

**Clearance Certificate**  
**Project Document (AWP)**  
 or  
**Project/Budget Revision**



SHORT TITLE: Pro-Poor Trade (PPT) IP

PROJECT NUMBER: \_\_\_\_\_ Award ID: \_\_\_\_\_ Project ID: \_\_\_\_\_

(I) **SUBMITTING PROGRAMME MANAGER:** Mr. Eric Dales

I have checked, and hereby certify, the following:

- 1. Reasons and justification for this revision are clearly indicated on the cover page.
- 2. All relevant parties are in agreement with the revision: 
  - As is indicated in the justification, or
  - As per signature(s) obtained on the cover page, or
  - As per written agreement as has been referenced in relevant signature block.
- 3. An analysis of the budget increase/decrease (in case more than \$10,000) has been made and is attached.
- 4. The cover page and budget are according to standard format.

Signature:  Date: 27.07.2014

(II) **CLUSTER HEAD:** Palash Kanti Das, ACD, Cluster Head, PRC

I have reviewed and hereby recommend approval of this Project Incitation Document/AWP/Budget revision

Signature:  Date: 27.07.14

(III) **RESULT AND RESOURCE MANAGEMENT CLUSTER (RRMC):**

CLEARANCE FROM DESK OFFICER	CLEARANCE FROM ACD
<input checked="" type="checkbox"/> I have verified the attached submission and confirm that this PID/AWP/budget revision is in accordance with existing rules.  <input type="checkbox"/> Justification for return	Recommendation for approval
Signature: <u></u> Date: <u>28/07/2014</u>	Signature: <u></u> Date: _____

Recommended/Approved by DCD

Approved by CD

**Note:** Please return Approved Budget Revision to RRMC who retains original and forwards copy to Programme Manager concern for his/her file and submission to national and, if applicable, UN agencies.



United Nations Development Programme

Country: Bangladesh

Project Document

**Project Title:** Pro-Poor Trade IP

**UNDAF Outcome(s):** [2.1] Economic growth is achieved in an inclusive manner, extending opportunities to the rural and urban poor and protecting the vulnerable from shocks.

**Expected Output(s):** [2.1.3] Vulnerable and disadvantaged populations gain better access to productive resources.  
*(Those that will result from the project and extracted from the CPAP)*

**Responsible Parties:** UNDP

**Brief Description**

The objective of this Initiation Plan (IP) project is to create an evidence base that combines perspectives from an existing Pro-Poor Trade project document and Area-Based Development concept note with analysis of current constraints and opportunities relating to trade and poverty reduction in UNDAF priority districts. The project will revisit the knowledge that UNDP currently has regarding needs and capabilities in lagging sectors and districts, and strengthen them through micro-narratives, research and cross sector consultations. This IP is taking a decidedly flexible approach in order to operationalize UNDP's focus on innovation and sustainable development pathways, as detailed in the strategic plan 2014 – 2017. While the desired result is a pilot project based on evidence of opportunities for trade or market-based poverty reduction, the IP will also share its findings with stakeholders throughout the project life cycle, ensuring that the analytical outputs contribute to progress both in the sector and within relevant UNDP interventions.

This 12 month IP will deliver 1) A two-volume report on 'Pro-Poor Trade in UNDAF Priority Districts', (2) Research papers that expand on identified constraints, opportunities and structural/policy implications and (3) A pilot project document should it be justified by the aforementioned findings.

Programme Period:	2014 - 2015	Total resources required:	\$ 250,000
Key Result Area (Strategic Plan):	Outcome 1	Total allocated resources *	
Atlas Award ID:	_____	• Regular	\$ <u>250,000</u>
Start date:	1 August 2014	• Other:	\$ <u>0</u>
End Date	31 July 2014	Unfunded Budget	\$ <u>0</u>
PAC Meeting Date	23 June 2014	In-kind Contributions	\$ <u>0</u>
Management Arrangements			

\* 2015 budget is indicative

Agreed by (UNDP):

