

## Japanese ODA Loan

### Ex-Ante Evaluation (for Japanese ODA Loan)

South Asia Division 4, South Asia Department

Japan International Cooperation Agency

#### 1. Name of the Program

( 1 ) Country: The People's Republic of Bangladesh

( 2 ) Program: Development Policy Loan for Economic Reform and Strengthening Climate Change Resilience

( 3 ) Program Site / Target Area: Throughout the country

Loan Agreement: May 30, 2025

#### 2. Background and Necessity of the Program

( 1 ) Current State and Issues of Economic Reforms, Climate Change Resilience, and the Priority of the Program in Bangladesh

Concerning the real economy, the country's real GDP growth rate remained steady at 5.2%-7.2% per year even after the COVID-19 pandemic, despite a slowdown in economic activity due to rising inflation following the Ukraine Crisis and import restrictions in light of declining foreign exchange reserves. However, due to the slowdown in industrial growth associated with the turmoil and uncertainty following the protests held throughout July 2024 against the civil service quotas for government jobs and resulting political change, alongside the decline in agricultural output caused by the flash floods that affected the country in August 2024, real GDP growth is expected to slow to 3.8% in FY2024/25 (International Monetary Fund (hereafter referred to as "IMF"), 2025). Furthermore, country has faced high inflation rates of approximately 10% since mid-2022.

On the other hand, the economic turmoil caused by the political upheaval was temporary; the economy has shown signs of recovery and is expected to grow over the medium to long term through future economic reforms (World Bank, 2024), with GDP growth expected to rebound to around 6.5% in FY2025/26 (IMF, 2025). While the interim government, headed by Chief Advisor Muhammad Yunus, is yet to clearly announce the country's medium to long term development strategy, it has established 11 reform committees in response to strong public demand for reform. Through these activities, the interim government has made a strong commitment to strengthening governance, improving the business and investment environment, and combating climate change since its inception. Additionally, the country has been working alongside the IMF's Extended Credit

Facility (ECF), Extended Fund Facility (EFF), and Resilience and Sustainability Facility (RSF) (hereafter referred to as “IMF Program”) to pursue fiscal and monetary reforms since January 2023, in response to rising inflation, deteriorating balance of payments, and declining foreign exchange reserves.

Notably, as the lack of employment opportunities for young people was one of the triggers of the political upheaval in 2024, the interim government has placed importance on the improvement of business and investment environment, alongside strengthening of governance to spur job creation and industrial diversification. Specifically, the expected LDC graduation of Bangladesh in 2026 would lead to the elimination of preferential tariff treatments and increased labor costs, subsequently impacting the cost competitiveness of the garment industry which accounts for more than 80% of Bangladesh’s exports. Therefore, measures that improve investment environment are required to promote industrial diversification, which would alleviate the negative impacts mentioned above. Furthermore, over 330 Japanese companies currently operate in the country, with many citing the improvement of the investment environment as a critical issue to be addressed. Examples of issues raised by Japanese companies include the lack of transparency and efficiency of licensing procedures and administrative procedures (JETRO, FY2023 Survey of Japanese Companies Operating Overseas (Asia and Oceania)), and the lack of special economic zones and industrial clusters that provide high standard services.

The IMF and the World Bank also identify climate change and natural disaster management as a key contributor to the mitigation of macroeconomic and fiscal risks in Bangladesh. The country has adopted the Bangladesh Delta Plan 2100 (BDP2100) which sets policy objectives such as water security and river management, and the National Adaptation Plan (NAP) which sets out a comprehensive climate change adaptation strategy and investment plan. While Bangladesh was previously ranked as the 7th most vulnerable country to climate change in the Global Climate Risk Index (Germanwatch, 2021), the aforementioned plans have helped the country achieve significant improvement in recent years, as reflected in their latest ranking of 46th (Germanwatch, 2025). However, the need to improve pre-disaster measures remains an issue, such as the lack of capacity and coordination amongst disaster management-related ministries, agencies, and local governments, as well as expertise for planning and implementing disaster management measures. Such issues became apparent in the flash floods that affected wide parts of the country in August 2024,

which affected over 5 million people, and became one of the underlying causes of higher inflation and downward revision of the FY2024/25 GDP growth rate which stemmed from the decline of agricultural output.

