

Country Evaluation Study for Bangladesh

Final Report (Summary)

KRI International Corp.
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1. Outline of Evaluation

1-1. Evaluation Background and Purpose

The People's Republic of Bangladesh is ranked as a country having the largest population in Least Less Developed Countries (LLDC) and a very high demand for aid (its national income per capita of FY1999: US\$ 373, population in FY1999: approximately 130 million). On the diplomatic front, the country is seeing itself as a representative of developing countries through its vigorous diplomacy at the United Nations and other international communities such as non-aligned counties groups, and also making efforts in strengthening relations among South Asian countries. The country, traditionally keeping friendly ties with Japan, is regarded as a pro-Japan country having very high expectations to Japan.

According to the ODA achievements of Japan in FY1999 by recipient countries, Bangladesh ranks 14th in the total amount, top in grant aid, and 15th in technical cooperation. In addition, as for the bilateral aid toward Bangladesh, Japan is the top donor country making up 20.4% of the total bilateral aid the country received in FY1999. As just described, in terms of aid amount, the presence of Japan is very big among the donor countries to Bangladesh. Furthermore, as the Japan's ODA Country Policy for Bangladesh was drawn up in March, 2000, strengthening of policy dialogue and individualized approach by recipient countries is going on. However, the country evaluation study for Bangladesh has not been conducted after 1989.

Based on the situation as mentioned above, under the recognition that the Japan's ODA to Bangladesh is strategically important, the Study aims at looking at impact of the Japan's ODA comprehensively as ex-post evaluation, as well as obtaining recommendations conducive to reflecting the evaluation results on the future aid policy making, including current review of usefulness of the aid policy for Bangladesh.

1-2. Basic Policy for Evaluation

(1) Evaluation Level and Viewpoint

Individual project evaluation by priority sectors will not be conducted in principle. This is because JICA already carried out country program evaluation in FY 1999 and the result of that can be made use of this Study. Moreover, as regards loan aid, JBIC has already completed individual project evaluation for some 20 projects, and their results are also available. Therefore, it is decided in this Study that the results of these previous individual project evaluation be organized and analyzed by priority sectors for comprehensive evaluations.

This Study will evaluate comprehensively the contents of previous Japan's ODA to Bangladesh for each priority sector of the aid policy mainly from the viewpoint of relevance, impact and sustainability. The evaluation items of implementation efficiency and final result (in other words, output) of projects are considered as important factors for evaluation in individual project level, but less needed in this Study for evaluation in nation wide and sector-based.

(2) Evaluation Method

The Study adopted two methods as evaluation approach: one is conventional program evaluation approach (inductive bottom-up approach) and the other is policy evaluation approach (deductive top-down approach).

For a start of the program evaluation approach, it examines what output is obtained from the aid activities defined by priority sectors in the country policy for Bangladesh. In doing so, the results of individual project evaluation prepared by the aid implementing agencies of Japan will be utilized. In the program evaluation method, the "Result" of project will be obtained by verifying the effect of aid activities by a bottom-up evaluation procedure.

However, by the above-mentioned method, it is difficult to verify the "Contribution" of how the aid of Japan has supported recipient country for achievement of its higher-level development objectives. For this reason, the top-down approach, that is, policy evaluation approach is needed. For a start of the policy evaluation approach, the higher-level development objectives of recipient country are defined, and then the means toward achievement of such objectives is systematized (called as Development Objectives Tree). Next, the approach assigns performance indicators, and conduct arrangement analysis on whether the contents of aid is relevant to the recipient country's higher-level objectives, what means is effective for aid intervention, what problems are expected in aid implementation, and so forth judging from achievement.

Furthermore, taking into account the macroeconomic impact analysis and the opinion/request for the aid of Japan listened broadly among aid staff and intellectuals in Japan and abroad, the lessons and recommendations showing the future work strategy will be extracted from the viewpoint by priority sector and in a comprehensive manner. In addition, concerning the program evaluation, it will be limited only to verification of aid achievements based on the results of individual project evaluation.

