

IFC's Response to the Comments from the UK to the PPCR Bangladesh Investment Program Proposal: Climate Smart SME Financing

UK Comments	IFC Response
<p>1. The UK has reviewed this proposal alongside that which was circulated for the first component of this project in August 2013. The UK noticed that there were some comments and queries included in our approval of the original proposal that might also be pertinent to this second paper, and hoped that we might be able to ask for some clarification on these? Originally, the UK had asked for some assurance concerning the Department of Agricultural Extension's role in the investment stage of the project (although this was based on the understanding that there would be a solely agricultural focus to the investment phase, which has become broader in its scope). There is still strong participation expected by agricultural SMEs however, so it would be useful to know whether there will be any interaction with this Department as part of this project, or whether this was taken forward as part of the advisory services component?</p>	<p>As we mentioned in our response for the advisory services project in 2013, the DAE was consulted during the design phase of the advisory services project and our engagement with them continues during implementation of the project. For example, the project is using inputs from DAE in the development of farmer extension programs. As noted by the UK, the investment project broadens the scope beyond just the agricultural sector, so we do not envisage the same interactions with DAE for the investments. Having said that, the advisory services project is helping build a pipeline for investments, and so the work developed by DAE will be linked to the investment program in this context.</p>
<p>2. It had also been requested that the role of the Water Management Board be clarified, as the investment component was to focus on polder-based enterprises. This geographical focus was found to be excessively limited after the scoping study, so I am not sure whether SMEs based in the polders are still in scope, is this true? In which case it would be good to know whether there will be any role for the WMB in the water management activities for the project.</p>	<p>We would like to confirm that polder-based SMEs are still in the scope of the investment project. Also, IFC has been engaging with the Water Management Board (WMB) on the advisory services component – such as consulting them on the introduction of efficient water storage and irrigation technologies and overall water resources management. Similarly to DAE's engagement in the investment project, the advisory component with WMB is helping develop a pipeline for the investment component.</p>