Since gaining independence in 1971, Bangladesh has increased its real per capita income by more than 130 per cent and cut poverty by more than half. But it continues to experience substantial poverty, inequality and deprivation. Almost one third of the population lives below the poverty line, and the poverty rate is highest in rural areas. Half of all rural children are chronically malnourished and 14 per cent suffer from acute malnutrition.

Although agriculture now accounts for less than 20 per cent of GDP, the farm sector employs about 44 per cent of the labour force. With urbanization, however, the amount of farmland is shrinking and most rural households have little cultivable land. The poorest people are often landless. Rice is the dominant crop, but farmers lack access to critical tools, such as high-yielding rice seeds.

Fisheries are important economically and as a source of high-value protein, yet remain underutilized. Poor fishers need more advanced technologies and better access to open water. Livestock rearing, especially poultry and small ruminants, is an increasingly attractive income source.

Population growth has dropped sharply in recent years, but population density remains extremely high, placing enormous pressure on natural resources – especially arable land. Many Bangladeshis migrate to seek work within Bangladesh (rural-urban as well as rural-rural/seasonal) or abroad.

Investing in rural people in Bangladesh

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Bangladesh is particularly vulnerable to climate change. Two thirds of its territory lies less than five metres above sea level and it is extremely flood-prone. Climate change seems likely to increase the frequency of cyclones and destruction caused by monsoon floods. Poor people are hit hardest because they live densely concentrated in badly constructed housing on hazard-prone land.

**Eradicating rural poverty in Bangladesh**

The government’s Vision 2021 and Perspective Plan 2010-2021 aim to make Bangladesh a middle-income country by 2021. The goal is to raise living standards through higher incomes, better education, enhanced social justice and a more equitable socio-economic environment, and to improve protection from climate change and natural disasters.

The country’s seventh five-year plan (2016-2020) seeks high economic growth and transformation through increased and more productive employment, while reducing inequality, maintaining macroeconomic stability and advancing infrastructure development. With 78 per cent of the labour force engaged in low-income, low-productivity jobs in the informal sector, meeting the challenge requires labour to be transferred to the formal sector. The plan’s well-defined policy and legal frameworks will strengthen partnerships with the private sector in providing critical services, such as electricity and roads in rural areas. The government will continue working with NGOs on health, education and microcredit services.

**IFAD’s strategy in Bangladesh**

IFAD has worked in Bangladesh for almost 40 years. It has supported 31 projects, costing a total of US$1,929.8 million, with IFAD financing of US$717.2 million. The projects have directly benefited 10,702,563 households.

In line with the seventh five-year plan, the IFAD 2012-2018 country strategic opportunities programme (COSOP) for Bangladesh has three main objectives:

- Enable poor people in vulnerable areas to better adapt their livelihoods to climate change
- Help small producers and entrepreneurs benefit from improved value chains and greater market access
- Economically and socially empower marginalized groups, including poor rural women.

The country programme’s target group includes people living in extreme and moderate poverty. Infrastructure development benefits extremely poor people, especially women. Value chain development targets landless and marginal farmers, smallholder producers and rural entrepreneurs. IFAD’s participatory rural appraisal mechanism and similar tools help to ensure the inclusion of women and indigenous peoples.

Past successful IFAD grants financed the following:

- A project led by the International Rice Research Institute to build climate adaptive capacity among small-scale and marginal farmers in coastal saline areas. Results are being scaled up in larger, loan-funded interventions. The grant was completed in December 2013.
- A partnership with the WorldFish Center which significantly increased the production and consumption of nutrition-rich fish, improving household nutrition and offering an additional income source for women. At project completion, fish production in the project area had more than doubled. (See Small fish, big gains: https://www.youtube.com/watch?v=2NiR7f4ZtVg)
- In partnership with the World Food Programme, the World Bank and the Bangladesh Bureau of Statistics, IFAD developed poverty and undernutrition maps that visualize poverty levels and nutritional status in different districts, which aids targeting. The grant also analysed the impact of climate change and climatic events on the nutritional status of affected populations.
Ongoing operations

Participatory Small-scale Water Resources Sector Project (PSSWRSP)

This project supports the government’s national water policy and the development of flood management, better drainage and water conservation. An estimated 208,450 hectares of cultivable land will benefit.

The challenges being addressed include severe annual flooding, river-induced erosion and water shortages in the dry season – problems that are compounded by inadequate water management infrastructure, low involvement of users and lack of funds for maintenance and operating costs.

