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**PROJECT PERFORMANCE EVALUATION REPORT ON
THE INTEGRATED VILLAGE INFRASTRUCTURE
DEVELOPMENT PROJECT (BD0140), PEOPLE'S
REPUBLIC OF BANGLADESH**

RABI' AL-THANI 1439H
DECEMBER 2017G

GROUP OPERATIONS EVALUATION DEPARTMENT

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**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

Table of Content

ACKNOWLEDGEMENTS	III
CURRENCY EQUIVALENTS AND LIST OF ACRONYMS & ABBREVIATIONS	IV
BASIC PROJECT DATA	V
EXECUTIVE SUMMARY	6
CHAPTER - 1 : BACKGROUND	10
1.1 CONTEXT AND RATIONALE	10
1.2 FORMULATION	10
1.3 OBJECTIVES AND SCOPE AT APPRAISAL	11
1.4 FINANCING ARRANGEMENTS AT APPRAISAL	13
1.5 EVALUATION PURPOSE AND PROCESS	14
CHAPTER - 2 : CRITERIA-BASED ASSESSMENT	16
2.1 RELEVANCE	16
2.2 EFFECTIVENESS	17
2.3 EFFICIENCY	19
2.4 SUSTAINABILITY	22
2.5 OVERALL ASSESSMENT	24
2.6 OTHER ASSESSMENT	25
CHAPTER - 3 : PERFORMANCE OF STAKEHOLDERS	26
3.1 BANK PERFORMANCE	26
3.2 PERFORMANCE OF THE BENEFICIARY OF IDB FINANCING	27
3.3 PERFORMANCE OF OTHER STAKEHOLDERS	30
CHAPTER - 4 : ISSUES, LESSONS AND RECOMMENDATIONS	31
4.1 ISSUES	31
4.2 LESSONS LEARNED	31
4.3 FOLLOW-UP ACTIONS AND RECOMMENDATIONS	32
ANNEXES	33
ANNEX-1: PHOTOGRAPHS OF PROJECT FACILITIES	34
ANNEX-2: LIST OF PERSONS MET	38
ANNEX-3: LIST OF DOCUMENTS REVIEWED	39
ANNEX-4: PROJECT LOG-FRAME	40
ANNEX-5: PLANNED AND ACTUAL PROJECT OUTPUTS	41



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

ANNEX-6: PROFILE OF ACTUAL DISBURSED FUNDS-----	42
ANNEX-7: ORGANIZATIONAL CHART OF THE LGED AT POST-EVALUATION -----	44
APPENDIX I: RATING MATRIX-----	45

Index of Tables and Figures

Table-1: Project's financing Plan at Appraisal	14
Table-2: Summary of Actual Itemized Project Cost Compared to Appraisal Estimates	20
Table-3: Actual Financing Plan Compared to Appraisal Estimates	20
Table-4: Project Implementation Schedules	21
Table-5: Summary of Actual Disbursed Funds	21
Table-6: Overall Performance Assessment	24
Table-7: Status of Compliance with Covenants in PPER compared with PCR	29



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

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**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

CURRENCY EQUIVALENTS AND LIST OF ACRONYMS & ABBREVIATIONS

Currency Equivalents

Currency Unit: BDT Exchange Rate of 1 USD at Key Project Dates

Currency	At Project Appraisal (December/2005)	During 1st Disbursement (July/2007)	During Last Disbursement (June/2011)	At Project Completion (June/2011)	At Post-Evaluation (November/2016)
US\$ 1.00	66.2	68.7	74.2	74.2	79.3

Abbreviations & Acronyms

A. Currencies

BDT	Bangladeshi Taka
ID	Islamic Dinar
Tk	Taka
USD/US\$	United States Dollar

B. Weights and Measures

ha	= hectare
km	= kilometre
m	= metre
m ²	= square metre

C. Others

AR	Appraisal Report	MCPS	Member Country Partnership Strategy
CAs	Community Assistants	MIS	Management Information System
CO	Community Organizer	M&E	Monitoring and Evaluation
CVDCS	Comprehensive Village Development Cooperative Society	NGO	Non-Governmental Organization
CTY	Country Programming Department	NCB	National Competitive Bidding
DPP	Development Project Proposal	OC	Operations Complex
EA	Executing Agency	PCR	Project Completion Report
E&IGA	Employment and Income Generating Activities	PD	Project Director
EIRR	Economic Internal Rate of Return	PIU	Project Implementation Unit
FIRR	Financial Internal Rate of Return	PMU	Project Management Unit
GDP	Gross Domestic Product	PPER	Project Post Evaluation Report
GOB	Government of Bangladesh	RD&Is	Rural Development & Institutions
GOE	Group Operations Evaluation	RDPs	Rural Development Projects
HDI	Human Development Index	RHD	Roads & Highway Department
ICB	International Competitive Bidding	RRP	Report and Recommendations of the President
IVIDP	Integrated Village Infrastructure Development Project	UE	Upazila Engineer
KPI	Key Performance Indicator	UNDP	United Nations Development Program
LCB	Local Competitive Bidding	VDCS	Village Development Cooperative Society
LDC	Local Development Schemes	VIDS	Village Infrastructure Development Schemes
LGED	Local Government Engineering Department	VOC	Vehicle Operating Cost
LIDS	Local Infrastructure Development Schemes		

Fiscal Year: 01/2016 – 12/2016



PROJECT PERFORMANCE EVALUATION REPORT ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT PROJECT, BANGLADESH

BASIC PROJECT DATA

PROJECT IDENTIFICATION		PROJECT SPIDROGRAM		
PROJECT NAME	The Integrated Village Infrastructure Development Project (IVDP)			
COUNTRY	Bangladesh			
CONCERNED DEPARTMENT	AGR Department			
MODE OF FINANCING	Loan			
PROJECT PRECEDED BY BANK T.A.	No			
PREPARATION OF COMPLETION REPORT	Yes			
PROJECT NO	BD0140			
SECTOR	Rural Development			
KEY DATES:	DD / MM / YYYY			
APPRAISED	August 2005			
APPROVED	23/01/2006			
AGREEMENT SIGNED	30/05/2006			
EFFECTIVE	07/08/2006			
FIRST DISBURSED	11/07/2007			
LAST DISBURSED	29/06/2011			
COMPLETION ENVISAGED AT APPRAISAL	31/12/2010			
ACTUAL PROJECT COMPLETION	30/06/2011			
CHANGES IN DESIGN / SCOPE				BENEFICIARY DATA
MAJOR	MINOR	NO	AT APPRAISAL	LGED
			AT POST-EVALUATION	LGED
IMPLEMENTATION DELAY IN MONTHS				EXECUTING AGENCY
MAJOR (≥ 12 MONTHS)	MINOR (12 MONTHS)	NO	AT APPRAISAL	Local Government Engineering Department
		✓	AT POST-EVALUATION	Local Government Engineering Department
PROJECT COST IN MILLION				
AT APPRAISAL			AT COMPLETION	AT POST-EVALUATION
FOREIGN CURRENCY	LOCAL CURRENCY	TOTAL		
10.37 million	4.40 million	14.78 million	13.2 million	13.2 million
ECONOMIC ANALYSIS	%	AT APPRAISAL	AT COMPLETION	AT POST-EVALUATION
EIRR	%	21	N/A	N/A
FIRR	%	N/A	N/A	N/A
PROJECT OUTPUTS (INDICATOR)				
	UNIT	AT APPRAISAL	AT COMPLETION	AT POST-EVALUATION
Union Roads	Km	125 Km (102.5 km)	102.5 Km	102.5 Km
Village Roads	Km	253 Km (161 km)	166 Km	166 Km
Bridges/culverts on Union Roads	M	110 m	110 m	110 m
Bridges/culverts on Village Roads	M	300 m	313 m	313 m
Rural Markets	Number	75 (revised 51)	51	51
Cooperative Societies	Number	100	100	100
Local Infrastructure Development Schemes	Number	1309	2797	2797
PROJECT OUTCOMES (INDICATOR)				
	UNIT	AT APPRAISAL	AT COMPLETION	AT POST-EVALUATION
Improved Access to social services	N/A	No baseline data	Reduced travel times (about 70 percent) and distances	
Increased Agricultural Production	N/A	No baseline data	Reduced post-harvest losses due to easy access to marketing centres	
Enhanced Commercial Activities	N/A	No baseline data	1,412 women beneficiaries of micro credit scheme are employed in small businesses (cottage industry)	
Increased Employment Opportunities	N/A	No baseline data	5,913 jobs created in agriculture and other commercial activities with 620,000 temporal jobs during project implementation	
Improved Environmental Conditions	N/A	16.5% of houses with 5 trees	Number of households with at least 5 trees has increased from 16.5% to 36.9% after the project	
IDB FINANCING RECORDS		APPROVED	ACTUAL	
FINANCING AMOUNT	ID 7 million	US\$ 10.37 million	ID (million)	US\$ 10.32 million
NUMBER OF DISBURSEMENTS			59	N/A
AMOUNT DUE TO THE BANK			7,113,283.60	N/A
REPAYMENT MADE			1,741,000.25	N/A
AMOUNT OUTSTANDING			5,372,283.35	N/A
RATING SUMMARY		AT COMPLETION (PCR)	AT POST-EVALUATION	
OVERALL ASSESSMENT	NOT RATED		Successful	
EVALUATOR'S DATA				
E-EVALUATOR'S NAME		Mohammed Jalaludeen Issahaq		
WORK PROGRAM	YEAR (G)	2016G	QUARTER	Q3



EXECUTIVE SUMMARY

1. The Integrated Village Infrastructure Development Project (IVIDP) was approved in January 2006, to help in the Government of Bangladesh's poverty alleviation efforts by providing better road communication network, increasing agriculture production, generating employment opportunities, and expanding commercial activities in project area through development of markets identified as growth centres. Specifically, the project's objective is to improve rural roads infrastructure to facilitate movement of agricultural inputs and products, provide better market facilities that will help reduce post-harvest losses of perishable commodities, facilitate marketing of cottage industry products, reduce local transportation cost and generate employment opportunities. Generally, the project is consistent with the country's overall development strategy as expressed in the National Poverty Reduction Strategy (NPRS, 2005), the beneficiaries' needs, as well as the "IDB Group Strategic Objectives" focusing on Poverty Alleviation, Agricultural Development, Food Security and Infrastructure Development, which were derived from the key strategic thrusts of the "IDB Group 1440 Vision".

2. The objectives above were expected to be achieved through implementation of six components, namely; (i) improvement of Union and Village roads; (ii) Construction of bridges on Union and Village roads; (iii) Improvement of Growth Centres and markets; (iv) Roadside Tree plantation program; (v) assistance for employment generation to Village Development Cooperative Societies; and (vi) implementation of local development schemes identified by Village Development Cooperative Societies (VDCS). The project area covered hundred (100) villages in twenty (20) districts. The scope of the project included civil works to provide: 102.5 km of Union roads; 161 km of village roads; a total of 410m of bridges and culverts on union and village roads; 75 rural market sheds (revised to 51); establishment of 100 cooperative societies, 1,309 local development schemes; and 300km of tree plantations. It also included setting up and operating a Project Management Unit (PMU), financing of project audit and familiarization visit to IDB.

3. The total cost of the project at appraisal was estimated at US\$ 14.78 million. The IDB was expected to provide US\$ 10.37 million through loan financing and Government of Bangladesh contributing US\$ 4.41 million. The IDB financing was to cover costs of civil works (84%), Project Management Unit, excluding staff salaries (100%), financial audit (100%), and Consultancy Services (design and supervision of civil works). The project was approved on 23rd January 2006, the agreement was signed on 30th May 2006, and declared effective on 7th August 2006 with expected completion date of August 2011.

Relevance:

4. The project's objective at the time of preparation was relevant to addressing poverty issues in the project area. In particular, the design of the project concentrated on delivering both infrastructure and livelihood components that will contribute to improve the road communication network, increase agriculture productivity, generate employment generation and enhance incomes of the beneficiary population. More importantly, the objectives was in synch with the Government's new Strategy for Rural Development that emphasized broadly on rural development process, namely, agricultural development; development/improvement of physical infrastructure, and provision of additional income-generating opportunities for the rural poor. The design of the project was well suited to deliver the intended outputs and outcomes, while at the same time, meeting the aspirations of the beneficiary in enhancing the well-being of the population. In view of the above, the project has been assessed to be **relevant**.



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

Effectiveness:

5. All outputs in the original project scope were delivered. These include: (i) Rehabilitation of 268.5 km Union and Village roads; (ii) Construction of a total of 413m of bridges and culverts on union and village roads (iii) Construction of 51 growth centres and rural markets including drainage systems and pit latrines; (iv) 378km of road-side tree plantations established; (v) 100 Village Development Cooperative Societies established; and (vi) 2,797 Village Infrastructure Development Schemes implemented (against 1,309 planned).

6. Moreover, the project achieved all of its intended outcomes. Specifically, there is improved access to social services such as potable water, health centres, educational facilities and growth centres through the improvement of 268.5 km of the road network. Travel times have also reduced (from an average of 1 hour/10km to 0.5 hour/10 km) as a result of improved surfaces and connectivity through bridges. Therefore, transportation of farm inputs and outputs has improved with much cheaper costs now than before. Moreover, the access to marketing centres has reduced post-harvest losses and hence, increased the earning of farmers. Furthermore, the micro credit schemes established through the cooperatives has benefitted 1,412 women who are now having their own small businesses (cottage industry). In addition, there has been increased production, processing, preservation and marketing of vegetables, fruits and spices with increased access to credit by farmers through Village Development Cooperative Societies (VDCSs).

