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Action Document for the Bangladesh Resilient Livelihoods Programme

MULTIANNUAL¹ PROGRAMME

This document constitutes the multiannual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

1. Title/basic act/ CRIS number	Bangladesh Resilient Livelihoods Programme CRIS number: 2016/038-955 & 2017/040-363 financed under the Development Cooperation Instrument and amended under Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)	
2. Zone benefiting from the action/location	Bangladesh The action shall be carried out countrywide with emphasis on the most vulnerable areas.	
3. Programming document	European Commission Development Cooperation Instrument, Multi Annual Indicative Programme (MIP) 2014-2020 for Bangladesh Multiannual Indicative Programme between the European Union and the People's Republic of Bangladesh for the period 2021-2027	
4. Sustainable Development Goals (SDGs)	SDG 1: End poverty in all its forms everywhere SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture SDG goals 5: Gender equality and women's empowerment SDG 10: Reduce Inequality within and among countries SDG 13: Climate change.	
5. Sector of intervention/ thematic area	Food and Nutrition Security	DEV. Assistance: YES

¹ Within the maximum contribution of the European Union, the authorising officer responsible may adjust the allocation to the respective budgetary years subject to the availability of the commitment appropriations.

6. Amounts concerned	<p>Total estimated cost: EUR 67 900 000</p> <p>Total amount of EU Budget contribution EUR 55 000 000</p> <p>The contribution is for an amount of EUR 53 321 840.62 from the general budget of the European Union for 2016 and for an amount of EUR 1 678 159.38 from the general budget of the European Union for 2017.</p> <p>This action is co-financed in joint co-financing by:</p> <ul style="list-style-type: none"> - United Kingdom's Foreign, Commonwealth & Development Office (FCDO) for an amount of EUR 11 900 000 - German Corporation for International Cooperation (GIZ) for an amount of EUR 1 000 000 			
7. Aid modality(ies) and implementation modality(ies)	<p>Project Modalities:</p> <p>Direct management through:</p> <ul style="list-style-type: none"> - procurement - grants² <p>Indirect management with FCDO³ and with GIZ</p>			
8 a) DAC code(s)	52010			
b) Main Delivery Channel	13000			
9. Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	X	<input type="checkbox"/>
	Gender equality and Women's and Girl's Empowerment	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input type="checkbox"/>	X	<input type="checkbox"/>
	Inclusion of persons with disabilities	<input type="checkbox"/>	X	<input type="checkbox"/>
	Nutrition	<input type="checkbox"/>	X	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	X	<input type="checkbox"/>
	Policy objectives	Not targeted	Significant objective	Principal objective

² Replacement of Indirect management with FCDO

³ To be terminated

10. Internal markers⁴	Digitalisation ⁵		X	
	Migration ⁶		X	
	Inequality		X	
11. Global Public Goods and Challenges (GPGC) thematic flagships	Food Security and Sustainable Agriculture; Environment and climate change			

SUMMARY

Over the last decade and a half, Bangladesh has made remarkable achievements in terms of sustained economic growth, human development and poverty reduction, having just met all poverty-related Millennium Development Goal (MDG) targets and assured food self-sufficiency. Yet, near 20 million Bangladeshis continue to live in extreme poverty and a further 45 million people if we were to consider the international extreme poverty line of \$1.25 per person per day, with a considerably larger share of the population facing food and nutrition insecurity. Besides, the country's vulnerability to a range of natural hazards, including climate change, political and economic risks combined with a rapid environmental degradation & urbanization -high rural to urban migration- and institutional fragility contribute to perpetuate the cycle of poverty and to further slow progress on nutritional outcomes -there are 5.4 million stunted children under five. The 7th Five-Year Plan 2016-2020, the recent National Social Security Strategy NSSS and the new National Nutrition Policy, represent Government of Bangladesh's renewed commitment to address the interconnected challenges of reducing extreme poverty, undernutrition and vulnerability to natural hazards -induced and other shocks/stresses. In full alignment, the EU Multi-Annual Indicative Programme 2014-2020 reflects the strong EU commitment to promote opportunities for increased food & nutrition security and resilience for the people living in extreme poverty with special focus on women and children.

The proposed Action builds on the findings and the common analysis arising from: a joint EU-FCDO Design/Identification mission involving multi-sectoral expertise; lessons learned from recent extreme poverty programmes with specific contributions from GIZ on urban and migration linkages; and, extensive consultations with Government of Bangladesh agencies and key stakeholders. The resulting assumption is that the eradication of poverty in Bangladesh demands the exploration of a new transformational approach going beyond the traditional poverty graduation models in Bangladesh which have had limited success and fallen short of connecting the poor to government services and the economy in the long term. The Action intends to contribute to the creation of sustained pathways out of poverty in most vulnerable areas, through simultaneous investments in livelihoods and social security for long-term resilience, adopting a "push-pull" strategy that helps people living in poverty to move towards diversified livelihood opportunities and greater food & nutrition security, whilst creating demand or pulling people into the formal economy and democratic system via private sector value chains and markets, and access to institutional services and governance processes. The Action also contributes to minimize forced climate displacement and internal/cross-border migration, including specific targeted interventions for the reintegration of returnees from the EU. In light of the structure of the programme and the overall allocated budget, the Action aims at providing better opportunities for an estimated 2 million people living in extreme poverty and in the most vulnerable situations (500,000

⁴ These markers have a different scope/rationale than the DAC codes. Posting criteria related to the encoding of the financial breakdown in CRIS/ABAC

⁵ Please refer to the instruction notes Ares(2019)4143016 dated of 01/07/2019 and Ares(2019)5219708 dated of 13/08/2019.

⁶ Please refer to note Ares(2019)627611 of 04/02/2019.

households) and makes significant progress along a sustainable pathway out of poverty – a continuum from absolute poverty to resilient livelihoods and better access to social protection. Crucially, the Action adopts a partnership model coordinating a variety of government and non-government actors operating at different layers of society to achieve better and more sustainable programme results involving inclusive/systemic changes in governance structures, thus laying a solid foundation for a possible future budget support to the sector.

1 CONTEXT ANALYSIS

1.1 Context Description

Bangladesh is expected to reach the lower middle income status by 2021 with an average annual growth rate of 6%, and has made remarkable progress in human development indicators. However, Bangladesh Gender Inequality Index (GII) value of 0.537 in 2019 place it on a rank of 133 out of 162 countries, which indicates a high level of gender inequality. Poverty rates have also demonstrated an impressive steady improvement, falling by about 1.7 percentage points per year. Using data from the Household Income and Expenditure Survey (HIES) -Bureau of Statistics & World Bank- while 49% of Bangladeshis were poor in 2000, this percentage dropped to 24.8% in 2015. As for **extreme poverty** figures, rates were 34.3% in 2000 and 12.9% in 2015, having therefore met all poverty-related MDG targets, but yet representing near 20 million Bangladeshis as extreme poor, with women bearing a disproportionate burden of the consequences. However, a further 45 million people were above the national extreme poverty line in 2010, yet lived below the international extreme poverty line of \$1.25 per person per day, thus surviving in a precarious situation of food insecurity. According to the ISDB Gender Profile, the proportion of employed living below the 1.90 dollars is 46.6% for women and 39.5% for men. Besides, there are 5.4 million stunted children under five and while the national prevalence has declined from 43% in 2004 to 36.1% in 2014, alarmingly stunting inequity (the gap between stunting among the poor and the better off) is increasing, with nutrition disparities also revealing for slums dwellers where stunting reaches a 56% -Unicef 2014-. Poor nutrition increases the risk of health shocks which constitutes one of the most significant threats to livelihoods as well as lowering productivity. With one of the fastest-growing economies and populations in the region, Bangladesh is one of Asia's 12 lower middle-income countries, also classified as a least developed country. Bangladesh has made rapid progress in reducing poverty and malnutrition and increasing primary education enrolment and financial inclusion, but it still faces vast development challenges across all three pillars of sustainable development. The sustained GDP growth of an average of 6.8 per cent in the last decade has not been associated with declining income inequality.

Bangladesh also faces outstanding development challenges due to its **vulnerability** to shocks and stresses – ranging from climate induced and other natural hazards, such as earthquakes, to economic and political risks, as well as energy over-reliance on coal fired power plants. Due to climate change, floods have become more recurrent with frequent cyclones, storm surges, coastal inundation, salinity intrusion & sea level rise. Two thirds of the country is less than five meters above sea level, hence susceptible to tidal surge causing significant changes in river salinity leading to significant shortages of drinking & irrigation water and significantly changing the coastal ecosystems with detrimental impact on traditional rural livelihoods. Most people live in hazardous rural areas or in urban areas that also have a significant flooding & earthquake risk. Such vulnerability is particularly acute for women, as their access and control over resources and decision making is lower than those of men. The impacts of climate change and weather-related hazards combined with a rapid environmental degradation and urbanization –internal rural to urban

migration- and institutional fragility perpetuate the cycle of poverty, vulnerability and food insecurity in Bangladesh, such as in Cox-Bazaar, which is facing one of the greatest migration and refugee challenge in the region, through the exodus of the Rohingyas from Myanmar.

