

Third Party Evaluation 2009  
The Ministry of Foreign Affairs of Japan

# Country Assistance Evaluation of Bangladesh -Summary-

March 2010

## Preface

This report is a summary of the “Country Assistance Evaluation of Bangladesh” undertaken by the External Advisory Meeting on ODA Evaluation requested by the International Cooperation Bureau of the Ministry of Foreign Affairs (MOFA) of Japan.

Since its commencement in 1954, Japan’s Official Development Assistance (ODA) has contributed to the development of partner countries, and finding solutions to international issues which vary with the times. Recently, there have been increased domestic and international calls for more effective and efficient implementation of ODA. MOFA, as a coordinating ministry for ODA, has been conducting ODA evaluation mainly at the policy level with two main objectives: to support management of implementation of ODA; and to ensure its accountability.

This evaluation reviews the Bangladesh assistance policy as a whole, mainly the Japan’s Country Assistance Program for Bangladesh, May 2006. It aims to provide lessons learned and recommendations as reference for ODA policy planning and more effective and efficient implementation of aid activities in the future. In order to fulfill its accountability, the evaluation results have been opened to the public.

The External Advisory Meeting on ODA Evaluation was formed as an advisory body to the Director-General of the International Cooperation Bureau of MOFA to improve objectivity in ODA evaluation. The Advisory Meeting is commissioned to design and conduct evaluations of ODA and to feed back the results of each evaluation with recommendations and lessons learned as reference to the International Cooperation Bureau of MOFA. Associate Prof. Masato NODA, a member of the meeting, was in charge of this evaluation.

Prof. Sanae ITO, Associate Professor, Nagoya University, being an advisor for the study, made an enormous contribution to this report. Likewise, MOFA, the Japan International Cooperation Agency (JICA), and the ODA Taskforces as well as the government and institutions in Bangladesh also made invaluable contribution. We would like to take this opportunity to express our sincere gratitude to all those who were involved in this study. The ODA Evaluation and Public Relations Division of the International Cooperation Bureau of MOFA were in charge of coordination of all the parties involved. All other supportive works including information collection, analysis and report preparation was provided by Foundation for Advanced Studies on International Development (FASID) under the commission of MOFA.

Finally, we wish to add that the opinions expressed in this report do not reflect the views or positions of the Government of Japan or any other institution.

March 2010

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# Country Assistance Evaluation of Bangladesh

## Outline of Evaluation

<b>1. Country:</b> People's Republic of Bangladesh	
<b>2. Evaluators:</b> (1) Chief evaluator: Masato Noda, Trustee, Nagoya NGO Center/ Associate Professor, Chubu University (2) Advisor: Sanae Ito, Associate Professor, Nagoya University (3) Consultant: Foundation for Advanced Studies on International Development	
<b>3. Period of Evaluation Survey:</b> June 2009 through March 2010	

Safe Motherhood Promotion  
Project, Narsingdi

## Outline of Evaluation

### 1. Evaluation Results

In the current Country Assistance Program (CAP) for Bangladesh, the national development policy of the country, Japan's overall Official Development Assistance (ODA) policies, and international priority issues at the time of CAP formulation are duly reflected. This is largely due to the timely formulation of the CAP and its proper development through discussion and coordination with those involved. It should be noted, however, that the CAP has never been reviewed or modified, and thus adjustments in response to changes in the aforementioned policies have been made only at the local level.

At a practical level, assistance in each priority sector has been provided by narrowing down the issues to be tackled and allocating resources to these selected areas based on the CAP. Such strategic assistance should be highly rated. The major factors contributing to the strategic success are the accumulated knowledge of the sector teams on the country-based ODA task force (ODA-TF) and the efforts to promote inter-scheme cooperation and programmed support. Yet, in terms of the CAP itself, the objectives are not shared across sectors, and the positive outcome of cooperation remains within the framework of each sector.

It is remarkable that the ODA-TF in Bangladesh was among the first ODA-TFs to implement such strategic assistance. Nevertheless, given that the structure of the sector teams is one of the obstacles limiting the program's cross-sector effectiveness and that the environment of the ODA-TF has changed, as exemplified by the establishment of the new Japan International Cooperation Agency (JICA), which now administers ODA loans, grant aid and technical cooperation, the structure and function of the ODA-TF in Bangladesh should be reviewed.