7. In terms of job creation, 62,000 jobs were temporarily created for the rural people particularly poor women, through the construction of rural roads/bridges and markets. Also, 5,913 permanent jobs have been created through agriculture production, transport sector, and trading activities in rural markets. In addition, teaching and learning environment has been enhanced in the only beneficiary orphanage in Faridpur through the construction of a 600 bed capacity dormitory for female inmates. Environmentally, the number of households experiencing annual flooding has declined from 47% (before the project in 2005) to 37.5% (after the project in 2012). Also, the number of households with at least 5 trees has increased from 16.5% to 36.9% after the project. Overall, the project has been **effective** due to achievement of the envisage outputs and outcomes.

Efficiency:

8. At completion, the project incurred an actual cost of US\$ 13.2 million, thus resulting in a cost savings of US\$ 1.58 million, as compared with the US\$ 14.78 million estimated at appraisal. The Bank disbursed US\$ 10.32 million, representing 99.5% of its approved financing of US\$ 10.37 million and 78.2% of the overall actual cost. The Government of Bangladesh's contribution decreased tremendously from US\$ 4.41 million to US\$ 2.88 million. The project was originally scheduled to be implemented over a period of 5 years from the date of effectiveness with expected completion date of August 2011. However, the project was actually completed in June 2011, two months ahead of its envisaged completion date. Therefore, the project has made cost savings while at the same time recording and no time overruns. Based on the above, the project's performance has been rated **efficient**.

Sustainability:

9. The Government of Bangladesh has sustained its budgetary allocation to the LGED for financing of construction and rehabilitation of road infrastructure. However, there is a compelling need for similar commitment to the allocation of resources for regular maintenance to be performed on the roads. As of now, there is an indication of commitment from the Government in terms of budgetary provisions for maintenance. What is needed in this case is the GoB remaining committed to its undertaking by timely releasing these resources to meet the budgetary needs of the LGED. The



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

spread of the project in terms of beneficiary selection has given due consideration to gender and demographic representation of its beneficiaries. In terms of social and environmental sustainability, the intensification of tree planting efforts is likely to promote land and water conservation in beneficiary communities. However, the institutional sustainability of the project would depend on the ability of the executing agency to institute human resource development policies that would enhance staff retention through succession planning and systematic replacement of retiring staff. Based on the scenario above, the sustainability of the project is rated **likely**.

Lesson learned:

10. Weak analytical work and poor feasibility can affect project output and outcome results: The reduction in scope of some output deliverables (relating to market centers) was largely caused by difficulty with land acquisitions leading to a reduction in the number of rural markets from 75 to 51. Even though this was compensated for by an increase in Local Infrastructure Development Schemes (LIDS) from 1,309 to 2,787, the project missed the opportunity of achieving its original scope. Moreover, the current specifications for roads and bridges are becoming increasingly obsolete in meeting the needs of beneficiaries. The current roads at the union and villages levels are not able to meet the increasing traffic (two-way), therefore, it is becoming difficult and dangerous using the roads and bridges in their current forms.

11. Greater development results require project designs that meet the needs of beneficiaries: The current specifications for roads and bridges are becoming increasingly obsolete in meeting the needs of beneficiaries. The current roads at the union and villages levels are not able to meet the increasing traffic (two-way). Therefore, it is becoming difficult and dangerous using the roads and bridges in their current forms. This development has resulted in over endurance of these roads through the activities of heavy and wide-bodied vehicles.

12. Active participation of project beneficiaries in the design and implantation of projects ensures sustainability: The inclusion of components to be implemented by beneficiaries created a sense of ownership of project outputs and outcomes. In addition, the involvement of community members in identifying local development schemes and their implementation has created greater ownership in the operations and maintenance of these facilities.

Follow-up Actions and Recommendations:

For the IDB

13. The Bank should increase its supervision missions for the on-going IDB-funded projects in the country to provide on-site technical support particularly on procurement. This will reduce incidence of delays in project implementation.

14. The Bank is recommended to support Government of Bangladesh to undertake and review feasibility studies and detail designs prior to approval of projects in the future. The support could come in the form of advisory service, capacity building or provision of resources (technical assistance grant) to finance the cost of project preparatory activities.

15. IDB is encouraged to extend further support in future to the Government of Bangladesh to build on the initial project results achieved. If possible, the support should give priority to the beneficiary communities under this project to ensure the comprehensiveness in development results.



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

For the Government of Bangladesh

16. Government of Bangladesh should undertake thorough feasibility studies to ensure soundness of future projects regarding designs, cost and realistic implementation periods. This will help both Government and IDB avoid design changes during project implementation phase.
17. Given the outcomes of the project, it is recommended that the intervention be continued by the Government of Bangladesh, but with limited scope (Divisional or District) and focus to attain greater impact instead of spreading resources thinly across the country.



CHAPTER - 1 : BACKGROUND

1.1 CONTEXT AND RATIONALE

1.1.1 Poverty, unemployment, poor infrastructure (roads and markets), low productivity and inequitable distribution of land, etc. are considered to be the key problems of development in Bangladesh. About 50 million people out of a total population of 138 million are estimated to be poor, and over 80% of the population living in the rural areas and with unemployment rate of more than 30%. The rural inhabitants are overwhelmingly dependent on agriculture for their livelihood and live under extremely difficult economic and social conditions. The socio-economic indicators for Bangladesh are low by international standards. The combination of a limited productivity base, poor physical infrastructure and limited access to markets keeps the majority of the rural population in a state of severe poverty. Addressing poverty and equity, and accelerating the growth process, have been the fundamental objectives of Bangladesh development. The strategy for poverty alleviation includes higher levels of investment in infrastructure and social sectors, with the objective of human resources development, targeted income and employment generating programs, and safety-net programs for hard-core poor population.

1.1.2 To address the above challenges, the Government of Bangladesh formulated the National Strategy for Accelerated Poverty Reduction (NSAPR, 2005-2009) which is derived from National Poverty Reduction Strategy (NPRS, 2005), to address the pervasive poverty situation in Bangladesh. This reaffirmed that reducing poverty and accelerating the pace of social development are the most important long-term strategic goals. These goals are built on a policy triangle of growth, human development and governance. With the above strategy, critical attention was to be paid to rural development process focusing more on integration of development, thus, the development of improved physical infrastructure and the provision of additional income-generating opportunities for the rural poor. Specifically the strategy requires the execution of a series of Rural Development Projects (RDPs) each of which should include one or more of the following elements, including; Irrigated agriculture, minor drainage and flood control works, development of physical infrastructure including roads, storage and markets, and production and employment programs (PEP) for the rural poor.

1.2 FORMULATION

1.2.1 The idea of the Integrated Village Infrastructure Development Project (IVIDP) was mooted as a rural development project to be implemented by the Local Government Engineering Department (LGED) with funding sources from the Government of Bangladesh and the Islamic Development Bank (IDB). Following this, the Government of Bangladesh requested the IDB through its letter dated June 1st, 2005 to participate in financing the project. The request was considered and included in the 1426H work program for the Country Operations Department-1 (COD-1). Based on this, the bank fielded an Appraisal Mission in Bangladesh during the period 26th November to 7th December 2005 for the purpose of preparing the project. The IDB mission team comprised Br. Samih Ahmad Farugi (Projects Officer), COD-I, Br. Mifzal Ahmad (Young Professional), COD-I and Br. Sayefuddin (IDB Field Representative in Bangladesh). In pursuance of this, a Development Project Proposal (DPP) of the project was prepared based on the AIDE MEMOIRE of the IDB Appraisal Mission in December 2005. However, the DPP needed to be revised as follows: (i) review¹ the cost table to accommodate increased cost of construction

¹ This became necessary as a result of the reliance on LGED's rate schedule dated 2004.



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

materials and labour, and (ii) Adjust the targets of civil works to keep the project expenditure within the approved cost. At the same time, the beneficiary was requested to obtain IDB's concurrence to the revised physical targets and also to seek IDB clearance on the original planned scope and to utilize available remaining funds including physical contingencies. The DPP was considered after the revisions by the Project Evaluation Committee (PEC) of the Government of Bangladesh at its 18.01.2006 meeting. This decision was communicated through a letter dated 16.02.2006 from the Rural Development & Institutions (RD&I) Wing of the Planning Commission. The committee also decided to exclude from the original proposal project components relating to construction of semi-concrete society office, improvement stove/burner for household use, improvement of bio-gas system in potential places, rehabilitation of infrastructure in orphanages, environmental improvement and community assistant for socio-economic development. This decision was informed by the limited resources available at the time for the execution of the project. The DPP was then revised accordingly excluding the above components without reducing the total project cost.

1.3 OBJECTIVES AND SCOPE AT APPRAISAL

1.3.1 The main objective of the proposed project is to help in the efforts to alleviate poverty of the rural population in the project area by providing better road communication network, increasing agriculture production, generating employment opportunities, and expanding commercial activities in project area through development of markets identified as growth centres. The project aims to improve rural roads infrastructure and provide better market facilities that will help in rapid movement of agricultural input, reduce post-harvest losses of perishable commodities, facilitate marketing of cottage industry products, reduce local transportation cost and generate employment opportunities. The roadside tree plantation and solid waste management program of the project was expected to help maintain ecological balance of the surrounding area and increase the stability of the road embankments.

1.3.2 The project scope included the improvement of about 378 km of Union and Village roads, out of which about 263 km earthen roads were to be improved to bitumen or concrete surface (all weather standard), and about 115 km new earthen roads to be constructed on existing alignments. It also included the construction of 110 meters bridges/culverts on Union roads and 300 meters bridges/culverts on Village roads. In addition, seventy five (75) growth centers were to be provided under the project including rehabilitation of two orphanages, improvement to sanitation facilities, solid waste management, assistance for employment generation schemes, improvement of cooking facilities and roadside tree plantation programs. The implementation of the social components of the project, such as employment generating activities were to be carried out by village cooperatives specifically formed for this purpose. In order to provide space for effective operation of these cooperatives, a simple one-room office structure (60 sqm) was planned to be constructed in all the villages under this project.

1.3.3 The project covers 100 villages selected from twenty (20) districts of Bangladesh where development is at the lowest level. The villages were selected using a study carried out by the Bangladesh Bureau of Statistics in collaboration with World Food Programme² which outlined the incidence of poverty at the different Upazila and Union levels of Bangladesh. The project location map is shown in **Annex-1**.

² The Food Security Atlas of Bangladesh - Towards a poverty and hunger free Bangladesh - 2004, Bangladesh Bureau of Statistics, United Nations World Food Programme.



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

1.3.4 The project was implemented to achieve six (6) main outcomes. These are: (i) improved access and road communication networks in rural communities, (ii) increased agricultural production (food crops, livestock and aquaculture), (iii) enhanced commercial activities, (iv) increased employment opportunities, (v) improved learning environment (inmates of an orphanage in Faridpur), and (vi) improved environmental conditions (land and water conservation).

1.3.5 The outcomes above were to be expected to be achieved through the delivery of the following outputs results:

(a) **Rural Roads:** (i) The project scope included improvement of about 378 km of Union³ and Village⁴ roads. About 263 km earthen roads to be improved to bitumen or concrete surface (all weather standard) and about 115 km new earthen roads were to be constructed on existing alignments. In addition, a number of small bridges and culverts were supposed to be constructed to span gaps and replace damaged structures in order to provide road alignments that are passable by motorized and non-motorized vehicles. Total length of bridges and culverts to be constructed on union roads to be about 110 meters, and for village roads, about 300 m bridges/culverts. These were to be designed by the consultants according to LGED design standards to be adopted for the particular site conditions.

(b) **Infrastructure Works:**

(i) Growth Centers; Seventy five growth centers (rural markets) to be provided with upgraded market facilities comprising improved selling area (paved open areas, open platforms, covered platforms and enclosed meat and fish shops), paved service roads, drainage, channels, paved loading and unloading areas, rubbish bins and slaughter slabs, water supply from tube-wells, sanitation facilities and market offices. The size of the sheds and paved areas to in accordance with the size of the market and availability of space for improvement;

(ii) Improvement of Household Sanitation Facilities; Provide 4,000 twin pit latrines in selected villages to improve people's access to acceptable latrines by eliminating problems associated with disposal of raw sludge. Provision of these latrines would also increase general awareness of the linkage of good health to proper sanitation;

(iii) Rehabilitation and Expansion of Orphanages; Construct a six floor hostel accommodation with 600 bed capacity and also rehabilitate workshops at Faridpur Muslim Mission Orphanage.

(iv) Village Cooperative Society Offices; Implement social components of the project, such as employment generating activities, would be carried out by Village Cooperatives specifically formed for this purpose. In order to provide space for effective operation of these cooperatives a simple one-room office structure (60 sqm) is planned to be constructed in all the villages under this project.

(c) **Social & Environmental Facilities:** Government of Bangladesh to implement this component through its own resources with the assistance of NGO's and community based organizations. It comprises small diversified schemes down to the level of local villages focusing

³ Union roads are classified as roads connecting Union headquarters with Sub-district headquarters, rural markets or with each other and have a crest width of 4.70 meters.

⁴ Village roads provide connection of villages with Union headquarters, local markets or with each other and have crest width of 4.35 meters.



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

towards employment generation activities and improvement of living conditions. The schemes have been undertaken in many earlier projects and proved to have successful implementation records.

(i) *Solid Waste Management Program*; implement a solid waste management program to cover the rural markets (Growth Centers) and the educational institutions in the project area.

(ii) *Self Employment Assistance to Rural Poor*; Direct employment opportunities to be created for the rural poor through implementation of different project components. Longer-term employment and income-generation opportunities to be created from the stimulus that the infrastructure investment would provide to agricultural production and other economic activities. Most of the income opportunities may come from expanding transport business and also from shops and workshops that would be established along the roads and near the markets. In addition, provide micro-credits to selected poor families or groups (about 20-50) from each village, who may show business or income generation potentials. Funding for this component, would be provided by the Government to be implemented by a development cooperative in each village;

(iii) *Improvement of Household Cooking Facilities*; Construction of 50 units of biogas plants in potential places to demonstrate the technology to the villagers. It is planned that 15,000 units of improved stove / burners will be installed at household level;

(iv) *Road Side Tree Plantation*; Planting of selected trees on both sides of the roads to stabilize the embankment against erosion and provide employment and income for the landless poor who will be employed by the Government during initial 2-3 years period to look after the trees.

