



**Bangladesh Trade Facilitation
(BTF)**

LAND O'LAKES
VENTURE37

Narrative Project Progress Report
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ACRONYMS

ASYCUDA	Automated System for Customs Data
BAB	Bangladesh Accreditation Board
BAEC	Bangladesh Atomic Energy Commission
BCSIR	Bangladesh Council of Scientific Research
BFSA	Bangladesh Food Safety Authority
BSTI	Bangladesh Standards and Testing Institution
BTF	USDA Bangladesh Trade Facilitation project
CTA	Comprehensive Trade Assessment
COVID-19	Corona Virus Disease 2019
DAE-PQW	Department of Agricultural Extension, Plant Quarantine Wing
DoF	Department of Fisheries
DLS	Department of Livestock Services
FFPr	USDA Food for Progress
GoB	Government of Bangladesh
HS	Harmonization System (codes)
IPO	Import Policy Order
ISO	International Standards Organization
IT	Information Technology
IOA	Investment Options Analysis (cold storage)
KII	Key Informant Interviews
LOP	Life of Program
MoA	Ministry of Agriculture
MoC	Ministry of Commerce
MoFL	Ministry of Fisheries and Livestock
MRA	Mutual Recognition Agreements
NCCD	National Center for Cold Chain Development (India)
NBR	National Board of Revenue
NEP	National Enquiry Point
NORC	National Opinion Research Center at the University of Chicago
NTFC	National Trade Facilitation Committee
NORC	National Opinion Research Centre - University of Chicago
PPP	Public-Private Partnerships
PQW	Plant Quarantine Wing, Department of Agricultural Extension
PVOC	Pre-Verification of Conformity
RM	Risk Management
SOPs	Standard Operating Procedures
SPS	Sanitary and Phytosanitary Measures
SRS	Software Requirements and Specifications
TBT	Technical Barriers to Trade Enquiry Points
TCL	Temperature-Controlled Logistics
TFA	World Trade Organization, Trade Facilitation Agreement (Schedule C)
TRS	Time Release Study
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USDA/FAS	United States Department of Agriculture, Foreign Agricultural Service
WTO	World Trade Organization

EXECUTIVE SUMMARY

Land O'Lakes Venture37 is pleased to submit the semi-annual performance report for the Bangladesh Trade Facilitation project (BTF). BTF objectives are to expand trade in agricultural products by reducing the cost of trade and decreasing the release time of imported agricultural goods, and to increase agricultural productivity by improving processes through increased transparency, streamlining, and automating methods.

As of the end of this reporting period, we are pleased to highlight progress against the performance indicators that had targets for Year 1 of project implementation.

- 37 individuals (target: 20) received short-term agricultural sector productivity training.
- 37 individuals (target: 80) participated in USDA food security programs.

Because BTF is primarily a capacity building and organizational development activity, there were limited objective, quantified performance targets for the first year of implementation. The significant achievements during the period included analyses, assessments, and negotiations with cooperating Government of Bangladesh (GoB) agencies. The results of these activities are, as planned, the foundation for implementation in Program Year 2 and will result in the expected change in procedures, automation of processes, and public and private investments. The highlights include:

- ✓ Completing the **Comprehensive Trade Assessment** (CTA) was a principal activity for first program year. The findings were used to discuss and agree on the priority activities with nine GoB agencies, for which memorandums of understanding (MoUs) are pending execution with all nine agencies.
- ✓ Drawing on organizational scorecards and more than 80 key informant interviews (KIIs), National Opinion Research Center at the University of Chicago (NORC) completed a **Baseline Evaluation** that reviewed the status of the trade facilitation framework and current capacities of relevant institutions. NORC also developed a trade model to further evaluate the impact of BTF.
- ✓ Based on the team's experience in other countries and aligned with global best practices for cold storage systems at ports, we completed an **Investment Options Analysis** and recommended opportunities for investment in cold storage infrastructure. The recommendations combine cold storage facilities with inspection points at major ports and will help stakeholders to understand the market situation and evaluate investment opportunities.
- ✓ Based on a preliminary review of laws and rules undertaken during the CTA, BTF operationalized recommendations to improve the legal framework. We completed **detailed analyses of the Import Policy Order and the Export Policy and presented recommendations** to the Ministry of Commerce (MoC). In addition, using comparative analysis, a practicum of legal students issued a report identifying current gaps and comparing Bangladesh's legal and policy framework to other countries with respect to four World Trade Organization (WTO) Trade Facilitation Agreement (TFA) obligations and international best practices.

PROGRAM OVERVIEW

The BTF project will expand cross-border trade in agricultural goods, supporting Bangladesh to achieve the World Trade Organization, Trade Facilitation Agreement (WTO TFA), Schedule C measures.

Four WTO TFA Schedule C Measures play a significant role in agricultural trade: 5.3 Test Procedures; 7.4 Risk Management; 7.9 Perishable Goods; and 10.1 Formalities.

Therefore, BTF, a five-year, United States Department of Agriculture (USDA)-funded initiative, is designed to help Bangladesh enhance its trade facilitation system and expand regional and international agricultural trade opportunities. Working in concert with key Government of Bangladesh agencies and by supporting and enhancing the National Trade Facilitation Committee (NTFC), the project will address the systemic constraints to agricultural trade at Bangladeshi ports; simplify and automate import and export processes; improve the capacity of government agencies, laboratories, and warehouses; and by foster private and public investment in cold storage. Specifically, BTF will achieve the following objectives:

- Reduce the cost of trade in agricultural goods;
- Decrease the release time of imported agricultural goods; and
- Improve the predictability of agricultural trade through increased transparency, streamlining, and automating processes.

BTF is implemented by a consortium led by Land O'Lakes Venture37 (Venture37) and four implementing partners: Nathan Associates Inc. (Nathan), World Food Logistics Organization/Global Cold Chain Alliance (GCCA), Lixia Capsia Gestionis (LixCap), and Fondation pour l'institut de hautes études internationales et du développement or The Graduate Institute of International and Development Studies (The Graduate Institute), through TradeLab.

BTF will collaborate with the NTFC and build on findings from the CTA to prioritize activities and to operationalize project investments and inputs in three areas: (i) policy updates, (ii) technical and operational capacity building, and (iii) expansion of essential agricultural trade infrastructure.

This semi-annual progress report documents the BTF project's activities from April 1, 2021 to September 30, 2021. The report is organized by component, describes the progress made implementing the work plan, and explains important challenges encountered during the report period. For each component we have summarized the work plan for the life of the project for each of the five activities and then indicated the progress made in these planned activities during the period.

1. INCREASE HARMONIZATION OF PROCESSES, FORMALITIES, AND PRE-CLEARANCE PROCESSING

Life of Program Work Plan

BTF will first analyze and then support the update of laws, rules, and standard operating procedures (SOPs) that govern the work of key agencies (PQW, DLS, DoF, BSTI, BAEC and BFSA)¹ in overseeing agricultural trade to allow for simplifications of import and export processes, creating risk management systems, and use of laboratories for testing at ports. The project will work with leaders in each government agency to facilitate the drafting and approval of these updated policies. Improved capacity in policy development for government (FFPr 2.4.1) will lead to FFPr 2.4.2: Improved Policy and Regulatory Framework.

The project will work with PQW, DLS, DoF, BSTI and BAEC to simplify import and export documentation and automate currently manual agricultural trade certificates that link to the Bangladesh Single Window (BSW). BTF will then help the agencies develop SOPs for these updated processes and carry out a training program for officers. These interventions will improve the capacity of government institutions in streamlining processes to work toward TFA Standard 10.1: Formalities (FFPr 2.4.1). Once implemented, the streamlined processes and new e-systems will lead to FFPr 2.2.3/2.3.1: Improved Market and Trade Infrastructure and ultimately reduce the burden for importers and exporters to get documentation for trade, leading to FFPr 2.3: Improved Transaction Efficiency.

Progress During Reporting Period

Based on a review of laws and rules undertaken during the CTA, BTF began to operationalize recommendations to improve the legal framework and to reduce administrative requirements impacting agro-trade. Collaborating with the Ministry of Commerce, our analysis focused on the Import Policy Order (IPO), which is scheduled to be updated by GoB in the current calendar year, and the Export Policy, which is a policy directive not issued as a legislative mandate. (Note that the review and analysis and proposals were communicated in Bangla language).

Import Policy Order

Our technical team reviewed the existing IPO 2015-2018 and officially submitted the review proposals to MoC for consideration during the IPO 2021-2024 legislature update. MoC then invited BTF to a validation workshop for public comment on the IPO

¹ Plant Quarantine Wing, Department of Agricultural Extension (PQW); Department of Livestock Services (DLS); Department of Fisheries (DoF); Bangladesh Standards and Testing Institution (BSTI); Bangladesh Atomic Energy Commission (BAEC); and Bangladesh Food Safety Authority (BFSA)

recommendations, where BTF's proposals were highlighted. The Commerce Secretary, who served as Chair of the workshop, recognized BTF's contributions.

To summarize, BTF presented 32 proposals in two parts and included justifications for the suggested changes. Part 1 of the proposals focused on cross-border trade of agricultural goods and food items, including plant and plant products, animal and animal-sourced products, and fish and fish products. We suggested legal text for risk-based compliance and management, post clearance audit, expedited clearance of perishable goods, and electronic submission and issuance of permits, among other recommendations. The proposals emphasized inclusion of requirements of international agreements that Bangladesh has joined, including WTO TFA, SPS agreement, TBT agreement, WCO Revised Kyoto Convention, and Cross-border Paperless Trade Agreement in Asia and the Pacific (paperless trade).

