



# Bangladesh Policy and Regulatory Assessment to Inform the New Agriculture Policy Activity

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# FINAL ASSESSMENT REPORT

## USAID/LEAP III - Bangladesh Policy and Regulatory Assessment to Inform the New Agriculture Policy Activity Design

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# ACRONYMS

<b>ACI</b>	Advanced Chemical Industries
<b>AIP</b>	Agricultural Input Program
<b>APSU</b>	Agricultural Policy Support Unit
<b>AVC</b>	Agricultural Value Chain
<b>B-PRSSP</b>	Bangladesh Policy Research and Strategy Support Program
<b>BADC</b>	Bangladesh Agricultural Development Corporation
<b>BEE</b>	Business Enabling Environment
<b>BDT</b>	Bangladesh taka
<b>BFSA</b>	Bangladesh Food Safety Authority
<b>BIDA</b>	Bangladesh Investment Development Agency
<b>BNNC</b>	Bangladesh National Nutrition Council
<b>BRAC</b>	Building Resources Across Communities, formerly Bangladesh Rural Advancement Committee
<b>BTSI</b>	Bangladesh Standards and Testing Institute
<b>CN</b>	Citizens Network
<b>COP</b>	Chief of Party
<b>COR</b>	Contracting Officer Representative
<b>DAE</b>	Department of Agricultural Extension
<b>DAI</b>	Development Alternatives Incorporated
<b>DFID</b>	Department for International Development
<b>DCOP</b>	Deputy Chief of Party
<b>EBA</b>	Enabling the Business of Agriculture
<b>EGPP</b>	Employment Generation Program for the Poorest
<b>FAO</b>	Food and Agriculture Organization
<b>FDP</b>	Food for Development Program
<b>FSA</b>	Food Safety Act
<b>FSVGD</b>	Food Security Vulnerable Group Development
<b>FtF</b>	Feed the Future
<b>GFSS</b>	Global Food Security Strategy
<b>GHI</b>	Global Hunger Index
<b>GoB</b>	Government of Bangladesh
<b>HDI</b>	Human Development Index

<b>IPR</b>	Intellectual Property Rights
<b>IFC</b>	International Finance Corporation
<b>IT</b>	Information Technology
<b>IGVGD</b>	Income Generating Vulnerable Group Development
<b>KII</b>	Key Informant Interviews
<b>LEAP III</b>	Learning, Evaluation, and Analysis III Project
<b>MDGs</b>	Millennium Development Goals
<b>MoA</b>	Ministry of Agriculture
<b>MoDMR</b>	Ministry of Disaster Management and Relief
<b>MoF</b>	Ministry of Food
<b>MoP</b>	Ministry of Planning
<b>MoWCA</b>	Ministry of Women and Children Affairs
<b>MOU</b>	Memorandum of Understanding
<b>MUCH</b>	Meeting the Under-nutrition Challenge
<b>NGO</b>	Non-Governmental Organization
<b>NPAN2</b>	National Plan of Action for Nutrition: 2016–2025
<b>NSB</b>	National Seed Board
<b>NSS</b>	National Nutrition Service
<b>PIB</b>	Press Institute of Bangladesh
<b>RMP</b>	Rural Maintenance Program
<b>SOW</b>	Scope of Work
<b>SME</b>	Small to Medium Enterprise
<b>SPS</b>	Sanitary and Phytosanitary
<b>SSAO</b>	Sub-Assistant Agriculture Officer
<b>SSN</b>	Social Safety Net
<b>USAID</b>	United States Agency for International Development
<b>USDA</b>	United States Department of Agriculture
<b>USG</b>	United States Government
<b>VGD</b>	Vulnerable Group Development
<b>WFM</b>	Work for Money (previously known as Food for Work - FFW)
<b>WFP</b>	World Food Programme
<b>WTO</b>	World Trade Organization
<b>ZOI</b>	Zone of Influence



# I. EXECUTIVE SUMMARY

## BACKGROUND AND METHODOLOGY

The U.S. Agency for International Development in Bangladesh (USAID/Bangladesh or the Mission) engaged Integra Government Services International (Integra) through the Learning, Evaluation, and Analysis Project III (LEAP III), to conduct an assessment (the Assessment) and prepare a draft scope of work (SOW) for an upcoming five-year, \$10-15 million activity under the Mission's Feed the Future (FtF) program (the Activity). Through this new activity, the Mission will improve policy implementation in four key pillar areas: 1) seeds, 2) food safety, 3) social safety nets (SSN) and 4) nutrition. The LEAP III team was also tasked with assessing the current state of regulation, reform and main issues within these four areas.

The LEAP III team conducted desk research before traveling to Dhaka for three-weeks of qualitative interviews with experts in government, the private sector, NGOs, think-tanks, the press, academia and civil society. This Assessment summarizes the insights from research and interviews. It also outlines possible themes for Activity tasks, while providing a flexible framework to define specific tasks further over the Activity term, as opportunities present themselves.

## KEY FINDINGS

While changes in national policy and legal acts may be required to achieve reform, a regulatory delivery approach can also trigger reform through work with lower levels of the Government of Bangladesh (GoB). This can include improving bureaucratic habits and office procedures, increasing use of information technology (IT) and process tracking data, simplifying where and how often forms have to be filed or licenses renewed, and so on. This approach can be used with equal effect to improve the delivery of social safety net (SSN) services. In a system like Bangladesh, where implementation of law and policy is systematically weak, and widespread corruption is endemic, detailed attention to the machinery of the delivery of governmental decisions and benefits is essential to improving performance.

This Assessment frames the challenges faced in Bangladesh in addressing the four key pillars. It discusses the private sector focused, regulatory delivery<sup>1</sup> orientation proposed for the Activity and contrasts it with a top-down approach. It then gives main findings on the four key pillar areas.

### Business Enabling Environment

The 2018 World Bank's Doing Business rankings placed Bangladesh at 176 out of 190 countries surveyed<sup>2</sup>. After substantial effort by the GoB, the country increased somewhat in the rankings in 2019 to 168. Its

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<sup>1</sup> The regulatory delivery orientation on policy reform focuses on the private sector experience of the interface between government and the regulated private sector. The approach looks at the implementation level of procedural steps needed to comply with government requirements that apply to business, and from there builds up to possible changes needed in the infrastructure of policy, law, regulation and administrative implementation to ensure more efficient and even-handed provision of government service. See for example,

[https://www.ifc.org/wps/wcm/connect/region\\_ext\\_content/ifc\\_external\\_corporate\\_site/south+asia/resources/agile+regulatory+delivery+for+improved+investment+competitiveness+in+bangladesh+current+state+and+policy+options](https://www.ifc.org/wps/wcm/connect/region_ext_content/ifc_external_corporate_site/south+asia/resources/agile+regulatory+delivery+for+improved+investment+competitiveness+in+bangladesh+current+state+and+policy+options)

<sup>2</sup> <https://www.doingbusiness.org/content/dam/doingBusiness/country/b/bangladesh/BGD.pdf>

low rankings stand in stark contrast to its comparatively well-developed legal and policy framework. Despite decades of policy work, this framework has still not translated into good implementation scores.

## SPOTLIGHT ON THE FOUR PILLARS—KEY ISSUES

<b>Seed</b>	<ul style="list-style-type: none"> <li>• Research institutes are often unable to meet market demand, leading to shortages and sub-optimal use by farmers of saved seed.</li> <li>• Institutes do not have incentives to maintain breeder seed germplasm purity.</li> <li>• Many farmers use old varieties and many institute-released new varieties are of little interest to farmers.</li> <li>• The GoB continues to furnish rice and other seeds at heavily subsidized prices, making it difficult for the private sector to compete.</li> <li>• Market surveillance is uneven, with very few agents and inadequate lab capacity; this leads to worry among farmers about being sold fake or expired seeds.</li> <li>• Regulation can stifle innovation and private sector activity.</li> </ul>
<b>Food Safety</b>	<ul style="list-style-type: none"> <li>• There is widespread mistrust of the safety of food, especially among educated urban residents – and widespread misinformation.</li> <li>• Regulatory power is divided among 20 agencies, 10 with inspection powers. The new Bangladesh Food Safety Authority (BFSA) is challenged to bring consistent, well implemented, modern regulatory enforcement to this patchwork.</li> <li>• Private sector representation in governing committees is very limited, and rules can be written and applied without any regulatory impact assessment.</li> </ul>
<b>Social Safety Net</b>	<ul style="list-style-type: none"> <li>• A number of the GoB's 116 Social Safety Net (SSN) programs overlap, targeting the same beneficiaries and missing others, especially the urban poor.</li> <li>• SSN programs provide much assistance where needed but offer little to aid recipients to develop skills or get resources to graduate to greater self-sufficiency.</li> <li>• Territoriality and lack of structured data sharing among too many programs can lead to waste and poor programming.</li> </ul>
<b>Nutrition</b>	<ul style="list-style-type: none"> <li>• Nutrition programs are stronger on paper than in practice, and still appear to be too weak and limited in coverage.</li> <li>• Coordination of nutrition programs is fragmented and lacking real leadership.</li> <li>• Limited data about nutritional intake and tastes at the household and farmer level can hinder planning and behavior change.</li> <li>• The needed skills and incentives to deliver nutrition improvements can be lacking, especially among over-burdened health professionals on the ground.</li> </ul>

## AREAS FOR POSSIBLE INTERVENTIONS

<b>Seed</b>	<ul style="list-style-type: none"> <li>• Public and private sector extension agents need established ways to collaborate to encourage farmers to adopt better seeds.</li> <li>• Seed approval processes need to be simplified, to improve implementation under the new Seed Act of 2018.</li> <li>• Help is needed to improve market surveillance and overall seed quality.</li> </ul>
<b>Food Safety</b>	<ul style="list-style-type: none"> <li>• Much needs to be done to develop a balanced, trustworthy, transparent and evenly applied system of food safety standards that both merits public trust and provides the private sector with clear, realistic guidance.</li> <li>• Introduce policies that encourage increased private investment in the production and delivery of consistent, quality food, such as farmer and value chain training, and improved post-harvest handling.</li> <li>• A 2013 Food Safety Act established the BSFA with limited coordination powers. Improve coordination by mapping out responsibilities.</li> </ul>
<b>Social Safety Net</b>	<ul style="list-style-type: none"> <li>• Risk-reduction approaches, such as social protection, marketable skills development, and long-term sustainability could foster recipient independence.</li> <li>• More local delegation and better inclusion of local NGOs could improve implementation.</li> <li>• More local knowledge could better target those in greatest need, and better tailor aid to help recipients graduate from public assistance.</li> <li>• Mobilize private sector counterpart in these efforts, and a regulatory delivery approach could help improve coordination of SSN services.</li> <li>• Programs need to refocus on specifically targeting household response to more severe and more frequent climate-related shocks.</li> </ul>
<b>Nutrition</b>	<ul style="list-style-type: none"> <li>• Upcoming nutrition programs need to focus on advocacy, policy support, system strengthening, and capacity strengthening within the health sector and within the GoB's health service delivery systems.</li> <li>• Programs should also work on on-the-ground nutrition advocacy to strengthen accountability and commitment to quality nutrition service delivery and decentralizing nutrition advocacy activities to engage civil society and locally elected leaders.</li> </ul>

## DRAFT SOW FOR NEW ACTIVITY DESIGN

The Assessment findings were used to inform the draft SOW for a new Activity design. Working within the four key pillars chosen by the Mission, the Activity will provide umbrella policy support for other FtF programs, and for eight identified counterpart groups. The SOW establishes a flexible platform for the contractor and Mission to define tasks over the course of the Activity, within established task parameters. The Activity will have strong policy implementation, regulatory delivery and private sector led orientation, carried through as organizing themes across the four task pillars.



## 2. INTRODUCTION

USAID/Bangladesh engaged Integra Government Services through the LEAP III contract mechanism to conduct a policy and regulatory assessment to inform the design of a new agriculture policy activity. In line with the objectives of the GOB and the goals laid out in the U.S. Government (USG) Global Food Security Strategy (GFSS), USAID/Bangladesh plans to award in FY2020 a five-year policy Activity of approximately \$10-15 million.

This Assessment first outlines the methodology the LEAP III team used to conduct the work. This section summarizes engagement parameters and the general perspective followed in conducting the Assessment and defining the Activity SOW. It outlines the desk research and key informant interviews held and provides background context about the approach taken in the interviews and some key interview takeaways.

The Assessment then discusses its key findings. It first frames the challenges faced in Bangladesh in improving the business enabling environment and discusses the fundamental differences between the private sector oriented, regulatory delivery<sup>3</sup> orientation proposed for the Activity and the Government of Bangladesh's (GoB) more traditional "policy from on high" approach.

The rest of the Assessment discusses the pillar areas of seeds, food safety, social safety nets, and nutrition. Each of these chapters provides some history and information about the current state of play in the area. Potential problems and policy issues are identified and linked to research and informant interviews. Possible areas where the Activity might wish to engage with specific tasks are laid out for further consideration. Key legal and regulatory terms governing the area are also outlined.

The Assessment ends with next steps, including an overview of the proposed draft SOW for the Activity and an afterword on the International Food Policy Research Institute IFPRI<sup>4</sup>, the possible interest of Feed the Future (FtF) Chiefs of Party (COP) and some ideas about organizing the bid process. Attached to the Assessment as Annexes are additional documents: a general overview of the state of some key agricultural sectors in Bangladesh, lists of people interviewed, a bibliography,<sup>5</sup> and the draft Activity SOW, which is the principal deliverable for this activity.

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<sup>3</sup> The regulatory delivery orientation on policy reform focuses on the private sector experience of the interface between government and the regulated private sector. The approach looks at the implementation level of procedural steps needed to comply with government requirements that apply to business, and from there builds up to possible changes needed in the infrastructure of policy, law, regulation and administrative implementation to ensure more efficient and even handed provision of government regulatory service. See for example, [https://www.ifc.org/wps/wcm/connect/region\\_ext\\_content/ifc\\_external\\_corporate\\_site/south+asia/resources/agile+regulatory+delivery+for+improved+investment+competitiveness+in+bangladesh+current+state+and+policy+options](https://www.ifc.org/wps/wcm/connect/region_ext_content/ifc_external_corporate_site/south+asia/resources/agile+regulatory+delivery+for+improved+investment+competitiveness+in+bangladesh+current+state+and+policy+options)

<sup>4</sup> USAID has funded IFPRI through the PRSSP program to provide policy and research support services in agriculture and social safety nets for the past ten years.

<sup>5</sup> Integra has placed all non-confidential documents reviewed on Google drive for the Mission to review. It is recommended that the Mission provide courtesy access to these documents to potential bidders on the SOW to help them jumpstart their preparations.