(d) **Consultancy Services:** (i) Engage a local consultancy firm to carry out detailed engineering design, preparation of tender documents for roads and infrastructure components, training program to enhance the level of expertise of local contractors and for construction supervision. The firm would also provide assistance for implementation of social and environmental facilities, and (ii) recruitment of an independent local consultancy firm carry out annual financial audit of the project.

1.4 FINANCING ARRANGEMENTS AT APPRAISAL

1.4.1 The total cost of the project was estimated at US\$ 14.78 million. While the IDB proposed to provide US\$ 10.37 million (70.2%), the Government also proposed to contribute US\$ 4.41 million (29.8%) of as its share of the financing. The financing plan of the project envisaged at appraisal is shown in **Table-1** below.



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

Table-1: Project's financing Plan at Appraisal

Amounts in Million US\$					
Item	IDB Amount	%	GOB Amount	%	Total Amount
A. Civil Works					
i. Rural Roads	7.200	84%	1.371	16%	8.571
ii. Infrastructure	1.858	84%	0.899	16%	2.758
B. Social & Environmental Facilities					
	-	-	0.964	100%	0.964
C. Consultancy Services					
- Design & Supervision	0.303	100%	-	-	0.303
- Financial Auditing	0.032	100%	-	-	0.032
- Community Assistant for Socio-Economic Activities	-	-	0.182	100%	0.182
Sub Total					0.517
D. Project Implementation Unit (PIU)					
- Salaries, Office Expenses, Transport Vehicles	-	-	0.590	100%	0.590
- Office Equipment & Furniture	0.023	100%	-	-	0.023
- Startup workshop & Familiarization visits to IDB	0.015	100%	-	-	0.015
Sub-Total					0.628
	9.431		4.006		13.437
E. Physical/Price Contingencies (10%)	0.943		0.401		1.344
Grand Total	10.374	70.2%	4.407	29.8%	14.781

Source: IDB RRP

1.4.2 As can be seen from the table above, the IDB funding was to cover various components of the project including civil works (rural roads and other infrastructure) up to 84% of component budget, with Government of Bangladesh contributing the remaining 16% of the budget. Further, IDB was to finance in whole (100%) components relating to consultancy services, cost of Project Implementation Unit (PIU), including the procurement of office equipment and furniture and start-up workshop and familiarization visit by the project team to the IDB headquarters. Moreover, the Government of Bangladesh also undertook to finance fully (100%) the cost of components relating to the construction of social and environmental facilities, community assistance for socio-economic activities and payment of salaries of the PIU staff.

1.5 EVALUATION PURPOSE AND PROCESS

1.5.1 The Integrated Village Infrastructure Development Project (IVIDP) in Bangladesh was included in the 2016G Annual Work Program of the Group Operations Evaluation (GOE) Department of the Islamic Development Bank Group (IDB Group).

1.5.2 This Project Performance Evaluation Report (PPER) assesses the performance of the project which was approved by IDB in January 2006 in favour of the People's Republic of



PROJECT PERFORMANCE EVALUATION REPORT ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT PROJECT, BANGLADESH

Bangladesh (Ministry of Local Government, Rural Development and Cooperatives). The PPER has been prepared in the light of the Evaluation Coordination Group (ECG) Good Practice Standards (GPS)⁵ and the OECD-DAC evaluation standards⁶. The project is evaluated based on the IDB Group's Guidelines for Preparing Project Performance Evaluation Reports for Public Sector Operations, according to four core evaluation criteria (relevance, effectiveness, efficiency, and sustainability) and two additional criteria (bank performance and performance of the beneficiary of IDB financing). It also assesses the roles of different stakeholders in the project. The PPER also identifies lessons and presents follow-up actions and recommendations that need to be taken by the executing agency, Government, and/or IDB.

1.5.3 The project started in August 2007 and completed in July 2011. Almost 5 years after the project completion, the GOE Department fielded an independent evaluation mission (GOE Mission) on 15th to 25th November 2016 to evaluate the project with a view to provide lessons useful for the design and implementation of other similar projects financed by IDB.

1.5.4 The GOE Mission also visited the project sites in Comilla (103km), Faridpur (143km), and Narsingdi (82km) districts, located east, west and north of the capital (see **Annex-1**). Some selected photographs of the project facilities visited by the mission are portrayed in **Annex-2**. Discussions were also held with the Ministry of Finance (economic Relations Division), the Ministry of Local Government, Rural Development and Cooperatives, the Local Government Engineering Department (the executing agency), leadership and members of cooperatives in beneficiary communities, and officials of the World Bank in Dhaka. The list of people the mission interacted with is provided in **Annex-3**. The evaluation draws upon a review of project documents, other relevant studies, and discussions with IDB staff in the Operations Complex. The list of documents collected and reviewed for preparing the PPER is shown in **Annex-4**. The findings of the mission were summarized in the wrap-up meeting and discussed with the Economic Relations Division of the Ministry of Finance, the LGED and other stakeholders.

1.5.5 The Project Completion Report (PCR) was prepared in September 2011. This report indicates both overall assessment and rating of core evaluation criteria made in the PCR.

1.5.6 The Report and Recommendations of the President (RRP) and PCR did discuss in sufficient detail the proposed project outcomes and impacts. The design and monitoring framework (log-frame) that was featured in the RRP was also comprehensive enough to track project results (outputs and outcomes). What was lacking at the executing agency was the modalities and systems to measure the project performance in terms of activities, outputs, outcomes, and impacts. Since a log frame was developed by the IDB project team at inception, there was no need to retrofit the monitoring framework at evaluation. Therefore, the log frame is presented in **Annex-5**.

1.5.7 As part of the validation of PPER, the draft PPER was submitted to the AGR Department in the Operations Complex for views and comments. However, there was no feedback received from complex. Therefore, no evaluator's response is presented in **Appendix-2**.

1.5.8 A copy of the draft/final evaluation report will be shared with the Local Government Engineering Department (the executing agency), the Ministry of Local Government, Rural Development and Cooperatives and the Office of the IDB Governor.

⁵ Evaluation Cooperation Group, Working Group on Public Sector Evaluation: Good Practice Standards for the Evaluation of Public Sector Operations (2012)

⁶ DAC Guidance Series: Quality Standards for Development Evaluation (2009)



CHAPTER - 2 : CRITERIA-BASED ASSESSMENT

2.1 RELEVANCE

(a) Consistency with Country Development Strategy and IDB Group Strategy

2.1.1 The project is directly linked to the National Strategy for Accelerated Poverty Reduction (NSAPR, 2005-2009) that was prepared and adopted by the Government of Bangladesh (GoB). The Government's new Strategy for Rural Development Projects placed more emphasis on critical aspects of the rural development process, namely, agricultural development, improvement physical infrastructure in rural areas, and provision of additional income-generating opportunities for the rural poor. Generally, the project is consistent with country's overall development strategy as expressed in the National Poverty Reduction Strategy (NPRS, 2005), the beneficiaries' needs, and consistent with the "IDB Group Strategic Objectives" focusing on Poverty Alleviation, Agricultural Development, Food Security and Infrastructure Development, which were derived from the key strategic thrusts of the "IDB Group 1440 Vision".

(b) Relevance of Project Objectives

2.1.2 The project's objective is in line with the Government's efforts to alleviate poverty of the rural population in the project area. The project is a direct response to the challenge in building a road map for accelerated poverty reduction through the provision of better road communication network, increasing agriculture production, and generating employment opportunities. The project sought to do this by building on past achievements while preventing slippages, addressing the multi-dimensionality of poverty through a strategic choice of priorities, and unlocking the development potentials of the beneficiary communities through an optimal mix of public action and community mobilization and initiatives. The components of the project do not only address the aforementioned developmental challenges, but also promote community initiatives and strategies such as promoting local governance and caring for the environment and sustainable development, particularly at the local level.

(c) Relevance of Project Design

2.1.3 The design of the project took into account the execution of a series of components with key elements including: irrigated agriculture, minor drainage and flood control works, development of physical infrastructure including roads, storage and markets and production and employment programs (PEP) for the rural poor. The design was adopted to provide immediate solutions to the identified problems of inadequate of access, low agriculture productivity and limited employment opportunities. Furthermore, the project's co-financing arrangement was appropriate in meeting the country's resource needs in view of its capability to fully finance the project. Even though the design was relevant to the circumstances of the beneficiaries at the time of design and implementation, this has diminished with time. For example, the road specifications in the design (one-way lane) have become obsolete in view of the increasing traffic due to the opening up of the beneficiary communities. This incidence was not foreseen at the time of implementation, hence, no modifications was done to project design. In pursuit of beneficiary ownership, the various stakeholders were extensively consulted and involved through participatory approaches during the design stages. Consequently, the needs and aspirations of the beneficiaries were reflected in the kinds of outputs that the project delivered.



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

(d) Assessment of Relevance:

2.1.4 The project's objective at the time of preparation was relevant to addressing poverty issues in the project area. In particular, the design of the project concentrated on delivering both infrastructure and livelihood components that will contribute to improve the road communication network, increase agriculture productivity, generate employment generation and enhance incomes of the beneficiary population. More importantly, the objectives was in synch with the Government's new Strategy for Rural Development that emphasized broadly on rural development process, namely, agricultural development; development/improvement of physical infrastructure, and provision of additional income-generating opportunities for the rural poor. The design of the project was well suited to deliver the intended outputs and outcomes, while at the same time, meeting the aspirations of the beneficiary in enhancing the well-being of the population. In view of the above, the project has been assessed to be **relevant**.

2.2 EFFECTIVENESS

(a) Project Outputs and Outcomes

2.2.1 The project has achieved most of its planned outputs. With particular reference to rural roads, a total of 268.5 km of union and villages roads have been constructed. This comprises of 102.5 km of Union Roads (in accordance with the revision from the original figure of 125 km) and 166 km of Village roads (against 161 km after the revision from 253 km). The construction related to improvement from earthen road surfaces to bitumen or concrete surface (all weather standard) on existing road alignments. In addition, a number of small bridges and culverts covering a total of 413 m have been constructed. These consist of 110 m on Union roads and 300 m on Village roads. These bridges have spanned gaps and replaced damaged structures thereby providing road connectivity in the project locations. On the rural infrastructure works, the planned 51 Growth Centers (rural markets) have been constructed with upgraded market facilities with improved selling areas (paved open areas, open platforms, covered platforms and enclosed meat and fish shops), paved walk-ways, drainage, channels, paved loading and unloading areas, rubbish bins, slaughter slabs, water supply from tube-wells, sanitation facilities and market offices. Meanwhile, the size of the sheds and paved areas vary in accordance with the size of each market and availability of space. In respect of improvement of household sanitation facilities, the project has provided about 4,000 twin-pit latrines in selected villages to improve people's access to acceptable latrines by eliminating problems associated with disposal of raw sludge.

2.2.2 Other outputs of the project included construction of a six floor hostel with a capacity to accommodate 600 students and rehabilitation of four workshops⁷ at Faridpur Muslim Mission Orphanage. This is augmenting the accommodation needs of 800 orphans. In addition, 378 km of road side tree plantations have been established with the support of the 100 Village Development Cooperative Societies⁸ that have been formed by the project. Moreover, 1,344 Village Infrastructure Development Schemes (VIDSs) have been implemented alongside capital support for income generation to the village development cooperative society members to help in employment generation. Meanwhile, outputs that were delivered with sole funding from the Government of Bangladesh and these include sanitation facilities, solid waste management

⁷ The workshops rehabilitated include tailoring, welding, automotive, metal fabrication, electrical and woodwork.

⁸ VDCs are voluntary and self-help community based associations with the main function of empowering members while assisting State Local Governance Institutions in planning and executing community projects.



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

infrastructure, and cooking facilities (earthen stoves). The details of planned and actual project outputs are shown in **Annex-6**.

2.2.3 In terms of outcomes, the project achieved all of its intended results. Specifically, there is improved access to social services such as potable water, health centres, educational facilities and growth centres through the improvement of 268.5 km of the road network. Travel times have also reduced (from an average of 1 hour/10km to 0.5 hour/10 km) as a result of improved surfaces and connectivity through bridges. Therefore, transportation of farm inputs and outputs has improved with much cheaper costs now than before. Moreover, the access to marketing centres has reduced post-harvest losses and hence, increased the earning of farmers. Furthermore, the micro credit schemes established through the cooperatives has benefitted 1,412 women who are now having their own small businesses (cottage industry). In addition, there has been increased production, processing, preservation and marketing of vegetables, fruits and spices with increased access to credit by farmers through Village Development Cooperative Societies (VDCSS).

2.2.4 In terms of job creation, 62,000 jobs were temporarily created for the rural people particularly poor women through the construction of rural roads/bridges and markets. Also, 5,913 permanent jobs have been created through agriculture production, transport sector, and trading activities in rural markets. In addition, teaching and learning environment has been enhanced in the only beneficiary orphanage in Faridpur through the construction of a 600 bed capacity dormitory 600 for female inmates. Furthermore, the environmental conditions of households have improved as a result of the project. Particularly, the annual flooding experienced by some communities has reduced from 47% (before the project in 2005) to 37.5% (after the project in 2012). Also, the number of households with at least 5 trees has increased from 16.5% to 36.9% after the project.

2.2.5 Furthermore, the micro-credit loans extended to the beneficiaries through the cooperatives has benefitted 1,412 women who are now having their own small businesses (cottage industry). In addition, there has been increased production, processing, preservation and marketing of vegetables, fruits and spices with increased access to credit by farmers through Village Cooperative societies. In terms of job creation, 62,000 temporal jobs were created for the rural people particularly destitute and poor women, through the construction of rural roads/bridges and markets. Also, 5,913 permanent jobs have been created through agriculture production, transport sector, and trading activities in rural markets.