Part 2 of the proposals addressed more general issues related to import transactions. We recommended that the legal and regulatory review be coordinated among the regulatory agencies via the framework of NTFC. Specific proposals dealt with inconsistency in the legislation concerning which agency has responsibility for testing of food items; In the current IPO, Bangladesh Standards and Testing Institution (BSTI) is mandated to test and issue release order for 22 food items. All other food items are to be tested from only Bangladesh Council of Scientific Research (BCSIR) as per the same IPO. Testing all other food items by Govt. approved labs along with BCSIR was recommended by BTF in the IPO review.

Other recommendations covered issues related to issuing radiation certification, amending the definition of "Permit", updating the harmonized system (HS) codes in the IPO, arranging the description of goods into HS chapter order, updating regions for radiation certification, updating the BSTI table, addressing the difference in national food standards, including Halal certification, identifying quarantine provisions for all agriculture concerned agencies, and mentioning of provisions of import by diplomatic and privileged persons.

Export Policy

At the request of MoC, BTF also reviewed and analyzed the GoB Export Policy. Accordingly, BTF made 73 proposals in eight parts with the justifications.

Part 1 of the proposals focused on adding to the Export Policy "Objectives" requirements for process simplification and automation, regulatory improvements, and agricultural trade compliance issues. In addition, we made recommendations to improve transparency of information, to develop separate agro-trade sections on GoB portals, and to more broadly use information technology (IT) to disseminate trade information. The proposals also recommended credit facilities for exportable agricultural products, strengthening the capacity of agricultural agencies for trade

promotion, developing the cold chain and packaging industries, and strengthening institutional capacity for research and training.

Part 2 of the proposals recommended that NTFC and the Agro-trade Working Group be included in the implementation process for the update Export Policy. We also proposed rewriting the definition of “Permit” to include administrative ministries and changing the definitions of “Special Development Sector” and “Aromatic Rice”.

Part 3 proposals focused on inclusion of Acts and Rules of Administrative Ministries in the list of regulatory instruments to address the harmonization gap.

Part 4 highlighted the need to clarify the definition of agro-processed products and to include food processing industries as a highest priority sector. More specific recommendations included (i) market development for products, such as live eels, (ii) agendas for providing low interest-bearing credit facilities and tax incentives for temperature-controlled logistics and cold storage, (iii) tax incentives for testing laboratories and reduction of import duties on chemical reagents used in laboratories for testing purpose, (iv) and specified transport arrangements (domestic and international) for perishable agricultural products.

Proposals in Part 5 specified incentive packages that are consistent with WTO rules. There are recommendations to expedite the cash incentive disbursement process for exporters and to include ministries relevant to agricultural production in the credit monitoring committee of the central bank; to use public-private partnerships (PPP) to build or improve testing laboratories; to include laboratory technology, cold storage equipment, inspection and testing kits as compliance related equipment; and to strengthen the accreditation and certification agency. We recommended that cold storage facilities be installed at sea, air, and land ports and to offer special tax or credit incentives to import reefer vans or reefer containers. Proposals covered in Part 5 also include automation of sampling, testing and report transfer process along with integration of systems between customs and administrative agencies; developing the Bangladesh Trade Portal as a complete information hub; encouraging laboratories to meet and obtain ISO standards and certifications to enhance the ability to export agricultural products; and signing mutual recognition agreements (MRAs) with standard institutions of priority trading counties.

Recommendations included in Parts 6 and 7 included establishment of a plant quarantine authority, promotion of contract farming and traceability processes and systems, and the sustainable graduation of garments industries (from cut-make-trim to original brand manufacturing).

Part 8 of the proposal recommended the establishment of agricultural industries in special economic zones, strengthening the institutional capacity of export zones

authority, and negotiating PPPs for agro-food businesses and technology-based agricultural industries.

Cold Storage Regulatory Environment

Following up on preliminary work as part of the Investment Opportunity Analysis, BTF completed a deeper comparative analysis as to how regulations related to investing and operating cold storage facilities in Bangladesh compare to common international policies and regulations. As an outcome we determined areas where BTF could work with the government to either modify regulations that are hindering cold storage investment or provide additional support to spur the industry. Though there are areas that could be improved, we determined that the current regulatory framework regarding for the sector is comprehensive, and the primary constraints to cold chain development are not regulatory in nature. Clarifications can be made within the policies and procedures, but the greatest impacts will be achieved by tackling logistical challenges and operational best practices. Specific recommendations include:

- Work with CPA to determine how streamlined efficiencies can enhance their revenue.
- Consider a load incentivization program.
- Create a Green Channel.
- Analyze data from ASYCUDA.
- Stimulate Investment through Electricity Subsidization.
- Support the Government with Enforcement Approach.
- Determine if Bangladesh requires Destination Inspection or Pre-Verification of Conformity (PVOC).
- Provide opportunities for government officials to learn from the experience of the National Center for Cold Chain Development (NCCD) in India.
- Clarify the policies and regulations related to the following five areas:
 1. *National Food Policy*. It is noted that the government will relax private sector regulations for construction. It is important to understand what regulations were relaxed and what was constraining construction in the first place.
 2. *Warehousing Ordinance (1959)*. A person licensed by the director should be a sampler of agricultural products. Clarify whether it is a Quality/Health/Safety/Environment person on-staff to ensure quality or someone within the government. In addition, warehouse operators are required to take out insurance on the product in storage. This is atypical for third party logistics providers. Requiring warehouses to cover product they do not own creates complications as to who files a claim on the product and how is ownership proven.
 3. *Environmental Clearance Certificate*. The Department of Agricultural Marketing (DAM) requires each cold storage warehouse to obtain an Environmental Clearance Certificate to operate. It is unclear what this

consists of and therefore difficult to determine how long it will take, which can impact clients and investment.

4. *Chittagong Port Authority Manual*. Verify the price of electricity as it is stated in the manual.
5. *Advise on Sanitary Transport Provisions*. The Slaughter Act notes that meat and meat products should be adequately transported, it but lacks specific provisions. GCCA's Refrigerated Transportation Best Practices manual would be a good place to start to provide specific provisions.

Legal Review Agricultural Trade

In addition to the specific legislative review for IPO, Export Policy, and cold storage operations, a standalone outcome of the CTA examined the laws and regulations that govern the agro-trade related measures, mandates, and controls of GoB counterpart agencies and coordinating agencies. A listing of the relevant agencies and the related governing laws is included in the table below. For each of these legal documents, BTF prepared a written analysis discussing key regulatory rules and laws and pointing out deficiencies and areas which affect agro-trade in Bangladesh.

Agency	Title of the Legal Document	Type
Ministry of Commerce (MoC)	Import Policy Order 2015-2018 (New Import Policy Order to be introduced soon)	Order
	The Imports and Exports (Control) Act, 1950	Act
	Export Policy, 2018-2021	Policy
	The Importers, Exporters, and Indentors (Registration) Order, 1981	Order
Plant Quarantine Wing (PQW), Department of Agricultural Extension, Ministry of Agriculture	Plant Quarantine Act, 2011	Act
	Plant Quarantine Rules, 2018	Rules
Department of Livestock Services (DLS)	Bangladesh Animal and Animal Products Quarantine Act, 2005	Act
	Fish Feed and Animal Feed Act, 2010	Act
	Animal Feed Rules, 2013	Rules
	Day One Chick & Parent Stock Import Policy	Policy
Department of Fisheries (DoF)	Fish Feed and Animal Feed Act, 2010	Act
	Fish Feed Rules, 2011	Rules
	Fish Hatchery Act, 2010	Act
	Fish Hatchery Rules, 2011	Rules
	Fish Quarantine Act, 2018	Act
	Fish and Fish Products (Inspection and Quality Control) Act, 2020	Act
	Fish and Fish Products (Inspection and Quality Control) Rules, 1997	Rules
	Marine Fisheries Act, 2020	Act

Agency	Title of the Legal Document	Type
Bangladesh Standards and Testing Institution (BSTI)	Bangladesh Standards and Testing Institution Act, 2018	Act
Bangladesh Food Safety Authority (BFSA)	Food Safety Act, 2013	Act
	Food Sample Collection, Testing and Analysis Regulations, 2017	Regulations
	Safe Food (Chemical Contaminants, Toxins and Harmful Residues) Regulations, 2017	Regulations
	Food Additives Use Regulations, 2017	Regulations
	Packaged Food Labelling Regulations, 2017	Regulations
	Food Safety (Food Hygiene) Regulations, 2018	Regulations
Bangladesh Atomic Energy Commission (BAEC)	Nuclear Safety & Radiation Control Rules, 1997	Rules
	Bangladesh Atomic Energy Regulatory Act, 2012	Act
	Bangladesh Atomic Energy Commission Act, 2017	Act
National Board of Revenue (NBR)	Customs Act, 1969 (New Act is expected to be introduced soon)	Act
	Various rules under Customs Act, 1969	Rules

Agro-Trade Working Group

Creation of an Agro-Trade Working Group is on agenda for next NTFC meeting. The objectives of the Agro-Working Group are to facilitate trade in the agriculture sector by studying and reviewing the agricultural trade promotion agendas, reforming regulations recommended by the NTFC, improving coordination amongst agricultural trade-related agencies, implementing recommendations from the TRS of agricultural goods, monitoring the function of the enquiry points on agro-trade matters, and advocating for a simplified trading mechanism. BTF will assist the WTO Cell to organize and implement Agro-Working Group meetings and events. Where necessary, the Working Group will also be a forum to address the challenges in collaboration or implementation of BTF activities that impact all members of the Agro-Working Group. Members of the working group will include representatives from all the relevant government agencies and from private sector businesses and trade associations. We will also present the updated priorities of the BTF Project to the Agro-Working Group on an annual basis, will intermittently seek feedback about the results of activities, and will provide a written and verbal update to the Agro-Working Group on at least a semi-annual basis. BTF is currently conducting an agro-focused Time Release Study (TRS). BTF will leverage the NTFC Agro-Working Group to implement the findings and recommendations of the TRS at the CAs. The objective is to encourage the members of the Agro-Working Group to contribute to setting priorities for implementation of BTF and to monitor and to facilitate activities undertaken to enhance trade and implementation of the TFA measures.

