

Department of Livestock Services

**Livestock and Dairy Development
Project (LDDP)**

GRANT MANUAL

**Operations Manual for the Sub-Grant and
Matching Grant Schemes**

Final Version, March 2020

Department of Livestock Services

**Livestock and Dairy Development Project
(LDPP)**

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ABBREVIATIONS AND ACRONYMS

ABS	Agribusiness Buyer
BDT	Bangladeshi Taka
BPs	Business Proposals
CCs	Cost Centres
DLS	Department of Livestock Services
DEOs	DLS Extension Offices (DLS Field Offices)
PIU	Project Implementation Unit (Divisional, District and Upazila)
ESIA	Environmental and Social Impact Assessment
EOIs	Expressions of Interest
FAO	Food and Agriculture Organization
FM	Fund Management
FMgtU	Fund Management Unit
GOB	Government of Bangladesh
GRC	Grant Review Committee
IDRA	Insurance Development Regulatory Authority
LIVU	Livestock Insurance Vertical Unit

LDDP	Livestock and Dairy Development Project
LSPs	Livestock Service Providers
M&E	Monitoring and Evaluation
MG	Matching Grant
MGS	Matching Grant Scheme
MSME	Micro, Small and Mid-Sized Enterprises
NGO	Non-Government Organization
PMU	Project Management Unit
PP	Productive Partnership
PPP	Public Private Partnership
PO	Producer Organization
RF	Results Framework
SBC	Sadharan Bima Corporation
SG	Sub-Grant
SGS	Sub-Grant Scheme
SMSG	Sub- and Matching Grant Schemes
TIG	Technical Implementation Group
US\$	US Dollar
VMCC	Village Milk Collection Centre

DOCUMENT TRACKER:

July 2019: LDDP Draft Grants Manual – Version 1

September 2019: LDDP Draft Grant Manual – Version 2

December 2019: LDDP Draft Grant Manual – Version 3

March 2020: Final LDDP Draft Grant Manual

1. INTRODUCTION

1.1 Sector background

Of the population 63 percent lives in rural areas of Bangladesh and around 40 percent is employed in agriculture. Livestock is a key socio-economic sector in local agriculture, particularly for the most vulnerable and landless farmers. Livestock contributes 1.7 percent to Bangladesh's Gross Domestic Product. Over 70 percent of rural households produce livestock, and the sector employs an estimated 14 percent of the total labour force or one-third of total agricultural employment. With increasing urbanisation in Bangladesh and the region, and rising incomes, urban consumers are increasingly demanding animal-sourced foods (meat, dairy products etc.) and are willing to pay higher prices for high quality, certified foods. Thus, modern food supply chains create both challenges and opportunities, particularly for the competitiveness of local smallholder farmers.

Some of the constraints to the livestock sector include: poor animal husbandry practices, breeds and fodder shortages lead to low productivity; high incidence of disease; quality of raw produce; poor infrastructure; weak regulatory frameworks and enforcement of laws; limited capacity of extension and technical assistance services; lack of access to affordable finance; limited distribution networks for commercial provision of inputs; low technical levels of farm management; and sometimes disruptive government intervention in markets.

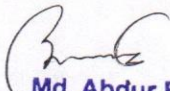
The most damaging outcome of these issues is a general under-investment in production and post-production supply systems by the private sector. The poultry industry is more advanced due to a more structured supply chain and the presence of larger turn-key companies. Generally, the unfavourable business environment in the sector leaves Bangladesh with under-developed and inefficient livestock value chains.

1.2 The Livestock and Dairy Development Project

The Ministry of Fisheries and Livestock's LDDP (Livestock and Dairy Development Project) is financed by a World Bank loan with the objective of improving productivity, market access and resilience of smallholder farmers and agro-entrepreneurs by supporting climate-smart production systems, farmer empowerment and commercialisation. LDDP fosters a market-led transformation of livestock production while ensuring that the supply response to growing demand is sustainable, inclusive, safe and environmentally friendly. LDDP has four components:

- A. Productivity Improvement;
- B. Market Linkages and Value Chain Development;
- C. Improving Risk Management and Climate Resilience of Livestock Production;
- D. Project Management, Monitoring and Evaluation.

The total project budget of US\$500 million is to be implemented over 2019-2023. The project supports the aim of the Government of Bangladesh (GOB) to double or triple livestock productivity in order to feed a growing population, reduce greenhouse gas emissions per unit of livestock production, and develop more resilient food systems. The project focuses on dairy and meat production and identifies the need for institutional strengthening (i.e. establish a Dairy Board, a Dairy Research Institute, and a Poultry Research Institute), improved poultry production, veterinary services and animal health; feeds and fodder management; breed development; marketing of livestock products; improved access to credit and initiating livestock insurance. To encourage private investment into the sector, LDDP aims to support a more attractive business enabling environment through better vertical and horizontal integration of livestock value chains with the objective of providing larger quantities of fresh and/or processed products of consistently higher quality.


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1.3 Grant Schemes of LDDP

As indicated in table 1, of the total LDDP budget of US\$500 million a (very) substantial portion is allocated for Sub-Grants (100% grant) and Matching Grants (part grant) activities. For Sub-Grants a total of US\$248 million is budgeted, while for Matching Grants US\$33 million is foreseen (both including contingencies). The Sub-Grant and Matching Grant Schemes are further referred to as SMGS.

Table 1: Overview of Grant Funding under LDDP

	LDDP Total Budget				Total
	Total	DLS	Matching Grant	Sub-Grant	
A. PRODUCTIVITY IMPROVEMENTS AND INNOVATION					
A1. Support to Farmers' Organizations	27.924	27.924			27.924
A2. Support to Improving Production Practices	102.215	16.890		85.325	102.215
Subtotal	130.139	44.814		85.325	130.139
B. MARKET LINKAGES AND VALUE-CHAIN DEVELOPMENT					
B1. Market Linkages through Productive Partnerships	36.425	6.000	30.425		36.425
B2. Critical Public Infrastructure for Livestock Development	109.020	0		109.020	109.020
B3. Consumer Awareness and Nutrition	39.710	9.710		30.000	39.710
Subtotal	185.155	15.710	30.425	139.020	185.155
C. IMPROVING RISK MANAGEMENT & RESILIENCE OF LIVESTOCK PRODUCTION					
C1. Institutional Capacity Development and Knowledge Platform	71.770	71.770			71.770
C2. Food Safety and Quality Assurance	23.796	23.796			23.796
C3. Livestock Risk Mitigation	19.830	18.080		1.750	19.830
C4. Contingency Emergency Response	-				
Subtotal	115.396	113.646		1.750	115.396
D. PROJECT MANAGEMENT, COORDINATION, MONITORING AND EVALUATION					
D1. Project Management and Coordination	22.953	22.953			22.953
D2. Monitoring and Evaluation, Learning and Knowledge Sharing	1.800	1.800			1.800
Subtotal	24.753	24.753			24.753
TOTAL INVESTMENT COSTS before contingencies	455.442	198.922	30.425	226.095	455.442
1,00% Physical Contingencies	13.826	6.039	924	6.863	13.826
TOTAL INVESTMENT COSTS with physical contingencies	469.268	204.961	31.349	232.958	469.268
2,12% Price Contingencies	30.732	13.423	2.053	15.256	30.732
TOTAL INVESTMENT COSTS with physical and price contingencies	500.000	218.384	33.402	248.215	500.000

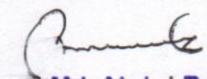
In this manual, operational and financial procedures for the implementation of both grant schemes are included: after a general introduction in this chapter, chapter 2 refers to the Sub-Grant Scheme (SGS), while chapter 3 refers to the Matching Grant Scheme (MGS). Both schemes will be managed by Fund Management Unit (FMgtU) as described in chapter 4. Chapter 5 provides information on contracting, disbursement and supervision procedures to be followed, while chapter 6 presents guidelines for monitoring and evaluation. The annexes provide (1) definitions of key terms used in this document and (2) various example forms and descriptions which may be considered useful information for the Fund Management Unit.

1.4 Grant Review Committee

Being an important independent decision making body and key critical in independent review for Sub- and Matching Grants, the Formation of the Grant Review Committee (GRC) is mentioned in this manual and detailed are elaborated in Chapter 4 "Fund Management". In order to secure the independent review of grant applications, it is essential to establish an independent Grant Review Committee (GRC) minimizing the risk of elite capture and fraud. Based on detailed review of the applications, the GRC will meet in monthly meetings and, inter alia, will decide on the final selection of Expressions of Interest (EOIs) and Business Proposals (BPs). In order to secure independency, to avoid risk of corruption and elite capture, an independent 5 members Grant Review Committee (GRC) will be formed; it will be chaired by a high level representative from the Ministry of Fisheries and Livestock, and it will include 1 representative from Planning wing of MoFL, one from LDDP (notably CTC), 1 from DLS and PD, LDDP will be the member-secretary of GRC.

In addition to decisions on grant approval and disbursement it may occur that on other important matters the GRC may be consulted. One may think of complaints by potential beneficiaries on not being awarded, or in case a beneficiary is not performing as is agreed in the Grant Agreement. The PMU/FMgtU will decide when additional consultation from the Grant Review Committee may be required.

FMgtU will be headed by CTC LDDP, accompanied with respective DPD, LDDP and assisted by Agribusiness Experts.


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2. SUB-GRANT SCHEME

2.1 General

Livestock production in Bangladesh is characterised by long supply chains with multiple merchants and middlemen adding minimal value but contributing substantially to the costs of the final product, which affects both producers and consumers. This inefficient supply system is aided by insufficient access to affordable capital and cash liquidity for industry players. It is therefore important that financial structures provide responsible and reasonably priced lending to project beneficiaries, to enable them to expand their enterprises. However, smallholder farmers and small enterprises generally lack credibility and collateral to access formal credit, usually resulting in unfavourable borrowing capacity from informal sources. This market failure effectively prevents target beneficiaries in the livestock industry obtaining the necessary levels of finance they need to expand their business operations, which hinders increased value addition and wealth creation in Bangladesh. The Sub-Grant Scheme (SGS) helps overcome this market failure and supports livestock and agri-processing industry expansion with increased on-farm productivity and downstream value addition in the livestock processing industry. Sub-Grants will support the following project components¹:

Sub-component A2: Improved Climate Smart Production Practices

Sub-component B2: Critical and Climate Resilient Public Infrastructure for Livestock Development

Sub-component B3: Consumer Awareness and Nutrition

Sub-component C3: Livestock Insurance

Of the LDDP overall project budget, a total of US\$248 million is earmarked to be disbursed as Sub-Grants under project sub-components A2, B2, B3 and C3.

2.2 Sub-Component A2: Improved Climate Smart Production Practices

2.2.1 Funding availability

The objective of this sub-component is to finance Producer Organizations (POs), which are strengthened/established under sub-component A1, as well as Micro, Small and Mid-Sized Enterprises (MSME) to sustainably increase productivity through better animal husbandry, reduced production costs, and improved quality, safety and environmental sustainability of animal products delivered by small- and medium-scale farmers. Sub-grants (US\$85 million) will include four main categories, as marked in Table 1: (b) Livestock Service Network Establishment, (c) Breeding and Genetic Improvement, (d) Demonstrations to improve Productivity and Reduce Diseases, and (e) Productivity and Innovation Investment Fund.

Sub-grants will be provided to finance small equipment (e.g. for feed mixing, renewable energy, shelters, biosecurity and water filtration), but also as incentives to Livestock Service Providers (LSPs) and support to breeding centres. The investment fund will provide investment support to MSME livestock farmers based upon need and may include any investment proposed to improve livestock productivity.

Table 2 provides the overview of sub-grant funding available under component A2. With a total of US\$85.00 million available for sub-grants, it will be a massive operation which will require careful coordination and should be designed as simple as possible in order to be successful. The fact that the financial support will be 100% grant based will make it possible to design simple application and disbursement schemes.

¹ For a detailed description of the project components it is referred to the Project Appraisal Document (PAD, dated November 9, 2018). See also www.worldbank.org.

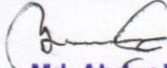

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Table 2: Sub-grant Funding under component A2 (US\$85 million)

COMPONENT A				
PRODUCTIVITY IMPROVEMENTS AND INNOVATION				
I. Investment Costs				
A. PRODUCTIVITY IMPROVEMENTS AND INNOVATION				
A1. SUPPORT TO FARMERS' ORGANIZATIONS				
	Total	DLS	Matching Grant	Sub-Grant
a. Consolidation of Farmers' Groups				
Firms/NGOs - Farmers/Producers' Group Mobilization for Farm Development	1,875	1,875		
Participation mapping of Farmers' Groups	40	40		
Mobilization and strengthening of Farmers' Groups	9,900	9,900		
Training on Business Plan Preparation to Farmers' Groups	1,860	1,860		
Subtotal	13,675	13,675	0	0
b. Rural Extension: Farmers' Field Schools, Training of LSP, Business Planning				
Curricula development of FFS - new technologies, innovations, food safety, basic adm	325	325		
Development of Livestock Extension Manual	325	325		
Printing and distributing Curricula, Extension Manual and training materials	325	325		
Establishment of demonstration farms with innovative private farmers	2,558	2,558		
Master trainer formation programme	367	367		
Training of Trainers for FFS and other extension methods	2,750	2,750		
Training of Livestock Service Providers (LSP)	1,575	1,575		
Training on Business Plan Preparation to LSPs	525	525		
Establishment of FFS	5,500	5,500		
Subtotal	14,249	14,249	0	0
Subtotal	27,924	27,924	0	0
A2. SUPPORT TO IMPROVING PRODUCTION PRACTICES				
a. Progressive Disease Control				
Progressive disease control programme through vaccination (FMD, PPR, ND)	15,000	15,000		
Progressive management of Mastitis, Reproductive and Metabolic Diseases	525	525		
Poultry - Farm assessment and intervention to improve prevention against common dis	130	130		
Subtotal	15,655	15,655	0	-
b. Livestock Service Network Establishment				
Incentives to Livestock Service Providers (LSP)	11,340			11,340
Telecommunications and associated expenses (mobile phone, 3G and Internet)	1,890			1,890
Minimum service provision equipment (bicycle, kitbox and tablet)	2,503			2,503
Subtotal	15,733	0	0	15,733
c. Breeding and Genetic Improvement				
Dairy Cattle - Heifers for heifer production and distribution	1,625			1,625
Beef Cattle - Genetic breed improvement program on breeding centers	1,250			1,250
Goats - Community private breeding program	3,750			3,750
Goats - Genetic breed improvement program on breeding centers	417			417
Poultry - Rhode Island Red and Fayoumi cross-breeding and Sonali breed standardizati	521			521
Poultry - Develop a model (with specific standard) of Sonali breeding farm and certified	75			75
Subtotal	7,638	-	-	7,638
d. Demonstrations to improve productivity and reduce diseases				
Dairy Cattle - Small climate resilient housing to improve productivity and reduce diseas	250			250
Dairy Cattle - Medium climate resilient housing to improve productivity and reduce dise	624			624
Dairy and Beef Cattle - Support to safe water systems for animals in coastal regions	75	75		
Dairy and Beef Cattle - On-farm feed optimization and ration balancing through roughage	700			700
Dairy and Beef Cattle - On-farm feed optimization and ration balancing through supplier	500			500
Dairy and Beef Cattle - Demonstration for feed and fodder storage options	80			80
Dairy and Beef Cattle - Deworming programme	1,000			1,000
Dairy and Beef Cattle - Ruminants parasites control program	1,000			1,000
Dairy Cattle - Complementary feeding practices during pregnancy and calf rearing	1,200			1,200
Dairy Cattle - Early pregnancy diagnosis tool (USG)	240			240
Dairy Cattle - Fodder cuttings production	640			640
Dairy Cattle - Upazila level fodder production	1,160	1,160		
Dairy Cattle - Manure management at farm level	480			480
Dairy Cattle - Support to market oriented feed and fodder production	800			800
Poultry - Biosecurity and nutrition practices for commercial poultry farms	1,200			1,200
Subtotal	9,949	1,235	0	8,714
e. Livestock - Productivity and Innovation Investment Fund				
Hygienic cleaning tools, cans and pails for farm level collection	20,000			20,000
Investment support for improved dairy production	20,000			20,000
Investment support for improved goat and sheep production	1,500			1,500
Investment support for improved beef cattle production	4,000			4,000
Investment support for small-scale poultry commercial production	3,840			3,840
Investment support for small-scale Sonali poultry production	2,400			2,400
Investment support for poultry semi-scavenger/scavenger production	1,500			1,500
Subtotal	53,240	0	0	53,240
Sub	102,215	16,890	-	85,325
TOTAL INVESTMENT COSTS	130,139	44,814	-	85,325

2.2.2 Number and size of sub-grants

The overall responsibility of the disbursement of the sub-grants lies with the FMgtU of the PMU, who will instruct the eight Divisional Project Implementation Units (PIUs)². The DLS Extension Offices (DEOs) and Livestock Service Providers (LSPs) will be assigned with the responsibility to identify eligible recipients for sub-grant funding. Sub-grant administration will be done at the PIUs and will be consolidated at the FMgtU Head Office in Dhaka.

Table 3 clarifies the number and size of sub-grants to be disbursed. Sub-grants size will fluctuate from US\$100 to US\$208,000 and any amount in between. A total of 193,700 sub-grants is anticipated with an average disbursement target over 45,000 per year (with the exception of 2019 for which 6,300 sub-grants are planned). The disbursement of such volumes will require an efficient operation and simple allocation and disbursement processes.

² There are 8 piu in the division (cost centre?).there are 8 divisional piu for this project. Each PIU encompasses a number of cost centres (CC) at division, district, upzila level. As a result, there are 535 cost CCs who will receive and distribute project funds. They will be subject to auditing.