Moreover, some areas of Bangladesh are facing specific climate, economic and socio-political challenges, Water-logging and salinization -by climate induced sea level rise- compromise the water and land management of the poor of South-West Bangladesh. Also due to changing climate patterns, the North-West of Bangladesh is prone to droughts and affected by river erosion, while the central northern region is subject to seasonal flooding. Climate change will place pressure on existing agricultural calendars with likely changes in the intensity and variability. In the Chittagong Hill Tracts (CHT) socio-political challenges such as land conflicts, exposure to climate change risks, ethnic and cultural diversity vis-à-vis the majority of the Bengali population, and inadequate development/peace dividends have created a specific kind of emergency and vulnerability.

Bangladesh's urban population has grown extraordinarily fast over the past two decades. Greater internal migration in response to better job opportunities is by far the most important factor behind this phenomenon, with climate change and growing pressure on natural resources further spinning the process. In Dhaka, where thousands enter each day, migrants are often employed in low-skilled marginal jobs and face appalling working and living conditions, with a very limited or non-access to basic services of a weak urban infrastructure. In that context, Bangladeshis have always been prone to seek employment options overseas, with presently around 9.5 million migrant workers generating remittance equivalent to 11% of the country's Gross Domestic Product (GDP).

In response to those extreme levels of poverty and vulnerability, Bangladesh has a long history of **social safety nets** -in kind and cash-, particularly for the rural poor. However, addressing the underlying causes of vulnerability to mitigate risks requires stronger governance, with enhanced institutional capacity and accountability at all levels. Moreover, slow progress on decentralization means that local governments have limited means to address poverty, vulnerability and risk in their communities. Similarly, vulnerable people need to be further empowered to actively participate in local planning processes and claim/access their rights, particularly to promote full transparency and accountability around the public safety nets. A critical element will be the education, skills development and livelihoods promotion of the people living in poverty, particularly for women and girls to improve gender outcomes, as well as the enhanced access to both farm and non-farm decent employment.

Bangladesh is making steady progress towards gender equality through the empowerment of women and girls. However, women's access to opportunities for income generation and employment is less as compared to men. Women's reduced mobility and disempowerment also lead to inequalities vis a vis market systems and skills training. Traditionally, women in rural areas and indigenous women have limited rights and access to communal lands, often have the burden of dowry payments, and girls are exposed to child marriage risks. Adequate attention to and investment in childcare is crucial to avoid any detrimental impact of economic empowerment interventions on maternal and child nutrition. Partnering with government institutions tasked to spearhead women empowerment issues can create opportunities to improve the governance and targeting of social security/protection schemes to better assist women. The empowerment of the poorest/most vulnerable will be considered at the policy level and integrated in strategies, planning and programming.

1.2 Policy Framework (Global, EU)

The **7th Five Year Plan 2016-2020 (7FYP)** highlights the need to reduce poverty and promote inclusive growth, paying particular attention to the so-called 'lagging regions' where incidence of

extreme poverty is 16 percentage-points over the average. For example, the South-west of Bangladesh, CHT districts present a high degree of deprivation reflected in indicators such as widespread food poverty and poor access to services. As overarching goal, the 7FYP aims at reducing the poverty rate to 18.6% and extreme poverty to 8.9% by 2020, in line with the first Sustainable Development Goals (SDGs): 'eradicate extreme poverty for all people everywhere'.

To address the extreme poverty challenge, the 7FYP envisages supporting **the extreme poor, through a package which includes:** (a) Replication of successful targeted livelihoods programmes; (b) Support for human capital development; and (c) Expanded and inclusive social protection programmes. In addition, promoting sustainable agriculture to ensure food and nutrition security, enhancing sustainable intensification, diversification and commercialization of climate resilient production is a priority, with particular emphasis on innovation, research and supply/value chain development. Besides, market development for better employment and income generation, increased access to basic services in remote areas, countering the marginalisation of vulnerable groups and empowering the extreme poor, particularly women, are also prioritized. Similarly, the creation of alternative livelihoods building on the resilience of communities to manage risk and the sustainable management of natural resources will be enhanced.

The implementation of the 2015 **National Social Security Strategy (NSSS)** will be an essential pillar of the 7FYP vision to reduce poverty, inequality and malnutrition. The NSSS-associated reforms will involve significant streamlining and strengthening of existing transfer instruments thereby addressing identified weaknesses and capacity needs in targeting, adequacy of benefits, coverage, responding to urban poverty, administrative and monitoring capacities and overall accountability. This will be achieved through consolidating and rationalizing existing 'safety net' schemes (over 100 schemes implemented by a multitude of agencies/ministries) into a smaller number of effective and universal life-cycle programmes. The link between the improvement of nutrition and sustainable agriculture and inequalities should be strengthened. Health and nutrition are both results and drivers of income inequality. Promoting breastfeeding, providing nutritional supplements for young children and ensuring access to sufficient amounts of safe and nutritious food for normal growth and development and an active and healthy life for all is in the 4th macro-areas of the EU objectives for the reduction of socioeconomic inequalities. A strategic dialogue with Civil Societies and NGOs will be developed to target most vulnerable segments of the population and then with the government to implement its commitment to improved nutrition and sustainable agriculture and guarantee the access to bottom 40% to community clinics in support of the National Nutrition Services.

The Government of Bangladesh has already committed itself to eradicate extreme poverty by 2021 and the localisation of the global SDGs in Bangladesh will serve as a new opportunity to confirm that commitment towards improved nutrition and sustainable agriculture. However, the NSSS is ambitious and capacities to deliver required services and interventions remain weak, and the pace and extent of reform under the steering of the Cabinet Division is likely to be slow -across ministries involved in various thematic clusters/coordination mechanisms: social allowance, food security and disaster assistance, social insurance, labour/livelihoods and human development & social empowerment-. In nominal terms, the total *safety nets budget* for 2013/2014 slightly increased from EUR 2 billion to EUR 2.3 billion from the previous year and is expected to further increase to EUR 2.7 billion over the next year. This is around 10% of the Government of Bangladesh budget and represents 2.3% of GDP, increasing to 2.7% of GDP based on projections for 2017/2018 and the growing fiscal base. The action will be designed so as to have that impact on the bottom poorest or socio-economically disadvantaged individuals, households or groups in particular. To achieve this the action is to be designed with appropriated targeted activities, and possibly considering using the Equity Tool to help in the identification of the beneficiaries.

Under the National Food Policy Plan of Action and its second pillar of "Access to Food", the Government of Bangladesh precisely highlights the need to enhance the institutional and capacity development for more effective safety nets. At present, in partnership with Food and Agriculture Organisation (FAO) and the Ministry of Food, the EU is supporting efforts to write and incorporate "nutrition-sensitive" strategic interventions into the new 2015 National Nutrition Policy and its multi-sectoral Plan of Action -overseen by a revived National Nutrition Council chaired by the Prime Minister-.

1.3 Public Policy Analysis of the partner country/region

The **EU Multi-Annual Indicative Programme MIP 2014-2020** reflects the EU commitment to reduce food insecurity and malnutrition, with particular emphasis on enhancing livelihood opportunities and increasing resilience for the extreme poor and vulnerable women. The 2012 EC Communication on Social Protection in EU Development Cooperation clearly articulates the role of social protection in underpinning sustainable development, by enhancing equity and social inclusion. Given the significance of the nutrition challenge for poverty eradication in Bangladesh, it is important to highlight the theory of change underlying the potential relevance of the NSSS to accelerate improved nutrition outcomes, especially among the poorest. The 2013 EU Communication Enhancing Maternal and Child Nutrition in External Assistance (together with the 2014 Nutrition Action Plan) is focused on reducing undernutrition with stunting as its main objective, and the focus on ensuring optimal nutrition outcomes from a multi-sectoral 'nutrition-sensitive' approach. Also, in preparation for the 2015 SDGs Summit, the EU released the Communication titled, '**A Global Partnership for Poverty Eradication and Sustainable Development after 2015**', which urges to foster innovation that helps citizens to escape poverty and reduce the vulnerability to disasters and other shocks.

Also, the **EU Resilience approach** calls for strong collaboration between Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO) and Directorate General for International Partnerships (INTPA), bringing together humanitarian assistance, long term development cooperation and on-going political/policy engagement for more sustainable and equitable development gains. Bangladesh is considered a flagship country for Resilience for the EC in Asia. The "**EU Action Plan for Resilience in Crisis Prone Countries 2013 – 2020**" lays out that resilience should not only contribute to increasing capacities to deal with vulnerabilities, but it will also constitute an opportunity for transformation, in terms of adaptation to changing environments, empowerment, improved livelihoods and economic opportunities for the most deprived. In June 2014, a **National Workshop on Resilience** was organized in Dhaka by the EU Delegation/ECHO with EU Member States (MSs) identified two areas particularly vulnerable to shocks and stresses, namely the waterlogging areas in the South-West and the conflict-vulnerable Chittagong Hill Tracts (CHT). The implementation of the resilience agenda will support ECHO to exit from non-emergency situations, as the root causes of recurrent crises will be addressed, especially in the CHT and the South West (SW) waterlogged areas.