While Bangladesh requires economic reforms and climate change measures, the country's chronic fiscal deficit has led to the government facing a shortage of funds to realize these efforts. This is evinced from how the fiscal balance for FY2023/24 is ▲3.8% of GDP, and the fiscal deficit is expected to remain at around ▲5% of GDP in the short term (▲4.1% in FY2024/25 and ▲4.2% in FY2025/26). The government's demand for funds to fill their budgetary gap has been increasing, owing to weak revenue mobilization and increased expenditures required for restoration from the flash flood damage in August 2024. However, there are concerns that relying on short-term domestic debt to finance the budgetary gap could lead to greater and long-term fiscal burden for the government, as domestic financing costs remain high due to the recent hike in policy rate (from 5.0% to 10.0% in the past 2.5 years) in response to rising inflation and other factors. Therefore, it is crucial for Bangladesh to continue concessional borrowing from its development partners, to continue necessary public investments in social infrastructure in a sustainable manner. In light of this, several development partners are considering providing budgetary support for Bangladesh, with a target to disburse by June 2025 (see (2.(3)) below for details).

Under these circumstances, the “Development Policy Loan for Economic Reform and Strengthening Climate Change Resilience” (hereinafter referred to as “the Program”) will support the steady implementation of economic reforms and climate change measures promoted by the Government of the People’s Republic of Bangladesh through budgetary support. The Program is co-financed with the World Bank and the Asian Development Bank (hereinafter referred to as “ADB”). The Program is high-priority and timely, as it is in alignment with both the interim government's policy of prioritizing the implementation of the above reforms, and the international community's support towards the reform efforts made under Chief Advisor Muhammad Yunus.

## ( 2 ) Japan’s and JICA’s Policy Cooperation Policy and Operations in Economic Reforms and Climate Change Resilience

Japan’s Country Development Cooperation Policy for the People’s Republic of Bangladesh (February 2018) states that Japan will “ensure that government functions are strengthened, and administrative services are improved” to help “improve governance”, whilst also supporting the “improvement of the investment

environment”. Additionally, the policy also states that Japan will “provide support for disaster prevention and measures to tackle climate change”. Similarly, the JICA Country Analysis Paper for the People's Republic of Bangladesh (March 2023) also indicates the necessity of considering climate change measures across all projects considered by JICA, while also listing “governance” and “improvement of business environment to promote investment” as priority areas.

Further to this, the “New Plan for a “Free and Open Indo-Pacific” (hereinafter referred to as “FOIP”),” announced by the Japanese government in March 2023, lists climate change measures, strengthening the national financial base of developing countries and improving the investment environment as specific initiatives. This Program is consistent with these policies and analysis, as it contributes to strengthening the financial base through financial support, and sets policy actions that support the Bangladesh’s (1) economic reforms (improvement of business and investment environment, governance, etc.) and (2) climate change measures (including “Nationally Determined Contributions” (NDC)).

As shown in the policy matrix in the attachment, the Program includes actions that contribute to the expansion and consolidation of JICA's existing cooperation in a wide range of sectors, including private sector development, governance, public finance and financial systems, climate change, and disaster prevention and recovery. Therefore, this Program also contributes to the realization of several JICA Global Agendas and cluster strategies, related to the areas listed above.

The Program will also contribute to Goal 8 (economic growth), Goal 13 (climate action), Goal 16 (accountable and inclusive institutions) and Goal 17 (partnership for the goals) of the SDGs.

### ( 3 ) Other Donors’ Activities

The IMF Executive Board approved Bangladesh’s request for \$4.7 billion in financial assistance under the Extended Credit Facility (ECF), Extended Fund Facility (EFF), and Resilience and Sustainability Facility (RSF) arrangements in January 2023. Subsequently, the IMF made disbursements of \$690 million in December 2023 and \$1.15 billion in June 2024, upon completion of the first and second reviews. The combined third and fourth reviews are scheduled to disburse approximately \$1.30 billion, subject to the approval of the IMF Executive Board.