(b) Net Effect of the Project

2.2.6 There has been positive effects of the project interventions in the beneficiary communities in relation to their socio-economic development. Increased job and income generation opportunities have been observed across many communities which in turn impacted directly on household incomes. Evidence from an Impact Evaluation Survey⁹ points to a decline in poverty incidence in the project area. The number of poor households reduced from 31% in 2007 (baseline year) to 21.36 % in 2011. At the same time, the number of solvent households increased from 20% to 31 %. However, the rate of poor households remain same throughout the project implementation period.

⁹ The LGED commissioned an Impact Evaluations Survey in 2011 with the objective of assessing the changes in wellbeing attributable to the project interventions in the project beneficiary communities (100 villages). This survey capitalized on the earlier benchmark survey conducted during the mid-term of the project (2007-2009). The measure of poverty level of the households was on the basis of monthly income.



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

(c) Assessment of Effectiveness:

2.2.7 Even though the projects scope was very broad and complex in view of its integrated nature, it was able to deliver the expected outputs, though with some down scoping of some of the components. The project output results achieved have yielded the anticipated outcome results, thereby contributing directly to the achievement of project and contributing to the overall strategy of the Government at reducing poverty. In considering the overall achievement of the project in view of the above, project has been rated “**effective**” on overall score.

2.3 EFFICIENCY

(a) Cost-Benefit Analysis

2.3.1 The improvement in rural infrastructure in the roads, bridges, markets, drainage, and sanitary facilities have yielded economic, social and environmental benefits to the population. The increased access and better marketing facilities have helped in rapid movement of agricultural input, increase the farm-gate prices of perishable commodities, facilitated marketing of cottage industry products, reduced local transportation costs and generated employment opportunities. The enhanced economic wellbeing of the population has uplifted their social status in relation to family cohesion and harmony. In addition, the roadside tree plantation has not only provided stability to the road embankments, it has also resulted in the maintenance of ecological balance of the beneficiary communities. The solid waste management component of the project has also contributed to the improvement in sanitation of the communities. Overall, the benefits of the project in comparison with the project cost can best be assessed by considering travel time savings, increased productivity as a result of improved health conditions of beneficiaries.

2.3.2 At appraisal, the Economic Internal Rate of Return (EIRR) of the project was calculated based on two major infrastructure components i.e. rural roads and rural markets. The EIRR was calculated using data from previous studies and LGED databases. The quantifiable benefits of the project was assessed to include reduced Vehicle Operating Cost (VOC) for rural roads, and reduced Spoilage Costs for market produce. Using these calculations, for the base case scenario the project's EIRR was calculated to be 21%.

2.3.3 Indeed there has not been re-estimation of the Financial and/or Economic rates of return (FIRR; EIRR) at both completion and evaluation due to lack of verifiable data in relation to the variables used.

(b) Cost Effectiveness

2.3.4 At completion, the project incurred an actual cost of US\$ 13.2 million, thus resulting in a cost underrun of US\$ 1.58 million, as compared with the US\$ 14.78 million estimated at appraisal. The Bank disbursed US\$ 10.32 million, representing 99.5% of its approved financing of US\$ 10.37 million and 78.2% of the overall actual cost. The Government of Bangladesh's contribution decreased tremendously from US\$ 4.41 million to US\$ 2.88 million. The summary of actual itemized project cost compared to appraisal estimates is shown in **Table-2** below.



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

Table-2: Summary of Actual Itemized Project Cost Compared to Appraisal Estimates

Amount in US\$ Million

Component	Appraised Cost	Actual Cost	Variation	
			Amount	%
Civil Works				
Road, Bridge & Markets = 32 Packages & LIDS =8 Packages	12.87	12.10	0.77	5.9
Tree Plantation + Solid Waste + Micro Credit (E&IGA)	0.76	0.76	-	-
Services (Consultants = 3) Packages)	0.52	0.30	0.22	42.3
Project Implementation unit	0.63	0.02	0.61	96.8
Total	14.78	13.2	1.6	

Source: PIU

2.3.5 The actual costs of the project at completion did not differ substantially from the estimates in the appraisal report. The total cost of the project at appraisal was estimated at US\$ 14.78 million. The IDB was expected to provide US\$ 10.37 million through loan financing and Government of Bangladesh contributing US\$ 4.41 million. The IDB financing was to cover costs of civil works (84%), Project Management Unit, excluding staff salaries (100%), financial audit (100%), and Consultancy Services (design and supervision of civil works). The cost estimate of the project prepared in 2005 and the physical targets were set considering the LGED Rate Schedule, 2005. However, the project recorded marginal cost underrun due to the cost savings of BDT. 259.35 lakh that became available for the project due to exchange rate gains [US\$ = 66.00 BDT against 1US\$=68.50 BDT].

2.3.6 Based on actual disbursements, the actual financing plan of the project compared to appraised estimates is provided in **Table-3** below.

Table-3: Actual Financing Plan Compared to Appraisal Estimates

Amount in US\$ Million

Source of Financing	Appraised Financing Plan		Actual Financing Plan	
	Amount	%	Amount	%
Islamic Development Bank	10.37	70.2%	10.32	78.2
Government of Bangladesh	4.41	29.8	2.88	21.8
Total	14.78	100	13.2	100

Financing Ratio = 70:30

Financed Ratio = 80:20

Source: PIU

2.3.7 The project was originally scheduled to be implemented over a period of 5 years from the date of effectiveness. Moreover, it was approved on 23rd January 2006, with the agreement signed on 30th May 2006, and declared effective on 7th August 2006 with expected completion date of August 2011. Indeed the project actually completed in June 2011, two months ahead of its envisaged completion date. This achievement notwithstanding, it recorded 10 months delay between effectiveness and physical commencement. The cause of the delay is attributable to the



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

difficulty in site selections for the construction of markets that's ultimately affected the scope of some of the components. The project implementation schedules are given in **Table-4** below:

Table-4: Project Implementation Schedules

Signing Date of Agreement	Planned Completion Date	Actual Completion Date	Delay	Variation
30-05-2006	31-12-2010	30-06-2011	6 months	

Source: IDB Financial Reporting System

2.3.8 The project had a slow start in disbursement in the first year of implementation recording only 0.2% in the last two quarters of 2007. The rate peaked during the second year (2008) with 17.8% and accelerating to 37% in the third year (2009). By the end of the fourth year (2010), the cumulative disbursement rate was 82%. Summary of the actual disbursed funds of the project is shown in **Table-5** below while the details of planned and actual disbursed funds are shown in **Annex-7**.

Table-5: Summary of Actual Disbursed Funds

ID/UD\$ Million

Sl. No.	Date	Amount Disbursed (ID/US\$)	%	Cumulative Disbursed (ID/US\$)	%
1	2007	13,551.37	0.2	13,551.37	0.2
2	2008	1,190,382.68	17.8	1,203,934.05	18
3	2009	2,514,891.06	37.7	3,718,825.11	55.7
4	2010	1,753,276.32	26.3	5,472,101.43	82
5	2011	1,196,939.86	18	6,669,041.29	100
Total		6,669,041.29	100		

Source: IDB Financial Records

(c) Assessment of Efficiency

2.3.9 The project during implementation was efficient in timeliness and in resources utilization. Even though there was a 10 month delay between effectiveness and physical commencement, the time efficiency during implementation compensates for the lost time. In addition, the project remained within the approved budget notwithstanding cost underrun it recorded because of exchange rate gains (savings) and reduction in scope of some components. The cost underrun and scope reduction were not significant enough to cause the non-delivery of the outputs and outcomes. In light of the above, the Efficiency of the project is rated as **"Efficient"**.



2.4 SUSTAINABILITY

(a) Sustainability of Project Benefits

2.4.1 During appraisal, delay in implementation was one of the project risks identified, the cause of which was due to natural disasters like floods and cyclone in the project area. However, this was expected to be minimal as the LGED had the capability and experience to plan and work in difficult local conditions. This assumption was based on the LGED's past experience in implementing several projects without significant delays or difficulties. What is needed is the GoB remaining committed to its undertaking of timely releasing these resources to meet the budgetary needs of the LGED through the budget of the Ministry of Local Government Rural Development and Cooperatives. However, issues regarding delays in allocation of yearly maintenance funds to LGED from the Government to ensure adequate maintenance of foreign aided rural road projects are being addressed. The project facilities at the time of evaluation were in good service conditions and might not have required major rehabilitations immediately. What is not guaranteed is the future maintenance and rehabilitation of these facilities. This concern is arising from two main reasons. First, the infrastructural needs of the beneficiary communities are enormous with limited Government resources. The increasing demand for these facilities across the country would not allow government to make maintenance resources available in the upcoming years. Second, the beneficiary communities are not resourced (technical capacity and finance) adequately to undertake any such rehabilitations. Currently, there is limited Operations & Maintenance facilitation, limited recurrent funding and inadequate staffing at the local level. To mitigate the combined effect of the challenges above, more commitment is required from the Government to allocate adequate maintenance funds and also enhance the technical staffing capacity of LGED at the local level.

(b) Beneficiary Ownership and Commitment

2.4.2 The fundamental objective of the Government of Bangladesh is to address poverty and equity, through acceleration of the growth process. The strategy for poverty alleviation has been levels of investment (local or foreign funds) in infrastructure and social sectors with focus on human resources development, targeted income and employment generating programs and safety-net programs for hard-core poor population. Though this commitment has been constrained by limited resources, poor development expenditure utilization, unpredictable weather, environmental conditions and natural calamities. However, with this project, the Government has been able to navigate through these challenges resulting in the delivery of the envisaged results. In particular, the government complied with all of its responsibilities under the agreement including release of counterpart funding, albeit the shortfall in amount committed. The project has enjoyed sufficient local ownership by the end-beneficiaries of the project due largely to their involvement at all stages of implementation. The execution of some components¹⁰ brought a sense of ownership among beneficiary community members. This initiative has been mainstreamed in the local governance structure with the establishment of 100 cooperative societies. The local level mobilization and capacity building does not only indicate commitment to allow local ownership, it also ensure sustainability of project benefits.

¹⁰ Project beneficiaries directly implemented various project components relating to Local Infrastructure Development Schemes (LIDS) identified by VDCS, establishment of tree plantations and capital support for income generation through the Village Cooperative Societies.



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

(c) Institutional Sustainability

2.4.3 The executing agency (LGED), has been the responsible implementing agency for all rural and urban infrastructure development projects on behalf of the Ministry of Local Government, Rural Development and Cooperatives. By its organization, it mandated to provide technical support to all districts, including the areas which the project covers, through provision of qualified and trained staff to ensure proper engineering design of local projects and quality physical work. Its mandate also includes the transfer knowledge and technology from national level to local levels. The agency is fully decentralized covering all the administrative districts. Its human resource capacity at the district level is widely appreciated with each district having about 14 technical staff. Besides this, additional 200 staff from other government ministries including District Engineers, Assistant Engineers, Draftsmen, Surveyors, Work Assistants and Mechanics are deployed in the field. These staff are under the technical supervision of the greater district LGED staff consisting of, an Executive Engineer, one Assistant Engineer and supporting staff (a total 6 staff). At its head office in Dhaka, LGED has 57 full time staff while the total staff strength across the country is about 10,290. The LGED has proven to be a strong and efficient Executing Agency for IDB-financed projects, with good familiarity with IDB procedures and guidelines. Their efficiency, capability and professionalism have been endorsed by many international development partners.

2.4.4 In addition, the project outputs (infrastructure) have been handed over to the 20 districts and the beneficiary communities. The operation and maintenance of these facilities have since remained the function of these administrative districts. The user communities on their part have also adopted measures that would ensure the facilities are used judiciously and in a manner that would not cause deterioration to the physical structures. The LGED personnel at the district level have been mandated to provide needed technical and managerial support-service to the communities, whenever required. This notwithstanding, the capacity of both LGED staff and concerned Local government institutions and the beneficiary groups still required enhancement to ensure continuous operations of these infrastructure.

(d) Social and Environmental Sustainability

2.4.5 The geo-physical conditions for road development in Bangladesh are difficult. Many of the soils have poor engineering characteristics, and non-availability of good construction materials, particularly aggregates has been a challenge. The flat terrain, high rainfall and annual flooding means that roads must be built on substantial embankments with many cross-drainage structures, hence expensive to construct and require considerable attention to maintenance. The above notwithstanding, the project has not triggered any environmental or social concern at both implementation and completion. The activities of the project did not cause any significant destruction to flora and fauna that could lead to disturbance of natural environment. Therefore, at completion of the project, there has not been any reported case of adverse impact on the environment as a result of the implementation of the project. The roads, bridges and culverts were constructed in a way that did not create hardship or danger to community members in terms of water logging or obstacle on the natural flow of water. Indeed, the road side tree plantation component has rather made a positive impact on the environment by maintaining ecological balance of the surrounding area and has also helped in stabilizing road embankments.



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

(e) Assessment of Sustainability:

2.4.6 The project sustainability in the short to medium term is not in doubt due to the institutional commitment and local ownership of project facilities. Moreover, the long term sustainability can also be guaranteed if the Government of Bangladesh commits strongly to undertaking the following: (i) provide adequate and timely maintenance budget to the agency to undertake routine maintenance to curtail structural defects (ii) continue engaging with beneficiary communities on the utilization safe guarding the facilities; (iii) invest more resources to expand the infrastructure base to reduce carrying capacity (load) on the existing infrastructure; and (iv) build strong community ownership initiatives using the established cooperative societies as focal points. All the above notwithstanding, the sustainability of the project in view of the current circumstance is rated as **“Likely”**.