2. Evaluation on whole Aid to Bangladesh by all Donors including Japan

- According to the macroeconomic analysis attempted in this Study, the major fields, in which cumulative impact of ODA (by all donors including Japan) on the Bangladesh economy is recognized, are: "Education" and "Social Welfare, Women's Affairs & Youth Development." Besides, also in the sectors of "Rural Development and Institutions", "Communication", and "Health, Population & Family Welfare", cumulative impacts are recognized. In addition, it is revealed that effective type of ODA means strengthened combination of financial and technical cooperation.
- At the initiative of the World Bank for the theoretical/empirical research of economic growth, the particular emphasis of development model has shifted from physical capital investment to institution and policy facilitating economic growth through promotion of efficient investment, human resources development, and technology progress. Also in the results of macro evaluation performed in the Study, such development model proves its effectiveness for the economic growth and as a result the poverty alleviation of Bangladesh.

3. Comprehensive Evaluation on Aid of Japan to Bangladesh

- Of Japan's ODA to Bangladesh, the grant aid comprises almost 60 percent of the total and about 70 percent of the grant aid is used for debt relief.
- From the comparison of the government investment for development (independent revenue sources of the Bangladesh Government except ODA) and the percentage of the Japan's ODA by priority sector (for total sum of 1990 to 99), it is found that the percentage of transport/communication sector is the highest both in the government investment and the ODA. As for the resource allocation to the economic infrastructure sectors other than the transport/communication sector, the sectoral percentage of the ODA conforms nearly to the priority sectors of the Bangladesh Government. The financial support of Japan to the social development sectors such as for education, health care, etc. is comparatively small.
- To Bangladesh, so far, the largest number of Japan Overseas Cooperation Volunteers (JOCVs) has been dispatched in Southwest Asian countries. Also, to the country, dispatch of experts and acceptance of trainees have been positively provided. In such manner, Japan has been providing the country with extensive human support from grass-roots till higher level.

- The results and effects brought about through dispatch of experts are little recognized. Such dispatch of experts as after due focusing on subject and output-oriented is called for.
- The dispatch of JOCVs is highly valued for which conforms well to the situation and people of Bangladesh, and is a scheme easy to be accepted in the country. However, for the member's term of office is generally as short as two years with a term extension system, it is the present situation that members adapted themselves to their posts over a year must face the year of homecoming. Improvement of system is required.
- The result of questionnaire survey to the Bangladesh intellectuals reveals that the aid of Japan to the country is not given the opportunity of its presentation and publication comparable to the amount of the aid input. Moreover, the recognition of the efforts of Japan toward poverty alleviation is low.
- The expectation of Bangladesh to the Japan's ODA for rural development is large among others.

4. Evaluation by Priority Sector

4-1. Agricultural and Rural Development and Improvement of Agricultural Productivity

- The agricultural technical cooperation of Japan attracts attention in the respect that it has contributed much to improvement of crop production technology and other related technologies, and has been complemented by improvement of agricultural infrastructures such as irrigation facilities, roads, etc. As a future direction of the agricultural technology aid, a study is required to focus more on the aid for fostering the local governments in order to organize local residents and strengthen mutual-support networks in villages. Moreover, the cooperation for institutions building such as evaluation of village organization which allows resident participation, reevaluation of cooperatives, improvement of administrative structures (strengthening financial affairs, adjustment and strengthening of resident services by decentralization) is further needed.

4-2. Improvement of the Social Sector (Basic Human Needs, Health and Medical Care, etc)

- *Health and Medical Care:* Under the Health and Population Sector Strategy (HPSS) drawn up in 1997 by the Ministry of Health and Family Welfare in cooperation with donor groups led by the World Bank, the donor coordination in this sector is advanced compared with other sectors. Japan also continues efforts for strengthening the cooperation with major donors including UNICEF and for seeking cooperation with other donors in the sector of maternal and child health and immunization, and which will play the role of supporting the development scheme of the whole sector and the effectiveness of HPSP (Health and

Population Sector Program). Such cooperative attitude of Japan to other donors is appreciated and expected to be continued.

- *Education:* Science and mathematics education, which is one of development subjects, is a meaningful development field for which Japan can use its experience with quality curriculum development and teacher training, as well as the cooperation by JOCVs. In addition, from the viewpoint of fostering aid personnel of Japan for the education field, it is required to cooperate with UNICEF which has vast experiences particularly in this field in order to enhance human resources development for this field including personal exchange.
- *Water and Sewerage:* The arsenic effluence problem is a priority issue requiring urgent measures also from the viewpoint of health care. That is a subject Japan should continue to be engaged with in the future. The measure against arsenic is a field for which Japan can use its experience and wrestle with as a leading donor with initiative.

4-3. Improvement of the Base for Promoting Investment and Exports

- *Industrial Development:* The selective financial aid to the fertilizer production sector, one of key industries plays a valuable role in Bangladesh, an agricultural country, for increasing agricultural productivity. On the other hand, from consideration for the industrial structure and the development level of Bangladesh, it is inferred that the selection of promising industries from the viewpoint of export promotion and the expansion of support to such industries would be difficult.
- *Infrastructure:* The relevance of most infrastructure projects has been agreed in consideration of a large portion of the infrastructures of bridges, electric power facilities, and communication facilities improved by the Japan's ODA. However, the improvement level of the infrastructures is still low, and the operations and services of facilities remain in poor condition due to insufficient operational and administrative capabilities of the Bangladesh side. Therefore, strengthening software is required focusing more on the organizational and system improvement including for administration/ maintenance management of facilities. It is required for the loan aid projects to link up positively with technical cooperation so as to use infrastructures effectively.

4-4. Disaster Prevention and Management

- It is a matter of course to have put emphasis on measures against floods and cyclones as well as improvement of weather-forecast and flood-alarm systems, from the viewpoint that "conquest over natural disaster" has an enduring and humanitarian character. Therefore, it is appropriate that Japan has given priority to and attached importance to the disaster control field. Although the effect of aid to the disaster control projects cannot be easily recognized numerically, some facilities such as cyclone shelters which have been constructed for multipurpose use of flood shelter and school, have been contributing to improvement of educational opportunity for beneficiary residents. The major issues

highlighted for implementation of the disaster control field are: resident participation (includes consideration to poverty and landless groups) at facility construction; close coordination of facility construction and forecast/alarm system; and proper maintenance management of forecast/alarm equipment.

5. Recommendations

5-1. Future Tasks of Priority Sectors

(1) Agricultural and Rural Development and Improvement of Agricultural Productivity

- Human resource development combined with infrastructure development, health care and hygiene, and social infrastructure development shall be further strengthened. For a specific region, a comprehensive aid shall be composed from the combination of grant aid, loan aid, grant aid for grassroots projects, project-type technical cooperation, dispatch of Japan Overseas Cooperation Volunteers as software aid, etc. by sectors or in cross-sectoral manner.
- In order for residents who are actor as well as beneficiary of rural development to raise agricultural production and livelihood through the end administration service function "Thana/Upazila", it is required to promote decentralization and resident participation. In this regard, it is necessary to strengthen fostering support of resident organizations and also coordination between each administration service (agricultural production, Health Care, hygiene, education, etc.) in a region.

(2) Improvement of the Social Sector (Basic Human Needs, Health and Medical Care)

- Across the social sector, such aid as placed emphasis on soft-components such as for policy and system reform, human resource development, establishment of social service distribution system and such form of aid as based on the partnership with other donors and NGOs are taking greater importance. The aid of Japan is also required structural strengthening so as to respond flexibly to this movement. In this regard, research, planning, and management of cooperative projects to be carried out by dispatch of study teams or use of consultants may be effective. It is also required to strengthen coordination of Japan Overseas Cooperation Volunteers operating at grass-roots level and each aid scheme.

(3) Improvement of the Base for Promoting Investment and Exports

- While aid is required to support industrialization, the aid for infrastructure development, which lags still behind in both urban and rural areas, is as ever indispensable to contribute to increase of productivity.

- Components, which support improvement in software aspect (organizational and institutional building), should be packaged more than ever before for extension of aid. By enhancing close coordination of financial and technical cooperation, a certain portion of technical cooperation such as dispatch of experts, acceptance of trainees, project-type technical cooperation, etc. should be incorporated into the priority fields or sectors to which financial aid concentrates strategically (as a specific embodiment, Haripur Power Station Rehabilitation and Expansion Project will be a model).
- In aid of improvement components in software aspect, result-oriented technical cooperation should be offered by establishing a well viable target after due examination. Successful examples of aid should be modeled, improved repeatedly and re-examined continuously, and extended otherwise.
- Even program-type approach combined with soft-components is supposed of some cases to have limitations for improvement of overall sector performance. In this case, it is required to urge the cooperation with other donors and sector reform efforts by Bangladesh Government, for example, through extending infrastructure development aid after keeping pace with progress of the reform support structural adjustment facility which the World Bank and/or other major donors perform, and the sector reforming efforts of the Bangladesh Government.
- Concerning service supplying means and implementing agency as it ought to be such as privatization, it is desired to participate in dialogue and discussions with other donors and Bangladesh Government based on the experience of Japan.

(4) Disaster Prevention and Management

- It is desirable to lay emphasis on resident participation in preparation of disaster control plans, in which functions of disaster control facilities, opinion/request on facilities design, and responsibility and contents of facilities maintenance are sufficiently examined in community.

5-2. Approach for Poverty Alleviation

- To raise more direct approach for poverty problem, it is desirable to select a certain poor region, work out a comprehensive poverty alleviation program covering two or more sectors, and strengthen the approach based on the program.
- It is desirable for the approach to conform to the sequence and schedule of aid program. That is, organization of object community and establishment of administrative council system are carried out first, and then the program is instituted integrally after strengthening local administrative functions.
- It is difficult to institute a comprehensive poverty alleviation program under aid by only one aid agency, for any agency rarely has all of supervising capabilities and skills necessary for aid. For the aid agencies of Japan, it is desired to compensate the skills and

resources fallen short in the agencies and to seek cooperation or coordination positively with other donors or local NGOs.

5-3. Important Notices on Implementation of Aid Program

- For the sectors Japan participates in, the direction and relevance of policy are necessarily examined in advance. If required, policy adviser will be dispatched (including team dispatch) aiming at performing examination and recommendation for legal system and organization control for improvement of contents of policy and support of their implementation.
- Local Consultative Group (LCG) of over 20 fields, cooperation to sector program approach currently performed in Health and Medical Care field, and common agenda consultations with USAID in population/health field, should be continuously placed emphasis on.
- In order to effectively intervene in social and rural development (improvement of livelihood and increase of productivity), positive coordination with local NGOs and enhanced use of NGOs are desirable.

5-4. Aid Implementation System and Scheme

- Bangladesh is still a LLDC and the aid to the country centered by grant aid and technical cooperation is accordingly imperative. If applying a loan aid, it is desirable to decide the loan after due consideration of debt absorption capacity, economic effect, and scale of aid, as well as examination in advance for contents of policy for target sector, institution, and governance. And, in order to pull out more effect of financial support, coordination of financial and technical cooperation should be strengthened.
- In order to realize result-oriented aid, it is necessary to give more pliability to the enforcement process of aid. For example, the pliability of enforcement process in technical cooperation is searched for when input (timing and quantity) and scope of cooperation staff, budget allocation for additional cost appropriation, etc. are changed. The management improvement on the side of implementing agency for enabling flexible correspondence is desired.
- When reviewing Japan's ODA Country Policies in future, study is required focused on result-orientation in whole aid program and systematization of the most appropriate aid approach. Result-orientation means a setup of target and indicator that Japan wants to contribute to its realization and achievement through aid.