# 3. METHODOLOGY

## 3.1 ENGAGEMENT PARAMETERS AND PERSPECTIVE

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In order for USAID/Bangladesh to strengthen agricultural market systems in the country, it is important to have transparent, predictable, and non-discriminatory policy/regulatory environment that encourages farmers and agribusinesses to drive inclusive economic growth in the agricultural sector. To that end, the LEAP III team first assessed the key policy and regulatory constraints to private sector led agricultural and agri-business development through this Assessment.

In addition, USAID/Bangladesh set five parameters the new Activity will cover and asked that they be studied in this Assessment in order to inform the new Activity design.

First, the Mission pre-selected the following four key pillars to focus on: 1) Seeds, 2) Food Safety, 3) Social Safety Nets, and 4) Nutrition. Second, the Mission specified that the Activity be designed to assist its portfolio of FtF projects on policy matters, with special attention to helping farmers, small enterprises and the rural poor they serve in the ZOI. Third, in addition to FtF projects and their clients, the Mission selected eight counterpart groups with which the Activity should engage. These included: the private sector, ministries and staff members of the GoB, development partners, civil society, NGOs, the media, the judiciary, and academia. Fourth, the new Activity is intended to provide policy formulation, reform and implementation support, to both FtF programs and the identified counterpart groups. Lastly, the Mission aims to design an Activity that concentrates on seeking private sector led interventions and fosters the business enabling environment (BEE) improvements to support them.

These last Mission goals - to encourage private sector leadership, private sector investment in agriculture and improved BEE - serve as unifying themes for this Assessment and the team's desk research and approach to key informant interviews. In the draft SOW, these goals challenge the contractor to seek out and help implement ground-up, practical changes in regulatory delivery needed to let the private agricultural sector thrive and better support the four task pillars. These cross-cutting themes of private sector leadership and improved BEE will inform task design and execution, with a ground-up interest in practical changes in regulatory delivery needed to let the private sector thrive.

Based on the approved Work Plan, the LEAP III team originally planned to submit a mini "AgCLIR"<sup>6</sup> and cast the new Activity as primarily a BEE project (albeit with a focus on the four pillars). During fieldwork, however, USAID/Bangladesh asked that this Assessment and the Activity SOW be built around seeds, food safety, SSN and nutrition – topics which are of mixed relevance for the business environment. Regulatory delivery and encouraging private sector investment have thus become organizing themes around these pillars, rather than pillars themselves. Business environment and regulatory delivery are now woven into the fabric of the discussion of the task pillars as cross-cutting, both in this Assessment and in the SOW.

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<sup>6</sup> AgCLIR is the acronym for a kind of study that both USAID and the Millennium Challenge Corporation have used in multiple countries to provide a structured overview of the business enabling environment for agriculture. AgCLIRs are typically contracted as an early part of program planning. For past AgCLIR assessments see the following: [AgCLIR Liberia](#), [AgCLIR Papua New Guinea](#), [AgCLIR Myanmar](#), [AgCLIR Zambia](#) (funded by USAID), and [AgCLIR Benin](#) (funded by MCC)

Thus, before going into a detailed discussion of findings into each of the four pillars, this Assessment first sets the stage by discussing how cross-cutting issues related to Bangladesh's poor business environment, old school top-down policy making, weak policy implementation and uneven regulatory delivery manifest themselves, in ways that might be relevant to work in the Activity on the four key pillars.

The Assessment also takes a look into what the team noticed to be a major cross cutting barrier throughout Bangladesh: agricultural extension services – both public and private. These services play a critical role in getting farmers to adopt the new seeds, use inputs in a way to ensure food safety and help farmers plant the diversified crops needed for proper nutrition. Weaknesses in the extension agent system thus have ramifications across three of the four key task areas, meriting a brief, separate discussion.

## 3.2. TECHNICAL AND FIELD APPROACH

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To write the Assessment and design the draft Activity SOW, the team utilized a mixed methods approach, combining qualitative key informant interviews (KIs) in-person and by phone, as well as extensive desk research to identify and analyze secondary information that can be triangulated with data collected in-country. The team travelled to Dhaka to conduct three weeks of fieldwork in January 2020. The Assessment and SOW writing team consisted of three core members: Team Lead and Senior Policy Expert, Operations Lead and Agriculture Policy Specialist, as well as one local Agriculture Policy Expert.

### **Assessment Team:**

Paul Dodds - Team Lead and Senior Policy Expert

Pin Thanesnant – Operations Lead and Agriculture Policy Specialist

Sardar Md. Salahuddin - Local Agriculture Policy Expert









During the time in Dhaka, the LEAP III team spoke with 60 representatives from 43 different entities.<sup>7</sup> The team met with all of the eight groups selected by the Mission as Activity counterparts, except the judiciary. In addition to in person meetings with four FtF CoP's while in Dhaka, the team also had phone interviews with the former CoP's of the Agricultural Input Program (AIP) implemented by Cultivating New Frontiers in Agriculture (CNFA) and of the Agricultural Value Chains (AVC) project implemented by DAI.

Through desk research and weeks of meetings in Dhaka, the Assessment team studied how to tailor the Activity to fit into the complex environment of ongoing and upcoming development partner and GoB work in agriculture, and to draw most effectively on FTF learning and field knowledge.

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<sup>7</sup> A number of people interviewed wore several hats and could have been included under multiple headings. To avoid the potential confusion of double counting, the team selected the dominant heading. For example, the professor working with BRAC who publishes regular newspaper articles and often appears on TV is noted just as an academic. The head of the potato exporter association was noted in that role, though he has deep private sector experience in seeds and potatoes. The professor from Sher E Bangla Agricultural University was also noted as an academic, though he is also acting President of Krishibid, a quasi-state association representing 40,000 agriculturalists, etc.

## IN-COUNTRY STAKEHOLDER INTERVIEWS

	TYPE OF ENTITY	# STAKEHOLDERS MET
	Private Sector	9
	Government/Ministries	12
	Institutions/Associations	7
	Financial Institutions	2
	Chiefs of Party of FtF Projects	5
	Donors	5
	Academia	2
	Media	1

Interviews with stakeholders began with an outline of LEAP III's Assessment tasks. Preparation for meetings included review of a wide range of sources, including project reports, seminar presentations, news articles, journal articles, relevant laws or regulations, company web sites, LinkedIn profiles, and any other relevant material.

As the new Activity will support different aspects of policy formulation, policy reform and policy implementation, interview questions were oriented towards these themes, as appropriate for the informant, but no standard format was followed. Interviews with senior officials or think tank representatives, for example, could consider high level issues of policy formulation and broad economic impact. Interviews with business people could concentrate on their experiences of interactions with government, and how they see their growth prospects helped or harmed by GoB action or inaction.

Many of the informants linked with IFPRI were aware that that contract is ending in September 2020. IFPRI was very helpful opening doors for meetings at higher levels of the GoB and with the press. They were well prepared for the team's visit, with a detailed presentation of their work. The vast majority of the interviews were candid and open. A notable exception was IFPRI's Agricultural Policy Support Unit (APSU), where the director spent much of the time reading verbatim from their web site, which the team had already read. The meeting was impressive for APSU's formulaic understanding of their policy tasks, an approach at the polar opposite of the regulatory delivery perspective, and one that seems in keeping with the usual Ministry of Agriculture (MoA) policy making orientation, as discussed below.

The LEAP team interviewed six current and former FtF Chiefs of Party (COPs) to get a sense of their perception of the utility of the IFPRI policy unit for their work. The team also inquired in general about their policy support needs that might be effectively served by a dedicated, outside policy facility. As the

LEAP III team could not say that its work involved program design, it bears noting that this limited the team's ability to get explicit design feedback.

USAID/Bangladesh is a highly regarded development partner, and the team found informants were generally eager to share their perspectives. LEAP III's local consultant was instrumental in his willingness to use his personal contacts to identify key informants, and his background as a policy advisor on the Agricultural Input Program (AIP), after thirty years with the MoA was invaluable. His personal and professional relationships enabled more open and useful meetings than might otherwise have been possible.

## **LIMITATIONS**

It is worth noting that the Assessment is taken from a specific perspective. The interviews are not a survey, and information drawn from them is qualitative, not quantitative and data driven. Information may also be impacted by selection bias and the limitation of the sample, since the fieldwork was only in Dhaka; concerns and needs of poor, rural farmers or other unrepresented groups are by necessity derivative. This Assessment is, by its nature, a snapshot, taken at a particular moment from a particular outsiders' perspective. It is intended to build on, not supplant the depth of knowledge of local or long-term experts.

## 4. KEY FINDINGS

### 4.1. BUSINESS ENABLING ENVIRONMENT

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#### 4.1.1. OVERVIEW – LIMITED DOING BUSINESS REFORMS

The World Bank's Doing Business rankings place Bangladesh near the bottom as one of the most difficult countries in the world to do business. In the 2018 rankings, Bangladesh was 176 out of 190 countries surveyed<sup>8</sup>. After substantial effort by the GoB, the country increased somewhat in the rankings in 2019 to 168. The World Bank has recently expanded on the general Doing Business model, by publishing the global Enabling the Business of Agriculture (EBA) rankings. While Bangladesh fares better in the EBA than it does in the more general Doing Business rankings, it is still in the bottom quartile globally, doing especially badly in seeds. Therefore, there is ample room for improvement.

The regulatory delivery viewpoint on policy informs both the World Bank's flagship Doing Business rankings, and EBA rankings; in Bangladesh, Doing Business rankings-oriented reform work is now championed by the Bangladesh Investment Development Agency (BIDA) under the Prime Minister's office and the Ministry of Commerce and is funded primarily by DFID and implemented by the IFC. Interviews confirmed that these efforts are not oriented towards agriculture, but rather driven by a desire to improve in the standard rankings. The standard rankings are based on the template of a mid-sized company in the first or second largest cities in a country and use the construction of a warehouse as a permitting example. This focus on the urban business environment leaves an open field for BEE oriented policy and regulatory delivery improvement work in agriculture, where USAID can play an important role.

#### 4.1.2. MINISTRY OF AGRICULTURE: OLD SCHOOL POLICY APPROACH

The Bangladesh MoA seems barely engaged in this still comparatively new process of approaching policy from a regulatory delivery viewpoint. It continues to focus on the old production- and food security-oriented policy planning; for example, the team read hundreds of pages of MoA (and Ministry of Food (MoF)) policy and planning documents, searching especially for references to the “private sector” and “investment”. These documents largely regarded the private sector as an afterthought, or servant to the GoB and what is not written is especially revealing. They show little recognition of the GoB as a service entity to the private sector, other than to small farmers and the reports studiously avoid all mention of corruption. The actual private sector experience with the delivery of government services is barely considered. This is not the kind of policy work LEAP focused on in this Assessment or proposes for the Activity SOW – which is far more oriented towards understanding and resolving the kind of implementation problems in the text box, below.

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<sup>8</sup> <https://www.doingbusiness.org/content/dam/doingBusiness/country/b/bangladesh/BGD.pdf>



#### **BUSINESS ENABLING ENVIRONMENT EXAMPLE: A MUDDLED PATH TO SUBSIDIZED TRACTOR**

A smallholder farmer wants to buy a small tractor in order to receive the large subsidy the GoB offers for it. To get the subsidy, the farmer must go with the tractor salesman to present her case to a local upazilla committee. The committee will review whether or not the farmer knows how to run the tractor, what the business plan is and, using poorly defined criteria, whether the farmer is generally worthy of subsidizing. The process permits highly discretionary, personality-based and local decision making about allocation of benefits. It requires multiple, in-person visits to fill out forms, present the case and then eventually to pick up the subsidy in the form of a paper check from the local office. At the end, if and when the subsidy is finally given and the tractor is purchased, the poor farmer does not net the full value. The process seems to be repeated nationwide.

#### **4.1.3. BLOCKS ON POLICY IMPLEMENTATION**

Bangladesh's low Doing Business rankings stand in stark contrast to its comparatively sophisticated and well developed legal and policy framework. Despite decades of policy work by highly competent local technocrats, academics and advisors, with development partner support, this framework has not translated into good implementation scores. Speculating on the reasons for this are beyond the scope of this report. Whatever they are, it is prudent to expect that the GoB's appetite for implementation reforms will be specific and somewhat limited. Program activities should be scaled and rolled out in careful coordination with the appropriate GoB, private sector, NGO and other counterparts to ensure that effort is not being made which the political economy will realistically not support.

Subsequent paragraph deleted.

#### **4.1.4. REGULATORY DELIVERY FOCUSED REFORM**

From the individual private sector client perspective, a regulatory delivery approach can offer step by step analysis of bureaucratic roadblocks to reaching goals. That analysis can then look for weaknesses in the institutional, economic, political, legal and policy framework supporting the roadblocks. From there, it can help the client build the lobbying, networking, public awareness and case-proving arguments needed to widen the gaps, and eventually remove the block. The approach can encourage local and regional experiments in reform. It can especially be used to identify, and address policy implementation issues raised by the thousands of Bangladeshi farmers and small businesses served by FtF programs.

Some countries have moments of reforming, business friendly governments determined to limit regulatory power at its source. Bangladesh has not experienced such a watershed moment of radical reform of its regulatory practices. The Activity should not be designed with the expectation that the environment will change. The approach taken in this Assessment and continued in the draft Activity SOW is thus more modest and pragmatic, than idealistic. The goal is to identify real problems for farmers, business, and others engaged with the four pillar areas, and then help build locally workable, and where possible, nationally replicable, solutions. Instead of taking issues like corruption or elite capture head on and loudly, the model approaches them quietly, analytically and surgically, trying to find paths of least resistance and most support.

While changes in national policy, law, decrees or regulation may be required to achieve reform, the regulatory delivery approach can often work on what can be overhauled at lower levels. This can include bureaucratic habits and office procedures, use of information technology (IT) and process tracking data, the content of forms, where and how often application and other forms have to be filed or licenses renewed, inspection standards and methods, transport approvals, laboratory access and reliability, local committee structure, payment methods, processes for allocating subsidies or government supplied goods, decision wait times, internal ministerial instructions, legal interpretations by staff attorneys, and so on. The approach can be used with equal effect to improve the delivery of SSN services, as to reform how potato seeds are inspected. In a system like Bangladesh, where implementation of law and policy is systematically weak, and widespread corruption is endemic, detailed attention to the machinery of the delivery of governmental decision making and benefits is essential to improving performance.

In summary, national policy, law and regulation are often mired in bureaucracy and regularly include flaws that need addressing. But in practice, the processes that most harm those at the bottom of the food chain come from how the paperwork increases lower down the bureaucratic ladder.