## I. PURPOSE

Over the last two decades, Bangladesh has seen impressive economic growth. Aided by the emergence of the ready-made garment (RMG) sector, the GDP has expanded nearly four-fold from 1990 to 2011, while the poverty headcount ratio steadily fell from over 50 percent in 1991 to 31.5 percent in 2010<sup>1</sup>. The fact remains, however, that an estimated 47 million Bangladeshis still live in poverty, and disparities across income and occupational groups, gender and regions make for a much more nuanced version of poverty in Bangladesh than national figures allow for. In order to sustain and enhance links between economic growth, poverty reduction and gender-equity, Bangladesh needs to increase value addition in sectors other than RMGs. Large numbers of the population are underemployed and there are significant productivity gains to be secured by promoting greater engagement in higher value-added activity.

Agriculture is the single largest producing sector of the Bangladeshi economy, accounting for 19.29% of GDP and 47.5% of the labour force according to the Ministry of Agriculture. While agro-products are widely produced in Bangladesh, productivity is still low compared to other agriculturally developed countries. Value addition is practically non-existent when looking at countrywide figures – less than 1% of total horticultural production is currently processed, and most fruit and vegetables are therefore consumed fresh (World Bank: 2008). Due to a lack of competitiveness and low productivity, agricultural goods do not factor significantly among Bangladesh's exports, and the country remains a net importer of food (Raihan: 2012). The potential for increased productivity and trade in agriculture is supported by factors such as population growth, driving an expected \$US 8 billion in additional domestic demand by 2020, and proving that the domestic market alone can support significant growth (World Bank: 2008).

Several challenges to reform in the agricultural sector are omnipresent, however, including infrastructure gaps in electricity, transport and access to information. The 6<sup>th</sup> five year plan highlighted the need for agricultural diversification to spur a rise in productivity in the sector, even while anticipating its relative decline in relation to manufacturing and services. The earliest concept note for the 7<sup>th</sup> Five Year Plan has carried this vision forward, and has recognized supply constraints, a lack of high value products and the need to diversify into non-farm activities such as processing to meet rising demand. Skill development, increased dynamism in SMEs, infrastructure development and addressing constraints to regional trade are all highlighted as priorities.

The UNDAF Action Plan 2012-2016 prioritizes 20 districts in Bangladesh where the spatial inequality of progress is most present. The districts laid out by the UNDAF have been prioritized on the basis of poor performance across MDG-based parameters, including: MDG-based rankings; indicators of poverty/extreme poverty; education; literacy; health and sanitation; nutrition and food security; and risks associated with environmental degradation and climate change. In line with the UNDAF, UNDP has committed to boosting labour market opportunities by building capacity for policy development and the expansion of area-based programming. Noting this commitment and the central role that agriculture plays in all 20 districts, more district-specific information is needed on the potential for reducing poverty and vulnerability by upgrading to higher value products and/or practices; strengthening forward and backward linkages in value-chains; facilitating better market access for smallholders; and improving the capacity of MSMEs and producer organizations.

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<sup>1</sup> Statistic as per the 2010 Household Income and Expenditure Survey (HIES). Although the next HIES will not be released until 2015, GoB estimated the headcount ratio to be 26.4% in 2012.



It is envisaged that the Pro-Poor Trade IP will support the formulation of a larger programme to reduce poverty, improve livelihoods and decrease vulnerability to market shocks through national and international trade in UNDAF priority districts, where these results are needed most. It will also enable the publication of research and analysis based on micro-narratives and findings relating to national and international trade-based livelihood improvement in the UNDAF districts. These reports will serve as the evidence base for a potential intervention through UNDP and the Government of Bangladesh.

## II. STRATEGY

The aim of this IP is to redesign the Pro-Poor Trade (PPT) project document that was developed with the support of a formulation mission in early 2013, and to operationalize suggestions from an Area-Based Development (ABD) concept note similarly drawn up by UNDP. The PPT document proposed policy, sectoral and geographical interventions to improve the poverty reduction and distributional aspects of trade policy in Bangladesh, while the ABD note looks at holistic approaches to development in specific, limited locations.