## **2. Main Recommendations**

### **(1) Select and concentrate assistance activities through a cross-sectoral approach towards key issues**

It is recommended that an issue-oriented approach, rather than a sector-oriented approach, be adopted when revising the assistance program. Strategic value will result if each support activity is conducted with the clear objective to address pressing issues. Examples of key issues that Japan should select are: (a) pro-poor growth; (b) improvement of institutional infrastructure to provide the socially vulnerable with social services and support; and (c) measures to address climate change vulnerability.

### **(2) Enhance the PDCA cycle of policy by developing an efficient monitoring system and reorganizing the country-based ODA-TF**

The “Plan, Do, Check, Act” (PDCA) cycle in the CAP can be enhanced by building an efficient monitoring system and improving mobility of the ODA-TF. The Tokyo CAP task force that has been organized on an ad-hoc basis to formulate the CAP should continue to oversee monitoring on the Tokyo side in close communication with the ODA-TF. The ODA-TF should improve its mobility by reorganizing itself. Suggestions for improved mobility would be: to limit the primary function of the ODA-TF to important decision-making among decision-makers of the embassy, JICA and JETRO; to organize a team for each of the key issues to formulate, implement and monitor the CAP; and to redefine the roles of the existing sector teams.

### **(3) Scale-up good practices in collaboration among schemes and with other development partners**

Based on the recognition that Japan brings not only financial resources, but also ideas and case examples of development, strategies to increase good practices should be further promoted by means of collaboration among schemes and with other development partners.

### **(4) Expand People to People assistance using the expertise of diverse development actors, such as NGOs and social enterprises**

Although economic growth supported by Japan has already contributed to poverty reduction, the ever expanding income gap and the continued existence of large numbers of people left behind should not be overlooked. While Japan’s assistance to Bangladesh is conducted basically on an inter-governmental basis, it is important to take advantage of the expertise of diverse actors, such as NGOs and social enterprises, in order to realize its objective of poverty reduction through human security.

Note: The opinions expressed in this summary do not necessarily reflect the views and positions of the Government of Japan or any other institution.

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## Chapter 1: Recommendations

### 1-1 Basic recommendations for revising the Country Assistance Program for Bangladesh: 4 innovations to realize human security through more effective and efficient assistance

Recommendations for Japan's future assistance to Bangladesh are proposed here with a view to developing a new Country Assistance Program (CAP). They are based conceptually on 4 innovations which constitute a paradigm shift toward realization of the basic principle of Japanese ODA, strengthening human security through effective and efficient assistance.

Recommendation 1: Selection and concentration. Prioritization should be done in terms of major cross-sectoral Bangladeshi issues rather than from a sectoral point of view. If done in that way, assistance can be better provided. Assistance should not only be taken as "flow," but also as "stock" which is the accumulated outcome of past assistance.

Recommendation 2: Reinforcing the PDCA policy cycle. The PDCA policy cycle can be reinforced through improved mobility for the country-based ODA task force (hereafter ODA-TF) <sup>1</sup> and the establishment of an efficient and sustainable system to monitor the implementation of the CAP. The ODA-TF should plan and implement the CAP with a focus on selected issues and flexibly respond to changes in the country's situation and to Japan's ODA policies through the monitoring system.

Recommendation 3: Scaling-up of good practices. Good practices should be scaled-up in the context of a paradigm shift away from project-centered assistance. Furthermore, in order to expand successful project assistance area-wide and/or sector-wide, cooperation with other development partners and through different assistance schemes is necessary.

Recommendation 4: Assistance that leverages the strengths of a range of development actors, including NGOs/civil society including social enterprises, would benefit from a paradigm shift away from the conventional government-to-government (G-to-G) toward a people-to-people (P-to-P) basis. While G-to-G is still a mainstream mode of assistance in Japan's ODA, the P-to-P perspective is also important. Assistance can be provided from the Japanese people to the Bangladesh people<sup>2</sup> with the government as a facilitator, drawing on the skills and experience of other development actors that are providing effective social services in Bangladesh.