The action is aligned and will contribute to the Gender Action Plan III 2021 – 2025 specifically to the thematic area "promoting economic and social rights and empowering girls and women" and the specific thematic objective "increased access for women, in all their diversity, to decent work, including women's transition to the formal economy and coverage by non-discriminatory and inclusive social protection systems".

1.4 Stakeholder analysis

There would be a number of stakeholders involved in the programme as follows:

Rights holders – Women and men living in Extreme poverty and the most Vulnerable situations: The current narrow extreme-poverty targeting criteria discriminate against vulnerable people with various levels of poverty. Three broad population segments need to be considered for targeting along the continuum from absolute poverty to resilient livelihoods and better access to social protection: a) the people living in *highly vulnerable extreme poverty*: without labour, land or productive assets; largely excluded from community planning and disconnected from external agents; having negligible interaction with markets; and highly susceptible to natural hazards and household-level shocks. b) the *emerging extreme poor*: with limited availability of productive assets and land, and/or agricultural-based labour, but trapped in a low-income/low-productivity cycle; limited access to basic services; some connection to the formal economy and/or participation in savings/credit groups. c) the people living in poverty and *vulnerable situations*: with greater access to new on- and off-farm skills, vocational training and opportunities; potential access to micro-credit and other formal financial and insurance services; some ability to save; better connection to government/NGO basic services; but still susceptible to shocks. Rapid urbanization has serious implications for urban poverty trends and patterns, with fluctuating poverty rates that are symptomatic of vulnerability to shocks. Research shows that the condition of life of the urban poor is normally worse than those of the rural poor. Urban poverty is often associated with being wage labourers; low-paid informal sector workers, lack of access to housing, basic services, food insecurity and malnutrition, being voiceless and having a weak social network.

Civil Society Organisations / Non-Governmental Organisations (CSOs/NGOs): These groups have an extensive grass-roots presence and experience in volatile and vulnerable areas. They have traditionally played a key role in terms of service delivery, risk awareness, gender sensitive empowerment, research and social capital generation. Bangladesh has a vibrant women's movement made up of several CSOs/NGOs engaged in service delivery, economic, political and social activism in both rural and urban areas. These actors have created coalitions in various sectors (for example: citizens' initiative against domestic violence and Campaign for Popular Education). CSOs/NGOs and coalitions would need to continue playing a role in aspects of community development and, particularly, advocacy for improved Government of Bangladesh response to people's needs. The NGOs and CSOs involved should cover and target the bottom 40%. The 7th 5YP envisages deepening the partnership with NGOs in delivering social protection services in different areas, like piloting of innovative ideas for possible scaling up, selection of beneficiaries, effective grievance mechanisms and improved public oversight.

Duty -bearers Government (Central and Local): A livelihoods programme requires compromise and shared responsibilities, ensuring a better service of the government to its most vulnerable citizens. At national level, this means forging strong relationships with Ministry of Finance, Ministry of Women and Children Affairs and Ministry of Local Government among others, ensuring that their decision-making is informed by poverty and risk. These ministries have certain convening power, presence in the field and capacity to influence other line ministries, agencies. Local governments represent the main connection between the poor and the central government, and thus, represent a critical focus for advocacy and programming.

Private Sector: For programme innovation to be sustained and scaled-up there is a need for different types of partnerships between private sector (for instance between financial service providers and agribusiness companies), NGOs, and the public sector. The private sector offers crucial opportunities for the poor, in providing skills development, technical enterprise support and market linkages.

Academic, Research and Training Institutes: they present a valuable resource and have a key role to play in terms of learning, building the robust evidence base required to inform policy options and advocacy, as well as the development of capacities.

1.5 Problem Analysis/Priority areas for support

Based on the findings and the common analysis of the joint EU-DFID Design/Identification mission, the evaluation of respective past programmes, subsequent contributions from GIZ, extensive consultations with Government of Bangladesh and other stakeholders –academia, private sector representatives, civil society and IOs-, including the outcomes of the 2014 resilience workshop with MSs, the initial assumption shared with FCDO is that the eradication of poverty and consequent food insecurity in Bangladesh demands a **comprehensive, transformational approach** in which the Government of Bangladesh at all levels, NGOs, the private sector and international donors work together to reduce both existing poverty and its intergenerational transmission through a twin pronged approach. Recognition of the highly dynamic and heterogeneous manifestation of poverty requires that simultaneous investments are made both in livelihoods and in social security for resilience and empowerment to be achieved in the long term, in turn leading to the progressive eradication of food and nutrition insecurity. The proposed initiative will demonstrate the theory of change of this twin-track approach in partnership with key stakeholders, building on the existing momentum of Government of Bangladesh 's commitments to progressively assume responsibility for addressing extreme poverty, vulnerability –to climate and other natural shocks and other stresses- and under-nutrition, and laying the foundation for possible future budget support.

In line with the EU social protection policy framework, the NSSS represents a first significant step in that direction proposing a more coherent and efficient Government of Bangladesh system towards a rights-based, life cycle social transfers/social protection system. However, significant challenges remain ahead in terms of increased coverage and value of transfers for wider and sustained impact in a context of fast population growth and urbanization. Besides, most **poverty graduation models** in Bangladesh have operated largely in parallel with Government of Bangladesh systems (i.e. BRAC⁷) with a lack of long-term connection of graduated people to government services and the economy/growth opportunities.

A specific problem analysis has been done for CHT. FCDO The main objective was to fund research study and programmatic inputs to inform the design of a specific intervention to promote **“pathways to prosperity for extremely poor people in the Chittagong Hill Tracts”**. The intervention is part of a larger FCDO and EU funded programme in Bangladesh, the "Pathways to Prosperity for the Poorest People (PPEPP)".

Past EU social transfers interventions in Bangladesh have mostly focused on field implementation/short term delivery of services while neglecting the requirement for policy reform and capacity development. This approach has had a limited impact on sustainability and ownership. Therefore, there is now the need and opportunity to ensure a more comprehensive approach to social security, addressing the basic causes of food and nutrition insecurity and going beyond narrow approaches focused only on direct nutrition interventions or increased production. Equally important will be the reduction of exposure to risk of the poorest households/communities and vulnerability of livelihoods and to incorporate the emerging urban and migrations dimensions. In

⁷Known formerly as the Bangladesh Rehabilitation Assistance Committee and then as the Bangladesh Rural Advancement Committee and now Building Resources Across Communities

the context of Bangladesh, poor nutrition is also a driver of vulnerability for example by increasing the risk of health shocks.

This transformative approach to poverty reduction would require action under the following **three key areas**:

a) *Sustainable household livelihood pathways out of poverty and inequalities that go beyond the traditional poverty graduation model.*

This broadens the targeting criteria to enable more equitable participation of households and individuals with different levels of poverty, ensuring self-selecting and more tailored poverty reduction and resilience building measures, instead of the traditional livelihoods programmes which set arbitrary ‘one-size-fits-all’ measures/solutions. This is aligned with the vision of the NSSS that proposes broad, inclusive and comprehensive life-cycle coverage for all vulnerable households by ending the current plethora of disconnected, targeted and largely unaccountable safety nets. Vocational skills development, with emphasis on women living in poverty is also essential to foster employability in connection with local level market players and business owners; also, in a growing urban and non-farming context, skill development must adapt to the urban labour market and migration dynamics. Finally, general health and nutrition outcomes are expected to improve through a nutrition sensitive approach to livelihood support and social security, also integrated with direct nutrition interventions.

b) *Strong engagement of private sector in inclusive market development mechanisms, providing sustained income or employment opportunities for the people living in extreme poverty and vulnerable situations.*

Market development in rural and peri-urban areas is vital to create self-employment and job opportunities, particularly in the non-farm economy. Growth in sustainable and climate resilient local agricultural value chains and non-farm activities will create a critical market ‘pull’ that will enable the extreme poor to become ‘market ready’ and access, as well as retain, the critical assets and skills to develop a livelihood. A key focus will be on identifying appropriate support and incentives for women to move beyond crop production, post-harvest activities to higher levels of the value chain. The programme will promote: (i) partnership with private sector, NGOs and public sector for addressing market failures; (ii) intervention on facilitation rather than service delivery; (iii) adaptive and flexible management to incorporate opportunities; and (iv) contextualizing interventions across different categories of poor and different geographic territories. This could include land issues e.g. for indigenous people, women and youth through a conflict sensitive approach. Bangladesh markets have been traditionally ignored or superficially considered when designing strategies to prepare for and respond to shocks.

c) *Promotion of social empowerment (including women) in the communities and delivering & accountable and transparent government institutions.*