## **4.2. AGRICULTURE EXTENSION SERVICES**

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The topic of agricultural extension services came up frequently enough both in conversation with informants and in research, to flag briefly here. The topic is also flagged in the Activity SOW as one worth keeping high on the agenda of potential interventions. Both the MoA and agriculture supply companies maintain large staffs of extension agents to assist or sell product to retailers and farmers. The Department of Agricultural Extension (DAE) of the MoA currently has 11,000 extension agents (known as Sub-Assistant Agriculture Officer (SAAO) in DAE parlance) and is in the process of hiring 3,000 more. The entry level jobs are coveted, and the DAE received more than 30,000 applicants for the posts. In addition to civil service SAAO's, private sector firms also hire many field extension agents to sell and serve rural clients. Larger agribusinesses can have thousands of agents. The civil service and the private agents both provide advice to farmers and retailers on agricultural inputs, their use and growing techniques, reportedly often with overlapping coverage. In some firms, the private extension agents work for different departments— selling seeds, medicine, machinery, plant protection products, etc. — and are reportedly often quite siloed off from each other. This can lead to inefficiencies and possible confusion for the farmers and retailer served.

The role of agents in disseminating knowledge is very important, but they are spread thin. IFPRI surveys found that less than 5 percent of farmers are visited annually by State agriculture agents. When visits did occur and seeds were discussed, the farmers found the information useful. IFPRI also found that State agents tended to favor larger over smaller farmers in scheduling visits, and that women were hardly ever visited. There are very few women state extension agents, a fact that often leaves women farmers with very limited sources of reliable information about their work.

Several informants reported that State extension agents' efficacy is undermined by bifurcated reporting structures. Although they are employed by the central DAE, once in the field, agents also report to the district or local political heads. These other bosses tend to see agricultural extension agents as fair game for supplemental work. Informants reported cases of extension agents being removed from their normal duties without notice by local heads to assist the ruling party with elections, vaccinating school children

or conducting other unrelated tasks. This is accepted as normal practice but makes it difficult for the DAE to schedule or hold individual agents accountable when they are taken off task.

GoB extension agents are not university graduates, though they receive a four-year diploma, starting after the 10<sup>th</sup> grade. They report to university graduate “agriculturalists”, who are automatically members of the 40,000-member strong Krishibid – with a membership around half GoB employees, and half private sector. There is limited formal interaction between GoB and private extension agents, though there is some information shared in local agricultural fairs and when they are invited to private sector demonstration plots. Although the GoB extension agents are limited in their coverage, they are important knowledge carriers, and have some ability to affect the willingness of farmers to adopt (and purchase) new seeds, equipment or other inputs. Some informants believe that businesses may at times bribe GoB extension agents to suggest their products to farmers. Given the limited chance for formal interaction between GoB and private sector extension agents, it seems likely that the GoB agents are generally poorly or unevenly informed about private products on the market and how to advise farmers on their use. There may be room for more structured interaction, in a way that will not favor one private sector vendor over another but will spread needed knowledge more effectively.

## 4.3 SEED POLICY

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### 4.3.1. OVERVIEW

Good access at affordable prices to high quality, modern seeds is essential to increasing the productivity, output quality and the crop diversity of Bangladeshi agriculture. USAID is committed to supporting ongoing efforts by both the GoB and the private sector to improve quality seed usage and wider crop diversity, especially among smaller farmers. This brief overview will give a sense of some of the major current issues in seed policy and refer to recent research where they are discussed in far greater depth.

Since independence, Bangladesh has adopted a range of different approaches to providing seeds – from heavily state controlled, to partly private. A new Seed Law passed in 2018<sup>9</sup>, which provided a basis for further liberalization. The new law still retains substantial State control over a list of “notified” crops, while permitting freer development, import and distribution of “non-notified” crops. The current notified crops are rice, wheat, potato, sugarcane and jute. This list is not specified in the law, but is delegated to the National Seed Board (NSB).

While private sector seed providers report that it is now a simple process to get permission to import non-notified seeds, notified seeds are more difficult to import. The team met with an employee in a large local firm with responsibility for registering imported seeds, and managing the licenses provided. The turnaround time for getting import permissions for non-notified seeds from the Department of Agricultural Extension is only around 10-15 days (at least for that firm). Once licensed, the holder then has the exclusive right to use the seed name, which is maintained in a registry. When we asked to see some sample seed licenses, we saw that the responsible GoB official had painstakingly handwritten them.

Although the process of receiving technical permission from the MoA to import non-notified seeds may be reasonably efficient, excessive tariffs, customs charges and income taxes on imported seeds remain a

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<sup>9</sup> No official translation of the 2018 Seed Law or the rules under it has yet been issued. An informal translation of the law is provided in the Google drive documents made available to potential bidders for their use.

drag on the market. Professors Naher and Spielman noted the existence of a “series of tax and non-tax barriers that add to the cost of private investment in the seed industry. Needless to mention, the final tax burden is on the farmer. An advance income tax of three percent is levied on imported rice seed.”<sup>10</sup> Customs tariffs have been reported to add close to 90 percent to the cost of tomato, watermelon and other seeds, following a table of inexplicably widely varying charges.<sup>11</sup> Business people asserted in interviews that any time an income tax is required to be paid in advance, it is virtually impossible to receive a refund, even if the importer lost, rather than made, money on the import.

### **4.3.2. KEY PLAYERS AND INTERVENTIONS**

The government retains large control over the notified seed market, as well as over the development of new crop varieties. Under the 1993 National Seed Policy, the public and private sectors were both allowed to develop, and release notified crop varieties. A 2005 amendment then restricted the private sector from developing and releasing notified crop varieties. This was somewhat eased with 2018 Seed Act, and in 2019 one, very large local company (Advanced Chemical Industries- ACI) was permitted by the NSB to release its domestically developed high-yielding rice variety.

The 2018 Seed Act permitted some limited private sector representation on the National Seed Board, with one company, two farmers and two association members sitting on the twenty-six-member Board. Private sector representatives complain that their level of representation on this regulatory board, like on so many, is very heavily skewed against them. Multiple industry experts complained that GoB oversight committees like the National Seed Board, provide far too much representation to academics, institutes and NGO's, (including NGO's, like Building Resources Across Communities, formerly Bangladesh Rural Advancement Committee (BRAC) that often are active market participants, and ones that can undercut the much more heavily taxed private sector. The numerous government research institutes, which can be in active competition with the private sector in areas such as seeds, will often each get a seat assured in law on boards – while the entire private sector may get only one. Academic representation from State universities is also seen by the private sector as yet another vote for the GoB positions. The team was not able to meet with institutes to get their perspective, as they are all located outside of Dhaka and time did not permit.

Several private sector informants also mentioned that academic board representatives may have specific agendas, which can block private sector initiatives (like the agricultural economist who blocked mechanization for small farmers, believing it unnecessary). In different meetings on different topics, both Muslim and Hindu academic members of governing boards were criticized for bringing religion into board decisions in a way that hindered progress (like the Hindu professor who allegedly blocked breed expansion in cattle for years). While the number of private sector representatives on the NSB is fixed in law and is unlikely to change, training to help them define issues, research needs and advocate for improvement, especially ones to benefit smaller farmers, could help increase their effectiveness.

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<sup>10</sup> Seeding the Future: Accelerating Seed System Development in Bangladesh, Firdousi Naher and David J. Spielman (2017) (Seeding the Future Study)

<sup>11</sup> Table entitled “Seed Trade Barriers in Private Seed Sector of Bangladesh” provided to LEAP III team by an advisor to the Bangladesh Seed Association. Numbers not verified independently.

### 4.3.3. POLICY FOCUS AREAS

The current system brings with it a number of imperfections, inefficiencies and distortions. Addressing some of them should merit consideration as tasks under the Activity. USAID, through IFPRI, has funded two recent, excellent reports on seed markets and policy. These provide thoughtful overviews of the current policy and implementation setting for both notified and non-notified seeds. They also provide detailed recommendations for improvements.<sup>12</sup> The LEAP III team met with the author of these studies in a meeting, in which she explained her thought in more detail. Another recent academic study provides a clearly written history of the development of the seed industry since independence, policy recommendations and comparisons to the much more developed Indian seed market.<sup>13</sup>

Bangladesh's path to self-sufficiency was due in no small part to the introduction and widespread acceptance among farmers of Government supplied, modern high yield varieties of rice in starting in the 1980's. Thus by 2011, 75 percent of Aman rice, 100 percent of Boro and 100 percent of wheat was planted using modern or hybrid varieties. Uptake of modern pulses, oil seed and potato varieties lagged behind, at 14 percent, 29 percent and 65 percent respectively.<sup>14</sup> However, what was modern decades ago, is no longer, and farmers have proven slow to change to newer varieties. Just two varieties of rice introduced in 1994:

“account for cultivation by more than 50 percent of the rice farmers and occupy close to 70 percent of the country's acreage under *boro* rice. Across all rice growing seasons in Bangladesh, just five varieties account for 53 percent of rice cultivated area... The average age of these varieties (weighted by cultivated area) is 20 years.”<sup>15</sup>

Farmers are not only staying with “old modern” rice seed, most are also planting from saved seed:

“According to the data available from the Seed Wing of the Ministry of Agriculture, during 2012-13, the formal system supplied only 40 percent of the total demand for rice seeds and 34 percent of the demand for wheat seeds as opposed to the 79 percent of the demand for maize seeds (Seed Wing, 2014). This statistic suggests that the majority of the rice and wheat farmers in Bangladesh still rely on farmer saved seeds for crop production and highlight the huge untapped potential for seed business in the country.”<sup>16</sup>

Starting in the 1980's and culminating with the 1993 National Seed Policy, under pressure of structural adjustment programs, the GoB directed that the Bangladesh Agricultural Development Corporation (BADC) should give the private sector more room to grow, by gradually getting out of the business of providing seed at highly subsidized prices. The 1993 policy and otherwise liberalized seed market entry.<sup>17</sup>

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<sup>12</sup> See Public-Private Interface in Bangladesh's Seed Sector: Advancements and Challenges, Firdousi Naher (2017) (PPI Study) and Seeding the Future Study.

<sup>13</sup> Seed industry and seed policy reforms in Bangladesh: impacts and implications, Deepthi Elizabeth Kolady and Md. Abdul Awal' International Food and Agribusiness Management Review, Volume 21 Issue 7, 2018; DOI: 10.22434/IFAMR2017.0061 (2018) (Seed Industry), accessed at <https://www.wageningenacademic.com/doi/pdf/10.22434/IFAMR2017.0061>

<sup>14</sup> Seeding the Future, p. 14.

<sup>15</sup> Ibid.

<sup>16</sup> Seed Industry, p.991

<sup>17</sup> Seeding the Future, p. 7

This liberalization was reversed in 2005 and then partially reinstated with passage of the 2018 Seed Law. In 2005, market entry for new locally developed private varietal breed stock was prohibited. One local firm, ACI finally received the first permission under the new law in 2019.

Although the new Seed Law provides some more hope for the private seed sector, more needs to be done to implement reforms:<sup>18</sup>

“despite ... policy reforms, the tangle of rules and regulations is still cited as one of the most significant barriers to growth and investment in Bangladesh’s seed system... The time, effort, complexity, and costs required to register and release a new variety are considered onerous by both public and private innovators. Furthermore, new restrictions set forth under the 2005 amendment to the Seeds Act saw a reversal of several provisions in the 1993 policy and prohibited private firms from conducting breeding activities for any notified crops, with the exception of breeding related to hybrid rice.”<sup>19</sup>

Detailed information about the percentages of different kinds of seed sold by the private and public sectors as of 2017 can be found in the PPI Study. Not only is market entry still too complicated, GoB market interventions continue to pose long standing limits on private sector growth: Thus:

“there is also little evidence that BADC is withdrawing from the production of certified and truthfully labeled seed. BADC remains active in the production of certified and truthfully labeled seed for a wide range of crops, including hybrid maize where the private sector has a well-established comparative advantage. Meanwhile, BADC continues to price seed well below its costs of production, suggesting continued reliance on public funds to make ends meet.”<sup>20</sup>

While Government institutes have an effective monopoly on many key varieties of breeder seed, they reportedly face ongoing challenges, both in providing adequate supply of seed, and in maintaining germplasm purity. These problems then have systemic negative impacts:

“Since breeder seed production is not amongst the mandates of the research institutes, this activity does not get its due importance and is rather seen by the plant breeders as an infringement on their time. Thus, the quality of breeder seed production suffers leading to an inability to maintain germplasm purity. ... A natural outcome of the lack of ‘status’ in breeder seed production is, insufficient quantity. We have seen that in almost every year there is a shortfall in meeting the demand for breeder seed. During the supply of breeder seed, BADC gets a preference over others. However, despite this advantage, often, it happens that BADC, itself, does not receive the entire amount it had indented for. Needless to mention, the private actors, namely the NGOs and private companies also face similar problems.”<sup>21</sup>

While some new GoB varieties are successful, many are not. Institutes continue to develop new seed varieties that meet with little market acceptance, while farmers keep planting outdated, less productive

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<sup>18</sup> The 2018 Seed Law is not available in official form in English but IFPRI kindly prepared an unofficial translation for the team, which is included in the document package provided. The IFC was a prime drafter of the 2018 Seed Law, in attempt to re-start the liberalization process.

<sup>19</sup> Ibid.

<sup>20</sup> Seeding the Future, p. 21

<sup>21</sup> PPI Study, p. 29 and see also chapter entitled “The demand for breeder seed: adequacy of supply and popularity of varieties,” pps. 2-18 for further details.



and disease prone varieties. Experts present multiple theories why farmers stick with old varieties or continue to choose plant saved seed, but more research data on this could yield useful insights.

While the liberalization of the non-notified seed market for imported seed is generally seen as a success, some experts think that uptake by farmers, especially smaller ones, could be fostered with better coordination between State agriculture extension agents and private ones about product offerings. This could, in turn, help foster improved food diversity and nutrition among rural families. Issues of laboratories and seed certifications remain a substantial problem, with fake and old seeds the source of frequent farmer complaints. A Gazette notification requires companies importing hybrid rice seed to phase in local production over six years.<sup>22</sup> While some local companies have no objections to this, others, especially multi-nationals, object to this as protectionism that can put their intellectual property at risk and make it impossible to sell their products – especially for seeds for which there are not optimal growing conditions for in Bangladesh.

## 4.4. FOOD SAFETY

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### 4.4.1. OVERVIEW

As Bangladesh increases food security across the country, policy emphasis has changed from quantity to quality of food. Nutrition is now a major topic of interest, and food safety has become a greater concern. The FAO and other development partners play an important role in defining and analyzing the issues of nutrition and food safety, both of which are topics of multiple conferences and increased regulatory attention.

