



Sustainable Microenterprise and Resilient Transformation (SMART) (P178996)

SOUTH ASIA | Bangladesh | IBRD/IDA | Investment Project Financing (IPF) | FY 2023 | Seq No: 4 | Archived on 26-Sep-2024 | ISR01662

Implementing Agencies: Palli Karma-Sahayak Foundation (PKSF)

1. OBJECTIVE**1.1 Development Objective**

Original Development Objective (Approved as part of Approval package on 26-Apr-2023)

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

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

No

2. COMPONENTS

Name

Enabling Capacity and Systems for Green Growth of MEs:(Cost 32,000,000.00)

Providing Access to Finance for MEs to enable green growth:(Cost 251,000,000.00)

Improving PKSF Project Management, Communications, Monitoring and Evaluations, and Knowledge Management:(Cost 17,000,000.00)

3. OVERALL RATINGS

Name	Previous	Current
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● Moderate	● Moderate

4. KEY ISSUES & STATUS



4.1 Implementation Status and Key Decisions

The project was declared effective in August 2023 with the objective of increasing resource-efficient and resilient green growth of microenterprises in Bangladesh. In the past year, focus has been on establishing the PIU fully, operationalizing the RECP line of credit to POs and conducting knowledge and capacity building programs for partner organizations and microenterprises.

5. SYSTEMATIC OPERATIONS RISK-RATING TOOL

Risk Category	Rating at Approval Approval Package - 27 Apr 2023	Last Approved Rating ISR Seq. 03 - 27 Mar 2024	Proposed Rating
Political and Governance	● Moderate	● Moderate	● Moderate
Macroeconomic	● Moderate	● Moderate	● Moderate
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Moderate	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Moderate	● Moderate	● Moderate
Fiduciary	● Substantial	● Substantial	● Substantial
Environment and Social	● Moderate	● Moderate	● Moderate
Stakeholders	● Moderate	● Moderate	● Moderate
Overall	● Moderate	● Moderate	● Moderate



6. RESULTS

6.1 PDO Indicators by PDO Outcomes

Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Supported MEs adopting at least two climate-resilient RECP practices (Number)	0.00	Jun/2023	0.00	30-Jun-2023				
	Comments on achieving targets		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)			0.00					
	Comments on achieving targets		Gender indicator					



Supported MEs with improved knowledge on climate vulnerability (Number)			0.00	30-Jun-2023				
	Comments on achieving targets	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.						
Supported MEs with increased revenues by 10% or more compared to non-supported MEs (Number)			0.00	30-Jun-2023				
	Comments on achieving targets	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.						
Supported female owned MEs with increased revenues by 10% or more compared to non-supported female owned MEs (Percentage)			0.00					
	Comments on achieving targets	Gender indicator						

6.2 Intermediate Results Indicators by Components

Not Categorized								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
			0.00	30-Jun-2023				



Non-revenue generating common facilities established or upgraded and operational (Number)	Comments on achieving targets	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.					
Non-revenue generating common facilities established or upgraded and operational owned by ME clusters that have women in the management committee (Percentage)	Comments on achieving targets	0.00					
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)	Comments on achieving targets	0.00	30-Jun-2023				
		0.00	30-Jun-2023				



Climate-resilient RECP profiles prepared and validated for MEs (Number)	Comments on achieving targets	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.					
Climate-resilient RECP profiles prepared and validated for female owned MEs (Percentage)		0.00					
	Comments on achieving targets	Gender indicator					
Loans provided to MEs (Number)	0.00	Jun/2023	0.00	30-Jun-2023			
	Comments on achieving targets	This indicator counts the number of loan agreements signed by MEs under the SMART project. A ME can sign more than one loan agreement.					
Loans provided to MEs committed to adopting at least two climate-resilient RECP practices (Amount(USD))			0.00	30-Jun-2023			
	Comments on achieving targets	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 on the line of credit for revenue-generating common facilities.					
Revenue-generating common facilities established or upgraded and operational (Number)			0.00	30-Jun-2023			
	Comments on achieving targets	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.					
Environmental and Climate Change Units (ECCUs) established and operational at POs (Number)			0.00	30-Jun-2023		50.00	Jun/2028
	Comments on achieving targets	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.					