ADB has provided a budget support titled “Strengthening Economic Management and Governance Program (Subprogram 1)” (US\$600 million) to Bangladesh in December 2024, which consists of three pillars; (1) Strengthening

Fiscal Management, (2) Improving Governance and Investment Climate, and (3) Strengthening Trade Policy and Logistics. This Program will be co-financed with this ADB budget support, as JICA also provided input to the preparation of ADB's policy matrix, such as jointly pursuing actions related to public investment management. The OPEC Fund has also agreed to provide budget support (US\$100 million) in April 2025 through co-financing with the above ADB budget support. In addition to the above, the ADB is also considering providing a policy-based loan for "Stabilizing and Reforming the Banking Sector" (US\$500 million) and "Climate Resilient Inclusive Development" (US\$400 million) by June 2025. The Asian Infrastructure Investment Bank (hereinafter referred to as "AIIB") is also considering providing financial assistance of US\$400 million, by co-financing with ADB's policy-based loan for "Climate Resilient Inclusive Development".

The World Bank has also approved a development policy credit titled "Second Bangladesh Green and Climate Resilient Development Credit" (US \$500 million), in December 2024, which this Program will also co-finance. Furthermore, the World Bank plans to approve another development policy credit concerning the strengthening of governance and institutional resilience (US\$500 million).

### **3. Program Description**

#### **( 1 ) Program Description**

##### **① Program Objective**

The objective of the Program is to provide a budgetary support to Bangladesh, a country affected by the adverse impacts of multiple global crises, such as rising inflation associated with the Ukraine Crisis and intensifying natural disasters due to climate change. The loan will support economic reforms and strengthen climate change measures committed by the Government of the People's Republic of Bangladesh, with the aim of contributing to Bangladesh's economic recovery and long-term sustainable development.

##### **② Program Components**

The Program will provide budgetary support to the government of the country based on the policy matrix (see attachment), which mainly consists of two areas: economic reforms (e.g., business environment and governance improvement) and climate change measures. The Program will be implemented by sharing some policy actions with the ADB for economic reforms, and with the World Bank for climate change measures, under co-financing arrangement.

##### **③ Program Beneficiaries (Target Group)**

Citizens of Bangladesh (Population: Roughly 165 million (World Bank, 2022))

( 2 ) Estimated Program Cost (Loan Amount)

60,000 million Yen

( 3 ) Schedule

The Program will commence at the time of L/A signing. The target date for achievement of the first set of policy actions (Prior Actions 1) is by February 2025, with the second set of policy actions (Prior Actions 2) is by May 2025. The Program is considered complete once all policy actions have been achieved, and loan execution has been completed.

( 4 ) Program Implementation Structure

1 ) Borrower: The Government of the People's Republic of Bangladesh

2 ) Guarantor: N/A

3 ) Executing Agency: Finance Division, Ministry of Finance (FD)

( 5 ) Collaboration and Sharing of Roles with Other Donors

1 ) Japan's Activity: Out of the policy actions outlined in the policy matrix (see attachment), policy actions that were set by JICA aims to expand and consolidate the effectiveness of JICA's existing cooperation in the areas of business environment improvement, governance improvement, and climate change measures.

2 ) Other Donors' Activity: This Program will share some policy actions and indicators with (1) the ADB for economic reforms and (2) the World Bank for climate change measures, and coordinate in supervising program implementation. For the development effects expected from the co-financing, refer to the shared quantitative effectiveness indicators in section 4.(1)(1).

The policy matrix in the attachment below consists of policy actions shared with ADB and the World Bank and additional policy actions set by JICA. Some shared policy actions with ADB were prepared through prior coordination with JICA's existing cooperation to ensure synergetic effects. For example, in recognition of about JICA's 10 years of cooperation in public investment management, JICA proposed several actions to the "(1) Strengthening Fiscal Management" pillar of ADB's policy matrix, which would help improve public investment management and approval processes of development projects. These actions also contribute to expanding the effects of the existing technical assistance projects, such as the "Strengthening Public Investment Management System Project (Phase 1 and 2)" which aim to strengthen the operational management capacity for public investment. As a result, the Program Document for ADB's policy-based loan, approved in December 2024, clearly states that the

actions will be implemented in cooperation with JICA.