The broad ranging Food Safety Act (FSA), which passed in 2013 with active development partner support, created the Bangladesh Food Safety Authority (BFSA) under the Ministry of Food with oversight powers over almost every aspect of food safety – from farm to fork. Among other terms, the Act:

1. Creates mobile and stationary Food Courts to handle prosecution of food safety cases;
2. Permits aggrieved persons to bring civil lawsuits and win up to five times assessed damages;
3. Provides a 25 percent bounty of charges assessed, to be paid to people who bring successful complaints of FSA violations;
4. Makes company officers, managers and directors subject to personal prosecution and imposes strict jail terms and/or fines for a wide range of food safety violations;
5. Creates a nationwide network of food safety inspectors, with authority to seize goods and bring complaints;
6. Establishes a mechanism for laboratories providing testing related to any aspect of food safety;
7. Establishes an inter-ministerial committee to help the BFSA coordinate its work with other GoB agencies that have potentially overlapping authority with the BFSA;
8. Provides the BFSA with authority to issue directives binding on other agencies; and

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<sup>22</sup> Bangladesh Gazette, December 11, 2019, Notification dated December 5, 2019 entitled Hybrid rice variety evaluation and registration guideline, issued by Seed Wing, Ministry of Agriculture, Article 5, Conditions for Registration.

9. Defines the BFSAs powers and “food” very broadly, to include every ingredient and process used in growing, transporting and making food, however packaged or sold, wherever it might be found or stored in the stream of commerce.

#### 4.4.2. KEY PLAYERS AND INTERVENTIONS

In theory, the BFSAs enjoys remarkably strong delegated power, which could be used to ensure consistently safe food nationwide. Given their breadth, those same powers, could also pose major problems for the private sector nationwide. In reality, though the FSA was passed in 2013 and began implementation in January 2015, BFSAs has until recently existed largely only on paper, with little funding and only a handful of temporary employees. More than one informant wondered if this long delay implied a lack of GoB buy-in into overall food safety reforms. With USAID assistance given through the FAO <sup>23</sup>, and with its skeleton staff, the BFSAs was able to develop a number of key implementing regulations over the past 7 years under the Institutionalizing Food Safety in Bangladesh Project. These included regulations governing food contact material, food hygiene, contaminants/ toxins/residues, sample collection and analysis, labeling, food processing and technical committees.

The LEAP III team encountered some confusion about the status of the BSFA and its mandate, even among knowledgeable sources. For example, different informants’ estimates of BSFA staff strength ranged from 17 to 400 employees. The true number seems to be closer to the latter, as the agency seems to have received funding to hire additional employees. As another example, the Institutionalizing Food Safety website, which should be run by people who know the law, states inaccurately that the FSA established “an efficient and effective authority by repealing related existing acts”<sup>24</sup>. Unfortunately, while the FSA gave the BFSAs some not very well-defined power to issue directives binding on other agencies, it did not identify, amend or repeal any of the laws and regulations that might conflict with it.

A 2020 USDA report on food safety rules for US exporters confirmed this, after listing over a page of still applicable laws and rules governing food safety, some dating back 70 years, and noting:

“A high number of acts, laws, and regulations of various categories of food products create redundancy and complexity in application and enforcement. Overlapping of regulatory bodies and lack of coordination among ministries covering various categories of food and agricultural products creates a haphazard and confusing maze, diminishing the goal of food safety. The food quality and standardization control system in Bangladesh involves multiple ministries and agencies. Over 20 ministries are involved in food safety and quality control, while ten ministries are directly involved in food inspection and enforcement. Despite having various shortfalls in the food safety framework, the act and regulations that cover imported products, especially bulk imports, are strictly enforced and sometimes excessively.” <sup>25</sup>

While the BFSAs has some power to coordinate and perhaps, as noted, to override other laws and rules, this is still nascent, and may be a tool the BFSAs can in practice only use with restraint. When the team met with an informant with overlapping authority with the BFSAs, he stated his organization was in the

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<sup>23</sup> <http://ifs-b.org/index.php>, accessed February 25, 2020

<sup>24</sup> Ibid.

<sup>25</sup> Food and Agricultural Import Regulations and Standards Country Report, February 11, 2020, **Report Number:** BG2019-0010, p. 3

process of negotiating a memorandum of understanding with the BFSA to establish clear rules for engagement on inspections, laboratory tests, etc. When asked if the office had had issues with the BFSA about coordination of inspections and standards, the informant laughed and changed the subject.

It is possible that the BFSA will need to engage in a slow process of Memorandum of Understanding (MOU) negotiation with twenty different agencies to carve out its niche effectively. While some informants were encouraged about the BFSA's recent hiring surge, there was apprehension that the hiring was too heavily oriented towards field inspectors, and not enough to fill jobs devoted to coordinating interagency responsibility.

Research and interviews revealed concerns about the potential for food related companies to confront different, complicated and perhaps contradictory standards and testing, inspection and licensing regimes as the BFSA scales up its efforts. This concern was based on the sense that the country needs reliable, honest and efficient implementation of clear and consistent food safety rules, not inspectors with large powers, working under unclear and duplicative mandates.

The USDA plans to assist the BFSA in setting up internal personnel procedures and job descriptions, in conjunction with other tasks. A potentially useful task that has not, to the team's knowledge, been taken on by another donor (and that is wholly in line with a regulatory delivery policy project), would be to undertake a thorough regulatory mapping of the GoB's various food safety regimes, and work to bring them into alignment. The BFSA has started this process by reviewing and collecting expert working group opinions on a wide range of both horizontal and vertical food safety standards for adoption. This is described in detail on the BFSA's web site<sup>26</sup> in a document entitled Harmonization of Bangladesh's Food Safety Standards with Codex Standards and other international best practices, dated March 31, 2019. There was a large kick off meeting for this, organized by the BFSA, FAO and USAID on April 4, 2019.

This is an ambitious, complex, expert driven process bringing a wide range of Bangladesh's food safety rules and standards in line with the Codex Alimentarius commitments which Bangladesh took on as a WTO member. The Bangladesh Standards and Testing Institute (BTSI) is the main collaboration partner for the BFSA in this effort, but other agencies will also be affected. While coordination will consider European Union rules and the rules of other main trading partners, the FSA and this document require adoption of internationally accepted scientific standards. Unfortunately, the team was not able to meet with the BFSA while in Dhaka to determine the current status of these efforts, and learn what kind of external support they are receiving or might be able to use. As described elsewhere, the proposed Activity SOW is set up for the eventual contractor to do just this kind of follow up, and present a proposal to the Mission to fund a defined task supporting the BFSA and BTSI, should this seem desirable.

It is worth noting that there may be substantial risks to business when governments engage in opaque, highly technical processes of blanket adoption of international food safety standards, and then apply the new standards domestically to unprepared local firms. There is often tension between achieving world class standards on paper (a process sometimes encouraged by the FAO), and a domestic reality that works under conditions that make compliance difficult, if not impossible for many. Rules that are impossible,

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<sup>26</sup> See BFSA Strategy for Harmonization of Standards, located at: [https://bfsa.portal.gov.bd/sites/default/files/files/bfsa.portal.gov.bd/notices/a84613c2\\_1de6\\_475f\\_97c9\\_784374431701/BFSA-Strategy-for-Harmonization-of-Standards-draft-V-1.pdf](https://bfsa.portal.gov.bd/sites/default/files/files/bfsa.portal.gov.bd/notices/a84613c2_1de6_475f_97c9_784374431701/BFSA-Strategy-for-Harmonization-of-Standards-draft-V-1.pdf). Accessed February 25, 2020. There was an introductory session on April 4, 2019 organized by the BFSA and USAID, See: <http://www.fao.org/fao-who-codexalimentarius/news-and-events/news-details/en/c/1191645/>

especially for smaller players, can foster avoidance, corruption and further strengthening of elites. They may, eventually, bring improved food safety, but at a higher cost than necessary. The FSA, like the NSB, provides very limited opportunities for private sector engagement in its committee oversight structure, and almost none for farmers or small businesses. Here again USAID support to the private sector from a regulatory delivery viewpoint, especially support that looks at the economic impact of the new rules on the most vulnerable, could bring useful and underrepresented voices to the table.

In research and conversations with key informants, a range of views were expressed about public perceptions of food safety and the degree to which it is a serious problem. Experts saw concerns about food safety as being especially prevalent among educated, urban consumers, with the rural poor being less concerned. In general, farmers and rural individuals are more trusting of their own local food than urban residents are of food delivered from afar. This is understandable, given the country's uneven post-harvest systems, storage and transport, cold chains, and food handling practices – all of which pose larger problems, the farther one is removed from the field. One high ranking informant saw widespread lack of trust in food safety as potentially having substantial economic effects, by making Bangladeshis less willing to spend money on local food, less trusting of local brands and more oriented towards imported products. Bangladesh is seriously hampered in its ability to export some products because of its inability to deal with food safety issues in a way that satisfies the SPS demands of foreign markets. There is virtually no traceability of product. Laboratories are very uneven (a whole separate topic of research and discussion), and too few are recognized internationally as credible sources of safety certifications.

#### **GOOD POTATO MARKET LOST TO BAD CIVIL SERVICE STAFFING PRACTICES**

For several years, Bangladesh grew its Russian export markets for potatoes rapidly. At the peak in 2013, Bangladesh exported 1,000,000 tons of fresh potatoes a year to Russia. While this market may not have been profitable enough for ACI, it was important for small to medium enterprise (SME) producers and exporters. The market collapsed suddenly when Russia found evidence of a blight on Bangladeshi potatoes and banned further imports. For years, the Bangladesh exporters have worked with Russian Sanitary and Phytosanitary (SPS) enforcers to try to get back into the market. They were able to convince the Ministry of Agriculture to invest \$500,000 in a PCR machine five years ago, so that an accredited State-owned laboratory could provide certification of absence of blight acceptable to the Russians. Unfortunately, since then, the laboratory has been unable to train and retain operators for the PCR machine, certificates have not issued reliably, and the Russian market remains closed.

The backstory reason given for the problem keeping trained operators is apparently a common one in Bangladesh – and a source of frequent frustration to development partners who try to build government capacity. The GoB hires almost solely university graduates to work in the Ministry of Agriculture. There is no technical laboratory track for non-university graduates, one where people can be trained and then will stay conducting the same tests and running the same machines for years. The university grads are constantly on the lookout for promotions and will leave their lab machines in an instant when they get the next step up the ladder. This leaves lab managers scrambling to find and train another person, who will also leave too soon. It leaves the private sector unable to get the accredited certificates they need to export. And it leaves Bangladesh with a surplus of rotting potatoes, rather than export earnings.

### 4.4.3. POLICY FOCUS AREAS

The four key conditions for safe food, (approved and reliable inputs, proper handling, clean water, and safe transportation from the field) all impact food safety and nutrition in Bangladesh, and none can be taken as given. Informants discussed potential food safety problems arising from failure to meet each of these conditions. Additionally, on the topic of reliable inputs, larger plant protection firms expressed serious misgivings about the products put on the market by hundreds of non-branded firms, many of which they allege repackage dangerous chemicals in apartments or other locations without adequate protections. Expert informants discussed how small holder farmers tend to overuse subsidized urea to increase crop yield, and underuse expensive micronutrients.

Furthermore, several expert informants expressed the opinion that polluted irrigation water may be a major source of heavy metals and other pollutants working their way into food. Untreated runoff from tanneries and from garment factories, as well as naturally occurring arsenic in bore hole water were all noted as posing food safety concerns. In Bangladesh as elsewhere, there is ongoing public debate about the safety of chemical fertilizer and other agricultural inputs, with the mainstream consensus being that food grown with approved and reliable chemical inputs, used as directed, and grown with clean water is safe to eat coming from the field. Many individuals are of course concerned about the broader environmental impacts of chemical inputs, while still accepting the food as safe.

The role of the press and perceptions of food safety was discussed with several informants. While it may not yet be a political issue that threatens the government, concerns about food safety and demands for increased food safety requirements are often discussed in the press.<sup>27</sup> Multiple informants expressed the opinion that food safety may not be as bad as people believe, but a general lack of enforcement or consistency fosters an environment of mistrust. A famous case of a milk scare caused by faulty research by a headline-grabbing University of Dhaka professor was cited several times.

Journalists are not well informed about agriculture overall, and food safety in particular. One informant theorized that younger, urban born journalists may be less informed than older ones, many of whom have rural, farming roots. Several informants thought that journalists could benefit from much more training about where food comes from, how inputs are used and what makes food safe or unsafe to eat. The FAO is providing some journalist training through the Press Institute of Bangladesh (PIB), in an effort that could be expanded upon, especially to provide a private sector perspective on agriculture and food safety.

The general public's awareness of food safety is limited as well. More public education about the importance of cleanliness and where, possible, refrigeration, could help decrease the incidence of salmonella, listeria and other food borne illnesses. Journalist training could help foster awareness, increased trust where trust is due, and increase pressure for improved food safety where real concerns need coordinated, effective GoB attention to be addressed adequately.

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<sup>27</sup> See for example, opinion piece from May 17, 2019 Dhaka Tribune, written by a judge suggesting the death penalty for food adulteration. <https://www.dhakatribune.com/opinion/op-ed/2019/05/17/there-s-something-wrong-with-the-food> Last accessed February 25, 2020

## 4.5. SOCIAL SAFETY NETS

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### 4.5.1. OVERVIEW

Social safety net (SSN) programs in Bangladesh reduce poverty and vulnerability by addressing a range of population groups through different forms of assistance. These include the provision of income security for the elderly, widows and persons-with-disabilities; generating temporary employment for working age men and women; and supporting the healthy development of young mothers and children. Support has been focused on making programs more pro-poor and has evolved from being relief-oriented to incorporating long-term development objectives. The GoB has formed strong partnerships with NGOs, micro-finance organizations and multi- and bilateral development organizations to implement programs better. Improved implementation was achieved by building and enhancing administrative systems to help identify the most vulnerable objectively, deliver benefits and services timely and efficiently, and strengthen citizen engagement. Investments in human capacity building and technology have been critical as well.

Bangladesh in many ways is ahead of other lower middle-income countries in its SSNs. Historically clustered around the twin themes of food rations and post-disaster relief, Bangladesh SSNs have over time graduated into a mainstream social and developmental concern. With an annual outlay near 2 percent of GDP, a program portfolio has evolved that addresses the key risk categories of transient food insecurity, long-term needs of population groups with special needs, and graduation challenges of the chronic poor.

