



## Sustainable Microenterprise and Resilient Transformation (SMART) (P178996)

SOUTH ASIA | Bangladesh | Environment, Natural Resources & the Blue Economy Global Practice | IBRD/IDA | Investment Project Financing | FY 2023 | Seq No: 3 | ARCHIVED on 27-Mar-2024 | ISR59972 |

Implementing Agencies: Financial Institutions Divisions (FID), Palli Karma-Sahayak Foundation (PKSF)

### Key Dates

#### Key Project Dates

Bank Approval Date: 27-Apr-2023

Effectiveness Date: 27-Aug-2023

Planned Mid Term Review Date: 27-Apr-2026

Actual Mid-Term Review Date:

Original Closing Date: 31-Dec-2028

Revised Closing Date: 31-Dec-2028

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

To increase resource-efficient and resilient green growth of microenterprises (MEs).

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

### Components Table

Name

Enabling Capacity and Systems for Green Growth of MEs:(Cost \$32.00 M)

Providing Access to Finance for MEs to enable green growth:(Cost \$251.00 M)

Improving PKSF Project Management, Communications, Monitoring and Evaluations, and Knowledge Management:(Cost \$17.00 M)

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

### Implementation Status and Key Decisions

The project is making progress towards implementation. Project Key staff are fully onboard since March 2024 and other staff will be hired by 30 March 2024. The project will initiate Call-for-Proposal by March 2024.



**Risks**

**Systematic Operations Risk-rating Tool**

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Macroeconomic	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Sector Strategies and Policies	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Technical Design of Project or Program	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Institutional Capacity for Implementation and Sustainability	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Fiduciary	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Environment and Social	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Stakeholders	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Other	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Overall	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

**Results**

**PDO Indicators by Objectives / Outcomes**

To increase resource-efficient and resilient green growth of microenterprises (MEs)				
► Supported MEs adopting at least two climate-resilient RECP practices (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	64,000.00
Date	30-Jun-2023	30-Jun-2023	30-Jun-2023	30-Jun-2028
Comments:	Climate resilience indicator. The indicator counts the number of MEs that continue to use at least two climate-resilient RECP practices one year after these have been introduced to the MEs, and have received at least one loan. Green growth business practices largely include resource-efficient cleaner production (RECP) practices. Climate-resilient RECP is implemented in line with environmental policies and regulations in Bangladesh. Climate-resilient RECP practices include six practices on resource use (energy use, materials use and water use) and pollution (air emissions, wastewater, and waste) and reference indicators such as product output. These are used to calculate resource-productivity such as product output per unit of resource consumption and pollution-intensity calculated by emissions or waste generation per unit of product output. See annex 1 of the Project Appraisal Document for examples of climate-resilient RECP practices based on typology of ME activities. At appraisal, climate-resilient RECP assessments are conducted by the experts of air quality management, wastewater, and waste to identify business practices that will support MEs in achieving green growth. Based on the results of the climate-resilient RECP assessments and in consultation with POs, the MEs decide which climate-resilient RECP practice they adopt.			
◻ Supported female owned MEs adopting at least two climate-resilient RECP practices (Percentage, Custom Supplement)				



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	65.00
<b>► Supported MEs with improved knowledge on climate vulnerability (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	72,000.00
Date	30-Jun-2023	30-Jun-2023	30-Jun-2023	30-Jun-2028
Comments:	Climate resilience indicator. This indicator reflects knowledge improvements on the climate resilience of MEs through capacity building conducted by POs and PKSf. The methodology for conducting the knowledge assessments will be described in the Project Operations Manual. Climate resilience refers to the ability to withstand or bounce back from external shocks, particularly in dealing with the impact of climate change: e.g., (i) flood response; (ii) high salinity and drought resistant solutions; (iii) response to extreme heat; and (iv) other climate resilience enhancing approaches. See annex 1 of the Project Appraisal Document for examples of climate-resilient RECP practices based on typology of ME activities.			
<b>► Supported MEs with increased revenues by 10% or more compared to non-supported MEs (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	40,000.00
Date	30-Jun-2023	30-Jun-2023	30-Jun-2023	30-Jun-2028
Comments:	This indicator measures the increased revenues of supported MEs to assess the impact of the adoption of climate-resilient RECP practices compared to a counterfactual.			
<b>□ Supported female owned MEs with increased revenues by 10% or more compared to non-supported female owned MEs (Percentage, Custom Supplement)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	65.00

### Intermediate Results Indicators by Components

Enabling capacity and systems for green growth of MEs				
<b>► Non-revenue generating common facilities established or upgraded and operational (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00
Date	30-Jun-2023	30-Jun-2023	30-Jun-2023	30-Jun-2028
Comments:	Non-revenue generating common facilities are established or upgraded to an acceptable standard (to be defined in the Project Operations Manual) in ME clusters to promote climate-resilient RECP and enhance green business growth businesses. The type of support will be identified by POs through consultations with the ME clusters.			