Other additional actions that were set up exclusively by JICA, that supplement and expand the development effects of the “Industrial Competitiveness Enhancement Project” (2024-2028), the “The Project for Capacity Building of BEZA on EZ Management and Investment Promotion” (2022-2027), and the “Project for Development of Policy and Guidelines for Transit Oriented Development along Mass Transit Corridors (2021-2026),” are also in topics closely related to the “(2) Improving Governance and Investment Climate”, and “(3) Strengthening Trade Policy and Logistics” pillars of the ADB policy-based loan.

( 6 ) Environmental and Social Consideration

① Category: C

② Reason for Categorization: The Program is likely to have minimal adverse impact on the environment and society (January 2022).

( 7 ) Cross-Sectoral Issues: The budgetary support under this Program will contribute to climate change mitigation and adaptation, by assisting the steady implementation of the country's long-term plan for climate change measures. In addition, by supporting the improvement of the business and investment, alongside strengthening of governance, the Program will also contribute to the promotion of investments towards social infrastructure, securing financial resources necessary for social services and energy supply, and job creation, which will ultimately help to reduce the increase of households under poverty.

( 8 ) Gender Category: GI (S) (Integrated gender activity project)

<Details of Activities/Reason for Categorization> The Program has set a policy matrix that contains policy actions that address issues related to women's knowledge of the tax system, which is necessary to make the tax system more accessible to women. Examples of policy actions include those that help improve women's awareness of tax laws and tax incentives and provide dedicated support for women taxpayers. The Program also sets the encouragement of women's economic participation as a qualitative effect, hence the Program is categorized as “Integrated gender activity project”.

( 9 ) Other Important Issues: N/A

<b>4. Targeted Outcomes</b>
-----------------------------

( 1 ) Quantitative Effects

1) Outcomes (Operation and Effect Indicators)

Indicator	Baseline	Target (2027) [2 years after program completion]
Increase in tax returns submission (%) (shared indicator with ADB)	4,301,725 (in FY 2024)	30% increase (by March 2027)
Increase in income tax revenue 8%) (shared indicator with ADB)	1256.49 billion taka (in FY2024)	25% increase (by March 2027)
Reduce average time overrun for completed projects (*1) (months) (shared indicator with ADB)	24 months (in June 2024)	18 months (by June 2027)
Reduce cost overrun for public projects (*1) (million taka) (shared indicator with ADB)	173.8 (in June 2024)	33% decrease (by June 2027)
Number of regulatory services integrated and delivered digitally through OSS (number) (shared indicator with ADB)	134 (in FY2024)	170 (by March 2027)
Cumulative energy savings from the new provisions of BEEER and EELAR (Gigawatt-hour (GWh)) (*2) (shared indicator with the World Bank)	0GWh (in 2022)	1,000GWh (by 2026)



BDP projects with Development Project Proformas approved by ECNEC, based on 5-year re-prioritized investment program and ADM principles (number) (shared indicator with the World Bank)	1 (in December 2022)	15 (by December 2026)
---	-------------------------	--------------------------

(\*1) Refers to public projects under the jurisdiction of the Planning Commission (mainly projects in the two sectors of energy and local government, under the pilot introduction of the “Ministry Assessment Format (MAF)” and the “Sector Assessment Format (SAF)” pilot). Baseline values are confirmed by ADB through information provided by the Planning Commission.

(\*2) Sustainable and Renewable Energy Development Authority (hereinafter referred to as “SREDA”) will use the national energy balance to estimate savings by BEEER and EELAR. Baseline values are confirmed by the World Bank, through information provided by SREDA. ( 2 ) Qualitative Effects: The promotion of sound public financial management, strengthening of financial foundation, and stimulation of economic activity (improving business and investment environment, increasing productivity, promoting industrial development, and encouraging economic participation of women), through economic reforms and climate change measures pursued by the Government of the People’s Republic of Bangladesh.

( 3 ) Internal Rate of Return

IRR is not calculated as this is a program loan.