Starting in the mid 1970s, the majority of programs in Bangladesh focused on the urgent response to the famine of 1974. During the 2000s, programs moved towards sustainable gains rather than temporary relief. This brought on the introduction of “ladders” for human development, with programs on training, education stipends, awareness building, financial strengthening, and employment guarantees. However, with informal family-based safety nets eroding, new risks emerged from rapid processes of urbanization and global economic integration. This led to stronger assertion of mitigation demands from a democratizing polity. The new demands have made necessary a holistic re-thinking on the direction, scope and design of SSNs.<sup>28</sup> There have also been many ongoing experiments and innovations on process issues. These have included a move from food to cash, entitlement cards, use of banking channels, use of local governments in implementing programs, geographic targeting and monitoring mechanisms. This has resulted in a proliferation of offerings, leading to 116 GoB SSN programs now active in Bangladesh (none of which are specialized for indigenous communities).<sup>29</sup>

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<sup>28</sup> Background Papers for Preparing the National Social Security Strategy of Bangladesh

<sup>29</sup> <https://www.dhakatribune.com/bangladesh/2019/10/14/social-safety-net-program-fails-to-bring-significant-changes-in-indigenous-communities>



## PROGRESSION OF SSN PROGRAMS IN BANGLADESH



Source: *Social Protection and Jobs Learning Forum 2018*

### 4.5.2. KEY PLAYERS AND INTERVENTIONS

Bangladesh's SSN spending as a proportion of GDP is among the highest in the South Asia region. It averaged 1.8 percent between 1996 and 2008 and spiked to about 2.6 percent of GDP in FY2011, in response to global food and energy price crises. Since then, SSN spending has remained above 2 percent. Programs included under SSN spending include allowances for population groups with special needs, food security and disaster assistance programs, cash allowances, workfare programs, and programs focused on human development and empowerment, such as education and health incentives for poor and vulnerable households, which aim to contribute to the fight against poverty and improving human capital. The highest allocation – 44 percent – is for food security and disaster assistance programs.<sup>30</sup>

In FY 2019, a budget of approximately BDT 642 billion (\$7.56M), equivalent to 2.5 percent of the GDP was allocated for social programs. Among these, about Bangladesh taka (BDT) 372 billion (\$4.4M) is being used to implement SSN programs as per the globally recognized classification.<sup>31</sup> Pensions for retired GoB civil servants (about .05 percent of the population) comprise around 25 percent of what the GoB includes in SSN spending, but which are not globally recognized as such.<sup>32</sup>

<sup>30</sup> PPRC & UNDP, 2011, *Social Safety Nets in Bangladesh Volume I: Issues and Analytical Inventory*

<sup>31</sup> <https://www.worldbank.org/en/news/feature/2019/04/29/social-safety-nets-in-bangladesh-help-reduce-poverty-and-improve-human-capital>

<sup>32</sup> Ibid.

The World Food Programme (WFP) is a key player in supporting the GoB on SSN programs. WFP programs focus on engagement with the GoB to help formulate policies, improve enabling institutional conditions, and build capacity of individuals and departments. Many WFP SSN programs include school meals, to improve children's health, nutrition and learning, and food "assistance for assets" schemes. These provide people with cash, voucher or food transfers in exchange for the building or rehabilitation of assets, that will improve long-term food security and resilience. Most WFP SSN programs are designed for eventual handover to the government. The GoB has recently committed to funding a \$500 million annual hot school lunch program, and is working with the FAO to develop policies and implementation modalities for it. Depending on timing and other donor support, there may be opportunities for the Activity to support the school lunch program by working on policies, such as local sourcing of food (with a focus on sourcing from women owned enterprises), helping establish nutrition policies or establishing guidelines for school kitchens.

#### OTHER FLAGSHIP SOCIAL SAFETY NET PROGRAMS

- **Rural Maintenance Program (RMP)**, evolved from CARE's Food for Development Program (FFD), involving life skills training for employed women. It also includes capacity strengthening for local government institutions in preparation for handing over management of road maintenance activities to the Union Parishad. The RMP had three major components: 1) Road maintenance, 2) Income Diversification, and 3) Capacity Strengthening.
- **Employment Generation Program for the Poorest (EGPP)**, implemented by the GoB through the Ministry of Disaster Management and Relief with support from the World Bank, provides short-term employment for the able-bodied, unemployed poor to reduce poverty and enhance disaster resilience of vulnerable households.
- **Work for Money (WFM - previously known as Food for Work (FFW))**, also implemented by the GoB with support from the World Bank, aims to address shortage of both food and work opportunities focusing on destitute women or day laborers, earning less than BDT 300 (\$3) per month.

The Vulnerable Group Development (VGD) program is one of the largest SSN programs assisted by the WFP. It targets poor and vulnerable women in Bangladesh with the goal to bring sustainable improvement to the lives of ultra-poor households. There are two different forms of VGD: Income Generating Vulnerable Group Development (IGVGD) and Food Security Vulnerable Group Development (FSVGD). IGVGD participants are provided with a monthly food ration of 30 kilograms of wheat/rice or 25 kilograms of fortified flour (atta). FSVGD participants are provided with a cash support of Taka 100 along with 15 kilograms flour. As of mid-2018, the VGD program had around 750,000 direct and 3.75 million indirect beneficiaries, with annual expenditures of approximately \$140 million. Under the VGD program, fortified rice was introduced to help reduce anemia and zinc deficiencies amongst the poorest women in Bangladesh. The Ministry of Women and Children Affairs allocated more than \$1M to distribute fortified rice in 35 upazillas (regions) in FY2017-2018.<sup>33</sup>

<sup>33</sup> <http://pubdocs.worldbank.org/en/804111520537796819/SSLF18-Building-Resilience-Bangladesh.pdf>

The WFP also worked with IFPRI on the Transfer Modality Research Initiative (TMRI) work, which the GoB is now rolling out nationwide as the “Mother and Child” program with the Ministry of Women and Children’s Affairs. This program focuses on targeting behavior change through nutrition messages and communication sessions, combined with cash payments. The WFP is working with the Bangladesh National Nutrition Council (BNNC) to distribute cards that are required to participate. In an effort to discourage teen pregnancy, only women aged 20 to 35 are allowed to participate in the Mother and Child program. Since 59 percent of marriages in Bangladesh are to girls under age 18 (between 2006 – 2017 alone), this program unfortunately excludes many young mothers most in need of help.<sup>34</sup>

### 4.5.3. POLICY FOCUS AREAS

Bangladesh has laid reasonable foundations for scaling up its delivery of SSN protection and in framing its strategic approach. While SSN coverage has considerably expanded to address temporary food insecurity, it remains limited on reaching the most vulnerable. While most SSN programs in Bangladesh address economic vulnerability, they have paid little attention to demographic vulnerability. The most vulnerable groups such as children, seniors, and those who are severely disabled or chronically ill are often not able to perform intense labor involved in many of the cash and/or food-based public works programs.

#### KEY POLICY REPORTS AND STRATEGIES ON SOCIAL SAFETY NETS

- Report of the Task Force on Comprehensive Food Security Policy for Bangladesh (July 2000)
- Subsequent National Food Policy (January 2001) and National Food Policy (2006)
- National Food Policy Plan of Action (2008 – 2015)
- Revised Poverty Reduction Strategy Paper II (PRSP II) (2009 – 2011)
- 7<sup>th</sup> Five Year Plan (FY2016 – FY2020)

Similarly, there is a lack of SSN programs that target the urban poor. Today, 35 percent of Bangladesh’s population live in urban areas. However, only 17.84 percent of the poor people living in towns and cities receive support from SSN schemes, whereas 35.77 percent of the poor people in rural areas get SSN benefits.<sup>35</sup> While poverty has declined in rural areas, urban poverty has only seen slight decreases. Thus, there is a long way to go to increase coverage and improve the quality of targeting. Coverage in urban areas, particularly in quality education, adequate healthcare and sanitation could have a strong impact in reducing poverty, especially when targeting families with young children and elderly members.

In addition, most SSN programs have been focused on short-term interventions. These address some elements of vulnerability, but do not adequately cover either the breadth of the impacts nor their duration in the long term. Most programs have relied on transfer payments or food delivery but do not trigger sustainable income growth for the ultra-poor. As a result, there is a need to shift programs from coping (only looking at safety nets) to risk-reduction approaches which focus more on social protection, developing marketable skills, and long-term sustainability.

There are too many GoB entities involved in administering too many SSN programs (23 Ministries/divisions, running 116 programs). This increases administrative costs and makes program

<sup>34</sup> State of the World Population Report 2019 – United Nations Population Fund (UNFPA)

<sup>35</sup> <https://www.thedailystar.net/frontpage/news/social-safety-nets-not-many-urban-poor-getting-help-1814809>

coordination a tough challenge. One expert informant stated that SSN programs must adopt an integrated approach between multiple stakeholders and Ministries to be effective and sustainable. Many SSN programs overlap, targeting the same beneficiaries, while missing out on others needing help. The lack of coordination among SSN systems and services leads to waste, while harming the weakest members of society. For instance, handover of VGD implementation from the Ministry of Disaster Management and Relief (MoDMR) to the Ministry of Women and Children Affairs (MoWCA) was initially very difficult, because MoWCA did not have the necessary field presence. This meant that MoDMR had to provide continued field support temporarily to maintain program integrity for this essential SSN effort.

As Bangladesh continues to see higher temperatures, more variable rainfall, more frequent cyclones, and rising sea levels, the GoB must take climate change into consideration, with its serious and increasing impacts on the livelihoods of the rural poor. Programs will have to refocus on specifically targeting household response to more severe and more frequent climate-related shocks. SSN program performance and program funding must both be upped to deal with more disasters.

SSN coverage in Bangladesh is expected to expand in the upcoming budget for FY 2019 – 2020, increasing the number of beneficiaries to around 7,747,600 from the existing 6,402,500. Around 1,345,100 low-income people will come under SSN coverage from the upcoming fiscal year, taking into consideration all insolvent people who are physically challenged (disabled).<sup>36</sup> It is imperative that emphasis remains on an experimental approach in not only improving technologies, but scaling up what works, consolidating and/or simplifying programs, as well as discarding what has not worked in the past.

#### **4.5.4. RECOMMENDATIONS FOR FUTURE INVESTMENT**

USAID/Bangladesh has a number of opportunities for investment in SSN interventions within the country. For one, Bangladesh still lacks a number of programs focused on climate change. SSNs and climate-change adaptation can be designed both for overall disaster trends and for specific shocks. The policy focus should be in assessing the benefits and viability of different SSN instruments that may promote resilience to climate-change impacts, including those likely to reflect the future geography of disasters. Emphasis can be given to promotive measures of SSN programs since these measures will have the greatest impact on people's future adaptability to natural disasters and the local impacts of climate change.

There is also a need for overall institutional capacity in order to provide a regulatory shift to local authorities, combining governmental capabilities in terms of targeting, sustainability and program coverage with NGOs' local responsiveness and timeliness. Lastly, USAID/Bangladesh can work with project partners to conduct regulatory mapping, in order to understand the different programs within the country in order to identify any population overlap and gaps that might be useful within the current SSN programs. Combined with public awareness, academic and press, this could encourage public discussion and eventually nudge the system into some consolidation, data sharing and reform.

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<sup>36</sup> <https://www.dhakatribune.com/bangladesh/government-affairs/2019/06/10/social-safety-net-beneficiaries-to-rise-to-77-47-lakh-in-next-budget>

## 4.6. NUTRITION

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### 4.6.1. OVERVIEW

Bangladesh, the most densely populated country in the world, has made great strides in improving nutrition among the most vulnerable populations. Unfortunately, 35 percent of the population remains food insecure, impacted by climate change and poor dietary diversity.<sup>37</sup> Compounding the issue is poor sanitation and hygiene, which contributes to an intergenerational cycle of malnutrition and poverty.<sup>38</sup> The Human Development Index (HDI), which combines nutrition rates with other factors such as poverty and unemployment, ranks Bangladesh at 146 out of 187, among the lowest scores in South Asia.<sup>39</sup> Similarly, Bangladesh ranks 88 out of 117 countries in the 2019 Global Hunger Index (GHI), and the share of its undernourished population is at 14.7 percent in 2016–2018.<sup>40</sup>

Bangladesh continues to experience a malnutrition burden among its under-five population. Bangladesh's under-five wasting prevalence of 14.4 percent is also greater than the developing country average of 8.9 percent. The national prevalence of under-five stunting is 36.2 percent, which is greater than the developing country average of 25 percent.<sup>41</sup>

Nonetheless, Bangladesh has seen impressive improvements in primary school enrollment, gender parity in primary- and secondary-level education, immunization coverage, reduced incidence of communicable diseases, and substantial reductions in child and maternal mortality, meeting key targets for Millennium Development Goals (MDGs) 2,3,4, and 5. This success can be in part attributed to strong policies and programs that promote universal education and seek to improve access to and use of quality maternal and child health services.<sup>42</sup>

However, considerable challenges remain, including high levels of food insecurity, gender disparities, and frequent natural disasters (i.e. floods and cyclones). Bangladesh's adult population also faces a malnutrition burden. 39.9 percent of women of reproductive age have anemia, and 10.3 percent of adult men have diabetes, compared to 9.3 percent of women. Meanwhile, 5 percent of women and 2.3 percent of men have obesity.<sup>43</sup>

Nutrition is a multifaceted social issue, involving not only availability of basic foods, but access to nutritious products. Private sector engagement plays a critical role in diversifying and strengthening food sources, promoting nutrition and providing economic opportunities in Bangladesh.<sup>44</sup> The role of the health sector in education and access should also not be ignored.

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<sup>37</sup> <https://www.usaid.gov/sites/default/files/documents/1864/Bangladesh-Nutrition-Profile-Mar2018-508.pdf>

<sup>38</sup> Ibid

<sup>39</sup> <http://www.fao.org/3/a-i4236e.pdf>

<sup>40</sup> <https://www.orfonline.org/research/breakout-nation-the-nutrition-transformation-of-bangladesh-57408/>

<sup>41</sup> <https://globalnutritionreport.org/media/profiles/v2.1/pdfs/bangladesh.pdf>

<sup>42</sup> <https://www.usaid.gov/sites/default/files/documents/1864/Bangladesh-Nutrition-Profile-Mar2018-508.pdf>

<sup>43</sup> <https://globalnutritionreport.org/media/profiles/v2.1/pdfs/bangladesh.pdf>

<sup>44</sup> <https://www.feedthefuture.gov/country/bangladesh/>

#### 4.6.2. KEY PLAYERS AND INTERVENTIONS

A wide range of multinational organizations are working in Bangladesh to address the issue of nutrition, including the United Nations (UN), the World Bank and the Food and Agriculture Organization (FAO), as well as an extensive list of development agencies from around the world. These players have embraced a varied approach to promoting food security and nutrition in the country, targeting all stages of food production from the technology used for farming to legislation around public complaints of food quality. Alongside international organizations, there are at least ten agencies within the Government of Bangladesh that play a role in food production. These range from the MoA to the Planning Commission under the Ministry of Planning (MoP). All government entities are consulted in the decision-making process.

WFP also assists the GoB in bringing nutrition indicators into line with national targets by 2020 by providing technical assistance, analysis and advocacy to enhance the nutrition impact of safety nets and promote the adoption of healthy eating habits. WFP works to ensure the quality, affordability and consumption of fortified rice under the VGD program, amongst others. The development of a national school meals policy and the scale up of assistance by the Government remains an area of focus. In Cox's Bazar, WFP provides nutrition support to refugees to prevent and treat malnutrition.