2.5 OVERALL ASSESSMENT

2.5.1 The objective of the project was directly linked to the National Strategy for Accelerated Poverty Reduction (NSAPR). It was also consistent with the “IDB Group Strategic Objectives” focusing on Poverty Alleviation, Agricultural Development, Food Security and Infrastructure Development in its member countries, which were derived from the key strategic thrusts of the “IDB Group 1440 Vision” of prospering people. The project design best suited the needs of the beneficiaries at the time, but the current use of the facilities particularly the roads has exposed some deficiencies in respect of the road width. The project delivered both outputs and outcomes though with some down scoping of some of the components. The project outputs achieved have yielded the anticipated outcomes. In addition, there was efficiency in timeliness and in resources utilization. Even though there was a 10 month delay between effectiveness and physical commencement, the time efficiency during implementation has compensated for the lost time. The sustainability of project results seems likely in the short to medium term, but with long term likely if the GoB commits to undertake measures including adequate budgetary allocations that would ensure regular and periodic maintenance of the facilities. In light of the above, the performance of the project is rated as **“Successful”** on an overall basis. The overall project performance rating is based on separate assessments of the four core evaluation criteria (relevance, effectiveness, efficiency, and sustainability) which are then aggregated to produce the overall rating as presented in **Table-6 below**.

Table-6: Overall Performance Assessment

Rating Criterion	Rating Assessment	Rating Value (%)
Relevance	Relevant	79
Effectiveness	Effective	75
Efficiency	Efficient	83
Sustainability	Likely	74
Overall Rating	Successful	78



2.6 OTHER ASSESSMENT

(a) Institutional Capacity Development Impact

2.6.1 The project used the already established agency (LGED) and relied on the sector and institutional structures at various levels (national, district, Union and Upazila) levels. As expected, the LGED implemented the project using its available resources (human and capital) and established mainstream structures at all level. However, the limitation of the existing mainstream system was not adequate for project monitoring and evaluation (M&E). The M&E system is not designed with outcome results M&E orientation, its focus has been towards output based monitoring. Hence, there is a need for a results monitoring system, or adjusting the existing system needs to reflect a results-based orientation. The LGED primarily collects implementation data and reporting only on milestones relating to output delivery. It is worthy to note that the EA is operating in a complex institutional, regulatory, and social environment and suffers from a lack of capacity relating specifically monitoring and evaluation (M&E), given that there was no officer assigned to M&E.



CHAPTER - 3 : PERFORMANCE OF STAKEHOLDERS

3.1 BANK PERFORMANCE

(a) Quality of Bank's Performance

3.1.1 The Bank's participation during the preparatory stages of the project has been contributed immensely to the achievement of good design and quality of implementation. The Bank extended its support to the beneficiary in identifying key components that would yield the desired project results. This is evidenced in the result-based logical framework that was prepared at inception. The Bank approved the project in line with the development objective of the Government at the time and in response to the needs of the beneficiaries. The Bank also followed through with its fiduciary duties regarding implementation supervision and support to the executing agency. There was regular feedback from project officers to the executing agency regarding implementation issues. The Bank also disbursed in a timely manner and that ensured speedy execution of project activities.

(b) Use and Quality of Results Framework

3.1.2 The project had an elaborate logical framework prepared at appraisal with project outputs and outcomes properly defined and with key performance indicators (KPI). What was lacking was the required baseline indicators that were to inform the setting of achievable results targets. In addition, the logical framework outlined the key indicators in accordance with the project logic. However, there was no performance measurement system required, as a result, the project missed the opportunity that a logical framework matrix would have provided to track progress in achieving outcome beyond the mere delivery of outputs. Consequently, monitoring was reduced to just site visits by the LGED to monitor progress of works. The non-establishment of M&E system also did not help in project data collection, processing, analysis and reporting. Lessons learned with previous projects were taken on board during the design. In particular, two preceding projects, thus, the Integrated Area Development Project and the Small Holder Support Project offered good lessons in relation to road infrastructure component which were implemented by LGED without any significant problems. Similarly, some useful lessons were also learnt from the agriculture related components implemented by the Department of Agriculture Extension that faced significant delays due to lack of familiarity with IDB procurement procedures.

(c) Quality of Supervision

3.1.3 The Bank is reported to have fielded four (4) supervision missions during the implementation period. The Bank's field missions were complemented by remote monitoring and interaction with the LGED. Through these interactions, the project officers were able to respond to implementation issues on the spot, particularly regarding procurement and financial management. On the occasions that the Bank's fielded supervision missions, the team was always lean and without skill mix (technical, financial, procurement, monitoring and evaluation, etc.). This limitation notwithstanding, the Bank's team remotely provided guidance on selection and award processes for the engagement of both the consultants and contractors. In terms of the timeliness and technical quality of the responses from the Bank's team to the requests from the executing agency, some concerns were raised about occasional delays in getting feedback from the Bank. With regards to this, the beneficiary is requesting the Bank to consider increasing their field presence in order to make project officers accessible to the LGED.



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

(d) Results-based Management and adequacy of M&E Design and Use

3.1.4 A comprehensive logical framework matrix was prepared at design stage without a corresponding results-based monitoring and evaluation arrangements to track the delivery of both outputs and outcomes of the project during and after implementation. As a result, project monitoring was limited to review of milestones and field visits for civil works supervision without any monitoring plan with clear indicators for performance tracking. The project also suffered from weak monitoring due to lack of capacity to monitor and evaluate beyond outputs. At implementation, IDB project team should have considered assisting the EA institutionalize a sound monitoring and evaluation system so as to adequately track project results. Even though a PCR was prepared at the end of the project, the project missed an opportunity of self-evaluation during implementation in order to learn lessons and generate knowledge that would guide the implementation of the project in the remaining time.

(e) Overall Assessment of the Bank

3.1.5 The performance of the Bank in spite of the limited supervision is considered to be satisfactory. Despite having no monitoring and evaluation mechanism for projects results, the reporting on project implementation progress were regular (quarterly). The implementation status reports from the EA which were prepared with the support of the supervision consultants were sent to IDB regularly. Overall, the Bank's performance is rated **satisfactory** by the LGED and contractors.

3.2 PERFORMANCE OF THE BENEFICIARY OF IDB FINANCING

(a) Readiness and Quality of Preparation

3.2.1 Prior to project effectiveness and physical commencement, the LGED had already in place a project implementation unit (PIU) team that had previously supervised the successful implementation of the road component of Integrated Area Development Project financed by IDB. A project start-up workshop was conducted following the project approval to familiarize new staff of the Executing Agency with the IDB procurement and disbursement procedures. Familiarization visit to the IDB Headquarter by selected staff of the Executing Agency was also conducted to give deeper insights into the procedures of IDB. Consequently, members of beneficiary communities were selected as Community Assistants (CAs) and engaged from each village for the project period. These CAs were responsible for reporting on project activities to the community organizer of LGED at the Upazilla level. The CAs' responsibilities included the formation and mobilization of each of Village Cooperatives. In addition, the operational aspects of village level social works were carried out by the Village Cooperatives in order to address specific local needs and to ensure greater community participation. Furthermore, a local consultancy company was engaged to carry out detailed engineering design, preparation of tender documents for roads and infrastructure components, designing and implanting a training program to enhance the level of expertise of local contractors and for construction supervision. The firm also provided assistance for implementation of social and environmental facilities.

3.2.2 Because of the diversity of project beneficiaries, key consideration was made for women's participation in every phase of development activities such as planning, design and implementation. Village Development Cooperative Societies (VDCS) were formed in all the 100



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

villages to offer beneficiaries the opportunity to participate and own the process. This enabled beneficiaries to make inputs regarding their priorities and preferences for project facilities.

(b) Quality of Implementation Arrangements

3.2.3 The project was prepared and implemented by the Local Government Engineering Department (LGED) in consultation with the local government bodies. The LGED under the Ministry of Local Government, Rural Development and Cooperatives has a diverse experience of implementing more than 60 rural and urban infrastructure development projects with a capital budget of about Tk. 17.0 billion (US\$ 438 million). The majority of these projects are under financing by the IDB, the World Bank and the Asian Development Bank. The LGED is quite familiar with the IDB procurement and disbursement procedures. The LGED outsourced the design and cost estimation for this project to external consultants. The organizational structure of LGED demonstrates that it has a nationwide coverage. In spite of this capacity, a Project Director was appointed with his support staff on full time basis to implement the project through a dedicated Project Implementation Unit (PIU). At the Upazila level, Community Organizers (COs) were appointed to be in charge of the social sector components of the project. The COs were aided by Community Assistants who lead the cooperatives at the village level. This institutional arrangement from top to bottom made the implementation of the project easier.

3.2.4 The organizational chart of the executing agency at post-evaluation is depicted in **Annex-8**.

(c) Compliance with Covenants and Safeguards

3.2.5 The LGED and the Government of Bangladesh complied with most of the covenants. The financial obligations were partly complied with as the government did not make available and promptly as needed, all of its committed funding amount. The local currency was necessary for to have the required resources for implementation of the Project. In terms of contracting of consultants and civil works contractors, the government awarded all contracts financed from the proceeds of the loan according to IDB procurement procedure as follows : (i) civil works contracts were awarded through National Competitive Bidding (NCB) among pre-qualified local contractors, (ii) consultancy for detailed design and for supervision which was awarded to Performance Monitoring & Evaluation Consultant was procured through competition among short listed local consulting firms, (iii) consultancy for financial audit of the Project awarded to a private consulting firm (JV Hassan Manzur & Co. and Anisurrahman & Co.) was procured through competition among short listed local consulting firms, and (iv) office equipment for PIU was also procured through national shopping as stipulated in the agreement.

3.2.6 In compliance with its fiduciary obligations, the borrower made appropriate arrangements that ensured that the executing agency at all times functioned under rules and regulations in form and substance satisfactory to the Bank. The LGED was also given the needed autonomy to manage and administer the project in diligent and efficient manner. In addition, the government took all the necessary actions to enable the executing agency to execute the project without hindrance or interference with the execution or operation of the project or in performance of any other provisions of the loan agreement. The PCR did not give either an indication of compliance or compliance rating. Therefore, no comparison has been made between the PCR and PPER. Table-7 below lists the status of compliance with covenants in PPER without that of PCR.



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

Table-7: Status of Compliance with Covenants in PPER compared with PCR

Type of Covenant*	PCR			PPER		
	Complied With (No.)	Partly Complied With (No.)	Not Complied With (No.)	Complied With (No.)	Partly Complied With (No.)	Not Complied With (No.)
Regulatory	N/A			1		
Financial	N/A			-	1	
Institutional	N/A			1		
Social	N/A			1		
Environmental	N/A			1		
Other	N/A			-		
Total				4	1	0

Source: PIU

(d) Responsiveness to Bank Supervision

3.2.7 The EA responded adequately and timely to all requests from the Bank to especially with regards to contract preparations, awards and management. Moreover, the EA was able to address quickly all the implementation challenges, with a clear demonstration of high level of technical oversight in managing all the project contractors, consultants and suppliers.

(e) Effectiveness of Measures for Project Sustainability

3.2.8 The mission found all the project facilities good conditions, although regular maintenance may be desirable on some sections of the roads. Greater effort in putting erosion control measures is required on sections of the roads close to rivers need. In spite of the fact that the executing agency (LGED) has the necessary technical competencies and capacity to maintain the roads, the sustainability of the project outputs would depend on the GoB's continuous commitment to providing sufficient budgetary resources for maintenance of project facilities.

(f) Overall Assessment of the Executing Agency

3.2.9 The LGED performed its fiduciary duties under the loan agreement satisfactorily. For instance, Bank's specific procedures for the procurement of goods, services and works as outlined in the financing agreement were adhered to. No specific problems or complaints were recorded during the procurement processes. The EA is renowned for its superior effectiveness compared with other public organizations in Bangladesh. In spite of the initial delays in implementing the project, the overall performance of the EA was satisfactory.



3.3 PERFORMANCE OF OTHER STAKEHOLDERS

(a) Assessment of consultant

3.3.1 The Performance Monitoring & Evaluation consultancy company was engaged as the consultant for the project. They prepared engineering design works per the specific requirement of the beneficiary including an inception report, preliminary design report, final design report, tender documents, tender evaluations, and construction supervision. They performed their tasks under the contract with diligence and professionalism. It is important to state that the outputs from the consultant did not include an M&E system for tracking project results. The monitoring aspect of the assignment was limited to preparation and submission of quarterly implementation reports for the LGED and onward transmission to the Bank. On the basis of this limited mandate, the performance of the contractor was assessed to be satisfactory by the beneficiary.

(b) Assessment of contractor

3.3.2 The project engaged local contractors to execute the civil works component of the project. The works were delivered by the contractors with desired quality within the agreed contract tenures. The speedy delivery of works by the contractors contributed significantly to the efficiency of the project in terms of timeliness and cost. In addition, the communication and coordination of works between the contractors and the LGED was satisfactory, but lacked a mechanism for transfer of knowledge and skills to the LGED staff. The contractors' performance in terms of execution of civil works has been rated satisfactory in agreement with the PCR rating.



CHAPTER - 4 : ISSUES, LESSONS AND RECOMMENDATIONS

4.1 ISSUES

4.1.1 Weak analytical work and feasibility study: the reduction in the quantity of some outputs (relating to market centers) was largely caused by difficulty of land acquisitions and underestimation of costs. It was expected that the necessary arrangements would have been made to ensure lands were made available in the selected sites. Issues of ownership, compensations and suitability of such lands could have been addressed using community networks and leaderships. The unsuitability of some the sites were due to lack of soil analysis and geological inquisition. This limitation can be addressed

4.1.2 Need for revision of design standards (roads and bridges): the current specifications for roads and bridges are becoming congested and inadequate in meeting the needs of beneficiaries. The current roads at the union and villages levels are narrow in nature and not able to meet the increasing traffic (two-way). Therefore, it is becoming difficult and dangerous using the roads and bridges in their current forms. This development has resulted in over endurance of these roads through the activities of heavy and wide-bodied vehicles.