## **5. External Factors and Risk Control**

( 1 ) Preconditions: The loan shall be disbursed on the premise that there is no particular concern about the progress of the IMF Program (Extended Credit Facility, Extended Fund Facility, and Resilience and Sustainability Facility Arrangements) in the People’s Republic of Bangladesh.

( 2 ) External Factors: N/A

## **6. Lessons Learned from Past Programs**

In the ex-post evaluation of the “Electricity Sector Reform Program” and “Electricity Sector Reform Program (II)” (evaluation year: 2017), a yen loan program to Pakistan, it was noted that combining the policy actions proposed in the development policy loan with technical assistance in the same area would lead to more effective policy improvements and reforms. In addition, the ex-post

evaluation of the “Development Policy Loan (I-IV)” (evaluation year: 2009), a yen loan program to Indonesia, also provided insight where development policy loans and technical assistance are mutually complementary, and that coordination between the two schemes is necessary to achieve synergistic effects at various stages of the reform process.

Based on the above, this Program will also seek to enhance policy implementation and effectiveness of reforms related to improving investment environment, governance, and climate change measures by closely coordinating with existing technical assistance. For details on coordination with existing technical assistance, refer to sections 3.(5)1 and 3.(5)2.

## **7. Evaluation Results**

This Program is consistent with the cooperation policy of Japan and JICA, while also supporting the efforts of the Government of the People’s Republic of Bangladesh to achieve sustainable economic growth, strengthen governance, and address climate change. The Program also contributes to Goal 8 (economic growth), Goal 13 (climate action), Goal 16 (accountable and inclusive institutions) and Goal 17 (partnership for the goals) of the SDGs.

Additionally, despite the fluidity in current international relations, the international community is continuing to provide development cooperation to the Bangladesh under their interim government. Given the changing dynamics of the country's diplomatic relations since the political upheaval, as Bangladesh’s largest bilateral development partner, it is important for Japan to financially assist the reforms under implementation by the interim government, whilst maintaining and strengthening the impacts of past cooperation.

## **8. Plan for Future Evaluation**

### **( 1 ) Indicators to be Used**

As indicated in Sections 4.

### **( 2 ) Future Evaluation Schedule**

Ex-post evaluation: Two years after the Program completion

Attachment:

Policy Matrix for “Development Policy Loan for Economic Reform and Strengthening Climate Change Resilience”

END

## Policy Matrix for “Development Policy Loan for Economic Reform and Strengthening Climate Change Resilience”

Policy Area		Objective	Responsible Ministries/Agencies	Policy Action		Classification
				Prior Actions 1 (achieved on February 2025)	Prior Actions 2 (expected achievement on May 2025)	
Economic Reform	(1) Improvement of business and investment environment (institutional and regulatory)	Streamlining and improving administrative procedures	Bangladesh Investment Development Authority (BIDA)		1. BIDA will notify the short term experts (outside of JICA scheme) for investment promotion and facilitation from the private/public sector on secondment basis.	Policy Action set by JICA
				2. Simplify and streamline business creation and investment-related procedures by initiating process of establishment of BIDA central OSS.		Policy Actions shared with ADB
			National Board of Revenue (NBR)	3. To provide dedicated support for female taxpayers, the NBR issued circular to all tax branches, including providing information on gender-specific		Policy Actions shared with the ADB

Policy Area	Objective	Responsible Ministries/Agen cies	Policy Action		Classification
			Prior Actions 1 (achieved on February 2025)	Prior Actions 2 (expected achievement on May 2025)	
			<p>rules and regulation in the Tax Code.</p> <p>4. Improve tax collection and compliance through the Finance Act 2024.</p> <p>5. To improve the efficiency, transparency, and mobilization of non-tax revenue, the Finance Division issued a guideline on non-tax revenue (NTR) and non-NBR taxes (land development tax, road tax, stamp duty, and others) to all ministries and agencies; and (ii) and to reduce congestion and air pollution, the NBR introduced an environmental tax on the owners of more than one vehicle.</p>		