Noting the above, the overall goal of this IP is to create an evidence base that combines research and perspectives from the PPT and ABD concepts with current micro and macro level research, resulting in an innovative intervention with more flexibility and expertise from the policy and human development standpoints. It is necessary to revisit the perspectives and knowledge that UNDP currently has regarding needs and capabilities in lagging sectors and districts, and strengthen them through interviews, micro-narratives and market analysis in the targeted areas, and with the relevant public institutions.

The first objective of this IP is to re-define UNDP's understanding of challenges and potential solutions in lagging districts within the realm of income generation, trade and socio-economic vulnerabilities. While significant research exists on pockets of poverty in Bangladesh, this IP will use micro-narratives to gather individual stories from priority districts and analyse them from a human-centred perspective. The core objective of this non-traditional research is to collect anecdotes on a broad scale and to analyse the patterns that emerge. This relatively new and effective tool allows for insights that are broad enough to inform an organization's strategy thinking about the root causes of social ailments, yet deep and real enough to provoke specific follow-up actions.<sup>2</sup> The micro-narratives will be compiled as volume one of a two part publication focused on pro-poor trade in UNDAF priority districts.

The next step is to 'ideate', raising new questions and forming potential solutions through a consultative and creative cross-sector process. This process of in-depth analysis will frame the information received and brainstorm responses that address the key constraints and opportunities as defined by project beneficiaries. The IP team will produce this analysis as volume two of the aforementioned two part publication, and deliver corresponding presentations to civil society, DPs, Government and the private sector, building interest in the findings and refining the key questions that emerge.

The second objective of this IP is to conduct and facilitate research on key questions that emerge from the micro-narrative analysis. These questions will represent issues that are common threads throughout the stories. In-depth research by the project team and external consultants will further investigate constraints that are at the core of socio-economic activities in the priority districts.<sup>3</sup>

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<sup>2</sup> The "Real Book" for Story Evaluation Methods: Global Giving (2012)

<sup>3</sup> These studies could range from the influence of geographical factors on trade to value-chain analysis or an investigation of market

The research outputs from this activity area will explore the structural and policy issues at play in UNDAF priority districts, painting a broader picture of a given challenge and shedding light on whether it should be investigated further. Partnership building and resource mobilization will be an iterative process throughout this IP. Findings and analysis will be shared with stakeholders at all key points of the IP life cycle, consistently and effectively engaging prospective partners and negating the need for a separate work stream to this end.

Finally, the research outputs will be used to prototype a solution. The IP team will form a solution framework based on the research, analysis and micro-narratives, which will be presented to all stakeholders for feedback. Prototyping should last between 1 and 3 months, and will be characterized by constant adaptations to the prototype in response to feedback from beneficiaries and stakeholders, including prospective GoB partners. Should the prototype respond to the needs of lagging districts effectively, a pilot project with a Government partner will be proposed as the final output of this IP.

It is important to note that this project is taking a decidedly flexible approach to this IP, to operationalize UNDP's focus on innovation and sustainable development pathways, as detailed in the strategic plan 2014 – 2017<sup>4</sup>. The emphasis on “differentiated needs across rural, peri-urban and urban areas” demands that UNDP interventions be based on a needs-based, human-centred design process. Without flexibility in the IP structure, the resulting project would not take into account the differentiated needs, nor would it embody innovation in project design.

### **Expected Outputs**

1. Two volume report on ‘Pro-Poor Trade in UNDAF Priority Districts’:
  - a. Micro-Narratives from UNDAF Priority Districts (Edited by UNDP)
  - b. Analysis of Micro-Narratives: Constraints and Opportunities from a Human-Centred Perspective.
2. Research publications on key questions emerging from micro-narrative analysis, with a focus on structural and policy implications.
3. Project document for one year pilot project (including a donor mapping exercise and selection of a GoB partner) - [Reliant on success rate of prototype]

### **Activities:**

In order to produce the above-mentioned outputs, the IP will undertake the following activities:

- Field visits by local researchers to craft micro-narratives
- Compiling and editing micro-narratives into Volume I: Pro-Poor Trade in UNDAF Priority Districts ;
- Ideation: pulling patterns and themes from the micro-narratives and generating insight from partners on potential constraints and opportunities;

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syndicates. These key ‘questions’ will be entirely defined through cross-sector analysis of the micro-narratives, ensuring that they are based on real human challenges and experiences.