<input type="checkbox"/> Non-revenue generating common facilities established or upgraded and operational owned by ME clusters that have women in the management committee (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30.00
<b>► Supported MEs tracking at least one environmental key performance indicator (Number): m3 of wastewater, kwh energy, solid waste in tons, ammonia in parts per billion, CO2 equivalent of GHG emissions (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50,000.00
Date	30-Jun-2023	30-Jun-2023	30-Jun-2023	30-Jun-2028
Comments:	Key environmental performance indicators include wastewater (m3), electricity (kwh), solid waste (ton per year), air pollution (PM2.5 and/or ammonia concentration), GHG emissions (CO2 equivalent). The tracking of environmental key performance indicators depends on the business models of the specific ME as reflected in the RECP profiles. See annex 1 of the Project Appraisal Document for examples of climate-resilient RECP practices based on typology of ME activities. Based on climate-resilient RECP assessments and in consultation with MEs, the POs decide which key environmental performance indicator to be tracked with a specific ME. Key environmental performance indicators can be tracked in the following ways: (a) Air quality meters installed in ME clusters, and data on PM2.5 and ammonia recorded manually and/or digitally; (b) Water quality meters installed where relevant; (c) GHG emissions can be calculated based on electricity consumption using free tools such as the Greenhouse Gas Equivalencies Calculator of the US Environmental Protection Agency (EPA); ; (d) Solid waste weighted when collected and/or disposed; and (e) Electricity using electricity bills of MEs.			
<b>Providing access to finance for MEs to enable green growth</b>				
<b>► Climate-resilient RECP profiles prepared and validated for MEs (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30,000.00
Date	30-Jun-2023	30-Jun-2023	30-Jun-2023	30-Jun-2028
Comments:	Climate-resilient RECP profiles include the key environmental performance indicators and input and output information of the MEs. POs obtain training from the assessment team to prepare climate-resilient RECP profiles in consultation with targeted MEs. Climate-resilient RECP profiles are validated by POs and PKSF on a sample basis. The RECP profiles provide the basis for the selection of the RECP practices of the PDO indicator 1. POs will develop in collaboration with PKSF and the assessment team criteria for the selection of MEs for RECP profile development.			
<input type="checkbox"/> Climate-resilient RECP profiles prepared and validated for female owned MEs (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	65.00
<b>► Loans provided to MEs (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	80,000.00



Date	30-Jun-2023	30-Jun-2023	30-Jun-2023	30-Jun-2028
Comments:	This indicator counts the number of loan agreements signed by MEs under the SMART project. A ME can sign more than one loan agreement.			
<b>► Loans provided to MEs committed to adopting at least two climate-resilient RECP practices (Amount(USD), Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	251,000,000.00
Date	30-Jun-2023	30-Jun-2023	30-Jun-2023	30-Jun-2028
Comments:	This indicator measures the volume of loans in the US\$ million provided to MEs committed to adopting at least two climate-resilient RECP practices through the line of credit for sustainable climate-resilient RECP practices and technologies to provide sub-loans and the line of credit for revenue-generating common facilities.			
<b>► Revenue-generating common facilities established or upgraded and operational (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00
Date	30-Jun-2023	30-Jun-2023	30-Jun-2023	30-Jun-2028
Comments:	Revenue-generating common facilities are established or upgraded (to be defined in the Project Operation Manual) to promote climate-resilient RECP and green business growth practices. The type of support will be identified through consultations with MEs and POs.			

<b>Improving PKSF Project Management, Communications, Monitoring Evaluations and Knowledge Management</b>				
<b>► Environmental and Climate Change Units (ECCUs) established and operational at POs (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00
Date	30-Jun-2023	30-Jun-2023	30-Jun-2023	30-Jun-2028
Comments:	POs institutionalize climate-resilient RECP principles by establishing permanent ECCUs at the POs' level. ECCUs at the PO level monitor ESF implementation to ensure that the activities of MEs meet the ESF requirements. An ECCU consists of one permanently employed specialist at minimum.			
<b>► Environmental clubs established and operational at ME clusters (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00
Date	30-Jun-2023	30-Jun-2023	30-Jun-2023	30-Jun-2028
Comments:	Environmental clubs are established in ME clusters to strengthen awareness of MEs on climate-resilient RECP and to facilitate long-term behavioral changes.			
<b>► Grievances registered related to delivery of project benefits addressed in a timely fashion (Percentage, Custom)</b>				



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00
Date	30-Jun-2023	30-Jun-2023	30-Jun-2023	30-Jun-2028
Comments:	Citizen engagement indicator. The project registers any grievances related to the delivery of project benefits from project beneficiaries in the MIS. Timely fashion means that grievances are responded to with follow-up action within two months after receipt of grievance.			

