation. It would be good to understand if IFC have had contact with these initiatives and are building an advisory service based on learning or synergies with them.
- The National Implementing Agency for this programme is the Ministry of Environment. . **We would like some assurances that Department of Agricultural Extension (DAE) will also be a partner particularly once the programme moves to investment stage.** While we understand some of the various challenges of working with DAE on this proposal, it would be ill advised to leave them out altogether
- **The involvement of the Water Management Board needs to be stated and clarified.** Working within polders comes with the added challenge of effective water resource management. The Water Management Board (WMB) are the water management agency in all the coastal zone polders and are a crucial partner. This means that in order to safeguard the potential gains from improvements in agricultural productivity, there needs to be a strong partnership with WMB who manage the influx and outlet of water from the polders. It is not clear from the proposal if they are involved. IFC should take this into serious consideration and indicate their strategy accordingly.
- It is not clear from the proposal what the business model for private sector engagement really is and how the private sector will make its profit margins. Please clarify.

- In terms of good business models around making markets for the poor, Bangladesh has the global best practice model of KATALYST which has been operating in the country for over 10 years. **Can IFC indicate the extent to which it has built on the lessons from the KATALYST programme.**
- It would be useful for IFC to break down the costs involved in budget line 1.1. It is not clear what the \$2,000,000 will actually be used for.

Project 2 – Feasibility Study for PPCR housing in the coastal region.

- Since the Bangladesh SPCR was approved there have been several pilots and studies on climate resilient housing, including testing these for community acceptability and cost effectiveness. The CDMP has piloted different cyclone resilient houses, and Practical Action in conjunction with RESET (a UK based NGO) have also piloted different low cost housing options and have also trained local artisans (carpenters and builders) in their construction (details of these reports are attached with these comments). There has also been experience of IFC taking this approach in other countries, including under Nepal's SPCR. **Can IFC indicate how they will be building on and linking to these existing studies and pilots, and what value they will be adding to them?**

Many thanks

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