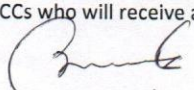

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Table 3: Number and size of sub-grants

COMPONENT A PRODUCTIVITY IMPROVEMENTS AND INNOVATION		Y1	Y2	Y3	Y4	Y5	Unit Cost (US\$)	Sub-Grant	
Unit	Quantities	2019	2020	2021	2022	2023			Total
		I. Investment Costs							
A. PRODUCTIVITY IMPROVEMENTS AND INNOVATION									
A2. SUPPORT TO IMPROVING PRODUCTION PRACTICES									
a. Progressive Disease Control									
b. Livestock Service Network Establishment									
Incentives to Livestock Service Providers (LSP)	Person - Year	2,100	4,200	4,200	4,200	4,200	18,900	600	11,340
Telecommunications and associated expenses (mobile phone, 3G and Internet)	Person - Year	2,100	4,200	4,200	4,200	4,200	18,900	100	1,890
Minimum service provision equipment (bicycle, kitbox and tablet)	Equipment - Person	2,100	2,100		2,100	2,100	8,400	298	2,503
Subtotal									15,733
c. Breeding and Genetic Improvement									
Dairy Cattle - Heifers for heifer production and distribution	Heifer		20	40	40		100	16,250	1,625
Beef Cattle - Genetic breed improvement program on breeding centers	Demonstration Farm - Year	1	1	2	1	1	6	208,333	1,250
Goats - Community private breeding program	Producers Organization		250	250	250	250	1,000		3,750
Goats - Genetic breed improvement program on breeding centers	Demonstration Farm - Year	7	7	7	7	7	35		11,905
Poultry - Rhode Island Red and Fayoumi cross-breeding and Sonali breed standardization	Demonstration Farm - Year	1	1	1	1	1	5		104,157
Poultry - Develop a model (with specific standard) of Sonali breeding farm and certified	Farm - Hatchery		1	1			2		37,500
Subtotal									7,638
d. Demonstrations to improve productivity and reduce diseases									
Dairy Cattle - Small climate resilient housing to improve productivity and reduce diseases	6-Head Housing		10	10	15	15	50	5,000	250
Dairy Cattle - Medium climate resilient housing to improve productivity and reduce diseases	15-Head Housing		25	25	25		75	8,324	624
Dairy and Beef Cattle - On-farm feed optimization and ration balancing through roughage	Demo		175	175	175	175	700	1,000	700
Dairy and Beef Cattle - On-farm feed optimization and ration balancing through supplier	Demo		25	25	25	25	100	5,000	500
Dairy and Beef Cattle - Demonstration for feed and fodder storage options	Roughage baler		2	2	2	2	8		10,000
Dairy and Beef Cattle - Deworming programme	Pilot Community Deworming		125	125	125	125	500		2,000
Dairy and Beef Cattle - Ruminants parasites control program	Pilot Comm. Parasites Contr.		125	125	125	125	500		2,000
Dairy Cattle - Complementary feeding practices during pregnancy and calf rearing	Head		1,000	1,000	1,000	1,000	4,000		330
Dairy Cattle - Early pregnancy diagnosis tool (USG)	USG tool			30			30		4,000
Dairy Cattle - Fodder cuttings production	Demonstration Farm		4	4			8		80,000
Dairy Cattle - Manure management at farm level	Farm		12	12	12	12	48		10,000
Dairy Cattle - Support to market oriented feed and fodder production	Farm		4	4	4	4	16		50,000
Poultry - Biosecurity and nutrition practices for commercial poultry farms	Model Farm		500	500	500	500	2,000		600
Subtotal									8,714
e. Livestock - Productivity and Innovation Investment Fund									
Hygiene cleaning tools, cans and pails for farm level collection	Farm		25,000	25,000	25,000	25,000	100,000	200	20,000
Investment support for improved dairy production	Farm		5,000	5,000	5,000	5,000	20,000	1,000	20,000
Investment support for improved goat and sheep production	Farm		750	750	750	750	3,000	500	1,500
Investment support for improved beef cattle production	Farm		1,000	1,000	1,000	1,000	4,000	1,000	4,000
Investment support for small-scale poultry commercial production	500-Bird Farm		800	800	800	800	3,200	1,200	3,840
Investment support for small-scale Sonali poultry production	500-Bird Farm		500	500	500	500	2,000	1,200	2,400
Investment support for poultry semi-scavenger/scavenger production	20-Bird Farm		1,500	1,500	1,500	1,500	6,000	250	1,500
Subtotal									53,240
Sub	total number of sub-grants	6,309	47,371	45,322	47,391	47,356	193,749		85,325
TOTAL INVESTMENT COSTS									86,326

2.2.3 Eligibility criteria

The eligibility criteria and application procedures for the future applicants for each of the different A2 sub-grants are given below:

B: Livestock Service Providers selection based on:

Selection of LSPs is to be initiated by the PIUs based on the following eligibility criteria:

- The person must justify a minimum age of 25 years
- Experience in livestock extension for a minimum of 5 years
- Having training on livestock services
- Working experience in the Upazila he/she is applying for and extensive knowledge of the farming community in the Upazila
- Willingness to attend LDDP training courses
- LSPs will be (partly) responsible for assisting farmers and POs in applying for sub-grants
- LSPs will support the DLS Upazila Office in reviewing POs and farmers
- LSPs will support the DLS Upazila office (i) in reviewing whether potential beneficiaries, POs and farmers on farming and management skills, and (ii) in reviewing whether a sub-grant will have sufficient impact on POs and farmers.

C: Breeding and Genetic Improvement for Livestock (sub-grants):

Recipients for these sub-grants will be government owned breeding centres under DLS only. As sub-grant amounts are high the PMU will be responsible for spending the allocated amounts under this item. Government farms should comply with following eligibility criteria:

- Active Breeding Centre for cattle, and/or goats/sheep and/or poultry
- Qualified staff with acceptable experience in livestock breeding
- Adequate facilities (offices, stables, insemination areas and laboratory facilities)
- Substantial operation to be demonstrated through budget spending and revenue creation

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D: Demonstrations to improve productivity:

The demonstration projects will mainly be implemented with POs, larger farmers (eg. 6-15 cattle head housing) and in conjunction with village communities (eg. deworming programs). The LSPs and the DEOs at Upazila level will be responsible for the applications of potential recipients, applying the following eligibility criteria:

- For dairy/cattle (beef) farms:
 - ✓ Minimum numbers pending on size of stables (6 to 15 head)
 - ✓ Having own fodder production land/facilities
 - ✓ On-farm feed preparation
 - ✓ Manure management plan and what is done with the manure
- For pilot community deworming programs:
 - ✓ Active livestock community
 - ✓ A substantial number of cattle (in the order of at least 30% of the total cattle number in the community) to be dewormed during one exercise
 - ✓ Dairy/beef cattle to be dewormed in reasonable condition (when infected with other diseases deworming may not be useful)
 - ✓ Community should be well organised and should be willing to prepare professional premises for deworming
 - ✓ Veterinarians to carry out the deworming should be professionals and sufficient in number
- For poultry bio-security and nutrition model farms:
 - ✓ Minimum 500 number of birds pending on size of poultry houses
 - ✓ Manure management plan
 - ✓ Poultry houses to be in good condition, and such that bio-security technology can be installed
 - ✓ Farmer should have good practical poultry farm knowledge and willing to participate in LDDP poultry courses

E: Livestock Productivity and Innovation Fund³:

The sub-projects to be implemented through the innovation fund will be with POs, micro, small, medium and large farms and in conjunction with communities (eg. deworming programs). The LSPs and the DEOs at Upazila level will be responsible for the applications of potential recipients as categorized in the DPP, applying the following eligibility criteria:

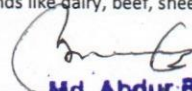
- Micro, Small and Mid-Sized Enterprises (MSME)
- A for-profit (intending to generate a return for its owners) private farmer or PO operating commercially and without government subsidy
- A farmer or a PO active in cattle, sheep/goat and poultry rearing
- Farmer should have good practical livestock knowledge
- Stables to be in good condition such that improved technologies can be installed

2.2.4 Additional selection criteria (except for LSP)

In addition to the eligibility criteria listed above, a set of selection criteria will have to be developed in order to be able to rank the proposals received, which is in particular important in case the number of proposals will exceed the budget which is available for sub-grants. The selection criteria will have to be further elaborated by the FMgtU and should include at least the following:

³ There are 6 different categories of investment support under Livestock Productivity and Innovation Funds like dairy, beef, sheep &/or goat, small scale commercial poultry, sonali or specialized fowl, scavenger/semi scavenger.

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- Gender balance: equal percentage of the funds allocated to male and female applicants, to the extent possible
- A substantial percentage of the funds is to be allocated to the youth aged 18-35 years, to the extent possible
- Environmental performance and climate smart agricultural solutions, should also be considered as a selection criterion as the grants are a major way to mainstream environmental benefits and promote climate smart practices
- Also selection criteria should make reference to producer groups identified and supported under A1, as farmers in those groups should essentially be the recipients of the sub-grants under A2, if possible
- Any other criteria which is important to meet local context and which are important to facilitate local development such as employment, innovations for the community, women empowerments, etc.

Above mechanism for beneficiary selection, which can be at the level of PIUs, should include a small committee with representatives of farmers' organizations headed by the District level head of DLS to review the "eligibility" of applications and apply "selection" criteria further elaborated at District level to stick to the local context.

2.2.5 Application procedure

Different application procedures will be developed by the FMgtU for the different types of sub-grants, providing standard formats and simple applications procedures. Below is a summary application procedure, to be further elaborated by the FMgtU.

B: Livestock Service Providers selection based on:

- PMU developed LSP selection guideline
- A 5 members committee headed by district livestock officer is formed at Upazila level including at least 2 members from other departments.
- Upazila Livestock Office called application showing a public notice at office.
- Secondary School Certificate (SSC) or equivalent certificate laureate can apply.
- Relevant livestock training and experience were of preference
- Women applicants may be a preferred for gender balance consideration.
- Upazila level committee to develop a panel of maximum 3 participants against each position of LSP.
- PMU finalized one participant random basis from the panel against each position of LSP and in absence (resign/inability) of finalized one, PMU can select replacement from this panel only.

C: Breeding and Genetic Improvement for Goats and Sheep (US\$7.6 million sub-grants):

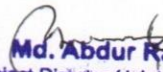
- Sub-grants less than US\$100,000, evaluation, selection and contracting by PIUs.
- Sub-grant over US\$100,000 evaluation, selection and contracting by FMgtU at the Head Office under the supervision of the Grant Review Committee (GRC)

D: Demonstrations to improve productivity (US\$ 8.7 million) and E: Livestock Productivity and Innovation Fund (US\$ 53.2 million):

- Sub-grants less than US\$ 10,000: Simple application form to be developed by FMgtU and distributed to DEOs/LSPs
- Application based on application form received from DEOs/LSPs
- Beneficiary selection criteria to be developed by PMU and concurred by WB
- Up to 50% advance can be disbursed in favour of selected beneficiary through banking channel
- Sub-grants over US\$10,000 and less than US\$100,000: Preparation of an EOI indicating (i) objectives, (ii) investments, (iii) background of the applicant including history, financial position, activities, (iv) activities with sub-grant, (v) cost and revenues, (vi) impact on farmers an POs reached
- Sub-grants over US\$100,000, evaluation, selection and contracting by PMU

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2.2.6 Sub-grant disbursement

Pending advantages of centralized procurement and in large volumes, the FMgtU will organize centralized purchase and distribution of supplies in most cases. For sub-grants over US\$100,000, beneficiaries may procure their own supplies (through usual private commercial procurement procedures) and reimbursement will take place against submission of invoices. The following purchase and reimbursement schemes apply:

- Cash payments, through bank transfer for buildings and supplies: sub-grants for supplies (agricultural inputs, machinery, medicines, etc.) and simple buildings (e.g. animal sheds and shelters) will be reimbursed based on invoices. Verification will take place by PMU and PIUs
- In kind payments for supplies: in case of large procurement volumes (e.g. vaccines, simple shelters, farm equipment) PMU will procure on a competitive tender basis and supplies will be distributed to the beneficiaries through PIUs.
- For larger projects, mainly demonstration farms, tailor-made payment schemes will be developed on a case-by-case basis.

2.3 Sub-Component B2: Critical and Climate Resilient Public Infrastructure

2.3.1 Funding availability

The objective of this sub-component is to increase producers' linkage to profitable markets, improve the volume, quality and safety of livestock products being marketed, and decrease transaction costs along the value chains. Sub-grants (100% grants) are available for LDDP sub-component B2 and will support the realisation of critical infrastructure with main focus on improving slaughter and meat processing at the wet markets, and constructing new slaughter facilities in the districts and metropolises. In addition, milk collection and cooling facilities for the village communities will be supported.

The beneficiaries of these sub-grants will be mainly municipalities and city corporations for the slaughter houses and renovations of wet markets, and the village communities (municipalities) for the construction of Village Milk Collection and Cooling Centres (VMCCs). Over US\$94 million is earmarked for slaughtering and meat processing with focus on hygiene improvement and cooling. Milk collection has limited funds under sub-component B2 (US\$7 million) because substantial funding is available to the private sector to realise such facilities under the Matching Grant scheme. Almost US\$8 million has been earmarked for the renovation of training premises. In total US\$109 million is available for sub-grants under sub-component B2.

Table 4: Sub-grant Funding under component B2 (US\$109 million)

COMPONENT B		Unit	Total		
MARKET LINKAGES AND VALUE-CHAIN DEVELOPMENT					
I. Investment Costs				DLS	Matching Grant
B. MARKET LINKAGES AND VALUE-CHAIN DEVELOPMENT					Sub-Grant
B1. MARKET LINKAGES THROUGH PRODUCTIVE PARTNERSHIPS					
B2. CRITICAL PUBLIC INFRASTRUCTURE FOR LIVESTOCK DEVELOPMENT					
	Improvement of wet markets by moving animal slaughtering out of the wet market	Wet Market	51.600		51.600
	Slaughtering facilities at district level	Slaughter Slab	12.700		12.700
	Developing modern slaughterhouse and cold chains and rendering facilities in the metropolitan areas	City	30.000		30.000
	DLS - Developing mobile slaughterhouses	Slaughter Slab	-		-
	Small scale milk cooling facilities and quality control at VMCC	VMCC	7.000		7.000
	Upgrading training and service facilities at the Upazila level	Service Center	6.720		6.720
	Strengthening training facilities through OTI infrastructure development	Model	1.000		1.000
Total amount for sub-grants			109.020	-	-
					109.020

2.3.2 Number and size of sub-grants

Table 5 indicates the number and size of sub-grants to be disbursed. Size of the sub-grants fluctuates from US\$28,000 to US\$10 million. A total of 647 sub-grants is anticipated with an average disbursement target just over 180 per year (with the exception of 2019 for which no disbursement is foreseen, and 2020 for which 92 sub-grants are to be implemented).

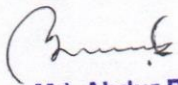

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Table 5: Number and size of sub-grants

COMPONENT B MARKET LINKAGES AND VALUE-CHAIN DEVELOPMENT	Unit	Quantities					Unit Cost (US\$)	Total			
		2019	2020	2021	2022	2023			Total	DLS	Matching Grant
I. Investment Costs											
B2. CRITICAL PUBLIC INFRASTRUCTURE FOR LIVESTOCK DEVELOPMENT											
Improvement of wet markets by moving animal slaughtering out of the wet market	Wet Market			65	70	65	200	258 000	51 600		51 600
Slaughtering facilities at district level	Slaughter Stab	5	5	5	5	20	635 000	12 700		12 700	
Developing modern slaughterhouse and cold chains and rendering facilities in the metropolitan areas	City	1	1	1	1	3	10 000 000	30 000		30 000	
DLS - Developing mobile slaughterhouses	Slaughter Stab	2	2	2	2	8	-	-		-	
Small scale milk cooling facilities and quality control at VMCC	VMCC	25	50	50	50	175	40 000	7 000		7 000	
Upgrading training and service facilities at the Upazila level	Service Center	60	60	60	60	240	28 000	6 720		6 720	
Strengthening training facilities through OTI infrastructure development	Model		1			1	1 000 000	1 000		1 000	
Total number of sub-grants		92	184	186	183	647		109.020	-	-	109.020

2.3.3 Eligibility criteria

Given the large size and importance of each individual investment, the overall responsibility of the disbursement for the sub-grants lies with the head office of the FMgtU in close cooperation with the PMU, and will not be delegated to PIUs. FMgtU will communicate and coordinate with City Corporations and Municipalities on their interest to realise slaughtering, meat processing, milk collection and cooling facilities. The following eligibility criteria will apply:

Wet market renovation:

For wet market renovation, the suitability for renovation is the main selection criterion including:

- Location near city centres
- Suitability for redesign of the markets with clear separation of dirty (slaughtering, dressing) and clean areas for sales of final produce (fruits and vegetables, meat, fish, general groceries). Preferably all live animals and slaughtering/dressing outside market
- Options for installing cooling facilities, if possible
- Options for installation of waste water collection and waste water treatment facilities, if possible
- Options for waste collection and disposal (dumping site, composting, rendering of meat offal)
- Financial plan including, investment and operating cost, as well as cost coverage through increasing stall rents and contribution from Municipality budgets, if possible
- Availability of a suitable Environmental and Social Impact Assessment (ESIA), if needed

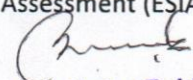
Slaughter houses at district level and in metropolises:

For the construction of new slaughter facilities following criteria will apply:

- The availability of land for construction of slaughter facilities (especially in the metropolises land is scarce: for an advanced large-scale slaughterhouse with meat processing, waste water treatment and offal rendering. Approx. 100 decimal will be required)
- Willingness of municipalities to make land available and to conclude contracts with private operators
- Willingness of municipalities to forbid open-air and informal slaughtering, once a new facility will be constructed
- Financial plan including, investment and operating cost, as well as cost coverage through increasing stall rents and contribution from Municipality budgets
- Availability of a suitable Environmental and Social Impact Assessment (ESIA)
- Willingness of municipalities to hand over the renovation and construction sites during (re)construction and municipalities capacity and willingness to outsource the operations and maintenance to a private sector operator for a minimum period of 5 years

Small scale milk cooling facilities (VMCC):

- The availability of land for construction (for one VMCC approx. 500 m² will be needed)
- Willingness of beneficiary to make land available and to conclude contracts with farmers group(s)/Producer Organization(s) to purchase milk
- Financial plan including, investment and operating cost
- Availability of a suitable Environmental and Social Impact Assessment (ESIA), if required


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- Willingness of municipalities to hand over construction sites during (re)construction and municipalities capacity and willingness to outsource the operations and maintenance to a private sector operator or a Producer Organisation (PO) through a Public Private Partnership (PPP)

Upgrading training facilities:

- Construct/upgrade the training facilities/rooms as per DPP provision (location and details are indicated).
- PMU has selected the contractors through competitive bidding procedures.