Import and Export Manuals

BTF compiled information and data and drafted manuals on trade procedures for mango exporters and for wheat importers. The objective is to prepare a series of manuals for the most important export and import products to improve traders' understanding of trade procedures and formalities to conduct international trade.

These step-by-step guides are product specific, for import of wheat and for export of mangoes only, however, many of the contents of the guides will be the same for other products since the procedure for obtaining different licenses/permits and steps in customs clearance process are same. The manuals will be updated regularly when there is any change in the process and as and when needed to address the knowledge gaps of the traders as well as government officials. For export products the guides will help exporters prepare for accessing export market. For example, general traders will have a complete picture about general requirements for becoming an exporter and particular requirements for mango export. Since the primary export market for Bangladeshi mangoes is currently European countries, the manual will have specific references to the EU market, while the requirements for other markets will be added in the future.

Agro Focused Time Release Study (TRS)

Over the life of the program BTF will conduct a series of time release studies (TRS) that focus on import and export of agricultural goods including food items arriving at and exported from Dhaka Airport, Benapole land port, and Chattogram Seaport. The study is the first of its kind in Bangladesh and will follow the WCO's methodology (WCO TRS Guide 2018). During the period BTF initiated the study, which is being led by subrecipient Nathan. An Bangladeshi economic research organization, South Asian Network on Economic Modeling (SANEM) has been contracted to conduct the study. SANEM started field work mapping processes and procedures. Over the next two months the firm and team of enumerators will collect data at the ports, analyze results comparing information to the data recorded in the ASYCUDA system, and recommend process improvements. BTF is coordinating with the NBR and other relevant CAs including port authorities to have their support and guidance during the overall process of study.

Staffing

The Senior Technical Advisor - Processes, Formalities, and WTO Notification Compliance was hired and mobilized during the period. The Senior Advisor leads both Components 1 and 2.

Next Steps

In the next period, BTF will work closely with the MoC, NTFC, and relevant agencies to introduce changes to the legal framework and to introduce and standardize processes. The key activities in the work plan for next period include:

- 1.1 Enhance legal framework to reduce requirements and streamline processes for agro-trade, presenting the analysis and full set of recommendations to NTFC.
- 1.2 Establish Agro-trade Working Group at NTFC, supporting the institutionalization of a framework to focus on food agriculture trade-related issues.
- 1.3 Expand the e-Certification system at DoF, using this agency as the pilot to automate and digitize the process of issuing certificates.
- 1.4 Streamline processes of DAE-PQW, DoF, DLS, BAEC, and BFSA through integration between certification system and clearance process (ASYCUDA/Bangladesh Single Window)
- 1.5 Automate the e-traceability and contract farming system at DAE-PQW, starting with assessing the current manual system in use and focusing on only mangoes as the export product.
- 1.6 Automate the e-traceability and contract farming system at DoF, starting with assessing the current manual system in use and focusing on only shrimp as the export product.
- 1.7 Develop European Union (EU) Traces Registration system for DLS, starting with analysis of the EU requirements.
- 1.8 Issuance of e-Health Certificate from BFSA, collaborating with the agency and mobilizing IT expertise.
- 1.9 Issuance of e-Health Certificate from DoF, assessing the current manual process and mobilizing IT experts to design an internet-based process.
- 1.10 Automate rapid disease response system at DLS.
- 1.11 Introduce a monitoring system at BFSA for ensuring safety of imported food products, finalizing the features of inter-agency coordination mechanism.
- 1.12 Support PQW to become Plant Quarantine Authority, coordinating with APAARI to map the process, requirements, and timeline.
- 1.13 Establish trade related institutional structure at DLS, mapping out the process and requirements for the agency to establish a trade wing.
- 1.14 Develop trade manuals, selecting top plant, livestock, and fisheries products of most important to private sector traders.
- 1.15 Improve pre-clearance processing by working with MoC, analyzing the potential for MRAs with priority trading partner countries.
- 1.16 Conduct Agro-focused TRS at the Dhaka Airport, Chittagong Seaport and Benapole Land Port.

Challenges

Specific interventions will not take place until the MoUs are agreed with partner agencies based on the proposed priorities. MoUs with each agency emphasized involvement in the Agriculture Trade Working Group and collaborating with BTF to develop content for manuals and portals. The agencies need to nominate or appoint officials to work on these initiatives. Accordingly, appointments need to be made by the directors of the agencies before BTF can officially collaborate and undertake capacity building and training of officials and enhance the institutional capacity. Delays by the agencies will result in delays in implementation.

2. INCREASE TRANSPARENCY OF TRADE INFORMATION AND WTO NOTIFICATION COMPLIANCE

Life of Program Work Plan

BTF will create or build capacity of coordinating bodies within each agency to notify the WTO Cell and Trade Portal teams on changes in requirements for trade of agricultural goods to ensure accurate information is available. Transparent information on trade requirements will improve the information available to potential importers and exporters. BTF will also carry out communication campaigns to link users to the available information to reach the result FFPr 4.2.3: Increased Access to Improved Market Information.

Access to information about Bangladesh's requirements, combined with more streamlined trade processes, a more effective risk management system (Component 3) and better handling and inspection results at the border (Components 3 and 4) will increase the trust of other countries in trading with Bangladesh. This will help achieve FFPr 2.2: Increased Access to Market to Sell Agricultural Products; and ultimately the overarching goal of FFPr SO2: Expanded Trade of Agricultural Products in Bangladesh.

Progress During Reporting Period

During the period, BTF completed the initial steps to develop and support a coordinating body or committees at the Ministry of Fisheries and Livestock (MoFL) and Ministry of Agriculture (MoA). BTF will work with these bodies and with other agencies to build understanding of the Trade Portal and all enquiry points and to devise a structure and responsibilities such that the ministries collect and distribute agro-trade information to the Trade Portal and respond to enquiries.

Process Mapping

During the period BTF drafted the following process maps:

- Customs clearance process map for import
- Customs clearance process map for export
- Process map for Phytosanitary Certificate (PC) issuance
- Process map for Import Permit (IP) issuance

Customs and Trade Portals – Agro-Trade Sections

During the period BTF outlined the format and content requirements for building Agro-Trade Sections on the portals.

Staffing

The Senior Technical Advisor - Processes, Formalities, and WTO Notification Compliance hired and mobilized during the period. The Senior Advisor leads both Components 1 and 2.

Next Steps

In the next period, BTF will collaborate with NBR, NTFC, and relevant agencies to introduce or reestablish a goal to implement risk-based compliance. International best practices will be explored and used to motivate change at the agency-level. The key activities in the work plan for next period include:

- 2.1 Institutionalize the NEP for Trade and NEP for Customs and trade facilitation coordinating structure, developing agency-specific Frequently Asked Question (FAQ) responses to be posted on both the Trade and Customs Portal.
- 2.2 Support MoC and NBR to develop agro-trade/customs clearance section of Trade Portal/Customs Portal, working with agencies to develop content and building a system to upload and maintain (and update) content.
- 2.3 Automate and operationalize a WTO notification system, and communications from SPS and TBT Enquiry Points, engaging IT specialists to analyze and design interfaces and a user-friendly digital system.
- 2.4 Assess capacity of private sector on trade facilitation, developing and using a scorecard tool to grade the level of knowledge and identify gaps.

Challenges

Specific interventions will not take place until the proposed priorities are agreed in MoUs with partner agencies. MoUs with each agency emphasize the requirement to create an internet-based notifications system for the agency to report to the WTO Cell at MoC. In addition, agencies are requested to appoint focal points for national enquiry points. These appointments need to be made by the directors of the agencies before BTF can undertake training of officials and enhance the institutional capacity.

3. STRENGTHEN RISK MANAGEMENT SYSTEMS

Life of Program Work Plan

None of the agricultural agencies currently have risk management (RM) systems in place to reduce the need for inspection of agricultural import and export consignments. BTF will develop RM units within DAE-PQW, DLS, DoF, BSTI, and BAEC and build their capacity to develop risk profiles and SOPs for carrying out risk management at the ports of entry. The project will also help each agency to develop a training program for Customs agents and agricultural officials to carry out the RM procedures at the ports. These interventions will build the capacity of agricultural agencies in RM to work toward TFA Standard 7.4: Risk Management (FFPr 2.4.1). The introduction of RM at the ports will lead to FFPr 2.2.3/2.3.1: Improved Market and Trade Infrastructure. RM

will decrease the number of inspections, while maintaining quality, reducing the time of products at the border and leading to FFP 2.3: Improved Transaction Efficiency.