Policy Area	Objective	Responsible Ministries/Agencies	Policy Action		Classification
			Prior Actions 1 (achieved on February 2025)	Prior Actions 2 (expected achievement on May 2025)	
	Improved services in Special Economic Zones (SEZ)	Special Economic Zone Authority (BEZA) National Board of Revenue (NBR)	6. BEZA, Department of Architecture (DoA), Fire Service and Civil Defence, Department of Environment (DoE), will amend the schedule of Standard Operation Procedures (SOP)s to coordinate and ensure phase wise joint factory inspection by relevant agencies.	7. BEZA publishes a circular of selection criteria for declaring Model Economic Zones (BSEZ, other leading EZs) and declare one or more Economic Zones as Model Economic Zone as per the published selection criteria.	Policy Action set by JICA
(2) Improvement of investment environment (industrial resource development)	Industrial diversification	Ministry of Industry (Mol)	1. Mol to hold first executive committee meeting of the Automobile Industry Policy chaired by Senior Secretary.		Policy Action set by JICA
	Improving the ship recycling industry environment	Ministry of Industry (Mol) Ministry of Public Administration (MoPA), Ministry of Environment,		2. MOI to organize an inter-ministerial meeting with relevant stakeholders to discuss the amendment of Bangladesh Ship Recycling Act (2018) and Ship Breaking and Recycling Rules (2011)	Policy Action set by JICA

Policy Area	Objective	Responsible Ministries/Agencies	Policy Action		Classification
			Prior Actions 1 (achieved on February 2025)	Prior Actions 2 (expected achievement on May 2025)	
		Forests and Climate Change (MoEFCC)		based on the draft proposal submitted under the SENSREC project. MoEFCC/DoE will organize an interministerial meeting to discuss the draft of amendment of Hazardous Waste Management Rules prepared by DoE with the support of GIZ.	
	Startup promotion	ICT Division, Startup Bangladesh Limited (SBL)	2. SBL will submit to and obtain approval from its Board, a proposal for the establishment of “Fund of Funds” under SBL.	3. ICT Division to conduct a stakeholder meeting on the Bangladesh startup ecosystem enablers report and roadmap submitted by SBL.	Policy Action set by JICA
	Promote public transit-oriented development	Rajdhani Unnayan Kartripakkha (RAJUK)		4. Institutionalization of the Transit Oriented Development (TOD) guidelines to ensure planned development centered around public	Policy Action set by JICA

Policy Area	Objective	Responsible Ministries/Agencies	Policy Action		Classification
			Prior Actions 1 (achieved on February 2025)	Prior Actions 2 (expected achievement on May 2025)	
	(TOD)			transport through implementation of TOD policy to mitigate traffic congestion and air pollution in Dhaka.	
	Strengthen technical education for industrial human resource development	Ministry of Education (MoE)	5. TMED approves “Hands-on Manual Development Guidelines” and 57 Hands-on Manuals.		Policy Action set by JICA
(iii) Strengthening governance	Strengthening governance in public investment management	Planning Commission	1. The Planning Commission approves the Sector Boundary Guideline by Planning Adviser, and instructs Bangladesh Public Administration Training Centre (BPATC) to add MAF/SAF training programs in annual training curriculums. 2. Formation of a Program		Policy Actions proposed by JICA, that are jointly pursued by ADB and JICA in their respective programs

Policy Area		Objective	Responsible Ministries/Agen cies	Policy Action		Classification
				Prior Actions 1 (achieved on February 2025)	Prior Actions 2 (expected achievement on May 2025)	
				Coordination Committee (PCC) to supervise PIM reform activities in the PIM Reform Program 2024-2028.		
Strengthen ing Climate Change Measures	(1) Resilience to natural disasters	Strengthen investment in disaster prevention	Department of Disaster Management (DDM)	1. DDM/MoDMR give orders to DDM/MoDMR HQs and local offices to initiate the development of Upazila Disaster Risk Reduction Action Plan (UzDRRAP) in Upazilas other than pilot areas, to enhance resilience to natural disasters.		Policy Action set by JICA
			Local Government Engineering Department (LGED)	1. Integrated Water Resource Management (IWRM) unit of LGED instructs via official letter to relevant executive engineers' offices to utilize the "guidelines for an integrated and inclusive		Policy Action set by JICA