2.3.4 Additional selection criteria

In addition to the eligibility criteria listed above, a set of selection criteria will be developed to rank the proposals received, which will be important in case the number of proposals exceeds the available budget for sub-grants. The selection criteria will be further elaborated by the FMgtU and should include at least the following:


- Environmental performance and climate smart agricultural solutions, should be considered as a selection criterion since the grants are a major way to mainstream environmental benefits and promote climate smart practices
- Innovative approach for the implementation of the project including the application of renewable energy, energy saving technologies, hygiene improving slaughter equipment, waste water treatment, offal collection and processing, cooling technology, etc.
- In how far is the sub-project supported by the city corporations and municipalities (relevant for slaughterhouses and wet market renovation) and are they willing to cooperate and possibly contribute additional funding from their own budget
- Any other criteria which is important to meet local context and/or which is important to facilitate local development such as employment, innovation for the community, women empowerment, youth empowerment, etc.

The above mechanism for beneficiary selection, which can be at the level of PMU/FMgtU, should include a local committee headed by the District level head of DLS, and including representatives of Upazila livestock offices and of another public institution outside of the livestock sector (such as sanitary services or public bank manager, for example). This committee will review the “eligibility” of applications and apply “selection” criteria further elaborated at District level to stick to the local context. It will make recommendations for final selection at PMU level.

2.3.5 Application procedure

The implementation of Public Infrastructure Investments under Component B2 of the Project will be a main task of the PMU/FMgtU in close cooperation with the Municipalities and City Corporations. The following application procedures will apply:

1. Mapping of slaughter facilities, wet markets and milk collection centres (VMCC & Dairy Hub) in the project area by PMU
2. Selection of most suitable locations for sub-grants/matching grants
3. Signing of MoU between operator (Municipality/City Corporation/Private Sector Operator) and PMU
4. Request of Expression of Interest from PMU (see format in annex 2a)
5. Sub-project selection by PMU/FMgtU under the supervision of the Grant Review Committee, if applicable
6. Selection of beneficiaries and contracting for realisation (including handing over after project completion: pre-conditional), taking WB procurement procedures.


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2.3.6 Sub-grant disbursement

All contracts with design engineers, construction companies, equipment and technology suppliers will be the responsibility of the FMgtU (contract party to be agreed upon: PMU or DLS). FMgtU will pay builders and suppliers from the project account. During construction period the site is to be handed over to the PMU: after project completion the sites will be handed over to the beneficiary City Corporation or Municipality.

Sub-grants will be paid according to contract provision for slaughterhouses and wet markets, while matching grants will be paid as follows:

- For Dairy Hubs: to the private sector operator, within the limit of a total grant amount ceiling (as defined in the DPP) and possibly including a payment advance of up to 50% of the total grant amount. The operator will be responsible to buy the required equipment/machinery (following agreed upon technical specifications) using normal commercial procedures. Final payment will occur after site verification that proper equipment/machinery (corresponding to technical specifications) has been purchased and is installed for operation;
- For VMCCS: to the private sector operator, within the limit of a total grant amount ceiling (as defined in the DPP), after site verification that proper equipment/machinery (corresponding to technical specifications) has been purchased and is installed for operation. No advance payment will be attributed.

2.4 Sub-Component B3: Consumer awareness and nutrition

For the funding availability it is referred to table 6, indicating that US\$30 million is available for the school milk programme. In total 2,000 school years (average school size 200 pupils) will be provided by LDDP at a unit cost of US\$15,000 per school year. Gradually, the number of school-years will increase from 200 in project year 2, 400 in project year 3, and 700 in project years 4 and 5.

Table 6: Number and size of sub-grants

	Unit	Quantities						Unit Cost (US\$)	Total	Sub-Grant
		2019	2020	2021	2022	2023	Total			
COMPONENT B										
MARKET LINKAGES AND VALUE-CHAIN DEVELOPMENT										
I. Investment Costs										
B. MARKET LINKAGES AND VALUE-CHAIN DEVELOPMENT										
B3. CONSUMER AWARENESS AND NUTRITION										
School milk feeding (average 200 student per school - 160 days/year)	School - Year		200	400	700	700	2,000	15,000	30,000	30,000
Total number of sub-grants		0	200	400	700	700	2,000			30,000

A contract will be concluded with specialized UN bodies or another entity having extensive experience in the implementation of school feeding programmes in South Asia, to implement the LDDP school milk programme in the project area. Pending this contract, the disbursement of funds will be decided. The overall purpose and organization of this programme, as well as the role of the PMU are described in the DPP. The PMU will execute a contract with the selected partner and process payments for the implementation of this activity in accordance with the ToRs, contractual agreements and project progress.

2.5 Sub-Component C3: Livestock risk mitigation

The only sub-grant under Component C is a premium subsidy payment for the cattle insurance pilot project. A premium subsidy of US\$8.75 per cattle head insured is included in the project budget.

Table 7: Number and size of sub-grants

	Unit	Quantities						Unit Cost (US\$)	Sub-Grant
		2019	2020	2021	2022	2023	Total		
COMPONENT C									
IMPROVING RISK MANAGEMENT AND RESILIENCE OF LIVESTOCK PRODUCTION SYSTEMS									
I. Investment Costs									
C. IMPROVING RISK MANAGEMENT AND RESILIENCE OF LIVESTOCK PRODUCTION SYSTEMS									
b. Pilot Livestock Risk Mitigation Products and Programs									
Livestock Insurance Demand Assessment Studies (Farmers/Distributors/Processors etc)	Demand Survey	1					1	500,000	
Multi Stakeholder consultations on Livestock RM market and products development	Consultation	2	2	2	2	2	10	30,000	
Technical Assistance for Risk Mitigators and Distribution Channels	Consultancy	8	8	4	3	2	25	100,000	
Premium Subsidies	Insured Cattle Head			10,000	30,000	60,000	100,000	17,50	1,750
Subtotal									1,750
TOTAL INVESTMENT COSTS									1,750

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A dedicated Livestock Insurance Vertical Unit (LIVU) will be established at PMU level. It will facilitate the implementation of the Livestock Insurance Sub-Component. However, some activities like the development of Livestock Insurance Policy [in collaboration with Insurance Development Regulatory Authority (IDRA), Sadharan Bima Corporation (SBC) and the Bank and Financial Institutions Division of Ministry of Finance], Animal Identification, Disease Mapping, Mortality Mapping, etc. are preconditions for a pilot individual livestock insurance product to be developed and promoted in Bangladesh. With UNIDO having global experience in traceability schemes for animal-source food and specific experience in Bangladesh with the establishment of producer's databases, a contract will be concluded to implement the pre-conditions for an individual Livestock Insurance scheme to be piloted through LDDP in selected areas of Bangladesh.

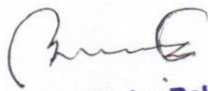
The Pilot livestock insurance programme will be undertaken through a Partner-Agent model where product development and underwriting will be conducted by insurance companies (the Partners) while the Agents (likely but not limited to MFIs) will act as distributors of the policies and raise awareness by leveraging the existing outreach in the rural areas and engagement with local communities. The Partner-Agent Model will be implemented through a phased approach. Under Phase 1, a limited number of selected partners will operate in selected districts to pilot and test the program. During Phase 2 of the Program's business model viability would be further assessed for product development and underwriting with private insurance companies, alongside expansion of delivery channels to distribute livestock insurance through MFIs/NGOs, major dairy cooperatives/social enterprises/companies, banks.

The Pilot livestock insurance programme will target beef and/or dairy cattle producers only. It will be limited to insuring 100,000 heads. The pilot areas where the scheme will operate shall be determined by the PMU, in close consultation with potential Partners, taking into account cattle density, farm size, possible risk assessment, willingness of herders to insure cattle and field presence of the insurance companies and Agents.

The following disbursement process is foreseen for the Livestock Insurance Unit, once all pre-conditions described in the project document will be met:

1. Assessment of cattle insurance pilot project area
2. Selection of participating insurance companies
3. Assess annual insurance premium per individual cattle head
4. Confirm subsidy amount per individual cattle head
5. Conclude Partner-Agent agreement between PMU, participating insurance companies and participating Agents

The disbursement of funds will be decided pending these contracts with insurance companies. Once pre-conditions will be met, the PMU will have a limited role in the implementation of this activity other than paying insurance companies in accordance with the contractual agreements and project progress, as well as drawing lessons from the pilot in operation.


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3. MATCHING GRANT SCHEME

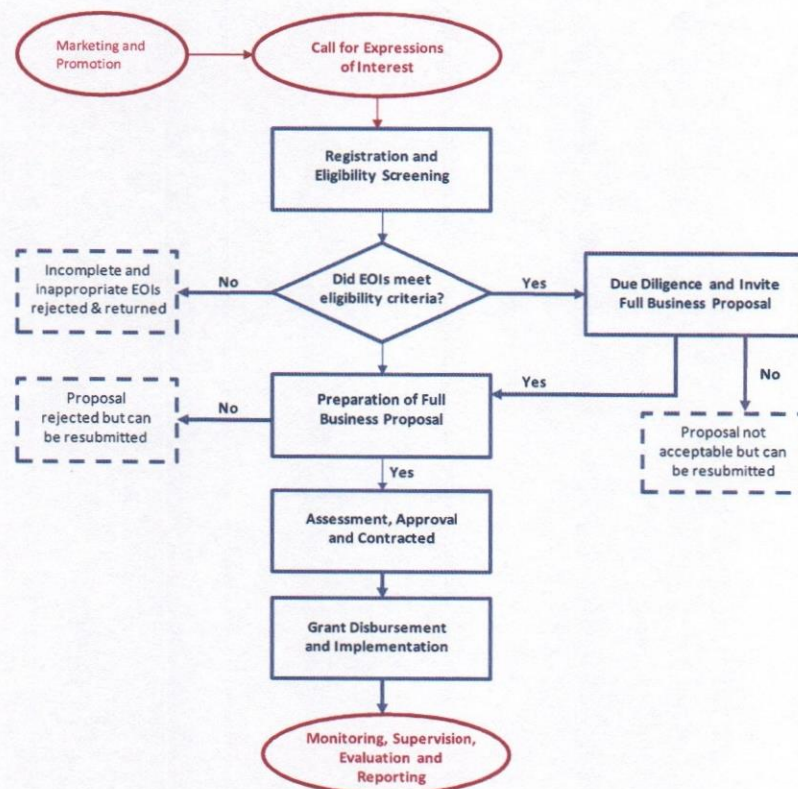
3.1 Sub-Component B1: Market linkage and investments in the value chain

3.1.1 Fund Application Process

The Matching Grant Fund will be managed by the Fund Management Unit (FMgtU) under the overall supervision of the PMU. In addition, a substantial Technical Assistance budget will support the preparation and implementation the Matching Grant Scheme. Applications for the matching grants fund involves a number of process stages as illustrated in Figure 1 below:

- The FMgtU will be responsible for marketing and promotion of the availability of the Matching Grant Funds through websites, DLS Extension Offices (DEOs), regular DLS communication channels as well as the organization of promotion workshops inviting stakeholders from the Agribusiness Sector. The marketing and promotion activities are further detailed in paragraph 3.1.2.
- Once promotion has sufficiently targeted relevant stakeholders, a call for Expressions of Interest (EOI) will be launched, through LDDP and DLS websites, DEOs, as well as publications in relevant newspapers, and agricultural sector magazines.
- Calls for Expressions of Interest will be initiated through a series of tender rounds. Given the project period of 5 years, the number of tender rounds proposed will be a minimum of one per year, with the exception of the first year (2019). The indicative format for the EOI is included in annex 2a and may be changed by the FMgtU when deemed necessary.

Figure 1: Key Fund Processes



- The submitted EOIs will be registered and will be screened on the Eligibility Criteria (para 3.1.8) further detailed in the formats in annex 2b (Indicative Assessment Form), annex 2c (Verification Visit Checklist and annex 2d (Social and Environmental Screening Checklists). Following these formats,

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the initial screening of the EOI will be carried out by the FMgtU and relevant PIUs and then its recommendations will be forwarded to the FMgtU Head Office for review and pre-selection.

- The Fund Manager will establish a Contacts Database to record all interactions for the duration of the project. Information generated by this database will assist targeted promotion, which has been analysed by sector, size, location and gender (para 3.1.2).
- In order to secure independency, to avoid risk of corruption and elite capture, an independent 5 members Grant Review Committee (GRC) will be formed; it will be chaired by a high level representative from the Ministry of Fisheries and Livestock, and it will include 1 representative from Planning wing of MoFL, 1 from LDDP (notably CTC), 1 from DLS and PD, LDDP will be the member-secretary. The GRC will be responsible for the final review and selection of the pre-selected EOIs (Figure 4).
- Non-qualified applicants will be informed by the PMU in writing including the reasoning why their EOI has been rejected. The pre-selected EOIs will then be visited by the DEOs for due diligence. Once due diligence has been passed, the applicants will be requested to prepare a Business Proposal (BP) in accordance to the format given in annex 2e. When pre-selected EOIs do not pass the due diligence, again the applicants will be informed in writing on the decision including the reasoning for rejection.
- For the preparation of the Business Proposal, specialist expertise will be required from the Agribusiness Consulting Firm under contract with LDDP. Such assistance may be requested from the PIUs.
- For the preparation of the Business Proposal, specialist expertise may be required which may be requested from the PIUs who will provide assistance to a limited extend and will provide the applicants with a roster of qualified consulting companies able to assist applicant in Business Proposal development on a commercial basis.
- FMgtU Head Office will review the Business Proposals received based on selection criteria still to be elaborated, but which should include a/o social and environmental criteria, target area, gender, feasibility, innovative and climate resilience aspects. Based on the ranking FMgtU will prepare a draft list of Business Proposals to be awarded, which will be forwarded to the independent Grant Review Committee (GRC) for final evaluation and selection.
- For Matching Grants below US\$5,000 a BP will not be required, but selection will be based on the EOIs submitted and final selection will be done by the PIUs. As selection will be initiated at District level, FMgtU will provide a funding envelope to each District in which LDDP is active in order to ensure that available funds are evenly distributed.
- Given the large number of EOIs and BPs to be submitted, it is advised that FMgtU will prepare standard BP formats including specification of equipment and possibly pro-forma offers from equipment suppliers, to the maximum extent possible. For instance, this will be necessary for small milk processing units as the SMEs will not be able to collect all of the required information themselves. Also, it is recommended to cluster applications in order to reduce workload.

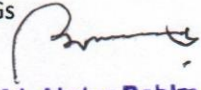
3.1.2 Marketing and promotion

A well-designed outreach program is necessary to generate awareness among the target population of the matching grants scheme. The FMgtU will keep records documenting marketing and communication activities and will include summaries on outreach activities in performance reports.

Scope of Marketing and Communication Strategy:

The FMgtU will develop and implement a national Marketing and Communications Strategy in conjunction with PMU to encourage potential applicants to either invest in the sector and/or expand their existing operations. The Agribusiness Consulting Firm under contract with LDDP will help design this strategy. The Marketing and Communications Strategy will inform the community of the types of opportunities that exist in the livestock industry and facilitate the generation of ideas for the preparation of Business Proposals. The aim of the Marketing and Communications Strategy is to ensure that potential applicants:

- Are made fully aware and understand the objectives and scope of MGs


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- Understand the roles and responsibilities of the PMU and the FMgtU
- Are given every encouragement to apply for funding provided the potential applicant and the EOI are eligible
- Receive the necessary advice and guidance to assist them prepare EOIs, and
- Are encouraged toward partnerships with one or more other prospective applicants prior to submission of EOIs, where doing so would help produce proposals more in line with MG objectives.

Strategy for Marketing and Communication:

The objective of the Marketing and Communication Strategy is to secure a sufficient quantity of Business Proposals that meet the eligibility and other selection criteria, to be able to allocate all the available funds, and to achieve the objectives of the grant scheme. This requires that the FMgtU:

- Generates sufficient interest to attract initial enquirers
- Stimulates enquirers to submit eligible and competitive EOIs
- Encourages applicants who submitted successful EOIs to submit full Business Proposals, and
- Promotes MGs through publicising successful sub-projects that have been funded.

Marketing Material:

Standard promotional materials will be developed, including:

- Promotional leaflet summarising MGs objectives and explaining methods of engagement
- Standard email letters introducing MGs and its objectives and activities
- A standard presentation, comprising a set of slides, in the form of standard text and illustration material, for adaptation by speakers in the field
- Banners, and
- Website and/or Facebook page or other appropriate social media platform.

3.1.3 Operational Procedures for EOI stage

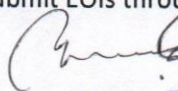
Enquiries:

Following implementation of the Marketing and Communication Strategy, enquiries are expected to be received at FMgtU through DEOs and LSPs in project districts which may need clarification and advice from the FMgtU, who will ensure that each enquirer is provided appropriate information to understand the Fund's purpose and the types of projects that qualify for consideration. In particular, eligibility criteria should be explained so that enquirers can determine quickly the eligibility of applicants and thus whether their EOI will be acceptable to FMgtU. Other selection criteria should also be explained to foster competitive bidding.