**Performance-Based Conditions**

**Data on Financial Performance**

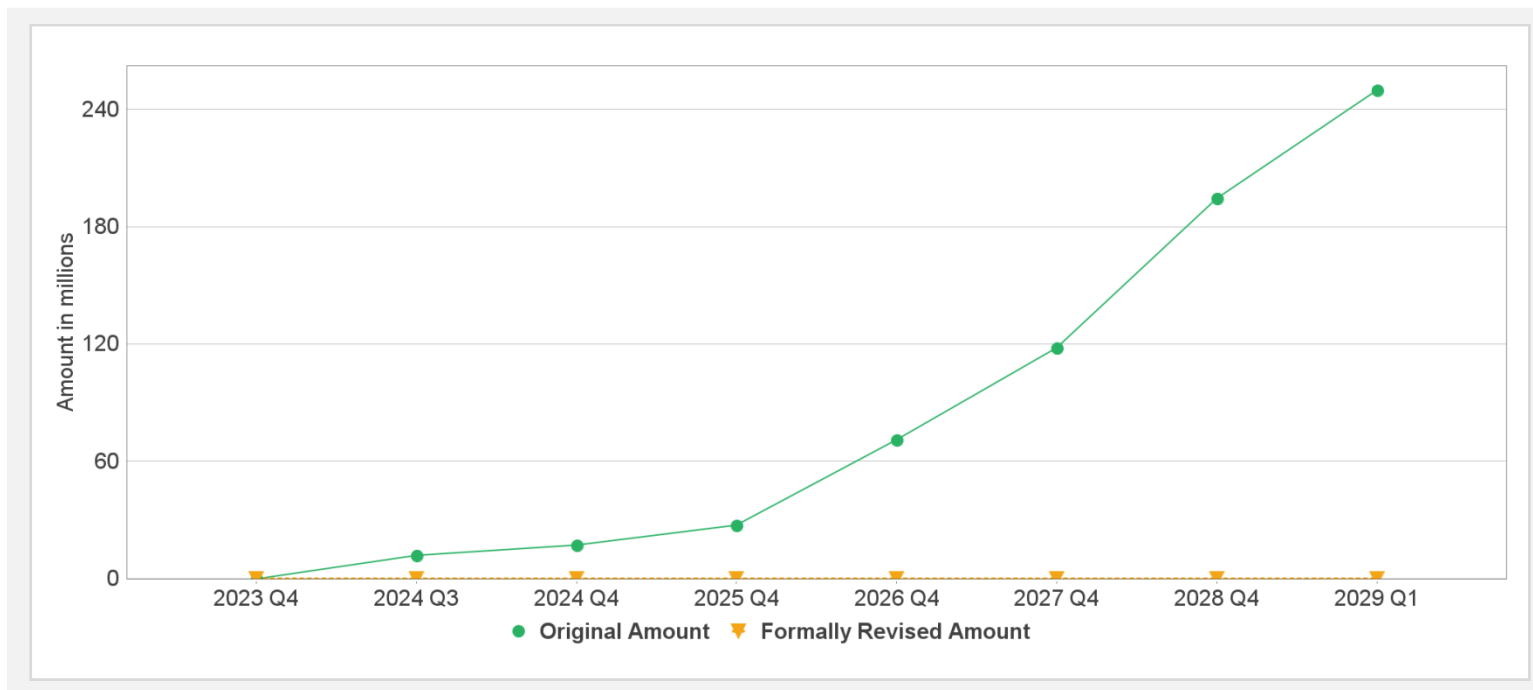
**Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P178996	IDA-73000	Effective	USD	250.00	250.00	0.00	0.00	246.41	0%

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P178996	IDA-73000	Effective	27-Apr-2023	28-Apr-2023	27-Aug-2023	31-Dec-2028	31-Dec-2028

**Cumulative Disbursements**





### **Restructuring History**

There has been no restructuring to date.

### **Related Project(s)**

There are no related projects.

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