The people living in extreme poverty, particularly rural women, minorities and the urban poor, persons with disabilities are disconnected from the formal economy and their rights are systematically denied. They often lack the capacity and voice to articulate their problems and needs, and lack the necessary channels and instruments to demand their entitlements guaranteed by the constitution and social policies. It is necessary to facilitate a process that enables the poor and vulnerable groups –i.e. persons with disabilities, indigenous peoples, climate displaced people, victims of forced displacement and women to better understand their circumstances, to articulate their concerns and to actively participate in local government planning and service delivery. Advocacy efforts will need to focus on promoting changes in institutions and policies and to ensure that these are responsibly implemented at the ground to reach the people living in poverty.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Insufficient capacity of some Ministries or/and stakeholders in the multi-sectoral coordinated approach to poverty and resilience.	M	<ul style="list-style-type: none"> - Enhanced policy dialogue and coordination with government. - Direct and indirect advocacy, capacity building, including support "champions" across government. - Coordination with key country-wide initiatives such as the Delta Plan.
Local government authorities are constrained by limited resources, unclear responsibilities and insufficient staffing.	H	<ul style="list-style-type: none"> - Improve linkages with local government support programmes. - Development of replicable, accessible approaches and packages. - Ensuring a better connection between central and local government policy and programming
Social, political and economic instability.	M	<ul style="list-style-type: none"> - Stakeholders closely monitor and articulate responses to the political and economic dynamics. - Coordination with other EC and donor governance programmes
Insufficient capacity of private sectors in engaging with the project	M	<ul style="list-style-type: none"> - Strong advocacy, liaisons and involvement of the private sector from the beginning of the programme will mitigate the risks - Leverage with other programmes providing risk information for investment decision-making to better incentivise private sector investment.
Natural disasters and conflict (in case of CHTs) impact on programme implementation, including do-no-harm risks in relation to land conflict and recognition of indigenous peoples rights, and lack of effective inclusion of women	M	<ul style="list-style-type: none"> - Integrated and enhanced crisis modifier included in programme planning. - Crisis modifier component/contingency fund built in allowing rapid response to crises and shocks - Coordination with ECHO Humanitarian and Emergency programmes ensuring scope to scale up response. - Close involvement/work with Government of Bangladesh and regional/local authorities to gather political support for CHT action.

There is a reasonable assumption that the Government of Bangladesh will continue to be responsive to policy dialogue and advocacy to improve targeting and implementation of social protection and will deliver on commitments related to the NSSS.

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

Any new resilient livelihoods programme needs to build on the extensive EU, FCDO and GIZ experience with programmes seeking to address the challenge of extreme poverty, vulnerability and associated social safety nets initiatives over the last two decades. The most important lessons learnt to be drawn from related development cooperation interventions with Government of Bangladesh and CSOs are:

1. Balance between delivery and sustainability: most social transfers have adopted a rigid and intensive approach of two to three-years with very narrow targeting criteria that has often proven unfit for diverse levels of poverty and for the longer-terms needs of the extreme poor. A broad transformation/impact on the empowerment of communities and linkage of these to markets and cities has not been properly addressed. Evaluations of previous extreme-poor programmes show

that, on average, only around 20% of beneficiary households continue their trajectory out of poverty after project support ends, with an adequate transfer of these people into other development initiatives and better connection to government services.

2. Relevance of institutional (duty -bearers) and policy development: national and local government ownership of the programme is essential for sustainability. Until now, there has been a secondary focus by the EU on capacity building, policy work and advocacy that has undermined the sustainability of EU programmes. The new (and ambitious) NSSS is a good opportunity to work on the effectiveness and sustainability of poverty-reduction actions.

3. Focus on a rights-based and gender inclusive approach: It remains both critical and challenging to generate change in mindsets and attitudes of the people living in poverty, the government and the overall population. This means promoting the people as rights-holders at the centre of any initiative, shifting the people (W/M) and policy-makers towards an ‘entitlement’ mindset. This requires enhanced engagement of civil society in policy formulation and implementation as well as government accountability in delivering services and responding to rights of the people (W/M). This is particularly so for women in rural areas in terms of addressing gender inequity and disempowerment and the urban people (W/M) living in poverty and in the CHT in relation to specific indigenous people’s rights such as the right to Free, Prior and Informed Consent. It is also important to create opportunities for participation and access to persons with disabilities, through ensuring accessibility and providing reasonable accommodation and additional support where it is needed. Involvement of organisations representing persons with disabilities is essential.

4. Managing shocks, risk and change: Enabling people to manage a range of covariate natural-hazard, economic and geopolitical shocks and change combined with ensuring connection to external agents (government, national NGOs, private sector), but also the more idiosyncratic shocks impacting at household level, is critical for the sustainability of poverty reduction programmes. In this context of chronic poverty, climate & disaster risks and change, EU development, humanitarian and policy dialogue priorities need to be harmonised under a comprehensive and long-term approach to enhance the resilience of the poor. Further, changes in urbanization and rural-to-urban migration patterns can also be harnessed in order to offer diversified forms of income to the poor.

5. The importance of nutrition sensitivity: The EU/FCDO identification study has been accompanied by an additional analysis of lessons learned and resulting options for accelerating improved nutrition outcomes through livelihood programmes. Experience underscores the nutrition potential for livelihood support in this regard but also that such impacts cannot be taken for granted unless there is tight integration at both design and operational stages, ensuring that a comprehensive range of opportunities are identified.

3.2 Complementarity, synergy and donor coordination

The proposed programme builds on the mentioned **joint EU/FCDO extreme poverty programme design/identification mission** carried out during last quarter of 2015, with additional GIZ contributions on urban and migration aspects. As the largest grant donor in Bangladesh, FCDO is leading the policy and advocacy work on extreme poverty and innovation in the field work with different partners, mostly NGOs. GIZ focuses on policy/capacity building work and project implementation in the field on livelihoods, sustainable management of natural resources and resilience building, on climate change/migration and urban governance, working with local governments, civil society and private sector. EU, FCDO and GIZ programming synergies can be

therefore established, with the EU value-adding its strong engagement with key Government of Bangladesh partners and advanced work on the resilience approach.

Among other MS development agencies, the Dutch cooperation is at policy level supporting Government of Bangladesh to develop its Delta Plan 2100 in order to address long-term vulnerability, notably through big infrastructure and investments in water/land management in the coastal south. The World Bank has large soft loans operations with specific line ministries/agencies i.e. Disaster Management and Local Government Division in order to improve efficiency in a specific set of safety nets: targeting, coverage, monitoring but has not historically been associated with supporting broader social protection system reforms which are more in line with the EU policy framework.

As for coordination platforms, the regular policy dialogue and technical discussion on poverty & social protection agenda takes place in the Local Consultative Group (LCG) on Poverty, providing the forum for information exchange, joint analysis and dialogue with relevant ministries, agencies and other partners. At present, the Planning Commission chairs the group with FCDO as co-chair; other active donors are EU, GIZ, United Nations Development Programme (UNDP), United Nations World Food Programme (WFP), FAO, World Bank (WB).

The proposed programme requires establishing clear links and synergies with the EU 2014-2020 MIP skills development and democratic governance priority sectors. Notably, links will be ensured with Annual Action Programme (AAP) 2015 'Skills 21—empowering citizens for inclusive and sustainable growth' programme to improve skills development and employability. Likewise, the AAP 2015 "CSO Platforms for Dialogue" project offers a good opportunity in terms of awareness raising, engaging authorities and the whole society about the social development model for Bangladesh. The AAP 2015 Food and Nutrition Security (FNS) programme also offers synergetic opportunities in terms of capacity building, policy making/advocacy on better nutrition outcomes.

Good practices can be incorporated from the Disaster Preparedness ECHO programme (DIPECHO) in terms of scaling-up and institutionalizing successful community-based disaster preparedness interventions for resilient livelihoods. Over the last two years, the EU Delegation and ECHO office together with MSs have been collectively moving the Resilience Agenda forward in Bangladesh, particularly with FCDO, GIZ focus on climate vulnerability, resilience to climate risks and Swedish International Development Cooperation Agency (SIDA) humanitarian and environmental management perspectives.

The proposed programme is complementary and creates synergies with the actions proposed in the "Improving reintegration of returnees in Afghanistan, Bangladesh and Pakistan" project (estimated EUR 6.5 million budget, executed by International Organisation for Migration (IOM) and BRAC). This Action has clear complementarities/synergies with Prottasha. Returnees supported by the EU under this Action are characterized by the climate-induced push factor for migrants to the EU. The project is complementary and creates synergies with the actions proposed in the Prottasha project executed by IOM and BRAC.

As per the tripartite agreement between Prottasha (ILO and BRAC), Skills 21 (IOM) and this Resilient Livelihoods project (GiZ), the EU returnees of the Prottasha project are directed to either ILO or GiZ for specific skills training based on their preferences and interests in such training. Geographically GiZ focuses on five cities only and the specific focus is on climate induced migrants. Services include: training, access to financial services, access to social services; income generation activities, job placement support etc.

In particular, the proposed programme covers the economic reintegration component to be mainstreamed in EU MIP programmes, which is not addressed by the specific IOM-BRAC

programme. This is particularly important in light of the JHA Council 08 October 2015 adopted conclusions on the future of the return policy, stressing that all tools shall be mobilised to increase cooperation on return and readmission, including international and development cooperation.