Progress During Reporting Period

Risk Management Workshop

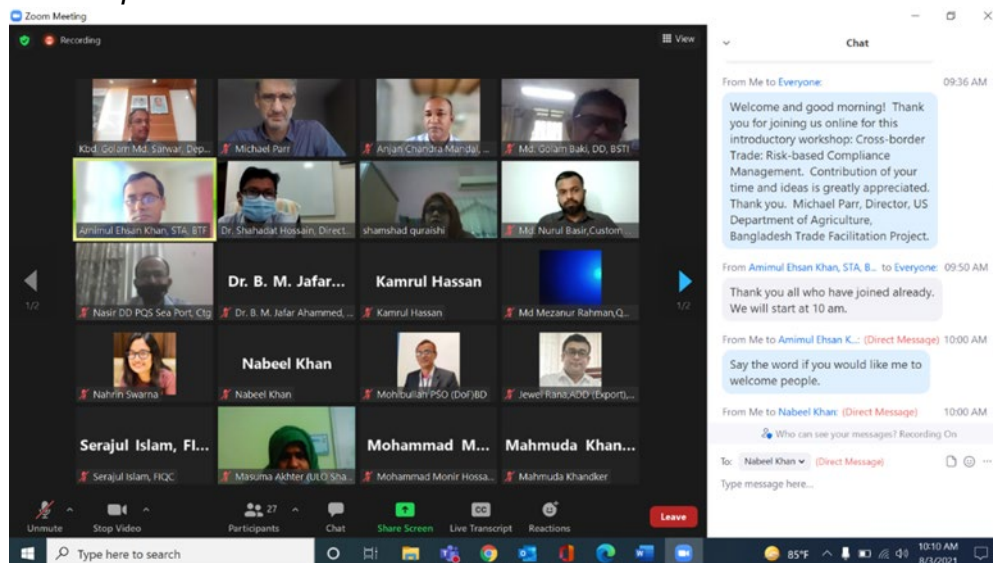
Except for BSTI and PQW, the CTA confirmed that the other agencies (DLS, DOF, BAEC, and BFSA) are not familiar with the risk-based clearance processes. Accordingly, during the period, BTF introduced the RM modus operandi to the agencies by conducting an introductory online training (via Zoom due to the Covid-19 situation at the time) called “Virtual Workshop on Cross-border Trade: Risk-based Compliance Management”. A screenshot of the event is shown in Photo 1. There were 18 participants, from relevant agro-trade agencies and officials with RM experience from NBR. In addition, two representatives from the USAID Trade Activity (BITBEE) participated and shared their knowledge and ideas.

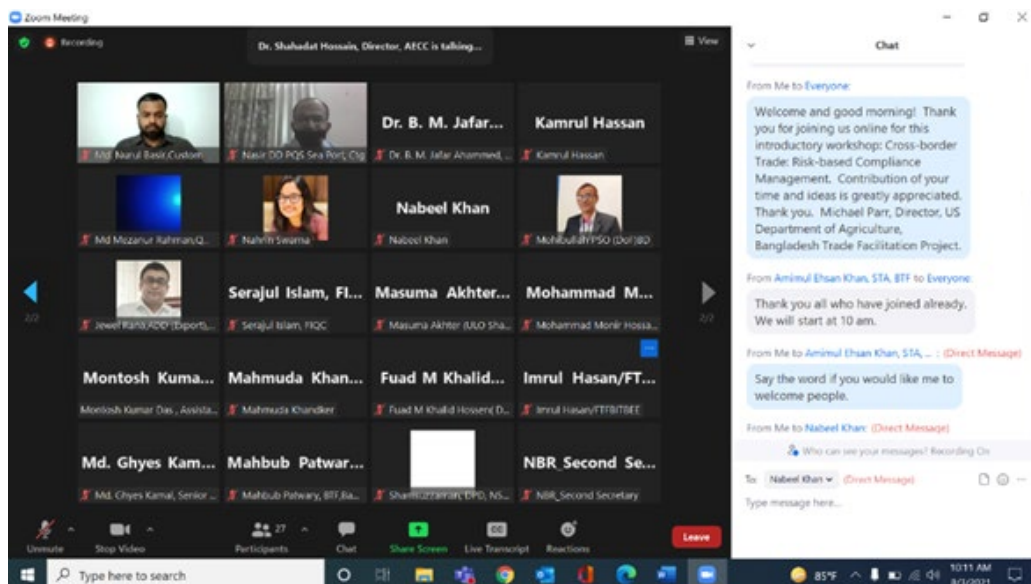
The objectives of the workshop were to:

- Introduce preliminary concept of risk & risk management
- Sensitize participants regarding necessity of RM
- Familiarize participants with the existing cross-border agro-trade environment
- Familiarize participants with international standards on RM
- Identify needs to establish RM as institutional framework
- Assess opinion of cross-border agro-trade related agencies

BTF plans for the next capacity building session to focus on the needs and requirements of specific agencies.

Image 1: Screen capture of participants in the Risk-based Compliance Management online workshop





Bangladesh Product Standards

BTF analyzed standards for food products published by BSTI to develop risk criteria and devise how to implement RM procedures at the agency level. We also compared differences in the standards for similar products issued by both BSTI and BFSA to identify requirements that will need to be harmonized.

Staffing

The Senior Technical Advisor – Risk Management was hired and mobilized during the period.

Next Steps

In the next period BTF will collaborate with NBR, NTFC, and relevant agencies to introduce or reestablish a goal and plans to implement risk-based compliance. International best practices will be explored and used to motivate change at the agency-level. The key activities in the work plan for next period include:

- 3.1 Create or strengthen RM units, establishing RM institutional framework for five agencies, surveying the needs of each agency and reviewing institutions and structures in other South Asian countries.
- 3.2 Create Information Technology (IT) infrastructure for RM, identifying the gaps and establishing an IT-based risk management system for five agencies.
- 3.3 Build capacity of GoB agencies in RM processes, developing training curriculum for five agencies.
- 3.4 Engage the private sector in RM compliance, holding awareness building sessions with trade associations for major imports.

Challenges

Specific risk management interventions will not take place until the MoUs are agreed with partner agencies based on the proposed priorities. MoUs with each agency emphasized the requirement to build the capacity of officials as well as the institutions to implement risk management systems and to manage risk. BTF asked each agency to create a RM unit, such as a committee or task force, and to appoint a RM focal point.

RM issues are often related to various legal frameworks that are administered by multiples GoB agencies. This means that BTF will need to work with different and varying GoB agencies to identify only one agency's RM legal requirements.

4. IMPROVE LABORATORIES AND TESTING PROCEDURES

Life of Program Work Plan

Currently, laboratory testing for trade compliance is very inefficient; some tests are only available in Dhaka, and the results can be suspect due to low capacity or poor infrastructure in the labs. There is also no capacity to allow for second tests as required in TFA Standard 5.3: Testing Procedures. The project will identify laboratories that are important for agricultural trade and build their capacity toward ISO 17025 accreditation for key tests. BTF will also support the development of a laboratory e-system that is linked with Automated System for Customs Data (ASYCUDA) World to allow labs to submit results directly to customs for release. This will increase capacity of government labs (FFPr 2.4.1) and private labs (FFPr 2.4.4) to conduct necessary tests for safe trade of agricultural products leading to FFPr 2.1.1.1: Increased Adoption of Established Standards by Industry; 2.1.1: Improved Quality of Post-Production Agricultural Products; and 2.1: Increased Value Added to Post-Production Agricultural Products. The use of the e-system for providing results will lead to FFPr 2.2.3/2.3.1: Improved Market and Trade Infrastructure and reduce the time for release of the agricultural goods, leading to FFPr 2.3: Improved Transaction Efficiency.

Progress During Reporting Period

Intro Training on Accreditation

BTF facilitated an introductory workshop: "Understanding the ISO Laboratory Accreditation Process". Seventeen (17) laboratory managers or quality control officers from 12 different government laboratories participated in the virtual workshop (via Zoom due to the Covid-19 situation at the time). The participants in the workshop gained a thorough understanding the ISO accreditation process, including planning and preparing documentation, procedures, and facilities such that a laboratory could apply for, or update, accreditation. We also prepared and presented a video case study to demonstrate how the Department of Fisheries successfully implemented and completed ISO accreditation. As an outcome of the training sessions, the lab officials

prepared a SWOT analysis for each lab and started to develop an action plan for how to prepare and apply for ISO accreditation. External specialists, representing Dhaka University's Centre for Advanced for Research in Sciences, Bangladesh Accreditation Board, and food safety and quality control for industry contributed their expertise and ran interactive sessions. Image 2 below captures part of an infographic about achieving accreditation, while Image 3 presents a graphic for building an action plan for the laboratory.