Once FMgtU is satisfied that the proposed sub-project and the applicant appears to satisfy the eligibility criteria, FMgtU will encourage the enquirer to submit an EOI after a call for EOI is published by FMgtU. DEOs and LSPs will provide the enquirer with the necessary forms and assistance to prepare the EOI and will ensure the enquirer understands the contents of an EOI and the relevant deadline and assessment procedures, including selection criteria. Enquiring applicants will also be advised that securing the amount of their own resources to be invested in the sub-project is an important consideration in all funding decisions.

Bidding Rounds:

MGs are offered in a series of bidding rounds through the implementation of a two-stage process, comprising EOIs at the first stage, and a BP at the second stage. The two-stage process has been designed specifically to minimise the amount of time that applicants need to devote to proposals that will not be competitive, so that only those with genuine chances would be further elaborated to be successful. EOIs should be brief and used as a way of screening out less competitive ideas. The FMgtU, DEOs and LSPs will provide all necessary support to applicants during formulation of their EOI. Bidding rounds shall be offered at six-monthly intervals and, at least five bidding rounds are expected to be completed over the total duration of the project. Bidding rounds (from the invitation to submit EOIs through to the award of grants)


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will be held sequentially, with one round completing before another begins. Bidders can submit only one EOI and, if EOI is awarded, bidders can only submit one Business Proposal per tender round. Should a BP be rejected then, in the next tender round and based on recommendations for improvement by the FMgtU, the applicant may forward its BP one more time.

Receiving Expressions Of Interest:

Following the call for EOIs, interested applicants (MSMEs and POs) will be asked to submit a brief EOI that outlines their proposed investment following the *pro forma* layout (annex 1a). Within one week, confirmation of receipt will be sent to each applicant submitting an EOI. Applicants whose EOIs are unlikely to lead to an acceptable sub-project will be informed as soon as possible. FMgtU must receive all EOIs by the time specified for each bidding round, and in accordance with specific policies and procedures. While every effort should be attempted to conduct the EOI submission process electronically, most POs will submit hardcopy EOIs to DLS Upazila offices.

Assessing Expressions of Interest:

On receipt of EOIs is complete by the deadline, the FMgtU will:

- Allocate a reference number to each EOI and record each EOI in the Contacts Database
- Review EOIs against the eligibility criteria and filter out ineligible EOIs
- Assess and evaluate EOIs and record results on an Assessment and Evaluation Checklist
- Seek any missing documents and/or information that is necessary to complete an EOI
- Seek clarification from the applicant on any issues if necessary.

Decisions:

The PMU/FMgtU will make the decision on each EOI and record each evaluation on an Assessment and Evaluation Checklist for internal discussion in a fair and consistent manner. The FMgtU will recommend either: support; borderline; or reject or accept. The recommendations will be forwarded to the GRC for final evaluation and selection. The final decision by the GRC will be communicated to applicants at the soonest. Following the decision, the FMgtU/DEOs will provide feedback to bidders whether the applicant is invited to submit a BP.



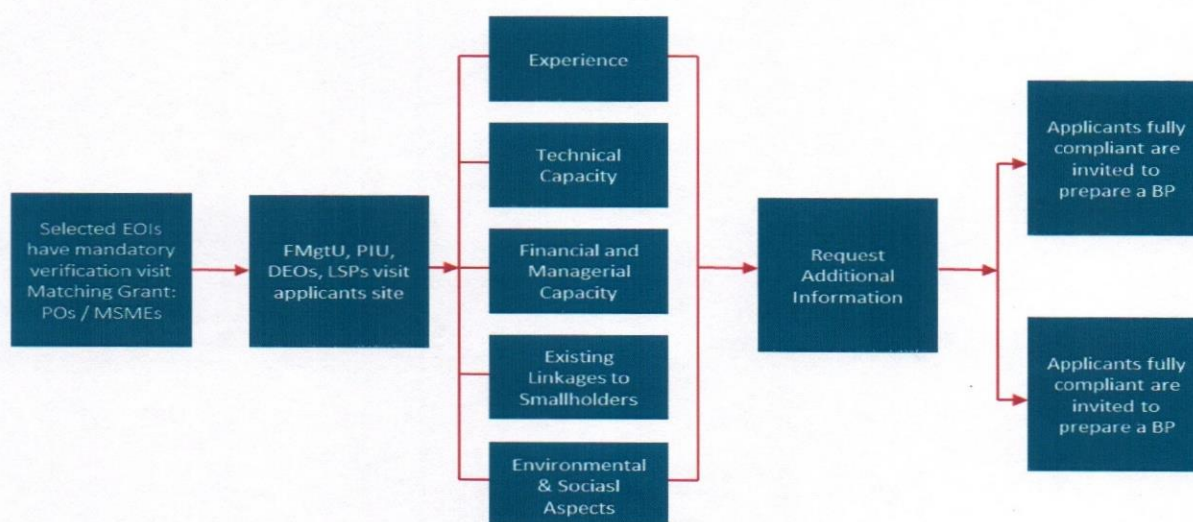
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3.1.4 Operational Procedures for Business Proposal Stage

Verification Visit:

The FMgtU, LSPs or DEOs will visit all applicants that pass EOI eligibility in order to verify the information submitted in the EOI and appraise applicants' capacity to implement and monitor their sub-project. Following the verification visit, if there are MSMEs or POs that prove to be ineligible because information provided on the EOI was inaccurate, or the applicant no longer needs or wants the investment sub-project, or the MSME or PO does not exist or is currently dormant, they will be rejected and notification sent to the applicant outlining the reasons.

Figure 2: Mandatory verification visit by FMgtU or DEO



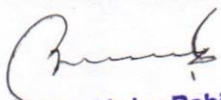
Due diligence checks during the verification visit will be conducted, in order to ensure sufficient levels of governance, financial management, and implementation capacity of the Applicant. These items and notes to be covered during the verification visit will be recorded in the Due Diligence Checklist and will accompany the Business Proposal when submitted to the FMgtU for evaluation.

Business Proposal Preparation:

The FMgtU will develop BP information packs available for MSMEs and POs invited to submit a BP. The FMgtU will draw from its TA budget to utilise for training and technical assistance to MSMEs and POs. These activities will include assistance with formulating BPs, training in business and financial management and technical expertise to advise applicants on technical aspects and investments proposed. These technical experts and service providers must only advise the applicant when they are formulating the BPs, they cannot formulate the proposal themselves on behalf of the applicant.

Drafting Business Proposals:

Potential applicants will be expected to complete their BPs providing information on their company, detailed investment sub-project proposal, current activities, current financial situation, and proposed economic and/or social and/or environmental benefits to targeted beneficiaries and the wider community (including youth employment, women empowerment and climate smart considerations for sub-projects, etc). All applicants will be supported, if required, with expert assistance by a third party to complete the document. The BP needs to be a comprehensive description of applicants' products or services, production techniques, markets and clients, marketing strategy, human resources, requirements in respect of infrastructure and supplies, requirements for environmental and social safeguard compliances, commitment to climate smart investment principles and practices, financing requirements, and sources and uses of grant funds.


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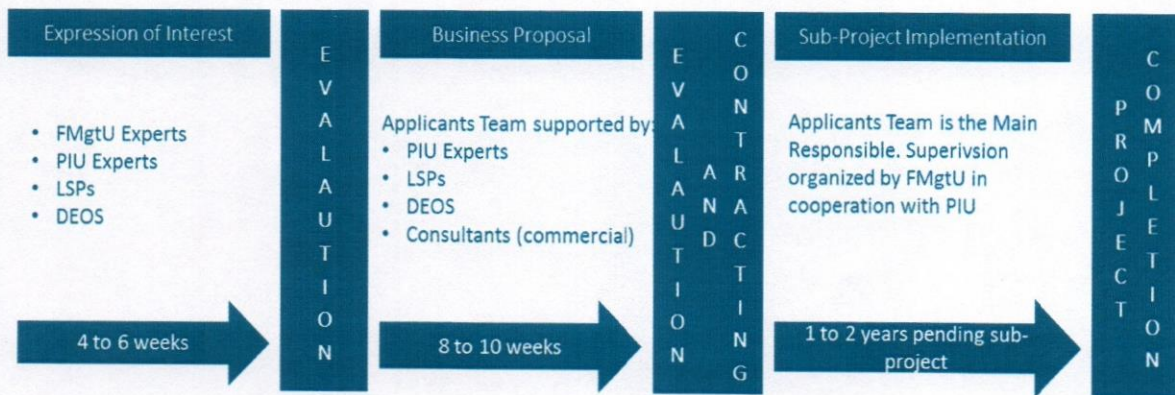
Technical Appraisal:

Applicants invited to submit a BP, particularly for expensive and technically complex investment proposals (e.g. dairy hub), will be offered a technical assessment by an expert group who will provide a comprehensive evaluation of the applicant and will identify weaknesses and priority investment areas. The expert group (individual experts and consulting firm) will only assess technical areas and will provide recommendations within its area concerning recommended machinery or equipment, operating costs, budgets, training requirements, operations and maintenance, expected outputs, environmental and social requirements, climate smart principles and practices, etc.

3.1.5 Timeline

The timeline for application is presented in Figure 3. From the moment of launching the request for EOIs, applicants will have a maximum of 6 weeks to forward the EOIs. The FMgtU will evaluate the EOIs during a period of 6 weeks, after which selected applicants will have a period of 10 weeks for BP formulation. The implementation period for the sub-projects still has to be defined, but a maximum of 2 years is suggested.

Figure 3: Timeline for Business Proposal and Implementation



3.1.6 Funding availability

This sub-component will improve market linkages by supporting POs and MSMEs through two routes adapted to the local conditions: (i) Productive Partnerships (PPs) between POs or MSMEs and larger agribusiness buyers (ABs) or (ii) POs and MSMEs themselves. Sub-projects will be financed through the provision of Matching Grants (MG) to promote access to financing for POs and MSMEs. For instance, dairy hubs will be one set of PPs supported under this project. Dairy hubs are investments made by agribusiness firm, that are based on a network of 20-25 Village Milk Collection Centres (VMCC). A VMCC is a milk collection centre at village level where small farmers bring milk daily for aggregation, quality control, and onward haulage to a dairy enterprise or a dairy hub. Total indicated volume of MG Funds available is US\$30 million (incl. contingencies US\$ 33 million: ref. table 1).

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Table 8: Matching Grant Funding under component B1 (US\$30 million)

COMPONENT B		Unit	Total		
MARKET LINKAGES AND VALUE-CHAIN DEVELOPMENT					
I. Investment Costs				DLS	Matching Grant
B. MARKET LINKAGES AND VALUE-CHAIN DEVELOPMENT					Sub-Grant
B1. MARKET LINKAGES THROUGH PRODUCTIVE PARTNERSHIPS					
a. Technical Assistance					
Firms - Agro-Business Planning, Technology and Marketing Advise and Implementation Support		Lumpsum - Year	6.000	6.000	
Subtotal			6.000	6.000	0
b. Market Linkages and Value Chain Development Fund					
Feeds - Support to small-scale feed mills to improve processing technology and quality		Feed mill	2.500		2.500
Feeds - Assistance in TMR including roughage, silage, concentrate, minerals/vitamins		Feed Production Center	3.800		3.800
Milk Collection - Dairy hubs collecting from VMCC (including the VMCC)		Hub	6.300		6.300
Milk Processing - Small-scale milk processing technology at the premises of larger dairy farmers and Hubs/Pos and Sweet meat Shops		Mini Processing Unit	13.950		13.950
Milk Processing - Large processors to adopt technologies for product diversification (cheese, yogurts, etc.)		Processor	1.000		1.000
Milk Processing - Mobile milking machines for leasing by processors to farms		Milking Machine	1.000		1.000
Climate Resilience - Manure entrepreneurs development		3-20 T/day Digester	1.875		1.875
Subtotal			30.425	-	30.425
Subtotal			36.425	6.000	30.425

3.1.7 Number and size of sub-grants

Depending on the sector, the size of the grant contribution ($\leq 50\%$) ranges from US\$1,000 (for milking machines) to US\$315,000 (for dairy hubs) as is indicated in table 9.

Table 9: Number and size of Matching Grants

COMPONENT B		Unit	Quantities					Unit Cost	Total		
MARKET LINKAGES AND VALUE-CHAIN DEVELOPMENT			2019	2020	2021	2022	2023	Total	(US\$)		
I. Investment Costs											DLS
B. MARKET LINKAGES AND VALUE-CHAIN DEVELOPMENT											Matching Grant
B1. MARKET LINKAGES THROUGH PRODUCTIVE PARTNERSHIPS											
a. Technical Assistance											
Firms - Agro-Business Planning, Technology and Marketing Advise and Implementation Support		Lumpsum - Year	1	1	1	1	1	5	1.200.000	6.000	6.000
Subtotal										6.000	6.000
b. Market Linkages and Value Chain Development Fund											0
Feeds - Support to small-scale feed mills to improve processing technology and quality		Feed mill		25	25	25	25	100	25.000	2.500	2.500
Feeds - Assistance in TMR including roughage, silage, concentrate, minerals/vitamins		Feed Production Center		190	190	190	190	760	5.000	3.800	3.800
Milk Collection - Dairy hubs collecting from VMCC (including the VMCC)		Hub		5	5	5	5	20	315.000	6.300	6.300
Milk Processing - Small-scale milk processing technology at the premises of larger dairy farmers and Hubs/Pos and Sweet meat Shops		Mini Processing Unit		116	116	116	116	465	30.000	13.950	13.950
Milk Processing - Large processors to adopt technologies for product diversification (cheese, yogurts, etc.)		Processor		2	3	3	2	10	100.000	1.000	1.000
Milk Processing - Mobile milking machines for leasing by processors to farms		Milking Machine		250	250	250	250	1.000	1.000	1.000	1.000
Climate Resilience - Manure entrepreneurs development		3-20 T/day Digester		2	3	3	2	10	187.500	1.875	1.875
Subtotal		Number of Matching Grants		590	592	592	590	2.365		30.425	-
Subtotal										36.425	6.000
Subtotal										36.425	6.000

During the five-year project period, a total of 2,365 Matching Grants will be awarded, for which several tender rounds will be organized. A substantial budget line is included to support applicants in business proposal preparation, and to assist the FMgtU in the implementation of the Matching Grant Scheme.

3.1.8 Eligibility criteria

Eligible sub-projects will qualify for funding if they can demonstrate the following:

- The applicants must be commercial business entities including: MSMEs, POs, ABs and DEs
- Registered and operating in Bangladesh (whether domestic or foreign owned or a joint venture) in compliance with appropriate business licensing, taxation, employee and other relevant regulations in Bangladesh⁴
- Satisfactory financial health (in terms of being a “going concern” as determined by the FMgtU), and able to show qualified audit opinion on financial statements (where applicable) for the last two financial years
- Adequate internal technical and managerial capacity to undertake the sub-project within the agreed timeframe

⁴ Fund recognises that some businesses that wish to participate in the fund are not yet officially registered with the appropriate registration authorities and these entities will be encouraged to register as early as possible. For unregistered applicants, all fund contracts must be concluded either with an individual, preferably the owner of the business, or a group of individuals.

- The applicants must have a bank account
- From its annual reports and/or bank statements, applicants must be able to demonstrate to contribute a minimum of 50% of the sub-project investments
- A minimum length of continued operation in the area of command should be demonstrated with date of registration, income tax certificates and annual audit reports for the last 2 years
- The proposed sub-project must contribute to improved incomes and economic and social and/or environmental opportunities in the industry, particularly for small-scale farmers with limited access to high value markets; and the sub-project results in sustained better access to the market economy for these farmers, to the mutual benefit of the Productive Partnership
- The sub-project must be commercially sustainable, as demonstrated by a credible business proposal and demonstrably increase the competitiveness and viability of the livestock industry
- The sub-project must not create permanent unfair competition or otherwise permanently distort markets
- The sub-project must be socially and environmentally sustainable and it must not cause any social or environmental damage without proper mitigation measures
- The duration for implementing sub-projects must be within the period of the LDDP Financing Agreement between the World Bank and the government of Bangladesh.

The FMgtU may determine that the eligibility criteria need to be changed from time to time in order to sharpen the focus of investment sub-projects to meet LDDP objectives and to ensure the fund can more effectively achieve targets and results. Any changes made to this manual will be submitted through MoFL & ERD to the World Bank supervision Team for acceptance, as stated in the LDDP Financial Agreement.

The key rationale for keeping the fund as broad as possible is to maximise the number of eligible beneficiaries, and so encourage stronger competition and private sector innovation, and increase the likelihood of fund resources being fully utilised.

One of the objectives of Matching Grant Schemes is to generate a social benefit from the use of public funds for private sector growth and job creation, with a particular focus on providing support to smaller-scale farmers, women and the youth. Therefore, a grant fund cannot be invested in only machinery, equipment or infrastructure for the improved profitability of MSMEs, but must also demonstrate benefits to the industry such as integrating more smaller-scale farmers into higher value markets, for example.

Should circumstances or unforeseen matters prevent the beneficiary from achieving the target of the investment sub-project, then the FMgtU should be informed at the soonest. The FMgtU will review beneficiaries' performance against sub-project objectives and will draft a project completion report including (i) percentage of sub-project and objectives achieved, (ii) advance payments made, and (iii) financial settlement for project completion. The project completion report will be forwarded to the GRC for final decision on financial project closure.

Example. A milk processor wishes to participate in the dairy hub window. The fund agrees to form a Productive Partnership for a total investment of \$600,000 (grant \$300,000). The investment proposal targets 350 smallholder farmers to be linked to higher value fresh milk markets through five milk collection centres that supply the processing company's dairy hub. Fund invests in on-farm infrastructure for the farmers, such as fencing, pens, feed troughs, milking machine, biodigester, manure management devices, articulated water supplies, etc. Farmers are expected to contribute 10 percent to these on-farm costs. The company supplies technical assistance, veterinary support and builds the Village Milk Collection Centres. Farmers are trained in producing higher quality milk and they receive premium payments for meeting milk quality targets. Farmers increase their incomes and may also provide job opportunities through production of more milk of higher quality. The milk processing company obtains a more regular supply of high-quality milk that increases their production capacity.