4 DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objective(s), expected outputs and indicative activities

Overall objective: Contribute to the creation of sustained pathways out of extreme poverty and vulnerability.

Specific objective:

Extreme and vulnerable poor have more resilient⁸ livelihoods, better nutrition and greater access to social security

Output/Result Area 1: Development of various resilient livelihoods options linked to value chains and markets systems.

Indicative activities include:

1.1. Identification/mapping/analysis of the various contexts and the changing climate and other natural and human induced risk landscapes impacting the poor as well as their livelihood potential, facilitation and provision of a differentiated menu of resilient household and individual support options including a sectoral gender analysis.

1.2. Linking households to community activities and the basic-service programming of government and non-government actors: education, health and nutrition, agricultural services, Water, Sanitation and Hygiene (WASH), local and national energy sources and disaster alert/response/recovery processes and preparedness and climate-change adaptation measures, linkage to pilot micro-insurance (risk, health, life) initiatives.

1.3. Promotion of vocational skills and links to formal Vocational Education and Training (VET) system and urban jobs, technical support and business training, linking trained women and men to the labour market and facilitating diversified entrepreneurial opportunities.

1.4. Development of inclusive and sustainable business and value chain partnerships between households / community producer groups and value-chain facilitators /enterprises. Measures are put in place to ensure that business activities are risk and change-informed to protect investments and gains.

1.5. Adaptive management measures that ensure learning and best practices during the programme and enabling crisis modifiers where major shocks impact programme areas.

1.6. Nutrition specific-interventions such as counselling to pregnant and lactating mothers and improved quality & coverage in community clinics in support of the National Nutrition Services.

1.7 Internal migration/displacement and support for economic reintegration of vulnerable returnees from EU: climate migrants and vulnerable returnees benefit from access to microfinance services,

⁸ Resilient to climate risks and other shocks and stresses i.e. health, economic,...

vocational training offers, employment opportunities, market-based solutions and improved urban basic services.

Output/Result Area 2: Strengthening of Government of Bangladesh comprehensive social security system combined with the empowerment of vulnerable people

Indicative activities include:

2.1. Technical/policy and financial support for the reform and piloting of the NSSS progressively evolving into the roll-out of the NSSS.

2.2. Capacity development/set-up of a Local Challenge/Catalyst Fund for local government units to promote action and innovation at sub-district level to provide better services and deliver national policy/NSSS commitments.

2.3. Strengthening of community institutions/platforms for rights and change: working on creating community decision-making & awareness -i.e. right to food, nutrition, climate change- structures that include the people living in poverty and marginalised groups (particularly women, persons with disabilities, internally displaced people/migrants and vulnerable returnees) whilst reinforcing the capacity of communities to work with local government, claim access to basic services & fulfilment of social protection floors and benefit from economic growth opportunities.

2.4. Central-level government advocacy and capacity building interventions focusing on joint action and investment on issues of poverty, climate vulnerability and resilience, putting social protection and NSSS high on the national development agenda and promoting partnerships with the private sector -i.e. private sector role and responsibility in the NSSS reform- & civil society.

2.5. Exploration of climate change responsive conditional cash transfers schemes for co-management of natural resources (i.e. reforestation, mangrove conservation, etc.) contributing to Government of Bangladesh climate change adaptation efforts.

4.2 Intervention logic

The proposed programme builds on the **experience and evaluation** of numerous **EU, FCDO** and other development partners' poverty programmes implemented through different Government of Bangladesh agencies or CSOs over the last two decades, with **GIZ adding valuable contributions on urban and migration linkages**. These interventions have traditionally focused on the provision of various combinations (or 'packages') of cash and in-kind transfers and skills development. The proposed programme upgrades this approach by promoting a **partnership model** coordinating a variety of government and non-government actors operating at different levels to more effectively achieve results in terms of both **delivery and inclusive/systemic changes in governance structures**. In line with the EU policy framework for social protection, it will help to strengthen the nascent 2015 National Social Security Strategy NSSS to create a solid and sustainable social security system. The programme intervention is comprised of two broad results areas, combining a "**push-pull**" strategy that supports and empowers **people (W/M) living in poverty to connect to economic growth opportunities & secure diversified livelihood opportunities, and claim/access improved services** at the local level participating in democratic processes. The proposed programme also contributes to minimize forced climate displacement and internal/cross-

border migration, including **specific targeted interventions for the economic reintegration of returnees from EU**.

This is an **innovative and ambitious programme** which counts on well-established interventions, proven delivery partners and combinations of interventions in a dynamic rural but also rapidly urbanizing context. The programme incorporates important elements of innovation/evolution as follows: a) The traditional project approach has offered a standard package –with minimal variations- for all but the people living in poverty cannot be considered as a monolithic entity. The people living in poverty have different needs, expectations and capacities. The approach now is to make available livelihoods "options" -different sort of grants, loans, skills...-, what is known as the "PUSH" out of poverty. b) As earlier indicated, there is a need to assure that beneficiaries are connected to government services (social security, extension services...) and the economy/growth opportunities (local, physical markets and jobs in both rural and urban areas), as the "PULL" out of poverty. c) The emphasis on better governance both in terms of local governments capacities to deliver and empowerment of the women and men, which have been traditionally ignored in past safety nets programmes mostly focused on service delivery. d) Finally, the programme incorporates a sound policy support component at central level for building capacities, institutional development and support reforms around the new NSSS. Overall, this combination of field action, market linkages, social mobilization and policy work – informing each other- at the highest levels is new and unique in Bangladesh. Needless to say that it entails risks, given the multiplicity of stakeholders and components, but it is not acceptable to continue with the business-as-usual approach; instead, this new programme contributes to Government of Bangladesh reforms for a better functioning public system with greater accountability to women and men for service delivery, in particular to the people living in extreme poverty and to marginalised groups, and a stronger social security system underpinning livelihood interventions.

The **approach** of the proposed programme is to maximize both **effective results and the financial and institutional sustainability** of delivery systems to make a real difference for those, women and men, living in the most vulnerable situations : 'leaving no-one behind, while leaving something behind'. It is therefore necessary to pursue a broader implementation arrangement with a multi-stakeholder perspective and a **clear exit strategy**, developing capacities of relevant stakeholders and incentives to deliver such services in the future, as the NSSS already predicates. The proposed 10-year programme duration needs to be phased and have sufficient flexibility to adapt the approach and course correct depending on new insights and evidence and government action and delivery against commitments. The programme will therefore be structured into three parts, comprising an inception phase, an initial 5-year implementation & intensive evaluation phase, and a second, partly overlapping, 5-year implementation phase involving further scale-out. EU budgetary contribution targets the first implementation & evaluation phase, with possible additional EU leverage/funds in the form of budget support as foreseen in the EU Delegation (EUDEL) Implementation Plan.

The action will provide a core **resilient livelihood component** going beyond the traditional extreme-poverty graduation model by providing a more flexible menu of support options that are tailored to the needs of different categories of extreme poor -rural and urban- and to different stages of livelihood development and vulnerability. Complementary (on-farm & off-farm) livelihood options accompanied with appropriate skills sets will enable the people living in poverty to tackle the potential impacts of climate and environmental stresses and loss of biodiversity i.e. promotion of agro-forestry, green-business, river & water management. This component will help build adaptive capacities of households to current and future climate and other shocks/crises and promote

preparedness and response, including through an integrated crisis modifier. Value Chain Development (VCD) will be an integral part of the livelihood component. It will make interventions in the local economic activities through value-chain analysis to add value, improve production models, increase productivity, improve quality of products, create better market for products and establish distribution channels to better integrate IGAs with micro-enterprises or higher level of economic activities. It will be achieved by building technical and business skills of member Households (HHs) and generating potential enterprises with higher-level economic returns and employment attributes such as, for example, ‘Micro-enterprises’ to create local-level employment to enhance HHs income. Value chain intervention will also provide support in marketing of products produced by the project members at the local level and develop linkage with the trading houses, wholesalers, and other traders at local level. Opportunities and challenges to those markets posed by climate change will be considered during programme implementation –i.e. clean technology, energy efficiency for climate change mitigation- This approach goes in line with the Government of Bangladesh 7th 5YP ambition to replicate and scale-up successful livelihoods programmes.

The action will support **systemic** (institutional, capacities and policy) **changes and reform processes** associated with the governance and implementation of the proposed NSSS. It reinforces resilient livelihood opportunities for the women and men living in poverty that better assure inclusive growth in vulnerable areas of Bangladesh, exploiting the nutrition-sensitive impact potential of the NSSS. Mentoring and support of poor households alongside the **social mobilisation** of the whole community will focus on empowering marginalised people –including urban areas-, connecting the people (W/M) living in poverty to their community and positively influencing cultural and social norms. Also, an **advocacy** component will aim at a *bottom-up* generation of awareness and the ability of people and communities to demand their rights from authorities, whilst working *top-down* with the central government to deliver on its public commitments and responsibilities. The programme would support a transformation of the existing safety nets into a comprehensive social security system that is risk informed. This goes in line with the Government of Bangladesh 7th 5YP broad "package" approach –see 1.1.1- to address extreme poverty and vulnerability, which combines the replication of successful targeted livelihoods programmes with human development and an expanded and inclusive social protection.