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<sup>1</sup> The country-based ODA task forces were initiated to improve planning and implementation of Japan's assistance policies as well as to reinforce cooperation with other development partners and related organizations. The task forces' main members are the staff of the Japanese Embassies and local JICA and JBIC offices. Task forces established March 2003 through November 2009 are in 79 countries (see the website of the Ministry of Foreign Affairs: <http://www.mofa.go.jp/mofaj/gaiko/oda/seisaku/taskforce.html>)

<sup>2</sup> Hearing of Governor Yunus, Grameen Bank

## 1-2 The recommendations

### **Recommendation 1: Selection and concentration through a cross-sectoral approach to key issues**

Japan's assistance activities are conducted contingent on limited resources and based on local needs in each priority sector and Japan's expertise. Currently CAP goals are set for each sector; thus goals that are cross-sectoral are not made clear. As a consequence, in most cases the effects of cooperation do not extend beyond sectoral boundaries. This means that while Japan's individual assistance activities are of high quality, cooperation or synergy among projects of different sectors is rare and the impacts are limited to the project level.

In order to rectify this, an issue-oriented, "horizontal" cross-sectoral approach should be adopted, replacing the conventional sector-oriented approach. One way to do this would be to abandon the current all inclusiveness in favor of limiting the priority sectors. However, Japanese assistance to Bangladesh already has a number of achievements in a wide range of sectors which have strengthened local relationships and working expertise. It is important to take advantage of this "stock" to augment "flow". As this "stock" might be jeopardized if a narrowing of sectors is not handled well, a "horizontal" cross-sectoral approach, focusing on key issues, should be adopted to take advantage of the "stock" and "select and concentrate" on issues. The new approach to a review of the CAP for the next period should be to select priority issues outside the conventional sectoral thinking. By applying common issues, cooperation and synergy among projects can be promoted. This also will make it easier to have an impact at levels beyond project goals and make it possible to disseminate messages.

Bangladesh has a wide range of needs, but the following are the three key issues related to the policy priorities of the Bangladeshi and Japanese governments. They also reflect Japan's knowledge, skills and experience.

#### **Key issue (1): Pro-poor growth for poverty reduction**

Japan's support for infrastructure development in such sectors as power and transport has contributed to improvement in the livelihoods of the Bangladeshi people. Such assistance has helped also to promote the country's industrial and economic activities. It has benefited, for example, the local sewing industry which has been a driver of economic growth, a source of job creation and a promoter of women's economic empowerment<sup>3</sup>. However, a shortage of electricity, inadequate maintenance and deterioration of road networks continue to be bottlenecks, standing in the way of local industry development and foreign

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<sup>3</sup> In the case of Bangladesh, it should be noted that for the most part the sewing industry, which is a significant contributor to economic growth, depends on local capital, not necessarily from foreign direct investment related to ODA. The economy grows differently in different developing countries, sometimes depending on the stage and/or pattern of development. It would be incorrect to refer categorically to a stereotype of economic growth owing to infrastructure and foreign direct investment or a public-private scenario. On the other hand, since economic growth can not be achieved only by self-help efforts of the Bangladeshi government and ODA, a comprehensive economic cooperation package, which is tailored to the Bangladeshi situation and linked to trade and development, needs to be considered.



direct investment. Furthermore, the poor still do not benefit enough from infrastructure development. In order to promote economic growth, reduce poverty and improve the lives of the poor, it will be necessary to continue to support infrastructure and the development of industries that can create jobs. From the pro-poor growth perspective, it will be important also to 1) distribute the fruits of economic growth to the poor (trickle-down), and 2) protect the poor from being exploited as a source of cheap labor. Assistance should also be considered to improve working and living conditions and to enhance corporate social responsibility (CSR), though these are not directly reflected in this evaluation.

**Key issue (2): Improvement of institutional infrastructure to provide the socially vulnerable with social services and support**

In Bangladesh, economic growth, one of the key goals of the Japanese CAP is occurring. However, accompanying this growth is a rapidly widening economic gap. Problems are surfacing because some groups and areas are being left behind. Under the current CAP, Japan's support for those groups and areas is limited so that little assistance is provided to the poorest of the poor. To reduce poverty, however, it is essential to raise the income level of the poorest people and increase the availability of services such as medical care and education. To do this, it will be effective for Japanese assistance to work in cooperation with local NGOs and civil society to improve the efficiency of social services and to strengthen administration, as was done in the field of maternal and child health. It is imperative, also, to support improvement of institutional infrastructure, including administrative capacity and cooperation between the administration and the community. Improvement of local governance in accordance with the link model was not directly verified in this evaluation, but can be considered a pioneering attempt. In situations where direct assistance from Japan is difficult or administrative services are inadequate, it may be necessary to secure services to meet the needs of the poorest of the poor through arrangements with local NGOs/civil society.