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3.1.9 Conflicts of Interest

Businesses applying for matching grants must provide professional, objective and impartial information at all times, and they have an obligation to disclose to the FMgtU any situation of actual or potential conflict of interest. For example, this could occur when the owners or employees of the applicant have a close business or family relationship with DEOs or the FMgtU, who are directly or indirectly involved in any areas concerning:

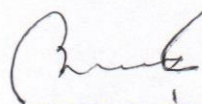
- (i) the preparation of the conditions to apply for a grant;
- (ii) the selection of eligible applicants at EOI stage; or
- (iii) the supervision of a beneficiary's activities during implementation of their sub-project.

Failure to disclose such situations may lead to the disqualification of the applicant or the termination of its grant/contract. If a grant has already been disbursed and an undisclosed conflict of interest is subsequently discovered, the FMgtU will be entitled to claim reimbursement from the beneficiary of any grant funding paid.

3.1.10 Ineligible Activities

Purchase or renting of land, vehicles and operating costs and working capital, even if exclusively for the investment sub-project, are not eligible for grant support. Foreign exchange losses and interest charges for late payment are not eligible for inclusion in BPs. However, in the case of any conflict between the arrangement and procedures set out in this manual and provisions of the LDDP Financing Agreement, the provisions of the Financing Agreement shall prevail.

Application formats are given in Annex 2a to 2h and are self-explanatory.



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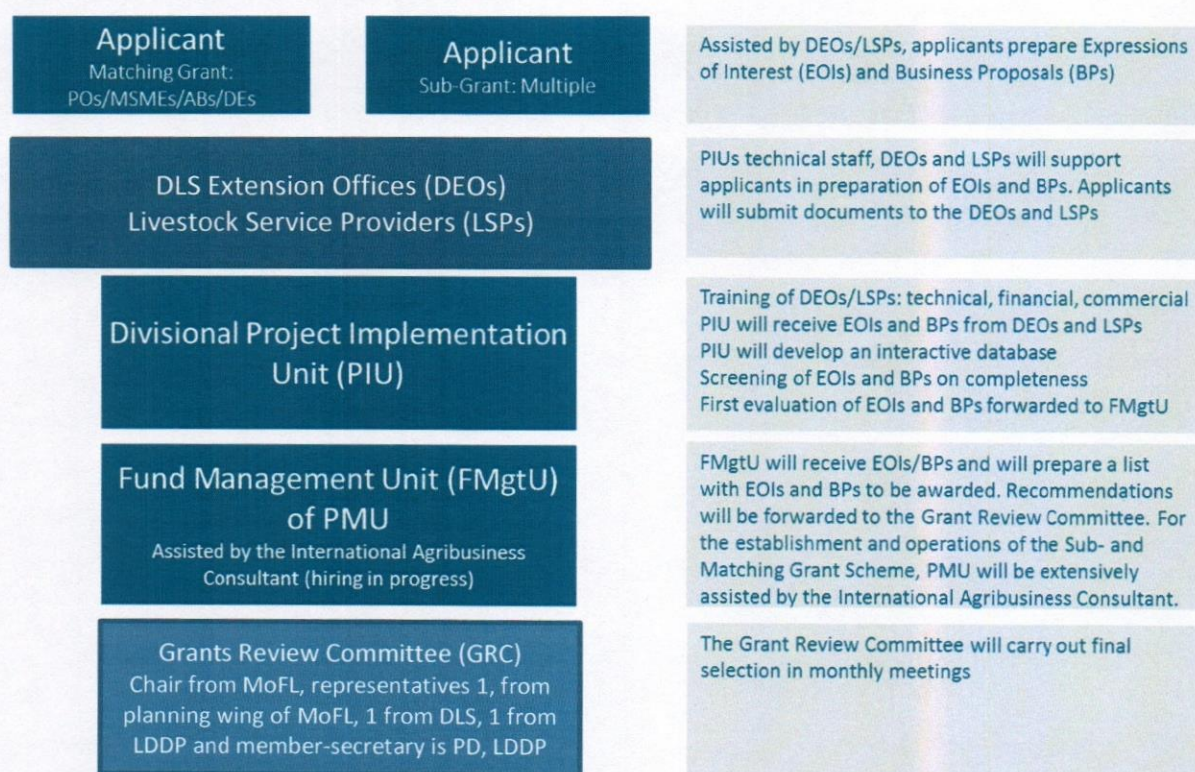
4. FUND MANAGEMENT

In close cooperation with the international Agribusiness Consultant Firm hired by LDDP, the Fund Management Unit (FMgtU) will establish the Grant Schemes and will manage the Grant Schemes throughout the LDDP project duration.

Both grant schemes will be managed by the PMU and a dedicated FMgtU will be designated from PMU (CTC & DPDs), who will report to the Project Director. The FMgtU be assisted by selected PMU staff with relevant experience. Jointly, these PMU staff will be referred to as the Fund Management Unit.

In order to secure the independent review of grant applications, it is essential to establish an independent Grant Review Committee (GRC) minimizing the risk of elite capture and fraud. Based on detailed review of the applications, the GRC will meet in monthly meetings and, inter alia, will decide on the final selection of Expressions of Interest (EOIs) and Business Proposals (BPs). The structure of the grant application and selection process is indicated in Figure 4 below

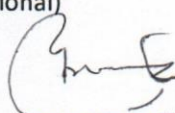
Figure 4: Grant application and selection process



In addition, technical expertise will be required to support and evaluate grant applications both at FMgtU (headed by CTC and respective DPDs and assisted by Agribusiness Experts and Firms) and PIU level. Such expertise which will be drawn upon from the international Agribusiness Consultant as well as from a pool of technical experts appointed by the PMU as indicated in the LDDP cost tables and will include:

- Agribusiness and value chain specialists (national)
- Marketing expert (national)
- Dairy expert (national)
- Dairy processing expert (international)
- Slaughterhouse and meat processing expert (international)
- Knowledge and training manager (national)
- Climate smart and agriculture resilience experts (national/international)
- ICT expert (national)

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- Environmental and social specialist (national)
- Gender and women empowerment expertise (national)
- Livestock Stock Service Providers (LSPs) working with the POs and farmers (selected earlier: para. 2.2.4)
- Monitoring and evaluation officer (national)
- Finance manager responsible for administration, accounting and developing financial management training courses (national)

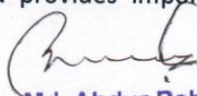
The PIU offices will support the FMgtU to gain context and locality specific knowledge, to have closer contact with beneficiaries and to improve integration with other donor initiatives in the sector. Officers will be co-located in the PIU offices.

Each PIU will support the FMgtU on planning and implementing the sub- and matching grant schemes in their respective project area. Each team member employed at the PIUs must be able to multi-task and assist in all activities including information dissemination and distribution of application forms; providing generic advice to potential grant applicants to prepare applications and proposals; facilitating provision of services and technical support; field verification of an applicant's operations; monitoring each sub-project's progress and provision of technical support to beneficiaries in their designated spatial area, contributing to informing LDDP's indicators regarding the deployment of Sub-grants and Matching grants as part of the project's M&E mechanism. Under the guidance of the FMgtU officers based in Dhaka, each PIU expert will be responsible for preparation and monitoring progress of sub- and matching grants in their local areas.

The FMgtU positions in the head office and in the PIUs will be filled by appropriately qualified and experienced government staff, either assigned staff from inside the Department of Livestock Services (DLS) or other government agencies or recruited competitively from outside. The salaries and special allowances of government staff seconded to the project (on either full time or part time basis) will be paid by the government. Travel, per-diems and all other incremental expenses of the hired and government staff will be paid by the project.

The Fund Management Unit (FMgtU) responsibilities include:

- Establish an operational FMgtU at the PMU office in Dhaka (mid 2020) and at the 8 PIU offices (second half of 2020);
- Establish and ensure effective communication networks (phone, email, blogs and website) to facilitate linkages between the Fund Management and bidders, projects, government staff and other relevant stakeholders;
- Build on the policies and procedures presented in this Grants Manual and submit for approval any changes to existing forms, complementary materials and proposed new operating forms. These may include:
 - Finalised eligibility and assessment criteria and other finalized selection criteria
 - Templates for EOIs and BPs for the grants
 - Develop the modalities for receiving and assessing applications for sub-grant and matching grant (EOIs and BPs) and notification of the outcomes to the applicants
 - Develop Pro-forma contracts between the Government of Bangladesh and beneficiaries
 - Detail design of fund disbursement processes and monitoring expenditure, including reporting mechanisms
 - Processes of conducting due diligence for all applications to verify the information provided in the proposal also including the Environmental and Social Impact Assessment (ESIA)
 - Financial management systems that adequately monitor, track and manage financial information to monitor and report on expenditure, including the disbursement of grant funding to the beneficiaries and FMgtU's own expenditure with adequate audit trail
 - A detailed database of all contacts and correspondence with market actors.
- Establish and maintain a Grant Fund website and/or Facebook page or other social media site that promotes and enhances the work of the FMgtU and provides important information on the Matching and Sub-Grant Schemes and its outcomes


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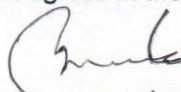


- Design and implement a targeted sectoral and geographical Marketing and Communications Strategy to raise awareness among potential applicants
- Prepare appropriate marketing materials (e.g. brochures) to support the Marketing and Communications Strategy
- Train and assist staff and consultants from FMgtU head and PIU offices in assisting interested potential applicants to formulate and elaborate their project ideas and prepare the necessary application documents
- Assist POs and MSMEs to formulate their applications ensuring they meet the Grant Schemes objectives and eligibility criteria
- Screen applications against objectives and eligibility criteria, where necessary, request additional information to assess whether eligibility criteria have been met
- Screen applications against other objectives selection criteria, and provide recommendations on awarding or rejection (with written explanation) of applications, which fail to meet the eligibility or the other selection criteria
- The recommendations on award or rejection will be finally confirmed by the Grant Review Committee (GRC) and based on these results the FMgtU will negotiate and conclude grant contracts with successful applicants
- Establish and maintain the necessary bank accounts, financial management, book keeping, accounting and financial reporting systems for disbursement of the Grant Schemes funds to beneficiaries
- Administer the disbursement of the grants to beneficiaries and exercise financial control over the expenditure of grants in accordance with the operating procedures
- Monitor progress of investment/recipient sub-projects against the original Grant Agreement or any agreed revisions thereof
- Take action as necessary in accordance with the provisions of the contract in the event that the integrity of grants is at risk
- Establish a Monitoring and Evaluation (M&E) system that measures the results, impacts and benefits of funded projects and informs the relevant indicators in the LDDP Results Framework
- Develop and implement a dissemination strategy to communicate results, findings and lessons learned from sub-projects to key stakeholders
- Prepare and submit workplans, budgets and reports on the progress against agreed performance indicators to the management of the LDDP/PMU as required.

The Fund Management Unit will be accountable for:

- Ensuring that the information of Grant Schemes is widely known within its target markets, so that all eligible applicants/candidates have equal opportunity and adequate information to take advantage of the grant schemes
- Safeguarding that the fund operates transparently and according to publicised schedules
- Generating a pipeline of projects, sufficient to ensure competition for funding and certify disbursement of funds to private entities with deserving sub-projects
- Ensuring contracts with beneficiaries permit adequate supervision and impact assessment
- Notifying the PMU at the earliest possible opportunity of any unsatisfactory beneficiary performance
- Provide regular progress reports on portfolio performance including progress and objectives achieved against the Results Framework Indicators as indicated in the PAD.

All procurement for grants will be conducted, as much as possible, through the PMU's procurement section in order to avoid transferring cash to beneficiaries and to facilitate more effective disbursement through bulk purchases ensuring economic order of quantity. For large grant proposals, funds may be disbursed in cash tranches based on progress against key performance indicators and achievement of milestones over the duration of the sub-project (results-based performance), as agreed in the contract or Grant Agreement between the beneficiaries and PMU.


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5. CONTRACTING, DISBURSEMENT AND SUPERVISION

5.1 Contracting

The PD/PMU will sign the Grant Agreement on behalf of the Government of Bangladesh with the beneficiary. In all cases, the beneficiary will be the organization that submitted the successful application (Sub-Grant) or Business Proposal (Matching Grant) for funding. Grant Agreements will be in accordance with the Laws of Bangladesh.

In case of Sub-Grants below US\$5,000, contracts will be of a very simple format. For the Matching Grants, an elaborate Grant Agreement Format is attached in Annex 2. This format serves as an example only and should be adapted given the size of the Sub-and Matching Grants.

The FMgtU will conduct and complete contract negotiations with successful applicants. The contract will include a clause that states a grant may be terminated as soon as and whenever corrupt or similar malpractice is discovered, and whatever the circumstances.

The duration of each contract will comprise:

- The period within which the sub-project funds are to be disbursed;
- The implementation period for the sub-project as set out in the work plan (where it exceeds the funding period); and
- A period following implementation for further monitoring and evaluation, concluding with the Completion Report submitted by the beneficiary within one month after implementation of the sub-project has been completed.

5.2 Disbursement of Grants

5.2.1 Sub-Grants

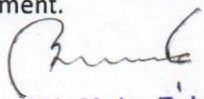
Pending advantages of centralized large volume procurement, the FMgtU will organize centralized purchase and distribution of supplies. The following purchase and reimbursement schemes will apply:

- Cash payments for buildings and supplies: sub-grants for supplies (agricultural inputs, machinery, medicines, etc.) and simple buildings (e.g. animal sheds and shelters) will be reimbursed based on invoices. Verification will take place by the PIUs or FMgtU
- In kind payments for supplies: in case of large procurement volumes (e.g. vaccines, simple shelters, farm equipment), the FMgtU will procure on a competitive tender basis and supplies will be distributed to the beneficiaries by the corresponding PIUs
- Cash payments for supplies, as reimbursements to farmers upon the commercial procurement of agreed small items locally available and within the total range of BDT 70,000
- For larger sub-projects, mainly demonstration farms, tailor-made payment schemes will be developed on a case-by-case basis.

5.2.2 Matching Grants

In order to implement the sub-project on a sound footing, it is important to provide a thorough orientation for the successful beneficiary to know the FMgtU's requirements during the implementation process, to ensure that the beneficiary has a clear understanding of the grant agreement, to establish a good working relationship between the beneficiary and the FMgtU.

A Technical Officer will explain the grant agreement to the beneficiary, working through the agreement clause by clause, in order to ensure that the beneficiary is fully aware and understands the requirements of the grant agreement. Similarly, the Technical Officer should include careful explanation of the grant budget, taking care to ensure that the documents are fully understood by the beneficiary. At the conclusion of this explanation, the beneficiary will sign the grant agreement.


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For most POs and MSMEs sub-projects, the grant (< US\$50,000) will be provided as a one-time payment to the nominated bank account of the beneficiary, once they have satisfied the FMgtU that their contribution to the sub-project has been secured (e.g. bank deposit receipt, loan agreement, inventory of assets). Procurement of goods and services as specified in the BP can either be undertaken locally by the beneficiary, or through LDDP's procurement systems.

For large investments (>US\$50,000), funds will be disbursed in tranches as specified in the grant agreement, following the achievement of agreed milestones (progress indicators) and occurrence of expenditures. The number of tranches and the amount of each tranche will be determined case by case, depending upon the amount of the grant and the nature of the sub-project. The final tranche (max. 5%) will be withheld until the FMgtU is satisfied that the sub-project has adequately delivered the agreed support to its beneficiaries, and a satisfactory completion report is submitted to the FMgtU.

5.3 Supervision of Sub-Projects

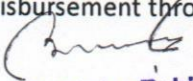
5.3.1 Sub-Grants

- The supervision of the Sub-Grants less than US\$1,000 will be limited to verifying the supplies only. De-facto only checking whether the supplies are in place, or services (e.g. vaccination) have been rendered
- The supervision of the Sub-Grants less US\$10,000 will be delegated to the LSPs/DEOs, who will prepare a report upon project completion (max. 3-4 pages) including:
 - ✓ Objectives
 - ✓ Progress and hardware/services procured
 - ✓ Financial evaluation: checking of invoice received and paid
 - ✓ Impact
 - ✓ Conclusion
- Supervision of Sub-Grants from US\$10,000-US\$50,000:
 - ✓ Verification report of supplies
 - ✓ Mid-term report with implementation progress
 - ✓ Financial evaluation: based on General Accepted Accounting Principles (GAAP) individual Sub-Projects will be evaluated
 - ✓ Completion report with achieved results
- Sub-Grants > US\$50,000:
 - ✓ Verification visits
 - ✓ Report of supplies
 - ✓ Mid-term and inspection visit reports with implementation progress
 - ✓ Financial evaluation: based on General Accepted Accounting Principles (GAAP) individual Sub-Projects will be evaluated
 - ✓ Completion report with achieved results
- Standard reporting formats to be developed by FMgtU.
- Recipients need to maintain their usual accounting books and may be subject to auditing procedures.
- Expenses deemed ineligible will be recovered by the PMU from the recipient.
- Failure by the recipient to comply with the Grant Agreement will lead to administrative or legal procedures.

5.3.2 Matching Grants

DEOs and/or the PIU technical experts will visit beneficiaries at yearly intervals to assess progress and financial performance. The FMgtU will establish standard project monitoring procedures with all beneficiaries providing 6-monthly reports on their sub-projects.

All grant claims will be reviewed by the FMgtU and approved before they are passed on for processing by the payment department of PMU/FMgtU. Progress against workplans and expenditure items will be reviewed by the FMgtU to ensure that the grant claim form is in order and correctly prepared. The FMgtU will then process the grant claim form and manage disbursement through its payment department.