4.2 LESSONS LEARNED

4.2.1 Weak analytical work and poor feasibility can affect project output and outcome results: The reduction in scope of some output deliverables (relating to market centers) was largely caused by difficulty with land acquisitions leading to a reduction in the number of rural markets from 75 to 51. Even though this was compensated for by an increase in Local Infrastructure Development Schemes (LIDS) from 1,309 to 2,787, the project missed the opportunity of achieving its original scope. Moreover, the current specifications for roads and bridges are becoming increasingly obsolete in meeting the needs of beneficiaries. The current roads at the union and villages levels are not able to meet the increasing traffic (two-way), therefore, it is becoming difficult and dangerous using the roads and bridges in their current forms.

4.2.2 Active participation of beneficiaries in project implementation ensures sustainability: The inclusion of components to be implemented by beneficiaries created a sense of ownership of project outputs and outcomes. In addition, the involvement of community members in identifying local development schemes and their implementation has created greater ownership in the operations and maintenance of these facilities.



4.3 FOLLOW-UP ACTIONS AND RECOMMENDATIONS

For the IDB:

4.3.1 The Bank should increase its supervision missions for the on-going IDB-funded projects in the country to provide on-site technical support particularly on procurement. This will reduce incidence of delays in project implementation.

4.3.2 The Bank is recommended to support Government of Bangladesh to undertake and review feasibility studies and detail designs prior to approval of projects in the future. The support could come in the form of advisory service, capacity building or provision of resources (technical assistance grant) to finance the cost of project preparatory activities.

4.3.3 IDB is encouraged to extend further support in future to the Government of Bangladesh to build on the initial project results achieved. If possible, the support should give priority to the beneficiary communities under this project to ensure the comprehensiveness in development results.

For the Government of Bangladesh:

4.3.4 Government of Bangladesh should undertake thorough feasibility studies to ensure soundness of future projects regarding designs, cost and realistic implementation periods. This will help both Government and IDB avoid design changes during project implementation phase.

4.3.5 Given the outcomes of the project, it is recommended that the intervention be continued by the Government of Bangladesh, but with limited scope (Divisional or District) and focus to attain greater impact instead of spreading resources thinly across the country.



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

ANNEXES



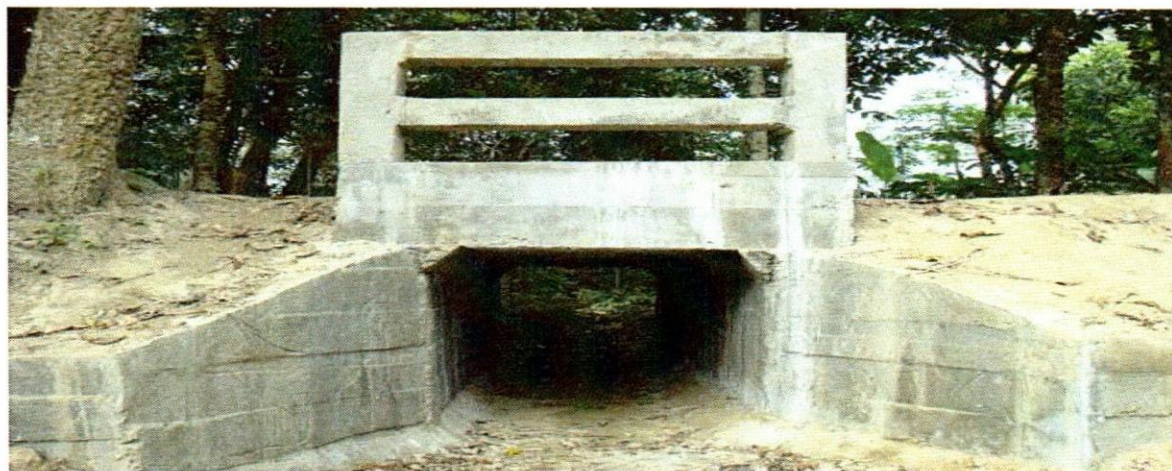
ANNEX-1: PHOTOGRAPHS OF PROJECT FACILITIES



Paved Road with Tree plantation implemented in Comilla District



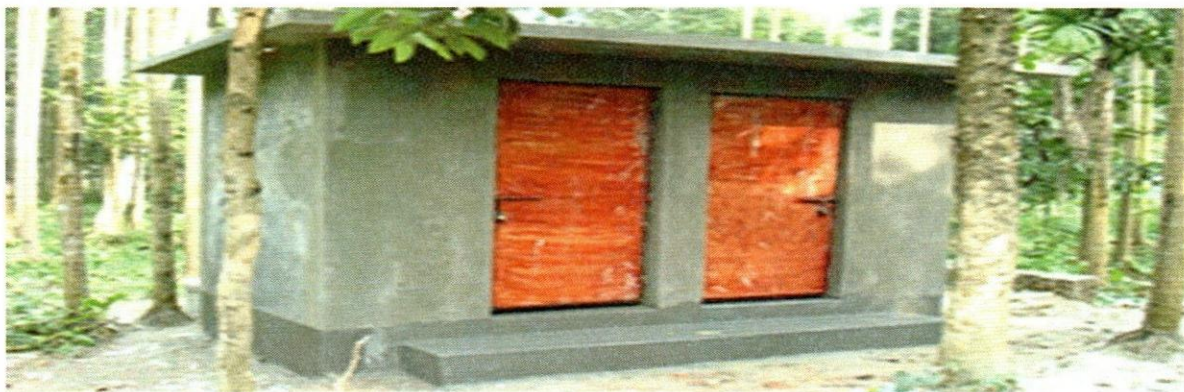
Paved Union Road in Faridpur District



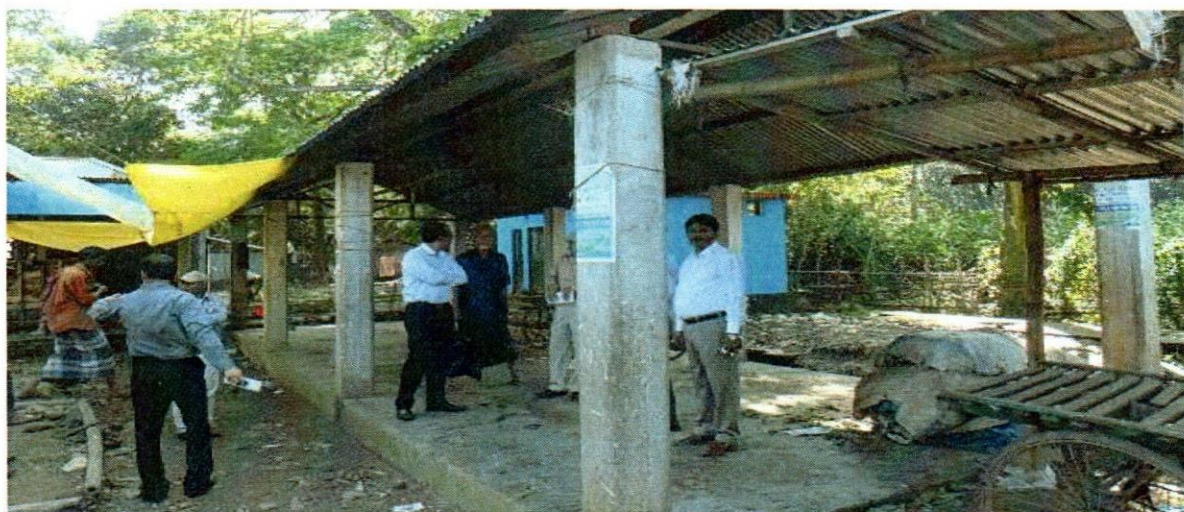
Drainage system (bridge) constructed in Narsingdi District



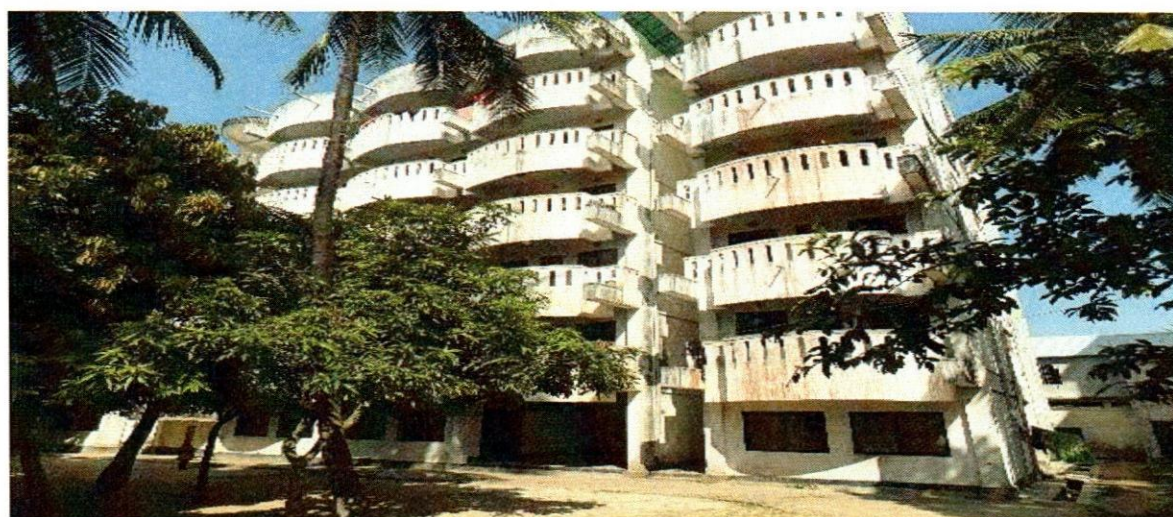
**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**



Community latrine constructed in Comilla District



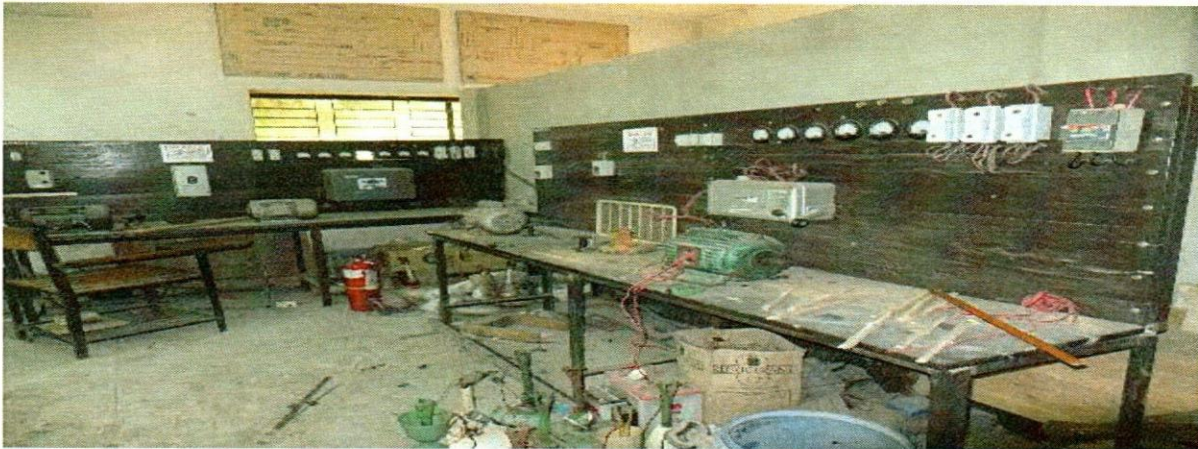
Rural market shed constructed in Comilla District



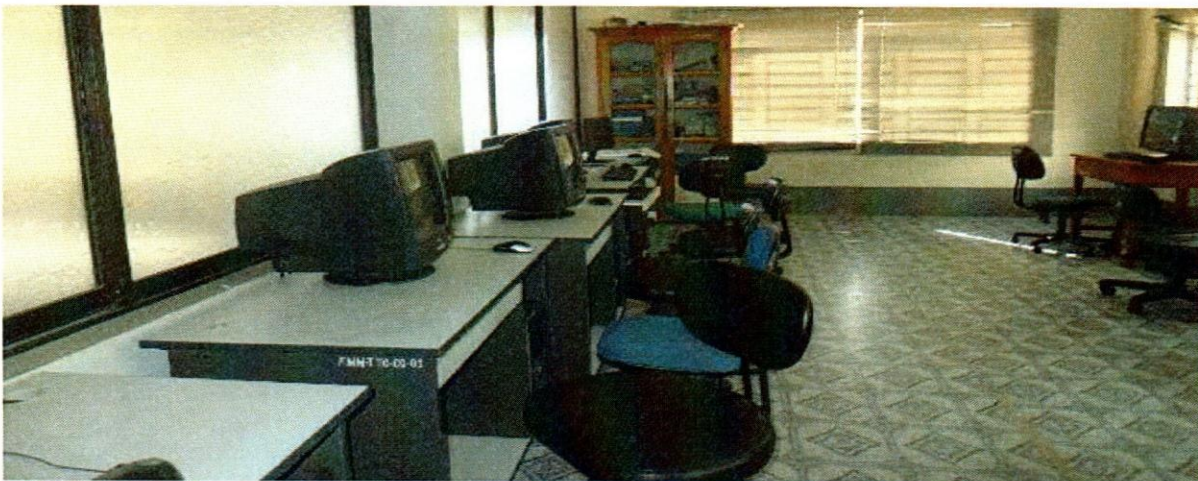
600 bed hostel constructed at Muslim Mission orphanage in Faridpur