**Key issue (3): Measures to address climate change vulnerability**

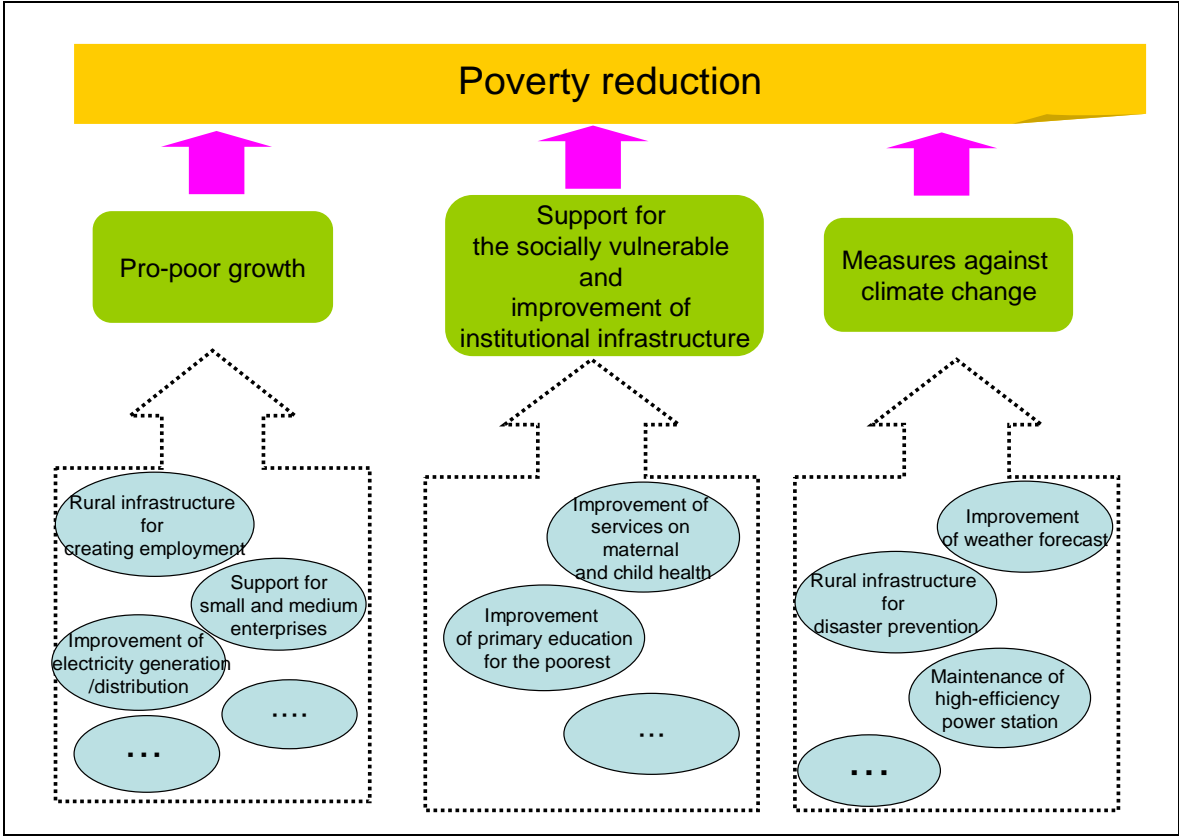
Bangladesh is one of the most exposed countries to climate change impact, and its most impoverished people are especially vulnerable to the natural disasters related to global warming. The Bangladeshi government has prioritized climate change in its development policy. It highlighted climate change in PRSP II and NSAPR II; it formulated the National Adaptation Plan of Action in 2005; and it adopted the National Strategy and Action Plan on Climate Change in 2008. The Economic Relations Division (ERD) of the Ministry of Finance has designated climate change as an issue for which assistance from Japan is most needed and highly sought. While other development partners, including the United Nations Development Programme (UNDP) and DFID, have recently expressed strong support for climate change action, Japan has also offered a range of suggestions and promised support in the "Hatoyama Initiative."

Both adaptation and mitigation are important to managing climate change. Bangladesh's exposure to the adverse effect of global warming has already brought assistance from Japan, but additional support should combine the fields of disaster management, rural development and environmental protection. For purposes of adaptation, the existing hardware support should be continued and cooperation on the software aspect for disaster

prevention should be reinforced in order to minimize damage from natural disasters. For purposes of mitigation, high-efficiency power generation, such as the New Haripur Power Plant Development Project and the Central Zone Power Distribution Project, should be promoted as well as efficient energy consumption through reduced electricity distribution losses.