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The FMgtU will undertake:

- A six-monthly review of the workplan
- A review of the beneficiary's half yearly report
- Check whether there are any problems and visit the location of the investment sub-project to confirm the report and
- Indicate what problems have arisen together with necessary mitigation actions.

In the event that the FMgtU is not satisfied, provision will be made in the Grant Agreement that FMgtU is authorised to request further information, visit the sub-project or require whatever steps it considers necessary to ensure that the investment sub-project expenditures are in order. Whenever needed, the FMgtU will seek sufficient technical, financial and marketing expertise to obtain sound information on the sub-project's performance.

5.3.3 Basis of accounting and audit process

Individual grants exceeding US\$10,000 will be subject to evaluation following General Accepted Accounting Principles (GAAP) and in the project completion report the financial paragraph should report accordingly. Grants from US\$1,000-US\$10,000 will have to submit invoices as well as proof of payment. Grants below US\$1,000 will only require checking of supplies being delivered.

5.3.4 Follow-up application

In case that the applicant of a sub-project will return to FMgtU or PIU with the request to file a second EOI and follow-up BP, should EOI be rewarded, the following process applies:

- Evaluation of prior sub-project's performance
- Complementarity of the 2nd application towards sub-project(s) already implemented
- Based on above, positive, evaluation prepare a request for follow-up financing through a second sub-project for review by the Grant Review Committee who will respond in writing
- The maximum number of sub-projects for one applicant is limited to two.

5.3.5 Failure to comply with Grant Agreement

Eligible expenditures, as basis for awarding the sub-grant, will have to be assessed prior to signing the Grant Agreement. In the case, after assessing the final grant amount, that ineligible expenditures have been financed from the grant amount, these grant amounts will have to be returned. In the case of failure to comply with the Grant Agreement, FMgtU will have to develop build in securities, i.e. payment against results achieved or a large percentage of final payment once the final grant amount has been assessed.

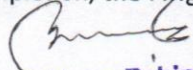
5.3.6 Standard reporting

All beneficiaries will be expected to submit standard Narrative Reports and Statements of Expenditure within 15 days of the end of each half year period, as defined in the Grant Agreement. The narrative report will cover:

- Progress to date against work plans, agreed performance targets, and indicators
- Issues and problems that have arisen and how these have been/will be addressed
- Workplan for the next period with any revisions proposed
- A revised budget where appropriate.

In these progress reports, beneficiaries will submit six-monthly expenditure overviews of all sub-project expenditure (grant and own contribution) and will request subsequent grant payments. This reporting will last for the duration of the sub-project until the entire funding amount has been disbursed.

At the conclusion of each sub-project, beneficiaries will submit a Sub-Project Completion Report setting out the achievements of the sub-project in terms of its objectives and the overall outcomes that were to be achieved. Within 12 months of the sub-project completion, the FMgtU will visit the beneficiary to conduct


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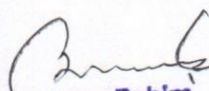
a Post Completion Review and assess the wider impact of the investment sub-project on the beneficiary itself, its overall sustainability and direct and indirect impacts and benefits, including at community level.

The FMgtU will prepare Quarterly Progress Reports on the following topics (amongst others):

- Detailed summary of the performance of funded investment sub-projects against their contracted deliverables and outcomes
- A financial statement regarding existing disbursements and future commitments
- Enquiries to the FMgtU
- EOIs and BPs in process
- Marketing activities undertaken to promote the availability of sub- and matching grant funding under LDDP
- Problems and issues encountered with sub-projects, and appropriate solutions
- Reporting on relevant indicator's as stated in the project's Results framework
- Lessons learned.

In addition to other reports mentioned in this manual, the FMgtU will prepare on an annual basis:

- A workplan highlighting planned activities, events, resource inputs and estimated financial commitments for the coming year
- A report on the outcomes of the investment sub-project portfolio. This should include measures to address challenge, and enhance prospects for portfolio success
- A report monitoring the outcomes of the sub- and matching grant projects against the indicators in the Results Framework.


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6. MONITORING AND EVALUATION

Monitoring and evaluation covers the management of the fund at two levels of operation: the fund itself and the individual sub-projects supported by the fund. Activities divide into four main areas:

- Monitoring the fund operations
- Evaluating the effectiveness and efficiency of fund operations
- Monitoring sub-projects
- Evaluating the impact of fund supported sub-projects.

Monitoring and evaluation should be done by an independent organization and should be based on international competitive bidding, and should be closely monitored by World Bank. Monitoring and evaluation should notably follow the results achieved to be compared to the indicators as mentioned in the Results Framework (RF).

6.1 Monitoring Fund Operations

Monitoring fund operations will be achieved through FMgtU's reports to the PMU. The principal fund operations that require monitoring are:

- Marketing, promotion and supporting applicants in applications
- Managing the receipt and processing of applications
- Appraising applications
- Carrying out due diligence
- Obtaining PMU and GRC approvals
- Managing fund disbursement

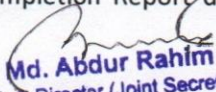
Examples of measurements for these operations will be included in the Monitoring and Evaluation Strategy to be developed by the FMgtU and could include indicators, disaggregated by gender, such as the:

- Number and nature of applicants that register enquiries
- Number of EOIs received and the percentage of eligible EOIs
- Number of applicants invited by FMgtU to develop BPs
- Number of BPs approved by the FMgtU and GRC
- Number of Grant Agreements concluded with beneficiaries
- Total value of grants awarded
- Number of sub-projects expected to produce indirect impacts, including system change, replication, scaling up, and behavioural changes in the livestock industry
- Successful completion of sub-projects and the number of sub-project failures.

6.2 Monitoring Funded Grant and Investment Sub-Projects

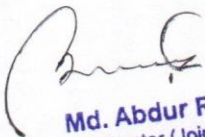
The task of managing and monitoring funded sub-projects is the responsibility of the FMgtU, who needs to: (i) Ensure that sub-projects are designed with clear and appropriate targets and milestones; (ii) Conduct early and close monitoring through regular progress reports and field visits; (iii) Use a management information system to capture and review monitoring data; and (iv) Evaluate the impact of sub-projects.

The sub-project Completion Report is an assessment of outcomes and benefits as stated in the application and specified in the Grant Agreement. It describes how the sub-project results contributed to grant fund objectives. The Completion Report will discuss achievements regarding: the investment sub-project's outreach to beneficiaries; specific innovations and accomplishments; sustainability and adoption of the innovations; contribution to the empowerment of women and the youth, or other marginalised groups; income generation; capacity building and other support to beneficiaries; knowledge and best practices dissemination (to other smallholders and businesses); impact on productivity, farm income, competitiveness; social impact and impact on the environment towards climate smart solutions and on GHG emission from the livestock sector; etc. The Completion Report does not simply repeat or summarise


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information already provided in progress reports submitted by the beneficiary, but provides a more detailed evaluation of results against agreed targets.

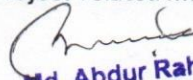
Important RF indicators that will require monitoring and evaluation are indicated in the PAD (page 39-53) and include a/o (non-exhaustive) indicators on (i) Farmers adopting improved technology male/female, (ii) Increased productivity of livestock species, (iii) Increased market access male/female, (iv) Improved resilience to selected risks (eg. Livestock insurance). For further reference it is referred to PAD Report No: 2500.



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Annex 1: Definitions

1. "Agribusinesses" or "ABs" means private enterprises (micro, small, medium or large), including MSEs and MSEs, operating in livestock system or livestock value and supply chains.
2. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. "Beneficiary" means (i) a PO or an AB, including a MSE or MSSE, benefiting from a Sub-Grant or a Matching Grant; or (ii) a DE benefiting from a Sub-Grant, after respectively meeting the selection criteria set forth in the Grant Manual.
4. "Business Proposal" means: in the case of Matching Grants, a plan prepared by the POs, MSEs, or MSSEs in accordance with the procedures and formats prescribed in the Grant Manual and approved by the PMU.
5. "Dairy Enterprise" or "DE" means a dairy enterprise, operating and commercializing dairy products.
6. "Department of Livestock Services" or "DLS" means the Recipient's Department of Livestock Services of the Recipient's Ministry of Fisheries and Livestock, or its successor thereto.
7. "Environmental Impact Assessment" or "EIA" means each of the environmental impact assessments to be prepared under the Project in accordance with the ESMF, each such assessment in form and substance satisfactory to the Association, and defining details of potential environmental risks and adverse impacts associated with the implementation of Project activities, together with an environmental management plan defining measures to manage such risks and impacts; as each assessment may be amended from time to time with prior written consent or the Association.
8. "Environmental management Plan" or "EMP" means each of the environmental management plans to be prepared under the Project in accordance with the ESMF, each such plan in form and substance satisfactory to the Association, and defining details or measures to manage potential environmental risks and mitigate, reduce and/or offset adverse environmental impacts associated with the implementation of Project activities, together with adequate budget, institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms; as each plan may be amended from time to time with prior written consent of the Association.
9. "General Conditions" means the International Development Association General Conditions for IDA Financing, Sub-Project Financing", dated July 14, 2017.
10. "Grant Agreement" means an agreement to be entered between the DLS and a Beneficiary for purposes of providing a Matching Grant.
11. "Grant Manual" means the manual referred to in Section I.A.6 of Schedule 2 to LDDP's Financing Agreement, containing detailed criteria, arrangements and procedures for financing Sub-Projects.
12. "Grievance Redress Mechanism" means the system to be established and implemented under the Project, which shall meet the requirements set forth in the ESMF and be acceptable to the Association, be designed to track complaints regarding the Project, guide resolution of such complaints, and track and publicize resolution of such complaints, as such system may be updated from time to time by prior written agreement between the Recipient and the Association.
13. "ICT" means information and communication technology.
14. "Incremental Operating Costs" means the reasonable incremental costs required for the day-to-day coordination, administration and supervision of Project activities, including Project contract staff salaries, leasing, repair and/or maintenance of equipment, facilities and office premises; vehicle rent; office supplies and utilities; consumables; communication expenses; translation, printing, photocopying and postal expenses; bank charges; advertising expenses; insurance costs associated to clearance, forwarding, inspection and transportation of goods; and Project-related meeting expenses and/or Project-related travel


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expenses provided that said expenses are paid to the eligible recipient through banking system (except for petty cash expenses following the Recipient's applicable existing policy on petty cash expenses); but excluding fuel, salaries (other than those set forth above), per diem, sitting allowances, honorarium and/or allowances of any nature.

15. "Livestock Service Providers" or "LSPs" means public or private extension and advisory actors providing different forms or support (input and services supply including training, information, technical assistance, fiduciary, advisory, etc.) to Producer Organizations, ABs and farmers in the preparation of Sub-project proposals and implementation of approved Sub-Projects.

16. "Matching Grant" means a grant awarded by the DLS through the PMU and PIU(s) to a Beneficiary for purposes of financing a Business Proposal under Part 8.1 (ii) of the Project, pursuant to the selection criteria and procedures set forth in the Grant Manual.

17. "Ministry of Fisheries and Livestock" and "MoFL" means the Recipient's ministry of fisheries and livestock, or its successor thereto.

18. "MSMEs" means Micro, Small and Medium sized Enterprises, as identified pursuant to the criteria and thresholds:

SI	Type of Industry	The amount of investment (Replacement cost and value of fixed assets, excluding land and factory buildings)	Number of employed workers
1.	Cottage Industry	Below 10 lakh	number of workers not exceed 15
2.	Micro Industry	10 lakh to 75 lakh	16 to 30
3.	Small Industry	Manufacturing	75 lakh to 15 crore
		Service	10 lakh to 2 crore
4.	Medium Industry	Manufacturing	15 crore to 50 crore
		Service	2 crore to 30 crore
5.	Large Industry	Manufacturing	More than 50 crore
		Service	More than 30 crore

19. "Pest Management Plan" or "PMP" means the Project pest management plan duly disclosed on April 04, 2018, acceptable to the Association, setting forth a set of actions, measures and policies to promote the use of a combination of environmentally and socially friendly practices, reduce reliance on synthetic chemical pesticides and ensure that health, social and environmental hazards are minimized.

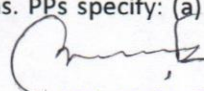
20. "Project Implementation Manual" or "PIM" means the implementation manual referred to in Section 1.A.6 to the Schedule 2 to this Agreement, containing detailed arrangements and procedures for the carrying out the Project; as such manual may be revised from time to time with the written consent of the Association.

21. "Project Implementation Unit" or "PIU" means the project management unit to be established for the purpose of implementing the Project and referred to in Section 1.A.1 of Schedule 2 to this Agreement.

22. "Producer Organization" or "PO" means a group of individuals organized around a common economic activity, a cooperative thereof formed for the purpose of enhancing business production (agriculture and non-agriculture) and access to services and markets.

23. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017.

24. "Productive Partnerships" or "PPs" mean the agreement/s entered into between POs and ABs for improving commercialization of products and the supply of inputs, leveraging credit, and ultimately contributing to strengthening supply chains. PPs specify: (a) product quality; (b) quantity to be produced



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and purchased; (c) delivery modalities: how the product will be delivered, when and in what condition; (d) payment and price determination criteria; and (e) each partner's contribution to the partnership.

25. "Project Management Unit" or "PMU" means the project management unit to be established for the purpose of implementing the Project and referred to in Section I.A.3 of Schedule 2 to this Agreement

26. "Public Private Partnership" or "PPP" means (local) government constructed and owning assets to be rented out to private sector for operations and maintenance. 27. "Safeguard Assessment and Plan" means each EIA, SIA, EMP, SMP, SECDP, PMP and/or RAP prepared or to be prepared during the implementation of the Project, as the case may be, in accordance with the ESMF, the RPF and the SECDF, as the case may be; and Safeguard Assessments and Plans" means, collectively, all such assessments and plans.

28. "Social Impact Assessment" or "SIA" means each social impact assessment to be prepared under the Project in accordance with the ESMF, each such assessment in form and substance satisfactory to the Association, and defining details of potential social risks and adverse impacts associated with the implementation of Project activities, together with measures to manage such risks and impacts; as each assessment may be amended from time to time with prior written consent of the Association.

29. "Social Management Plan" or "SMP" means each of the social management plans to be prepared under the Project in accordance with the ESMF, each such plan in form and substance satisfactory to the Association, and defining details of measures to manage potential social risks and mitigate, reduce and/or offset adverse social impact associated with the implementation of the Project together with adequate budget, institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms; as each plan may be amended from time to time with prior written consent of the Association.

30. "Sub-Grant" means any grant awarded by the PMU and PIU(s) to a Beneficiary for purposes of financing a Sub-Project, pursuant to Section I.B of the Schedule 2 to LDDP's Financing Agreement and the selection criteria and procedures set forth in the Grant Manual.

31. "Sub-Project" means a set of goods, works and services, which have met the criteria set out in the Grant Manual and to be financed under Parts A.2(iii), B.2(i) and B.3(ii) of the Project.

32. "Sub-Project Grant Agreement" means an agreement to be entered between the DLS and a PO, AB or DE for purposes of providing a Sub-Grant.

33. "Training Costs" means the reasonable costs required for the participation of personnel involved in training activities, conferences, seminars and workshops under the Project, which have been approved by the Association in writing on an annual basis, including: (a) travel, hotel, and subsistence costs associated to training, conferences, seminars and workshops provided that such costs are paid directly to the eligible recipient using the banking system; and (b) costs associated with rental of training, conference, seminar and workshop facilities; preparation and reproduction of training, conference, seminar and workshop materials; costs or academic degree studies; and other costs directly related to preparation and implementation of any training course or workshop; but excluding sitting allowances, workshop allowances and honorarium of any nature.



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Annex 2: Matching Grant EOI and Business Proposal Formats

Annex 2a: Indicative Expression of Interest Format

Annex 2b: Indicative Assessment of EOI

Annex 2c: Verification Visit Checklist

Annex 2d: Social and Environmental Screening Checklist for Sub-Projects

Annex 2e: Indicative Business Proposal Format

Annex 2f: Indicative Assessment and Evaluation Checklist of Business Proposals

Annex 2g: Producer Grant Agreement

Annex 2h: Enterprise Grant Agreement



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Annex 2a: Indicative Expression of Interest Format

1. **Description of the applicant/s (profile):** Provide a brief description of the applicant's Organization (MSME, PO, NGO, CSO), main activity, ownership, experience to date, and personnel. If this is a consortium then each Organization in the partnership needs to provide the same details as the lead agency. Provide evidence of the legal status of the applicant (if applicable).
2. **Project title:** Briefly state the project title.
3. **Location of project:** Site of major investment by PO or MSME with a description of the land for ownership, use right, site clearances (as appropriate) supported with legal title documents.
4. **Contact person and address:** Provide the name of the main contact person, including the role of the person as well as the contact details of the applicant (full address, phone number, email address)
5. **Objective:** Provide brief objective of the sub-project.
6. **Project description and rationale:** Provide a brief description of the proposed sub-project including, but not necessarily limited to, the rationale for the proposed sub-project and its activity, description of the idea, the main activities to be carried out in the sub-project, the main actors and their respective roles, location of the Applicant and Applicant's current operations, and the location of the Applicant's proposed sub-project and duration. It is important that you demonstrate a good understanding of the current market and the likely impact of the proposed sub-project. Any additional evidence you may provide (agreements, identified markets, etc.) will strengthen your EOI.
7. **Social and environmental impact (SEIA):** Describe in brief which social impact the project will generate, e.g. direct and indirect employment and women empowerment. Also environmental impact such as reduction of GHG emission, reduction of fertilizers and chemicals, manure procession as organic fertilizer or biogas production
8. **Target beneficiaries.** Who are the beneficiaries? How many are they?
9. **Targeted area:** Location of the sub-project implementation (e.g. where beneficiary growers are located – numbers of existing suppliers and new suppliers; area of expansion; etc.)
10. **Inputs:** What are your expected inputs in relation to the objectives and its key activities?
11. **Expected outputs and impact:** Briefly state what are the specific outputs and the expected impact of the proposed sub-project. Provide information on the current and target numbers of smallholders and the benefits to the smallholders (if applicable).
12. **Market analysis:** Analysis of the market potential and linkages of the project.
13. **Timeframe:** The projected timeframe—start and ending. Duration of the sub-project.
14. **Estimated budget:** Provide information on the key inputs required to implement the proposed activities, timeframe, and the budget requirements. The budget should list all the inputs required to implement the sub-project.
15. **Summary cash flow:** Give a brief indication of the cash flow of your Organization's projections including an indicative financial analysis and returns from the investment. And how will the investment change the profitability of the company
16. **Matching grant:** Provide information on the size and allocation of the proposed matching grant activity, with emphasis on eligible activities. Provide information and evidence on the applicant's contribution toward the matching grant.