<sup>4</sup> The UNDP Strategic Plan 2014 – 2017 (page 7; para b) prioritizes “Planning at sub-national levels to help connect national priorities with action on the ground ... more broadly, grow[ing] markets for sustainable products and services benefiting the poor”.



- Compiling analysis and insight into Volume II: Pro-Poor Trade in UNDAF Priority Districts
- Conducting and contracting research on key research questions;
- Prototyping potential solutions to gain feedback from beneficiaries and stakeholders
- Forming a committee to evaluate research, analysis and micro-narratives, decide whether a pilot project is warranted;
- Communicating with GoB, UN, DPs, civil society and private sector to generate interest and insight;
- Mapping related interventions and potential donors;
- [TBC] Formulating a pilot project document.

### Timeline

Quarter 1	Quarter 2	Quarter 3	Quarter 4
Field visits by local researchers to craft micro-narratives			
Compiling and editing micro-narratives into Volume I: Pro-Poor Trade in UNDAF Priority Districts			
	Ideation: pulling patterns and themes from the micro-narratives and generating insights from partners		
	Compiling analysis and insight into Volume II: Pro-Poor Trade in UNDAF Priority Districts		
		Conducting and contracting research on key questions	
		Prototyping potential solutions to gain feedback from beneficiaries and stakeholders	
			Forming a committee to evaluate research, analysis and micro-narratives, decide whether pilot is warranted
Communicating with GoB, UN, DPs, CSOs and private sector to generate interest and insight.			
Mapping related projects and potential donors.			
			[TBC] Forming a pilot project document



### Implementation Issues

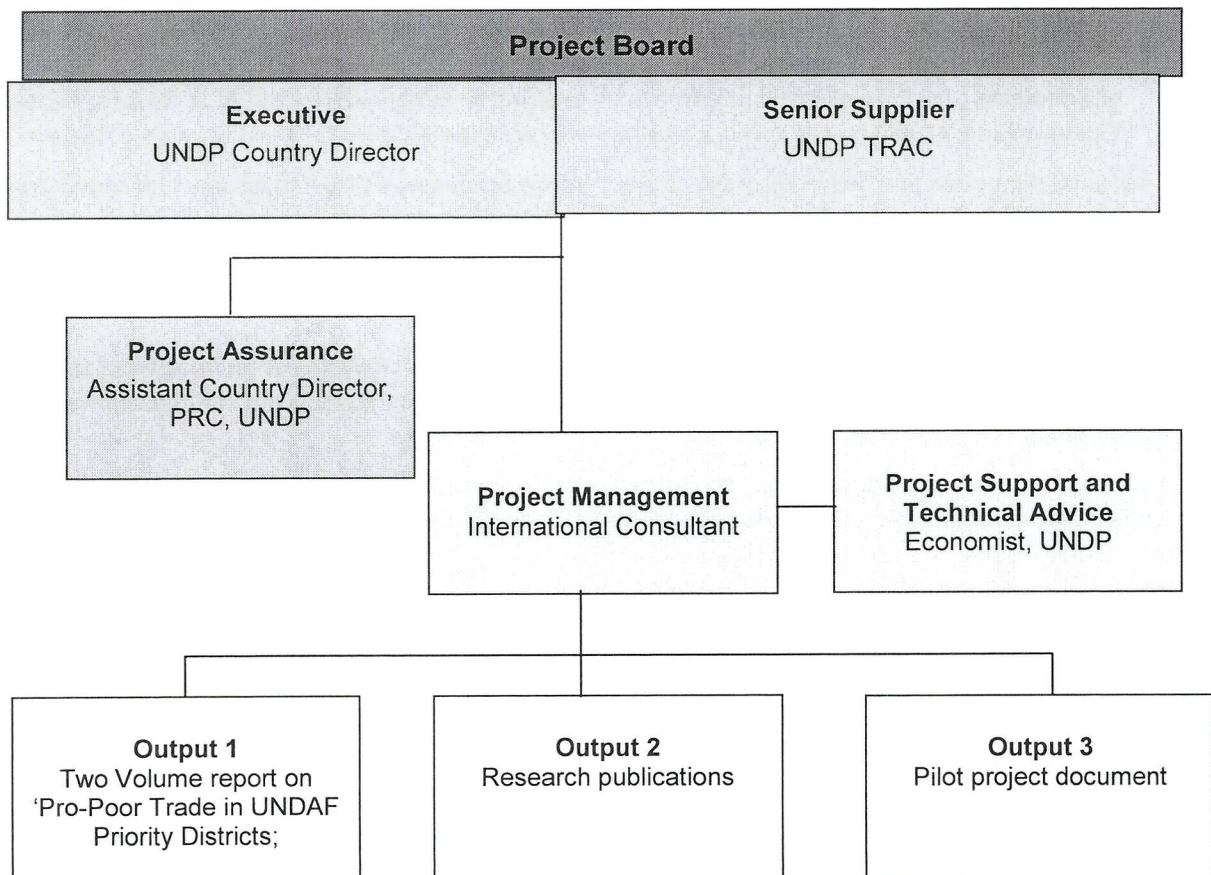
In delivering these objectives, the IP's management will first, be cognizant of the cross ministry nature of this subject area. The intersecting issues include commerce, industry, agriculture, regional development and private sector development.