IFPRI's innovative nutrition research has also contributed to noteworthy improvements in nutrition and health practices in Bangladesh. IFPRI worked closely with WFP to combat zinc deficiency in over 40 percent of children under five in the country through HarvestPlus, whereby developing three rice varieties fortified with zinc. By 2015, HarvestPlus reached 160,000 households in Bangladesh with zinc rice, and aims to reach 1.4 million households by 2018.<sup>45</sup>

To date, USAID also has a number of programs with focus on nutrition. Since Bangladesh was selected as one of 12 Feed the Future target countries under the new U.S. Government GFSS, USAID/FtF specifically has a multi-year strategy with several key areas of nutrition intervention. Objectives include intensifying staple production while simultaneously diversifying agriculture into high-value, nutrient-dense products to increase the availability, accessibility, and utilization of nutritious food. The strategy also seeks to strengthen the business enabling environment to promote linkages to the private sector and market access for farmers and small enterprises, and to strengthen capacities in government agencies and local institutions, including farmers' and women's groups.

FtF programs are carrying out nutrition education and behavior change communication interventions in regions where Food for Peace and Global Health Initiative projects are also operating. Target beneficiaries include rice farmers, the landless poor who are net purchasers of rice, small- and medium-size farmers who can diversify production, agricultural-based enterprises, and people employed in the fishing and aquaculture sectors.

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<sup>45</sup> <https://www.ifpri.org/blog/ifpri-strengthening-food-and-nutrition-policies-and-programs-bangladesh>



#### ON-GOING USAID PROGRAMS TARGETING NUTRITION

- Feed the Future Bangladesh Rice and Diversified Crops Activity
- Feed the Future Livestock Production for Improved Nutrition (LPIN)
- Food for Peace Strengthening Household Ability to Respond to Development Opportunities (SHOUHARDO) III
- Food for Peace *Nobo Jatra*
- Improving Nutrition through Community Based Approaches (INCA)
- Strengthening Multisectoral Nutrition Programming through Implementation Science Activity
- Food for Peace Title II – Food Assistance Programs

In addition to these programs, a national technical committee was created in January 2016 to guide the overall development of **NPAN2 (2016-2025)**. This was further sub-divided into four different sector committees: Health, Urban Health and WASH; Food, Agriculture, Fisheries and Livestock; Women Empowerment, Education, Social Safety Net, Information; and Institutionalization of NPAN2: Finance, Planning, Budget. The committees all had high-level representation from relevant government ministries, along with members from UN agencies, NGOs, donors and academia. Each committee developed an action plan for its respective sectors following a common format and highlighted cross-cutting areas, which were harmonized later in the process. Experts from Bangladesh and international consultants were engaged to ensure that each section of the action plan is not only technically sound but also feasible in terms of overall capacity, utilizing global learning from different sectors. A costing exercise was involved, which is included in the NPAN2 to help in advocacy for resource mobilization and financial planning.

Today, the **National Nutrition Service (NSS)** plays a coordination and advocacy role in mainstreaming nutrition activities across sectors, including those implemented by the ministries of Women and Children Affairs; Agriculture; Food and Disaster Management; and Industries. Through the NSS, expanded nutrition services (including both preventive and therapeutic interventions) are being integrated into all facilities providing maternal, neonatal, and child health. However, health and family planning workers still need to be trained in nutrition service provision.

#### 4.6.3. POLICY FOCUS AREAS

Over the past decade, the GoB has shown a strong commitment to improving food security, human development and reforming its social protection system to address the high levels of malnutrition. The country has focused on nutrition-specific interventions that address the immediate causes of undernutrition. There have been various nutrition-specific policies implemented over the years since 1997 (see below) that have contributed to better nutrition outcomes. In August 2017, Bangladesh rolled out the second **Bangladesh National Plan of Action for Nutrition (NPAN2) 2016–2025** and established the **Bangladesh National Nutrition Council (BNNC)**, whose role is to coordinate nutrition activities in the country. NPAN2, along with the 2015 National Nutrition Policy, outlines the goals of improving the nutritional status of all citizens and reducing all forms of malnutrition, with a focus on children, adolescent girls, pregnant women, and lactating mothers.

Today, the government is currently providing packages of biscuits to nearly three million children at 15,349 primary schools, situated in 104 upazillas across the country. This pilot project is due to end in December 2020. In a project with WFP, the government has committed to finance school meal programs providing cooked meals to students in primary schools in 93 upazillas while the WFP sponsors the meals in the remaining upazillas. The current feeding program aims to covers one-fourth of the nutritional needs of every student. The meal sponsored by the WFP is made with locally sourced fresh vegetables, lentils, and micronutrient-fortified rice and oil, with an egg provided once a week. As of late 2019, Bangladesh's cabinet approved the draft of National School Meal Policy 2019, targeting to cover 30 percent (approximately 14 million) of the nutritional needs of primary school students.<sup>46</sup>

#### NATIONAL NUTRITION POLICIES/LEGISLATION, STRATEGIES, AND INITIATIVES

- National School Meal Policy 2019
- National Plan of Action for Nutrition (NPAN2) (2016-2025)
- National Food Policy Plan of Action (2008–2015)
- National Nutrition Policy (2015)
- National Food Safety and Quality Policy and Plan of Action Review of Food Safety and Quality Related Policies (2012)
- Breast Milk Substitute Act (2013)
- Implementation Code of the Marketing of Breast Milk Substitutes (2012)
- The Prevention of Iodine Deficiency Diseases Act (1989)
- National Strategy for Adolescent Health (2017–2030)
- National Strategy on Prevention and Control of Micronutrient Deficiencies, Bangladesh (2015–2024)
- Comprehensive Social and Behavior Change Communication Strategy (2016)
- Health, Population and Nutrition Sector Development Program (2011–2016)
- National Strategy for Anemia Prevention and Control (2007)
- National Strategy for Infant and Young Child Feeding (2007)
- National Guidelines for Management of Severely Malnourished Children (2008)

USAID also began a partnership with the UN FAO and the Food Planning and Monitoring Unit of the Ministry of Food for the **"Meeting the Under-nutrition Challenge (MUCH):** Strengthening the Enabling Environment for Food Security and Nutrition (2015–2020)." The \$9.8M activity will allow FAO to assist the government in developing and implementing more effective food policies to eradicate malnutrition, focusing on nutrition-sensitive policy interventions and food-based approaches. The MUCH activity will also strengthen the capacity of the GoB and other relevant stakeholders in establishing food security and nutrition policy frameworks, investment plans, and programs, while also contributing to the Zero Hunger Challenge initiative that addresses social protection for hunger reduction.

Despite all of these efforts, implementation of policies, strategies, and guidelines still appear to be weak and limited in coverage. During the team's fieldwork in-country, many stakeholders mentioned over and over again that policy exists only as a paper document and is useless if it is not implemented or monitored. Coordination of actions and programs is particularly fragmented in Bangladesh, at multiple levels, and

<sup>46</sup> <https://www.dhakatribune.com/bangladesh/government-affairs/2019/08/19/cabinet-approves-national-school-meal-policy-draft>

lacking real leadership. For example, intersectoral coordination between Government ministries has been deemed inadequate, whereby motivation and empowerment to coordinate across ministries may be lacking within the Ministry of Health and Family Welfare and other parties. A lack of shared goals and targets and a fragmented understanding of the broader picture of nutrition needs and issues, both by policymakers and civil society, have also been identified as weaknesses in nutrition governance. With so many players in the nutrition sphere, there should be consensus on which ministry should take lead in coordinating all nutrition activities, ensuring no overlap in efforts as well as identifying major gaps in the interventions.

At the ground level, needed skills and training to make policies operational have also been deemed inadequate. Bangladesh still has very few trained personnel and limited expertise in nutrition. Local-level health extension workers are tasked to address nutrition in addition to many other health-related tasks, from hygiene to immunization, but lack the know-how and capacity to fulfill these tasks.

Lack of knowledge and awareness of nutrition policy and guidelines on the part of the development partners, policy makers, bureaucrats, governmental and nongovernmental organization officials, program managers, community leaders, and even farmers have hindered proper nutrition programming. Many stakeholders do not know the contents of the policy, causing concepts not to be aligned. Creation of awareness of the components of the policy among policy makers, community leaders, officials of governmental and nongovernmental organizations, and professionals will create more opportunity for vested interest and adherence. Despite the national committee set-up in recent years, social mobilization and awareness creation among the general population as also required.

#### **4.6.4. RECOMMENDATIONS FOR FUTURE INVESTMENT**

Bangladesh has done an excellent job in setting an example in tackling undernutrition for others with similar demographics and nutritional status. What is still needed, however, is effective and sustained implementation and scaling up of both nutrition-specific and nutrition-sensitive interventions to tackle hunger and malnutrition. Today, key nutrition priorities for Bangladesh include focusing on adolescent nutrition, maternal malnutrition and low birth weight, stunting, wasting, anemia and micronutrient deficiencies (specifically for women), and essential newborn care.

Urgent action is needed to foster healthy diets -- like providing better access to diverse and safe nutritious food, investing in the promotion of supply and demand for nutritious foods, promoting healthy dietary habits, incorporating diverse food items at all levels of society and empowering women and girls to improve their nutritional status and the human capital of the population.<sup>47</sup> The GoB, WFP, and other international organizations have put a lot of investment in nutrition and should continue to do so.

As it stands, new programs or activities should be focused on women and children in the lowest wealth quintile, who are disproportionately affected. USAID/Bangladesh should continue to expand and support technical assistance to the GoB, specifically to strengthen implementation of nutrition-specific interventions. Specifically, assistance is needed to continue scale-up of investments to improve the nutrition of adolescent girls and women of reproductive age. This should include addressing anemia before, during, and after pregnancy; improving pre-pregnant weight; increasing weight gain in pregnancy; and increasing dietary intake, quality, and diversity during pregnancy.

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<sup>47</sup> <https://www.dhakatribune.com/health/2019/12/05/bangladesh-govt-wfp-release-analysis-of-healthy-diet-availability>

USAID/Bangladesh can also work to expand efforts in advocacy, policy support, system strengthening, and capacity strengthening within USAID health programs and within the GoB's health service delivery systems. Through new programs, USAID/Bangladesh can also work on on-the-ground nutrition advocacy to strengthen accountability and commitment to quality nutrition service delivery and decentralizing nutrition advocacy activities to engage civil society and locally elected leaders. This in turn could help in promoting greater intersectoral coordination of nutrition activities within the government and create a unified vision of malnutrition and its causes in Bangladesh.

# 5. NEXT STEPS

## 5.1. OVERVIEW OF THE SCOPE OF WORK

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As discussed earlier, the key purpose of this Assessment is to help provide USAID/Bangladesh with background information to support the design of the new Activity SOW.

The Activity will help strengthen the GoB's policies and policy implementation in the four Mission selected task pillars. The draft SOW discusses each of the four task pillars, providing potential bidders with insights into main issues, and some indicative ideas of tasks that might help address them at national, zone of influence (ZOI), Zone of Resilience (ZOR) or local levels. The Activity will also engage with eight main categories of counterparts. The Activity will last up to five years and includes a Dhaka office, plus regional offices in four ZOI and ZOR cities.

The SOW conceives of the Activity, in part, as an umbrella service program for other FtF activities, to provide timely, practical policy development and implementation improvement services. The SOW also asks the contractor to work closely with the eight counterpart groups to define impactful tasks that they welcome and support. During planning and implementation, the contractor is expected to draw on the deep field knowledge of FtF project beneficiaries, and the eight counterpart groups to set goals and define interventions to address their concerns and needs. This connection will be essential to collect data, define areas of possible improvement, encourage improved dialogue among relevant parties, improve public awareness and otherwise increase GoB effectiveness in the four task pillars.

Improved policy implementation is emphasized, with policy formulation and reform activities seen as largely driven by ground up demand for improved GoB regulatory and public service delivery in the four task pillar areas. The SOW calls on bidders to consider especially how to foster change by improving linkages among FtF projects, and linkages with and among the eight categories of counterparts.

The Activity SOW permits the contractor and the Mission to develop the Activity as opportunities emerge, through a series of task orders for specific interventions. The SOW provides potential contractors with indicative tasks that might be undertaken, both within each of the four task pillars, and as possible cross cutting tasks. It does not specify them distinctly, instead, the SOW sets a framework for ongoing collaboration between the Mission and the contractor, which outlines an ongoing, flexible and iterative process to contract interventions over time. As champions emerge, needs appear, reform windows open or close, this framework allows the Activity to respond quickly. Task selection and definition will keep issues of regulatory delivery and BEE improvements front and center. The SOW also makes clear, as a thread running through the entire Activity, that the Mission places a priority wherever possible on fostering private sector led reforms, and private sector growth-oriented interventions.

The eight counterpart groups suggested by the Mission are so broadly defined that the team thought it might be useful to include an attachment to the draft Activity SOW to provide a bit more guidance about who is intended, and what kinds of interventions might be relevant to each group.

Finally, the draft Activity SOW is not intended as a “plug and play” request for proposals. As agreed with the Mission, it is only ten pages long, and concentrates on the technical core of a potential activity, based

on the Assessment. It does not go into questions of staffing, budget, establishment of regional offices or other concerns that are not covered within the scope of this Assessment or LEAP III's assignment.

## **5.2. AFTERWORD: STAKEHOLDER OPINIONS**

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CoP's of FtF projects found IFPRI either irrelevant or only marginally relevant to their work. They expressed a clear preference for continuing to do their own policy work, and using their own, dedicated consultants with the specific skills, as and when needed. Some saw potential utility in support such as journalist training in agriculture and food safety, in more general work building business lobbying skills, or possibly in focused regulatory delivery initiatives. While the team only had time to poll a limited number of CoP's, as we alerted the Mission during the out brief, their comments may point to thin demand from CoPs for the planned policy activity, or this may be more related to the way the current policy activity was structured and implemented.

In the out brief, the LEAP III team suggested that the Mission might benefit from conducting a focus group and more in-depth interviews with all CoP's and policy staff in FtF programs. The goal would be to understand in much more detail the FtF programs' "market demand" for policy services from another USAID project. A policy activity more oriented towards seed, food safety and nutrition, as contemplated here, could be more in line with other FtF program priorities. More detailed inquiries of exactly how and for what CoP's might draw on a policy activity can, of course, only be done when the Mission is ready to let it be more broadly known that a competed policy support program is pending. This suggestion was met with mixed responses. The flexible task order framework of the draft Activity SOW somewhat obviates the need for the Mission to understand clearly in advance where FtF implementing partners might welcome – or resist – assistance from the new Activity. Still, it seems prudent for the Mission to do some more polling or at least expectation setting with FtF projects before issuing the Activity SOW.

Good communication can help the Mission ensure that the new Activity is more connected with FtF, with the private sector concerns and with the field than PRSSP has been. This comment or mentioning the perception of CoP's that the IFPRI work is not relevant to them, is not intended as a criticism of IFPRI and or the PRSSP program. The team is not privy to the USAID/IFPRI contract. IFPRI cannot be faulted for not doing work outside of its mandate, if it was not explicitly tasked to focus on regulatory delivery or to serve as an umbrella for FtF policy work. In any case, what is proposed in the draft SOW is a probably a very different contract mechanism, one much more under Mission control than a typical cooperative agreement, and designed for flexible planning and response.