Image 2: Infographic on Achieving Accreditation



Image 3: Infographic for Action Planning for Achieving Accreditation



Scorecards

Laboratory scorecards are our key data source for assessing changes in laboratory capacity and measuring performance improvement from baseline to end-line. During the period BTF technical personnel and specialist consultants developed and administered laboratory scorecards to assess labs against six specific characteristics and relative to each other:

- i. Information Technology Systems, Level of Automation and Online Reporting
- ii. Sampling Procedures and Capabilities
- iii. Testing Capabilities
- iv. Implementation of Management Systems and Accreditation
- v. Recognition Agreements/ Arrangements with Countries
- vi. Laboratory's Institutional Capacity (Skills of Personnel, Quality of Infrastructure, Appropriateness of Equipment)

For each characteristic, labs were given a rating from 0 to 4: 0 meaning the particular element is non-existing; 1 implying components and structures of element are in place but not operational; 2 being components and structured of element are in place but operational at a limited scale; 3 implying that all components and structures of the element are fully operational; and finally, 4 meaning all components and structures of the element are fully operational and demonstrated signs of sustainability and evolution. The scorecards were administered to 10 public and private laboratories.

Overall, the BSTI had the highest average score (3.11), followed by the Waffen Private Lab (3.05) and DLS QC Lab (3.02). On the other hand, the three PQW labs had the lowest average scores, under 1, indicating a need for overall strengthening across all five elements. All the labs had components and structures related to testing capabilities and institutional capacity in place, meaning that the labs had a rating of 1 or above for these elements. However, in terms of IT systems components and structures, six out of 10 labs had a rating of 0 or marginally more. In addition, five laboratories do not have management systems nor any plan to apply for accreditation of the labor or test procedures. Table 1 below provides an overview of five organizational capacity characteristics of laboratories at the baseline stage, according to laboratory scorecard data.

Table 1: Lab Scorecard Summary Tabulation

Laboratories	IT Systems, Level of Automation and Online Reporting	Sampling Procedures and Capabilities	Testing Capabilities	Implementation of Management Systems & Accreditation	Labs Institutional Capacity	Average Score
BSTI	3.00	3.50	3.50	3.50	3.17	3.11
Waffen Private Lab	2.50	2.67	3.75	3.50	2.83	3.05
DLS QC Lab	3.20	3.50	3.25	2.50	2.67	3.02
DOF	0.25	3.33	3.25	3.00	3.40	2.71
BAEC	0.25	0	3.00	1.00	2.60	1.71

DLS - PRTC	1.50	-	2.67	0	2.20	1.59
DLS - BLRI	0.20	3.00	2.50	0	2.00	1.54
PQW HSIA (airport)	0	2.00	1.25	0	1.33	0.92
PQW - Mongla	0	2.00	1.25	0	1.17	0.88
PQW - Chittagong	0	2.00	1.25	0	1.33	0.92

Codex Contact Point for Bangladesh

As per the request of the BFSA, BTF developed a concept note justifying the rationale of appointing BFSA as the Codex Contact Point for Bangladesh. The justification note was later submitted to the GoB's Cabinet Division.

The justification notes mentioned that the BFSA is given mandate under the Food Safety Act, 2013 to serve as a Codex Contact point. BTF highlighted that BFSA is assigned to provide scientific and technical advice and assistance to the GoB to avail cooperation from international organizations. Again, one of the duties of BFSA is to identify strategies to harmonize safety and quality standards between the international and domestic food articles. So, to establish this procedure and maintain international linkage, it is mandatory to ascertain the codex contact point in the Food Safety Authority.

IT Integration – PQW Pilot

During the period, BTF facilitated the start of an IT project to create an interface between PQW's information system and Bangladesh Customs' ASYCUDA World and Bangladesh Single Window systems, to enable the automatic transfer of test reports. The objective is to use PQW's recently launched online system and automated processes as a pilot for establishing an IT framework to integrate all the agro-trade-related agencies issuance and communication of test reports and ultimately sharing of trade data for risk-based compliance management. Though still at the initial stages, BTF is identifying the challenges and exploring the modalities for sharing and exchanging information and data, which will enable the project to engage IT specialists to design and implement the integration of information systems.

Staffing

The Technical Advisor – Laboratories and Testing was hired and mobilized during the period.

Next Steps

International best practices will be explored and used to motivate change at the agency-level. The key activities in the work plan for next period include:

- 4.1 Automate laboratory reports and test certificate transfer procedure, completing feasibility studies and designing the software system(s) required to automate the transfer of lab reports or submission process for five agencies.
- 4.2 Improve sampling at point of entry, developing SOPs for Customs and each agency.

- 4.3 Build capacity of laboratories, testing facilities and certification bodies for implementing and accrediting against ISO17025 standards, reviewing testing protocols and second testing procedures, and the status of certification or accreditation of individual methods.
- 4.4 Increase trust in private laboratories, updating the existing directory of food testing laboratories to include commercial labs.

Challenges

Specific capacity building activities and support for process improvements at labs cannot take place until MoU's are executed.

Only 11 labs in the country are ISO 17025 accredited; of this, seven are GoB managed and four are privately managed.

5. ENHANCE COLD STORAGE INFRASTRUCTURE FOR PERISHABLE GOODS

Life of Program Work Plan

BTF will improve cold chain availability and handling of perishable goods at the ports. BTF will support NBR, DAE-PQW, DLS, DoF, BSTI and BAEC to develop SOPs in handling and sampling of perishable goods for lab testing. The project will also support development of public-private partnerships between the GoB and the private sector (FFPr 2.4.5) to refurbish or build new cold chain capacity at the ports, and to set up necessary systems to manage consignments within cold storage. These interventions will lead to FFPr 2.2.3/2.3.1: Improved Market and Trade Infrastructure. The project will build capacity of customs agents and agricultural officers in the perishable goods SOPs (FFPr 2.4.1) and build capacity of cold storage staff in warehouse processes (FFPr 2.4.4). These activities will improve the handling and quick release of perishable goods entering and leaving the port, helping achieve FFPr 2.1.1: Improved Quality of Post Agricultural Products and FFPr 2.3: Improved Transaction Efficiency.

Progress During Reporting Period

Three deliverables are planned under this component: Investment Option Analysis (IOA), Feasibility Study, and Pitch Deck. The IOA is a document that helps stakeholders to understand the situation in the market and identify investment opportunities. The feasibility study is a deliverable that will detail the investment opportunities and present them in a bankable document format. The pitch deck is a condensed version of the feasibility study that speaks to senior executives and investors and allows them to develop a good understanding about the investment opportunities. Subrecipient LixCap completed the detailed economic and TCL market analytics and developed the IOA, while subrecipient GCCA offers specialized advice and guidance about key assumptions about location decisions; capital (CAPEX) and

operating (OPEX) expenditure for cold storage facilities, and facility engineering and design, providing insight on the ideal locations from an investor standpoint.

Investment Option Analysis

During the period, BTF completed an Investment Option Analysis (IOA), which is now being reviewed by USDA and other stakeholders. The IOA report addresses key aspects of the Bangladeshi economy and critically assesses these components as they impact of temperature-controlled logistics (TCL) in the country. The IOA also includes an analysis of all relevant value chains and a quantification of the market potential in Bangladesh. Furthermore, the IOA identifies relevant and proximate special economic zones and export processing zones, defines fiscal incentives, and analyzes the legal framework for cold storage construction to mitigate risks. Lastly, the IOA proposes investment recommendations to build upon existing cold storage infrastructure at or near ports in Dhaka and Chattogram, to enable domestic agricultural exporters to reach foreign markets, while enabling smaller agricultural actors to engage in the global marketplace profitably.

Based the team’s experience in other countries and aligned with global best practices for cold storage systems at ports, the IOA recommendation combine cold storage facilities with inspection points at major ports. An inspection point facility allows for the efficient unloading of cargo, and the inspection of that cargo by customs, sanitary and phytosanitary officials, or other administrative services, and then the reloading of that cargo all within a temperature-controlled environment. As presented in Table 2 below, the opportunities depend on availability of land and could range from (i) a small trans-shipment facility with an inspection point to (ii) a cross-docking facility with some storage, to (iii) a multi-temperature and multi-chamber warehouse that includes light processing, or, on a grander scale, to (iv) development of an agro-logistics center with storage and value-added processing such as freezing or juice extraction.

Table 2: Options based on Scale of Investment

Type of Facility	CapEx (Low estimate)	CapEx (High estimate)	Range of Land Requirements
Trans-shipment facility/inspection point	\$ 200,000	\$ 1,000,000	1,000 - 3,000 M ²
Cross-docking facility with some storage (100 - 200 palletes)	\$ 1,800,000	\$ 3,000,000	3,000 - 5,000 M ²
Multi-temperature / multi-chamber warehouse with light processing (8,000 - 12,000 pallets)	\$ 6,000,000	\$ 12,000,000	10,000 - 15,000 M ²
Development of an agro-logistics center with storage and value-added processing such as freezing, juice extraction and packaging	\$ 15,000,000	\$ 20,000,000	15,000 - 30,000 M ²
<i>Source: LixCap recent projects and points of reference.</i>			

Feasibility Study and Pitch Deck Progress

As noted above the feasibility study is structured to be a “bankable document” that an investor can use to raise debt or equity for the recommended TCL projects. Of the 12 chapters that make up the feasibility study deliverable, nine chapters have been completed and are currently undergoing final review. Those chapters are: Chapter 2: Macroeconomic analysis, Chapter 3: Business model, Chapter 4: Executive team, Chapter 5: Market analysis, Chapter 6: Development impact, Chapter 7: SPS goals and key performance indicators, Chapter 9: Potential key accounts and customers, Chapter 11: Training and technical assistance map, and Chapter 12: investment risk matrix. Chapters that are still being developed are:

- Chapter 1: Executive summary. This chapter is last to be drafted as we need input from all chapters to complete it.
- Chapter 8: Site and design build plans. Work on this chapter is ongoing. BTF is collecting relevant information about location, space availability, and components for design. LixCap produced initial facility plot plans for Chattogram Port TCL facility and are going to do the same for the airport of Dhaka.
- Chapter 10: Financial Analysis. Work on this chapter is ongoing. The model for the seaport is complete, but assumptions are being tested. Whereas the model for the airport TCL facility is also well advanced. Once the model is reviewed, work on the narrative text for the report will begin immediately.
- Work is also advanced but ongoing on a pitch deck presentation that will accompany the feasibility study. The pitch deck is a Microsoft PowerPoint presentation (about 20 slides long). The target audience of the presentation are investors who are going to be pitched on the TCL investment opportunities identified in the IAO and further developed through the feasibility study.