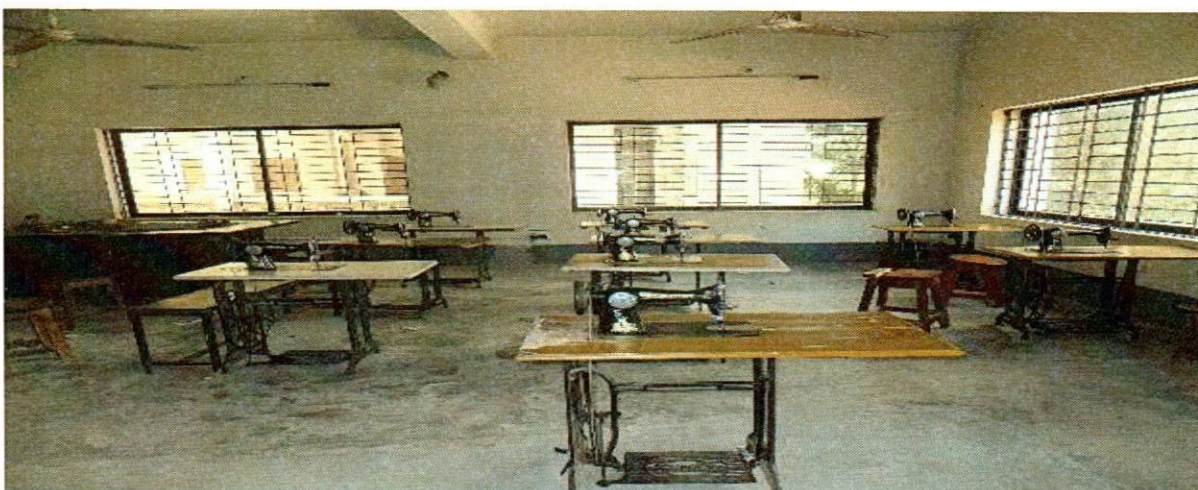
**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**



Refurbished electrical workshop at Muslim Mission Orphanage



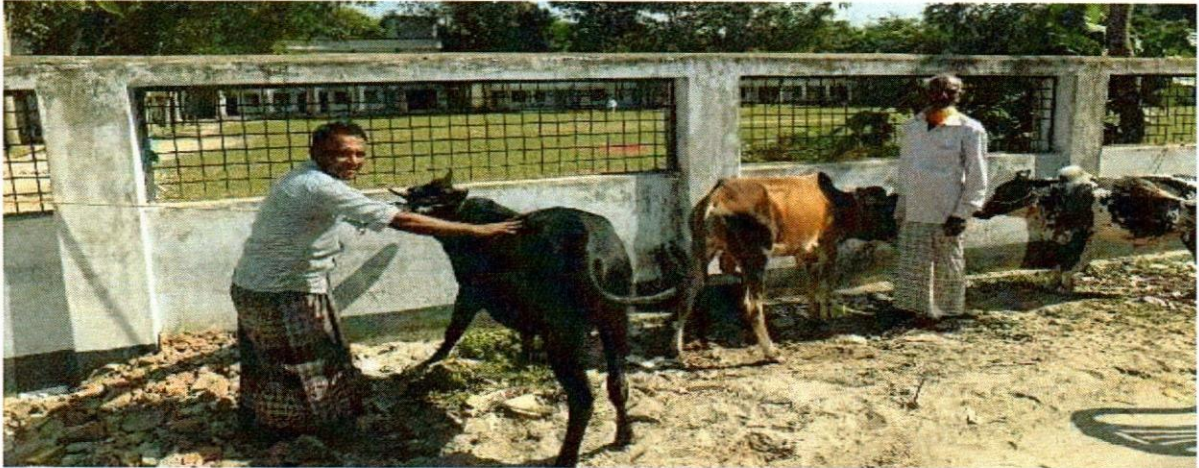
Refurbished computer laboratory at Muslim Mission Orphanage



Refurbished tailoring workshop at Muslim Mission Orphanage



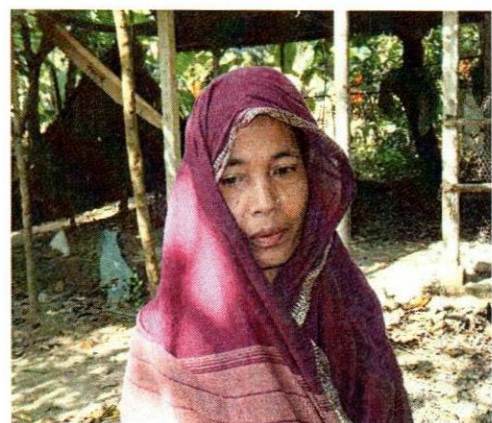
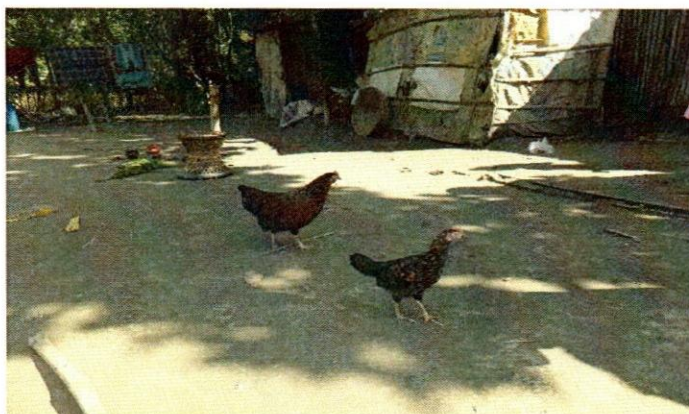
**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**



Cooperative loan beneficiaries in cattle rearing in Narsingdi District



Handicrafts produced for sale by inmates of the Muslim mission orphanage in Faridpur



Female Cooperative loan beneficiary undertakes small poultry production



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

ANNEX-2: LIST OF PERSONS MET

Sl. No.	Name	Institution	Position
1	Abdul Momen Bhuiyan	IDB Country Office	Executive Secretary
2	Dr. Shakil Ahmed	World Bank, Dhaka Office	Senior Economist (Health)
3	Md. Habibar Rahman Akanda	Consultant	Performance Monitoring & Evaluation Consultant
4	Md. Mostafa Hassan	Local Government Engineering Department (LGED)	Project Director, Rural Access Road Improvement Project in Sylhet Division
5	Md. Sharful Anam Khan	Local Government Engineering Department (LGED)	Executive Engineer
6	Iftekhhar Ahmed	Local Government Engineering Department (LGED)	Additional Chief Engineer (Planning)
7	Md. Nur Hossain Bhuiyan	LGED, Faridpur District	Executive Engineer
8	Engr. Md. Abdul Bareque	LGED, Comilla District	Senior Assistant Engineer
9	M. Humayun Kabir	Economic Relations Division, Ministry of Finance	Joint Secretary
10	Faisal Zahur	Economic Relations Division, Ministry of Finance	Assistant Chief
11	Mahmuda Begum	Economic Relations Division, Ministry of Finance	Additional Secretary
12	Alhaj Moulana Md Abdul Bhuiyan	Josh Integrated Village Development Society, Comilla	President
13	Mohammed Sulaiman	Josh Integrated Village Development Society, Comilla	Secretary
14	Faruk Sarkar	M/S Faruk Trading (Project Contractors)	Managing Director
15	Abdul Haris Rikabder	Nasingpur Union Parishad, Shibpur	Chairman
16	Zakir Hossain	Josh Integrated Village Development Society, Comilla	Project beneficiary (Aquaculture)



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

ANNEX-3: LIST OF DOCUMENTS REVIEWED

A. General Documents for all Operations

- ✓ Country Portfolio Report for The People's Republic of Bangladesh, as of October 2017, Operation Policy & Services Department, Islamic Development Bank.

B. Specific Documents

- ✓ Staff Appraisal Report on the Integrated Village Infrastructure Development Project, People's Republic of Bangladesh - Country Operations Department 1, Islamic Development Bank (December 2005).
- ✓ Report and Recommendations of the President to the Board of Executive Directors on the proposed the Integrated Village Infrastructure Development Project, People's Republic of Bangladesh - Country Operations Department 1, Islamic Development Bank (December 2005).
- ✓ Back-to-Office Report (BTOR) on the IDB Post-Evaluation Mission to Bangladesh for the post evaluation of the Integrated Village Infrastructure Development Project, during the period from 15th – 25th Muharram, 1438H (15th to 25th November 2016).
- ✓ Project Statement for the Integrated Village Infrastructure Development Project as of November 8, 2016 - Prepared by Finance Department, Islamic Development Bank.
- ✓ Various Back-to office Reports during project identification, appraisal and implementation (2005-2011).
- ✓ Quarterly Technical Reports by supervision consultants (during project implementation)
- ✓ Project Completion Report for the Integrated Village Infrastructure Development Project, Prepared by the LGED (November 2011).
- ✓ Impact Evaluation Report on Integrated Village Infrastructure Development Project, funded jointly by IDB and Government of Bangladesh (June 2011).
- ✓ Various project correspondence between IDB and the Executing Agency (LGED, Bangladesh).

C. Websites Visited

<http://www.xe.com/currencytables/?from=XOF&date=2015-10-11#> - (for currency exchange rates history)



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

ANNEX-4: PROJECT LOG-FRAME

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATOR	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Major Objective:			
Help in the efforts to reduce poverty of the rural population of the project area.	<ul style="list-style-type: none"> Rate of national poverty reduction Rate of rural poverty reduction Rate of poverty reduction in the project area 	<ul style="list-style-type: none"> Annual Bangladesh Economic Review Relevant Publication of the Bureau of statistics Impact study carried out under the project, if any 	<ul style="list-style-type: none"> Socio-Political stability of the country GOB's commitment/seriousness to implement PRSP
Specific Objectives:		Specific Objectives to Main Objective:	
<ul style="list-style-type: none"> Provide better road communication network Development of Market/GC Increase agricultural production Generate employment opportunities Expand commercial activities 	<ul style="list-style-type: none"> Pre-project situation Post implementation project data Comparison with other locations of the project area 	<ul style="list-style-type: none"> Bench-mark survey data Terminal survey data National statistical publications Regional statistical publications Data on progress of various sectors 	<ul style="list-style-type: none"> Normal socio-economic growth PRSP strategies/Road Maps are implemented.
Outputs:		Outputs to Specific Objectives:	
<ul style="list-style-type: none"> Developed and maintained village infrastructure by total 268.5 km roads, 423 m bridges & culverts, 51 nos. rural markets Improved environmental facilities by 300 km tree plantation & 51 solid waste management in rural markets Increased employment generation through capital support for income generation activities e.g. distributing micro-credit Tk. 3.00 lakh for each CVDCS. Better socio-economic development Effective community participation in Local Infrastructure Development schemes and development of institutional framework through CVDCS. 	<ul style="list-style-type: none"> Improved communication network Better access to markets and social institutions Increased economic and commercial activities Increased direct and indirect employment opportunities More Income Generating Activities (IGA) VDACS as a viable institution of beneficiaries 	<ul style="list-style-type: none"> Monthly/Quarterly/Annual Progress Report Other Project reports Local interview Spot verification Evaluation report 	<ul style="list-style-type: none"> PRSP strategies remain unchanged No disruption in fund flow for project activities Prices of construction materials remain within normal rates Villagers actively participate in project activities VDACS becomes a viable institutional vehicle of the beneficiaries
Inputs:		Inputs to Outputs:	
<ul style="list-style-type: none"> Tk. 9851.34 lakh for project implementation Professional and skilled workers. 	<ul style="list-style-type: none"> Allocations made Expenditure incurred physical progress achieved Credit disbursed and realized 	<ul style="list-style-type: none"> Annual work program Monthly/Quarterly/Annual Progress Report Special review/evaluation report 	<ul style="list-style-type: none"> Timely award of contract Timely flow of fund Shares/savings generated Contribution of land by the beneficiaries

Source: RRP



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

ANNEX-5: PLANNED AND ACTUAL PROJECT OUTPUTS

Main Outputs	Planned at Appraisal	Actual at Completion
Improvement of Union Roads (Bituminous carpeting).	125 km (Revised to 102.5)	102.5 km
Improvement of Village Roads (Cement Concrete Works, Herring Bone Bond Works and Earth Works).	253 km (Revised to 161)	166 km
Construction of Bridges/Culverts on Union Roads.	110 m	110 m
Construction of Bridges/Culverts on Village Roads.	300 m	313 m
Development of Growth Centers (Rural Markets).	75 (Revised to 51)	51 no.
Establishment of Cooperative Societies.	100 no.	100 no.
Solid Waste management Markets and other public places.	51	51
Identification of Local Infrastructure Development Schemes (LIDS) identified by VDCS.	1,309	2,797
Establishment of Tree Plantations.	378 km (Revised to 300km)	300 km
Capital Support for income generation to CVDCS.	100 no.	100 no.