Second, there is a need to recognize the presence of a number of influential interventions with similar or complementary objectives. Major players include the EU, the World Bank and the Asian Development Bank, while others such as ILO, UNIDO and UNDP's CHTDF have related interventions. It is important that the IP specifically recognize the Diagnostic Trade Integration Study (DTIS) prepared under the World Bank-led EIF, due to its focus on market-access and key trade and commerce-related infrastructure. Overall, the IP will employ a closely consultative approach in identifying the most strategic and effective approaches.

### III. MANAGEMENT ARRANGEMENTS

In line with established practice, a Project Board will oversee the IP. The Project Board shall be chaired by the UNDP Country Director.

IP management and project assurance will be undertaken by the ACD, Poverty Reduction Cluster, and supported by the UNDP Economic Adviser and an international consultant. The international consultant will provide technical support in implementation and the production of results stated in the IP. Support staff, as described below, will be attached to the PO for project operation. The working relationships and reporting lines are also depicted in the following chart.



## Key Personnel

Brief descriptions of the roles and responsibilities for key staff follow:

- Assistant Country Director, Poverty Reduction Cluster: The ACD of the UNDP poverty reduction cluster will perform key quality assurance and management functions, ensuring that the IP assistance project meets its objectives within the constraints of the schedule and budget. The ACD will also monitor risks and approve the release of funds as well as the procurement of goods and services when necessary.
- Economic Adviser: The UNDP Economic Adviser will provide guidance to the International Consultant on the technical aspects of the project, and will assist in the supervision and approval of any external work commissioned for the report. Additionally, the Economic Adviser will liaise with high-level GoB officials where necessary on issues relating to economic and trade policy.
- International Consultant: The international consultant will provide all forms of technical support to the project team in the realization of the IP deliverables – including production of the two-volume report, research publications and project document (should it be necessary). The International Consultant will manage the schedule and activities of the IP under the guidance of the Economic Adviser and supervision of the ACD, Poverty Reduction Cluster, to ensure that resources are employed effectively and objectives are met within the constraints of the schedule and budget. A key function of the International Consultant will be the supervision of any external consultants in contributing to the two-volume report and research publications. Liaison with Government officials, development partners and other stakeholders forms another core duty of this role, ensuring that the outputs reflect a consultative process, both within the UN system and externally. The International Consultant will supervise the support staff in the completion of operational duties.
- Support Staff: One support staff will be employed to assist with the day-to-day operation needs of the IP. This support will come from an existing staff member in the Poverty Reduction Cluster, who will dedicate one third of their time to this IP, and will be supervised by the ACD, Poverty Reduction Cluster, receiving day-to-day guidance from the International Consultant and Economic Adviser.

