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# 37 Purpose, fund evolution and management

From Blue Gold Program Wiki

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## Blue Gold Innovation Fund[edit | edit source]

The Blue Gold Innovation Fund (BGIF) was created as an instrument to accelerate the development process in the geographical area of the Blue Gold Program. It financed innovative approaches and new initiatives to socio-economic development. Innovations submitted to the BGIF were expected to contribute to the outcomes of the Blue Gold Program; The impact was expected to be mostly locally or regionally centred.

**Briefing Materials** 



The following materials illustrate concepts, interventions, outcomes and lessons learnt, including through stories from community members.

#### Thematic brochures

• Blue Gold Innovation Fund: Lessons Learnt

#### Case studies

• <u>Practical Innovations in the coastal zone: in agriculture and water management</u>

An original allocation of €4.4 million (ref <u>Program Document</u>, August 2012 - Section 5.2.5 pp 60/61) was made for "services providers under the Water Innovation Fund of approximately € 2.4 million and the Productive Sectors Innovation Fund of approximately € 2 million," In the Technical Assistance (TA) contract (February 2013), this was adjusted to €2.4 million for the Water Innovation Fund and €1.9 million for the Productive Sectors Fund.

As one of the outcomes of the 2016 Blue Gold Annual Review Mission, internal transfers were made between budget heads of the TA contract which resulted in a reduction in the amount available to the Blue Gold Innovation Fund (BGIF) to a total of & 2.45 million. This was divided into two separate funds: Water Innovation Fund with a budget of & 1.4 million, and a Productive Sectors Fund with a budget of & 1.05 million (focusing on agricultural production and food security). From 8th December 2017, a separate Water Management Knowledge and Innovation Program (WMKIP) with an action

research fund of €1.4 million (approximately) to be disbursed over a three year period, was created under the jurisdiction of EKN, managed by Deltares, an independent institute for applied research in water, based in Delft, the Netherlands, in association with the Institute of Water Modelling (IWM). a Bangladeshi organisation which carries out research, planning and technology transfer related to water management projects. Other knowledge institutions in Bangladesh and the Netherlands were to be involved in the program, with the aim of strengthening their cooperation in applied research and innovation. WMKIP's overall objective was to make an "effective contribution to the mediumand long-term development goals for the southern coastal region, through tested and sustainable water management innovations, knowledge development and participatory action research."

To support the WMKIP objective, four innovation themes were defined, focusing on the key challenges and opportunities in the southern coastal areas, and including one cross-cutting theme:

- Theme 1: Drainage Improvement; addressing the key issue of waterlogging
- Theme 2: Enhanced Operational Water Management and Monitoring; in support of more effective and efficient water management at polder level
- Theme 3: River and Embankment Management and Protection; to develop solutions for river siltation and embankment erosion
- Cross-cutting Theme: *Participatory Water Management;* aimed at fostering sustainable and equitable water management.

WMKIP's initial fast track projects carried forward initiatives started under the Blue Gold Program, including an action research project for pumped drainage in Polder 2, a typology for river management, the use of water apps to enhance operational water management, and the use of composite materials in regulator gates.

## **Evolution of the Fund[edit | edit source]**

The Innovation Fund has been subject to a number of changes since its inception: in addition to a reduction in the budget allocation from  $\in$  4.4 million to  $\in$  2.45 million in early 2017, approaches to the procurement, design and implementation of BGIF projects evolved as a result of experience and external influences.

The general objective and approach were captured in the project document (28 February 2012) as follows:

"The Program will promote the introduction and application of innovations, both technological as well as conceptual innovations, as long as they are of clear relevance for the beneficiaries of the Program and the concerned implementing agencies in Bangladesh. Such innovations can be found in other projects and organisations working in Bangladesh, but also specifically with Dutch knowledge institutions and private sector enterprises. In order to facilitate the adoption of such innovations, resources are included in the Program to identify and test the relevance and effectiveness of these innovations and scale-up their application. For this purpose, both funding and expertise is required. The type of expertise needed depends mostly on the nature of the innovations identified and will be mobilised on a short-term basis. The necessary resources to allow the identification, testing and scaling-up of innovations can be drawn from funding for the specific purpose of innovation included in the budgets of each of the components."