Source: PIU



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

ANNEX-6: PROFILE OF ACTUAL DISBURSED FUNDS

<i>No. of</i>	<i>Value Date of Disbursement.</i>	<i>Actual Currency</i>	<i>Actual Disbursement</i>	<i>Equivalent Disb. In ID</i>
1	11/7/2007	BDT	175,900.00	1,682.67
2	19/09/2007	BDT	328,328.55	3,103.21
3	8/11/2007	BDT	445,180.00	4,091.33
4	9/11/2007	BDT	259,819.97	2,398.75
5	10/12/2007	BDT	246,969.00	2,275.41
Total Financial Year 1			1,456,197.52	13,551.37
6	18/01/2008	BDT	247,396.82	2,280.13
7	21/02/2008	BDT	181,804.64	1,686.04
8	20/03/2008	BDT	202,732.47	1,809.32
9	6/5/2008	BDT	595,328.35	5,384.85
10	19/06/2008	BDT	5,208,013.29	47,204.60
11	19/06/2008	BDT	308,876.45	2,799.61
12	26/06/2008	BDT	18,072,598.62	162,898.43
13	26/06/2008	BDT	10,554,517.41	95,133.77
14	31/07/2008	BDT	4,497,335.49	40,814.15
15	23/09/2008	BDT	16,062,490.71	149,987.16
16	5/12/2008	BDT	25,821,922.67	256,670.79
17	5/12/2008	BDT	19,869,376.41	197,502.27
18	18/12/2008	BDT	23,956,528.31	226,211.56
Total Financial Year 2			125,578,921.64	1,190,382.68
19	16/01/2009	BDT	14,328,323.08	139,447.42
20	27/02/2009	BDT	20,634,568.60	203,063.57
21	27/02/2009	BDT	3,606,011.90	35,486.55
22	24/03/2009	BDT	12,023,222.59	116,882.79
23	15/04/2009	BDT	33,447,916.32	328,911.87
24	28/04/2009	BDT	15,761,790.84	153,055.15
25	11/5/2009	BDT	34,368,808.82	336,410.85
26	2/6/2009	BDT	26,014,259.60	241,979.06
27	12/6/2009	BDT	23,334,059.85	220,090.99
28	28/07/2009	BDT	20,818,116.04	194,046.85
29	21/08/2009	BDT	22,617,388.13	210,995.65
30	11/9/2009	BDT	4,194,457.57	39,112.53
31	21/10/2009	BDT	5,056,928.80	45,881.43
32	4/11/2009	BDT	9,569,720.58	87,591.01
33	9/12/2009	BDT	6,939,095.52	63,351.93



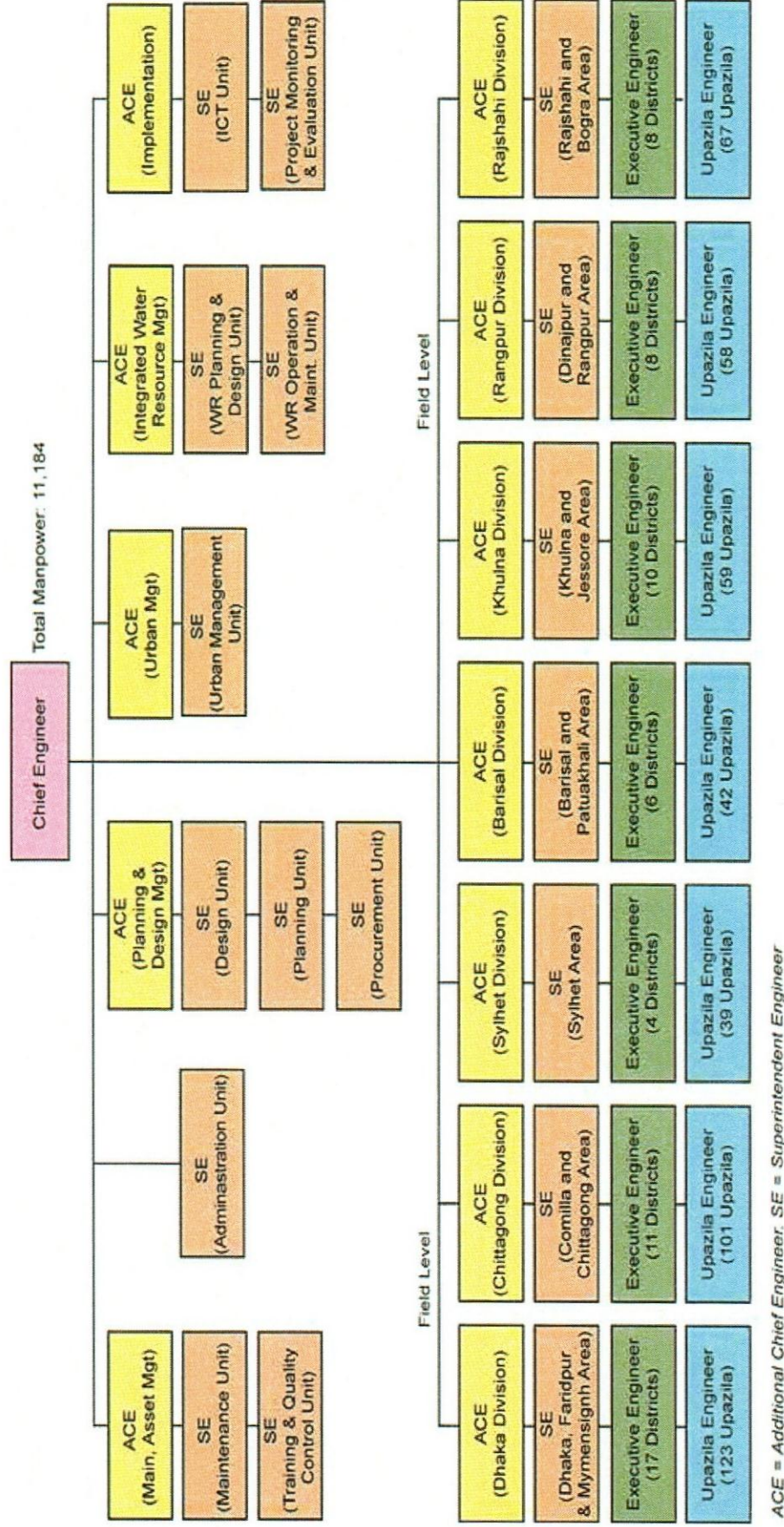
**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

No. of	Value Date of Disbursement.	Actual Currency	Actual Disbursement	Equivalent Disb. In ID
34	21/12/2009	BDT	10,672,824.69	98,583.41
Total Financial Year 3			263,387,492.93	2,514,891.06
35	12/1/2010	BDT	21,199,060.43	198,190.00
36	11/2/2010	BDT	14,275,714.37	134,995.43
37	5/3/2010	BDT	13,844,159.30	131,003.62
38	26/03/2010	BDT	8,154,793.44	78,039.02
39	20/04/2010	BDT	13,961,853.26	133,088.02
40	30/04/2010	BDT	16,926,688.46	163,824.67
41	21/05/2010	BDT	20,102,075.91	198,345.90
42	3/8/2010	BDT	13,543,865.70	128,905.26
43	18/08/2010	BDT	7,382,935.82	70,828.11
44	21/09/2010	BDT	2,771,859.72	26,194.68
45	23/09/2010	BDT	8,879,823.24	83,114.43
46	26/10/2010	BDT	21,440,375.16	196,931.33
47	26/10/2010	BDT	3,504,472.44	32,188.83
48	26/10/2010	BDT	3,765,625.80	34,587.54
49	26/10/2010	BDT	12,015,260.14	110,361.00
50	24/11/2010	BDT	3,524,921.40	32,678.48
Total Financial Year 4			185,293,484.59	1,753,276.32
51	17/01/2011	BDT	28,246,313.03	257,340.31
52	5/4/2011	BDT	9,989,930.32	86,664.24
53	18/05/2011	BDT	8,532,275.72	73,385.78
54	24/05/2011	BDT	18,632,238.78	160,964.26
55	7/6/2011	BDT	12,689,880.28	106,636.28
56	7/6/2011	BDT	19,598,548.32	164,691.57
57	7/6/2011	BDT	35,743,438.68	300,361.18
58	23/06/2011	BDT	3,184,145.00	26,950.38
59	29/06/2011	BDT	2,348,858.30	19,945.86
Total Financial Year 5			138,965,628.43	1,196,939.86
Grand Total (FY1 – FY5)			714,681,725.11	6,669,041.29

Source: IDB Financial Reporting System



ANNEX-7: ORGANIZATIONAL CHART OF THE LGED AT POST-EVALUATION



Source: LGED



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

APPENDIX I: RATING MATRIX

CORE CRITERIA	SUB-CRITERIA	SUMMARISED EVALUATION FINDINGS RELATING TO EACH SUB-CRITERIA	OVERALL CORE-CRITERIA SCORE
1. RELEVANCE	<i>Consistency of project objectives with country overall development strategy and with the beneficiaries' needs and with the IDBG's Member Country Partnership Strategy</i>	The projects is directly linked to the National Strategy for Accelerated Poverty Reduction (NSAPR) was prepared and adopted by the Government of Bangladesh (GoB) in October 2005. The Government's new Strategy for Rural Development Projects placed more emphasis on critical aspects of the rural development process, namely, agricultural development, improvement physical infrastructure in rural areas, and provision of additional income-generating opportunities for the rural poor.	
	<i>Relevance of Project Objectives and Coherence between outputs and outcomes (including the modified ones): It is an assessment of the internal logic of the results chain of the operation and the validity of underlying assumptions. It assess the extent to which the project's objectives are clearly stated and focused on outcomes rather than outputs. Also, the realism of intended outcomes in the country's current circumstances.</i>	The project's objective is in line with the Government's efforts to alleviate poverty of the rural population in the project area. The project is a direct response to the challenge in building a road map for accelerated poverty reduction through the provision of better road communication network, increasing agriculture production, and generating employment opportunities.	
	<i>Relevance of the design at entry, this includes technical, financial and development related design. It assesses the relevance of the technical options and solutions adopted, to the beneficiaries needs. If applicable; relevance of the design at closing (including the modifications) is also assessed.</i>	The design was adopted to provide immediate solutions to the identified problems of inadequate of access, low agriculture productivity and limited employment opportunities. Furthermore, the project's co-financing arrangement was appropriate in meeting the country's resource needs in view of its capability to fully finance the project.	
2. EFFECTIVENESS	Total Relevance	Relevant	79%
	<i>Achieved of project outputs and outcomes compared to planned targets.</i>	Even though the projects scope was very broad and complex in view of its integrated nature, it was able to deliver the expected outputs, though with some down scoping of some of the components. The project outputs have yielded the anticipated	



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

CORE CRITERIA	SUB-CRITERIA	SUMMARISED EVALUATION FINDINGS RELATING TO EACH SUB-CRITERIA	OVERALL CORE-CRITERIA SCORE
3. EFFICIENCY		outcomes, thereby contributing directly to the achievement of project and contributing to the overall strategy of the Government at reducing poverty.	
	<i>Net effect of the project (as compared with existing or constructed counterfactual) and other Project externalities (unintended consequences positive, negative, or specific problem solved/created.</i>	There has been positive effects of the project interventions in the beneficiary communities in relation to their socio-economic development. Increased job and income generation opportunities have been observed across many communities, which in turn impacted directly on household incomes. For instance, the number of extreme poor households reduced from 31% in 2007 (baseline year) to 21.36 % in 2011. At the same time, the number of solvent households increased from 20% to 31 %.	
	Total Effectiveness <i>Cost- benefit Analysis of the project (Did the benefits of the project (achieved or expected to be achieved) exceed project cost?)</i>	Effective The project was to be implemented over a period of 5 years from the date of effectiveness. Moreover, it was approved on 23 rd January 2006, with the agreement signed on 30 th May 2006, and declared effective on 7 th August 2006 with expected completion date of August 2011. Indeed the project actually completed in June 2011, two months ahead of its envisaged completion date. The benefits of the project (achieved or expected to be achieved in future) exceed project cost of 13.2 million US\$. The improvement in rural infrastructure in the roads, bridges, markets, drainage, and sanitary facilities have yielded economic, social and environmental benefits to the population. The increased access and better marketing facilities have helped in rapid movement of agricultural input, increase the farm-gate prices of perishable commodities, facilitated marketing of cottage industry products, reduced local transportation costs and generated employment opportunities (1,412 women in cottage industry, 62,000 temporal jobs and 5,913 permanent jobs).	75%
	<i>Cost Effectiveness (Were the benefits of the project achieved at least cost?)</i>	The actual costs of the project at completion did not differ substantially from the estimates in the appraisal report. The total cost of the project at appraisal was estimated at US\$ 14.78 million. The IDB was expected to provide US\$ 10.37 million through loan financing and Government of Bangladesh contributing US\$ 4.41 million. Since the designs of the facilities were not comparable to other facilities of similar projects, it was not possible to compare the costs with others. Attempts to make cost comparison made with similar projects undertaken by the executing agency was affected by price instability of construction materials and depreciation of the local currency.	
	Total Efficiency	Efficient	83%



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**

CORE CRITERIA	SUB-CRITERIA	SUMMARISED EVALUATION FINDINGS RELATING TO EACH SUB-CRITERIA	OVERALL CORE-CRITERIA SCORE
4. SUSTAINABILITY	<i>Technical, Financial, Economic soundness of the project results (including O&M facilitation, availability of recurrent funding, spare parts, workshop facilities etc.)</i>	The project facilities at the time of evaluation were in good service conditions and did not require major rehabilitation immediately. What is not guaranteed is the future maintenance and rehabilitation of these facilities. The project has enjoyed sufficient local ownership by the end-beneficiaries of the project due largely to their involvement at all stages of implementation. The executing of some components brought a sense of ownership among beneficiary community members. This initiative has been institutionalized with the establishment of 100 cooperative societies and supporting them with office accommodations in 100 villages. The local level mobilization and capacity building not only indicate commitment to allow local ownership, but also ensure sustainability of project benefits.	
	<i>Beneficiary commitment, including supportive legal/regulatory framework and socio-political/stakeholder support</i>	The operation and maintenance of these facilities have since remained the function of these administrative districts. The user communities on their part have also adopted measures that would ensure the facilities are used judiciously and in a manner that would not cause deterioration to the physical structures. The LGED personnel at the district level have been mandated to provide needed technical and managerial support-service to the communities, whenever required.	
	<i>Institutional sustainability (organizational and management effectiveness)</i>	The executing agency (LGED), has been the responsible implementing agency for all rural and urban infrastructure development projects on behalf of the Ministry of Local Government, Rural Development and Cooperatives. By its organization, it mandated to provide technical support to all districts, including the areas which the project covers, through provision of qualified and trained staff to ensure proper engineering design of local projects and quality physical work. Its mandate also includes the transfer knowledge and technology from national level to local levels. The agency is highly decentralized covering all the administrative districts. Its human resource capacity at the district level is widely appreciated with each district having about 14 technical staff.	
	<i>Resilience of the project results to exogenous factor</i>	The project has not triggered any environmental or social concern at both implementation and completion. Since the completion of the project, there has not been any reported adverse impact on the environment as a result of the implementation of the project. The activities of the project did not involve significant deforestation or major disturbance of natural environment.	
	Total Sustainability AGGREGATED PROJECT DEVELOPMENT OUTCOME (APDO)	Likely	74%
		Successful (SU)	78%



**PROJECT PERFORMANCE EVALUATION REPORT
ON THE INTEGRATED VILLAGE INFRASTRUCTURE DEVELOPMENT
PROJECT, BANGLADESH**