The following diagram conceptualizes the approach described above:

Figure 1-1 Selection and concentration of key issues and cross-sectoral support



**Recommendation 2: Reinforcing the PDCA policy cycle by organizing an effective monitoring system and restructuring the country-based ODA-TF**

In implementing the CAP, it is important that the PDCA cycle functions. These evaluation results suggest that the PDCA cycle of Japan’s assistance to Bangladesh can be improved by establishing a CAP monitoring system and improving the mobility of the country-based ODA-TF.

**(1) Establishing an efficient and sustainable monitoring system**

The CAP is supposed to monitor the outcomes and review the impact of Japan’s assistance. It also provides for the possibility of provisionally setting new goals and priority sectors as circumstances change. Since the formulation of the current CAP, however, no monitoring or reviewing has been done while the needs and socio-economic environment of Bangladesh have been changing. Thus, the current CAP has not been responsive to

those changes. When the CAP is reviewed for the next period, it will be important to establish a monitoring system that assures an appropriate response to changes in conditions. The following should be kept in mind in developing the monitoring system:

1) In order to prevent monitoring from becoming an end in itself, an efficient system should be established that makes best use of existing frameworks and minimizes the need for additional work. As part of the annual update of Japan's rolling assistance plan for Bangladesh, Japanese policy should be reviewed in light of the current situations and challenges in each sector to determine whether there should be a revision of the CAP. It would be desirable to incorporate to the extent possible external viewpoints, although revision of the CAP should be undertaken under the leadership of the ODA-TF, as is the case with formulation of the rolling plan<sup>4</sup>.

2) It is important that the CAP process be sustained and not ad-hoc, from formulation, through implementation to monitoring. Although a Tokyo CAP task force, constituted by the Ministry of Foreign Affairs, JICA, NGOs and outside experts, has been organized on an ad-hoc basis to formulate the CAP, the task force should be maintained and strengthened to ensure consistency in the PDCA cycle. The Tokyo task force should not disappear upon completion of the CAP formulation process, but should continue to oversee monitoring on the Tokyo side. CAP revision would then be handled through close communication between the ODA-TF and the Tokyo task force.

## **(2) Improving the mobility of the ODA-TF: radical review of its system and role**

The Bangladesh ODA-TF, known as the "Bangladesh model," is the prototype of ODA-TFs now spread throughout the world. It deserves high praise for having launched programmed support and for being the important front line representation in Japan's interactions with development partners, including, of course, the Bangladeshi government. Nonetheless, it is time for a radical review of its role and functions so it can be modified to accord with changes in Japan's ODA implementation setup. With the merger of JICA and JBIC and the transfer of grant aid administration from the Ministry of Foreign Affairs to JICA, the goal of sharing information and promoting cooperation among the major Japanese ODA actors has largely been achieved. Also, with the launch of the new JICA, sector team activities are conducted solely by JICA in most cases. These changes raise some concern that the ODA-TF might continue but without purpose, thus increasing the burden at the work site.

So that the ODA-TF can act more flexibly in the future and provide higher quality strategic assistance, the Ministry of Foreign Affairs, in consultation with the ODA-TF, should review and streamline its operations, putting them in accordance with the circumstances facing the ODA-TF in Bangladesh<sup>5</sup>.

Following are suggestions on how ODA-TF mobility can be improved. 1) Limit the primary function of the ODA-TF to important decisions affecting Japanese ODA strategies. Such decisions should be made among decision-makers in the embassy, JICA and JETRO who

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<sup>4</sup> The ODA is currently being reviewed by the Minister and Ministry of Foreign Affairs. The Monitoring and Rolling Plans might be radically reviewed.

<sup>5</sup> Recommendations presented in this evaluation apply only to the CAP for Bangladesh and not to country-based TFs in general.

should seek the advice of outside specialists from NGOs, JETRO and others as needed<sup>6</sup>. 2) Organize a team for each key issue. Each team, with the participation of the embassy, JICA and JETRO decision-makers, and also of NGOs, JETRO and external experts, should consider how the CAP can be formulated, implemented and monitored so that projects in different sectors tackle key issues in a cross-sectoral manner. 3) Redefine the roles of the existing sector teams. They should conduct reviews, primarily among JICA officials of the impact that Japan's assistance activities in each sector have on key issues. In cases where a diplomatic viewpoint is needed, the embassy can participate. NGO, JETRO and other expertise should also be involved.