USAID has made a substantial investment in the IFPRI PRSSP team over the past decade. The group has built a very strong network, especially within the GoB. It has an institutional knowledge base that will not be easily replicated, but could be easily dissipated. In conversations with the Mission, the team inquired whether there might be a way of including some modest set aside for IFPRI in the SOW. This was suggested for two reasons. First, it could help preserve something of that project's knowledge and network for the Activity to draw on to jump start its work. Second, a carve out would neutralize IFPRI as a potential competitor in the bidding process. This could give a strong market signal that the Activity is not "hot-wired" for IFPRI and lead to more robust competition and a better outcome. This suggestion also met with a mixed response. The current draft SoW does contain any IFPRI set aside, but could be revised should this be wanted.

Two final related notes: First, once the Activity SOW is issued, it seems likely that bidders will contact CoP's for their insights and feedback. If the Mission has not worked by then with CoP's to develop a program that they widely understand, support and want, negative CoP responses could cause concern or confusion among bidders. Second, to help ensure a level playing field, the Mission may want to set up a structured way to have bidders speak with CoP's (including the PRSSP), perhaps in a scheduled group video call or series of calls. This can protect CoP's from being distracted by many repeats of the same inquiries from potential bidders. It can also help protect the process from CoP's withholding information that should be shared, as they may represent entities competing in the bid.



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# ANNEX I: AGRICULTURE IN BANGLADESH

## I. OVERVIEW

This Annex will provide a general overview of the state of agriculture in Bangladesh, with individual sections discussing notified staple crops, livestock and fisheries.

Bangladesh has come a long way from being a chronically food deficit country in the 1970s. In the last three decades, even as its population has more than doubled, food production has outstripped population growth. Agriculture continues to be one of the most important sectors of the Bangladesh economy, contributing over 13 percent to the national GDP and providing employment for over 43 percent of the population.<sup>48</sup> During the last 25 years, Bangladesh's agricultural productivity growth has been among the highest in the world, and farming still supports around 87 percent of the country's rural households. The country has gained significant success, achieving third fastest growth in vegetable production, fourth position in rice production, third in fish production from inland water bodies, fifth in aquaculture production, and seventh position in mango production in the world. Although these growth rates are impressive, Bangladesh productivity in a wide range of crops, livestock, poultry and farmed fisheries lags global norms. With better policies and more done to encourage adoption of modern technologies, more, more diversified and higher quality food could be grown on less land, with fewer negative environmental consequences.

Worryingly, despite undeniable achievements, the growth rate of the agriculture sector has dropped in recent years. In part, this may be due to the lack of government support and initiative for modernizing the sector. According to the Bangladesh Economic Survey published in June 2019, the growth rate of agricultural production was 2.58 per cent in the outgoing fiscal year 2018-19. This is 0.87 percentage points lower than the 3.47 per cent growth in the FY18.<sup>49</sup> It is not a concern that the share of agriculture in the total economy has declined; this is normal given rapid urbanization and the high growth of industry sector. It is, however, a concern that production growth is declining. Given Bangladesh's large, low income rural population, efforts must continue to advance agriculture development and food security throughout the country.

Bangladesh has attained food self-sufficiency at the aggregate level—at least in terms of calorie availability. However, the quality, variety and distribution of these calories to the population remains far from optimal. There is widespread lack of dietary diversity. Nutrition, especially for the poor, among whom childhood stunting remains very common, remains a major public health problem. Food safety is an issue

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<sup>48</sup> 45 Years of Agricultural and Rural Statistics on Major Crops - January 2018 - <https://dataabd.co/stories/an-overview-of-agriculture-in-bangladesh-4185>

Read more: <https://www.nationsencyclopedia.com/economies/Asia-and-the-Pacific/Bangladesh-AGRICULTURE.html#ixzz6Ez7Q5w86>

<sup>49</sup> <http://www.newagebd.net/article/75369/agricultures-share-in-gdp-drops-amid-lack-of-govt-support>

of increasing importance. Often severely inadequate post-harvest handling leads both to high levels of food waste, and distribution of unsafe foods. There remain important supply shortfalls in the production of some non-cereal crops, as well as some non-crop foods. The policy focus needs to shift away from its historic focus on increased production, and look at quality and sustainability, and not just quantity. Agricultural storage, cold chains and marketing are major issues. As a low lying, densely populated country, many areas of Bangladesh are very vulnerable to long-term threats from increasing floods, saline intrusion, and droughts – concerns that require great thought and preparation.

## 1.1 NOTIFIED CROPS (STAPLE)

Under Bangladesh's Seed Policy of 1993, the GoB identified seven crops as “notified”: paddy, jute, potato, wheat, sugarcane, kenaf and mesta<sup>50</sup>. The last two are fiber crops similar to jute. They are grown by farmers for household use and are no longer commercially relevant. A total of 80 crops have been permitted in Bangladesh, all but these seven “non-notified”. The 1993 Seed Policy remains in effect, although legal framework for seeds changed substantially with the passage of the 2018 Seed Act. Six of the seven notified crops are controlled by the Government and subject to stringent regulations for import and distribution, while potato has been temporarily released for three years. This section will briefly summarize the status of the five notified commercially relevant crops.

Rice is the staple food of Bangladesh. Rice farming provides 48 percent of rural employment, and this one crop contributes half of agriculture's contribution to GDP. Its' essential status for food security has led to it being given a special, highly regulated place in the economy, and receiving a great deal of GoB and development partner attention. Crop yields have increased greatly since 1971, with average yield rates increasing from 1.096 MT/hectare then to 3.041 MT/hectare in 2015 (an average annual growth rate of 1.31 percent).<sup>51</sup> Bangladesh's total rice production grew 37 percent to 36 million tons between 2009 and 2018 alone. After suffering mass starvation 50 years ago, Bangladesh now has surplus rice, seeking export markets.

Jute is a cash crop for over 3 million smallholder farmers in Bangladesh. It continues to be the main export-earner for Bangladeshi agriculture, as the country remains the world's second-largest producer of jute (after India) and the world's largest exporter of fiber. The jute lobby is strong, and pushed through a law with wide ranging requirements that jute replace plastic bags in many uses. Business complains that jute is inappropriate for some of these prescribed uses (as it is not water resistant), and also that importers flout it, while local firms must comply.

Bangladesh is the eighth largest potato producer in the world and third biggest in Asia. In a country where rice rules, potato struggles to find local consumers. Most potato is eaten unprocessed, while only 2 percent of potatoes are eaten processed as chips or crackers.<sup>52</sup> As discussed in more detail in the Food Safety text box, below, Bangladesh has also struggled to export potatoes because of an inability to meet trading partners' sanitary and phytosanitary (SPS) requirements. Weak local demand and uncertain exports can lead at times to huge domestic potato surpluses and very low local prices. Potato exporters were able to

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<sup>50</sup> Bangladesh produces other non-notified crops such as vegetables, pulses, and maize – but much less government regulation.

<sup>51</sup> Ibid.

<sup>52</sup> (<https://www.daily-sun.com/arcprint/details/286321/Scope-for-Potato-ProcessingIndustry-in-Bangladesh/2018-02-03>)

get potato seed temporarily de-notified. This allowed the private sector to bring in new varieties, resulting in an increase in potato production by 148 percent in the last decade to 103 million tons.

Over the last decades, the wheat sector in Bangladesh has seen major swings in production due to extreme weather conditions and natural disasters. While wheat consumption per capita is gradually increasing, mostly for chapatis and bread consumed by urban residents, it is still widely considered a foreign crop by many rice-fixated rural Bangladeshi's. Between 2009 – 2018, wheat production rose by 57 percent to 12 million tons. This is insufficient to meet local demand, and around six million tons of wheat is currently imported annually.

Sugarcane production in Bangladesh has taken a nosedive in recent years. The DAE reports that around 5.5 million tons of sugarcane was produced in 2015-16 fiscal year on 281,000 acres – about half the figure from two decades ago.<sup>53</sup> Farmers ceased growing sugarcane due to its low market price compared to other cash crops.

## **1.2. LIVESTOCK AND POULTRY**

Livestock and poultry are an integral component of the complex farming system in Bangladesh. The livestock and poultry sector provide full time employment for 20 percent of the total population.

In Bangladesh, the majority of livestock consists of cattle, buffalos, sheep and goats, while chickens and ducks dominate in poultry. Over the last decade, livestock numbers have remained relatively stable, while poultry production has skyrocketed. Bangladesh's increasingly industrialized poultry sector hopes to be able to export eggs and poultry meat by 2024. The domestic sector can almost satisfy domestic demand in full, with a growing supply of both eggs and meat from poultry farms growing at 15 percent a year.<sup>54</sup>

In Bangladesh, 83.9 percent of farm households own farm animals. About 45.9 percent households own cows or buffalo, and 76.3 percent poultry. On average, each household owns 1.52 bovine animals, 0.9 goat and sheep and 6.8 chicken and ducks.<sup>55</sup> In the past, up to 2,500,000 Indian cows were exported annually to Bangladesh from India for slaughter. This number decreased to only 92,000 last year, a change the GoB attributes to the development of the livestock sector in Bangladesh.

The GoB has prioritized farm animal development in recent years to meet the growing demand for milk, meat and egg production, and to create employment and generate income for the rural poor. The GoB has provided subsidies to farmers for specific crossbreed livestock as well as subsidies for vaccination and artificial insemination programs. However, the GoB has remained very restrictive in the number of breeds of livestock it permits into the country – only permitting two breeds. This restrictiveness has held down milk production to far below global norms. The GoB is starting to experiment with permitting large, well known firms to import a wider range of livestock, and if this goes well, plan to liberalize further. Major local agri-businesses hope that this liberalization, which finally permits competitively productive cows, will enable them to expand into full scale dairy operations.

## **1.3. FISHERIES**

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<sup>53</sup> <https://www.dhakatribune.com/business/2017/07/18/bangladesh-sugar-production-cost>

<sup>54</sup> <https://www.dhakatribune.com/bangladesh/agriculture/2019/07/19/farm-growth-propels-bangladesh-s-faster-economic-progress>

<sup>55</sup> <http://en.banglapedia.org/index.php?title=Livestock>



Bangladesh, with rich inland waters and river systems, is considered one of the most suitable regions for fisheries in the world. In Bangladesh, fisheries are broadly classified into three categories: inland capture fisheries, inland aquaculture and marine fisheries, of which the inland aquaculture sector is contributing more than 55 percent of total production.<sup>56</sup> The fisheries sector plays a very important role in the national economy, contributing 3.69 percent of the country's GDP, and 22.60 percent to the agricultural GDP. Over the past few years, Bangladesh not only attained self-sufficiency in fish production but also witnessed a tremendous boom in the production of its most prized national fish – the Hilsa – also known as the Ilish. Annual Ilish output grew from 299,003 tons in 2008-09 to 517,000 tons in the last fiscal year.<sup>57</sup> The Hilsa is subject to strict prohibition on export.

Bangladesh exports fish and shrimp to more than 50 countries around the world, with focus on Europe and the United States. Although farmed fish and shrimp sectors are one of the few agricultural sectors where Bangladesh has been able to meet importers' stringent SPS standards consistently enough to support a viable export industry, major problems remain. Shrimp farming here remains extensive, rather than intensive, and farming of vennamei shrimp remains forbidden.

More than 2 percent of Bangladeshi export value comes from the inland fisheries sector. According to a FAO fisheries and aquaculture report, Bangladesh produced a total of 1,048,242 tons of fish from inland waterbodies in 2016, making the country third in this sector.<sup>58</sup> Given proper government support, the fisheries sector has ample potential in creating various types of ancillary industries in rural areas that often have a high rate of economic return.

While vennamei shrimp is far more profitable to grow and sell, and is by far the dominant variety of shrimp traded globally, Bangladesh remains concentrated in black tiger shrimp. Black tigers are not price competitive with vennamei, and the country's shrimp exports have plummeted. The private sector urgently wants to be able to grow and export vennamei, but after years of lobbying, the GoB is just now permitting a very small amount of vennamei farming in a well-regulated experimental station. The health risks to other shrimp farms from permitting intensive vennamei culture are real, and GoB concern is not unwarranted. Before the industry can expand again, much work needs to be done on pond use rights, testing, laboratories, breed stock, subsidy reform, the regulatory framework and other topics beyond the scope of this brief overview.

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<sup>56</sup> <https://www.sciencedirect.com/science/article/pii/S2468550X16300260>

<sup>57</sup> <https://www.dhakatribune.com/bangladesh/agriculture/2019/07/19/farm-growth-propels-bangladesh-s-faster-economic-progress>

<sup>58</sup> <https://www.dhakatribune.com/bangladesh/agriculture/2019/07/19/farm-growth-propels-bangladesh-s-faster-economic-progress>

## ANNEX II: FINAL INTERVIEW LIST

Name	Designation	Company
<b>Md. Sazzadul Hasan, Chairman &amp; Managing Director</b>	Chairman & Managing Director	BASF
<b>Md. Tajul Islam</b>	D .G. APSU	Ministry of Agriculture
<b>Afsan Chowdhury</b>	Professor	BRAC University
<b>Shahidur Rashid Bhuyan</b>	Provice Chancellor and President	Hrishibid Institution of Bangladesh.
<b>Dr. Firdousi Naher</b>	Professor	Dhaka University
<b>Ferdous Ara</b>	COP, BUILD	DCCI
<b>Kamrul Ashraf Poton</b>	President, BFA	Bangladesh Fertilizer Association
<b>Dr. F. H. Ansarey</b>	MD &CEO	ACI Agribusiness
<b>Mr. Shaminoor Rahman.</b>	Head, Rural credit.	Bank Asia
<b>Mr. Cuan</b>	COP	ACDI/VOCA
<b>Sadit Jamil</b>	Chairman	Metal Agro Ltd.
<b>Zahidul Islam</b>	Executive Director & Country Commercial Lead	Bayer Crop Science
<b>Dr. Fahmida Khatun</b>	Executive Director	Center for Policy Dialogue.
<b>Abdul Awal Mintoo</b>	President	Bangladesh Seed Association
<b>Mr. Ferdous Rahman</b>	Chartered Accountant	S.A. Associates
<b>Ashok Kumar Dey</b>	Executive Director	Bangladesh Bank
<b>Dr. Sheikh Abdul Quarder</b>	President	Potato Exporters Association
<b>Christian Berger</b>	Senior Agriculture Specialist	World Bank