TCL Manuals for Products

BTF is adapting technical information and manuals produced by subrecipient GCCA relevant to the handling and logistics of temperature-controlled products. These written guides include global best practices on commodity storage, warehouse operations and administration, design build maintenance and modernization, and sanitary transportation. During the period, BTF began translating the information relevant to Bangladeshi stakeholders. Much of information will form the basis for the SOPs that will be created for specific facilities, while the checklists will be modified and used to support the development of an audit.

Staffing

The Technical Advisor – Cold Storage Systems was hired and mobilized during the period.

Next Steps

The assessment and market analysis of the cold chain and TCL and the preparation of the investment documents described above were a priority activity of BTF during the first year of the project. Cold storage systems and have been prioritized so that BTF can facilitate—and operationalize—investments during the life of the program. The key activities in the work plan for next period include:

- 5.1 Develop Commodity-specific manual for handling perishable goods, validating the content for Bangladesh content with private sector stakeholders.
- 5.2 Conduct Environmental Impact Assessment for Chattogram Seaport and Dhaka Airport, advancing the investment process.
- 5.3 Streamline warehouse processes through updated SOPs, focusing on current procedures at Bangladesh Agriculture Development Corporation (BADC) export cold room and airport cold storage facility for imported goods.
- 5.4 Facilitate investment in cold storage, identifying land at Chittagong Seaport and Dhaka airport and evaluating investment at the BADC center and other ports.
- 5.5 Identify and support potential investors and operators, promoting the investment opportunity locally, regionally, and internationally.
- 5.6 Develop an operational auditing system, consulting with Bureau Veritas, SGS, and Intratek commercial service providers.
- 5.7 Build capacity of certification bodies to certify against food safety management systems, collaborating with BFSA.
- 5.8 Develop investment-friendly environment, collaborating with Bangladesh Investment Development Authority and cold storage business association.

Challenges

Though BTF has communicated directly with Port Authorities and introduced the project and objectives related to developing cold storage facilities in cooperation with GoB, we have encountered bureaucratic requirements, such as getting permission for a meeting from the Ministry of Shipping, that have slowed progress. Moreover, Chittagong Port Authority asked for preliminary scenario analyses before proceeding to consider land allocations. These challenges will require close coordination across several agencies and GoB officials.

Most importantly, however, is that it is essential to identify one or more areas of land at or near the targeted ports. It is highly anticipated that GoB will provide land on a concession or as part of PPP, however, the investment promotion cannot proceed with certainty and officially until tracts of land are identified an allocation modality proposed.

6. COMPREHENSIVE TRADE ASSESSMENT ACTIVITIES

Life of Program Work Plan

To establish a baseline from which the project can measure progress, BTF will undertake the CTA to review and analyze Bangladesh's TFA-related issues including legal frameworks, status of trade-related services, risk management procedures, laboratory capacity and testing procedures, IT infrastructure, and GoB coordination and capacity on WTO notification. In addition to providing baseline information and data, findings from the CTA findings will inform BTF's planning and the setting of priorities with partner agencies. Subrecipient Nathan led the CTA analysis, with support from BTF staff and consultants in Bangladesh.

Progress During Reporting Period

Completing the assessment was a principal activity for the reporting period. The CTA report was completed and is being copy-edited for publication. A summary of the findings follows below. The findings were used to discuss and agree on the priority activities with each agency. At the end of the period, BTF has drafted and issued MoU to nine agencies; however, none of the MoUs have been executed after more than one month.

CTA Report

The CTA provided insights into the current state of Bangladesh agricultural trade as it relates to six counterpart agencies (CA) that have regulatory oversight authorities and are closely linked to agriculture-based trade. Because BTF intends to support Bangladesh in meeting its obligations to the WTO TFA Schedule C measures that are critical for agricultural trade, for each CA, the WTO TFA provisions were assessed with the findings used to develop and plan implementation activities for each component, as follows:

- 10.1: formalities, which relates to BTF Component 1.
- 1.4: notifications, which relates to BTF Component 2.
- 7.4: risk management, which relates to BTF Component 3.
- 5.3: test procedures, which relates to BTF Component 4; and
- 7.9: perishable goods, which relates to BTF Components 3, 4, and 5.

Where significant gaps have been identified that will impede the ability of Bangladesh to meet TFA obligations, BTF has provided recommendations for support measures to enable further progression. Generally, expected outcomes for the major areas for BTF focus and ongoing assistance are as follows:

Component 1 – BTF will provide significant support to help Bangladesh move from a predominately paper-based system to a digitized and automated system. Specifically, development and implementation of automated systems to allow for pre-arrival trader form submission, and integration with NBR Customs automated shipment case management system ASYCUDA World to provide a stable and efficient online platform

for intra-CA collaboration, thus reducing release times for perishable goods consignments. BTF support will also lead to e-traceability to improve food safety programs improve overall program accountability and integrity.

Component 2 – BTF will support the establishment and improvement of the collection and dissemination of strategic trade related information. Technical assistance will be provided to focal points who collect, update, and disseminate trade information, and respond to enquiries made on the trade portal and enquiry points. This will include the activation of an Agricultural Trade Working Group within the NTFC, update information, and consistently respond to enquiries sent through and to Bangladesh’s trade portals (customs and non-customs) and enquiry points. CAs will identify dedicated personnel to provide necessary updates and maintain connectivity with National Enquiry Points for Trade, SPS, and TBT.

Component 3 – BTF will help strengthen CA’s ability to engage in risk-based selectivity of agricultural shipments. Currently, each CA has little or no risk-based systems in place. BTF’s support will be broad in this area, spanning from the development of a risk management framework to human resource capacity building. Assistance will also be provided to automating and integrating proposed automated risk management systems that enables efficient risk-based selectivity and collaboration amongst the CA’s.

Component 4 – BTF recognizes that the test capacity of government and private food testing laboratories has a direct bearing on the ability to facilitate agriculture-based trade. BTF will support Bangladesh to improve their credibility through international accreditation of labs, and improved automation to facilitate online service options and to collaborate more effectively with Customs and other CAs to reduce release times. BTF will also support the strengthening of sampling and testing protocols to align with international standards and build human resource technical capacity. Laboratories will be further supported through providing testing equipment.

Component 5 – BTF will support the development of an effective and efficient cold chain necessary to maintain and ensure the safety and quality of high-value agriculture-based perishable goods trade. BTF should promote, facilitate, and incentivize investment in the cold chain for agricultural products. BTF will develop and promote an investment plan to finance, build, and operate large-scale cold storage facilities at key air, land, and seaports. A cold storage needs assessment for many CAs will provide needed understanding of where additional cold storage is required to fulfill current and future trade requirements. Support will be provided in the development of SOPs. BTF should support the collaboration with private sector entities to leverage expertise and minimize unanticipated trade impacts related to cold storage.

As some challenges and obstacles can be anticipated for each cluster of activity priority and subsequent investments, they have been identified with proposed mitigation strategies at the end of each relevant activity.

Organizational Scorecards for Cooperating Agencies

Organizational capacity scorecards are a key data source for assessing changes in the CA's capacity, trade service practices, and measuring performance improvement from baseline to end-line. During the period BTF technical personnel and specialist consultants developed and administered scorecards to assess the CAs against specific characteristics and relative to each other. Table 3 further below provides an overview of nine organizational capacity characteristics of government cooperating agencies at the baseline stage, according to government scorecard data. PQW scorecards indicate average institutional capacity, with limited cold storage and limited human resources being the primary drivers. Scorecards indicate that PQW facilities are fully operational with an overall score of 1.64. This is also reflected in interviews with PQW respondents as they highlight limited changes to processes across the 30 plant quarantine stations. In their view, there are not enough staff to properly implement inspection activities, and limited training for existing staff. Respondents also note that efforts to automate processes are hampered by their inability to operate the machinery they have been provided. As such, they request additional support for training officials, C&F agents, and implementing automation measures.