Finally, all the assets and liabilities of the project will be retained by UNDP to be used for the IP project, and the final decision of handing over the equipment will be made at the end of the IP period.

## IV. MONITORING

The Project Board will meet to monitor the progress of the IP, particularly the finalization of the project document and the needs and capacities report. A final completion report with the deliverables will be submitted at the end of the IP period.

Risk and issues will also be captured and updated by the Poverty Reduction Cluster to facilitate tracking and resolution of potential problems or requests for change.





EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		2014		2015			Funding Source	Budget Description	Amount
	<i>List activity results and associated actions</i>	Q3	Q4	Q1	Q2				
And baseline, associated indicators and annual targets									
stakeholders reached through workshops on micro-narrative analysis - Progress on 2-volume report	<ul style="list-style-type: none"> <li>- Field visits to validate stories</li> <li>- International consultant selected to manage IP</li> </ul>	X	X	X	X		International Consultant	60,000	
<i>Target:</i> Final 2-Volume report completed	<p><b>2.Activity Result: Workshops held with relevant stakeholders</b></p> <p>Actions:</p> <ul style="list-style-type: none"> <li>- Share micro-narratives with stakeholders through workshop</li> <li>- Document insights and analysis on constraints and potential solutions</li> </ul>		X			UNDP	UNDP		
			X				Workshops	10,000	
							Travel/Missions	2,500	




EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		2014		2015			Funding Source	Budget Description	Amount
		Q3	Q4	Q1	Q2				
<i>And baseline, associated indicators and annual targets</i>	<i>List activity results and associated actions</i>								
	<b>3. Activity Result: Draft 2 Volume Report</b> Actions: - Desk research and in-house analysis - Contract an expert consultant to draft the report volumes			X		UNDP	UNDP	Contractual services 20,000	
		X	X	X	X			Office Supplies 5,000	
		X	X	X	X			Support Staff 10,000	
<b>Output 2: Research publications and prototypes provide basis for pilot project</b>  <i>Baseline:</i> No research <i>Indicator:</i> # of research	<b>1. Activity Result: Research papers produced on key questions</b> Actions: - Extracting key issues for exploration with IP team and project board - Commissioning			X	X	UNDP	UNDP	International consultants 75,000	
				X	X			Print / Production 10,000	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		2014		2015			Funding Source	Budget Description	Amount
		Q3	Q4	Q1	Q2				
<i>And baseline, associated indicators and annual targets</i>	<i>List activity results and associated actions</i>								
papers	research papers - Monitoring research progress								
# of prototypes underway	<b>2. Activity Result: Prototypes fielded based on micro-narratives, analysis and research</b>			X	X	UNDP	UNDP	Travel / Missions 10,000	
Committee formed to evaluate potential for pilot project	<b>2. Activity Result: Prototypes fielded based on micro-narratives, analysis and research</b>			X	X			Workshops 5,000	
<i>Target:</i> Research papers completed, prototypes fielded	Actions: - Formulate prototype models - Field trips to get community feedback - Workshops to get stakeholder feedback - Progressive elaboration and adaptation on prototype model			X	X			ICT and Maintenance 15,000	





