

Section 3

Terms of Reference – Economic Dialogue on Green Growth in Bangladesh

1. Introduction

Bangladesh has made remarkable progress over the past two decades, lifting millions out of poverty and sustaining expanding levels of economic growth. It has achieved this in spite of major internal and external challenges - global economic downturns, natural disasters and periods of political uncertainty - which have tested the resolve of the Bangladesh economy. However, Bangladesh remains the most vulnerable country to climate change as shown by Maplecroft's Climate Change Vulnerability Index, with its capital city Dhaka highlighted as one of the 5 cities facing extreme risk from climate change and environmental risk. As the Government continues to pursue its goals as laid out in the 2010 perspective plan, foremost of which is its plan to achieve middle income status by 2021, it will need to be policy cognisant of the strains that a higher growth path may place on the environment to ensure the continued sustainability of economic growth for future generations. The Government of Bangladesh (GoB) has already produced National Sustainable development Strategy in 2013.

2. Objective

To increase the dialogue on economic reforms, and support the Government of Bangladesh to make pro-poor economic policies, DFID will invest in research/evaluation where clear gaps in evidence have been identified and develop partnerships with those with proven ability to influence economic policy and respond to selective requests from GoB to help implement economic reforms. As part of the Strengthening Economic Systems in Bangladesh Programme, DFID-Bangladesh would like to commission a programme of economic dialogue on Green Growth. The purpose of the Strengthening Economic Systems in Bangladesh programme is two-fold:

- First, it is to provide knowledge and information resources to the Government of Bangladesh allowing them to raise questions, the answers to which will help better inform decision-making to facilitate sustainable development;
- Second, it is to provide a resource to help build capacity among local centres of expertise to research, outreach and disseminate information to the government to help inform and influence effective policy making on sustainable development.

With this economic dialogue component focused on Green Growth issues, it will complement other programmes of SES-B that deal with other sustainable development issues for Bangladesh.

3. The Recipient

The principal recipients of this programme of work will be the Government of Bangladesh through effective economic dialogue. However, the dissemination strategy of the successful contractor should include methods to effectively disseminate findings to a wider audience.

4. Scope

DFID-Bangladesh would like to commission a programme of research, outreach and dissemination on Green Growth that embodies both short-term policy dialogue think-pieces as well as longer term thematic policy relevant research. We would like to commission this work to an organisation that is capable of working with high level Government of Bangladesh officials and policy makers, preferably in Bangladesh or similar contexts and has a proven track record in undertaking policy research, managing research through others and is effective at disseminating the findings of their research to have influence that affects policy.

Specifically, areas that we would like this programme to focus on are:

- 4.1. **An evaluation of the macro level socio-economic impact of climate change on Bangladesh as well as the environmental impact of the recent past economic activity.** This will include, but not be limited to, considerations such as the following: industrial activities in which Bangladesh has locked itself into an environmentally risky growth path, the impact of this both in terms of direct impacts but also likely future economic activities that Bangladesh no longer has access.
- 4.2. **Aggregate green growth diagnostic assessment as well as sectoral green growth diagnostic in areas of industrial activity where the environmental risk of lock-in is found to be material.** The assessment is to include the existing set of government policy instruments that incentivise green growth and areas where the government's toolkit can be developed learning from the lessons of other countries.
- 4.3. **Extent of green growth accounting taking place in Bangladesh,** devise a strategy the government could take to encourage green growth accounting, standard practices on green growth accounting that firms should employ in their decision making on investments and the means through which these practices could be enforced.
- 4.4. **The challenges that the government is facing to implement its existing strategic framework for green growth and sustainable development,** how green is the government's current set of economic growth policies and in what areas could more effective green policy be developed, extent to which the government's plans for Dhaka City's Master Plan/special economic zones embody green growth principles, effectiveness of the current institutional structure/environment in delivering green growth, areas where the institutional structure be enhanced to improve green growth policy and the compliance and enforcement status of green growth policies in Bangladesh.
- 4.5. **The relevance of climate change adaptation/disaster risk reduction and resilience for Bangladesh** focusing on green growth approach, extent to which government policy addresses these issues, roles the private sector does/can play to enhance adaptation/risk reduction and/or resilience in Bangladesh.
- 4.6. **Extent to which the government is actively engaged on tackling impact of climate change and environmental protection issues on the international forum** and the

extent to which Bangladesh is equipped to measure progress on meeting the millennium development goals and the forthcoming sustainable development indicators on green growth, key areas where the government needs to bolster capacity to measure progress on green growth and environmental risk.