Roughly three distinct periods can be identified, where the focus and methods of the BGIF shifted significantly.

### 2013-2015: Setting up the BGIF, demand driven[edit | edit source]

In the <u>Blue Gold Inception Report</u>, a number of potential innovative technologies and approaches were identified, including:

- Research results to maximise the use of available fresh water after the monsoon period (water storage and crop diversification)
- Cage fishing
- Rainwater harvesting through infiltration (managed aquifer recharge)
- Saline tolerant rice varieties and other crops
- Improved cropping system and technologies
- Dealing with the siltation and erosion problems in water courses
- Improved drainage by pumping, using renewable energy
- Web based GIS/MIS
- Use of geo data for information to farmers.

From 2013 to 2015, around nine feasibility studies and pilot projects were financed, based on unsolicited proposals.

It quickly became evident that the objectives laid out in the Program Document were difficult to implement on the ground. In addition, adherence was required to European Union procurement rules and procedures - which *inter alia* limit the contract values for solicited proposals to around €133,000 and for un-solicited proposals to around €50,000.

Therefore, in order to guide prospective bidders for BGIF funds, a <u>Procedures Manual Notes 21</u> was prepared with background information on Blue Gold, the concept of the innovation fund, the scope and purpose of the two separate funds (for water management and productive sectors), outline procurement and contracting arrangements, descriptions for each of seven steps in the process from generating a proposal to its evaluation (using the "funnel" diagram, as shown in Figure 36.1), and the standardised format to be used for proposals and concept notes. Preparation of the manual started from around June 2015 and the first published version was issued in November 2015.

### 2015-2017: Aid for Trade, supply driven[edit | edit source]

The <u>Aide Memoire of the BGP Mid Term Review of 2015</u> recommended that "the Dutch 'Aid & Trade' policy favours the creation of sustainable business links between the Dutch private sector and that in the partner countries. In that context, innovations that have a link to international markets, both in terms of Bangladesh products and in terms of engendering supply contracts or direct investment from the Netherlands to Bangladesh, would be most welcome". Following the MTR recommendation, substantial efforts were made to attract Dutch companies to visit Bangladesh and see if their innovative approaches could be applied in the Blue Gold area.

The Mid-Term Review (MTR) emphasised that the BGIF should be aimed at realising the 'Aid to Trade' policy of EKN in Bangladesh, and recommended that BGIF should target a far more active involvement by Dutch enterprises - not only for the development of Dutch business in Bangladesh, but also for the opportunities for collaboration between the Netherlands and Bangladesh. The view of the MTR was that BGIF offered suitable opportunities for Netherlands-based enterprises operating in the fields of water management and agriculture and which were interested in expanding their operations to Bangladesh.

In order to communicate these opportunities to Small and Medium Enterprises (SMEs) in the Netherlands, BGIF entered into partnership with the Dutch Network Group (DNG) in March 2017. Together with DNG the Innovation Fund launched a marketing campaign, titled 'Ondernemen in Bangladesh' ('Doing business in Bangladesh'), using email, social media (LinkedIn, Twitter) and a website (www.oibd.nl) to target SMEs and entrepreneurs from the Netherlands. The campaign had three main objectives:

- Create awareness amongst Dutch entrepreneurs in both the agriculture and water management sector, of the business opportunities that the Blue Gold Program area offers, and to motivate them to submit applications to the Blue Gold Innovation Fund.
- Enlist the Dutch agriculture- and water management- entrepreneurs to an information program to nurture them.
- Create engagement with the Dutch agriculture- and water management- entrepreneurs to enlist with the Blue Gold Program and inspire them to implement their business ideas in Bangladesh.

By mid-2018, this resulted in the campaign attracting 75 organisations interested to follow an online mini-course on Bangladesh and 17 organisations applying for a feasibility study under Blue Gold Program.

- Unfortunately, the campaign did not result in any running feasibility or pilot projects under the Blue Gold Program. More detailed discussions on the practicalities caused some organisations to withdraw their plans and focus on other activities or countries; others had so little understanding of the local context that too much support from the TA team would be required or so many elements of the project design would need to be changed to make it a success.
- Since most of the Dutch SMEs had a limited understanding of the local context and were
  poorly networked with local organisations, a proposal for an arranged visit by SMEs which
  included a visit to the Blue Gold area and matchmaking with local organisations was made.
  However, once the mission was confirmed 8 out of 10 organisations pulled out. It was
  concluded that Dutch organisations should be shortlisted from those with experience of
  working in remote underdeveloped areas, preferably in Bangladesh.