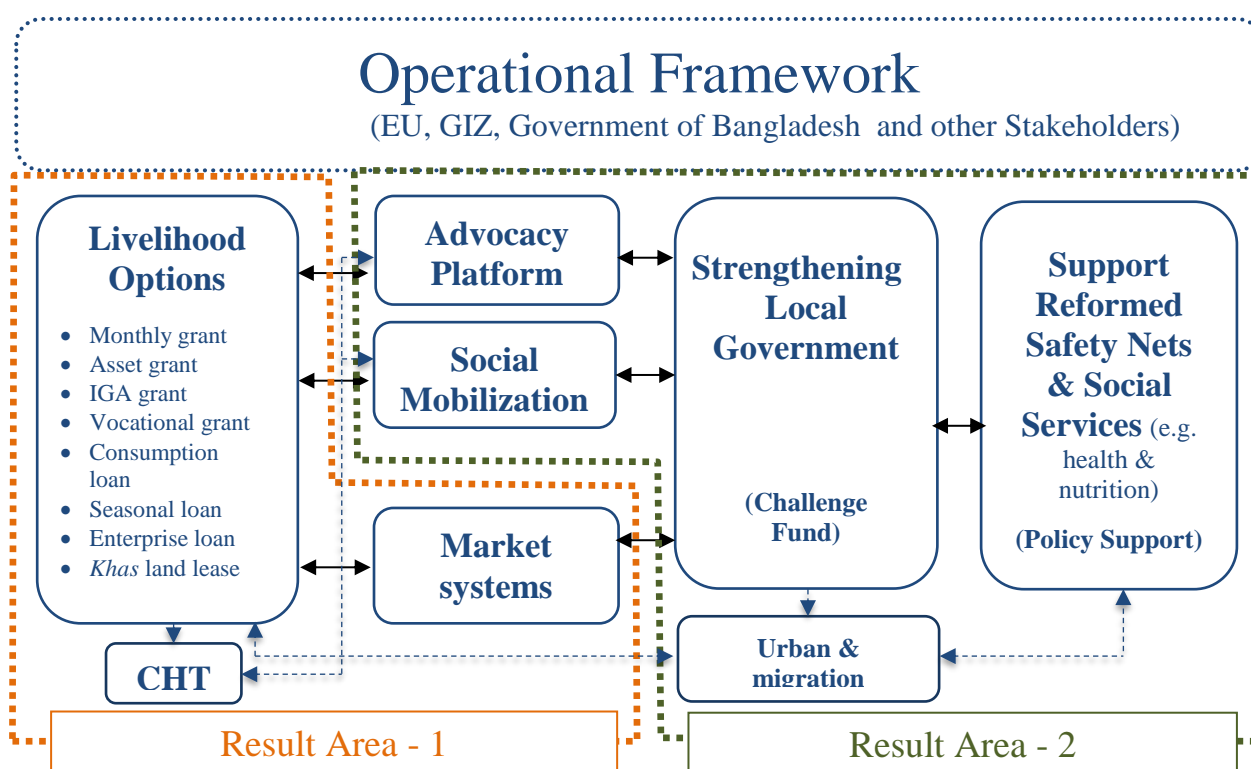
The **NSSS testing** relates to a strong component of policy support and a limited testing of improved life-cycle transfers (cash transfers), as part of the Government of Bangladesh roll-out of the strategy and which will be designed and negotiated with Government of Bangladesh during the first two years of the programme. The EU contribution within this component would primarily be used to build capacity and systems in Government of Bangladesh agencies to enable them to deliver the priority NSSS life-cycle programmes, building on our past involvement for example with the Ministry of Women and Children Affairs (MoWCA). It will only be used to top-up/match Government of Bangladesh funds on a reducing scale, not to substitute them, demonstrating the impact –i.e. nutrition sensitivity- and build political support for wider implementation. Programme support will depend on robust Government of Bangladesh commitments to fund the full transfer, with a transition phase where the programme top-up will taper off, but at a stage when the EU may then be able to move towards budget support of the NSSS. This component would also evaluate the added value of combining a stable transfer ‘**floor**’ of this kind with the promotive support offered to households through the livelihood component.

The **local challenge fund** is expected to work as a performance-based grant scheme to support initiatives and innovation of reformist local government authorities; a local government mobilizes its own resources and the challenge fund covers a % percentage of the total cost i.e. Upazilla

Challenge Fund to improve service delivery & access (i.e. by abolition/reduction of user fees) for the extreme poor. This performance grant model builds on successful experience from EU-funded decentralization programmes with UNDP & United Nations Capital Development Fund (UNCDF) across the country, and will be also replicated in the recently approved Global Climate Change Alliance+ (GCCA+) project for mainstreaming climate change and disaster preparedness in local planning, budgeting and investments.

As for the proposed **RIO marker**, the programme will directly contribute to address climate change impacts by helping poor people to adapt through climate resilient livelihoods and by preventing/addressing climate-induced displacement. Targeted people will enjoy access to climate smart information, know-how, financial-technical support and skills set to deal with the changing climate. Innovation will be promoted based on existing best field practices and through direct policy engagement around the NSSS.

The Intervention Logic for this programme can be simplified into four interconnected **causal pathways and associated assumptions**. Progress along these causal pathways will deliver the relevant outcomes expected from each of the two broad result areas and visualized in the exploratory EU-FCDO Operational Framework – Diagram below.



Pathway 1: An improved livelihood promotion model delivers more durable and transformative benefits for target households and enables them to access a sustained pathway out of poverty.

Key assumptions and linkages:

Access to a more flexible menu of products, including grants and soft loans with relevant skills training, over a longer time frame enables vulnerable Health and Human Services (HHs) to develop a livelihood strategy that supports larger and more sustained income and consumption gains, reduces vulnerability, and enables them to access a sustained upward income trajectory.

A combined package of households level nutrition counselling to pregnant and lactating women (provided through the programme) and facilitated access to essential vitamins and micronutrients (provided through the National Nutrition Services) will, in combination with livelihood support - including home gardening- and wider work on social norms, have a significant impact on maternal and infant & young child feeding Infant and Young Child Feeding (IYCF) practices.

Pathway 2: Combined interventions to improve extreme poor households' access to value chains and promote downstream market development increases the income and/or job opportunities for target households and supports livelihood diversification.

The majority of the extreme poor can, with programme support, develop the necessary basic and technical skills to meet Small and Medium Enterprises (SMEs) demands and/or manage/expand a micro-enterprise successfully.

There is scope to increase the income and job opportunities for the (emerging) extreme poor in rural markets by tackling market and coordination failures factors that lead to underinvestment in downstream firms or prevent poor people's access to job opportunities.

Pathway 3: Social mobilisation and national advocacy amplifies the voice of the extreme poor and marginal communities leading to increased Government of Bangladesh spending on basic services and wider access.

Interventions at local level to promote community voice and tackle social norms that entrench gender and other forms of inequality and exclusion contribute to improved basic service delivery and create new opportunities for women and socially excluded households and individuals.

Mobilising communities to understand and advocate for their rights and hold local government to account creates the demand and pressure for local government agencies to allocate existing resources more equitably and push central government for more resources. Town level coordination committees (Pourashava Act) will be supported.

Pathway 4: Support for testing the introduction of comprehensive social security initiatives in lagging regions, adds momentum to the reform process and contributes to accelerated learning, political support and wider scale-up of a reformed social security system.

Supporting scale-up of reformed safety nets/life cycle grants of Ministry of Social Welfare (MoSW) and/or MoWCA in targeted areas can provide an additional impetus for the NSSS reform process and overcome short-term logistical and capacity constraints to NSSS implementation.

A flexible research and advocacy component supports a range of initiatives that influence/strengthen Government of Bangladesh policy and delivery with increased investments in basic services.

Policy work and technical support help Government of Bangladesh and key line ministries implement the reforms set out in the NSSS and 7th 5-Year Plan and increase budget allocation to fund new instruments, overcoming bureaucratic blockages.

This builds on the ongoing FCDO Technical Assistance (TA) programme, 'Strengthening Government Social Protection Systems for the Poor' whose main outcome is for 'the Government of Bangladesh to establish policies, budgets and plans for a more effective social protection

system’. An Annual Review in November 2015 concluded that ‘The NSSS has full backing of senior leaders in Government of Bangladesh. The NSSS has great potential to open up the policy space, allowing the programme to deliver outputs with more confidence and pursue outcome level objectives’.

The Government of Bangladesh’s ambition on extreme poverty is stronger than ever before with a clear commitment to eradicate extreme poverty by 2021. The **exit strategy** builds on the strong Government of Bangladesh ownership of the social security agenda and its associated reforms, with Government of Bangladesh expected to support effective graduation-style livelihood programmes, alongside reformed NSSS social security instruments and increased investments/basic service provision in the ‘lagging’ regions. Government of Bangladesh programme ownership and progress towards the exit strategy is expected to be reinforced by capacity development, policy/advocacy work and leverage of funds. This programme serves as a transition to an EU budget support to contribute to the NSSS implementation, allowing us to obtain further evidence (including gender aspects) in the ground and influence in policy and the future NSSS roll-out. In a **sequential/gradual approach**, this programme tests first the relevance/credibility of the NSSS reform initial steps/directions –also with the policy component– and therefore contributes to define a possible sectoral budget support at a later stage foreseen under AAP 2018 to further incentivize reforms.