Respondents from the DoF report face similar challenges related to limited staffing and automation or digitization procedures. Despite limited implementation of e-certification and other automation measures, respondents highlight that there is high enthusiasm for the implementation of these activities. Respondents also express optimism for improving regulatory procedures as new laboratories are being built with support from the World Bank. DoF scorecards show average institutional capacity, driven by limited human resources and lack of adequate facilities, as there were no cold storage facilities at the time of assessment. Similar to DoF respondents, BFSA respondents also report challenges related to training and implementation. They note that there are several newly appointed officials who have yet to receive training. This is also reflected in the scorecards, which reveal that while the number of individuals needed to perform needed tasks is adequate (at a score of two), the staff with the skills needed to perform their tasks remains low at a score of one. Institutional capacity is also hampered by a lack of adequate facilities, where BFSA scored one, with no cold storage capacity.

BSTI scorecards indicate that BSTI capacity is limited by human resources, adequate facilities, and limited cold storage capacity. BSTI scored two in each of these categories, revealing that while some structure is in place, additional resources are needed to enable BSTI to function at full capacity. BSTI interview respondents report that over the last ten years, there have been improvements in testing procedures and expansion in the types of molecules tested. BSTI respondents also report that labs

are meeting current needs, and staff have received adequate training. However, there are several opportunities for improving future processes, including expanding training and increasing staffing. BSTI respondents also highlight opportunities for improving coordination mechanisms between agencies. Although BSTI has ongoing MOUs with Customs' Bangladesh Single Window, there are limited automated systems, and therefore no central interface to coordinate with other agencies.

BAEC respondents report ongoing efforts to automate their systems. However, respondents felt that additional capacity building activities were needed to improve their overall capacity related to testing speed, coordination, storage, and centralization. This finding is reflected in BAEC scorecards, in which BAEC scored two (average) in institutional capacity. While there are no scores for cold storage facilities, scorecards indicate that human resources and facilities have some structure and component of each, but operation remains limited.

Interviews with DLS respondents were incomplete as the respondents chose not to respond. However, scorecards indicate average institutional capacity, most impacted by limited human resources and a lack of adequate facilities.

Table 3: Organizational Scorecards

Ecosystem Element	BAEC	BFSA	BSTI	DLS	DoF	PQW
Legal Framework: The extent to which the laws that give the organization its regulatory mandate are adequate for it to accomplish its mission in compliance with the WTO TFA Agreement.	1.40	0.80	1.25	1.20	1.60	1.60
Trade Related Services: The capacity of organization to effectively process import, export, and transit procedures and formalities, including hindrances caused by redundant or unnecessary steps.	1.33	N/A	1.67	1.67	1.33	1.67
Information Technology: To what extent the organization utilizes information technologies that enhance the speed, efficiency, and transparency of the regulatory measures it applies.	0.33	0.00	0.67	1.33	0.33	2.33
WTO Notification Process: To what extent the organization is in compliance with the provisions of the WTO Notifications provisions of the TFA.	1.50	1.00	2.00	2.00	2.00	2.00
Private Sector Engagement: The extent to which the organization includes private sector stakeholders in its policy decisions or conducts outreach efforts to edify private sector on compliance issues.	2.00	N/A	2.00	2.00	2.00	2.00
Institutional Capacity: The extent to which the organization has the human and institutional capacity (except for IT) to carry out its mandate.	2.00	1.33	2.00	1.33	1.33	1.67
Risk Management: The extent to which and the capacity of the organization to exercise risk-based management principles in the application of its regulatory mandate.	0.38	0.00	0.13	0.25	0.00	0.50
Laboratories and Testing Procedures: The capacity of the organization's laboratories to apply its regulatory mandate in a way that is consistent with the WTO TFA and can adequately provide service coverage to traders.	2.00	N/A	3.38	2.00	2.73	2.00
Prioritization of Perishable Goods: The extent to which the organization through law and through practice prioritizes the inspection, testing, and certification of goods under its regulatory authority.	1.00	0.00	N/A	2.00	1.00	1.00
Overall Average Score	1.33	0.63	1.64	1.53	1.37	1.64

Next Steps.

The CTA report will be issued publicly, and a version will be presented to the Agro-Trade Working Group at NTFC.

Challenges.

Working primarily with government agencies exposed BTF to delays due to protocol, bureaucracy, and simple inaction.

Due to the Covid-19 pandemic, BTF adapted and adjusted plans for implementing the CTA. The most significant change was that instead of international staff and expert consultants traveling from the US to Bangladesh to lead the consultations, interviews, and analysis, the international team Nathan worked entirely remotely, coordinating with Bangladeshi staff and consultants on the ground. The nature of remote inquiry and work complicated and hindered the ability for the international team to convert the findings into the anticipated comprehensive report. Accordingly, BTF local staff were heavily involved in reviewing and updating the CTA draft report, Nathan then rewrote sections and resubmitted the document. Though this delayed issuance of the full and official document, the findings from the CTA were used immediately to inform the Baseline Evaluation and to construct proposals about the priority activities from BTF to the CAs and the findings were also used to negotiate MoUs.

OTHER DETAILS

- A. Audit Information:** Please provide the fiscal year of your organization’s most recent audit and whether it has been submitted to USDA. All audits should be uploaded to FAIS under PP-level reports.

The 2020 Land O’Lakes Venture37 final audit report was uploaded to FAIS in June 2021.

- B. Subrecipients Information:** Please list all subrecipients under this agreement with a brief description of their responsibilities and role under the agreement. Also, please note whether a copy of these subrecipient agreements have been uploaded in FAIS.

Pursuant to Part 3 (II)(i) of Cooperative Agreement FCC-388 2020/003-00, agreements signed with four approved subrecipients have been executed. These agreements have all been uploaded to FAIS. A summary of each agreement is presented in the table below.

Subrecipient	Total Value	Responsibility
Nathan Associates (Nathan)	\$2,571,792	Nathan provides technical support and capacity building under key components of BTF. Nathan led the comprehensive trade assessment (CTA) and supports Component 2 that targets increasing transparency of trade

		information and WTO notification compliance and Component 3 that will introduce or strengthen risk management systems. Nathan also contributes to the evaluation plans and activities of BTF by integrating baseline data collection questions into the CTA process and through metrics resulting from the time release studies conducted at the inception, midterm, and end of the project.
Lixia Capsia Gestionis (LixCap)	\$422,791	LixCap provides technical support and capacity building under key components of BTF. Working closely with GCCA, LixCap facilitates efforts to improve and expand the available infrastructure for cold storage. LixCap will study the feasibility of cold storage facilities, engage private sector investors, and to recommend incentives for investment in new cold storage facilities at ports. LixCap will also contribute to the CTA activity.
Global Cold Chain Alliance (GCCA)	\$970,236	GCCA leads Component 5 to upgrade and improve processes and procedures and the regulatory framework for the handling of perishable goods. Working closely with LixCap, GCCA provides technical support and capacity building to improve existing cold storage facilities and systems, to update policies, to introduce SOPs, to develop a warehouse auditing system, and to build capacity for food safety management accreditation. GCCA will also contribute to the CTA activity.
Institut de hautes études internationales et du développement (The Graduate Institute as founding member of TradeLab)	\$16,000	The Graduate Institute, working with and thru TradeLab, organizes law school clinics to undertake research projects relevant to BTF's objectives. TradeLab will collaborate with Venture37 on a series of three or more research and analytical projects. These projects are defined and awarded under fixed amount subawards. The first TradeLab research project is being undertaken by the International Economic Law Practicum at Georgetown University Law Center and contributed to the CTA activity. Other research or analysis will be defined each year based on the project priorities.

C. Contracts Information: Please list all contracts over \$50,000 and note whether copies of these contracts have been uploaded in FAIS.

Venture37 will upload to FAIS copies of executed contracts over the Simplified Acquisition Threshold in accordance with 7 CFR section 1499.11(k) as they are issued and signed.

- Venture37 executed a fixed-price, deliverables-based contract with NORC for project evaluation services. This contract has been uploaded to FAIS.
- Subrecipient Nathan executed a fixed-price, deliverables-based contract with Policy Exchange of Bangladesh to research and analyze the legal and regulatory review as it relates to implementation of the TFA measures for agricultural trade and the prospect for Bangladesh to enter into mutual recognition agreements. The value of this contract is below the threshold for inclusion on FAIS.
- Subrecipient Nathan executed a fixed-price, deliverables-based contract with South Asian Network on Economic Modeling (SANEM) to conduct the TRS at three main ports—Dhaka airport, Chattogram seaport, and Benapole land port. The contractor will leverage the WCO’s methodology for conducting TRS. The value of this contract is below the threshold for inclusion on FAIS.

D. Interim and Final Evaluation Status: Please provide an update on the status of your interim and final evaluation for the Agreement. Please include progress toward completing the Terms of Reference (TOR), expected dates that the TOR will be submitted to USDA for review and the expected dates of the interim and final evaluation.

The BTF Evaluation Plan was finalized and approved by USDA during the reporting period. The mid-term (interim) evaluation is scheduled for Program Year 3 (calendar year 2023), and the final evaluation will be conducted in the final year of project implementation. Venture37 will use a mixed-methods evaluation process that utilizes quantitative and qualitative methods to answer twelve key questions covering five relevant criteria: relevance, impact, effectiveness, efficiency and sustainability. The evaluation will assess the project’s impact at the system level as the ultimate goal, which quantitatively entails developing a trade model to statistically detect changes in priority agricultural imports and exports attributable to BTF.