- 4.7. **Any additional work requirement identified throughout the life of the contract will require a contract amendment. If additional work is identified, the supplier's proposal should build on synergies from current work.**

5. The Requirements

- 5.1. To develop and demonstrate a measurable strategy for dialogue to influence economic policy in Bangladesh;
- 5.2. To deliver high profile quarterly workshops that draw on a range of expertise, attended by GoB senior officials/Ministers and shared with DFID areas of topical policy relevant issues on Green Growth;
- 5.3. To ensure papers, presentation and minutes of quarterly workshops are written up and made publicly available within one month from the date of event;
- 5.4. To deliver 2 policy relevant thematic papers per year on topics on Green Growth (agreed in advance with DFID);
- 5.5. To hold an annual public event to present findings of thematic policy relevant research to public audience;
- 5.6. To arrange, with DFID, half-yearly meetings with relevant government officials to ascertain policy priorities and determine future needs of the government to inform and develop/revise work planning;
- 5.7. To share all data, workings and papers with DFID associated with this programme of work.

6. Constraints and dependencies

- 6.1. The potential supplier should ensure that they are aware of the work streams of other suppliers associated with sustainable development work streams that fall under the umbrella of Strengthening Economic Systems in Bangladesh;
- 6.2. To coordinate with GoB officials/policy makers, donors, multilateral organisations and think-tanks to ensure that work streams complement rather than duplicate;
- 6.3. To ensure that any outputs produced are compatible with DFID-Bangladesh IT suites (MS Office 2010 standard version, Adobe Reader XI, Windows 7 Zip, JPEG and TIFF).

7. Implementation requirements

- 7.1. Where elements of work are sub-contracted out to other suppliers, DFID-Bangladesh should be made aware of such management arrangements during the tender process, where appropriate;
- 7.2. The supplier should seek prior approval from DFID Bangladesh that any material that is provided by DFID can be shared with a third party.

8. Performance requirements

- 8.1. Thematic Studies need to be peer reviewed by specialised individuals/ organisations for quality assurance. DFID will arrange an independent review of the suppliers thematic studies and feedback will be provided to the supplier within one month of receipt of the draft;
- 8.2. Payments will be performance based and will be linked to milestones which will be proposed by the supplier during the tender process and agreed during the post tender clarification stage. Proposed milestones must be closely linked to the results required by the programme. Bidders should define a payment approach analysing the level of risks to deliver quality work, including standard financial reporting mechanisms based on the information provided in the ToR, to ensure that there is an appropriate linkage between payment and delivery of activities contributing to key programme results;
- 8.3. There will be a break clause of maximum 1 month after the 6 month long Inception phase. Another break clause of up to 1 month will follow 1 year after the implementation period starts.

9. Environmental considerations

This will be predominantly a desk based research work with some field visits and the environmental consideration is thus considered to be minimal.

10. Reporting

The project is expected to submit the following reports:

- Reports including Progress Reports and Financial Reports should be submitted on a six-monthly basis. However, if DFID requires, such reports may be requested on a quarterly basis.
- Annual Audit Reports undertaken by independent external auditors should be submitted within three months from the completion of each project year.

11. Timeframe

The work is initially planned for a period of 3 years starting tentatively from 01 October 2015 till 30 September 2018 with a possibility to extend up to 2 years. The extension will be based on a review of overall performance in year 3.

12. DFID Coordination

- The Senior Economist, Growth and Private Sector Team is the contact person for all technical and strategic issues;
- The Programme Management Adviser, Growth and Private Sector Team is the contact person for financial, operational and other project management issues.

13. Duty of Care

A Summary Risk Assessment Matrix is attached for your information. At present the risk level is low with no major concerns or threats envisaged. However, we should like to remind you that responsibility for the well-being of the supplier's Personnel rests solely with the Service Provider. The Service Provider will be responsible for the provision of suitable security arrangements for them and any business property/equipment that will be used during the course of this assignment.

14. Background

DFID as the largest grant donor in Bangladesh plays a key role in supporting the Government of Bangladesh's efforts to alleviate poverty and achieve sustained economic growth. One of the strategic priorities of DFID Bangladesh is to foster an improved economic climate to enhance public service delivery and public safety, and to increase employment and wealth creation opportunities. This will involve both increased investment in government led approaches and continued support for civil society provision for the poorest and most marginalised.

Partner country policy environment is the first pillar of DFID's renewed focus on economic development. Within Bangladesh, the level of economic development exceeds the quality of economic governance and policies. There are a number of structural reasons why economic reforms are not taking place in Bangladesh. DFID has considerable experience in providing support to develop and implement pro-poor economic policies. Within Bangladesh, DFID has proven its ability to inform policies more generally on the economy through small scale interventions with economic Think Tanks and with the Bangladesh Central Bank. This programme proposes to build on these proven models of success, as well as build on synergies by partnering with a carefully selected number of think tanks engaged in policy formulation.