4.3 Mainstreaming

Gender and women and girls empowerment and inequalities: Gender equality is an important and deliberate objective, while the principal reason for undertaking the project is to contribute to the creation of sustained pathways out of extreme poverty and vulnerability. The action will foresee a gender mainstreaming strategy based on gender sectoral analysis that identified the specific needs of women, men, boys, girls, etc. In addition, the action will reinforce the capacities of public institutions to integrate the gender aspects in the public policies. The participation of women will be encouraged in all phases and activities of the action.

Disability: In line with the EU strategy for the rights of persons with disabilities, this action will strive to ensure systematic inclusion, equal access and non-discrimination of persons with disabilities.

Environment: The environmental and climate-related risks need to be addressed. As a specific response, the project will promote sustainable livelihoods and sustainable natural resource management, as well climate resilient agriculture. Based on the strategic views offered by the Bangladesh Country Environmental Profile (2014) –product of the EU+ joint programming–, diverse (on-farm & off-farm) livelihood options accompanied with appropriate skill sets will be supported to enable poor people in tackling unprecedented impacts of climate change –and related displacement/migration–, sustainable use of natural resources, environmental stress and loss of biodiversity.

Good Governance & Human Rights: Sustained economic empowerment through resilient livelihoods will help rural and urban poor, particularly women and persons with disabilities, to address various forms of insecurity, deprivation and inequality. Community participation and social mobilization will be promoted to strengthen inclusivity of marginalised groups in their communities (such as indigenous peoples, persons with disabilities), towns/cities and in the political system. A Rights based approach by the respect of the five working principles will be applied in all phases. The five working principles are: i) respect to all human rights, ii) participation, iii) non-discrimination, iv) transparency and v) accountability. The action will reinforce the capacities of the duty bearers/public institutions, the rights-holders, and their

representatives (CSO), as well as it will work with the private sector organisation. Land rights and land issues, not least in relation to communal and indigenous lands will be taken into account in a conflict sensitive manner.

Conflict sensitivity and resilience: the NDICI_Global Europe has introduced a legal requirement for conflict-sensitive programming in support of peace and resilience: the action could be an opportunity to mitigate root causes of food insecurity, including access to land as well conflict prevention on land and natural resources issues, while supporting climate change resilience and a more inclusive economy.

Migration: Bangladesh is a net emigration (mostly economic) country of origin with a domestic labour market unable to absorb the 2 million young workers joining the labour force per year. Beyond addressing the root causes of displacement and (internal and cross-border) migration, the programme will also provide economic reintegration opportunities for Bangladeshi returnees from EU following the European Council of October 21, 2015 conclusions and as discussed in the EU-Bangladesh High-Level Migration Dialogue of April 5, 2016.

4.4 Contribution to Sustainable Development Goals (SDGs)

This intervention is relevant for the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of SDG(s): 1: End poverty in all its forms everywhere; 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture, while also contributing to SDG 5: Gender equality and women's empowerment, 10: Reduce Inequality within and among countries and 13: Climate change.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is 99 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements.

5.3 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁹.

⁹ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

5.3.1 Procurement (direct management) – Component 1

A service contract for technical assistance managed by EU has been contracted to support the overall strategic management of the programme and mainly to provide capacity building and specific expertise for improving Public Financial Management (PFM) systems for social transfers - complementing the ongoing FCDO TA focused on the Ministry of Finance and working with other key line ministries, particularly for Social Affairs, Women Affairs and Local Government.

Procurement will contribute to achieving specific objective specified in section 4 and will focus on Result Area 2 (social security governance).

5.3.2 Indirect Management with a Member State Agency – Component 2¹⁰

A part of this action has been implemented in indirect management with the United Kingdom's Foreign, Commonwealth & Development Office (FCDO) and has contributed to the achievement of the specific objective specified in section 4. Following FCDO withdrawing, Delegation Agreement 'Pathways to Prosperity for Extremely Poor People (2017/ 390-723)' will be terminated. The remaining EU Contribution will be implemented in direct management – through grants (see below).

The Delegation Agreement covers activities related to: Result Area 1 on livelihoods and market systems development components and Result Area 2 on social mobilization, advocacy, NSSS testing as well as the management of a local government challenge fund components, as well as a specific intervention in CHT.

FCDO has been selected because it is leading the policy and capacity development for the NSSS as well as the advocacy work on extreme poverty. FCDO is co-chair of the LCG Poverty Group and is leading in innovation and partnerships with NGOs. It is also the largest grant provider in the sector and has a strong technical expertise and capacity in Dhaka. Both FCDO and the EU are leading development partners in the nutrition & social protection policy dialogue and in line with the EU+ joint programming exercise, EU and FCDO have agreed to joint thematic action.

5.3.3 Direct management (Grants) – New Component 2¹¹

(a) Purpose of the grant

The Grants will contribute to the achievement of the specific objective specified in section 4 and cover activities related to Results area 1 on livelihoods linked to value chains.

(b) Type of applicants targeted

The applicants must be a legal person and be non-profit-making.

(c) Exception to the non-retroactivity of costs

The Commission authorises that the costs incurred may be recognised as eligible as of 1 October 2022 because this would ensure a certain degree of continuity with ongoing activities under the Delegation Agreement to be terminated on 30 September 2022.

5.3.4 Indirect management with a Member State agency – Component 3

A part of this action has been implemented in indirect management with the German Corporation for International Cooperation (GIZ).

This implementation entails the provision of urban livelihoods and jobs that captures the rural-to-urban/migration linkages, with particular attention on two aspects: 1) the specific urban dimension

¹⁰ To be terminated

¹¹ Replacement of Indirect Management with FCDO

and associated economic and climate-change induced migration and 2) the economic reintegration opportunities and support measures for climate displaced people & returnees from EU. It has contributed to minimize forced displacement/migration.

GIZ implementation is justified as it has proven its technical capacity in supporting livelihood programmes in environmentally/climate vulnerable areas, enhancing decentralization processes and strengthening rural-urban and migration linkages, through ongoing related interventions on capacity building and policy development in Bangladesh. GIZ is a leading development partner in urban governance and climate change and offers capacity building/policy work for national and local stakeholders, with a strong and flexible operational record in the field.

This modality contributes to achieving specific objective specified in section 4.1 and cover activities related to: Result Area 1 on the urban livelihoods/jobs component and Result Area 2 on the capacity building component for local government structures with specific focus on urban governance/poverty and migration dimensions.

Geographic focus: city corporations and municipalities of, for example, the South West Coastal Belt, namely Khulna, Barisal and Sathkira, and, for example, North West, namely Rajshahi and Sirajganj.

5.3.5 Changes from direct to indirect management mode due to exceptional circumstances

If due to the circumstances outside of the Commission's control a part of this action cannot be implemented in direct management (grants) specified in 5.3.3, it will be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria:

- Familiarity with the specific nature of the Chittagong Hill Tracts CHT region, and
- Experience in design and monitoring of Actions in the Chittagong Hill Tracts CHT region.
- Expertise in the livelihoods sector will be an added value

The implementation by this entity entails contribution to the achievement of the specific objective specified in section 4 and targets Results area 1 on livelihoods linked to value chains.

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified

5.3.1. – Component 1 - Procurement (direct management) - Result Area 1	5 000 000	-
5.3.2 - Component 2 – Indirect management with UK FCDO - Result Area 1 ¹²	6 837 044 (Amount paid)	FCDO 11 900 000
5.3.3 New Component 2 - Direct management - Grant(s) - Result Area 1 ¹³	31,162,956	N.A
5.3.5 - Component 3 – Indirect management with German Corporation for International Cooperation (GIZ) - Result Areas 1 & 2	11 000 000*	GIZ 1 000 000
5.8 Evaluation and 5.9 Audit	500 000	N.A.
5.10 Communication and visibility	500 000	N.A.
Contingencies	0	N.A.
Totals	55 000 000	12 900 000

* includes EUR 7.5 million for internal climate migrants and EUR 2.5 million for returnees from EU

5.6 Organisational set-up and responsibilities

A programme of this scale and complexity requires a robust strategic management and coordination function with oversight over all delivery partners and components - contracts. A Supervisory Management Board (SMB) co-chaired by EU and a representative from Government of Bangladesh and composed of FCDO, GIZ and implementing partners, will be set up to contribute with strategic guidance, review progress and guarantee the full coherence/consistency¹⁴ of the EU investment. The SMB should ideally meet twice a year. The SMB will be informed about progress on the TA/policy component 1 and receive regular updates from the respective FCDO and GIZ Programme Steering Committees. Component 1 TA will provide technical and secretariat support to the SMB.