During the reporting period, the Baseline Evaluation was completed by NORC at the University of Chicago (NORC) and approved by USDA. The evaluation report has been uploaded to FAIS. The objectives of the baseline stage were to assess the status of the trade facilitation framework, establish the baseline values of key indicators of interest, document views of the stakeholders, and assess the current capacities of relevant institutions. To assess capacities of GoB agencies data and qualitative

information was drawn from Organizational Assessment Scorecards and KIs with various stakeholders.

The main baseline findings are as follows:

In relation to the evaluation criteria of relevance, baseline findings indicate that there is a consensus among all stakeholders that BTF objectives are clearly defined and that the activities are designed to secure the overall improvement of the country's international trade. Additionally, the project's overall design, activities, and approach appear well aligned with standards outlined in the WTO TFA, and all the proposed targets will likely be achieved within the planning schedule's timeframe. In regard to measuring program impact at the system level, quantitative analysis of the trade model at baseline confirmed that the Interrupted Time-Series Analysis Potential Outcomes Framework approach should allow NORC to determine the BTF project's impact on Bangladesh's trade with a satisfactory level of statistical confidence. At the institutional level, scorecard data indicate that strengthening of IT systems and management systems/accreditation processes are key areas of development for a significant number of organizations. On the program participant level, qualitative findings suggest that priority areas to be addressed related to GoB staff's capacity of testing include staff training, development of testing manuals and SOPs, and development of automated and integrated systems. Finally, regarding program effectiveness, there is a high likelihood of achieving performance indicator targets related to value and volume of trade, as well as quality improvements of traded goods, realistic target values and reasonable progression of BTF activities as per the BTF project work plan.

The objectives of the midterm evaluation are to:

1. Measure the short-term progress made toward achieving key indicators, assessing attribution to the extent possible and explaining deviations from planned targets;
2. Assess the relevance, effectiveness, efficiency, impact and sustainability of project activities;
3. Document lessons learned, challenges and unanticipated effects;
4. Identify enablers and constraints to progress that have supported or limited success;
5. Provide recommendations for necessary changes to strengthen project performance, efficiency and sustainability; and to
6. Provide recommendations for areas of focus of the final evaluation, including reviewing and strengthening data collection systems and metrics in preparation for the final evaluation.

And the objectives of a final evaluation are to:

1. Measure the longer-term progress made toward achieving key indicators, assessing attribution and explaining deviations from the planned targets;

2. Assess the relevance, effectiveness, efficiency, impact and sustainability of project activities;
3. Identify lessons learned through the duration of the project with an emphasis on identifying key strategies, methodologies and factors that contributed to and/or inhibited success; and to
4. Draw conclusions and provide recommendations to Venture37, USDA, project participants, project partners and other stakeholders to strengthen future or similar projects.

E. Expected Contribution Progress Status: Please provide an update on the status on the progress toward meeting the cost share portion as outlined in the expected contribution section of Attachment A of the Agreement.

There is no cost share contribution to report in this period.

ADDITIONAL COMMENTS

A. Impact, Sustainability and Successes of Program: Please use this section to highlight lasting impact, sustainability, and successes of program.

The analysis and proposals to update the IPO and Export Policy are very significant accomplishments. Firstly, the technical contributions from BTF were highly appreciated by MoC and helped to solidify the project as a key partner of MoC and the WTO Cell. Secondly, and importantly, we expect a number of policy or regulatory changes to be implemented based recommendations and proposals submitted.

From a planning perspective, BTF will engage existing institutions and structures to ensure the sustainability of results. Interventions will concentrate at the government oversight level that impacts all imports and exports of agricultural goods. For any intervention or investment to enhance technology, BTF will develop and agree with GoB on how the activities will be sustained and the human and budgetary resources required. BTF's approach aims to maximize institutionalization of changes and assumes that GoB will concur and implement plans.

B. Project Implementation Difficulties: If applicable, please use this section to discuss any barriers to or difficulties in project implementation to implementation.

Challenges during the start-up phase have been noted above.

C. Program Implementation Details: If necessary, please provide any additional comments or details about program implementation under the agreement that were not provided elsewhere in the report.

Project Steering Committee/Advisory Council

BTF has recommended adjusting the structure of the project steering committee as it was originally proposed. The principal idea is to incorporate information sharing and GoB and other stakeholder engagement activities as part of the scope of the Agro-Trade Working Group within the NTFC, which BTF will be actively involved in organizing and managing and which will be chaired by the Director General of the WTO Cell of the MoC. However, because USG representation may be limited in the Working Group BTF plans to design and recommend an Advisory Council primarily made up of representatives from various U.S. Government (USG) agencies and USG-funded projects that are active in Bangladesh or engaged to improve and influence international trade and SPS issues, this includes USDA-FAS, Agriculture Attaché, USAID Economic Growth, and other USAID, USDA departments, or USG actors. It is expected that this Advisory Council will ensure coordination amongst USG funded activities in Bangladesh and influence decision-making during implementation of BTF; whereas the role of the Working Group will be to coordinate and communicate priorities of BTF with private sector and across GoB agencies. GoB and private sector stakeholders would be invited to join discussions and Advisory Council meetings based on the relevancy of the agenda. Each meeting would include updates from the Agro-Trade Working Group, ideally directly from the secretary of the Working Group.

Memorandums of Understanding

Venture37 will execute at least nine separate MoUs with the relevant, counterpart GoB departments and agencies. The purpose of the MoUs is to formalize the partnership between the BTF project and the GoB organizations. Each MoU identifies the specific activities that have been co-developed and agreed upon with the agency, the roles and responsibilities of both organizations, and the implementation mechanism. It is expected that these same agencies will participate in the Agro-trade Working Group and this objective is included in the MoU and that the priorities agreed will be updated at least once per year. The common requirements in the MoUs for agencies include the following:

- Taking responsibility for stakeholder engagement and communication.
- Participating in National-level Enquiry Points, portals, and NTFC
- Appointing focal points.
- Facilitating coordination with other development partners related to trade facilitation.
- Acting to ensure sustainability of investments and process improvements.

MONETIZATION UPDATE

A. Commodity Receipt & Loss:

Commodity Receipt Loss										
Commodity	Agreement Allocation	Date Received	Bill of Lading Quantity (MT)	Quantity (Received at Discharge Port)(MT)	Transportation Loss & Damage				Total Loss	Balance for Programming
					Ocean	Inland	Warehouse	Distribution		
Yellow soybeans, bulk	35,380	September 25, 2021	18,000	18,000	0	0	0	0	0	18,000

Please provide comments on any commodity loss or damage. Please note whether USDA has already been notified of any losses or damage and if notified, the date the notification was sent to USDA.

There are no transportation losses to report from sale 1. The second sale contract has been signed and the estimated date for delivery in Bangladesh is January 15, 2022. We will report on that sale in the next reporting period.

B. Commodity Direct Distribution: Not Applicable for this program.

C. Commodity Monetization:

List of Commodity Monetization Reports							
Commodity	Date of Sale	Quantity		Price Per MT (USD)	Proceeds Generated (USD)	Expected Proceeds (USD)	Action
		To be Sold	Amount Sold (MT) (This Period)				
Yellow soybeans, bulk	May 18, 2021	17,690	18,000	\$560	\$10,080,000	\$9,021,900	Sale complete and commodity delivered

In this reporting period, Sale 1 was completed with the project generating \$1,058,100 more from that sale than anticipated. We planned for a sale of 17,690MT at \$510/MT = \$9,021,900 however, we sold 18,000MT at \$560/MT = \$10,800,000.

Sale 2 is well underway with a sales contract signed on September 21, 2021. We anticipated selling 17,690MT at \$459/MT = \$8,119,710 however, the final agreement was executed for 13,600MT at \$590/MT = \$8,024,000.

<u>Original award</u>					
#	Commodity	Quantity (MT)	Sales price (MT)	Proceeds	
Sale 1	CDSO	10,835	725	7,855,375	
Sale 2	CDSO	10,835	725	7,855,375	
				15,710,750	proceeds not incl. interest
<u>Plan</u>					
#	Commodity	Quantity (MT)	Sales price (MT)	Proceeds	
Sale 1	Yellow soybean	17,690	510	9,021,900	
Sale 2	Yellow soybean	17,690	459	8,119,710	
				17,141,610	proceeds not incl. interest
<u>Actual</u>					
#	Commodity	Quantity (MT)	Sales price (MT)	Proceeds	
Sale 1	Yellow soybean	18,000	560	10,080,000	
Sale 2	Yellow soybean	13,600	590	8,024,000	
				18,104,000	proceeds not incl. interest
				2,393,250	variance

Therefore, as sale 2 is completed, we expect to generate approximately \$2.4M in additional proceeds to the project. Venture37 acknowledges this result, and will develop and submit a formal agreement modification request to adjust the agreement program description and budget to account for the additional resources to the project.

While this will be further discussed with the USDA Analyst, BTF plans that additional monetization resources provide an opportunity for the project to invest additional resources in the cold storage and cold chain network for maximum impact. This could include expanding the scope for LixCap and increasing the budget allocation in the incentive fund. In addition, with additional monetization proceeds BTF sees great opportunity to use resources to develop and hand over more comprehensive curriculums for training officials in main trade services areas, which will enhance sustainability.

ATTACHMENTS

- I. Semi-Annual Performance Indicator and Results Tracking Schedule (Excel)
- II. Work Plan – Year 2 Work Breakdown Schedule (Excel)