<b>Rezaul Karim</b>	Head, Program Planning and Implementation	World Food Program
<b>Akhter Ahmed</b>	COP, PRSSP	IFPRI Bangladesh
<b>Craig Meisner</b>	FAO	FAO
<b>Quazi Shams Afroz</b>	D G Fisheries	Directorate of Fisheries
<b>Momin Ud Dowla</b>	Chairman and MD	Eon Group
<b>Dr. Abdul Mueeed</b>	D G DAE	Department of Agricultural Extension
<b>Arif Mohammad Mozakkir</b>	Addl. Deputy Director	DAE
<b>Md. Fakhrul Hasan</b>	Deputy Director	Plant Protection Wing DAE.
<b>Dr. Azhar Ali</b>	Director	Plant Quarantine Wing. DAE.
<b>AZM Sabbir Ibne Jahan</b>	Director Plant Protection	Plant Protection Wing- DAE
<b>Golam Iftekhar Mahmud</b>	Senior Journalist	Prothom ALo
<b>Dr. Shamsul Alam</b>	Member	Planning Commission General Economics Division.
<b>Dr. Shahidul Islam</b>	Researcher and Soil scientist.	Retired Director General. BARI
<b>Md. Omar Faruq</b>	President.	Organic Fertilizer Association
<b>Md. Ashraf Uddin Ahmed.</b>	D G ( Seed Wing ) and Additional Secretary.	Ministry of Agriculture.
<b>Zahidul Hassan</b>	CEO	DATA
<b>Dr. Khan Ahmed Sayeed Murshid</b>	D G BIDS	Bangladesh Institute of Development Studies
<b>Jon Thiele</b>	CoP	World Fish
<b>Husna Ferdous Sumi</b>	Senior Executive	IFC
<b>Naoiki Minamiguchi</b>	Team leader	MUCH - FAO
<b>Dr. Abdul Jabbar Shikdar</b>	DG	Livestock
<b>Mohammad Masum</b>	Chairman	Supreme Seed Company Ltd
<b>Peter Bennett</b>	COP	FtF BITBEE

# ANNEX III: SCOPE OF WORK

## Scope of Work

### Policy and Regulatory Assessment to Inform New Agriculture Policy Activity Design

Period of Performance August 2019 to December 2019

#### INTRODUCTION

##### A. BACKGROUND

Bangladesh's agriculture sector has evolved significantly over the last nine years since the beginning of USAID's support through Feed the Future (FTF) initiative which has provided support to the Government of Bangladesh (GoB) and non-public development actors to improve agricultural productivity and nutrition status aimed at reduction of overall food insecurity and poverty in the country. However, challenges to agriculture-led growth remain. In addition to the prevailing structural endowment of average small size of farm plots and limited ability to expand household land holdings, challenges such as 1) limited capacity of GoB to provide needed services; 2) insufficient private sector engagement in some agriculture inputs delivery and commodities markets; and 3) limited linkages of growers to formal market and trade opportunity are key to achieving increased farmer incomes and food security.

To effectively support U.S. Global Food Security Strategy (GFSS) goals, it requires contributions of all sectors: governments, civil society, academia and, most importantly, the private sector. Several assessments reiterate that there are policy, regulatory and institutional barriers to agribusiness, agro-processing and the supply chain that need to be removed in order to maximize roles of private sector to drive agricultural growth and food security goals. Restrictive, unpredictable, and nontransparent agricultural laws and regulations have to be streamlined to align with international standards. Furthermore, as one of Bangladesh's largest sources of development assistance, it is a priority for the United States Government to seek private sector engagement to maximize its investment results and efficiently steer the country toward the Journey to Self-Reliance.

In FY 2020, USAID/Bangladesh plans to award a five-year policy activity with the approximate Total Estimated Cost (TEC) in the range of \$10-15 million aiming at improving enabling environment for private sector engagement in agriculture including crops, fisheries and livestock sub-sectors, contributing to food security and nutrition improvements in Bangladesh. The activity will strengthen institutional architecture and build capacity of policymakers and key development contributors to participate in transparent and inclusive policy processes. In addition, the activity will complement future and current United States Government (USG) efforts by serving as a platform in which inputs regarding regulatory challenges faced by the activity or its beneficiaries (businesses, CSOs, and farmers) will be prioritized and addressed through an evidence-based, consultative decision-making process.

Compared to the previous policy activities, this new design will place relatively less emphasis on the development of new laws and regulations. Instead, greater emphasis will be to support the implementation and enforcement of already adopted laws, rules and regulations, as well as to strengthen public policy processes that ensure policy/regulation making is transparent, inclusive and accountable.

##### B. STATEMENT OF NEED

USAID/Bangladesh is planning to continue the effort to advance agriculture development and food security through improved policy and regulatory system. To assess key policy issues hindering GoB to achieve food security, especially through effective facilitation of market economy and inclusive public-private sector collaboration, an analysis of policy, institutional and regulatory arrangements is needed. This assessment will be part of a collection of information for USAID/Bangladesh FTF team to develop an activity description for the new policy activity. Thus, it is intended to inform the mission in regards to

problem and stakeholder analysis, development of the theory of change, and determining potential programmatic approaches for the new policy activity.

### **C. OBJECTIVES**

The underlying assumption of USAID/Bangladesh is that in order to strengthen agricultural market system in the country, it is important to have transparent, predictable, and non-discriminatory policy/regulatory environment that encourage farmers and agribusinesses to drive economic growth in the agricultural sector. Overall, the objective of this activity is to conduct an assessment of the key policy constraints to agricultural/agri-business development including domestic production, trade, investment, and engagement of non-public actors in order to assist the mission to structure future policy programs that will support GoB addressing food security and will also inform a competition process of the new activity.

The assessment is envisioned to be two-phased. The research team will spend a minimum time for desk review of current agriculture policy including performances, constraints, and potential policy program opportunities. During the field work, which is anticipated to be the main activity of this assessment, the research team will be conducting comprehensive key informant interviews collecting information to determine the policy/regulatory challenges and further determine opportunities, recommendations, and approaches for prospective policy activity.

The assessment is intended to be highly participatory with the design team and USAID/Bangladesh. Implementing partners for the ongoing FTF activities will update assessment team on policy/regulatory obstacles/challenges that they and their local partners identified.

### **D. SCOPE OF WORK**

By “policy” the mission means any aspects of policy: implementation of laws, enforcement, regulation, guidelines, etc. The mission’s focus is on policy-related impediments to private sector growth. Thus, the main focus of this assessment is to learn about policy impediments in the hope to make business easier for agribusinesses of all sizes in Bangladesh. For example, USAID/Bangladesh has recently been working closely with GoB to address the incident of fall armyworm (FAW) invasion in Bangladesh. We identified a few policy changes, at different levels, that could have helped facilitate private sector engagement and helped the country mitigate the impact of the damaging FAW. First, to ensure farmers’ access to pesticide against FAW, the policy maker could have allowed “temporary commercialization” of those products. On the other hand, the national policy can incorporate a regulatory mechanism allowing “expedited registration” of measures against FAW and other potential invasive species threatening agriculture and human health. Furthermore, the country could have led creating a regional platform in which countries agree to adopt solutions or measures that have been registered in neighboring countries and to strategically manage the invasive threats in a collective manner.

As a result, findings from extensive and inclusive in-country interviews with, the private sector, civil society, and other stakeholders will be vital parts to this analysis in addition to reports, research and analysis from USAID and other donors regarding enabling business environment in Bangladesh. Ultimately, the result will help Bangladesh FTF team to better understand not only legal framework and institutions, but also governance and processes to effectively induce regulatory change in the country.

The assessment should be able to help (a) determine a prioritized policy/regulation agenda that clearly articulate efforts that are most likely to sustainably reduce hunger, malnutrition and poverty; (b) strengthen institutional architecture - the country’s capacity to actually undertake and implement policies and regulations; and (c) ensure mutual accountability - the processes and mechanisms that reinforce policy/regulation making and implementation/enforcement are transparent, inclusive and accountable.

### **Methodology**

With regards to Bangladesh FTF team's strategy, four outcomes have to be achieved in order to improve the country's agriculture sector:

1. **Improved agriculture productivity** including staple crops, horticulture, livestock, aquaculture - through better management practices; quality extension services; access to finance; quality inputs; mechanization; and technologies;
2. **Diversification adopted** (Diversified into higher value and nutritious crops; increased off farm opportunities; increased horticultural diversification; decreased total land for rice cultivation)
3. **Strengthened Market systems** (Increased private sector investment in Ag system; strengthened select value chains; improved support services; value chain actors' products and services upgraded; improved vertical linkages among value chain actors);
4. **Increased Women empowerment**; (Increased control of production, resources, income, time; increased women's participation in economic/social groups, comfort in public speaking and leadership roles);

The research team will conduct an analytical literature review of existing documentation before conducting data collection from interview, meeting, and/or roundtable discussion with key informants in the field.

#### Analytical Literature Research Questions

- A. What are regulatory barriers to key market actors (private sector businesses and associations, Bangladeshi, regional, and US; traders; and farmers)?
- B. What gaps and deficiencies impede the country's ability to advance policy priorities, e.g., lack of data to support policy decision, lack of coordination between central and local government, or lack of financing for implementation?
- C. How and to what extent can USAID strengthen institutional architecture? What are good practices to strengthen public policy process to be evidence-based and responsive to citizen needs and demands? What are existing venues and challenges for actors in agriculture market system to participate in policy formulation and enforcement?
- D. Who are the main actors and stakeholders in agriculture policy development? Who can best influence/effect change in any aspects of policy?

Note: Where appropriate/relevant, the research team should use sex and age disaggregated data to answer the questions. Gender/sex and youth/elderly are key categories of analysis that will shape decision-making in sectoral programming and should be cross-cutting variables in the analysis.

**Desk review:** The research team will review literature on Bangladesh agricultural policy to get an initial analysis GoB's effort to improve policy and identify needed support which align with USAID's interest. At minimum, the research team will refer to the following documents for desk review:

- Bangladesh Country Investment Plan (I and II);
- USAID Policy Research and Strategy Support Program ANNUAL REPORT 2017-2018
- Other relevant policy-related documents: research, documentation and data produced no earlier than 2010 (Attachment 1).

Attachment 2 also provides a summary of current FTF activities in Bangladesh in different sectors including horticulture, grain production, livestock, aquaculture, nutrition and agriculture policy. The Research team can draw on project documentation and reports as well as structured interviews with implementing partners and program partners.

**Field work:** To validate analysis from desk review, the research team will collect data from key informants in the field. The team will conduct interviews, consultations with:

- private firms (domestic and foreign; large, medium, small, and micro sized organizations; formal and informal; across all stages in the agricultural value chain), business chambers and associations, producer organizations, regional trade organizations,
- non-governmental agencies, academic institutions, and research organizations, as well as multinational corporations, legal practitioners, trade officials, other donors, and members of civil society (including groups representing underserved populations, e.g., women, youth, indigenous, etc.) as appropriate.
- If meeting with government ministries and agencies (national and local) is required, the research team will contact USAID/Bangladesh for support on meeting request and the mission's staff to accompany the consultation.
- All interviews are anticipated in be arranged in Dhaka. Should travel to other regional areas is needed, a consultation with the mission is required.

**Briefing:** On the last day of field work, the team will facilitate a meeting in which preliminary results will be presented to the mission. Depending on time and resource limitations, public sector, private sector and civil society representatives who have been interviewed might join the briefing. The research team will present and vet initial findings, facilitate a discussion of key issues as well as solicit preliminary solutions from stakeholders. Feedback from this meeting will be incorporated into the assessment report.

**Analysis:** Based on the information collected at the field work, the research team will present a full report that identify and diagnose key policy impediments for agriculture. Specifically, the assessment will focus on:

1. identifying, and prioritizing, key laws, regulations, and institutions affecting the agribusiness environment that are either present or lacking;
2. recommending approaches for USAID/Bangladesh to strengthen laws and influence policy and regulatory processes that will enhance private sector-led growth in the agriculture sector.
3. designing SOW for the new Ag Policy Activity in consultation with the Mission. Can be done remotely.

The research team will also provide visual thought process i.e. a fishbone diagram or a result framework which will later serve as a key document for the mission to create a strategy for implementation of the recommended approaches.

#### 1. Schedule (to be revised by the Research team)

Task	Date	Note
Research team begins work	August XX, 2019	
Work plan submitted	August XX, 2019	
Desk review start	August XX, 2019	
Research team travel to Bangladesh for interview and desk review validation	October XX, 2019	2-3 weeks



Outbrief with USAID/Bangladesh		
Draft deliverable submitted to USAID	November XX, 2019	Deliverable is a literature review + findings from interviews integrated.
USAID reviews draft deliverable and provide comments to research team	November XX, 2019	USAID has seven (7) days to review the draft literature review and provide comments to the research team.
Research team finalizes and submits final deliverable	December XX, 2019	Research team has seven (7) days to finalize the literature review.

## 2. Deliverable

1. **Work plan** - Narratives and timeline
2. **In brief** - When arrived in Bangladesh, the research team will introduce its team member to the OEG and Office director and present its work plan (no slidedeck is required).
3. **Mld point discussion** - The discussion will allow the research team to provide updates regarding the assessment and to revisit the work plan, if needed.
4. **An outbrief to USAID/Bangladesh** - To conclude what had been learned from the desk review and field work and to discuss the direction of the assessment report with USAID/Bangladesh.
5. **Draft Summary Report:** The research team will have 7 days after the outbrief to submit a short, not to exceed four pages, summary report that combines findings from the desk review and field work.
6. **Final Report:** The research team will prepare final report discussing policy and regulatory impediments, how they hindering participation of agribusinesses as well as prioritized recommendations/approaches for USAID/Bangladesh to implement the recommendations. The research team will prepare the final report that address feedback and questions from the mission. Once final comments, recommendations, and edits have been received from USAID, the team will each have 7 business days to submit the final report content.

## 3. Key Personnels

- Team leader/Agriculture policy expert
  - Mid-level researcher
  - Local consultant/translator
- (1) Team Leader/Agriculture policy expert shall have strong leadership skills, good knowledge of USAID and Bangladesh, with professional experience working policy-related issues, and preferably in the areas of agriculture development, agricultural/structural transformation, trade and business/enterprise development. He/She must have strong and substantial experience in research and analysis with organizational and analytical capabilities. He/She must be fluent in English, have excellent writing and presentation skills.
  - (2) Mid-Level researcher: Researcher with proven research/conceptual understanding and experience in understanding, analyzing and publishing works on the subject of agricultural policy and/or private sector engagement.

- (3) The use of qualified local expertise is encouraged to the maximum extent possible. When needed, he/she shall be serving as translator and must be fluent in English.

All proposed team members shall also have additional common skills/experience as follows:

- Ability to conduct interviews, analyze and synthesize information, and write reports;
- Ability to work collaboratively as a team;
- Understanding of context of Bangladesh agriculture and food security; and
- Knowledge of and experience in operating environments similarly to Bangladesh. Experience with USAID contracting procedures is highly recommended.

[Attachment 1: Other Studies & Reports](#)

[Attachment 2: Bangladesh FTF Activity Overview](#)