Component 2 will have a Programme Steering Committee (PSC) to oversee programme coordination and implementation among cross-sectoral implementing line ministries and divisions. The PSC, will meet at least twice a year, and will take all major policy decisions regarding Government-related aspects of the Programme, approve the Annual Work Plans, provide broad guidelines for administrative procedures and address matters requiring inter-ministerial decisions. Ad hoc meetings will be organised whenever necessary. The PSC will not take any decision that infringes on EU policies and procedures. The PSC will tentatively comprise of:

- Senior Secretary/ Secretary, Financial Institution Division, Ministry of Finance (Chair)
- Representative, Finance Division, Ministry of Finance, (member)
- Representative, Economic Relations Division, Ministry of Finance, (member)

¹² To be terminated

¹³ Replacement of Indirect Management with FCDO

¹⁴ in view of the estimative nature of the budget, we will know the final figures only at the time of the final financial report of FCDO.

- Representative, Financial Institution Division, Ministry of Finance (member)
- Project Directors, Grant beneficiaries (Member Secretary)
- Representative of the EU Head of Delegation (Observer)

Component 3 with GIZ will have a PSC co-chaired by the Ministry of Social Welfare with close involvement of local government authorities/Ministries of Local Government, Industries, Expatriates, and other relevant ministerial representatives, private sector and stakeholders. As full member, the EU actively participates and engages in the programme management in line with the overall policy dialogue process. The PSC will provide strategic guidance to local government and implementing partners and agree on key advocacy issues and policy recommendations to central authorities. Being Component 3 integral part of a larger Component 2, as described in the Operational Framework, the PSC of Component 3 will ensure coordination with and report back to PSC of Component 2.

These governance proposals have been revisited at the beginning of the inception phase to ensure appropriate structures are created to (a) facilitate efficient and effective oversight of the programme, (b) create space for closer engagement with government to disseminate findings and influence key officials without duplicating existing or planned structures, and lastly (c) engage a wider group of stakeholders to share learning and influence practice.

5.7 Performance and Results monitoring and reporting

The Action will develop and include a robust monitoring and learning system in the first phase that will test new approaches, associated assumptions and monitor key risks. The monitoring system and expanded logframe will place significant attention on acting on key findings, rather than just focusing on measuring results, and adapt implementation accordingly. Comparable and relevant set of data will be captured so that value for money metrics can be tracked.

At output level, the action will adopt customized tools to monitor performance which will be defined during inception phase. Women, children and vulnerable population are by default priority in this action. Hence every possible effort will be made to make all the data disaggregated by sex and age where applicable. The implementing partners will be oriented and capacitated about the importance of disaggregated data and will incorporate relevant tools in their internal monitoring system.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8 Evaluation

Having regard to the importance of the action, mid-term and final evaluations will be carried out for this action or its components via independent consultants through joint missions contracted by the Commission following the references proposed by the general coordination mechanism.

The mid-term evaluation will be carried out mainly for learning purposes, in particular with respect to efficiency of the programme approach and generated outcomes and thus this will generate lessons in case there is a need to fine tune the design. This will also lead to understand in case there is a possibility to launch a second phase of the action.

The final/ex-post evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision) from operational and management perspectives and will also measure sustainability aspects.

The Commission shall inform the implementing partner at least 3 months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, two contracts for evaluation services shall be concluded under a framework contract indicatively to be launched during 1st quarters of 2019 and 2021, which will evaluate all components of the action. Separate evaluations for components 2 and 3 are foreseen by and GIZ, for which close coordination will be ensured.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements. Indicatively, two contracts for audit services shall be concluded, one at the middle stage of the implementation period and one at the end. It is foreseen that audit services may be contracted under a framework contract.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Additionally, it is proposed to organise two Knowledge Sharing workshops at the middle and end of the Action with a wide range of stakeholders to exchange lessons and best practices with the purpose of contributing to inform national policies. This could be done at the occasion of a global initiative with the participation of other member States and Development Partners (DPs). Indicatively, for the full preparation and organization of these events, the Delegation will conclude one service contract.

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Service Contract for Knowledge Workshops	SER	1	Q2 2018

[APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY) ¹⁵]

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	Contribute to the creation of sustained pathways out of extreme poverty and vulnerability	<p>1.1 a) % of population living below national poverty line (differentiated by rural and urban) ** disaggregated by sex, ethnicity</p> <p>b) % of population living below international \$1.25 Purchasing Power Parity (PPP) per day** disaggregated by sex, ethnicity</p> <p>1.2 % of stunted under 5 children (disaggregated by gender and wealth quintile)** disaggregated by sex, ethnicity</p> <p>1.3 % of expenditure in terms of GDP for social protection</p>	<p>1.1 a) 12.9% (2015)</p> <p>b) 43.3% (2011)</p> <p>1.2 36% (M 36.7%, F 35.4) (2014)</p> <p>1.3 2.02% (2015)</p>	<p>1.1 a) 8% (2022)</p> <p>b) 27% (2022)</p> <p>1.2 25% (M 25%, F 25) (2022)</p> <p>1.3 3.0% (2022)</p>	National Census, HIES, Bangladesh Demographic and Health Survey (BDHS) Government of Bangladesh Reports, Country Investment Plan (CIP) Report, SDGs Progress Reports	

¹⁵ Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

Specific objective(s): Outcome(s)	Extreme and vulnerable poor have more resilient¹⁶ livelihoods, better nutrition and greater access to social security	<p>1.1 # of targeted population moved above poverty line (differentiated by rural and urban, sex and ethnicity)</p> <p>1.2 % of women 15-49 years of age who consumed food items from at least five out of ten defined food groups the previous day or night (Minimum Dietary Diversity in Women) disaggregated by ethnicity</p> <p>1.3 % of targeted population covered by social protection (differentiated by rural and urban, sex ethnicity) *</p> <p>1.4 % of formal employment as share of total employment</p> <p>1.5 % of households with awareness of climate adaptation and disaster preparedness</p>	<p>1.1 0 (2018)</p> <p>1.2 tbd</p> <p>1.3 36% (2010)</p> <p>1.4 12.5% (2010)²</p> <p>1.5 TBD¹⁷</p>	<p>1.1 1M (2022)</p> <p>1.2 tbd</p> <p>1.3 50% (2022)</p> <p>1.4 15% (2022)²</p> <p>1.5 TBD³</p>	<p>Project internal monitoring and evaluation system</p> <p>Project surveys, M&E system</p>	<ul style="list-style-type: none"> • The political situation does not deteriorate • Macroeconomic and markets remain stable • Development partners remain committed to align and harmonise support
Outputs	1. Development of various resilient livelihoods options linked to value chains and markets systems	<p>1.1 # of targeted households adopted diversified and market oriented, climate resilient livelihoods options (3+) and sustainable use of natural resources, disaggregated by ethnicity and women-headed households</p> <p>1.2 # of targeted households provided with market oriented skills/Technical Vocational Education and Training (TVET) (disaggregated by rural and urban, sex ethnicity)</p>	<p>1.1 TBD³ (would be decided through baseline survey during inception period 2018/2019)</p> <p>1.2 TBD³</p>	<p>1.1 TBD³</p> <p>1.2 TBD³</p>	<p>Project surveys, monitoring and evaluation (M&E) system</p> <p>Project surveys, M&E system</p>	<ul style="list-style-type: none"> • Insufficient capacity of some Ministries or/and stakeholders in the multi-sectoral coordinated approach to poverty and resilience. • Local government authorities are constrained by limited resources, unclear responsibilities and insufficient staffing.

¹⁶ Resilient to climate risks and other shocks and stresses i.e. health, economic,...

¹⁷ Baseline data will be produced using appropriate tools and approaches during the inception phase. Realistic targets will be set then.

	2. Strengthening of Government of Bangladesh comprehensive social security system combined with the empowerment of vulnerable people	2.1 # of eligible targeted households have access to social protection schemes (differentiated by rural and urban, ethnicity, women-headed households)	2.1 TBD ³	2.1 TBD ³	Project surveys, M&E system	<ul style="list-style-type: none"> • Insufficient capacity of private sectors in engaging with the project • Other factors outside project control that may impact on output-outcome link.
		2.2 # of targeted extreme poor participated in decision making process and claim their rights, (disaggregated by rural and urban, ethnicity, sex)	2.2 TBD ³	2.2 TBD ³	Project surveys, M&E system	
		2.3 # of returnee migrants supported as part of economic reintegration, disaggregated by sex, age	2.3 0 (2016)	2.3 3000 (2022)	Project surveys, M&E system. These indicators require specific tools to measure which to be developed during inception phase.	
		2.4 % of urban population having access to (a)public health service (b) safe drinking water (c) sanitation facilities	a) 87% b)78% c) 80%	a) 100 b)100 c) 100		

Note: Some of the indicators might require special data collection tools and tracking mechanisms (for example resilient will be measured based on Absorptive capacity, Adaptive Capacity and Transformative Capacity of the targeted households). This will be developed during the inception phase to identify and define the most appropriate tools and mechanisms to measure those.