Please note that the applicant's contribution must come from internally generated Funds (including loans) or equity does not support investment sub-projects that are co-Funded by other donors or Government.

Note: The EOI must not be over four pages and must be submitted online or hardcopy to the DLS Upazila offices for screening and approval.



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Annex 2c: Verification Visit Checklist

Completed by	
Location	
Dates	
Objectives	

INSTRUCTIONS: Answer the following questions based on your observations and feedback from persons you meet during the verification visit to the PO/Enterprise location – DO NOT try to interpret or guess what may be included in any future business proposal. DO NOT propose any advice, recommendations or remarks that could be interpreted as advice to the PO/Enterprise during the visit. DO NOT share the results of this verification visit with the PO/Enterprise – you must be viewed as a neutral person.


Questions	Yes	No	Needs more information
Experience			
Is this a new venture for the PO/Enterprise?			
Is the PO/Enterprise supported by an external agency (e.g. NGO)?			
Does the PO/Enterprise have competent and/or experienced employees/members capable of implementing all the activities listed in their EOI?			
Does the PO/Enterprise have sufficient experience (i.e. 1-2 years) in the selected field of investment to effectively implement the sub-project?			
Technical Capacity			
Is the PO/Enterprise technically competent to implement this sub-project?			
Does the EOI from this PO/Enterprise include sufficient technical support to deliver the expected results from the investment? (if not, then should additional technical assistance be included in their Business Proposal?)			
Does the PO/Enterprise have sufficient capacity to absorb more equipment/machinery/technical capacity as described in their EOI into their premises and staffing structure (i.e. will the PO/Enterprise need to expand their current location and/or hire more employees to implement the investment activities?)			
Financial and Managerial Capacity			
Does the PO/Enterprise have financial records for the past few years of its operations?			
If so, how are their finances recorded – what financial recording software etc.?			
Do the financial records accurately reflect the ongoing operations of the PO/Enterprise as observed during the visit?			
Do you have proof that your company has the financial capacity to contribute a minimum of 50% of the total investment and can make a down payment prior to grant funds coming in?			
Do you assess the manager and/or managerial team as operating effectively and able to adequately manage the sub-project?			
Did you obtain any managerial insights during your discussions with staff/members of the PO/Enterprise (include any relevant remarks below – General Observations)			
Existing Linkages to Smallholder Farmers			
Does the PO/Enterprise have existing linkages with smallholders (Number.....)			
Is the PO/Enterprise providing smallholders continuous services through the year – i.e. is this an active partnership?			
Social and Environmental Aspects			
Do the proposed activities for grant financing involve any land with contested ownership claims?			
Do the activities of the PO/Enterprise involve any adverse impact on neighbouring communities including indigenous peoples, youth, women or other vulnerable groups?			
Do the activities of the PO/Enterprise involve any adverse impact on natural resources (e.g. water, land, forests)?			

Does the PO/Enterprise implement any actions to ameliorate any adverse impact on the natural environment and resources?					
Decision following conclusion of verification visit	Approve <input type="checkbox"/>	Reject <input type="checkbox"/>	Need more information <input type="checkbox"/>		
Comments					

Specific Issues and Actions

INSTRUCTIONS: List the specific issues / problems that were identified during the visit. Then identify the actions that need to be taken and the specific individual responsible for taking the action, and when it should be completed.


Issue identified	Actions to be taken


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Annex 2d: Social and Environmental Screening Checklist for Sub-Projects

Questions	Yes	No
Does this sub-project intend to use or depend on any resources of national parks and protected areas or any critical aquatic and terrestrial habitat area?		
Is the sub-project area in this proposal located in a high-risk zone such as landslide prone area, steep slopes, highly degraded land in hills, riverine area susceptible to annual flooding, and in areas causing large-scale soil erosion?		
Will this project involve land clearance on slopes greater than 45 degree?		
Will this project affect a heritage site?		
Will this sub-project involve logging or causing any other major environmental harm?		
Is this sub-project likely to eliminate indigenous plant species of ecological significance?		
Does this proposal involve any activity that is likely to make irreversible adverse impacts on indigenous communities, women and other vulnerable groups?		
Does this proposal include any activity that promotes or involves the incidence of child labour?		
Does this proposal address Gender Based Violence and risks associated with influx of labor from outside the community.		
Does this proposal require any families losing their farm land and assets on the land or displacement of families due to construction of infrastructure?		
Does the proposal address any specific environmental performance in the production/processing site? If so, which ones and how		
Key environmental and social constraints on this Business Proposal (describe):		

- A. Is it necessary for the PO or MSME to prepare an Environmental Management Plan?
Check- Yes/No
- B. Is it necessary for the PO or MSME to prepare a Social Management Plan?
Check- Yes/No
- C. If yes, provide recommendations and guidance to the PO or MSME for the preparation of those plans
- D. If yes, the PO or MSME needs to prepare and include the plan/s in the Business Proposal before approval


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 Project Director (Joint Secretary)
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Annex 2e: Indicative Business Proposal Format

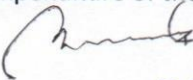
- 1. Introduction:** Why, how, and what is the Business Proposal for?
- 2. Sub-Project title:** Provide a project title.
- 3. Contact person and details:** Name of the main contact person, including the role of the person and the contact details of the applicant (full address, phone number, email address). If this is a consortium, then this person will be the conduit for discussions and, if successful, signature on the contract with the Government of Bangladesh.
- 4. Applicant's profile:** Provide a description of the Applicant's current business and its main activities, ownership status (with evidence), financial status (evidence), experience to date, and operational structure. Provide evidence of the legal and ownership status of the applicant. Details need to be provided for all Organizations included in any consortium bids.
- 5. Sub-Project objective:** Clearly state the sub-project's objective and possible indicators of performance during implementation of the sub-project.
- 6. Sub-Project description:** Describe the rationale for the proposed sub-project, the implementation strategy, including activities, actors and their roles (lead and collaborators); partnership arrangements; the location and land with ownership description with documentary evidence; and project duration. Submit supporting evidence (Dairy hubs should indicate geographic layout and location of hub, and village milk collection centres).
- 7. Business proposal:** Describe the business proposal, including a brief description of the business idea, market analysis (current market, demand analysis, competition analysis, customer base, and agreements), the estimated cash flow (five years), and action taken to address the risks. Provide rationale for and description of the activities of the sub-project. Submit any supporting evidence on the above agreements, market, and cash flow. Include your financial analysis which backs your decision on why this project shows financial viability and should be Funded. This should include such analysis as the break-even analysis, project/beneficiaries cost ratio, etc. Also indicate whether the Applicant is borrowing from a financial institution or other Funding source and the size of the loan, repayment rates etc. Include a statement on the environment in relation to the project, i.e., environmental and social risks and impacts, mitigation strategies, etc. *(This is mandatory for large-scale projects and any Business Proposal dealing with agrochemicals).*
- 8. Expected impact:** Describe the expected impact of the sub-project. Provide information on the current and target numbers of beneficiaries (e.g. semi-intensive growers), the actual benefits to the beneficiaries, and costs per beneficiary. Also, describe the Applicant's support to growers who will supply or buy produce from the business and the ongoing costs on a timeline.
- 9. Budget and the proposed matching grant:** Provide information on the size and allocation of the proposed matching grant activity, with emphasis on eligible activities. The below format is a guide only to show each activity's expenditure, and Applicants can use their own formats to describe their budget expenditure. The Budget shall be quoted in Taka. If converting costs from foreign currency, then indicate the exchange rate utilised for all calculations in the budget. It is important to submit information and evidence on the Applicant's own contribution toward the FUND grant. For POs, the budget needs to clearly indicate expenditures for PO-level costs and individual grower costs.

Project Title:

Item	Cost (Taka)	Budget Contribution Grant	Applicant	Comments
------	-------------	---------------------------	-----------	----------

Total

Phasing of expenditure over the duration of the sub-project (e.g. years, months, quarters) needs to be also included in the budget and clearly indicating the expenditure of the grant and Applicant's own contribution to the sub-project.


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Line Item (Taka)	Year-1		Year-2		Year-3		Year-4		Total	
	Grt	Self	Grt	Self	Grt	Self	Grt	Self	Grt	Self
Total										

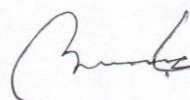
11. Supervision and monitoring arrangements: The Applicant must indicate in the proposal how the Applicant plans on supervising and monitoring their proposed activities. In order to facilitate sub-project monitoring, the activities, the expected outputs, milestones and the associated indicators of success (i.e., how to know that activity has been successfully implemented) should be stated, using the format below. The indicators are expected to be linked to the original sub-project activities and how many beneficiaries the activity expects to impact over time. Approved sub-projects will develop monitoring and evaluation arrangements with the help of the FUND Management team, which will enable these indicators and outputs to be regularly monitored.

Activity Description	Start Date	End Date	Indicator
----------------------	------------	----------	-----------

Attach copies of legal Registration, Title, Ownership, where applicable, drawings, maps, evidence of your Funding contribution (e.g. bank deposit, loan agreement), etc., to support the Business Proposal.

NB: The FUND Manager shall, where necessary, provide Technical Assistance to POs and MSMEs that may require further development to become bankable Business Proposals. Information on progress and processes shall be communicated regularly to the Applicant. All Applicants should be ready for a field appraisal when requested.

Signature block
Name, date.
(if a consortium of Organizations
then representatives from each
consortium partner need to sign
the proposal).




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Annex 2f: Indicative Assessment and Evaluation Checklist of Business Proposals

Note: scoring as an example only. To be done by FMgtU

No	Criteria	Indicator	Ranking Guide	Score
A. Economic				Max
1	Market Potential	1.1 Target market(s) identified and sales estimates provided	Target markets identified Sales estimates provided Neither included	5 5 0
		1.2 Target market(s) affirmed	Specific buyers identified (named?) Support letters from potential buyers Neither included	5 5 0
2	Feasibility	2.1 Does the business proposal cover all aspects described in guidelines in sufficient detail?	Yes No	5 0
		2.2 Financial projections (revenues and expenses) provided	Yes No	5 0
		2.3 Business financially and technically competent to complete investment	Yes No	5 0
3	Financial Capacity of Applicant	3.1 PO/MSME contribution	Self-Funded Partial loan Full loan	5 3 1
		3.2 Activities costed for duration of investment	Yes No	5 0
		3.3 Beneficiary support	Full package described and costed Partially described and costed Noted but lacking sufficient details Not included	10 6 2 0
4	Risk	4.1 Risk Analysis	Described with management plan Partial description Not included	5 2 0
Maximum Score/ weighting				75 45%
Score				
Comments				

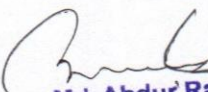

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No	Criteria	Indicator	Ranking Guide	Score
B. Social				Max
4	Potential Social Impact	4.1 Number of beneficiaries	> 1000 500 - 1000 < 500	10 10 10
		4.2 Number of jobs created	> 20 5 - 20 < 5 0	10 7 3 0
Maximum Potential Score/ weighting				20 25%
Score				
Comments				

No	Criteria	Indicator	Ranking Guide	Score
C. Environmental				Max
5	Environmental impacts	5.1 None or positive impacts identified	Yes No	15 0
		5.2 Viable mitigation strategies identified for adverse impacts	Yes No	5 0
Maximum Potential Score/ weighting				20 10%
Score				
Comments: if the proposal causes negative environmental harm mitigation measures such as waste water treatment and manure processing should be propose				

No	Criteria	Indicator	Ranking Guide	Score
D. Organizational				Max
6	Legal Status of Applicant	6.1 Registration status	Registered Registration in process Not registered	5 3 0
7	Organizational capacity to implement and monitor project	7.1 Level of experience of applicant in selected industry	Established > 3 years Established < 3 years Start-Up	5 3 1
		7.2 Sub-project action plan clearly defined	Yes No	10 0
Maximum Potential Score/ weighting				20 20%
Score				
Comments				

Business Proposal Overall Score		
Maximum Possible Total Score	120	100%
Total Score (Sum A, B, C, D weighted scores)		
Comments and Recommendations		


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 Department of Livestock Services (DLS)

Handwritten initials

Annex 2g: Producer Organization Grant Agreement

Grant Agreement to Receive and Use a Livestock and Dairy Development Project Grant

I/We the undersigned, on behalf of the Producer Organization named applied to the Livestock and Dairy Development Project to receive a Grant for the sub-project named from the project. Our organization and sub-project were deemed eligible, and our Business Proposal (attached) was assessed as compliant with the objectives of the project and thus, we agreed to receive a Grant to the value of BDT The term of the sub-project is from to As a condition to receive the Grant, I/we do solemnly declare on behalf of the named Producer Organization to abide by the following terms and conditions relating to implementation of the sub-project and expenditure of the Grant.

Terms and Conditions:

- 1) The Grant will only be used in accordance with the workplan and equipment/asset purchases as detailed in our Business Proposal;
- 2) Procurement of goods and services will be fully compliant with the procurement rules and regulations of the World Bank and Government of Bangladesh;
- 3) Use of land for the subproject(s) will be free from third party encumbrances and disputes whatsoever and will not affect the neighboring communities in their interest, income and usual way of life including cultural practices;
- 4) Statements of expenditure will be submitted with three-monthly progress reports and/or in accordance with requirements of the Department of Livestock Services for the duration of the sub-project;
- 5) All members of the named Producer Organization will be duly informed/notified regarding all Grant expenditures and related incomes from the sub-project;
- 6) During implementation of the sub-project Funded by the Grant, all members of the Producer Organization will abide by the advice and recommendations of Project team members, Department of Livestock Services staff and/or their appointed officers;
- 7) In the case of any problems or issues that result in our sub-project not achieving its objectives, I/we will notify the Project Team and the Department of Livestock Services as soon as possible, and I/we will take full responsibility for the results; and
- 8) I/We agree to indemnify the Department of Livestock Services, its officers, employees and contractors against any claim, loss or damage arising in connection with our sub-project.

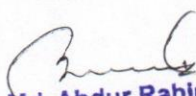
I/We pledge that all equipment/assets purchased or procured during the period of the sub-project shall not be sold or transferred to any other entities.

I/We agree and accept that the two parties to this agreement are committed to these terms and conditions listed above. Therefore, I/we, on behalf of the Producer Organization named sign this agreement in the presence of the following witnesses.

1.....	1.....
2.....	2.....
<i>On behalf of the Producer Organization.</i>	<i>Department of Livestock Services</i>

Date: Date:

Witnesses:


Md. Abdur Rahim
 Project Director (Joint Secretary)
 Livestock and Dairy Development Project (LDDP)
 Department of Livestock Services (DLS)

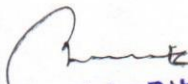


Livestock and Dairy Development Project Grant Agreement

between the Project represented by
(the Department of Livestock Services)

and

(insert Beneficiary)


Md. Abdur Rahim
Project Director (Joint Secretary)
Livestock and Dairy Development Project (LDDP)
Department of Livestock Services (DLS)



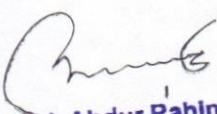
LDDP Matching Grant Agreement

(a) **Drafting Instructions**

Instructions to assist you to complete this Agreement are in black text on a grey background. Where you need to insert details or choose whether to include the relevant text the text is highlighted in yellow. Don't forget to delete any options you do not use. Delete this box and all drafting notes and all yellow highlighting before providing this Agreement to the Beneficiary.

You should enter the specific details of the Grant, such as the purpose of the Grant, the Parties involved, and the details of the Activity to be undertaken, in the **Grant Details**. The **General Grant Conditions at Schedule 1** define the standard rights and obligations, and contain definitions, that apply to the entire Agreement. These conditions cannot be changed.

Representatives of DLS and the Beneficiary must sign the Agreement on the **signatures page**.


Md. Abdur Rahim
Project Director (Joint Secretary)
Livestock and Dairy Development Project (LDDP)
Department of Livestock Services (DLS)

Grant Agreement [insert reference number/name]

Once completed, this document, together with the Business Proposal and the General Grant Conditions (Schedule 1), forms an Agreement between the Department of Livestock Services (DLS) and the Beneficiary.

Parties to this Agreement

[Provide details of both the Beneficiary and the DLS representative. Sufficient information must be included to properly identify the Beneficiary including their full legal name. If the Beneficiary is a consortium or partnership, ensure to include the full legal name of all parties.]

The Beneficiary

Full legal name of Beneficiary	[insert details]
Legal entity type (e.g. individual, Producer Organization, company, partnership etc)	[insert details]
Trading or business name	[insert details]
Any relevant licence, registration or provider number	[insert details]
Registered office (physical/postal)	[insert details]
Relevant business place (if different)	[insert details]
Telephone	[insert details]
Email	[insert details]

The Department of Livestock Services

The Department of Livestock Services represented by [full name]
[address]

The Parties' representatives will be responsible for liaison and the day-to-day management of the Grant, as well as accepting and issuing any written notices in relation to the Grant.