Policy Area	Objective	Responsible Ministries/Agen cies	Policy Action		Classification
			Prior Actions 1 (achieved on February 2025)	Prior Actions 2 (expected achievement on May 2025)	
			rural development with effective small-scale water resource development and market-linkage enhancement” prepared by “Capacity Development Project for Participatory Water Resources Management through Integrated Rural Development (PSSWRDP)”.		
(2) Climate resilient agricultural development	Ensuring food safety	Ministry of Food (MoF), Bangladesh Food Safety Authority (BFSA)	1. Based on Food Safety Act 2013, the Ministry of Food establishes a committee for enhancing food safety management coordination among BFSA and related ministries to accelerate an inter-ministerial coordination and ensure food safety to mitigate negative impacts caused by climate change on		Policy Action set by JICA

Policy Area	Objective	Responsible Ministries/Agen cies	Policy Action		Classification
			Prior Actions 1 (achieved on February 2025)	Prior Actions 2 (expected achievement on May 2025)	
			food safety, the quality of food, and food security.		
(iii) Improvement of urban environment in consideration of climate change	Air pollution countermeas ures	Ministry of Environment, Forests and Climate Change (MoEFCC)	1. Approval of a National Air Quality Management Plan (NCAPC) to facilitate interagency coordination to achieve the World Health Organization's interim target <sup>1</sup> for PM2.5.		Policy Actions shared with the World Bank
(iv) Promotion of national plans for climate change adaptation	Promotion of investment plans related to climate change	Planning Division (PD)	1. To effectively implement the Bangladesh Delta Plan (BDP) 2100 for increased climate resilience, the Planning Division (PD) has adopted the Delta Appraisal Framework, setting appraisal criteria on adaptive delta management and specific procedures for the preparation, processing, approval and		Policy Actions shared with the World Bank

Policy Area	Objective	Responsible Ministries/Agen cies	Policy Action		Classification
			Prior Actions 1 (achieved on February 2025)	Prior Actions 2 (expected achievement on May 2025)	
			revision of BDP-related projects, through PD Circular		
	Urban development using spatial data	Survey of Bangladesh (SoB)		2. Survey of Bangladesh (SoB) and Ministry of Defense submit draft National Spatial Data Infrastructure (NSDI) policy to cabinet for final approval to promote the utilization of the NSDI as a foundation for development of climate resilient cities.	Policy Action set by JICA
	5) Contribution to climate change mitigation	Promoting energy conservation	Ministry of Power, Energy and Mineral Resources (MoPEMR)	1. To increase energy efficiency, the Power Division of the MoPEMR, has adopted (i) the Energy Efficiency Labeling for Appliances Regulations (EELAR), setting Minimum Energy Performance Standards (MEPS) to prevent commercialization of inefficient	Policy Actions shared with the World Bank

Policy Area	Objective	Responsible Ministries/Agencies	Policy Action		Classification
			Prior Actions 1 (achieved on February 2025)	Prior Actions 2 (expected achievement on May 2025)	
			appliances, through the Official Gazette, and (ii) the Building Energy Efficiency and Environment Regulation (BEEER) to benchmark and certify energy and environmental performance of buildings, through the Power Division Circular.		
	Promote carbon credit trading	Ministry of Environment, Forests and Climate Change (MoEFCC)	2. To promote access to international carbon markets, the MoEFCC has established the Designated National Authority with the mandate to approve, authorize and track carbon credit transfers under the Article 6 of the Paris Agreement, through the MoEFCC Notification		Policy Actions shared with the World Bank

Policy Area	Objective	Responsible Ministries/Agen cies	Policy Action		Classification
			Prior Actions 1 (achieved on February 2025)	Prior Actions 2 (expected achievement on May 2025)	
	Financial health of the energy sector	Bangladesh Energy Regulatory Commission (BERC)	3. To improve the financial sustainability of the energy sector, the President has reinstated the mandate of the Bangladesh Energy Regulatory Commission (BERC) in end- user electricity tariff setting, through the Ordinance		Policy Actions shared with the World Bank