In summary, a number of barriers prevented NL companies from active involvement in BGIF:

- For compliance with EU procurement rules, the value of unsolicited BGIF projects was limited to € 50,000, an amount considered by NL companies to be insufficient reward for the anticipated risks.
- The (M)SMEs had little to no connection to local entrepreneurs and local field staff to help them implement the projects on the ground.
- The Dutch (M)SMEs had little idea about local market conditions in Bangladesh.
- IF Dutch entrepreneurs showed an interest in Bangladesh (markets), their first priority for market entry would not be the coastal zone where Blue Gold worked because of its remoteness (from Dhaka) and the difficult communications to and within the polders. Those with interest would be enterprises already involved in water/delta development in general (eg Wageningen University & Research (WUR), and MetaMeta).

From 2015 to 2017, BGIF attempted to attract investments based on innovative conceptual thinking from Bangladeshi and Dutch applicants. However, the perceived financial, implementation and market risks proved to be insurmountable barriers to Dutch (M)SMEs. As a result, only a relatively few Netherlands-based enterprises applied for BGIF funds in the period from 2015 to 2017.

### 2017-2020: Demand driven; consolidation, scale up [edit | edit source]

The supply-driven approach that had characterised the previous phase, was gradually replaced by a demand-driven approach, where a mix of local Bangladeshi and foreign international NGOs and Dutch companies partnered up to implement locally relevant and feasible projects that added value to the Blue Gold Program objectives.

In order to generate interest and attract innovative ideas from Dutch and international companies and organisations a call for proposals was launched, where the project size was 2.7 times higher than the previous budget ceiling, to EUR 133,000. The applications to the Innovation Fund now followed two routes:

- 1. Unsolicited proposals, which have a budget ceiling of €50,000 and focus on smaller interventions such as feasibility studies or pilots.
- Solicited proposals, which have a budget ceiling of up to €133,000 and are initiated by Blue Gold through an international call for proposals (tender), supported by a detailed ToR and a guideline document.

The demand-driven approach was further stimulated through the appointment, in July 2017, of two BGIF managers, both of whom had existing technical roles in the Blue Gold Program. They were thus able to better match Blue Gold interventions with BGIF proposals, and to guide applicants in the preparation of projects which were both relevant and delivered tangible benefits to Blue Gold communities. Working linkages between Blue Gold's technical experts and the BGIF implementing team, helped to better target the communities involved with implementation.

## **Fund Management**[**edit** | **edit source**]

### Procedures Manual - Unsolicited Proposals[edit | edit source]

In order to guide those submitting unsolicited proposals, a <u>Procedures Manual</u> summarised the application process (Chapter 1), provided background information on Blue Gold (Chapter 2), explained the concept of the innovation fund, the scope and purpose of the two separate funds - for water management and productive sectors - (Chapter 3), described the seven steps in the process from generating a proposal to its evaluation (Chapter 4), gave the evaluation criteria (Chapter 5) and the standardised format to be used for proposals and concept notes (Chapter 6).

Preparation of the manual started from around June 2015 and the first published version was issued in November 2015. This early version of the manual was revised twice in December 2015 and in January and February 2016 (when it was issued as version 5). Thereafter, revisions were carried out a more regular intervals: October 2016, February 2017 and in May 2018 (the final and eighth revision).

## **Solicited Proposals**[<u>edit</u> | <u>edit source</u>]

Two calls for invitations were issued for bidders to submit proposals in response to a call for proposals with a terms of reference (ToR).

**First Call - Improved Information for Agriculture**: In June 2017, invitations were issued inviting concept notes to be submitted under the theme "improved information for agriculture" These concept notes were received in August 2017, and the shortlisted organisations were invited in October 2017 to submit full proposals by end-November 2017. Nine proposals were evaluated as a result of which the following contracts were awarded:

- mPower Social Enterprise "Breed identification and digital cattle registry" (March 2018)
- MetaMeta Communications "Accelerating horizontal learning in Bangladesh polders: ICT as a force multiplier" (May 2018)
- International Maize and Wheat Improvement Centre (CIMMYT) for "Leveraging decision-making science to sustain climate- and market-smart mungbean advisories in Patuakhali's polder communities" (August 2018).