Background

DLS has agreed to enter this Agreement under which DLS will provide the Beneficiary with a Grant for the purpose of assisting the Beneficiary to undertake the associated Activity.


The Beneficiary agrees to use the Grant and undertake each Activity in accordance with this Agreement and the relevant Grant Details.

Scope of this Agreement

This Agreement comprises:

- (a) this document;
- (b) the General Grant Conditions (Schedule 1);
- (c) the Business Proposal;
- (d) any other document referenced or incorporated in the Grant Details.

This Agreement represents the Parties' entire agreement in relation to the Grant provided under it and the relevant Activities and supersedes all prior representations, communications, agreements, statements and understandings, whether oral or in writing.


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Grant Details [insert reference number/name]

[When completed, the Grant Details should contain all the information necessary for the completion of the Activity for which the Grant was provided, including any reports necessary for evaluation of the Grant.]

A. Purpose of the Grant

[You should clearly set out the outcomes or operational objectives of the Grant. This should be a brief summary of the aims/objectives of the Grant and not the specific details of the Activity (which should appear at Item B). The purpose of the Grant should be consistent with any guidelines issued by the Entity relating to the Grant or grant program. Details of any program the Grant belongs to should also be included where relevant.]

The purpose of the Grant is to [insert details of the sub-project's aims or objectives].

This Grant is being provided under the Agreement between DLS and the Beneficiary dated [insert date] [insert reference number/name].

The Grant is being provided as part of the *Livestock and Dairy Development Project*.

B. Activity

[You should include a detailed description of the Activity linked to relevant key performance indicators. If appropriate, this can be structured using 'milestones' or 'stages' - particularly if the Grant is to be paid in instalments or where the Beneficiary will be required to provide any reporting of the Activity (whether performance or financial). The details of any reports required as part of the Activity should be included at Item E below. If appropriate, you should include details of anything that is not part of the Activity and therefore not able to be covered by the expenditure of the Grant.]

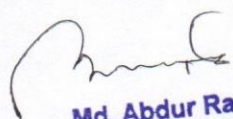
The Activities to be undertaken by the Beneficiary include:

- (a)[insert details]
- (b)[insert details]
- (c)[insert details]
- (d)[insert details]
- (e)[insert details]
- (f)[insert details]
- (g)[insert details]

C. Duration of the Activity

[You should specify the anticipated Activity start date and Completion Date. Make sure the Completion Date takes account of the submission and acceptance of any reporting required under Items B and E.]

The Activity starts on [insert date/event] and ends on [insert date/event], the Completion Date.


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[The following schedule provides an example of how you might specify the timing of specific events. Milestones should be clearly linked with the description of the Activity in item 'B. Activity' above and/or any reporting requirements in item 'E. Reporting' below.]

Activity Schedule	
Milestone	Due Date
[insert event]	[insert date]
[insert event]	[insert date]
[insert event]	[insert date]

D. Payment of the Grant

[You should describe the amount of the Grant, the form of payment(s), and timing of payment(s). If you do not include the Beneficiary's nominated bank account details below, you will need to ensure that you have a process for obtaining and confirming the details of the bank account into which the Grant is to be paid.]

The total amount of the Grant is [insert amount].

The Beneficiary must ensure that the Grant is held in an account in the Beneficiary's name and which the Beneficiary controls, with an authorised deposit-taking institution authorised to carry on banking business in Bangladesh.

The Beneficiary's nominated bank account into which the Grant is to be paid is [insert bank account details].

[The following payment schedule provides an example of how you might specify the timing of payments to MSMEs. Milestones should be clearly linked with the description of the Activity in item 'B. Activity' above. POs receive a one-time payment of the grant in full.]

The Grant will be paid in instalments by the Project upon completion of the agreed Milestones, and compliance by the Beneficiary with its obligations under this Agreement.

[insert any additional details]

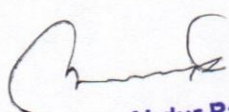
Milestone	Anticipated date	Amount (BDT)	Total (BDT)
[insert relevant event e.g. on signature of agreement, for purchase of(equipment) or acceptance of progress report, etc.]	[insert date]	[insert amount]	[insert amount]
ditto			
ditto			
ditto			
Total Amount		[insert amount]	[insert amount]

[If relevant, you should include project invoicing requirements.]

Invoicing

Each payment will be made following submission by the Beneficiary of a correctly rendered invoice. To be correctly rendered, the invoice must:

[insert invoicing details]


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 Project Director (Joint Secretary)
 Livestock and Dairy Development Project (LDDP)
 Department of Livestock Services (DLS)



E. Reporting

[In this section you should clearly establish the reporting requirements that form part of the Activity. You should include a description of what should be included in the report, details of any particular certification or 'sign-off' (e.g. signed by the chief executive officer, an auditor etc) and the date by which the report is to be provided.]

The Beneficiary agrees to provide the following reports in the form specified and to provide the reports to the DLS representative.

(i) *Progress reports including financial statements indicating grant expenditure and Beneficiary contribution expenditure to date, and forecast expenditures for the next period will be submitted within 15 days of the end of each quarter for the duration of the sub-project.*

- progress to date against work plans, agreed performance targets, and indicators;
- issues and problems that have arisen and how these have been addressed;
- workplan for the next period with any revisions proposed; and
- a revised budget where appropriate.

(ii) At the conclusion of the sub-project, Beneficiaries will submit a Project Completion Report setting out the actual achievements of the sub-project in terms of its objectives and the overall outcomes that were expected to be achieved. Included in this report will be detailed financial statements of Grant expenditures and Beneficiary contribution expenditures, plus any explanation for discrepancies that may have occurred during sub-project implementation and the original budgets (Item). Also provide details of any lessons learned and expectations regarding sustainability of the sub-project's results and goods purchased.

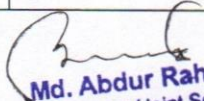
F. Activity budget

The Beneficiary agrees to provide, or to ensure the provision of, the finance statements used to undertake the Activity. If these details are not provided in accordance with this clause, then DLS may:

- (a) suspend payment of the Grant until the financial statements are provided; or
- (b) terminate this Agreement in accordance with clause 18 of the General Grant Conditions.

[The budget forms the basis against which the Beneficiary would acquit the Grant during implementation and at the Activity's Completion Date. The following table provides an example of how to specify the expenditure of the Grant within a budget to be included in progress reports and the Project Completion Report]

Expenditure Item	Description	Grant Contributions	Beneficiary Contributions	Total Cost
[insert reference]	[insert description of the expenditure item]	[insert amount of Grant contributed to this budget item]	[insert amount of Beneficiaries own Funds contributed to this budget item]	[insert total amount cost of the budget item]


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ditto				
ditto				
ditto				
ditto				

G. Record Keeping

[You should clearly establish any additional record keeping requirements. Be sure to specify any requirement to retain records after the Activity ends.]

The Beneficiary agrees to maintain the following:

- (a) keep financial accounts and records relating to the Activity so as to enable all receipts and payments related to the Activity to be identified and reported; and
- (b) The Beneficiary agrees to maintain the records for five years after the Completion Date and provide copies of the records to the DLS representative upon request.

H. Activity Material

[Intellectual Property Rights created under this Agreement should belong to the Beneficiary and you should consider if DLS is likely to want to use any Activity Material created under the Agreement and, if so, this clause should be included. Otherwise this clause is not applicable and should be deleted.]

The Beneficiary provides DLS a permanent, non-exclusive, irrevocable, royalty-free licence (including a right to sub licence) to use, reproduce, publish, and adapt the Activity Material.

The Beneficiary warrants that the provision and use of Activity Material in accordance with the Agreement will not infringe any third party's Intellectual Property Rights.

I Access

[You should include this Supplementary Term where you require additional access to premises and documents due to the nature of the Activity.]

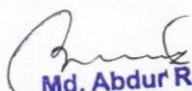
The Beneficiary agrees to give DLS representatives, project team members, or any persons authorised in writing by DLS, access to premises where the Activity is being performed and to permit those persons to inspect and take copies of any Material relevant to the Activity.

J. Equipment and Assets

[Equipment and assets purchased by the Beneficiary for the purpose of the Activity are owned by the Beneficiary. The Beneficiary is required to keep records of equipment and assets purchased with the Grant and the respective budget contributions.]

The Beneficiary agrees to obtain DLS's prior written approval to use the Grant to purchase any additional equipment or asset, apart from those listed in the Business Proposal and detailed below:

- (a) [insert list of approved equipment and assets]
- (b)


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 Livestock and Dairy Development Project (LDDP)
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(c)

(d) etc.

The Beneficiary agrees to maintain a register of all equipment and assets purchased with the Grant in the form specified below and to provide the register to DLS upon request.

[The following table provides an example of how you might design an equipment and assets register.]

Item Number	Description	Grant Contributions	Beneficiary Contributions	Total Cost
[insert reference]	[insert description of the equipment or asset]	[insert amount of Grant contributed to this item]	[insert amount of Beneficiaries own Funds contributed to this item]	[insert total amount cost of the item]
ditto				
ditto				
ditto				

The Beneficiary agrees to use the equipment and assets for the purposes of the Activity.

The Beneficiary agrees that the proceeds of any equipment and assets purchased with the Grant disposed of during the Activity must be treated as part of the Grant and used for the purposes of the Activity.

K. Jurisdiction

This Agreement is governed by the laws of Bangladesh.

Signatures

Executed as an agreement:

DLS:

Signed for and on behalf of the Department of Livestock Services as represented by:	[insert entity]
Name: (print) Position: (print) Signature and date:
Witness Name: (print) Signature and date:

[Select or insert the appropriate signature block depending on the nature of Beneficiary. Delete the signature blocks that are not used.]

Md. Abdur Rahim
Project Director (Joint Secretary)
Livestock and Dairy Development Project (LDDP)
Department of Livestock Services (DLS)

Beneficiary:

[If Beneficiary is an Individual]

Full legal name of the Beneficiary:	<i>[insert name of the Beneficiary and any Registration Numbers]</i>
Signatory Name: (print) Signature and date:
Witness Name: (print) Signature and date:

[OR]

[If Beneficiary is a Company]

Name of Company:	<i>[insert name of company and registration number, if any]</i>
Director's Name: (print) Signature and date:
Director/Company Secretary Name: (print) Signature and date:

[OR]


[If Beneficiary is a Producer Organization]

Full legal name of the Beneficiary:	<i>[insert name of producer Organization and any registration number]</i>
Public Officer's Name: (print) Signature and date:
Committee Member/Secretary Name: (print) Signature and date:

[OR]

[If Beneficiary is a Partnership - note that each partner should execute, add extra rows as required]

Full legal name of the Beneficiary:	<i>[insert name of partnership and any registration numbers]</i>
Partner's Name: (print) Signature and date:


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Livestock and Dairy Development Project (LDDP)
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Partner's Name: (print) Signature and date:
Partner's Name: (print) Signature and date:
Witness Name: (print) Signature and date:

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Project Director (Joint Secretary)
Livestock and Dairy Development Project (LDDP)
Department of Livestock Services (DLS)

DLS GENERAL GRANT CONDITIONS

1. Undertaking the Activity

The Beneficiary agrees to undertake the Activity in accordance with this Agreement.

2. Acknowledgements

The Beneficiary agrees to acknowledge the Government of Bangladesh's support in Material published in connection with this Agreement and agrees to use any form of acknowledgment the government reasonably specifies.

3. Notices

3.1 The Parties agree to notify the other Party of anything reasonably likely to affect the performance of the Activity or otherwise required under this Agreement.

3.2 A notice under this Agreement must be in writing, signed by the Party giving notice and addressed to the other Party's representative.

4. Relationship between the Parties

A Party is not by virtue of this Agreement the employee, agent or partner of the other Party and is not authorised to bind or represent the other Party.

5. Subcontracting

5.1 The Beneficiary remains responsible for compliance with this Agreement, including in relation to any tasks undertaken by subcontractors.

5.2 The Beneficiary agrees to make available to DLS the details of any of its subcontractors engaged to perform any tasks in relation to this Agreement upon request.

6. Conflict of interest

The Beneficiary agrees to notify DLS promptly of any actual, perceived or potential conflicts of interest which could affect its performance of this Agreement and agrees to take action to resolve the conflict.

7. Variation

This Agreement may be varied in writing only, signed by both Parties.

8. Payment of the Grant

8.1 DLS agrees to pay the Grant to the Beneficiary in accordance with the Grant Details.

8.2 DLS may by notice withhold payment of any amount of the Grant where it reasonably believes the Beneficiary has not complied with this Agreement or is unable to undertake the Activity.

8.3 A notice under clause 8.2 will contain the reasons for any payment being withheld and the steps the Beneficiary can take to address those reasons.

8.4 DLS will pay the withheld amount once the Beneficiary has satisfactorily addressed the reasons contained in a notice under clause 8.2.

SCHEDULE 1

9. Spending the Grant

9.1 The Beneficiary agrees to spend the Grant for the purpose of undertaking the Activity only.

9.2 The Beneficiary agrees to provide a statement signed by the Beneficiary verifying the Grant was spent in accordance with the Grant Details.

10. Repayment

10.1 If any of the Grant has been spent other than in accordance with this Agreement or any amount of the Grant is additional to the requirements of the Activity, the Beneficiary agrees to repay that amount to DLS unless agreed otherwise.

10.2 The amount to be repaid under clause 10.1 may be deducted by DLS from subsequent payments of the Grant.

11. Record keeping

The Beneficiary agrees to maintain records of the expenditure of the Grant.

12. Intellectual Property

12.1 The Beneficiary owns the Intellectual Property Rights in Material created undertaking the Activity.

12.2 The Beneficiary gives DLS a non-exclusive, irrevocable, royalty-free licence to use, reproduce, publish and adapt Reporting Material for DLS Purposes.

13. Confidentiality

The Parties agree not to disclose each other's confidential information without prior written consent unless required or authorised by law.

14. Indemnities

14.1 The Beneficiary indemnifies DLS, its officers, employees and contractors against any claim, loss or damage arising in connection with the Activity.

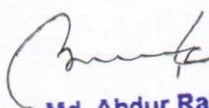
14.2 The Beneficiary's obligation to indemnify DLS will reduce proportionally to the extent any act or omission involving fault on the part of DLS contributed to the claim, loss or damage.

17. Dispute resolution

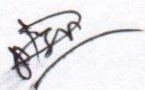
17.1 The Parties agree not to initiate legal proceedings in relation to a dispute unless they have tried and failed to resolve the dispute by negotiation.

17.2 The Parties agree to continue to perform their respective obligations under this Agreement where a dispute exists.

17.3 The procedure for dispute resolution does not apply to action relating to termination or urgent litigation.



Md. Abdur Rahim
Project Director (Joint Secretary)
Livestock and Dairy Development Project (LDDP)
Department of Livestock Services (DLS)



DLS GENERAL GRANT CONDITIONS

SCHEDULE 1

18. Termination for default

DLS may terminate this Agreement by notice where it reasonably believes the Beneficiary:

- (a) has breached this Agreement; or
- (b) has provided false or misleading statements in their application for the Grant; or
- (c) has become bankrupt or insolvent, entered into a scheme of arrangement with creditors, or come under any form of external administration.

19. Cancellation for convenience

19.1 DLS may cancel this Agreement by notice, due to:

- (a) a change in government policy; or
- (b) a Change in the Control of the Beneficiary, which DLS believes will negatively affect the Beneficiary's ability to comply with this Agreement.

19.2 The Beneficiary agrees on receipt of a notice of cancellation under clause 19.1 to:

- (a) stop the performance of the Beneficiary's obligations as specified in the notice; and
- (b) take all available steps to minimise loss resulting from that cancellation.

19.3 In the event of cancellation under clause 19.1, DLS will be liable only to:

- (a) pay any part of the Grant due and owing to the Beneficiary under this Agreement at the date of the notice; and
- (b) reimburse any reasonable expenses the Beneficiary unavoidably incurs that relate directly to the cancellation and are not covered by 19.3(a).

19.4 DLS's liability to pay any amount under this clause is subject to:

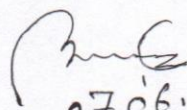
- (a) the Beneficiary's compliance with this Agreement; and
- (b) the total amount of the Grant.

19.5 The Beneficiary will not be entitled to compensation for loss of prospective profits or benefits that would have been conferred on the Beneficiary.

21. Definitions

In this Agreement, unless the contrary appears:

- **Activity** means the activities described in the Grant Details.
- **Activity Material** means any Material, other than Reporting Material, created or developed by the Beneficiary as a result of the Activity.
- **Agreement** means the Grant Details and any other document referenced or incorporated in the Grant Details.
- **Change in the Control** means any change in any person(s) who directly exercise effective control over the Beneficiary.
- **DLS** means the Department of Livestock Services within the Ministry of Fisheries and Livestock as representative of the Government of Bangladesh as specified in the Agreement and includes, where relevant, its officers, employees, contractors and agents.
- **General Grant Conditions** means this document.
- **Completion Date** means the date or event specified in the Grant Details.
- **Existing Material** means Material developed independently of this Agreement that is incorporated in or supplied as part of Reporting Material.
- **Grant** means the money, or any part of it, payable by DLS to the Beneficiary as specified in the Grant Details.
- **Beneficiary** means the entity specified in the Agreement and includes, where relevant, its officers, employees, contractors and agents.
- **Grant Details** means the document titled Grant Details that forms part of this Agreement.
- **Intellectual Property Rights** means all copyright, patents, registered and unregistered trademarks (including service marks), registered designs, and other rights resulting from intellectual activity.
- **Material** includes documents, equipment, software (including source code and object code versions), goods, information and data stored by any means including all copies and extracts of them.
- **Party** means the Beneficiary or DLS.
- **Reporting Material** means all Material which the Beneficiary is required to provide to DLS for reporting purposes as specified in the Grant Details.


07.06.2020
Md. Abdur Rahim
Project Director (Joint Secretary)
Livestock and Dairy Development Project (LDDP)
Department of Livestock Services (DLS)