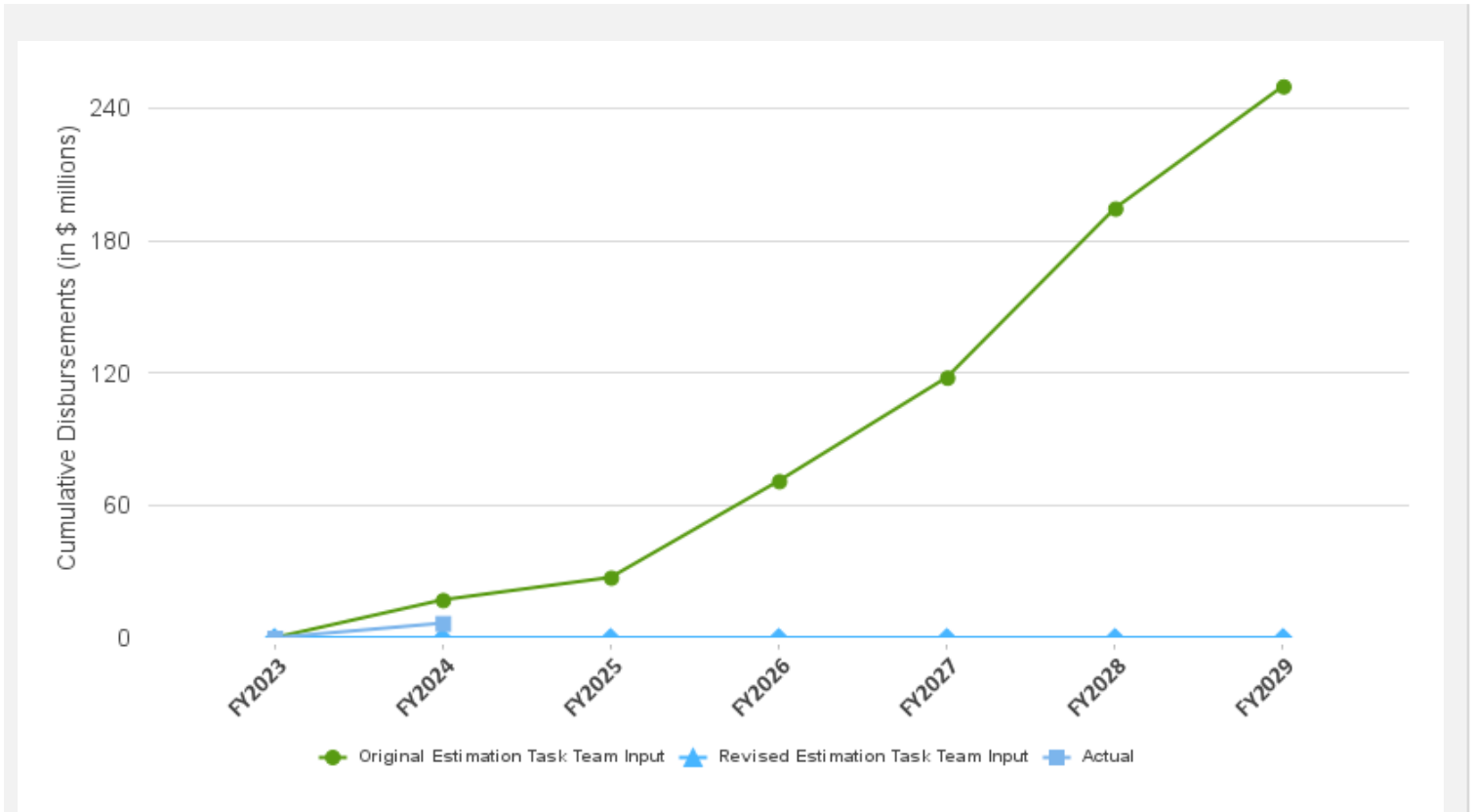


Environmental clubs established and operational at ME clusters (Number)		0.00	30-Jun-2023				
	Comments on achieving targets	Environmental clubs are established in ME clusters to strengthen awareness of MEs on climate-resilient RECP and to facilitate long-term behavioral changes.					
Grievances registered related to delivery of project benefits addressed in a timely fashion (Percentage)		0.00	30-Jun-2023			100.00	Jun/2028
	Comments on achieving targets	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.					



7. DATA ON FINANCIAL PERFORMANCE

7.1 Cumulative Disbursements



7.2 Disbursements (by loan)

Loan/Credit/TF	Status	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
IDA-73000	Effective	250.00	250.00	0.00	6.60	241.69	2.64%

7.3 Key Dates (by loan)

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

8. KEY DATES



Key Events	Planned	Actual
Approval	27-Apr-2023	27-Apr-2023
Effectiveness	19-Jun-2023	27-Aug-2023
Mid-Term Review No. 01	27-Apr-2026	
Operation Closing/Cancellation	31-Dec-2028	

9. RESTRUCTURING HISTORY

10. ASSOCIATED OPERATION(S)

There are no associated operations