**Second Call - Water Hyacinth and Climate-Smart Adaptations:** In 2018, invitations were issued for proposals for: (a) the removal of excessive water hyacinth; and (b) the implementation of climate smart adaptation of agri-technologies. After a first-round evaluation of the 38 applications received in July 2018, six organizations were invited to submit full proposals (two for climate smart adaptation agri-technologies and four for the removal of excessive water hyacinth). Of the six full proposals received in September 2018, the evaluation committee met in October 2018 and recommended one proposal on climate smart adaptation agri-technologies and one on removal of excessive water hyacinth. As a result, the following contracts were awarded:

- Practical Action for 'Sustaining sack farming practices through agro-met services in coastal polder areas of Bangladesh' (signed in December 2018)
- Khulna University for the "Development of value- added products from water hyacinth to support alternative livelihoods and ecological resilience in coastal villages of southwest Bangladesh" (January 2019).

### BGIF Management[edit | edit source]

A full-time manager was appointed in March 2015 to coordinate BGIF activities. On the resignation of this manager in July 2017, a part-time, joint management team was appointed from within the Blue Gold TA team – a short-term international and a full-time national consultant. From July 2017, a number of Blue Gold's technical experts located in zonal offices became part of the team supervising the implementation of BGIF projects<sup>[Notes 3]</sup>.

The overall fund management costs account for about 15.3% of the whole BGIF. Out of this 90% went to BGIF fund managers and 10% to Evaluation Committee expenses, and occasional expert judgement on unsolicited proposals.

This 15.3% does not include the time and expenses of ad-hoc inputs from regular BGP staff involved in project appraisal. In addition, the designated lead technical BGP advisors to individual BGIF projects were full time employed by BGP and therefore also didn't require additional reimbursements from the Innovation Fund.

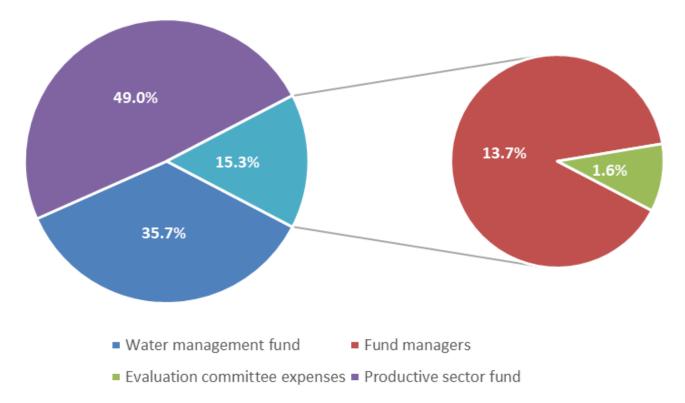


Figure 37.1 BGIF funds and fund management expenses 2013-2020

## Notes[edit | edit source]

- 1. 1 In its new multi-annual plan for development cooperation, one of the strategies to be promoted is to broaden the number stakeholders in development cooperation, specifically to include Dutch knowledge centres and private sector enterprises
- 2. <u>1</u> Alongside the evolution of the BGIF, the Procedures Manual was revised on a number of occasions and issued in May 2018 in its final (and eighth) version, <u>a copy of which is available</u> in the File Library
- 3. <u>↑</u> The benefits of the involvement of Blue Gold's technical experts is described <u>above</u>

## References[edit | edit source]

- 1. ↑ "WMKIP Bangla Delta".
- 2. <u>↑ BGIF Call for Proposals</u>. Euroconsult Mott Macdonald.
- 3. ↑ *BGIF Evaluation Process*. Euroconsult Mott Macdonald.

