

SBF Project Implementation Monitoring Report

Bangladesh: Bangladesh COVID-19 Emergency and Crisis Response Facility

1. Project Information

Project ID:	000415	Investment Number:	L0415A
Member:	Bangladesh	Region:	Southern asia
Sector:	Finance	Sub-sector:	
AIB Financing Type:	Loan: 300 USD million	Co-financier(s):	n/a
E&S category:	FI	Borrower:	The People's Republic of Bangladesh
Red Flags Assigned:	0	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Bangladesh Bank (The Central Bank of Bangladesh)		
Project Team Leader:	Neeraj Jain		
Project Team Members:	Aalok Pandey, Economic Associate Abhijit Sen Gupta, Senior Economist Christopher Damandl, Senior Legal Consultant Danni Li, Investment Associate Giacomo Ottolini, Procurement Specialist Shonell Robinson, supported by Pradeep Kumar, FM Specialist Somnath Basu, Principal Social Development Specialist Zhixi Zhu, Environment Specialist		
Completed Site Visits by AIB:			
Planned Site Visits by AIB:			

2. Project Summary and Objectives

Objective: To support credit expansion and reduce liquidity constraints brought on by the COVID-19 pandemic to Cottage, Micro, Small & Medium Enterprises (CMSMEs) in Bangladesh on a sound macroeconomic basis.

Financing plan: The implementation period is from February 2021 to February 2024. The loan will have a final maturity of 8 years, including a grace period of 3 years.

Summary: The project will be supported by a sovereign-backed loan to the People's Republic of Bangladesh. The Ministry of Finance as the Executing Agency will on-lend the loan proceeds to PIU. PIU will provide loans to participating FIs (PFIs) as refinance against the loans disbursed to Cottage, Micro, Small & Medium Enterprises (CMSMEs). PIU will select PFIs and, PFIs will select CMSMEs based on certain financial and non-financial requirements (eligibility criteria) agreed between AIB and the PIU, which are documented in the Project Agreement and Operations Manual of the Project.

3. Key Dates

Approval:	Jan. 28, 2021	Signing:	Feb. 26, 2021
Effective:	May. 27, 2021	Restructured (if any):	
Orig. Closing:	Feb. 29, 2024	Rev. Closing (if any):	

4. Disbursement Summary (million)

Currency:	USD		
a) Committed:	300	b) Cancellation (if any):	
c) Disbursed:	0	d) Most recent disbursement: (amount / date)	0,
e) Undisbursed:	300	f) Disbursement Ratio(%) ¹ :	0

¹ Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e., $f = c / (a - b)$

5. Project Implementation Update

This Program is approved to be supported under the COVID-19 Crisis Recovery Facility of the Bank. The loan was effective on May. 27, 2021 and has not been disbursed

Components	Physical Progress	Environmental & Social Compliance	Procurement
BB will provide loans to PFIs (Refinancing Loans) as refinance against the loans (sub-loans) disbursed to CMSMEs (sub-borrowers). The sub-loans will be used for working capital financing comprising employee wages, inventory, payments on short-term debt and other day-to-day operating expenses.	N/A – we have not disbursed yet	BB's "Guidelines on Environmental & Social Risk Management (ESRM Guidelines) for Banks and Financial Institutions in Bangladesh" (ESRM). is applicable for this Project.	N/A – we have not disbursed yet

Financial Management:

The PIU is waiting for the opening of the Designated Account so that AIIB make first disbursement to the account.

6. Status of the Grievance Redress Mechanism (GRM)

A Project-level Grievance Redress Mechanism have been established at the Project Implementing Unit (PIU) and Participating FI (PFI) levels based on the existing GRMs. The PIU has established GRM system to address concerns/complaints/grievances associated through its Financial Integrity and Customer Services Department (FICSD). FICSD is the existing grievance channel in BB which will be used in this project. PFIs have their own GRMs in accordance with respect Environmental and Social Management System (ESMS).

7. Results Monitoring

see below

Baseline Year: Dec. 31, 2020 End Target Year: Feb. 29, 2024

Project Objective Indicators #1

Percentage of nonperforming loans in the PFIs' portfolio refinanced through AIIB facility

Year	Target	Actual	Others, if any
Feb. 28, 2022	<=5%	n/a	
Feb. 28, 2023	<=5%	n/a	
Feb. 29, 2024	<=5%	n/a	

Project Objective Indicators #2

Number of eligible sub-borrowers receiving financing

Year	Target	Actual	Others, if any
Feb. 28, 2022	1500	n/a	
Feb. 28, 2023	2800	n/a	
Feb. 29, 2024	4000	n/a	

Project Objective Indicators #3

Percentage of loan value in cottage, micro and small enterprises

Year	Target	Actual	Others, if any
Feb. 28, 2022	70%	n/a	
Feb. 28, 2023	70%	n/a	

Feb. 29, 2024	70%	n/a	
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Project Objective Indicators #4

Percentage of loan value in medium enterprises

Year	Target	Actual	Others, if any
Feb. 28, 2022	30%	n/a	
Feb. 28, 2023	30%	n/a	
Feb. 29, 2024	30%	n/a	

Intermediate Result Indicators #1

Number of sub-borrowers with women owners or with one or more women in executive positions

Year	Target	Actual	Others, if any
Feb. 28, 2022	400	n/a	
Feb. 28, 2023	720	n/a	
Feb. 29, 2024	1040	n/a	

Intermediate Result Indicators #2

Number of PFIs

Year	Target	Actual	Others, if any
Feb. 28, 2022	30	n/a	
Feb. 28, 2023	30	n/a	
Feb. 29, 2024	30	n/a	

Intermediate Result Indicators #3

Number of jobs created/retained by sub-borrowers (disaggregated by gender)

Year	Target	Actual	Others, if any
Feb. 28, 2022	M-10000 F-2000	n/a	
Feb. 28, 2023	M-20000 F-4000	n/a	
Feb. 29, 2024	M-30000 F-6000	n/a	

Remarks: