

EVALUATION OF DFID COUNTRY PROGRAMMES

COUNTRY STUDY: BANGLADESH 2000 - 2005

*Andy Batkin, Nick Chapman,
Jurrien Toonen,
Maheen Sultan, Muriel Visser*



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PREFACE

This evaluation of DFID's Bangladesh's country programme is one of a series of regular Country Programme Evaluations (CPEs) commissioned by DFID's Evaluation Department (EvD). The studies are intended to improve performance, contribute to lesson learning and inform the development of future strategy at country level.

The evaluation was carried out by a team of independent UK, Dutch and local consultants led by ITAD Ltd. The process was managed by Iain Murray, Lynn Quinn and Shona Wynd from EvD. The study is part of a wider, rolling programme of evaluations of DFID's work in Africa and Asia.

The study period focused on DFID's programme during the period 2000–2005 and the evaluation was carried out between October and November 2005. This included a one-week inception visit carried out by EvD and a two-week field visit carried out by the consultancy team. The field visit included interviews with DFID staff, local stakeholders and key partners.

In accordance with EvD policy, considerable emphasis was placed on involving the country staff during the process and on communicating the findings. Staff were invited to discuss the outcomes at a workshop during the evaluation, and offered written comments on the draft reports.

Bangladesh has experienced an average annual economic growth of over 5% in the last five years. Although it has demonstrated rapid reduction in poverty incidence and a good performance against health and education targets, per capita GDP is only \$418 and 63 million people remain in poverty. Bangladesh's poor governance record is a continuing concern. The government is starting to make inroads into areas such as fiscal and financial reform but service delivery levels are weak and NGOs play a major role in delivering basic services to the poor.

DFID can take pride in its contribution to promoting growth, reform and poverty reduction in Bangladesh. The positive performance has come through direct assistance to the poor and through influencing other donors in order to improve aid delivery.

The study found that the portfolio was balanced between sectors, partners and in scale. However, DFID's impact could have been greater had it:

- suffered from less staffing issues
- been under less pressure to respond to central policy themes
- had sufficient monitoring and feedback loops in place
- chose to build on long-standing partnerships

The most important challenge for DFID has been the pressure to commit to increasing funding within a notoriously difficult political and reform context. The office is

addressing this challenge in a variety of ways including increasing average investment size, developing a more harmonised approach, and developing a budget support and governance instrument.

This has been an important lesson learning opportunity for DFID. The usefulness of the study findings has resulted from the efforts of many people. EvD would like to acknowledge the contribution made by the evaluation team itself and also the cooperation of DFID staff and development partners in Dhaka.

Nick York
Head of Evaluation Department

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List of acronyms and abbreviations

ADB	Asian Development Bank
ADAB	Association of Development Agencies in Bangladesh
ASIRP	Agricultural Services Innovation & Reform Project
APSU	Arsenic Policy Support Unit
ASEH	Advancing Sustainable Environmental Health
BRAC	Bangladesh Rural Association Committee
CAP	Country Assistance Plan
CDMP	Comprehensive Disaster Management Programme
CFPR	Challenge the Frontiers of Poverty Reduction
CIDC3	Consolidation of the Institutional Development Component 3
CPE	Country Programme Evaluations
CSP	Country Strategy Programme
DBSM	Developing Business Service Markets project
DDP	Director's Delivery Plan
DFID	Department for International Development
DFIDB	Department for International Development Bangladesh
DP	Development Partner
ESP	Essential Services Package
ESTEEM	Effective Schools Through Enhanced Education Management
EvD	Evaluation Department of DFID
FIVDB	Friends in Village Development Bangladesh
GDP	Gross Domestic Product
GIDP	Gas Infrastructure Development Project
GoB	Government of Bangladesh
HPSP	Health and Population Sector Programme
HNPSP	Health, Nutrition and Population Sector Programme
IMF	International Monetary Fund
I-PRSP	Interim Poverty Reduction Strategy Paper
JICA	Japan International Cooperation Agency
LCG	Local Consultative Group
LGEDB	Local Government Engineering BureauDepartment
MATT	Management at the Top
MDG	Millennium Development Goals
MoF	Ministry of Finance
MoH	Ministry of Health
MoHFW	Ministry of Health & Family Welfare
MTEF	Medium Term Expenditure Framework
M&E	Monitoring & Evaluation
NGO	Non Government Organisation

ODA	Official Development Assistance
OECD-DAC	Development Assistance Committee of the Organisation for Economic Co-operation and Development
OPR	Output to Purpose Reviews
OVI	Objectively Verifiable Indicators
PCR	Project Completion Reports
PEDPII	Second Primary Education Development Programme
REFPI	Research & Extension in Farm Power Issues
PETTRA	Poverty Elimination Through Rice Research Assistance
PFM	Public Financial Management
PRISM	Performance Reporting Information System for Management
PRSP	Poverty Reduction Strategy Paper
PSA	Public Service Agreement
PSD	Private Sector Development
PSDSP	Private Sector Development Support Programme
RHD	Roads and Highways Department
REFPI	Research & Extension in Farm Power Issues
RIBEC	Reforms in Budgeting and Expenditure Control
RL	Rural Livelihoods
RLS	Rural Livelihoods Strategy
SAIC	Staff Appointed in Country
SEDF	South Asia Enterprise Development Facility
SHAPLA	Strengthening the Health and Population of the Less Advantaged
SME	Small and Medium-sized Enterprises
SOE	State-Owned Enterprises
SUFER	Support for University Fisheries Education and Research
SWAp	Sector Wide Approach
TA	Technical Assistance
TCO	Technical Cooperation Officer
TOR	Terms of Reference
UCEP	Underprivileged Children's Educational Programmes
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UPE	Universal Primary Education
WB	World Bank
WFP	World Food Programme
WHO	World Health Organisation
WGF	Women and Girls First (the title of the CAP)

EXECUTIVE SUMMARY

S1 This report is an evaluation of DFID's country programme in Bangladesh. It is the fourth in a round of five country programme evaluations (CPE) commissioned in 2005/6. The evaluation asks two main questions: what was the quality of DFID's programme and processes; and what has the programme achieved?

S2 In the last five years, average annual economic growth in Bangladesh has exceeded 5% and it has demonstrated rapid reduction in poverty incidence and good performance against health and education targets, such as infant mortality and primary school enrolment, for which it is on track to achieve its MDG targets. However per capita GDP is only \$418 and due to population growth, there remain 63 million poor in Bangladesh. Of continuing concern is Bangladesh's poor governance record; economic growth and poverty reduction achievements are frustrated by lack of accountability and transparency, political instability, corruption and an excessively centralised system of governance. The Government is starting to make inroads into areas such as fiscal and financial reform. However, service delivery levels are weak and as a consequence NGOs play a major role in delivering basic services to the poor.

Programme content, process and effectiveness

S3 Four aspects of DFID engagement in Bangladesh over the past five years stand out from the evaluation findings. The team's view is that these four issues have significant implications for the future of DFID engagement in Bangladesh, and possibly for other DFID priority countries.

S4 First, DFID can take **considerable pride in its contribution to promoting growth, reform and poverty reduction in Bangladesh**. This positive performance has come in two different ways: through direct assistance to the poor and through influencing others in order to improve overall aid delivery.

S5 **DFIDB has helped to directly improve the lives of millions of Bangladeshis**, principally through investments in infrastructure, agriculture and fisheries, education and health, and through emergency relief. The unique scale and capacity of Bangladesh NGOs has been a critical factor in this achievement, as has been DFIDB's capacity to put in place and support innovative programmes in critical areas. Newer investments in private-sector strengthening, and on the supply- and demand-side of public sector reform whilst immensely challenging, are also beginning to deliver results.

S6 DFIDB has also made a **major contribution through its support to the national PRSP process and through its active catalytic role** within the donor community and the Local Consultative Group machinery. There is clear evidence of DFIDB's impact in influencing and strengthening donor harmonisation, project co-financing and joint sector approaches. Perceptions of DFIDB's role - amongst government, donors and NGOs - are very positive overall. The key contributors to this positive perception are DFIDB's long history of engagement; the growing size of its financing envelope; the intellectual strength and commitment of individual DFIDB staff; and a willingness to listen, innovate and engage in new and riskier reform areas.

S7 The positive contribution noted above is nevertheless tempered by lack of programme delivery evidence. While much work has gone into preparing sector investments and meeting spending targets, **less attention has been given to designing monitoring and evaluation systems for judging programme outcomes.** As a result, it is difficult to establish to what extent different projects have together contributed to declared priority areas such as pro-poor employment, social services delivery or building greater voice that in turn will meet the goals of poverty reduction or greater opportunities for women and girls. This point is particularly critical in the newer areas, such as governance and budget support, where measuring changes in beneficiary lives is harder and more diffuse.

S8 Second, the evidence is that three turbulences - in **staffing**, in **policy** and in **choice of partners** - are tending to weaken overall impact.

S9 **Rapid staff turnover and recruitment difficulties** have left gaps in coverage - the median time in post of the current team of UK-based DFIDB staff is only 15 months. DFIDB is seen by many staff and outsiders to have grown increasingly inward and upward-focused. The intimate field-reality linkages, which the earlier staffing arrangements enabled, have diminished as a result of contracted project management arrangements and the changing nature of staff roles in DFID. The benefit of retaining specialists over the longer term are clear from the growth in the private sector development portfolio and DFIDB's consequent influence and leadership in that sector.

S10 **Central policy fashions have come and gone.** The political-economy focus of drivers-of-change analysis has had modest apparent impact overall; the rural livelihoods approach was adopted and then abandoned between the country strategies in 1998 and 2003; and the 'Women and Girls First' emphasis from 2003, although a positive influence on the design of new investments, has not been effectively implemented, especially in attempts to retrofit gender objectives to agreed project designs.

S11 Historically effective **NGO partnerships have been abandoned** in the pursuit of a more streamlined programme and a greater concentration on government reform – although the emerging focus on the poorest of the poor will inevitably entail upscaling financing to NGOs. Also, there is evidence that **switching governmental partners** (gas to electricity, Roads and Highways Department to Local Government Engineering Department) is based on assumptions which are not always driven by sufficient evidence or practicality.

S12 In sum, DFIDB's impact over the past five years would arguably have been greater had it had greater institutional memory as a result of longer international staff terms and a strong core of long-term nationals; had it experienced less pressure to respond to emergent central policy themes; had it put a greater emphasis on monitoring and feedback loops in the programmes; and had it continued to build on long-standing implementation partnerships.

S13 Third, this turbulence in staffing, policy and partners appears to have been exacerbated by **ambiguities in the devolution of authority within DFID.** *De jure*

there appears to be a linear cascade of policy objectives: from White Papers and the DFID PSA; to the regional director's delivery plan; to the three-year country strategy papers; and finally to individual investments and influencing-initiatives in-country. The *de facto* reality is different. The evidence is that the four drivers of investment choice in-country are: a broad, permissive and stable set of corporate goals (poverty reduction, improved governance etc.); the more-with-less imperative; new opportunities emerging in-country; and the preferences and approaches of senior DFIDB staff.

S14 DFID's achievements and innovations in Bangladesh are overwhelmingly due to country-level opportunities and choices rather than to implementation of a hierarchy of pre-specified goals and targets. This is reflected in what may be termed the '*iceberg*' phenomena where the policy agenda is presented above surface for public digestion while a huge portfolio of projects and programmes is designed and implemented on a typically eight-year cycle that either lags behind or leads ahead of current strategy. A CAP period of just three years also makes it difficult to adjust programming to opportunities arising as a result of the host country's political cycle.

S15 The true cost of the consequence of 'head-counts' and a requirement to 'do more with less' in terms of hindering country office performance may need to be more fully explored elsewhere, but in the case of Bangladesh at least the devolution of decision-making has hardly been followed by decentralising person-power from London to country offices, and the considerable work pressure on staff is a serious concern.

S16 Fourth, and finally, the most significant challenge for DFIDB over the past five years has been the **pressure to commit a growing financial envelope within a notoriously difficult political and reform context**. This challenge will grow as the aid share of the national budget - and thus opportunities for reform-leverage - continue to shrink.

S17 DFIDB is addressing this challenge in a variety of ways including working to increase the average investment size; developing harmonised sector approaches in education, health, the private sector, energy and infrastructure; exploring new partnerships, and creating more 'challenge-funds' to wholesale finance to NGOs on a competitive basis.

S18 The **development of a joint strategy with the WB, ADB and Japan may succeed in strengthening donor influence and in streamlining donor programmes**. Some partners argue that this streamlining of financial aid should be developed in parallel with other equally powerful influencing avenues offered by international agreements on trade, security, human rights and immigration and based on a firm and unified donor approach, and amongst EU Member States in particular.

S19 The **most significant attempt to increase reform leverage, however, is the growth of the budget support instrument**. DFIDB sees sector budget support as one element of a strategy of 'mature engagement', in contrast with one of grandstanding and criticism from the sidelines. Many commentators view Bangladesh's financial management regime as barely meeting the minimum acceptable criteria for general budget support and that even sector budget support is therefore a high-risk approach and something that few other donors are prepared to countenance.

S20 The evaluation team is sympathetic to DFIDB's concern to find more 'mature' forms of reform engagement with an emergent Asian economy which is performing well on many criteria. However **there are concerns over the quality of the budget support design process** so far, including the need for greater independence and specialist input, for more careful internal appraisal, for attaching appropriate support measures and, above all, for learning from past experiences including the vulnerability of the SWAp experiments to political change and to the difficulty of holding government accountable where performance is based on processes rather than on concrete reforms.

Recommendations

S21 The CPE report makes a number of general recommendations. These focus firstly on a better assessment of poverty impact by devising a better analytical framework to understand how DFID's investments impact on poverty and economic development, and then using this framework to clarify measurable outcomes and improve annual reporting.

S22 The move to higher risk investments requires more careful preparation, with a more rigorous internal appraisal process and preferably using external teams to both design and implement.

S23 On staffing, we recommend balancing advisor time more evenly between upstream policy work and field-based implementation support; lobbying for a corporate policy that would expect senior staff to remain in post for 4 to 5 years, with grade-promotion available in that post; recruiting more effectively (including head-hunting) for local SAIC staff positions; and most fundamentally, adjusting the balance of staff between HQ and country posts to provide greater capacity in the field.

S24 On avoiding policy turbulence, we recommend (i) building more effective country office communications to present the local context, strategies and results more convincingly, (ii) extending the country strategy to 5 or more years in order to align the project portfolio better, (iii) developing country level analysis to justify programmes that fall outside corporate policy, such as infrastructure, and (iv) preparing a country level influencing strategy to determine results and enable monitoring.

1. Introduction

1.1 Against a background of a substantial increase in resources¹ and a focus on poverty reduction and achievement of MDGs, DFID has adopted a policy of decentralisation in order to achieve greater relevance, responsiveness and impact for its aid resources. DFID country offices have been able to design and implement growing programmes of development assistance with increasing delegated authority², while at the same time efficiency drives have reduced staff resources and country teams must deliver 'more with less'. Given the opportunities and challenges that these conditions place on DFID, there is considerable interest in assessing the effectiveness of the aid budget and learning lessons to improve delivery performance and impact in order to assist countries to meet their respective millennium targets.

1.2 The Evaluation Department of DFID (EvD) has therefore contracted ITAD and KIT³ to undertake a series of five country programme evaluations (CPEs) with the aim of assessing the relevance, efficiency, effectiveness and impact of DFID assistance at country level. Bangladesh is the fourth in the series, and represents a significant case study given that it is DFID's second largest country programme, is one of the four priority countries in the Asia Directors Delivery Plan and has one of the most diverse portfolios of any country.

1.3 **Methodology:** The CPE exercise, which is characterised as a 'light evaluation', was conducted in three stages (see TOR in Annex A). An initial one week country visit was made in September 2005 by a three-person team from EvD to sensitise the country office, collect documentation and assess the most salient issues for evaluation. For the second stage, a two week field visit by a team of five independent consultants took place in November 2005⁴. Given the scope of the study and the time frame, the field work did not involve project visits but concentrated on gathering evidence from a large volume of documentation and a range of stakeholders, including DFID country staff (past and present), donors, NGOs, consultants and government. A list of persons consulted is given in Annex B. The exercise was guided by a matrix of pertinent questions to be addressed (the pro-forma matrix is presented in Annex C). Preliminary feedback was given by the CPE team to the country office before departure. The third stage of the CPE was the drafting of the main report, followed by circulation for comment, a video conference discussion and report finalisation.

1.4 **Report Structure:** the CPE report follows a standard structure that mirrors the evaluation matrix. Chapter 2 describes the pertinent country context in Bangladesh, the level of development assistance and DFID's own history of assistance since 2000. Chapter 3 then outlines the programme content and process, outlining (i) the evolution of the strategy and assessing relevance and policy consistency, (ii) the nature of DFID relationships with key partners and (iii) describing and assessing the portfolio of activities. This leads to a review of the programme's effectiveness in Chapter 4, where the results achieved by different projects and different instruments are examined. In so

¹ From £3 to £4 billion between 2000 and 2005.

² Heads of Offices can approve projects up to £7.5 million

³ ITAD: Information, Training And Development, UK ; KIT: Royal Tropical Institute, Netherlands

⁴ The team consisted of a team leader (institutional and evaluation specialist) and specialists in health, education, governance and public sector reform.

far as documented evidence is available, or the views of informants can be triangulated, the contribution of these different interventions on broader strategy objectives towards DFID's public service agreement and key policy themes are then addressed. In Chapter 5, the results of the support provided are placed in the context of Bangladesh's overall development progress over the period under review. Then, in the final chapter, conclusions are made on DFID's added value and its strengths and weaknesses and a set of lessons is presented that may guide future assistance in Bangladesh (especially within the context of the new Country Assistance Plan currently under preparation) and more generally for DFID globally.

2. Context

Political, social and economic country context

2.1 Despite poor conditions at independence and high vulnerability to natural disasters, Bangladesh's achievements in macroeconomic management and social development have been impressive compared with many Asian countries. During the last decade, GDP growth averaged 5%, while national poverty fell from 59% to 50%, one of the fastest rates of decline recorded worldwide. Infant mortality was halved and life expectancy increased from 56 to 65 years. Over the past 5 years, average economic growth exceeded 5% and poverty incidence continued to decline. The vast majority of children now attend primary school, and gender parity has been achieved in primary and secondary education with a committed government policy for girls' education.

Table 1: Key Social and Economic Indicators in Selected Countries

	Gross National Income Per Capita (\$)	Average Inflation Rate	Poverty Headcount Index	Gini Index	Access to Improved Water Source	Net Primary School Enrolment Rate	Life Expectancy at Birth
South Asia							
Bangladesh	440	5.1	50	32	75	85	65
India	540	6.7	29	33	86	83	63
Nepal	240	5.9	42	37	84	70	60
Pakistan	520	6.5	33	33	90	59	64
Sri Lanka	930	9.3	25	33	78	97	74
East and Southeast Asia							
China, People's Republic of	1,100	3.0	5	45	77	95	71
Indonesia	810	15.1	27	34	78	92	67

Source: 2004 World Development Indicators. World Bank and Government of Bangladesh.

2.2 The observed rate of actual progress achieved by Bangladesh during 1990–2000 is consistent with, or even higher than, the pace of annual progress required for achieving the MDGs by 2015. However the World Bank (WB) believes that to achieve the MDG targets by 2015, the required growth rate needs still to rise 7% p.a. The assessment in the 2005 Poverty Reduction Strategy Paper (PRSP) believes that the country is 'on track' in relation to a number of targets such as reduction of infant mortality and child mortality, expansion of primary and secondary education, reduction in gender disparity particularly in education, eradication of hunger (child malnutrition) and environmental sustainability. Important areas of gender inequality remain, particularly in maternal health, political representation and labour productivity. Such achievements have helped Bangladesh to graduate to the 'Medium Human Development League' in 2004, alongside India and Sri Lanka.

2.3 However, internal social and spatial disparities remain. The poorest sections of society show significantly lower status on most MDG indicators. National income remains extremely low, with per capita GDP at \$418 in fiscal year 2004. The population growth rate fell from 3% in the 1970s to 1.3% in 2004. With about 140 million and a population density nearly 1,000 per sq. km, Bangladesh is one of the most densely populated countries. Two thirds of the rural population are landless or near landless

and the productive agricultural land is often inundated by regular floods. The absolute number classified as poor remained virtually unchanged at around 63 million in 2000 because of population growth. The results of the 2004 poverty monitoring survey suggest that poverty incidence decreased by about 5% between 1999 and 2004.

2.4 Although democracy is firmly entrenched, confrontational politics is a source of potential instability and political uncertainty. The two major political parties - the Bangladesh Nationalist Party and the opposition Awami League - have yet to reconcile their differences. The frequency of strikes, terrorist activity and violence has increased and the Awami League has been boycotting parliamentary sessions, making political consensus difficult. However, party manifestos and policy debates suggest that the two major parties have close consensus on economic policy and support democratic, market-oriented development.

2.5 Recent cross-country governance indicators developed at the World Bank show Bangladesh to be a poor performer on four important measures of governance: control of corruption, political stability, regulatory quality, and rule of law⁵. Perceptions of a weak governance environment have adversely affected Bangladesh's global image, severely hurting prospects for long-term foreign capital inflows.

2.6 Economic growth and poverty reduction continue to be frustrated by a lack of accountability, transparency and predictability in the way government operates. In addition to corruption and poor law and order, key governance issues include excessive centralisation of decision-making authority, lack of judicial autonomy, weak enforcement of contracts and inadequate access to commercial justice and overly bureaucratic public service. The Government is making steady progress in addressing some governance issues, including improving fiscal and financial management, public sector management efficiency, and corporate governance. Recent measures include the creation of the Anti-Corruption Commission, strengthening of law enforcement agencies and various civil and criminal justice reforms. NGOs continue to play a major role in service provision, while the private sector is recognised as having a key role in delivering the growth that will ensure poverty reduction (accounting for 70% of total investment, 80% of GDP, and 90% of total employment).

Development assistance

2.7 Between 1972 and 2004, Bangladesh received \$42 billion in foreign aid, of which \$19 billion was in the form of grants, and the remaining \$23 billion in concessionary loans; Asian Development Bank (ADB), WB, and Japan provided approximately 60% (Table 2). Over the years, the share of foreign aid to the nation's total resource requirements has steadily declined. From nearly 6% of GDP in the second half of the 1980s, net foreign financing fell to 2.6% in the second half of the 1990s, and to less than 2% between 2000 and 2004. Domestic financing has increased in importance, with government domestic borrowing providing financing for close to two thirds of the annual development programme. Remittances, having risen from \$2 billion in 2000/1 to \$3 billion on 2004/5, are more important than aid flows.

⁵ Bangladesh PRSP Forum Economic Update, Recent Developments and Future Perspectives, Nov. World Bank, Dhaka, 2005

Table 2. Net ODA Flows to Bangladesh

Amount (\$ Million)	1999	2000	2001	2002	2003	% of Total (1999-2003)
Total	1214.85	1171.33	1029.93	912.75	1396.12	100
IDA	339.6	275.16	217.9	195.05	394.74	25
AsDF	214.06	197.99	126.55	93.15	96.08	13
United Kingdom	114.9	103.36	124.47	101.82	260.47	
	9%	9%	12%	11%	19%	12
Japan	123.66	201.62	125.64	122.72	115.27	12
United States	113.63	62.54	87.13	72.14	56.61	7
EC	64.11	68.39	73.93	24.74	52.33	5
Netherlands	36.14	32.63	43.23	44.31	57.4	4
Denmark	42	33.67	41.81	37.33	45.27	3
Germany	46.6	36.68	30.09	30.04	32.37	3

Source: OECD-DAC International Development Statistics on line: Database on annual aggregates.

Destination of Official Development Assistance and Official Aid - Disbursements (Table 2a)

DFID

2.8 DFID's own aid to Bangladesh over the review period has been relatively stable at the beginning, but with a sharp upturn in 2004/5 which matches also a regional growth trend for the period (Table 3). DFID aid to Asia and to Bangladesh has roughly doubled between 2000/1 and 2004/5. The 2003/4 drop in funding in Bangladesh is an anomaly due to a delayed release of committed funds due in that year that occurred in 2004/5. Also in 2004/5 a substantial amount was released (£29m) for emergency aid related to flood relief. Overall, DFIDB's aid maintains its share of total DFID aid to Asia, and would be higher in 2004/5 were it not for the reserves kept for Tsunami relief.

Table 3: DFID bilateral aid to Bangladesh, Asia and all countries (£ million)

Country / Regional Programmes	Bangladesh	Asia	Asia %	Global Total	Global %
2000/1	70.8	291.4	24.3	1,095.9	6
2001/2	60.3	397.4	15.17	1,141.3	5
2002/3	75.6	450.7	16.77	1,340.6	6
2003/4	57.3	538.5	10.64	1,623.3	4
2004/5	122.4	664.7	18.41	1,760.8	7
Total 2000-2005	386.4	2342.7	16.49	6,961.9	6

Source: DFID Departmental Report 2005. Annex 1, Table 4

Summary of findings

- ❖ Bangladesh has exhibited strong economic and social growth in the past decade and was rated a mid-level country on the human development index in 2004.
- ❖ Nevertheless, internal disparities both socially and spatially remain, and the poorest sections of society show seriously worse status on most MDG indicators. 63 million persons are classified as poor.
- ❖ Bangladesh is rated as a poor performer on four important measures of governance: control of corruption, political stability, regulatory quality, and rule of law.
- ❖ Overall development assistance to Bangladesh has declined as a percentage of GDP from 6% to less than 2%. Remittances now exceed ODA to Bangladesh.
- ❖ DFID's contribution to the total ODA has grown significantly and DFIDB is now in the top four providers, with a share of around 20% of all aid.
- ❖ DFID's bilateral aid to Bangladesh has doubled since 2001/2, yet globally it has maintains a steady 6% proportion of total DFID from 2000/1 to 2004/5.

Note: Annex E contains a timeline for Bangladesh and for the work of DFID 2000–5

3. Programme content and process

3.1 This chapter examines the quality of DFID's programme in terms of strategy, relationships and the composition of the portfolio. It starts with an exploration of how strategy developed and how that responded to the context described above. Next, relationships with government and development partners are examined, followed by an assessment of the portfolio of programmes and projects.

Strategy

3.2 Over the period reviewed, three main phases of strategy evolution can be discerned (see Table 4): (i) the Country Strategy Programme (CSP) which covered the period 1998–2002, (ii) the Country Assistance Plan (CAP) from 2003–6 and then, coinciding with the arrival of a new Head of Office in September 2004, (iii) the period leading up to its replacement, the CAP due to run from 2006.

CSP

3.3 An excellent review of the CSP was completed in 2002⁶. The Bangladesh CSP represented a significant departure from the past, and was one of the first country strategies to reflect the new poverty agenda that was introduced with the 1997 White Paper. The CSP therefore stressed the primacy of poverty reduction, the need for a people-centred approach to interventions based on the sustainable livelihoods strategies, the greater relevance of governance and rights issues and the need to work through partnerships with other donors and host governments. Through the CSP:

'DFIDB refocused its activities on the basis of a stronger poverty analysis, progressed conceptually from the 'transactional' to the 'transformational' and effected a partial transformation from disparate sub-sectoral projects towards sector-wide and, in some cases, more outcome-based programmes. The country strategy marks a shift in emphasis within this framework rather than a sea change' (CSP Review, para 1.3.2, 2002).

3.4 The CSP was seen as broad strategy and very ambitious. While it reflected DFID's new thinking towards development aid, it was less engaged with the national development agenda and did not prioritise well between the range of proposed goals and outcomes. Principal sectors were the natural resources (agriculture, fisheries) and infrastructure, health and education.

CAP

3.5 The CAP evolved from the CSP and represented more a change of emphasis rather than a dramatic shift to new thinking. There were three main factors that marked this change in emphasis. First, the I-PRSP provides a valuable national framework for pro-poor donor support in a way that had been missing before. The I-PRSP set ambitious, locally attuned targets for achieving the MDGs, however, the CAP argued that its framework was incomplete in terms of addressing political/governance constraints, gender issues and private sector participation.

⁶ DFID (2002) 'Country Strategy Review, 1998-2002, Bangladesh.

3.6 Second, through a detailed analysis of progress under the CSP and informed by various key studies, the CAP stressed the need to tackle gender disparities as a response to evidence that the main fault line in progress towards the MDGs in Bangladesh was the growing disparity between men/boys and women/girls.

3.7 Third, the approach to poverty reduction in the CAP was also informed strongly by the findings of the Drivers for Pro-Poor Change study⁷. This introduced new thinking on critical entry points for aid in the political, economic and social fabric of Bangladesh, and crystallised understanding of the impact of weak governance and lack of reform on poverty reduction through economic growth.

3.8 The CAP therefore argued for a balanced portfolio which supported ‘agents of change’ within both government and civil society; for a balance between improving public and private services and stimulating voices for change; and finally for a longer term commitment that required consistent and coherent donor involvement. In an environment of reducing aid dependency, the CAP also argued for stronger donor coordination to increase influence, and for greater use of sector programmes and budget support. The latter also tied in with DFID’s corporate objectives of doing ‘More with Less’ and of using DFID’s local leverage through its funding and expertise to influence government and other partners.

3.9 In addition to the broad country strategy, certain sectors also developed their own strategies to guide project formulation in Bangladesh. Three in particular should be mentioned: the *livelihoods* strategy prepared in 2001 which set the ground for moving to people-centred rural livelihoods projects and away from purely natural resources interventions. The *education* strategy covering the period 2000–5 focused on three key components: building the knowledge base for engaging in wider planning and policy making; supporting basic education through a sector wide approach; and contributing to basic post literacy learning opportunities for the underserved and unserved. In *health*, a strategy was developed in 2004-5 making the case for a twin-track approach in supporting a sector wide approach as well as fast track initiatives. (See section 3.14 for further discussion)

Moving toward a new Plan – the 2006 CAP

3.10 In late 2004, after a year and a half of CAP implementation, a new Head of Office joined DFIDB. His arrival signalled new thinking about DFID’s role in Bangladesh. The next CAP due in 2006 reflects this new thinking. At the time of the field visit, recent developments in strategic direction had not yet been formalised in a document, however management decisions and background papers indicate where DFIDB is heading. In some respects, our interpretation is that this new era represents a deepening of existing priorities in the CAP and are a natural evolution of previous patterns. However, in other respects, there are some significant new aspects.

⁷ Duncan, A; Sharif, I; Landell-Mills, P; Hulme, D; Roy, J; (2002) ‘Bangladesh Supporting the drivers of pro-poor change’, DFID.

Table 4. Strategy evolution, DFID Bangladesh 2000–2005

CSP ^{1/} (1998 – 2002)	CAP (2003–6) 'Women and Girls First'	next-CAP (2006-on)
<p>A new agenda at the time: reflecting global DFID policy and 1997 White Paper with an increased emphasis on poverty, sustainable livelihoods, governance and rights</p> <p>No GOB poverty reduction strategy available to build on</p> <p>Maintained a broad portfolio and multiple sectors</p> <p>Natural resources and infrastructure largest sub-sectors, plus health and education</p> <p>Aim to begin a move from projects to programmes, (health SWAP introduced).</p> <p>Themes of enabling institutions, influencing partners emerged</p> <p>Introduction of PRSP process and MDGs</p>	<p>Linked to the Interim-PRSP + MDGs/IDGs + 'More with Less' + Influencing</p> <p>Inspired by Drivers of Poor-Poor Change Study</p> <p>Explicit gender focus (reflecting DFID corporate agenda)</p> <p>Increased private sector focus though public sector still dominant</p> <p>Greater engagement with Govt.</p> <p>More attention to better partnership strategies?</p> <p>Growing funding; budget support introduced</p> <p>Less livelihoods and infrastructure focus</p>	<p>Closer engagement with PRSP, MoF and MTEF</p> <p>Governance and political strategy take lead</p> <p>Greater account taken of political and economic realities (fragile states arguments applied to Bangladesh)</p> <p>Favour a more subtle, less confrontational approach to governance and corruption, with multiple entry points</p> <p>Joint Strategy with Group of 4 biggest donors (WB, ADB, Japan, DFID)</p> <p>Projects to decline from >70 to <25-35 by 2007</p> <p>Greater competition in NGO support (challenge funds)</p> <p>Cross-Whitehall UK strategy for BD</p> <p>Climate Change on agenda</p>
<p>Similarities</p> <ul style="list-style-type: none"> • Allow existing portfolio to continue : (with exceptions : livelihoods, infrastructure reducing) • Broad strategic thrusts remain relevant – Bangladesh has not changed greatly in areas of major concern (governance, poverty) • No clear prioritisation continues • Weak cause-effect analysis; poor definition of outcomes that link the projects to the strategy. • Weak M&E indicators for outcomes, and hence poor monitoring of contribution of programmes to poverty reduction 		

^{1/} CSP: Country Strategy Programme; CAP: Country Assistance Plan.

3.11 The I-PRSP process has matured into a fully-fledged PRSP - published in September 2005. Broadly, the PRSP has been a successful exercise with strong government, civil society and donor involvement. It is recognised as comprehensive, analytically-sound foundation for poverty reduction and improves on the I-PRSP, addressing gender, private sector and governance.

3.12 DFIDB's emphasis on two areas has deepened during this period: (i) the need to address governance and corruption issues more effectively, in a more constructive and less confrontational manner, and (ii) the need to reach and assist the ultra-poor sections of society who may not have the assets or capacity to benefit from the growth enjoyed by others across Bangladesh society. DFID has also recognised that

Bangladesh has a number of the elements identified in the fragile states analysis⁸ that has directed UK government aid policy in the recent past. In particular, the country has a growing terrorist threat, weak security, continuing endemic corruption and inefficiency, and is vulnerable to unfavourable global trade agreements.

3.13 An emerging feature of DFID's role in the PRSP process and of its influencing work has been the preparation of a Joint Strategy with the three largest development partners (DPs) in Bangladesh: WB, ADB and Japan. The Joint Strategy, covering the period 2006–9, is intended to build a common approach that shares analysis, reduces transaction costs and provides a more coherent aid framework. DFID hopes that dialogue with Government will be more effective and the monitoring of outcomes on poverty reduction stronger. The Strategy, which is aligned with the PRSP, will concentrate on three areas: improving the investment climate through regulatory reforms (and through improving infrastructure, banking and other areas), empowering the poor through better services, and above all addressing governance issues.

3.14 In the past year and a half, a *de facto* strategy has evolved beyond that envisioned in the CAP. Recent developments include a gradual disengagement with NGOs (while still supporting them), an increasing focus on improving governance in education and the use of DFID's comparative advantage to influence other strategic big partners (Group of 4). In health, a twin-track strategy has emerged to support both the Health, Nutrition and Population Sector Programme (HNPS) and other urgent priorities such as combating maternal mortality. A country health strategy for the next five years is currently under development and should be available early 2006.

Strategy assessment

3.15 In broad terms, *DFID's strategy for Bangladesh has been appropriate* in terms of taking into account the current context and DFID's own policy environment. The strategy has increasingly been aligned with a maturing national poverty framework and has sought balance between the short-term need to deliver benefits to the poor through improved services, relief and building livelihoods and the longer-term need to encourage reform, combat corruption and strengthen the voice of the poor. The strategies have shown consistency in some areas (for example the emphases on poverty focus, governance, human development) and have provided the basis for an increasing level of financial commitment to Bangladesh.

3.16 There is a commitment to building local ownership. In addition to adhering to the PRS process with the health and education Sector Wide Approaches (SWAs), DFID is moving from a more donor-driven and managed pre-conditions approach, to providing funding on a government-managed results-based system.

Harmonised Strategy

3.17 The CSP was driven more by DFID's own agenda than by a national strategy. It was considered more influencing than influenced by others, due to the new attention paid to issues ignored by other partners, such as poor governance and corruption. Still,

⁸ DFID (2005) Why we need to work more effectively in fragile states.

sector harmonisation was promoted - specifically through the health SWAp. Indeed interventions built around pooled funding and harmonisation of procedures rose from 11% to 40% of annual expenditures from 1998/9 to 2000/1⁹. By contrast, in the water sector, work on a sector approach was not pursued though a strategy had been appraised.

3.18 Strategy harmonisation increased with the 2003 CAP as it more substantially reflected GoB and other donor initiatives prevailing at the time, particularly under the I-PRSP. The Asia Director's Delivery Plan (DDP) also stressed harmonisation with the PRS processes. In Bangladesh, the incentive for this was underlined by the reducing proportion of aid in the national budget and the possibility of playing a more effective role through greater donor harmonisation. Much of the CAP analytical work, particularly the Drivers for Change study, influenced other donors¹⁰.

3.19 The emergence of a Joint Strategy in 2004–5 represents an accelerated level of strategy harmonisation between the four main aid partners in Bangladesh. The four partners jointly endorsed the PRSP and have agreed to integrate their strategies to build complementarity within a shared strategic vision which will improve each partner's focus.

3.20 DFIDB's commitment and initial steps to providing budget support is an area where less harmonisation is evident. Other development partners (DPs) have been reluctant to take this route, because of their fiduciary concerns and uncertainty of the need for budget support¹¹.

Results Focus

3.21 The strategies are generally clear in terms of precision and direction and in alignment to the MDGs; but they are weak in terms of defining intermediate outcomes that are focused and measurable, with targets for the plan period.

3.22 Both the CSP and CAP can be considered ambitious. The CSP was found to offer less guidance on prioritisation. The CAP prioritised women and girls, but recent analysis¹² found that the CAP was weak in identifying the instruments that would deliver this goal, and only addressed gender as a cross-cutting issue (see 3.94).

Relevant to context / PRS

3.23 The record here is good. DFIDB's CAP mirrors the PRSP's focus on three parts of a policy 'triangle': pro-poor growth, human development and governance¹³. Close involvement in the PRSP working groups and within the government-donor forum (the

⁹ DFIDB, (2000), Annual Plan and Performance Review Table 3.1

¹⁰ ODI, (2004), A Review of Analytical Work Underpinning the Development of CAPs, p.20.

¹¹ The WB's view is that apart from the major poverty reduction support credit and its associated IMF releases, which stimulate macro-economic reforms, further budget support is not justified unless there is a serious balance of trade problem, or in support of major, one-off restructuring programmes, such as the closure of state owned enterprises.

¹² Kanji, N and Patkar, A (2005), DFID Bangladesh Gender Audit, Women and Girls First: From Vision To Action, Final Report.

¹³ GOB, (July 2005), Poverty Reduction Strategy Paper (PRSP), Unlocking the Potential, National Strategy for Accelerated Poverty Reduction, Ch.1A.

Local Consultative Group (LCG))¹⁴ has been key to aligning DFIDB interventions within the I-PRSP and PRSP framework.

3.24 Governance reform has been a strong theme in the PRS process and this is reflected in DFIDB's growing programme in this area. In private sector development, DFIDB's presence in the LCG forum has also been relevant and provided influential support. The PRS focus on increasing gross primary enrolment rates and improving the ratio of boys and girls in primary school is adequately covered by the education strategy (which is also broader and more ambitious, in line with the PRSP).

Consistent with DFID policies

3.25 As noted above, the CSP was one of the first country strategies to articulate the 1997 White Paper and moved DFID support towards a more pro-poor framework. The CAP likewise reflects DFID's corporate desire to build influence, to find leverage through better analysis of entry points, to strengthen harmonisation and to mainstream gender.

3.26 Three **sectors** merit mention because of their own strategy directions: education, health and rural livelihoods.

3.27 For *education*, the Asia DDP specifically focuses on effective and equitable education with a priority on girls in four countries, including Bangladesh. The focus of DFID's overall strategy is on primary and basic education. It recognises that a balanced approach to expanding education is needed and that success at primary level will increase demand for subsequent levels of education. It also emphasises the importance of distance education, teacher training and skills, and knowledge in general. DFIDB's strategy has been consistent with these priorities. The only element of the strategy that is not in evidence in the DFIDB policy is information technology.

3.28 The strategy for *health* is largely coherent with the DFID health strategy paper which translated the 1997 White Paper for the health sector¹⁵. Here, DFID prioritises infant and child mortality, maternal mortality, universal access to reproductive health services, reducing HIV infection rates and priority to women and girls. The strategy paper focuses on 'category 1' diseases¹⁶ rather than on chronic diseases. DFIDB has followed these priorities, with the SWAp for Health and Population Sector Programme (HPSP) providing the conducive environment and the framework for alignment of DPs.

3.29 The Health SWAp strategy was a continuation of previous pooled funding in the 1990s and formed a coherent progression with support. The health SWAp focuses on the public sector, which is responsible for 15% of the supply, and encourages diversification through competitive tendering through NGOs.

3.30 In the area of *Livelihoods*, the Rural Livelihoods Strategy (RLS) prepared by

¹⁴ The LCG is composed of 32 Bangladesh-based representatives of bilateral and multilateral donors of the BDF and the Secretary, External Resources Division (ERD), representing the Government. www.lcgbangladesh.org

¹⁵ DFID, (1999), Better health for poor people.

¹⁶ communicable disease, maternal, peri-natal and nutrition-related conditions

DFIDB had over-generalised objectives that were a collection of broad statements about livelihood with little focus (See Box 1).

Box 1. The Rural Livelihood Strategy Bangladesh, 2001.

Goal

‘Rural poverty in Bangladesh considerably reduced through a dynamic and vibrant rural sector supported by an effective development partnership which specifically recognises and addresses the needs of the rural poor through policies and programmes which respond in a holistic and sustainable manner’

Purpose

‘To increase the capacity of the rural poor (with priority to women and the extreme poor) to sustain and expand their livelihood strategies and interact effectively with the policies, institutions and processes which shape them.’

3.31 A strategy fund was set up in 2002 to elaborate implementation details and do further analysis. This resulted in the merging of natural resources and fisheries and a more holistic approach. Specific technical interventions were replaced with broader services and asset-transfer models (Chars¹⁷ Livelihood Programme). This however can be seen as a return to the integrated rural development projects of the 70s and 80s, with elaborate designs and ambitions and little institutional grounding in the GoB structure.

3.32 The livelihoods strategy had a short duration. It evolved under CSP but ended with CAP in 2003 and there has been a strategy vacuum since. The decline for support reflected loss of faith in RLs generally in DFID. RL did not really fit with budget support or the move upstream and that is why less priority was given after the CAP. Recently a new programme concept for economic empowerment of the poorest has been approved, building on challenge fund approaches that were used in earlier projects such as Support for University Fisheries Education and Research (SUFER).

3.33 In sum, DFIDB has worked to remain generally consistent with DFID’s policy environment and has been a pace setter in some areas, such as with sector wide approaches, the prominence given to gender, moving to larger programmes, and budget support.

Consultation

3.34 DFIDB has consulted closely with partners in government, donor and non-government circles in the elaboration of its strategy. This has increasingly been structured within the PRSP process and its associated working groups. Various mechanisms exist for interaction between DFIDB’s partners and the LCG in particular provides a valuable forum.

¹⁷ Chars are shifting or unstable lands in riverine and coastal areas

3.35 Consultation at sector and investment level has been extensive. A notable example has been the development (and resourcing) of the design phase of the £40m multi-donor Private Sector Development Support Programme (PSDSP), which was designed to build understanding and support amongst concerned ministries through seminars, training and exposure visits for a 'Core Group' of senior GoB staff.

3.36 The *ability* to consult has however been affected by periods of staff shortage in several sectors (section 3.68). Communication is also challenged by difficulties in access to senior government staff and their high rate of turn-over.

3.37 In most sectors, little evidence was found of consultation with the private sector. NGOs, having enjoyed a long period of close engagement, also feel less in touch with DFIDB's direction now and several are quite concerned and express strong disappointment over recent poor consultation and loss of trust (CARE, Marie Stopes, BRAC, BLAST¹⁸).

3.38 **Communications Strategy:** There has been a growing emphasis on communication within DFID and a global strategy document has been produced to guide the work by country offices. Since 2002, DFIDB has a Communications Strategy and a Unit of three local staff. The Unit has produced some valuable outputs including a resource centre, a web site, various publications and press articles. These results cover the main areas identified in the strategy, but a detailed assessment of the implementation of the strategy and of its results has yet to be done.

3.39 The Unit has under-achieved so far and this is due to the scope of the unit, combining both internal and external communications, as well as weak office integration and the need for stronger staffing. Recommendations for improving DFIDB communications are given in Section 6.

Relationships

Key partners

3.40 DFIDB has maintained a wide range of partners, partly as a risk mitigation strategy in an uncertain political environment, but also because of its recognition of the need to adopt multiple entry points in the search for positive development changes. The Drivers for Pro-Poor Change study identified nine different areas: the media, civil society (including NGOs, community organisations, business associations, independent research and advocacy centres, and professional associations), development partners, reform-minded public servants and the Bangladeshi diaspora. Most progress has been made with civil society, development partners and public servants, particularly in the Ministry of Finance.

3.41 DFIDB has its strongest relations with other development partners, central government and the larger NGOs. The 2002 Influencing Study¹⁹ pointed out that a stronger understanding of circumstances in Bangladesh would only come from

¹⁸ Bangladesh Rural Association Committee (BRAC_ is one of Bangladesh's largest NGOs : see www.brac.net; BLAST: Bangladesh Legal Aid and Services Trust

¹⁹ J.Doogan, (2002) Influencing Study, DFID Bangladesh.

widening relations beyond these parties. Yet, DFIDB has reduced its contact with the field, regional agencies and smaller partners. The downsizing of office staff and the departure of some of the local employees in a series of staff review exercises have not helped. The more recent Perceptions Study, while recording the strong image that DFIDB enjoys amongst all partners, also noted the reducing spread of contacts and the dangers of over-close relations with Government²⁰.

3.42 While DFIDB has formed closer relations with the three largest donors and with key ministries, it has given less attention to maintaining links with traditional partners in the UN, certain bilaterals, long-term NGO partners or other line ministries. Even if the adjustment in relations is necessary, there has been poor communication over the reasons for such changes.

Influencing approach

3.43 Although much is made of the importance of influencing within DFID and in DFIDB's strategy documents, there is as yet no coherent strategy.

*'The document (CSP) made a series of statements related to its 'influencing' role, but nowhere pulled these together to help shape a strategy for influencing. This has made it difficult to assess objectively DFIDB's influencing performance'*²¹

3.44 While no explicit strategy exists, the approach to influencing in DFIDB is marked by the following characteristics:

- building trust through long-term relationships with GoB and NGO partners
- close support and involvement in PRS processes and strategy groups such as LCG
- developing innovative, strategic approaches and using these to gain leverage
- having flexible procedures to meet the needs of partners / target groups
- working closely with DPs to develop strategy and co-fund interventions
- fielding a relatively large and professionally strong team of advisors
- use of considerable funding resources

3.45 What have been the results of these influencing methods in terms of strategy and policy? First and foremost, the role of DFIDB has been considerable in the PRS process, where it has provided expertise, funding and analysis in several thematic groups, especially private sector, health, education and disaster management. The PRSP has been a success for donors and GoB in setting a common agenda for poverty reduction and in which DFIDB has played a valuable role.

3.46 At a similar level, DFIDB has also worked with others in the last year to reform the Development Forum which had been suspended in 2005, by setting up a Development Dialogue Forum aiming at stronger ownership by GoB to work with the LCG²². Beyond this, the four-donor Joint Strategy in which DFIDB has been a key

²⁰ Keeley, J & Nurul Alam, S, (2005) Perceptions Study, DFID Bangladesh

²¹ J.Doogan, (2002) op. cit.

²² Minute on the Reformed Bangladesh Development Dialogue Forum, June 2005, from Head of USAID.

partner, is leading to jointly prepared country strategies, and some development partners see DFID as a necessary counterbalance to the WB/ADB.

3.47 At sectoral levels, there are number of instances where DFIDB's influence has changed policy direction. The leverage exercised through the financial reform programme has led to developments in budgeting and financial discipline and paved the way for DFIDB to test the potential of reform-conditional budget support to increase leverage over sector governance reforms. The FMRP also illustrates how strong local ownership, combined with DFIDB flexibility, opportunism and incrementalism (building on achievements) have contributed to what is seen by all parties as a success in terms of influence on financial accounting systems development and institutional change. Equally, the Influencing Study notes that: *'strides have been made in influencing the approach and systems of the Roads and Highways Department (and the lending patterns of the major multilaterals) towards effective asset management and maintenance'* and: *'in the IDC3 (Roads Maintenance) case, new management systems for planning and allocating resources to road maintenance have been established. This has encouraged other donors in the sector, in consultation with GoB officials, to incorporate maintenance components in loan projects to an unprecedented extent.'*

3.48 In health, the policy to develop a SWAp was a result of DFIDB's influence, as was greater attention to development of an HIV/AIDS strategy and a national AIDS commission. In education, DFID has been a key player in the SWAp, although this has been tempered by changes in staff and implementation difficulties.

3.49 Innovation in education has given DFIDB leverage with GoB, using projects such as ESTEEM and Friends in Village Development Bangladesh (FIVDB) to gain leverage on important issues with GoB and other partners and gain credibility. The engagement with BRAC in education, has contributed to the official recognition of BRAC schools by the Ministry of Education, a major achievement given the tense relationship between NGOs and the Government. BRAC has been asked to manage a number of GoB schools - again a major breakthrough achieved with DFIDB support. In general, the perception of partners is that DFIDB engagement in the education sector has contributed to increasingly critical thinking about strategies for improving the quality of education and for accessing the hard to reach.

3.50 On other hand, DFIDB has been less influential than it had hoped in livelihoods. It has yet to capitalise on the achievements in individual projects in terms of sustainability within GoB systems, although the office's experiences with RL have informed thinking in DFID centrally.

3.51 The focus of influencing beyond GoB has been on helping civil society see where its added value lies, for example, BRAC's education intervention has evolved to that of an innovator and resource centre rather than just an additional provider of education.

Risks/unintended consequences

3.52 Any development partner faces risks in operating in a sensitive and volatile political economy - particularly where aid is a small fraction of the overall national budget. In general, DFIDB has built on a base of a long and trusted relationship with the GoB. However, the biggest question asked by its partners as well as by DFID's senior management is whether the growing funding provided by the UK will achieve real reforms in a country beset with systemic corruption and political violence, as well as bureaucratic mismanagement and patronage. The challenge is immense and the greatest risk is in adopting a path of promoting reforms that are slow and tortuous, while neglecting to meet the needs of the 60 million poor in the short-term. This is highlighted in the recent move towards budget support where poor accountability, inherent resistance to change and weak governance requires very careful risk analysis and support measures.

3.53 There are risks attached to the Joint Strategy. Some of the smaller donors feel alienated by the close relationship between the Group of 4 and the emphasis placed on moving funds. The new relationship does raise the question: Are those DPs who can potentially make a sound technical input being marginalised from 'insider' discussions? Further, what implication does that have for building upon their innovative experiences, especially in a context where DFIDB is distancing itself more from project support and from direct engagement with NGOs? The 'more with less' agenda presupposes that others can take over some of the technical discussions and support, but key agencies/programmes may be more excluded now than before.

3.54 While it is wise to support a range of partner organisations, there is always the danger that in a polarised political culture such as Bangladesh, DFIDB will be associated with particular groups with known allegiances. These tensions have led to an inability to continue support to large NGOs, such as Proshika and Association of Development Agencies in Bangladesh, who are aligned with the current Opposition Party.

3.55 Working more closely with UN and multi-lateral partners has brought unintended results. The WB and the ADB have had lead management roles in education, health and HIV/AIDS. Their management has not been successful – government ownership has been negatively affected and the SWAPs have suffered. Working with the UN to bring about reform has also proved difficult and the WFP was too organisationally rigid to handle the innovative nature of the disaster management reform.

Portfolio of activities

3.56 DFIDB has operated a large portfolio of projects in a wide range of sectors over the review period. The portfolio consisted of 46 projects in 2000 approved under the CSP with a total value of £263 million²³. This grew to 75 projects by mid 2002 (CSP Review), of which 57 had a budget of over £1 million. In 2005, the portfolio continued to be large in number but the average size has increased markedly, so that while there are still some 74 active projects, 7 have an allocation of over £30 million. Twenty of the 74 projects are due to close by end December 2005, but there are 18 new projects at the Project Concept Note stage. (Refer to Annex F for expenditure by sector).

²³ The 13 SHAPLA health projects were treated as one project.

3.57 Annual spending has almost doubled over the review period, from £65 million in 1999/2000 to £127 million in 2004/5. Most of these flows are through traditional projects, but SWAp pooled funding in health and education account for a significant percentage (health SWAp was 20% in 2001/2) and budget support has risen through initiatives in the power and roads sector. The majority of support is through government channels, yet direct funding of NGOs has been a significant though smaller feature (around a third of total expenditure during the period).

3.58 During the period, DFIDB's approach was to 'bring small projects to an end where possible and to concentrate our efforts around a smaller number of large proposals, normally in concert within other donors. We shall aim to have about half our future programme in the form of sector budget support of one form or another.' (Annual Review 2003/4). While the aim has yet to be achieved, certain sectors have focused on larger, more strategically placed initiatives (education and health SWAs, large infrastructure support) and increasingly through joint donor funding arrangements, including pooled funding.

3.59 As Figure 1 shows, the balance of interventions by sector grouping has changed significantly over the period. The major growth areas are in private sector support and in governance support (both demand and supply side). Private sector support has risen from 6% of the portfolio commitment (mainly micro credit) to 19% in 2005, while governance has risen from 5% to 20% (including the proposed new governance instrument). Health and education have remained major spending areas at around 20%. Infrastructure and water and sanitation have fallen from 24% to 11%, while livelihoods has decline from 24% to 9%.

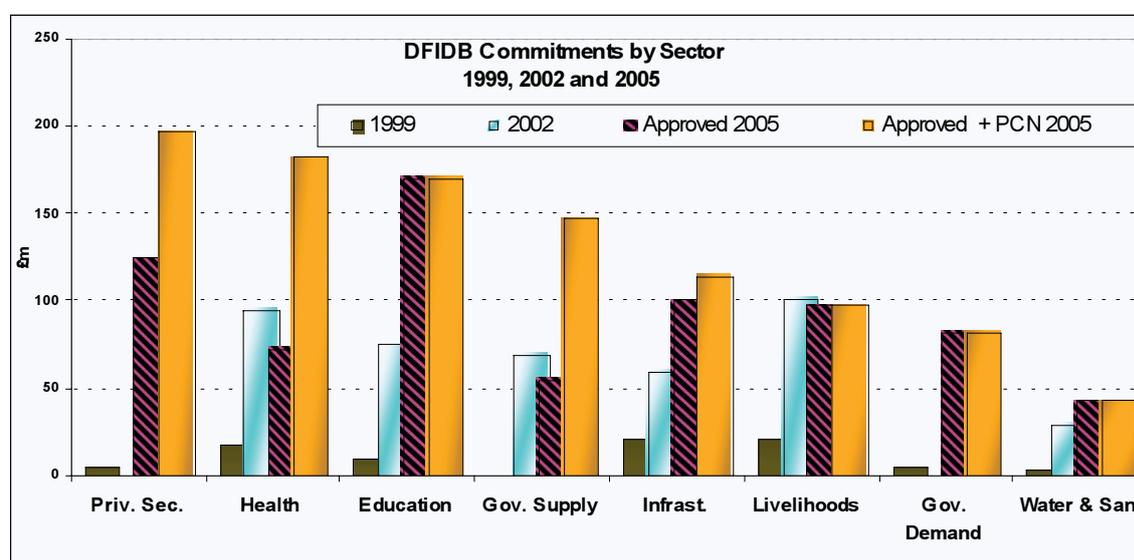


Figure 1. DFIDB Commitments by Sector 1999, 2002 and 2005

Portfolio assessment

3.60 **Justification and Relevance to Strategy:** Most projects are found to be *highly relevant* to the strategy framework. DFIDB has made efforts to map projects to the strategy and to policy markers, particularly under the CSP and at the start of the CAP.

Most projects deliver on several outcome areas and policy priorities and it is therefore hard to match sets of projects and spending against particular outcomes.

3.61 The portfolio shows in general a balance between short and long term outcomes, public and private sector support, and projects, programmes and budget support. This has mitigated risk in the portfolio. There is a clear pattern of moving to a more programmatic or sector wide approach, a more mature engagement with government and less direct funding of NGOs.

3.62 The **pro-poor growth** portfolio is an uneven mix of contrasting interventions: livelihoods, infrastructure, private sector and disaster response.

3.63 Although DFID in general has moved away from infrastructure, this is not reflected in Bangladesh. Infrastructure investment is seen as an opportunity to work more closely with Government (in gas, electricity, transport strategy), to reform current government approaches, influence multilaterals and make new investments increasingly pro-poor and pro-women. This is sharply different from most of the private sector development which is more recent, uses project modality and engages in new areas (trade, bank modernisation, remittances and bonds) as well as older activities (micro credit). Livelihoods interventions have for the most part closed as their strategic relevance declined. Although the Chars livelihoods programme continues as the 'ultimate livelihoods intervention', which, because of its complex and ambitious design, has so far proved extremely difficult to implement.

3.64 **Human development** is well balanced with a mix of government reforms, sector wide planning and pooled funding, and more innovative targeted work in HIV/AIDS, sexual and reproductive health, arsenic mitigation, hygiene practices and in early childhood and under-privileged education. There is though rather less integration between the sectors to build linkages and learning than might have been expected with the move to programme team structures and a single office.

3.65 **Governance** projects have been well aligned to strategy, with engagement in a large number of relevant areas such as police and parliamentary reform, public sector financial reform, raising the voice of civil society, improving legal and land rights and addressing the needs of the ultra-poor. On the supply side, the approach has been to build confidence with government through long engagement and working initially on practical but relevant and non-threatening areas such as book-keeping and management skills.

The Portfolio vs the Strategy (the Iceberg)

3.66 Having said this, though, the evolution of strategies (CSP-CAP-new directions) has sometimes moved faster than the project cycle. By the time projects have been identified, approved, design and implemented, the strategy framework may have moved on. This was the case for livelihoods projects many of which were in full implementation by the CAP in 2003, and were then found to be less relevant.

3.67 On the other hand, new interventions occur that are ahead of the current strategy (which may have been written three years earlier) and instead reflect new

thinking or emphasis by management. The picture is well characterised as an *'iceberg'* where the strategy sits above water as a public appreciation of what DFID is aiming to deliver, while under the surface, a large portfolio of projects is being designed, implemented and completed. Many of these projects may have arisen from earlier strategy imperatives and may no longer fit with newer thinking, so have to either be terminated or retro-fitted. OPRs and PCRs often record the unfortunate consequences of this, in terms of confused logframes, frustrated staff and lowered ratings as projects cannot deliver on targets that they were not originally designed to achieve.

Staffing

3.68 The evaluation found a very *professional and committed cadre of staff* in DFIDB and the size and quality of the advisory cadre is widely respected amongst its partners. The performance of staff is even more creditable given the continued reduction in staff numbers and corresponding increase in workload from a growing portfolio, as well as repeated office reorganisations. Staff numbers have reduced from 182 in July 2003 to a current level of 125 with a target to reduce further to 105 by 2007 and 99 by 2008²⁴.

3.69 Since 2003, there have been four different *restructuring exercises* in DFIDB: the move to a single office building in late 2003 was accompanied by considerable change in support staff numbers and procedures; the formation of the three main programme teams (by April 2004) to fit the CAP; the requirement to do 'more with less' across DFID that led to significant redundancies during late 2004; and the current reorganisation that is to build a new programme management system while reducing staff numbers in the next two years.

3.70 There are two areas of concern with regard to staffing. These concern (i) coverage and turnover and (ii) an inward and upward focus combined with a reduced level of field contact.

3.71 *Recruitment problems*, due to Bangladesh's perceived low attraction within DFID, have had an affect on coverage especially of senior advisors. This has been compounded by the inability to recruit suitable locally appointed (SAIC) staff, despite intense efforts by management in this area. Nevertheless, within the past 12 months, efforts to fill gaps have been successful and the office has achieved (for the first time since the office opened) a full complement of UK based staff.

3.72 DFIDB, like many country offices, suffers from *frequent turnover of staff*. An analysis of staffing reveals that the median length of experience of the current cadre of senior staff is 18 months and only 15 months for those who are UK-based. The lack of institutional memory regarding the Bangladesh programme is a problem, with only four staff having more than three years experience in country. It also means that staff may develop strategies and projects that they do not then have time to implement. In education, a gap in senior advisor coverage from 2003–4 had negative results on the evolution of the SWAp, with a lowering of focus on quality and inadequate attention to implementation arrangements that has contributed to sub-optimal management under ADB leadership.

²⁴ DFIDB Business Planning – Staffing Strategy, Nov 2004; Organisational Restructuring, Final Report, Oct 2005.

3.73 The recruitment of experienced and qualified *local staff* to DFIDB has been a recognised problem. Despite a commitment in the CAP to build local advisors to 50% of the advisory team, this did not happen in the period under review, although renewed recruitment efforts are recently beginning to address the problem, so that in 2006 seven new SAIC advisor appointments are to be made, and the intention is to reach the 50% level by 2007.

3.74 DFIDB has built a strong reputation for rapid and skilled interaction, particularly in flood relief work in 2004 and in the livelihoods projects. This picture is somewhat tempered in the case of livelihoods. The reduction in advisor capacity from 2003 took place ahead of the maturation and closure of the livelihoods portfolio, so placing burdens on staff time and leading to a reduced level of field contact.

3.75 Many NGOs report difficulties with DFIDB staff turnover. Some speak of a transition from a close relationship with a DFID advisor to an arms-length approach, with frequent changes in staff responsibilities. They feel that as a result of turnover and a *more inward looking approach*, DFIDB staff do not know the programmes well and have a reduced knowledge of field realities.

3.76 Governance advisors have been split between providing cross-cutting support to other sectoral programmes and supporting the governance portfolio – making them possibly more over-stretched than other advisers. They also have the lowest ratio of advisory input to spend, reflecting the nature of governance projects.

3.77 The opposite experience has been observed in the private sector portfolio. Other than the two State Owned Enterprises (SOE)-reform investments, is led by a single member of staff, who also chairs the LCG private sector development donor group. This has given the portfolio a clear coherence and effective linkages to other donors.

3.78 With the pressure to downsize, DFIDB relies increasingly on technical assistance for design, implementation and M&E. Long term technical assistance (TA) has proved valuable in providing continuing support with government partners, however there have been contracting problems, some of a serious nature. Outsourcing through contracting companies has led to difficulties in the various sectors where short term TA has not been well planned (SHAPLA, FMRP²⁵), and where TA quality has been poor and turnover has left long gaps (Chars - CLP).

Harmonisation of portfolios

3.79 There is *plenty of evidence for strong DFIDB harmonisation of donor activity in Bangladesh*. DFIDB plays an active role in the LCG and has chaired several of the LGC working groups during the period under evaluation, including the Private Sector, Agriculture and Rural Development, Environment and Transport Working Groups. The LCG provides a valuable forum for sharing plans, analysis and evaluations, but has mainly brought donors and non-government interests together. Government involvement has been limited.

²⁵ A group of health reform projects and Financial Management Reform Project

3.80 Harmonisation is also very strong due to *co-financing* arrangements for the majority of DFIDB's projects²⁶. This is a growing trend in the portfolio, with SWAp arrangements in health and education combining support from a large number of multi-lateral and bilateral donors.

3.81 Successful initiatives by DFIDB have in some case been scaled up by others. RIBEC²⁷/FMRP is a good example where success attracted interest from others, including the World Bank. Working through appropriate UN agencies has also been reasonably effective, for example police reform via UNDP and Trust Fund arrangement. Though WFP and UNICEF partnerships were affected by slow preparation or weak implementation due to bureaucratic difficulties

3.82 Harmonisation allows DFIDB to bring influence to bear on larger funding partners. DFIDB is expecting to co-finance the Rural Infrastructure Improvement Project, with ADB providing a larger loan. This is arguably consistent with Para.10 of the Asia DDP 2003–06 ('... *in infrastructure, our main role is not direct financing but influencing the strategies of the ADB and Japan...*'). DFIDB is going to considerable lengths to ensure the ADB project is poverty-focused, but current indications are that the price of this influencing will be substantial financial support to civil works construction, which although indirectly important may not be the most effective and efficient way of achieving poverty reduction.

3.83 There are some *major exceptions* to the joint funding arrangements. The *Chars Livelihoods Programme* is an intervention that other donors have been reluctant to engage in with DFIDB, and there is a view that other Chars initiatives, such as those with UNCDF/UNDP, are running in parallel. *Budget support* has been introduced by DFIDB alone in Roads and Highways Department, an instrument that brings risks that have yet to be accepted by other donors. The new Governance Instrument is, so far, a DFID sole-funded proposal that also plans for major budget support²⁸.

3.84 *Changes in direction* by DFIDB have affected harmonisation. DFIDB's decision to withdraw from the Parliamentary Reform project, following apparently slow progress, caused some concern within UNDP who wanted a UK presence in the project maintained. In the past year harmonisation with NGOs has decreased due to DFIDB's re-thinking of several long-standing partnerships and the slow move to new contracting arrangements (such as Marie Stopes, CARE, BRAC).

3.85 Overall, with some notable exceptions²⁹, harmonisation is good. However, some donors suggest that the UK's growing financial envelope and its use of budget support should be complemented by wider political-engagement, centred on democracy, human rights and trade relations, in order to provide a more balanced engagement with Bangladesh.

²⁶ With the notable exception of CLP.

²⁷ Reforms in Budget and Expenditure Control²⁸ Although the World Bank, ADB and EC have expressed interest in co-funding.

²⁹ Such as in water and sanitation and the Chars Livelihoods Programme.

Balance between Civil Society and Government

3.86 A twin track approach has been used in several sectors, with direct funding of NGOs and funding to Government (the education and health sectors are good examples). NGOs are reported to have had a 30% share of DFIDB's funding in 2000, rising to 40% in 2005³⁰.

3.87 In certain sectors, the balance has shifted towards increasing support to and through government (and local government) and less direct funding through NGOs. The intended direction is to provide funding for services through government mechanisms or in a donor basket arrangement where NGOs can compete with other public and private sector agencies. The new health SWAp is one example, as well as the HIV/AIDS project where NGOs are contracted through UNICEF. Similarly, the second urban health project aims to contract services to any suitable provider based on price and quality.

Government ownership

3.88 Increasing importance is attached to effective government ownership of DFIDB support. The first Health SWAp suffered because of limited and over-centralised ownership. Long engagement with a government agency can be effective in increasing ownership, as is evident in the Roads and Highways Department (RHD). The up-streaming of long-standing reform work within the RHD to overall transport planning is a good example. DFIDB has sought to build ownership with central arms of government machinery, so that whereas five years ago, line ministries were the main project partners (such as agriculture, education, health) more recently DFID has focused on the Ministry of Finance with MATT³¹ and FMRP. Innovative approaches to building government involvement have been pursued through the PSDSP, by establishing a core group to study approaches to reform in public service. Increasing government ownership is also evident in the disaster response field through the Comprehensive Disaster Management Programme (CDMP), by providing funding and leadership through the Disaster Emergency Response Group (DER).

3.89 In some instances, government ownership has been lowered and frustration increased as a result of poorly managed TA operating in a vacuum as a result of reduced DFIDB involvement and low engagement of GOB³². A specific issue in this respect has been bringing in short term TA, sometimes without informing government – as has occurred in MOF.

Civil Society ownership

3.90 Some NGOs build ownership as a result of DFID's 'hands off' approach rather than as a result of an explicit and active DFID policy. Given the large size of NGOs, they can often maintain activities with funding from elsewhere.

³⁰ BINGO study (the impact of big NGOs on poverty and democratic governance in Bangladesh), Verulam, 2005

³¹ Management at the Top

³² For example the Health Programme Support Unit, the Chars Livelihoods Programme and Financial Mgt. Reform Programme

3.91 NGOs have always been strongly involved in education, particularly through initiatives such as Education Watch (annual studies and statistics on education which are used by all donors) and NGO participation in the LCG. However, the exclusion of NGOs from the PEDPII through its narrow focus on only government schools and the formal system has reportedly done considerable damage³³.

3.92 In health, DFIDB decreased its direct support for NGOs, with the aim of replacing this with a government-controlled basket. A SHAPLA project was designed to develop the mechanisms for the GoB to implement this approach although it was stopped before the mechanisms were developed. For the HIV/AIDs strategy intervention, NGOs are contracted through UNICEF, while in the second urban health programme, local governments may contract health services wherever it gets the best price-quality: the NGOs, the private sector or the public sector

3.93 Many observers have noted a growing polarisation of civil society along the lines of the major political parties. Given these allegiances, there is unlikely to be full civil society ownership of the work done by the demand side organisations supported by DFIDB. However, there is broad support for the positions taken on corruption and accountability. Some programmes such as Manusher Jonno have managed to maintain a neutral/non-aligned profile.

Mainstreaming Gender

3.94 The recent Gender Audit provides a clear assessment of this aspect of programme quality. Its overall view that *the Women and Girls First (WGF) headline in the CAP was not effectively translated into programmes* is supported by our evaluation; several interviewees agreed that WGF was more a slogan than a strategic imperative. DFIDB team structures were not adjusted to create a gender team. The two UK-based social development advisors tasked with engendering programmes in their cross-cutting work could have been effectively supported by locally-recruited gender specialists.

3.95 The complexity of intervention choices regarding gender is daunting. Some good analytic work has been done, particularly in the rural livelihoods area, to sharpen understanding, for example in 'Bridging the Divide' (2004, DFIDB). However,

'DFID must ...be clear about what constitutes a successful result for women and girls. There will be a need to prioritise a small number of outcomes... and this will require 'letting go' of others. For example is the agenda one of increasing women's rights, improving human development, tackling extreme gender poverty or improving food security? And what are the tradeoffs inherent in working towards these outcomes.' Gibson, S; Mahmud, S; Toufique, K; Turton, C; 'Breaking New Ground: Livelihood Choices Opportunities and Tradeoffs for Women and Girls in Rural Bangladesh'; DFIDB, June 2004, p20. – cite properly

³³ Interview with Director of Campe, a leading education NGO, 22/11/05

3.96 Our own review noted that strong attention has been paid to gender mainstreaming in demand side governance projects³⁴ and that NGO projects show more effective focus here than in the government or private sector. However there are exceptions particularly in the cases of electrification³⁵ and human resource development under the SHAPLA health programme. Finally, attention to gender equity has proved more challenging under the SWAp and multi-donor programmes than with projects, where DFID's particular concerns can be more effectively addressed. This presages the need to be clear how the WGF agenda will be taken forwards in the new country plan.

Mainstreaming Poverty

3.97 *Poverty has been well addressed in NGO activities and humanitarian relief, through good targeting mechanisms but less effective in SWAp and Budget support.* Government systems are not well attuned to reaching the poor, either in the design or the execution. For example, the school stipend programme aimed at encouraging enrolment by giving financial incentives to families. This initiative has been successful in that enrolment has increased, however there is no data to reveal whether the stipends have managed to target those really in need³⁶. The NGO-led interventions in education have been much more effective in this regard (BRAC, UCEP) as they directly target those with no access to school. In the context of the health sector, the first SWAp (HPSP) fell short in providing pro-poor services. A greater focus on poverty is now included in the design of the new health and nutrition SWAp (HNPSP) in the form of (i) better targeting of resources to poor districts, (ii) targeting poor households to access the Essential Services Package (ESP), (iii) strengthen demand-side financing options (vouchers) for underserved populations, (iv) commissioning non-public providers for pro-poor services.

3.98 In livelihoods, most projects target beneficiaries that have at least some assets (land, water), so cannot be said to target the ultra poor, although many reach producers with very limited natural resources. The strongest poverty focus is found in the BRAC-managed Challenge the Frontiers of Poverty Reduction (CFPR) programme, (and potentially in the CLP) and other demand side governance projects address key aspects of poverty such as rights, land access, and insecurity.

3.99 Interventions address poverty indirectly in a number of ways. To the extent that SOE reform creates fiscal space for expanded social programmes and private sector development succeed in creating jobs, so they can both mainstream poverty reduction. Infrastructure improvements, especially the bridges, roads and rural electricity projects, can be said to equally benefit the poor as well as others.

Mainstreaming Environment

3.100 Environmental issues are addressed indirectly in a number of areas. The National Land Transport Policy includes a commitment to improving environmental

³⁴ See BINGO II report.

³⁵ Gender Audit Report, p.18

³⁶ PEDP Review, 2003

quality; the results of DFID commissioned studies have put arsenic contamination on the national agenda. The quality of water, not only accessibility, is now mainstreamed in the Department of Public Health. More efficient use of rural resources informed the livelihoods projects. Environmental concerns are mainstreamed in the disaster area through the CDMP programme and therefore within the Ministry of Food and Disaster Management. Mainstreaming of environment is also evident in the PRSP. However *the portfolio during 2000–5 does little to directly address environmental concerns*. Greater attention will be given under emerging DFIDB proposals that address the consequences of climate change in Bangladesh, which are likely to be significant given the country's geography.

Monitoring and Evaluation

3.101 The resources devoted to project monitoring have been considerable and annual reviews, OPRs and PCRs are available for much, but not all, of the portfolio. These provide a standardised ratings format for assessing individual project success against their objectives, are conducted by often well-qualified technical experts and are routinely entered into PRISM³⁷.

3.102 M&E has been weaker at programme level where measurement of intermediate outcomes from the different programme themes and sectors has not been evident. Annual CAP reporting tends to mention only process indicators and there is limited information on the benefits actually delivered or how far objectives are being achieved. The rural livelihoods evaluation programme (RLEP) provides a unique framework for assessing programme level results in DFIDB³⁸. A review of the experience noted that the RLEP model was effective, though it was relatively costly and distanced DFID staff from the learning experience³⁹. With the decision by the Treasury in 2003 to detach M&E funding from programmes and attach them to administrative costs, it is likely that resources for extending M&E beyond project level will be constrained, which may limit the extent of learning from on-going investments.

3.103 The progress towards sector wide programmes and budget support instruments also requires well functioning information and reporting systems within government, and this is an area of weakness noted in both health and education sectors. The 'missing middle'⁴⁰ of M&E stands in contrast to the better performing MDG tracking system that, with heavy donor support, provides progress information under the PRSP⁴¹.

³⁷ Although how data entered into PRISM are used is another matter.

³⁸ RLEP managed the outsourcing of project reviews for DFIDB for rural livelihood projects, and synthesised findings and disseminated lessons.

³⁹ DFIDB, RLEP Internal Review, 2004

⁴⁰ A concept noted in a variety of PRSP M&E systems: see Booth, D., and Lucas, H., (July 2002) Good Practice in the Development of PRSP Indicators and Monitoring Systems, WP 172, Overseas Development Institute, UK.

⁴¹ GoB and UN (Feb 2005) Millennium Development Goals, Bangladesh Progress Report.

Summary of findings

- ❖ The DFID country strategy in Bangladesh over the review period has evolved over three main phases: the CSP 1998–2002, the CAP 2003–6 and a period of formulation for a new CAP from 2006–9.
- ❖ These strategies have been appropriate in terms of the country context and DFID’s policy environment. The CAP is well aligned with a maturing national poverty framework and has sought to balance delivering benefits in the short-term to the poor and the longer-term need to encourage reform, combat corruption and strengthen the voice of the poor.
- ❖ Harmonisation has increased with the CAP, as DFIDB has responded to local priorities such as the PRSP and to stronger more coherent aid coordination under the Joint Strategy approach
- ❖ The strategies have good broad outcomes but are weak in defining and measuring intermediate outcomes that can be achieved during the plan period.
- ❖ The headline Women and Girls First agenda was not turned into an implementable strategy or effectively delivered or monitored.
- ❖ DFIDB’s strategies have to an extent been driven by DFID’s corporate policy priorities and fashions. The rise and fall of the livelihoods strategy is a clear example of a country office’s exposure to HQ policy turbulence
- ❖ DFIDB has a strong image as an effective, long-standing partner to Bangladesh. There is also the perception of an over-focus on HQ initiatives and internal debate, and that DFIDB has an unpredictable commitment to certain partners and to its inherited portfolio.
- ❖ A number of risks characterise DFIDB’s strategic role. The most important is the decision to stimulate reform through budget support in an environment where transparency and accountability are weak, and where aid is a small percentage of government resources.
- ❖ DFID’s portfolio is balanced between sectors, partners and in scale, but is being rationalised to reduce transaction costs and is moving to a programmatic or sector wide approach, a more mature engagement with government, and more competitive funding of NGOs.
- ❖ Many projects underway at a given time resemble the hidden part of an ‘iceberg’. While the strategy sits above water as a public appreciation of what DFID is aiming to deliver, under the surface, a large portfolio of projects is being designed, implemented and completed, many of which may have arisen from earlier strategy imperatives and no longer fit with newer thinking, so have to either be terminated or retro-fitted.
- ❖ On staffing, DFIDB has a well respected team who face considerable challenges following recent changes from headcount and reorganisation exercises. Recruiting senior local staff could be essential to ensuring continuity/institutional memory and to guaranteeing that programmes are grounded in an understanding of the local context.

4. Programme effectiveness

4.1 This chapter examines the extent to which programmes and projects have delivered their objectives at output and purpose level. Issues of influence and harmonisation are discussed in the context of each sectoral intervention.

4.2 Given the diverse portfolio of projects of over 70 projects ranging across some nine sectors with investments from under £1 million to over £30 million, the task of presenting an aggregation of results is difficult, and not necessarily useful. Moreover **the portfolio contains a number of characteristics that inhibit broad assessment of outcomes**. Five can be described:

- Some projects are based on complex, over-ambitious designs, such as the SHAPLA health reforms or the Chars Livelihood Programme. Such project designs reduce and delay the provision of evidence to judge effectiveness.
- Several cases occur where retro-fitting of objectives has taken place during implementation so that the project is judged not against its original objectives but against new ones that it was not technically designed or resourced to achieve.
- A number of projects aim at critical institutional reforms that have taken longer to achieve and where changes of attitude amongst agency staff are more critical than observable timebound indicators of progress.
- The practice of outsourcing project monitoring and evaluation work to consultants or to implementation partners such as UN agencies has led to a hands-off approach by DFIDB that has weakened its own understanding of the effectiveness of its programme.
- At outcome level, the priority areas in the CSP and in the CAP are very broad and the indicators, apart from those for human development, are weak and non-specific. Annual monitoring, as reflected in the annual reviews, is generally on processes and there is a thin evidence base for measurement of outcomes.

Results

4.3 This section examines the performance of the DFIDB portfolio as judged at the project outcome level. This includes assessment of the main purpose of each project – what it was trying to achieve by completion – and of the contributing outputs that were specified during project execution.

4.4 A statistical analysis of the PRISM scoring system was not possible due to gaps in the database⁴². Nevertheless, the PRISM scores overall show a positive picture for achievement of results at output and purpose level. The most common score is 2 (purpose and outputs likely to be largely achieved).

Outputs and purposes

4.5 Of projects with an expenditure of over £1 million, only three projects have a purpose rating in their project completion reports of 5 (unlikely to be achieved) and five

⁴² For example, no PRISM scores are available for two large budget support investments in Rural Electrification Board and Roads and Highways Dept. because they have not been running for the required two years before a review is done.

projects have an output rating of 5 – due to late or weak preparation, or different understandings between partner and DFID. Five scored a rating of 1 for purpose (likely to be completely achieved), two of these were in Health (BRAC Reproductive Health and SHAPLA Hospital Management), one infrastructure (Bhairab bridge) and one public sector reform (the reduction of losses at State owned enterprises involving workers retirement payments).

4.6 In terms of beneficiaries reached, there is abundant (though not systematically recorded) evidence of outreach to millions of Bangladeshis. Some of the most direct interventions include the emergency relief projects through WFP/UNDP and the Flash Appeal, the agricultural and fishery interventions, the road and bridge infrastructure and the education and health sector programmes. NGOs in particular have delivered an impressive range of improved services in these sectors over the period, with CARE, BRAC and other larger NGOs making particularly effective use of substantial DFID resources.

4.7 More details are now presented in a sector by sector review. Under the pro-poor growth category, projects concerned with livelihoods, infrastructure and private sector development are assessed in turn.

4.8 For **livelihoods** projects, the results have in general been *largely or partially* achieved - PRISM ratings mainly at 2 or 3. The largest programme, the CLP, is rated most recently as a 3 at output level, but no purpose rating can yet be given due to considerable execution delays. The livelihood portfolio in general can be characterised as having reached their target populations, who in many cases were either the very poor or those with only basic productive assets. The research projects did produce some valuable technology outputs through a more open and competitive funding approach (SUFER, Research & Extension in Farm Power Issues (REFPI) and Poverty Elimination Through Rice Research Assistance (PETTRA) and public service delivery was enhanced in for example Agricultural Services Innovation & Reform Project ASIRP). For several projects, underlying reforms of government services proved difficult or slow, and the sustainability of community based organisations is yet to be proven.

4.9 A strong core of technical advisors in DFIDB and at project level helped deliver project benefits, but with the evolution of strategy under the CAP, wider governance and public sector reform objectives were added to these projects and this led to a downgrading of achievement scores. Many projects were situated within one ministry or department, and were not well placed to address the more fundamental institutional reforms that were later required.

4.10 Under **infrastructure**, the average output level rating from the four infrastructure projects under implementation and recorded in PRISM is 2⁴³. The large but relatively straightforward Bhairab bridge construction scores a 1, as does the rather more ambitious but long-standing strengthening support in the gas sector (GoS Infrastructure Development Programme). The easy achievements in the long-standing institutional reform work with RHD (CIDC3) have now been gained, and with the project now engaging with the more intractable structural constraints, it scores a 3.

⁴³ No PRISM data are available for two large budget support investments in REB and RHD.

4.11 The logframe of the relatively straightforward Bridge Replacement Project was amended to include a variety of social and environmental objectives. This led to difficulties in government acceptance of the revised objectives and delays in procurement of social/environmental monitoring NGOs. The project has been seriously delayed as a result – negatively affecting the very large number of citizens who depend on the bridges for their livelihoods.

4.12 For the **private sector** portfolio, which is relatively new, overall results are good. The average output level rating for the four Private Sector Development (PSD) projects under implementation is 1.8. Results from the first State-Owned Enterprises (SOE) redundancy investment were assessed as 1, with effective closure of loss-making jute mills assisted through a DFID funded package of support for voluntary redundancies. The other three projects Developing Business Service Markets Project (DBSM), South Asia Enterprise Development Facility (SEDF), Care Income III) were assessed as 2. The CAP Part III Table 4 includes annual targets for the reduction in government losses due to SOEs. Performance against these will be monitored as part of the joint WB/DFID review missions, the first of which is scheduled for June 2006.

4.13 All **emergency relief** projects received a purpose rating of 2 indicating that they have achieved most of their objectives. It is impossible to get a full overview of beneficiaries and amount of food or non-food items distributed since not all PCR provide a complete picture. All PCRs noted delays in distribution. The CPE team estimated that around 10 million people were reached through WFP or UNDP managed distributions following the 2004 floods.

4.14 With respect to the longer term support to WFP and CDMP, there has been one evaluation which has concluded that progress has been made in improving donor coordination and a more strategic approach to disaster management. Early signs indicate that the CDMP is now the driving force behind disaster management in Bangladesh, although it is too early to say GoB's focus has moved from a passive relief culture attitude to one of comprehensive risk management. With WFP, there have been substantial delays in the programme and a *'lack of evidence of any serious engagement with GoB on food security and dialogue issues'*⁴⁴.

4.15 Under **human development**, results in education, health and water and sanitation have generally been good as far as delivery of services, especially through NGO partners, but have been slower where reform of public services have been tackled or where UN agencies have been involved.

4.16 In **education**, while most of the projects are rated a 2 in the PRISM system, the projects with a lower rating appear to have in common that they were addressing complex issues (e.g. in the non-formal education sector which is the 'orphan' of the GoB), or were mainstreaming innovative experiences (for example decentralised management and information systems in FIVDB programme). Aggregation of results is handicapped because of gaps in the reporting but achievements include: substantial educational materials and training, school management strengthening, an education

⁴⁴ Lockwood, H., Taher, M., Frost, F. (May 2005), Review of DFID-Bangladesh Disaster Management Response Programme, p.22

MIS at national level, and over one and a quarter million children completing a full primary cycle under BRAC schools.

4.17 Evidence of achievements for the sector-wide PEDPII is meagre so far, in part because the programme is only just getting off the ground, and also because support was started without agreement upon results or indicators to measure them. Evidence suggests that overall implementation has been slower than expected during the past 12 months, particularly in the critical access and equity component.

4.18 For **health**, the main intervention is the first SWAp intervention: the HPSP. According to the 2003 evaluation, the HPSP Trust Fund attracted \$400 million, representing 54% of all external aid to health. However, under HPSP only 49% of the total (61% of the pooled donor Fund) was spent by end 2002 when, with the change of Government, the credit was suspended and the pooled funding arrangements stopped. None of the HPSP reforms had been fully implemented by that point, and there is no evidence of increases in productivity or in the quality of essential health services. The proportion of health in the GoB budget fell and there is also no evidence of increased efficiency or equity in distribution of funding.

4.19 The results of the *SHAPLA* programme are varied. While the original broader public-private partnership programme was changed at mid-term to focus on the GoB / NGO partnership, this led to improved capacity amongst NGOs to deliver a pilot essential services package. But the programme did not establish as expected mechanisms for contracting NGOs using pooled funding, nor was a public-private partnership developed for the for-profit private sector.

4.20 Under *SHAPLA*, human resource development represents the most sensitive reform, facing the objections of different professional bodies. Still, it attained many of the objectives including a policy unit, an HR strategy and a gender policy for health and a personnel MIS. The Health Economic Unit in the Ministry of Health & Family Welfare (FOHFW) performed well, producing over 70 papers.

4.21 Under *Sexual & Reproductive Health*, the Social Marketing of (low cost) Contraceptives project reached its target of 95% sold. For Polio Eradication, the WHO programme was very successful: the objectives attained, and no case of poliomyelitis has been reported since. The Lamb hospital developed a successful community health referral system. Although rated as successful within its catchment area, there was little scaling up to improve the government community health programme. Marie Stopes has developed an interesting financial sustainability system for pro-poor services, namely for a referral system between the most vulnerable (Intravenous Drug Users, homeless, in slums, HIV/AIDS patients, garment workers). Despite the general success of these well-targeted and effective health service interventions, DFIDB funding has not been continued.

4.22 The strategic intervention for *HIV/AIDS*, implemented by WB, UNFPA, UNICEF and WHO was not very successful, due largely to implementation delays caused by an in-experienced manager. The WHO programme for blood safety provided effective capacity building. But the general experience of implementing through UN was that their own procedures caused important delays. In contrast, NGOs such as CARE and

Marie Stopes developed and implemented innovative interventions and delivered the outputs promised.

4.23 In **water and sanitation**, as a result of the Arsenic Policy Support Unit activities, there is now arsenic-mapping for the country. DFIDB's support has enabled the creation of a national programme for arsenic mitigation based on a coherent research programme. Resulting studies address operational issues like risk assessment and the impact on the health status. For the Rural Health, Sanitation and Water Supply Programme, implemented through UNICEF, there was a long inception period to develop the methodology and focus, which has now been established. The approach reflects GoB policy and goes beyond access to water to cover quality of water and behavioural issues concerning personal hygiene. It is too early to judge the effects on the target population, but in pilots some behavioural change has been observed.

4.24 For the **governance** portfolio, interventions are assessed from the demand and supply side respectively.

4.25 Under the **demand-side**, overall the projects output and purposes are assessed as having been mostly achieved or are likely to be achieved. The general PCR score is 2. If the projects are assessed against their original objectives they are performing satisfactorily and achieving the results they set out to achieve.

4.26 Two of the closed projects, ADAB and Proshika had scores of 4 because the political situation did not allow them to continue. However the various OPRs were satisfied with the activities carried out and the results achieved up to the time when activities stopped.

4.27 Three examples of key project level results are included here. *Samata*, whose purpose of empowering the landless was judged as *'being met at the local level, although the battle against vested interests will continue for the foreseeable future. ... At the national level, Samata's programme alone, or even in concert with other similar NGOs, seems unlikely to significantly shift the prevailing socio-political biases. Ultimately it is political will that is crucial'*. (Samata OPR 2005).

4.28 Another success story is the BRAC managed project: Challenging the Frontiers of Poverty Reduction. The Specially Targeted Ultra Poor programme is bringing about increases in human and social capital and sustainable improvements in the lives of very poor rural women. The project is reported to be well on the way to achieving the OVI for purpose, and represents a very successful model within Bangladesh which will contribute directly to poverty reduction. DFIDB's support for expansion under a second phase is currently uncertain, however, although it would be hard to find a more targeted and effective instrument for meeting the CAP imperatives.

4.29 *Manusher Jonno* is successfully meeting all targets and to date has funded and supported over 100 projects. Since its establishment in 2002, MJ has been able to strengthen its credibility with Bangladeshi civil society, government and to international development agencies. It is viewed as delivering state of the art approaches to poverty reduction that focus not only on palliative strategies but also address the root causes of poverty, particularly those related to rights violations and inadequate governance.

4.30 The 2004 OPR recognised that ‘MJ has achieved a solid reputation both for integrity and competence, working within an external environment that was not always conducive’. Another achievement is the monitoring processes and systems developed by MJ which allow organisations to focus on results and impacts with regard to rights and governance issues.

4.31 On the **supply-side** of governance, the average output level rating for the most recent PRISM records from the nine projects under implementation is 2.8. This rating is a fair reflection of the acute difficulty in progressing governmental reform in Bangladesh. Only two, small and older projects (strengthening the Financial Management Academy and Strengthening Institutional Systems for Planning, which was largely concerned with IT introduction, rather than systemic reform) were rated at 2. The unweighted average for the nine projects at purpose level is 2.7. Although outcomes are difficult to measure, the Financial Management Reform Project intervention and the capacity development Management at the Top investments are likely to contribute to greater transparency and efficiency of public resource use, and enhanced civil service management.

Effectiveness of different instruments

4.32 The bulk of DFIDB’s interventions in terms of numbers of interventions have been through *projects*, but in terms of volume of funds, other instruments are of growing importance. The move to pooled funding arrangements began with the first health SWAp (£25m) and has expanded to the education sector (£100m) and to the second health SWAp (£100m). Efforts to reduce the number of projects have led also to larger programmes and the growth of challenge funds. Thus in livelihoods, the various projects in existence in the CSP period have ended and left two broader programmes (Chars Livelihoods and the Care Rural Livelihoods) as the only ongoing investments. The Chars is a programme in the sense of its longer duration (7 years), size (£50m) and multi-sectoral nature. In other respects such as its geographical focus, its management structure and detailed logframe planning approach, is more an integrated project. The livelihoods portfolio also involved the use of challenge funds for research (as in the case of PETTRA and SUFER). This modality has been extended to two pipeline projects for the sector⁴⁵ providing a mechanism for continuing the highly effective support to NGOs for delivery of services to the poor but in a more competitive manner.

4.33 *Budget support* has become an increasingly important instrument to DFID globally. In Bangladesh the challenge is to overcome the high fiduciary risks derived from systemic corruption and lack of transparency. While other donors have been cautious in adopting this instrument, DFIDB has been keen to show support to government and to reward well-performing ministries by introducing sector budget support. So far, this has been in the infrastructure sector, where half the committed funds (£84m) are for budget support to roads and electricity. Although at an early stage, the effectiveness of the support to the Roads and Highways Department. An OPR in January 2005 raised concerns about significant levels of mismanagement and ‘wastage’ were noted.

⁴⁵ The Economic Empowerment Challenge Fund and an Urban Habitat Fund

4.34 The use of *technical assistance* to manage projects, to prepare projects, to conduct studies and undertake reviews has in general been effective. The Technical Cooperation Officer (TCO) model, where long-term specialists were directly contracted by DFID and given management authority over projects, has diminished with the reduction in number of projects, the use of management agents from the private sector and NGOs, and the growth in budget support. The value of TA in terms of strong project delivery has been evident in many areas, although in other cases there were problems – typically where TA was seen as a donor imposition, or there were delays in fielding suitable candidates. The Influencing Study in 2002 noted that for some partners, TA was seen as a device used by DFID for exercising excessive control of the project and the use of funds. the study noted that most OPRs and PCRAs are contracted to UK TA which ‘detracts from local ownership and also does not help to build capacity locally: contrary to DFID’s professed corporate objectives’⁴⁶

4.35 The use of TA in the form of a contracted *management agency* has proved difficult for DFIDB. In the health SWAp and the large CLP, for instance, unsatisfactory recruitment has affected implementation and presented contracting difficulties. This is partly due to the use of performance benchmarks (as in the case of FMRP), which are less appropriate in a complex environment where rates of progress are largely outside the control of contracted TA, and have been a source of frustration for all concerned.

4.36 TA has also been used soundly to produce several important studies and evaluations that have increased understanding of the Bangladesh development issues. Particular note can be made of the ‘Drivers for Pro-poor Change’, which strongly influenced thinking around the CAP in 2003. DFIDB has been adept at using TA to assess its own performance in areas such as gender (the recent Gender Audit) and influencing (Perceptions study)

4.37 In terms of emergency relief, the first emergency response (2001) consisted of various instruments including direct food aid, micro-credits, cash for work, reconstruction materials for housing, medical supplies and water and sanitation provision. The use of micro-credits was the least successful and the approach of providing partial support for housing resulted in large number of unfinished houses. In the 2001 response, the funds for NGOs were managed by DFIDB with considerable issues around NGOs favouring their own constituency over the most poor.

4.38 Subsequent emergency support attempted to learn lessons from this and reduce the burden for DFIDB staff by channelling relief funds through UN organisations. Although part of the funding for the 2004 relief effort was a response to the coordinated UN Flash Appeal, the desired improvements were still not achieved. DFIDB relied on the management capacity of UN agencies but there were considerable delays in mobilising our funding⁴⁷.

4.39 The health SWAp as an instrument was developed successfully: the pooled funding was established and almost half of donor funding passed through it. Joint procedures were developed and non-TF donors adapted their procedures to it as much as possible, while joint reviews also took place. The problem was that the SWAp

⁴⁶ Influencing Study, 2002, p.20

⁴⁷ Internal Memo; November 2004.

approach did not replace other instruments in the sector: the new SWAp procedures came in addition to existing ones.

4.40 The ADB's management of the pool fund for PEDPII has been less effective, but it would be premature to conclude that it has been a failure. Factors that have contributed to problems include inadequate technical capacity in ADB to provide the range of technical and managerial input needed, and difficulties in coordination with the Ministry of Education.

4.41 In *governance*, all investments to date have been Project/TA support. All have faced predictable problems in achieving marked rates of reform impact, given the acute reform challenge in Bangladesh. It is too early to assess what leverage the use of conditional budget support through the new Governance Instrument might achieve, although this is relatively high risk instrument in the context of Bangladesh.

Sustainability

4.42 The level of sustainability is difficult to assess given the limited evidence and time needed for benefits to endure, arising as they do from interventions that have been introduced since 2000. The move to SWAp and Budget Support is based on the expected greater sustainability of such instruments – even if this would be at the expense of rapid results. It is assumed that supporting NGOs would not be sustainable, although in the case of Bangladesh the picture may be different given the existence of large 'corporate' NGOs.

4.43 For *livelihoods* projects, while line ministries may face difficulties in continuing project operations, there is some sustainability at community level though empowered groups (for example in CARE's Farmer Field Schools, and in fishing communities under the Community Based Fisheries Management 2)

4.44 In the case of *infrastructure*, the available evidence is that the more straightforward investment projects (bridges and gas) are well-done and sustainable. However the more challenging institutional reform investments (RHD and electricity) will require patience and long-term commitment from DFIDB to reach sustainability.

4.45 For the relatively new *private sector* portfolio it is too early to judge sustainability, except for CARE Income III where wholesaling credit to 32 micro-finance institutions in urban areas has achieved excellent recovery rates. A long-term institutional base for the wholesale capital fund, through a local organisation under a local board (rather than continuing with CARE) is under development. There is no indication that government is likely to re-open the closed state-owned jute mills, and it is therefore safe to conclude that the support to redundancy payments to date will be sustainable in terms of increasing fiscal space.

4.46 With regard to the sustainability of the *governance* results, this depends to some extent on the partner NGO. The larger ones such as BRAC are better placed to maintain results achieved from DFID support. Manusher Jonno has been able to develop into an independent foundation within the project period and should be able to continue the work started on its own. Some others, like Nijera Kori, are working at a

limited scale with their groups and do not have ambitions to expand coverage, although Nijera Kori, Samata and BRAC's CFPR are creating increased capacities which should sustain beyond the projects. Transparency International Bangladesh and the Bangladesh Legal Aid and Services Trust are trying to bring about changes in law and practices through public interest litigation or the formation of the Anti-Corruption Commission, promising sustainability beyond the individual projects.

4.47 In the area of *public sector reform*, with only partial output achievement overall to date, the prospects for sustainability are necessarily limited. Concerns have been expressed over GoB's commitment to providing counterparts, reliance on informal arrangements to ensure continuity of trained personnel, but the chief underlying concern is the limited demand for financial management information within government⁴⁸.

4.48 While *flood relief* is an emergency response and therefore not *per se* sustainable, the focus on capacity building (through NGO pre-selection for example) and through the WFP and CDMP projects will contribute to sustainability. However, the lack of adequate monitoring mechanisms and the early stage of implementation make it hard to assess whether the early positive results - for example of the CDMP programme - are in fact sustainable⁴⁹.

4.49 For *education* the picture is mixed. Activities such as FIVDB and ESTEEM are not in themselves sustainable but require support until they can be mainstreamed in education, which is a major challenge in Bangladesh. Some progress has been made in beginning to reform key areas of education management such as the introduction of the community managed Education Management Information System. PEDPII has the potential to further enhance sustainability by mainstreaming innovative approaches.

Outcomes

4.50 DFIDB's achievements at outcome level are measured against three frameworks: the country strategy - in this case the 1998 CSP and the 2003 CAP, the Directors Delivery Plan (2003–6) and the Public Service Agreement(s) (2003–6, 2005–8).

Progress towards CAP main objectives

4.51 The CAP's objectives, as originally outlined, contained seven priority areas against which a number of 'key work items' were identified for the first year of execution, 2002–3. In the subsequent annual reviews⁵⁰, attempts were made to define outcomes under the priority areas. There is inconsistency in definition as 'outcomes' under the pro-poor growth theme are called 'outputs' under the governance theme. For human development, no clear term is used. Furthermore, although there are a large number of indicators included in the annual reviews, most are inappropriate as they are generally process oriented, concentrating on projects and policies approved or government agreements reached, and none actually measure the stated priority area or outcome.

⁴⁸ RIBEC independent evaluation, 2001.

⁴⁹ Lockwood et al, 2005 op. cit.

⁵⁰ For the years 2003/4 and 2004/5. No review was available for 2002/3.

4.52 Annex G presents an assessment of the progress made towards each CAP priority area. Given the constraints described in the previous paragraph, the findings are rather unbalanced but may be summarised as follows:

4.53 For **pro-poor growth**, most interventions are relatively new so outcomes may not yet be visible. Some instances of good outcomes are noted in the areas of micro finance and the reform of state owned industries. The infrastructure projects have been successful in benefiting road and bridge users, but institutional reforms have been modest. The National Land Transport Policy, approved in 2004, is an important outcome for future transport planning.

4.54 For **human development**, maternal mortality has been decreasing since 1990. Other relevant indicators (for ante-natal care or birth delivery attendance) show modest improvement. There is little evidence that DFIDB's support for the SWAp and the ESP has resulted in an increased utilisation, productivity or quality of essential services, so it is unlikely that DFID has contributed much to accelerating a decrease in maternal mortality.

4.55 Regarding improved access to food, safe water and hygiene, for the Livelihoods portfolio, the CAP redesign weakened the upward links to outcomes. Thus while livelihood project results are well documented, their contribution to CAP and even to CSP outcomes and objectives is hard to identify. In safe water, DFIDB's role through the Arsenic Policy Support Unit (APSU) and UNICEF Water and Sanitation project have convinced conservative partners in GoB to change policies towards behaviour/ health risks and sanitation problems, but overall access has deteriorated because of arsenic contamination and sanitation indicators are low (though still on track to meet the MDGs in this sector). For food relief, there is no doubt that the relief efforts have provided food to women and girls in need, but the evidence is not yet clear on overall coverage or targeting.

4.56 Access to primary education has improved especially through the contribution from NGOs supported by DFIDB, but development of a more integrated approach to the sector is not yet served by the Primary Education Development Programme II, as it is limited to government schools, and may be seen as counterproductive to the comprehensive and national approach that is needed.

4.57 For **governance** outcomes, positive progress has been made in both demand and supply led areas but outcomes are difficult to quantify. The main impact of the supported NGOs is at the local level in the areas where they are working, as well as with some national level advocacy issues. However, without a massive upsurge in demand coupled with genuine political will, the scale of change is likely to remain small. Public governance reform has made slow progress overall. The Ministry of Finance (with which DFIDB is closely associated) is an exception, as indicated by its efforts to reduce public resources going to low priority uses, including financing loss-making public banks and State Owned Enterprises; and the extension of the medium term budget framework to line ministries. Though progress may be slow, in the Bangladesh context, even modest progress is significant.

Progress towards theme aims

4.58 The key theme of the recent CAP is Women and Girls First (WGF), which was a striking departure from the CSP and presented a unifying and new focus for DFID's programme in Bangladesh.

4.59 Our view largely reflects the findings of the recent Gender Audit. This study was specifically commissioned to examine progress against this overriding CAP objective. It found that DFIDB's efforts are yet to translate the strategic vision and corporate statements of intent in the CAP into action. There has been little change in internal or external procedures or team working to implement WGF, no capacity building or institutional mechanisms to mandate or monitor WGF and little change in the programme portfolio.

4.60 WGF was more a slogan than a real strategy, but that is not to say that gender issues are not addressed in specific cases. There are several examples of effective projects that have improved women and girls' livelihoods. Some of the most significant examples noted by the CPE team are the Challenge the Frontiers of Poverty Reduction, Underprivileged Children Education Programme, Enterprise Growth and Bank Modernisation, and the SHAPLA Human Resource Development Programme in Health. Nevertheless, it is probably true that unless DFIDB makes a considerable change in its methods and commitment to WGF, then this overarching theme will remain an unachieved vision.

Director's Delivery Plan

4.61 Bangladesh, is one of four priority countries in Asia where DFID has aimed to play a leading role in promoting the PRS process and in sector wide networking, particularly in the social sectors. What have been the achievements with regard to the specific objectives in the Asia Delivery Plan? The CPE's findings are set out below, with the relevant DDP objectives given in quotes.

4.62 Initial progress has been made in promoting '*SME development through implementation of South Asia Enterprise Development Facility and Developing Business Service Market programmes*'. Less has been done regarding undertaking '*an Investment Climate Survey, corporate governance research, and designing an enabling environment*'. More effective results have been achieved in engaging in '*State Owned Enterprise (SOE) reform, closure and privatisation*' (refer para 4.12).

4.63 Certainly some progress can be claimed in the improvement of '*government transparency and accountability*' (see para. 4.31); and while the project related to '*strengthening parliamentary democracy*' has been suspended, '*empowerment of poor people*' has, through various NGO interventions, made discrete and locally significant progress (paras 4.25 ff.). The stated DDP indicators have been met, except for the indicator of 7 million poor people to be reached, as only 3 million were reached.

4.64 '*Support for more secure livelihoods and empowerment of the poorest through civil society and government*' has been partially achieved. The livelihoods portfolio, though closing, has delivered significant benefits to the poor (though not always the

poorest), while delays in key programmes such as CLP has reduced momentum (para 4.8).

4.65 DFIDB has been well respected for its *'support to effective disaster mitigation'* and has worked to improve *'understanding and addressing the underlying causes of these crises'* but with modest results so far (see para 4.48).

4.66 Support for *'UPE and the development of primary education strategy including action plans to reduce discrimination against girls'* has been relatively effective as education statistics show in Bangladesh, even though the sector wide programme is having initial problems (para 4.16 and 4.17).

4.67 Progress experienced in the health sector has been relatively modest in terms of *'health sector development and reform focusing on maternal and child health outcomes'* (para 4.18).

4.68 Infrastructure is not mentioned in the DDP (or PSA) yet retains a significant presence in the DFIDB portfolio.

4.69 The DDP noted, in 2003, that *'the Bangladesh (and Burma) programme allocations are held at present levels...that reflects an assumption of 'muddling through' in Bangladesh. If a more reform-minded government comes into power... additional funds from the Director General's reserve may be required to fund 'high case' scenarios'*. In actual fact since 2003, the level of resources to Bangladesh have increased substantially in the subsequent two years and are set to stay at this level or rise further in the next strategy period (2006–9) (See Section 3.4). This reflects both reasonable progress against the DDP and positive development signals in Bangladesh, such as evidenced in the PRSP.

Contribution to DFID's Public Service Agreement

4.70 The PSA has four areas of focus for Asia, covering education, health, governance issues and private sector development. Table 6 below presents the CPE's observations in these areas.

Table 6. An Assessment of DFID Bangladesh’s contribution to the PSA Targets

<p>PSA OBJECTIVE II: Reduce Poverty in Asia.</p> <p>PSA Target 2: Progress ^{1/} towards the MDGs in 4 key countries.</p>	<p>CPE comments</p> <p>The primary objective is to eradicate extreme poverty and hunger. DFIDB’s disaster relief support has (at least temporarily) reduced the risk of starvation and suffering of people affected by the floods in 2000 and 2004. However, sustainable reduction will come through the WFP and CDMP initiatives. The lack of adequate monitoring and the early stage of these initiatives make it difficult to draw conclusions about the extent to which these corporate objectives are being addressed. Other strongly poverty focussed programmes include the CFPR, the CLP and forthcoming Economic Empowerment of the Poorest. (See paras Error! Reference source not found. ff)</p>
<p>IV DFID will provide increased support to contribute to:</p> <p>a) Effective and equitable education systems, focusing on primary education and including specific objectives on equitable access for girls and boys in Pakistan, Bangladesh, India and Vietnam.</p> <p>b) Effective and equitable health sector programmes, indicated by reduced child and maternal mortality and spread of infectious diseases, improved reproductive health and the development of HIV/AIDS strategies in Bangladesh, Pakistan, India, China, Nepal and Cambodia.</p> <p>c) Deepening democracy, improving rights of the socially excluded and reducing corruption in Bangladesh, Nepal, India, Pakistan and Indonesia.</p> <p>d) Local private sector development, market access for the poor and an improved climate for foreign investment in India and Bangladesh.</p>	<p>There has been some progress in improving access to quality primary education (among others by programs aimed at working children) and in developing a more coherent and integrated approach to the sector. The overall vision in education continues to be weak (and narrow in scope). It is also not sufficiently prioritised or monitorable.</p> <p>DFIDB has made a great effort to invest in the health services; this however has not yet resulted in increased productivity or quality of health services, nor in reforms</p> <p>Both child and maternal mortality have reduced – as a consequence of earlier investments in health – these impact indicators normally have an impact after many years</p> <p>The detection rate of TB has increased a little to 34%, while the cure rate is already high (84%) but this may decrease when the detection rate increases;</p> <p>Improved reproductive health indicators have improved, although less than predicted, & DFIDB had an important stake here</p> <p>DFID has put HIV/AIDS on the Bangladeshi policy agenda and supported the development of innovative approaches;</p> <p>The PSA aims to 'Provide increased support to contribute to deepening democracy, improving rights of the poor and socially excluded and reducing corruption.'</p> <p>The programme is contributing to building up the capacity of the civil society to work with the State and raising the capacity of individuals and community groups to raise their demands to the State and hold it accountable. The demand side projects are also working with the State and its agencies to build up their understanding of the need to respond to the demands of citizens and include them in the delivery and monitoring of the services and interventions.</p> <p>Local private sector development: little has been undertaken to support the private sector in health.</p> <p>The Programme’s patience in providing sustained support to strengthened PFM is making a significant contribution to this end. The newer intervention to reform the functioning of the police service may provide similar benefit if sustained over time. However the withdrawal of support to reform of parliamentary operations after five years of admittedly slow progress suggests that DFIDB may not have entirely consistent expectations over necessary timelines for reform in key governance functions in Bangladesh.</p> <p>The Private Sector Development portfolio directly supports PSA 1 and SDA 1, but it is too early to assess the results.</p>

Summary of findings

- ❖ A systematic analysis is difficult because of gaps in the PRISM database, but overall, results show a positive trend during the period 2000-05, and the common score is 2 (purpose and outputs likely to be largely achieved)
- ❖ There is ample evidence of substantial outreach to millions of Bangladeshis. The most effective interventions are emergency relief projects, agricultural and fishery interventions, road and bridge infrastructure and in education and health. NGOs in particular have delivered a wide range of services in these sectors, and the efforts to empower the poor have been strong though at a local scale so far. More modest success has been achieved in the areas of public sector reform.
- ❖ Results of DFIDB's influencing have been generally good, with very positive results in the PRSP process
- ❖ Projects have been the main aid instrument but increasing attention is going to sector wide pool funding, which has been slow to make progress, and budget support which is a recent initiative.
- ❖ At outcome level, it is difficult to synthesise results and measure achievement due to a lack of suitable indicators
- ❖ Achievements against the CAP appear to have been good in many areas, though judgement is hampered by an over emphasis on process rather than result monitoring.
- ❖ Successes against the Director's Delivery Plan include supporting the PRSP, emergency relief and initial progress on public sector reforms. But not all achievements are reflected in the Plan, particularly with regard to infrastructure; while other planned aspects show little progress such as environmental issues and health sector reforms.

5. Development Progress

Development progress

5.1 This Section provides an overview of Bangladesh's social and economic performance. As regards the most recent progress towards MDGs (the latest assessment was conducted for the PRSP forum, held while the CPE mission was in Dhaka), is shown in Box 2 and Annex H. Bangladesh has made remarkable progress on several MDGs - such as gender parity in education, consumption poverty and child mortality. Several other MDGs are within reach but will require special attention and concerted effort. Finally, some MDGs will challenge the country for some time.

Box 2. Progress towards MDGs in Bangladesh ^{1/}

- **Bangladesh has already attained the goals relating to reaching gender parity in schooling opportunities, and universal primary education.** Bangladesh is the only country in South Asia other than Sri Lanka to have achieved parity in male and female enrolments not just at the primary level but also at the secondary level. This is an impressive achievement for a country that is one of the poorest countries in the world, with a per capita GDP just over \$400.
- **Attainment of two other MDGs – reduction of consumption-poverty and under-five mortality – is also feasible with a combination of interventions, including sector-specific interventions** (such as expanding immunization coverage and reducing pupil-teacher ratios), economic growth, improved coverage of infrastructure, and social safety-net programs.
- **Attainment of the child malnutrition-related MDG as well as the education MDGs relating to universal net primary enrolment and primary completion remains challenging.** In the case of child malnutrition, the projections suggest that Bangladesh could come very close to – within 5% points of – the MDG of having no more than 34% of its children underweight. It is still unclear whether Bangladesh is likely to achieve rates of net primary enrolment and primary completion exceeding 83-86% by 2015.
- **Maternal mortality goal will also be difficult to achieve.** Bangladesh has one of the lowest maternal mortality in South Asia, but South Asia's indicators are among the worst in the world. The maternal mortality rate was in the range of 320 to 400 per hundred thousand live births in 2001. For Bangladesh to meet the target for maternal mortality, this figure must be reduced to 143 per thousand live births, which will require the inducement of major behavioural changes in mothers, far greater access to quality reproductive health services, and a generally improved socio-economic situation.
- **Bangladesh had nearly achieved the safe water goal, with 97% of the population having access to pathogen-free waters. Arsenic contamination presented a second round of challenges, with access to pathogen- and arsenic-free water now roughly 80% in urban areas and 70% in rural areas.** The Government's "total sanitation" programme has been a real success in rural areas, with very high coverage, but an emerging set of challenges to MDG attainment is driven partly by urbanization, as only 14% of slum dwellers in metropolitan areas have access to sealed latrines – yet the urban population is projected to nearly double to 50 million people by 2015.
- **Reversing the trend of deforestation and increasing energy efficiency, therefore, weigh heavily on the MDG agenda of ensuring environmental sustainability.** The financial and institutional resources necessary to accomplish these objectives, however, pose significant challenges to attainment of this MDG.

^{1/} World Bank (Nov. 2005) Bangladesh PRSP Forum Economic Update, Recent Developments and Future Perspectives.

Aid effectiveness

5.2 The small share that aid represents in the overall economy broadly indicates that its contribution in the country's development performance has been minor. Nevertheless, the adoption of a poverty reduction strategy has signalled Bangladesh's willingness to address pro-poor growth and has been sufficiently influenced by the donor community concerns to incorporate governance reform as a central plank of the PRSP, and marks recognition by elements of GoB that reform is central to faster growth and poverty reduction.

5.3 Considerable analysis into poverty trends and causation have been conducted for Bangladesh. The evidence indicates that while overall growth has been good, the level of inequality has increased. For example, the annual growth rate of the poorest 5% is estimated to be 0.88% compared with 3.92% for the richest 5%. The key determinants shown to improve pro-poor growth prospects include **land access, increased access to non-farm occupations**, completion of **primary school education**, and **provision of roads and electricity**⁵¹. Improved **vulnerability management** has also contributed to poverty reduction as well as **improving gender equality, better health services** and a **more effective community voice**.

5.4 DFIDB's programme is generally well aligned with many of these determinants, and its future programme is attempting to strike a careful balance between supporting stronger delivery of pro-poor services and building a more transparent and accountable government. DFIDB has provided significant analysis, influencing and funding in many critical areas identified in the PRSP, and by virtue of the size of its support in Bangladesh it will have made some valuable contributions to achieving the MDGs.

5.5 On the other hand, the possibility of more explicitly attributing DFID's support (and of aid in general) towards poverty reduction is difficult in the context of Bangladesh given the size of the aid budget compared to size of the economy, and the weak linkages established so far between interventions and broad outcomes (a point raised elsewhere in this report e.g. para 3.102).

⁵¹ Sen, B., Mujeri, M, Shahabuddin, Q., (2004) Operationalising Pro-Poor Growth, Bangladesh, joint initiative by AFD, BMZ, DFID, WB.

6. CONCLUSIONS AND LESSONS

DFID contribution & value added

6.1 DFIDB's specific contribution to Bangladesh's development effort in the past five years can be grouped into three areas: first, its willingness to engage in tough reform challenges; second, an ability to inter-act with government and other major donors to bring about greater harmonisation; and third its specific expertise in institutional development and technical assistance.

6.2 DFIDB has shown a willingness to engage with some of the toughest reform challenges in the country (public financial management, public service delivery in health and education, police, parliament, building greater trust between government and civil society) and to persevere with support despite slow and difficult progress. DFIDB's recent development of the high risk, potentially high-return Governance Instrument⁵² is a brave attempt to bring new leverage to historically intractable reform challenges.

6.3 The special position that DFIDB holds has allowed it to bring considerable influence to bear on aid coordination particularly through the PRS process and in the Development Dialogue Forum. Though the results of the Joint Strategy are yet to be seen, the potential advantages are great, and a substantial improvement over the past where less strategic donor – donor and donor-government coordination were evident. In this respect only DFIDB's role could be seen as an example worth exploration in DFID country programmes elsewhere.

6.4 In terms of institutional advantages, DFIDB record is well recognised both in terms of long-standing support to a range of government and non-government partners, for its ability to provide flexible support and expertise, and its ability to introduce cutting edge initiatives and pursue specific agendas.

'DFID is widely perceived as having a comparative advantage in institutional development. Successes in which DFID, and the development partners more widely, have had a role over many years include support to some advocacy organisations, women's education, micro-finance, health, and even tax reform (the introduction of VAT).' (Drivers for Change p.39)

6.5 DFIDB's flexibility and pro-active stance has allowed it to provide rapid support where needed (in disaster response for example) or to provide technical assistance at short notice (in providing monitoring or programme formulation). DFIDB's staff commitment and technical expertise is also a widely respected strength that has allowed it to have influence greater than would otherwise be expected. It has finally been able to work in new areas or provide additional analysis that has opened the door for others to follow. Examples could include the work on arsenic, on tax reforms, and on demand-side governance.

⁵² The Governance Instrument is essentially a conditional budget support instrument associated with reform in line ministries.

Strengths & weaknesses of DFID's programme

6.6 There are six areas to highlight in terms of the DFIDB's programme strengths over the review period. (i) The country strategy has been broad in coverage and balanced between government and civil society; and since the CAP, has been linked explicitly to the I-PRSP and the PRSP. DFIDB has kept a focus on pro-poor concerns, seeking influence and on building a 'mature' relationship with GoB. (ii) DFIDB's programme has been consistently well-harmonised with a high level of co-funding arrangements. (iii) The portfolio contains many innovative projects and studies that have been influential and led the way for other partners to bring support. (iv) There have been continued and effective efforts to address cross-cutting issues, particularly on governance and to some extent on gender. (v) There are good examples of well chosen entry points, based on sound strategic thinking, such as in public reforms and education (FMRP, MATT and ESTEEM). (vi) DFIDB's legacy of trust and support to Bangladesh gives it a valuable position as the best donor.

6.7 Weaknesses can be grouped into three areas: weak institutional memory and contextual understanding, policy turbulence and poor focus on outcomes.

6.8 DFIDB suffers from a weak institutional memory and less contextual understanding due to: (i) high staff turnover (para 3.72), no senior local staff who could provide deeper understanding of the local context and poor succession planning that has left critical gaps in advisor coverage; (ii) the tendency of DFIDB to be inward and upward looking – focusing too much on internal discussions and on responding to DFID HQ's needs, matched by less field engagement and contact with projects; and (iii) the weak records system (for finances, staffing and low use of PRISM).

6.9 Policy turbulence has been a feature of DFID for some years, yet in Bangladesh there is a need for long term and consistent engagement. While a noted strength has been DFIDB's perseverance with some high profile projects, there is also an unpredictable commitment to the inherited portfolio, resulting in dropping successful long-term projects and partners, or in moving between particular sectors. For example, the rise and fall of livelihoods portfolio is arguably more a reflection of changing corporate DFID policy than dissatisfaction with project achievements. Sound projects and partners have been left in an uncertain position. Examples include lack of closure of the partnership programme agreement with CARE, the unexplained switch from the gas to the electricity sector, the cessation of very effective support to Marie Stopes's health services to the urban vulnerable, and the ending of support to the water policy unit.

6.10 There is a low focus on programme outcomes at design stage and therefore an inability to measure and report on intermediate results. While at project level, there is a well-resourced and effective system of designing and monitoring, the link between the project outputs and CAP goals is ill-defined. Annual reporting essentially highlights process indicators (and PSA / DDP targets) and there is very little assessment of the progress being made towards priority areas or themes. There is a concern here that the pressure to move up-stream into policy and central government influencing has the consequence of less attention being paid to the down-stream effects and on how policy choices impact on poverty reduction.

Explanatory factors

6.11 DFIDB's strengths arise because of its strong historical relationship in the country and its more recent supportive links to the Foreign Office⁵³. It also has enjoyed an increasing level of resources from DFID HQ as a priority country. Its independent bilateral stance gives it the freedom to act as a counter-weight to the larger IFIs and to be a mediator.

6.12 However, the policy shifts that have affected DFIDB's programme direction are an indication of the wider corporate vulnerability of DFID to the UK Government's own need to move policy forward at an unhelpful speed.

6.13 The change in office leadership in the recent past has led to a rethink of programme strategy and a greater emphasis on engagement with government, moving away from projects to larger financial aid instruments, working more closely with the major development partners and bringing competition into selection of delivery partners. Problems with staffing and with communications have meant that DFIDB's partners are less aware of the rationale and the consequences of these policy shifts. Nevertheless, although communications remain a difficulty, staffing issues are gradually being resolved as a high quality cadre of UK staff are now in post and efforts to overcome local recruitment difficulties are in train.

6.14 The lack of success in measuring programme outcomes is due to various factors. The portfolio is wide and contains many different types of interventions and instruments, and the CAP timeframe of three years is mismatched to project cycles of up to eight years. Conditions are made worse by the reduced contact DFIDB staff have with projects and the outsourcing of reviews which together make impacts and lessons harder to internalise. Moreover, the portfolio is moving towards harder to measure programmes such as governance reforms and to instruments like budget support where traditional OPR methods may be less applicable.

Lessons

6.15 The findings of the Bangladesh CPE suggest a number of lessons:

Institutional development depends on stable long-term relationships: especially in the area of government reform. In this context, DFID's internal incentives that encourage adherence to new but often short-lived policy initiatives appear to mitigate against giving primacy to long-term partnerships in country. The 2002 CSP review highlighted three lessons that are worth repeating today:

- 'Bringing about pro-poor change through supporting champions for change in government and outside can rarely be done at scale and requires a flexible response mechanism which DFID systems are better able to support than those of many other doors.' (p.23)
- 'Bringing about 'better governance and institutional' performance requires intensive technical assistance inputs, rather than large amounts of financial aid and a degree of opportunism' (p.23)
- 'Longer time frames are required for strategies, programmes, projects and staff contracts as we recognise the need to take a longer-term view of support to socio-economic changes that will impact on poverty reduction through improved governance, economic growth and equality'. (p.39)

⁵³ Enshrined in the DFID/FCO (2003) Closer Working Action Plan.

Budget support though a potentially high-return investment requires very careful risk analysis. It also requires an in-depth understanding of the sector, the reform objectives and potential, and a coordinated programme of support from TA and other instruments; plus appropriate staff expertise in the country office. It is not an instrument conducive to detailed logframe planning, given the complexity and uncertainty of rates of progress in a difficult reform environment.

6.16 Although Budget Support is a main strategy for DFID at corporate level, it should be introduced cautiously. The health SWAp/pooled funding example shows that it takes time to establish mechanisms that permit accountability and attain reform objectives, and that it is not self-evident that providing considerable basket funds will buy influence for reform.

6.17 Given the risks with budget support, DFIDB is in danger of being exposed as one of the only donors committed to using this approach. The two test cases in Bangladesh (in roads and electricity) are at an early stage, but our review of the process and of the pipeline 'governance instrument' is that the formulation has been insufficiently robust and driven by spending pressures.

6.18 Direct **short-term impact on poverty** and women is difficult to achieve and measure through governance reform. The DFIDB experience in supporting both pro-poor services and governance reform underscores the need to clarify investment objectives. Where the focus is on institutional reform then it must plan for long-term support, counted in decades not years; and not expect short or medium term poverty-impact.

6.19 Without more focused and measurable **outcomes**, DFIDB's impact will not be known. Given the new and innovative focus on governance and on even harder to measure results in improving government capacity and management it is increasingly critical to ensure that monitoring mechanisms are in place. While project outputs and purposes are carefully and routinely estimated, the contribution that they make to overarching programme outcomes - including on general poverty and gender goals - is not clear.

6.20 Some particular interventions, if well evaluated, would bring valuable lessons for others in reaching the very poor:

'The key lesson is that this intensive, targeted and holistic approach can be very successful in moving families out of absolute poverty. The novelty of the approach lies mainly in the special targeting of the ultra poor and in the comprehensive nature of the support package'
Challenging the Frontiers of Poverty Reduction MTR (2005)

6.21 **Technical assistance:** The use of cost-plus contracts or TCO-style TA arrangements may be more appropriate than management by results or milestones where the rate of output achievement is highly uncertain, and delays and partial achievement are the norm. Also TA for institutional development should be tailor-made and needs full ownership by the receiving organisation.

6.22 **NGOs** (especially large ones) in Bangladesh are vulnerable to political interference if any sign of political allegiance is implied. DFIDB is equally likely to be exposed by supporting such NGOs and needs to assess carefully such political factors. This should at the same time be counterbalanced by the need for it to champion small

or excluded NGOs as voices of the poor and seek to build trust between GoB and NGOs.

6.23 In the context of working with various **UN agencies** (in disaster relief, water and sanitation, parliamentary reform and elsewhere), the experiences is that there is a need for a better understanding of UN procedures and limitations⁵⁴, as well as the comparative advantage of working with UN agencies, followed by a thorough discussion ahead of time to agree responsibilities, timeframes and deliverables.

6.24 On **programme structure**, good results seems to be related to a clearer sector focus (education, health, private sector) rather than diluted within general categories such as pro-poor growth or human development), where skilled professionals are given responsibility to manage, where they can be retained through promotion in post. This leads to accountability, coherence, influence and quality.

Recommendations

6.25 A number of recommendations are set out here, some of which may inform thinking for the new CAP that is currently under preparation in Bangladesh.

- ◆ **Develop an analytical framework for determining DFID's impact on poverty and economic development.** This should be based on relevant recent studies such as the WB/DFID health impact assessment⁵⁵ and the DFID/OECD evaluation model for Budget Support⁵⁶.
- ◆ **Use such a framework to help clarify the measurable outcomes at programme or priority area level that can then be built into annual reporting.** During the next CAP preparation period, DFIDB could benefit from hiring an M&E specialist to help the programme teams improve their design thinking so that investments are shaped to lead to achievable and measurable outcomes (specifying the missing middle) in order in turn to deliver on the millennium goals.
- ◆ **Consider extending the country strategy period to 5 or more years in order to build more consistency between the project portfolio and the strategic direction.** This may also help to reduce the effect of centrally driven policy initiatives.
- ◆ **Maintain support to infrastructure as a valid poverty reduction instrument and as a means to influence partners and government,** but ensure that there is careful poverty analysis and a consistent and long-term engagement.
- ◆ **New investments (especially high risk ones such as budget support) should be designed more carefully by using external teams of experts, building on past experience and linking design to execution.** Keep the design and appraisal stages distinct and let DFID concentrate on a rigorous appraisal of the commissioned design. Use long-term technical assistance to oversee the implementation in a flexible manner and without excessive performance benchmarks.

⁵⁴ Such as their requirement to work only with government organisations.

⁵⁵ World Bank (2005) Maintaining Momentum to 2015? An Impact Evaluation of Interventions to Improve Maternal and Child Health and Nutrition in Bangladesh.

⁵⁶ Evaluation framework of General Budget Support

- ◆ **Consider developing a mechanism for periodic external monitoring of the progress that DFID country programmes are making towards overarching poverty, gender and environment goals.** This could be done by engaging a network of high level research institutions to keep tabs on critical points (for example, in Bangladesh, along the lines of Education Watch’s monitoring in that sector).
- ◆ **Advisor time and management support should be allocated more evenly between policy work and implementation.** Time should be more balanced between on the one hand, internal meetings and programme development work and on the other, greater field exposure and interaction with locally influential bodies at all regional as well as national level.
- ◆ **Develop an influencing strategy at country level.** This would help in Bangladesh for example to determine the expected results for DFIDB and to enable M&E of influencing.
- ◆ **In the case of SWAPs, DFID should seek management arrangements that keep routine and strategic issues separate, and focus more on results than on process.** Where SWAPs are managed by other agencies (e.g. WB for the health SWAp and ADB for education), routine management tasks need to be handled by an appropriate administrative entity, while the strategic decision making on reform policies, resource allocation and performance review should be in a higher level body.
- ◆ **DFID country offices need to communicate more strongly their own strategy, achievements and priority areas to DFID HQ as well as underscore the links with the PRSP and available poverty analysis,** in order to counteract the likely continuing ‘policy turbulence’ that affects in-country strategy and programme choices. DFIDB should prepare an action plan for their Communications Unit to identify how it can support the CAP, ensure that communication-related outputs are integrated and linked to influencing, and make recommendations about staffing needs (See Box 4 below).
- ◆ Where local programmes deviate from corporate policy, as in the case of infrastructure support, **it is valuable to provide or draw on existing analytic work about the respective benefits of different types of infrastructure to poverty and women** (so as also to inform and justify choices between roads, bridges, electricity, gas and so on)
- ◆ **DFID should maintain its reputation as a stable, long-term partner, even at the expense of not keeping pace with new policy thinking.** Existing commitments to implementation partners should be honoured and mid-course changes avoided unless all sides agree to them.
- ◆ **DFID needs to re-address the staffing constraints at country level as a result of the head count policy.** This could mean developing a ‘Country Focus Initiative’ to slim down the DFID personnel at headquarters in favour of DFID country level.
- ◆ **National expertise and experience should be used to provide greater institutional memory and local knowledge,** even where this requires more competitive recruitment methods (head-hunting) and more attractive conditions of service. For DFIDB, local staff must play a full role in developing the CAP, its programmes and projects.

- ◆ **Expect senior staff to remain in post for 4 to 5 years, with grade-promotion available in that post.** This is especially pertinent in Bangladesh, given the need for persistent interaction and a firm understanding of the context. Give such senior staff clear responsibility and accountability for leading and developing investments in a single sector. Pair each senior staff sector leader with a senior experienced SAIC (to strengthen continuity).
- ◆ **DFID should take up collaboration with the UN at a higher level where in country difficulties are encountered.** In DFIDB, this would help in seeking a solution the issues that have been hampering progress in the disaster management area for the past few years.

Box 4. Communications Strategy

The 2002 communication strategy is now outdated. With the drafting process for the CAP underway there is an opportunity to decide on how the communication unit can support its implementation. A number of issues need to be addressed:

- The CU needs to be integrated into the work programme and office structure. Lines of decision making, supervision, and accountability must be clear. This may imply writing communications objectives and goals into the annual plan and also into terms of reference of non-CU staff.
- The mandate of the CU needs to be reconsidered. The current scope is too broad and lacks prioritisation. The work of the unit should focus primarily on external communications rather than internal issues. Three target groups are i) Bangladeshi partners and general public, ii) regional partners and public, and iii) the UK. The internal communication tasks should be more integrated into management functions of the office, with advisory support by the CU on specific topics.
- Consideration should be given to detaching the resource centre from the communications unit. The resource centre can function autonomously and thus not detract from the main tasks of the CU.
- Examine other agencies with effective communication units (e.g. UNDP, UNICEF, WB), including their staffing, organization, outsourcing, resources and impact assessment. This should be linked to an assessment of what DFIDB in-house skills are and what may need to change to ensure that they match the priorities of the CAP from a communication perspective.
- DFIDB has commissioned excellent studies in the context of its programmes. The CU could have a key role in coordinating the production of summarised versions of these studies. Such publications may go much further towards generating understanding of DFIDB work and towards influencing changes in policy and practice than general publications about the programmes financed by DFIDB.

Annex A Terms of Reference

EVALUATION OF DFID COUNTRY PROGRAMMES – COUNTRY STUDIES PROGRAMME 2005-6

TERMS OF REFERENCE FOR CONSULTANCY ASSISTANCE

1. Introduction

- 1.1 DFID's Performance management system is supported by periodic independent evaluations at project, programme, sector and thematic level. A recent NAO report suggested that performance management could be strengthened by periodic evaluation of DFID's country programmes (CPEs).
- 1.2 DFID's Evaluation Department (EvD) has recently undertaken independent pilot studies in four countries during which an evaluation framework evolved. This framework (Annex A) will form the basis of future evaluation studies.
- 1.3 These terms of reference (ToRs) are for the next stage in a rolling programme of CPEs covering EvD's requirements for the next 12 months, with a possible extension of up to 12 months. As each CPE finalised, the ToRs maybe refined to reflect country context.
- 1.4 Countries proposed for evaluation in 2005/6 are Rwanda, Ghana, Mozambique and Bangladesh. The timing of these may require some studies to run concurrently.
- 1.5 The evaluation will examine the countries' most recent Country Strategy Paper (CSP), or related policy documents. The lessons learned will contribute to DFID policy, including Country Assistance Plans (CAPs).

2. Background

- 2.1 DFID has increasingly targeted development assistance at the county level and become a highly decentralised organisation. Country offices have replaced regional development offices and decision-making and financial authority have been delegated to country programme heads. The purpose of this shift is to improve the relevance and coherence of development assistance programmes while at the same time maximising opportunities for partnership, influencing and donor harmonisation around a nationally owned programme for poverty reduction. The way in which country programmes (e.g. as described in a CSP) translate DFID's corporate objectives into operational plans for delivering development assistance is therefore a logical object for evaluation.

3. Overarching objectives

3.1 The main objective of the CPE is to assess the country programme in terms of:

DFID Processes

- The **appropriateness** of country programme objectives and the logic behind them given domestic policy objectives for poverty reduction, as well as DFID's own corporate level objectives;
- The **relevance** of programme interventions given overall objectives (i.e. the cause and effect link between interventions and objectives), the governance and institutional setting, and DFID's comparative advantage and human resource availability;
- The **efficiency** with which programme plans are translated into activities, including human resource and office management, collaboration and harmonisation with other stakeholders, policy dialogue and influencing, the use of financial instruments, and the quality of DFID as a development partner;
- The **effectiveness** of the overall programme in achieving intermediate poverty reduction outcomes and the systems for measuring and monitoring success;
- The success with which the programme had mainstreamed the cross-cutting issues of **poverty, gender, HIV/AIDS and environment** into all of its activities. What were the variables influencing the process of inclusion? What was the impact on the achievement of wider programme objectives?

Outcomes and Impacts

- What can be said about **impact and sustainability** and at what level this occurs. What changes intended or unintended can be attributed to the interventions.

3.2 The evaluation seeks to draw the cause and effect links between:

- **Programme direction and the poverty outcomes to which they are linked** - Does the programme have clear direction? How does this relate to DFID's corporate objectives on the one hand and the country-specific environment on the other? What development theory and evidence underpins the programme direction? Why were certain investment decisions made over others? What are the results/outcomes of these linkages?
- **Choice of instruments and objectives** – What are the “development instruments” in use? What are the factors/variables that impact upon efficiency? Are the choices being made the best possible choices, given those factors/variables?
- **DFID as a development partner** – What is the nature and quality of DFID's partnerships with the country government and other development stakeholders? How do these different stakeholders perceive DFID as a development partner? What are the factors/variables that impact/influence those relationships?

4. Outputs & Timing

- 4.1 The consultants will produce one study report and executive summary for each country. The report shall be approximately 30-40 pages long (excluding annexes).
- 4.2 EvD will carry out the initial data collection, with support from the consultant, which will produce a programme history. DFID will produce an initial context summary which will provide additional background information and outline issues identified by key stakeholders, other donors and DFID country staff. The consultants will work to the evaluation framework for the study (Annex A) as well as addressing country-specific issues raised by the EvD team in the context summary.
- 4.3 The consultant will:
- identify key issues for the evaluation, including understanding the development environment and history of DFID's recent programme
 - identify key stakeholders, internal and external to DFID, who they will interview
 - set up and plan the main field visit (lasting 2 weeks) including consulting with local DFID staff and getting their support
 - identify and engage a consultant locally as part of the evaluation team
- 4.4 The consultants will work to strict deadlines, to be agreed by the Evaluation Manager, however, the First Draft report will be required to be delivered to EvD within 2 weeks of the Field Visit.
- 4.5 Following a dissemination seminar in which the consultant will present the findings of the report, the consultant will produce the Final Report, incorporating any resulting comments from the seminar, within 6 weeks of the Field Visit.
- 4.6 On completion of the final report, the consultants will produce an evaluation summary (EvSum), of approximately 4-6 pages, which will include the response from the relevant DFID office/Department.
- 4.7 The Rwanda CPE is the first in the programme, with field visit dates set for 6 –17 June. The Bangladesh CPE is planned for the end of August and the Mozambique CPE is planned for late in 2005. The Ghana CPE will take place in early 2006.

5. Competence and Expertise Requirements

- 5.1 One consultancy organisation will be appointed to deliver the outputs described above. The team should be balanced in terms of gender and must include a strong national/regional component.
- 5.1 A full-time managing consultant with extensive evaluation experience and a record of managing country/strategic level evaluations will be required to manage the planning and delivery of this study. The individual will also be expected to have strong written and oral communications skills as he/she will play a major role in communicating lessons learned both to country programme

personnel and to a wider DFID audience.

5.3 Each country team will need to be familiar with country programme evaluation, monitoring and performance management issues. The team will be made up of a combined skill set covering economics, social and institutional development and human resource management.

5.4 The consultancy team will have responsibility for:

maintaining ethical standards in implementing the evaluation
the timely production of evidence based conclusions and recommendations
managing logistics in country

6. Reporting

6.1 The consultants will report to the Evaluation Manager/Senior Economist (Nick York) or the Deputy Programme Manager (Lynn Quinn) in DFID Evaluation Department.

7. Timing

7.1 The consultancy should start around April 2005 and outputs will be produced to firm timetable. Consultants must specify the level of inputs of each component of the evaluation work as well as provide CVs of the proposed country evaluation team.

Evaluation Department March 2005

Annex B People consulted

Government

J.T.A. Chowdurry	Project Management Unit, Dept Public Health & Engineering
C.Q.K. Mustaq Ahmed	DG, NGO Affairs Bureau
Nurul Huda	Additional Chief Engineer, Road and Highways Department, Consolidation of the Institutional Development Component (CIDC 3)
Mohamed Tareque	Joint Secretary (Budget), Min of Finance
Arastoo Khan	Joint Secretary, Debt Management, Min of Finance
Khandakar Khalikuzzaman	Division Chief, PID, Planning Commission, CIDC3 Project Coordinator
Masudul Huque	Additional Chief Engineer, RHD Planning & Maintenance Wing (RHD-PMP)
A K M Abdul Muqtadir	Director (Planning), Dept Primary Education
Md. Shafiqul Islam	Joint Secretary (Europe) Economic Relations Dept.
Matiur Rahman	Sr. Asst. Chief (Desk Officer), ERD
Nazrul Islam	Deputy Chief (Desk Officer), ERD
Md. Mozammel Hoque	Joint chief (Planning), Min of Health
Mamdood Hossain Alamgir	Director, Board of Investment, Prime Minister's Office
Md Mozzammel Hoque	Joint Chief, MOH&FW/ Dept of Planning
MD Abdus Salim	Programme Manager, National AIDS/ STD Program/ DG-Health Services/ MOH&FW
Mohammed Iqbal	Project director, Second Urban primary health Care Project

Projects and TA

Jelle van Gijn	Programme Director, WSPimc, CIDC3
Richard Langford-Johnson	Monitoring consultant, WSPimc, CIDC3
Sion Haworth	Transport Advisor, Planning Commission
Deepak Adhikary,	Deputy General Manager, IFC/SEDF

Donors

Brajesh Panth	Snr Social Sector Specialist, ADB
Rezaul Karim Khan	Head Economics Unit, ADB
Putu Kamayana	Snr Country Programs Specialist, ADB
Kartini Oppusunggu	Chief, Res. Mgt & Partnership Service, WFP
Paul Edwards	Chief, Water & Env. Sanitation, UNICEF
Dinesh Nair	Health Specialist, World Bank
Mohinder Mudahar	Economic Advisor, Ag. & Rural Dev., World Bank
Todd Sorenson	Director, Democracy, Governance & Education, USAID
Dr.Rezaul Haque	Democracy Team Leader, USAID
Paul Sabatine	Programme Officer, Energy, USAID
Md. Kamaruzzaman	Program Specialist Energy, USAID
Roger Shotton	Regional Technical Advisor, UNCDF
Zakia Hasan	Advisor, Royal Norwegian Embassy
Kristian Jervell	First Secretary, Royal Norwegian Embassy
Masahiko Kiya	Counsellor, Embassy of Japan
Abdul Motalib,	Sanitation Adviser, Royal Danish
Paul Richardt Jensen	Counsellor, Royal Danish Embassy
Mahal Aminuzzaman	Royal Danish Embassy
Jorgen Lissner	Res. Rep., UNDP

Dr. Asib Nasim	Adviser Health And Population, UNICEF
James Jennings	Education Programme Officer, UNICEF
Arnold van der Zanden	Education Adviser, Netherlands Embassy
Annemieke de los Santos	Health Adviser, Netherlands Embassy

NGOs

Steve Wallace	Country Director, Care
Andrea Rodericks	Assistant Country Director, Care
Ruby Gaznavi	Board member, Transparency Int. Bangladesh
Iftexhar Ahmed	Executive Director, Transparency Int. Bangladesh
Dr. Munir	SCF-UK
David Humphry	SCF-UK
Shabbir Chowdhury	BRAC Director Micro Finance
Milon Kanti Barua	BRAC Health Manager
Dr. Shafiqul Islam	Director Education, BRAC
Dr. Yasmin Ahmed	MD, Marie Stoppes
Tanja Huq	Director, Christian Aid
Dr. Shamsul Bari	Executive Director, BLAST
Tasnimur Rahman	Director, Public Interest Litigation, BLAST
Nasir Mahmud	Director Administration, BLAST
Dr. Salim	Programme Manager, HIV/AIDS Prevention Control (NASP)
Rasheda K. Chowdhury	Director, CAMPE
Khushi Kabir	Director, Nijera Kori
Kamaluddin Akbar,	Director, RDRS

Others

Alan Brooks	Ex-RLEP, Presently with World Fish
Duncan King	ex-DFID, presently with CLP
Anton Imminck	Information Coordinator, Aquaculture & Fish Genetics Research Programme, Univ of Stirling/DFID
Graham White	BRAC Donor Liaison Office
Ed Mallory	Consultant, IFAD
Sheila Ryan	Consultant Poverty and Human Security Impact Assessment Team
Tim Sheehy	Consultant and Team Leader, TIB OPR Team
Archana Parkar	Consultant on CAP formulation

DFID B

David Wood	Head
Gareth Aicken	Senior Programme Manager (SPM) Human Development
Ashufta Alam	Infrastructure Adviser
Jim Brady	Finance & Procurement Manager
Elizabeth Carriere	SPM Pro Poor Growth
Indranil Chakrabati	Social Development Adviser (SDA)
Tom Crowards	Snr Economics Adviser
Mehtab Curry	SPM Governance
Peter Evans	Social and Political Governance Adviser
Najir Khan	DPM Livelihoods
Eric Hanley	Snr Social Dev Adviser
Jason Hayman	Economic Adviser

Guy Howard	Arsenic Spec (ASPU)
Milon Khan	Head, Communications Unit
Rokeya Khanam	Education Manager
David Gray	Snr Governance Adviser
Syeda Mahara Nazneen	Finance Officer
Jim McAlpine	Programme Manager (PM)
Mick McGill	PM
Sue McGill	Human Resources Manager
Frank Matsuert	Snr Enterprise Adviser
Jeremy Orton	DPM
Barbara Payne	Snr Education Adviser
Mohamed Abdus Sabur	Health and Population Sector Manger (NGO)
Johny Sarker	Livelihoods Adviser
Michael Scott	Snr Infrs & Livelihoods Adviser
Danny Shimmin	DPM
Bo Sundstrom	Head of Management Services
Riffat Young	DPM
Emeline Saunier	Asst Governance Adviser
Yolande Wright	Livelihoods & Environment Adviser

UK

Lynn Quinn	EvD DFID
Shona Wynd	EvD DFID
Iain Murray	EvD DFID
Martin Leach	Director's Office, EMAD
Charlotte Seymour-Smith	Director, Asian Division

ANNEX C

Bangladesh Country Programme Evaluation Matrix

CRITERIA	MAIN QUESTIONS	SUB QUESTIONS / TASKS
1. CONTEXT: what were the significant features of the context in which the programme was designed and implemented?		
1.1 Bangladesh 2000-2004	Drivers for change over this period	<ul style="list-style-type: none"> • Timeline and significant features.
1.2 DFID 2000-2004	Major changes & events within DFID	<ul style="list-style-type: none"> • Timeline and significant features
1.3 Donor scene 2000- 2004	Major changes in donor community and approach	<ul style="list-style-type: none"> • Timeline and significant features
2. PROGRAMME QUALITY: what was the quality of DFID's programme and process?		
2.1. Strategy	<ul style="list-style-type: none"> • Was DFID's strategy(s) in Bangladesh appropriate? 	<ul style="list-style-type: none"> • Summarise evolution & content
		<ul style="list-style-type: none"> • Appropriately harmonised with and communicated to, other donors? • Clear, results-focused and monitorable? • Relevant, appropriate and aligned to context/PRS process ? • Consistent with DFID policy? reflecting DBS path, PRS led, harmonization, upstream shift, globalization, PSA agenda • Adequate consultation with and communication to govt, CS and Private sector ?
2.2 Relationships	<ul style="list-style-type: none"> • How was DFID viewed by other development partners? • How effectively did DFID pursue the 'influencing' objectives regarding strategy and policy? • What were the risks and unintended consequences? 	<ul style="list-style-type: none"> • Identification of key partners and change over time
		<ul style="list-style-type: none"> • General approach to influencing
		<ul style="list-style-type: none"> • DFID – government
		<ul style="list-style-type: none"> • DFID – civil society
		<ul style="list-style-type: none"> • DFID - bilaterals
		<ul style="list-style-type: none"> • DFID - multilaterals • DFID – FCO

CRITERIA	MAIN QUESTIONS	SUB QUESTIONS / TASKS
		<ul style="list-style-type: none"> •
2.3 Activities	<ul style="list-style-type: none"> • what portfolio of activities and instruments did DFID implement? • How did DFID appropriately balance its support for government and civil society? • How did it implement the cross-cutting issues of gender, poverty, HIV/AIDS and environment? 	<ul style="list-style-type: none"> • Financial and staff inputs by CP outcome and instrument • Justification for activities and instruments by outcome • Mainstream gender? • Mainstream environment? • Mainstream poverty? • Mainstream HIV/AIDS • Harmonised with other donors? • Cross-cutting rights-based approach? • Government ownership? • Civil society ownership? • Balance between govt. and CS? • M & E of initiatives and instruments?
3. PROGRAMME EFFECTIVENESS: what has the programme achieved?		
3.1 Results	<ul style="list-style-type: none"> • To what extent have project level objectives been achieved/ are on track at project output and purpose level? • What influence has been achieved? • Has DFID advanced harmonisation? • How effective have different aid instruments been as development instruments? • Are these results sustainable? • Equity 	<ul style="list-style-type: none"> • • • • • • • •
3.2 CP outcomes:	<ul style="list-style-type: none"> • What progress has been made towards each (CP) strategic outcome? • Is this progress sustainable? 	<ul style="list-style-type: none"> • • • •

CRITERIA	MAIN QUESTIONS	SUB QUESTIONS / TASKS
	<ul style="list-style-type: none"> What has been DFIDs contribution? 	<ul style="list-style-type: none">
3.3 CP purpose and goal	<ul style="list-style-type: none"> What progress has been made towards the CP purpose and goal? 	<ul style="list-style-type: none"> Support implementation of PRS State and society work together to achieve sustainable poverty reduction Transformation within public service
3.4 DFID corporate objectives	<ul style="list-style-type: none"> What contribution has the programme made to the PSA and DDP? 	<ul style="list-style-type: none"> Contribution to PSA, SDA and DDP (general)
4. DEVELOPMENT PROGRESS: <i>what development progress has been achieved in Bangladesh?</i>		
4.1 Development progress 2000 – 2004	<ul style="list-style-type: none"> What overall progress has been made towards the MDG's etc.? What has been the contribution of the development assistance? 	<ul style="list-style-type: none"> Economic and development progress Contribution of development assistance?
5. CONCLUSIONS, LESSONS AND ISSUES		
5.1 DFID contribution and value added	<ul style="list-style-type: none"> What has been DFIDs overall value added/contribution? 	
5.2 Strengths and weaknesses of DFID programme	<ul style="list-style-type: none"> What have been the strengths of the DFID programme? What have been its weaknesses? 	
5.3 Explanatory factors	<ul style="list-style-type: none"> What explains DFIDs contribution and the strengths/weaknesses of the programme? 	
5.4 Issues and lessons	<ul style="list-style-type: none"> What lessons can be learned for the Regional Programme (Strategy ?), DFID and donors? What issues of wider interest (PRS & BS) are raised by the Bangladesh experience? 	

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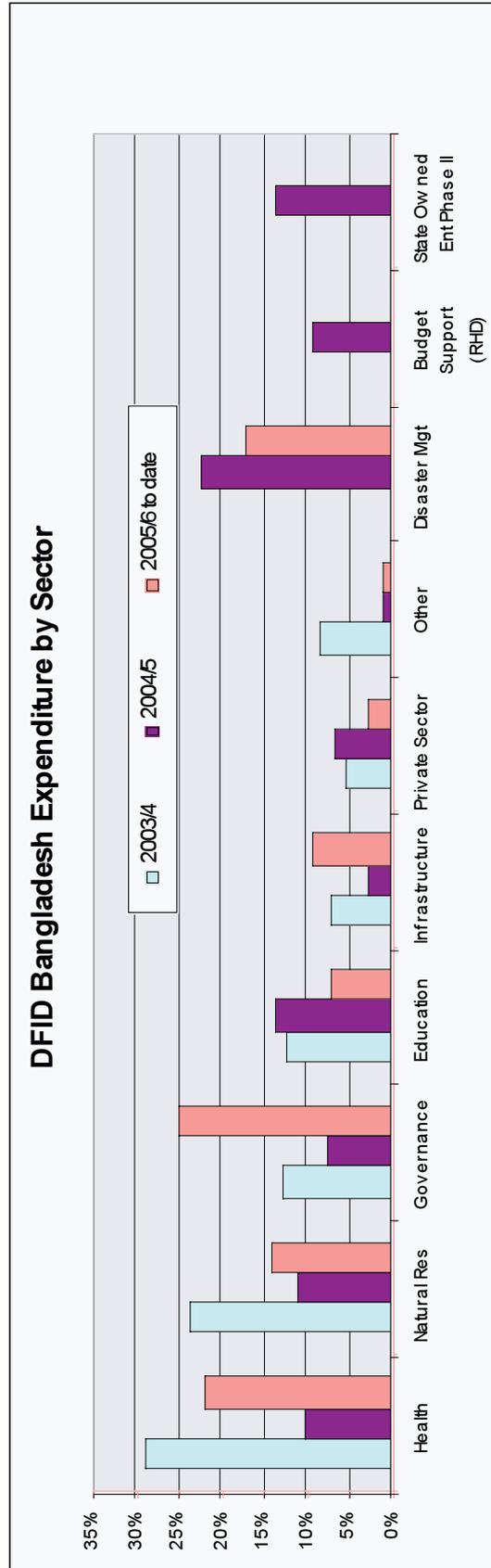
Annex 4 DFID Bangladesh Timeline

	1999 & before	2000	2001	2002	2003	2004	2005
Key national events in Bangladesh and the region		MDGs approved at UN Millennium Assembly in Dec 2000 Education For All Conference held in Dakar in April 2000	National Elections	I-PRSP formulated Action against NGOs perceived to have been pro-AL	Union Parishad Elections Bangladesh as medium development Country on HDI UNDP Major bomb attack on AL meeting Formation of new political party – Bikalpa Dhara?	Ending of MFA Floods affected 39/64 districts, 36 million people and caused \$2.3 billion damages Assassination of Former AL Finance Minister	Social Development Summit PRSP approved (October 2005) National Anti Corruption Commission formed Nation-wide terrorist attacks
DFID global		White Paper on Eliminating Poverty Decision to support PRSP process		Decision that CAPs replace CSPs Directors' Delivery Plans (DDP) introduced with a call for September 2002. EvD Evaluation Study "Development Effectiveness Report"	February: DFID Harmonisation Action Plan	DFID Policy paper: "Poverty Reduction Budget Support" Director's Delivery Plan:	January: Policy Paper on Fragile States March: DFID Policy Paper: "Partnerships for poverty reduction: rethinking conditionality"

1999 & before		2000	2001	2002	2003	2004	2005
DFID Bangladesh	CSP 1988-2002				CAP 2003-2006 Office restructuring Moving to new space outside the High Commission	Change in Head of Office Further office reorganisations	Closer working relations with High Commission Developing joint strategy with World Bank, ADB, JICA
Major Reviews and Evaluations		Review on Impact of Big NGOs		CSP Review (August 2002)	Supporting the Drivers for Pro-Poor Change Influencing Study. Hands not Land Nutrition Scoping Study Migration ???	Operationalising Pro-Poor Growth: Country Case Study on Bangladesh	Gender Audit, Perceptions Study, Poverty Impact Study of Governance programme, Review of Big NGOs II
Major programme activities and projects							
Expenditure		£71m	£60m	£76m	£57m	£122m	
Out-turn		Health SWAP		Manusher Jonno begins as a challenge fund for human rights and governance Major expansion of PSP e.g. CATALST		Education SWAP Chars Livelihood Project started	Closing natural resources projects
Programmes							

Annex F Programme expenditure

DFID Expenditure in Bangladesh by Category 2001-2005 (£)						
<u>Human Development</u>	2000/01	2001/02	2002/03	2003/4	2004/5	2005/6 to date
Health	no data	17,600,000	16,290,000			
Education		8,180,000	7,060,000			
Multi Sector		7,850,000	21,740,000			
EGSD		7,650,000				
<u>Livelihoods</u>						
Engineering		9,900,000	9,660,000			
Rural Livelihoods		16,610,000	11,980,000			
Prog Mgt		5,300,000	5,500,000			
Category						
Health				16,007,708	13,283,034	9,703,699
Natural Res				13,126,850	14,062,064	6,204,625
Governance				7,100,460	10,091,550	11,066,729
Education				6,978,466	17,656,197	3,164,991
Infrastructure				4,027,408	3,854,126	4,222,703
Private Sector				3,151,688	8,680,549	1,350,092
Other				4,681,573	1,327,867	568,528
Disaster Mgt				12,695	28,937,885	7,534,308
Budget Support (RHD)					12,000,000	-
State Owned Ent Phase II					17,800,000	-
Bangladesh Total Expenditure		73,090,000	72,230,000	55,086,848	127,693,272	43,815,675



Annex G Progress towards the CAP's main objectives

PRS Objectives	CAP Objectives, Priority Areas	CPE findings
CAP Objective 1: Pro Poor Economic Growth for ensuring income and employment of the poor	Pro-Poor Growth	
	Priority Area 1: Strengthened Enabling Environment that assists enterprises to create more and better jobs for the poor, especially women Outcome 1A: Strengthened regulatory system and reduced GOB investment in SOE's for improved growth and employment. Outcome 1B: Increased access by micro and small enterprises to markets, especially in rural areas (finance, technology, energy and information)	<p>With no private sector development investments closed, and no ex-post evaluation studies, the best available indicator of outcome is the project purpose achievement. The average purpose level rating for the four projects in PRISM is 1.8 indicating a high likelihood of purposes being achieved</p> <p>The first phase of support to State Owned Enterprises reform (the £6.7m contribution to redundancy payments in the politically sensitive jute-milling sector) was assessed as 1 at both output and purpose level, and has led to the £54m second phase Enterprise Growth and Bank Modernisation (EGBM) investment.</p> <p>The only near-completion investment in the relatively-new portfolio is CARE Income III. The project has achieved high repayment with its 32 participating MFIs; and reached around 200,000 borrowers, many of them the poor and women. The 2005 Annual Review views the project as having contributed to the WGF agenda.</p> <p>The Annual CAP indicator no.4 for 2003-04 was "Donors and stakeholders agree micro-finance sector priorities which include innovative financial products for the poor by end 2003, with a view to agreeing a SWAP by end-2004." Events have moved on since then, and a SWAP is not on the agenda. However DFID's PSD pipeline includes the £25m PROSPER which is designed to offer micro finance support to two relatively excluded groups : the very poorest and the larger SMEs.</p> <p>Nationally, the density and quality of the road network continues to improve. Attention continues to shift from new-build to maintenance, and DFIDB is supporting that effort, notably through budget support to periodic road maintenance. Post-flood rehabilitation continues to be a necessity, from time to time and DFIDB continues to support this.</p> <p>Reform and institutional development in the concerned Ministries and departments has been modest.</p> <p>Indicator 5 in DFIDB's Annual CAP Indicators for 2003-06 was "National Land Transport Policy launched and generated pro-poor action plan prepared by October 2003." The NLTP was approved in April 2004. This has not yet led to an action plan, but the establishment of an organisational base for future transport strategy planning within the Planning Commission is an important unpredicted achievement.</p>
	Priority Area 2: Strengthened delivery and management of land transport at local and national levels Outcome 2A: Institutional reform in the Land Transport Sector Outcome 2B: Improved management of road network	

<p>Human development of the poor for raising their capabilities through education, health, nutrition and social interventions</p>	<p>Human Development</p> <p>Priority Area 3. Support a comprehensive rights based approach to maternal mortality reduction.</p> <p>Outcome 3A. A holistic cross sectoral response to Maternal Mortality in place</p> <p>Outcome 3B. Maternal Mortality Reduction through Strengthened Health System</p>	<p>Since 1990, maternal mortality has decreased from 570 to 320 per 100,000 live births – so the trend had already started before 2000. The fertility rate has not changed since 1990 (3.3 children per woman – far from the target of 2.2) Nearly 49% of mothers in Bangladesh do not receive antenatal care. The proportion of women having their delivery attended by skilled personnel has increased from 5 to 12%, which is still very low if compared with the target (50%). Almost all births (90%) in the rural areas take place at home. Traditional birth attendants performed nearly two-thirds of the deliveries (the WB/DFID impact study concludes a positive effect, though), and the remainder of the deliveries were attended by relatives and friends.</p> <p>Before 2000, DFIDB supported interventions that may have a direct effect on maternal mortality (family planning, maternal health and family welfare). With the SWAp and the ESP in the public sector, there has been no evidence that this has resulted in an increased utilisation, productivity or quality of essential services – so it is not plausible that DFID has contributed much to decreasing the maternal mortality.</p> <p>The NGO, Mary Stopes, developed a rights-based approach through participatory needs assessment/M&E and also a programme for men being responsible for reproductive rights. This might have an important effect on maternal mortality if it were scaled-up, but the follow-up programme was not supported by DFID.</p> <p>Maternal mortality is mainly caused by maternal malnutrition (45%), abortion (20%), violence (15%) – the new CDP is expected to address these issues, but in the CAP they were not</p> <p>Livelihoods: The CAP redesign weakened the upward links to outcomes. Thus while livelihood project results are well documented, their contribution to CAP and even to CSP outcomes and objectives is hard to identify.</p> <p>Safe drinking water coverage is 74% while sanitation coverage is only 33% (29% in rural areas and 57% in urban areas), while 25% use unhygienic latrines and 43% do not use latrines.</p> <p>DFIDB's role through the APSU and ASEH have convinced conservative partners in GoB to change policies towards behaviour/ health risks and sanitation problems</p> <p>Disaster response: There is limited evidence of targeted interventions for women and girls from the PCR reports on flood relief. According to WFP, the poverty maps that have now been produced will improve the targeting when the next disaster comes. The Comprehensive Disaster Management Programme focus on improving coordination and management could mean better access in the future but as the evaluation report notes it is too early to be able to conclude that this will be the case. In conclusion, while there is no doubt that the relief efforts have provided food to women and girls in need, and that in some cases these target groups have been specifically targeted, it is not possible to say to what extent this outcome has been achieved.</p> <p>Overall the activities of NGOs are making a major contribution (quantitatively and qualitatively) to UPE and EFA. However, the support of donors to a Primary Education Development Plan that in terms of vision and strategy is limited to government schools is counterproductive to the comprehensive and national approach that is needed. In the vast majority of countries UPE is defined as a minimum of 8 years of schooling, in Bangladesh it is only 5. There is a need to focus also on lower secondary to ensure that the investment in UPE and EFA can pay off. PEDPII itself is weak on prioritisation, on specific strategies and on the definition of outcomes and indicators. It does not promote the</p>
<p>Priority Area 4. Support improved access for women and girls to food, safe water and hygiene.</p>	<p>Priority Area 5. Support comprehensive and national programmes for Universal Primary Education and Education for All</p> <p>Outcome 5A. Improved access to quality primary education</p> <p>Outcome 5B. More coherent and</p>	

	integrated approach to primary education sector	comprehensive vision that is needed to further EFA and UPE agendas. The risk is therefore that unless PEDPII is taken seriously and equipped with the necessary technical support (this appears to now be happening) the reforms that are necessary to achieve this objective will not be adequately carried through. This poses a threat to achieving this strategic outcome. In the CAP 2003/2004 and the CAP 2004/2005 process indicators are used to measure the progress towards this outcome. The focus on process makes it difficult to assess to what extent the actual outcome is being achieved. The indicators also do not give adequate attention to the extent to which cross-cutting issues (gender, pro-poor) are being addressed.
<p>Participatory governance, enhanced voice of the poor and improved non-material dimensions of well being, including security, power and social inclusion</p>	<p>Governance</p> <p>Priority Area 6. Support more effective demands by pro-poor groups for resources, services and realisation of rights.</p> <p>Outcome 6A: Strengthened capacity of pro-poor and right-based groups and civil society groups (e.g. elites, media, professional associations; local government forum) target and empower the poorest and most vulnerable.</p> <p>Outcome 6B: Increased accountability of Public Sector to the needs of the poor</p> <p>Priority Area 7. Support action to make the public sector more accountable and responsive to the interests of poor people.</p> <p>Outcome 7A: Pro-poor and pro-women and children budget allocation and expenditure by 2006 in selected line-ministries</p> <p>Outcome 7B: Strengthened capacity of Public Sector Institutions (PSI) to deliver poverty focused polices and services</p>	<p>Positive progress has been made towards the CAP priority areas and outcome but it is difficult to quantify. As the TOR for a recent study in DFID's advocacy and rights work stated "DFID does not have compelling evidence that the group of advocacy and rights projects is having an impact relevant (in quality and scale) to DFID's objectives."</p> <p>Draft results from the study, however, find that projects are having an impact in such areas as asset accumulation, reduction of vulnerability, inclusion, accountability and obligation</p> <p>The 2003 Annual Plan defines an indicator for 2003/4 (which is also a DDP indicator) for area six of the CSP: Manusher Jonno approved and funds at least 20 projects by mid 2003 that enable effective pro-poor demand, especially for women. This was fully achieved. The outcome for 2004/5 for priority 6 of the CAP is defined as "Strengthened capacity of pro-poor and rights-based groups and civil society groups to target and empower the poorest and the most vulnerable". The indicator for 2004/5 for priority 6 of the CAP is defined as "DFIB programmes will enable 7 million poor people to participate in rights based programmes" (also a DDP indicator). The Annual Review of the CAP 2004/5 and CAP Annual Plan for 2005/6 states that 3 million poor people should be participating in rights based programme. Sector programme coverage is now excluded from target, as not all of this is rights based" (p.32). This May 2005 document also states that the indicator for 2005/6 will need to be revised with more outcome focus. However no decision seems to have been made on this. DFIDB seems to have realised the inadequacy of its outcome monitoring indicators but is yet to do anything about them.</p> <p>The main impact of the supported NGOs is at the local level in the areas where they are working, as well as with some national level advocacy issues. However, without a massive upsurge in demand coupled with genuine political will, the scale of change is likely to remain small. There is good evidence at project level where NGOs like Samata and Nijeri Kori in raising awareness of rights of the very poor and of women. These contribute directly to the CAP outcome and overall WGF objective. The challenge is now to widen these achievements.</p> <p>Overall, governance reform over the past half-decade has been modest in Bangladesh. The PRSP gives a good account of the progress which has been achieved. The Ministry of Finance is seen to be one area of relative progress, as indicated by overall stability in macroeconomic management, and its efforts to reduce the volume of public resources going to low priority uses, including financing loss-making public banks and State Owned Enterprises; and the steady extension of the medium term budget framework to line ministries.</p> <p>The average PRISM score for the nine projects in this sector is 2.7 and overall, progress towards CAP Priority Area 7 is modest. However in the Bangladesh context, even modest progress is significant.</p> <p>Although outcomes are difficult to measure, the FMRP PFM intervention and the capacity development MATT investments are likely to contribute to greater transparency and efficiency of public resource use, and enhanced civil service management. The annual CAP indicator 7 for 2003/04 was "Budget model demonstrating gender and pro-poor budget allocations developed and adopted by end of 2003". FMRP has achieved progress towards this, but the indicator does not address internalisation and adoption of the model, and only deals with one element of the wider PFM challenge.</p>

Annex H

Bangladesh Millennium Development Goals, Status in 2005¹

¹ Millennium Development Goals, Progress Report, GoB and United Nations, 2005.

The cover of the report is divided into two main color sections: a yellow top section and a dark blue bottom section. In the yellow section, the United Nations logo is on the left and the Government of Bangladesh logo is on the right. The dark blue section contains the title 'MILLENNIUM DEVELOPMENT GOALS' in white, followed by 'Bangladesh Progress Report' in large white font. At the bottom of the dark blue section, a timeline diagram shows a horizontal line with an arrow pointing to the right, marked with the years 2000, 2005, 2010, and 2015. The year 2005 is highlighted in orange.

GOALS	GLOBAL TARGETS	BANGLADESH TARGETS	INDICATORS	BASE YEAR	CURRENT STATUS	TARGET 2015	COSTING (US\$)
GOAL 4 REDUCE CHILD MORTALITY	Target 5 Reduce by two thirds, between 1990 and 2015, the under-five mortality rate	Reduce under-five mortality rate from 151 deaths per thousand live births in 1990 to 50 by 2015	Under-five mortality rate (deaths per 1000 live births)	151	82	50	
			Infant mortality rate (deaths per 1000 live births)	94	56		
			Proportion of 1-year-old children immunized against measles	54%	69%	100 %	57 million per year, 2005-2015*
GOAL 5 IMPROVE MATERNAL HEALTH	Target 6 Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	Reduce maternal mortality from 57.4 deaths per 100,000 live births in 1990 to 14.3 by 2015	Maternal mortality ratio (deaths per 100,000 live births)	570	320 - 400	143	
			Increase the proportion of births attended by skilled birth personnel to 50% by 2010	Proportion of births attended by skilled health personnel	5%	12%	50% by 2010
		Reduce TFR to 2.2 by 2010	Total Fertility Rate	3.3	3.3	2.2 by 2010	
		Reduce maternal malnutrition to less than 20% by 2015	Proportion of mothers who are malnourished		45%	< 20%	
		Increase by two years the median age of girls at first marriage	Legally stipulated age at girl's first marriage		18 years	20 years	
		Eliminate violence against women	Proportion maternal deaths caused by violence		14%	0 %	

* 80% coverage of full immunisation.

GOALS	GLOBAL TARGETS	BANGLADESH TARGETS	INDICATORS	BASE YEAR	CURRENT STATUS	TARGET 2015	COSTING (US\$)	
GOAL 6 COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES	Target 7 Have halted by 2015 and begun to reverse the spread of HIV/AIDS	Have halted by 2015 and begun to reverse the spread of HIV/AIDS	Condom use rate among: female sex workers rickshaw pullers truck drivers		2 - 4% 2% 25%			
			HIV positivity among: IDUs female sex workers men who have sex with men		4% 0.2 - 0.7% 0.2%			
			Needle sharing among IDUs		25 - 75%			
			Blood screened before transfusion		NA			
				Health facilities with adequate equipment for screening HIV-intected blood		NA		
		Target 6 Reduce by 50% the incidence of cases and the number of deaths from malaria by 2015	Prevalence of malaria (million cases annually) Death rates associated with malaria			1 1%	0.5 0.05%	
				Proportion of population in malaria risk areas using effective malaria prevention and treatment measures				
	Target 8 Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases.	Detect 70% and cure 85% of detected cases by 2005	Prevalence of tuberculosis (per 100,000) Death rates associated with tuberculosis (annually) Proportion of tuberculosis cases under directly observed treatment short course (DOTS): detected cured			233 70,000		33 million for 2005. Of which: GoB - 12m NGO - 4m Ext - 17m
							34% 84%	70% by 2005 85% by 2005

GOALS	GLOBAL TARGETS	BANGLADESH TARGETS	INDICATORS	BASE YEAR	CURRENT STATUS	TARGET 2015	COSTING (US\$)
GOAL 7 ENSURE ENVIRONMENTAL SUSTAINABILITY	Target 9 Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.	Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.	Proportion of land area covered by forest	9%	10.2%	20%	
	Target 10 Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	Ensure that 100% of urban and rural population have access to safe water by 2015	Proportion of protected area to surface area to maintain biological diversity		0.01%		
			Energy use (kilogram oil equivalent) per US\$1000 GDP (PPP)	123.18	92.36		
			Carbon dioxide emissions (metric tons per capita)	0.141	0.189		
		Ensure that 100% of urban and rural population have access to safe water by 2015	Proportion of the population with sustainable access to an improved water source: urban rural		82% 72%	100 % 96.5 %	64 million for 2005-2015
		Ensure that 100% of urban and rural population have access to improved sanitation by 2010	Proportion of the population with access to improved sanitation: urban rural		56% 29%	85.5 % 55.5 %	
	Target 11 By 2020, have achieved a significant improvement in the lives of at least 100 million slum dwellers		Proportion of (urban poor) households owning dwelling owning land		26% 18%		

GOALS	GLOBAL TARGETS	BANGLADESH TARGETS	INDICATORS	BASE YEAR	CURRENT STATUS	TARGET 2015	COSTING (US\$)
GOAL 8 DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT	Target 12: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system	Develop further an open, rule-based, predictable, non-discriminatory trading and financial system Address the special needs of the least developed countries Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long-term In co-operation with developing countries, develop and implement strategies for decent and productive work for youth In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in Bangladesh In co-operation with the private sector, make available the benefits of new technologies, especially information and communication	ODA (billion US\$)		1.02		
			ODA to LDCs (percentage of OECD/DAC donors' GNI)		0.05%		
	Target 13: Address the special needs of the least developed countries		Proportion of bilateral ODA of OECD/DAC donors that is untied		79.1%		
			Exports from Bangladesh to developed countries: value (billion US\$)		58.31		
			proportion admitted free of duties		66%		
	Target 14: Not applicable for Bangladesh		Average tariffs imposed by developed countries on textiles and clothing from Bangladesh		12%		
	Target 15: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long-term		Agricultural support estimate for OECD countries as percentage of their GDP		-		
			Proportion of ODA provided to help build trade capacity		-		
			Debt service as a percentage of exports of goods and services		7.29%		
	Target 16: In co-operation with developing countries, develop and implement strategies for decent and productive work for youth		Unemployment rate of 15-24 year-olds		8%		
	Target 17: In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in Bangladesh		Proportion of Bangladesh population with access to affordable essential drugs on a sustainable basis		80%		
	Target 18: In co-operation with the private sector, make available the benefits of new technologies, especially information and communication		Telephone lines and cellular subscribers per 100 population		1.32		
			Personal computers in use per 100 population and Internet users per 100 population		0.34		
			Internet users per 100 population		0.15		

DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

DFID, the Department for International Development: leading the British government's fight against world poverty.

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- reduce child death rates
- improve the health of mothers
- combat HIV and AIDS, malaria and other diseases
- make sure the environment is protected
- build a global partnership for those working in development.

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DFID
1 Palace Street
London SW1E 5HE

and at:

DFID
Abercrombie House
Eaglesham Road
East Kilbride
Glasgow G75 8EA

Switchboard: 0207 023 0000 Fax: 0207 023 0016

Website: www.dfid.gov.uk

Email: enquiry@dfid.gov.uk

Public Enquiry Point: 0845 300 4100

From overseas: + 44 1355 84 3132

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