## See more[edit | edit source]

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Blue Gold Lessons Learnt Wiki Next chapter:
Chapter 38: Overview of BGIF

**Section H: Innovation Fund Projects** 

Projects

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#### Blue Gold Innovation Fund

A defined set of temporary activities through which facilitators seek to effect change

#### **Technical Assistance**

Water Management Knowledge and Innovation Program - starting in December 2017 and led by Deltares and the Institute of Water Modelling (IWM) with the aim of contributing to the long term development goals for the Southern Coastal Region as well as to objectives of the Blue Gold Program through tested and sustainable water management innovations, knowledge development and participatory action research.

https://www.deltares.nl/en/news/developing-water-management-innovations-local-communities-bangl adesh/

Embassy of the Kingdom of the Netherlands, the contractual representative of the Minister of Foreign Trade and Development Cooperation of the Netherlands and signatory to the agreement for the Blue Gold Program with the External Resources Division of the Ministry of Finance as the signatory for the Government of Bangladesh

#### Institute of Water Modelling

Soil is regarded as waterlogged when it is nearly saturated with water much of the time such that its air phase is restricted and anaerobic conditions prevail. In agriculture, various crops need air (specifically, oxygen) to a greater or lesser depth in the soil. Waterlogging of the soil stops air getting in. How near the water table must be to the surface for the ground to be classed as waterlogged, varies with the purpose in view. A crop's demand for freedom from waterlogging may vary between seasons of the year.

An area of low-lying land surrounded by an earthen embankment to prevent flooding by river or seawater, with associated structures which are provided to either drain excess rainwater within the polder or to admit freshwater to be stored in a khal for subsequent use for irrigation.

Typically undesirable increase in concentration and deposition of water-borne silt particles in a body of water.

Earthen dyke or bundh raised above surrounding ground level, for example so that roads or railway lines are above highest flood levels, or so that an area is empoldered to protect it from external floods and saline waters.

A process by which the local stakeholders are directly and actively involved in identification, planning, design, implementation, operation & maintenance and evaluation of a water management project.

human intervention in the capture, conveyance, utilisation and drainage of surface and/or ground water in a certain area: a process of social interaction between stakeholders around the issue of water control.

the principal function of a regulator or drainage sluice is to allow the drainage of water from the polder into a peripheral river when there is a differential head across the regulator (ie when the polder or country-side water level exceeds the level in the tidal river). The regulator is provided with a lift gate on the country-side (to allow freshwater to be held in the khal for irrigation during the dry season) and a flap gate on the river-side (to prevent water entry from the river channel into the polder during high tide conditions). A frame is provided on the river-side so that the flap gate can be lifted when there is freshwater in the river (during the monsoon flood season), thus allowing freshwater to be stored in the khal within the polder and used for irrigation during the dry season. The size of the culvert is determined from the drainage area served by the structure.

Geographic Information Systems

Management Information System

A feasibility study is an analysis that takes all of a project's relevant factors into account—including economic, technical, legal, and scheduling considerations—to ascertain the likelihood of completing the project successfully.

Mid - Term Review Mission

A feasibility study is an analysis that takes all of a project's relevant factors into account—including economic, technical, legal, and scheduling considerations—to ascertain the likelihood of completing the project successfully.

**Innovation Fund** 

Wageningen University and Research Centre

Terms of Reference

mPower is the social enterprise which is dedicated to information technology solutions and strategies that maximize impact on people's lives.

Information Communication Technology

International Maize and Wheat Improvement Centre

Any formal or informal structure (not necessarily a physical place) in which buyers and sellers

exchange goods, labour, or services for cash or other goods. The word 'market' can simply mean the place in which goods or services are exchanged. Essentially, markets are defined by forces of supply and demand, rather than geographical location

A livelihood is a way of making a living. It comprises capabilities, skills, assets (including material and social resources), and activities that households put together to produce food, meet basic needs, earn income, or establish a means of living in any other way.

Blue Gold Program

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## Blue Gold Program Wiki

The wiki version of the Lessons Learnt Report of the Blue Gold program, documents the experiences of a technical assistance (TA) team working in a development project implemented by the Bangladesh Water Development Board (BWDB) and the Department of Agricultural Extension (DAE) over an eight+ year period from March 2013 to December 2021. The wiki lessons learnt report (LLR) is intended to complement the BWDB and DAE project completion reports (PCRs), with the aim of recording lessons learnt for use in the design and implementation of future interventions in the coastal zone.

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