## VI. Indicative Multi-Year Budget

Atlas Award ID:		Indicative Multi-Year Budget 2014-15												
Atlas Project ID:		Pro-Poor Trade IP (PPT)												
Project/Programmed Title:		2.1 Economic growth is achieved in an inclusive manner, extending opportunities to the rural and urban poor and protecting the vulnerable from shocks												
UNDAF Outcome:														
Outputs <i>(Activities in ATLAS)</i>	Activities <i>(Detailed results to be produced for achievement of each output not to be inc. in ATLAS)</i>	Timeframe				Responsible Party	Source of Funds	Planned Budget						
		Q3 (2014)	Q4 (2014)	Q1 (2015)	Q2 (2015)			Account Code	Short Desc	Description	Budget 2014 (USD)	Budget 2015 (USD)	Total (USD)	
Output 1: Two-Volume Report on 'Pro-Poor Trade in UNDAF Priority Districts' is produced.  Indicators: - # of Micro-narratives compiled - # of stakeholders reached through workshops on micro-narrative analysis - Progress on 2-volume report  Target: Final 2-Volume report completed	1.1 Micro-Narratives Compiled	X	X			UNDP	TRAC	Travel	Travel / Missions		16,250	-		85,000
		X				UNDP	TRAC	TR,WKSP,CF	Workshops		8,750	-		8,750
		X	X	X	X	UNDP	TRAC	ContractSrv	International Consultant		30,000		30,000	60,000
	1.2 Workshops held with relevant stakeholders		X			UNDP	TRAC	TR,WKSP,CF	Workshops		10,000	-		10,000
			X			UNDP	TRAC	Travel	Travel / Missions		2,500	-		2,500
	1.3 Two-volume report drafted			X		UNDP	TRAC	ContractSrv	Contractual services - Report Draftin				20,000	20,000
		X	X	X	X	UNDP	TRAC	Equip&Furn	Office supplies		2,500		2,500	5,000
		X	X	X	X	UNDP	TRAC	ContractSrv	Support staff		2,400		7,600	10,000
	<b>Sub Total Output 1</b>											<b>72,400</b>	<b>60,100</b>	<b>132,500</b>
	Output2: Research publications and prototypes provide basis for pilot project  Indicators: # of research papers # of prototypes underway Committee formed to evaluate potential for pilot project	2.1 Research papers produced on key questions			X	X	UNDP	TRAC	ContractSrv	Consultant - Study Conduct		-		75,000
				X	X	UNDP	TRAC	ContractSrv	Print / Production		-		10,000	10,000
	2.2 Prototypes fielded based on micro-narratives, analysis and research			X	X	UNDP	TRAC	Travel	Travel / Missions		-		10,000	10,000
				X	X	UNDP	TRAC	TR,WKSP,CF	Workshops		-		5,000	5,000
				X	X	UNDP	TRAC	InfoTechEa	ICT and Maintenance		10,000		5,000	15,000
	2.3 Pilot project either rejected or approved				X	UNDP	TRAC	TR,WKSP,CF	Workshops		-		2,500	2,500
<b>Sub Total Output 2</b>											<b>10,000</b>	<b>107,500</b>	<b>117,500</b>	
<b>Grand Total:</b>												<b>82,400</b>	<b>167,600</b>	<b>250,000</b>

Summary of the Budget		
Total Budget by ACTIVITY	Output 1	132,500
	Output 2	117,500
	<b>Grand Total</b>	<b>250,000</b>
Total Budget by Fund	(64000 TRAC)	250,000.00



## VII. RISK LOG

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Management response	Owner	Last Update	Status
1	Micro-narratives do not sufficiently reflect challenges relating to trade and commerce in lagging districts	5/13/2014	Strategic	Potential effect on the project if this risk were to occur (1 = low, 5 = high)  Probability = 4 Impact = 2	<ul style="list-style-type: none"> <li>- Careful selection, support and briefing for micro-narrative gatherers</li> <li>- Response: further micro-narrative collection incorporating lessons learned</li> </ul>	Project team	5/13/2014	No change
2	Trade projects and area-based policies are distributed across several GoB agencies, making it potentially difficult to identify one strategic lead partner for a pilot project.	1/11/2013	Operational Political Strategic	Probability = 3 Impact = 3	<ul style="list-style-type: none"> <li>- Good consultations with all government stakeholders and agencies</li> <li>- Achieving buy-in from top levels of Government</li> </ul>	Project Design Team	1/12/2013	No change