A key feature of the US$119.8 million project, which will directly benefit 324,400 households, is the involvement of smallholders in small-scale water resources management through community-based associations. Smallholders also receive training in water management, agriculture and fisheries production. IFAD is providing a US$32.0 million loan. The projects runs from 2009 to 2018.

Char Development and Settlement Project Phase IV (CDSP IV)

The eight-year project, begun in 2010, is designed to make more secure and improve the livelihoods of poor people living on newly accreted coastal islands known as chars. The integrated approach to coastal zone development will:

- Support water resource management on three of the five chars to protect land from tidal and storm surges
- Improve drainage and enhance land accretion
- Finance climate-resilient infrastructure for communications
- Improve access to markets, potable water and sanitation
- Help 20,000 households obtain secure land titles
- Teach farmers to make better use of land resources
- Disseminate lessons in coastal zone development and plan the future development of new chars.

Additional support is being provided to the most disadvantaged, including landless households and women, particularly through NGO activities and labour contracting. The total cost is US$89.2 million, including an IFAD loan of US$47.3 million. The project will directly benefit 28,000 households.

IFAD has worked in Bangladesh for almost 40 years, supporting more than 30 projects with a value of US$1,929.8 million.

Climate adaptation capacity is to be increased among farmers in vulnerable coastal areas by scaling up successful results.
Haor Infrastructure and Livelihood Improvement Project.
Climate Adaptation and Livelihood Protection (HILIP/CALIP)

This project is working in five districts of the Haor basin, an area that is flooded for six months of the year. The target group of this US$133.3 million project includes: poor rural people, smallholder farming households with less than 2.5 acres of land, small fishing households, women from poor households and small traders and intermediaries in local markets. It will directly benefit 115,000 households.

The project, which runs from 2011 to 2019, aims to improve road infrastructure, build local capacity and expand access to natural resources, technology and markets. Improved infrastructure will also facilitate access to health centres and schools.

The project also aims to increase fish yields and aquatic biodiversity, enhance smallholder productivity and reduce vulnerability to adverse weather conditions, secure employment for poor rural women under infrastructure improvement contracts and support women’s income-generating activities. IFAD is providing a loan of US$55.0 million, US$15.0 million through its Adaptation for Smallholder Agriculture Programme and a US$1.0 million grant.

Coastal Climate-Resilient Infrastructure Project (CCRIP)

In addition to the effects of climate change, this US$169.5 million project in south-west Bangladesh addresses poor road and market infrastructure, which restricts access to larger markets, increases costs for inputs and transportation and limits access to services and technology. It is also constructing cyclone shelters.

The project, which will directly benefit 455,173 households, is being implemented in 33 upazilas (sub-districts) of 12 coastal districts in Barisal, Dhaka and Khulna divisions. These districts are very poor and vulnerable to natural disasters. The project particularly targets small-scale and marginal farmers, small traders and microentrepreneurs, landless people and poor women. IFAD is providing financing of US$60.0 million – US$55.0 million as a loan and US$1.0 million as a grant. The project runs from 2013 to 2019.

Promoting Agricultural Commercialization and Enterprises Project (PACE)

This nationally implemented project aims to enhance the livelihoods of rural populations by improving profitable opportunities for microentrepreneurs and creating wage employment for poor people. Costing a total of US$92.8 million, which includes an IFAD loan of US$40.0 million, the project will build on previous experience and scale up IFAD-supported interventions in Bangladesh.

The three project components are:
• Financial services for microenterprises
• Value chain development
• Technology and product adaptation.

The target group will include marginal and small farmers and non-farm microentrepreneurs and professionals in related service sectors. It is estimated that 452,000 households will directly benefit from the project, which runs from 2014 to 2020.

National Agricultural Technology Programme – Phase II (NATP II)

This phase of the programme will be implemented in 57 districts of Bangladesh, including those covered by the first phase. The programme aims to raise the productivity of small-scale, marginalized and landless farmers, especially women. For example, it will support the development of agricultural technology through Bangladesh’s National Agricultural Research System and the establishment of an agricultural innovation fund. The programme promotes the development of the crop sector, including through private-sector involvement in agribusinesses and investment in infrastructure. In the fisheries sector, support will be given to increase productivity, quality and output and to promote community-based fisheries management. NATP II will cost US$220.4 million, with IFAD providing a loan of US$23.8 million.