### **Recommendation 3: “Scaling-up” good practices in cooperation with other schemes and development partners**

This evaluation identifies a number of good practices in Japan's assistance to Bangladesh. These include technical assistance project collaboration with pooled-funding assistance within the government-led sector program framework for primary education and health, and contributions to waste management policy of the Bangladeshi government. There have already been attempts to scale up good practices by using such available funds as pooled funds and the Japan Debt Cancellation Fund (JDCF) of the Bangladeshi government. Because Japan is providing Bangladesh not only with funds but also with ideas for development, and based on the Japanese experience of having implemented effective projects, the scaling-up of good practices should be further promoted in cooperation with other development partners, including the pool funders. There is still some question and examination as to whether Japan should itself participate in the pooled fund in light of the assistance from other development partners, the capacity of the Bangladeshi government to use the fund effectively, and Japanese government's ODA policy.

### **Recommendation 4: Expansion of “People-to-People” assistance using the expertise of diverse development actors, such as NGOs and social enterprises<sup>7</sup>**

It is recognized globally that Bangladeshi civil society, including NGOs and social enterprises, has an excellent track record in development activities, particularly in the area of social development. The Bangladeshi government considers civil society to be an indispensable provider of social services and collaborates with them in service delivery. In Japanese assistance, however, involvement of these diverse development actors is very limited. This is because G-to-G is still the dominant channel for Japan's ODA delivery and because there are restrictions on assistance schemes and procedures. For example, with its own assistance schemes, such as Grant Aid for Grass-roots Human Security, Japan cannot support for example a BRAC country-wide immunization project which empowers the Bangladeshi government, even though the project is supported by development partners such as DFID in the form of pooled funding.

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<sup>6</sup> JETRO participates in the country-based TFs, but not in the Tokyo TF. NGOs and other outside specialists are members of the Tokyo TF, but not of the country-based TFs. The expression in the text reflects the attempt to resolve such “twist”. Though JETRO's roles in the ODA-TFs vary by country, there is high expectation for JETRO to play an active role in the ODA-TF in Bangladesh on promotion of trade and investment, which would be an important element of a comprehensive economic cooperation package.

<sup>7</sup> “Social enterprise” has no established definition, but refers to an organization that intends to accomplish a social mission through a business approach (market strategy). It could be either non-profit or profit-making (Social Enterprise Alliance: [http://se-alliance.org/about\\_movement.cfm](http://se-alliance.org/about_movement.cfm))

It is important to think here about Japan's basic ODA policy. The basic policy of Japanese ODA is the realization of human security. Governments are the principal providers of social services, but when the government fails to perform adequately, it is necessary for the protection and empowerment of individuals that non-governmental development actors be brought in.

Although economic growth supported by Japan has already contributed to poverty reduction, the ever expanding income gap and the continued existence of large numbers of people left behind should not be overlooked. Support focusing on the poorest of the poor, those at the wrong side of the income gap, is now even more important. It is imperative to take advantage of the expertise of all actors, including NGOs and social enterprises that are specialized in the area.

Specifically, there are 4 types of possible collaboration with non-governmental actors such as NGOs and social enterprises.

1) Grass-root assistance, which is the specialty of NGOs/civil society. This has been supported by Japan in assistance schemes such as the Grant Aid for Japanese NGO Projects and the Grant Aid for Grass-roots Human Security as well as JICA grass roots technical cooperation. Assistance at this level is required to expand and improve conditions in accordance with the local needs. The Grant Aid for Grass-roots Human Security, for example, which is provided mainly for the procurement of goods, could be used for services which are imperative for social development.

2) Administration empowerment in cooperation with or through NGOs/civil society. JICA's assistance for maternal and child health mentioned earlier offers a good example of this type of collaboration; it supports the Bangladeshi government in a technical cooperation project with the active participation of an NGO. It is hoped that in the future NGOs and social enterprises will contribute their expertise and become more involved in ODA projects, including loan and grant projects.

3) NGOs and social enterprises can supplement the government when its administrative capacity is insufficient for the effort required. While it is the government that is primarily responsible for services to the poor and the socially vulnerable in Bangladesh, where its administrative capacity is weak, competent NGOs and social enterprises already are providing sector-wide and country-wide services, and it is sensible to realize human security by providing direct assistance through those organizations. Schemes that could make such assistance possible include (as mentioned above) financial assistance through grant aid or pooled-funding for sector-wide/country-wide projects carried out by NGOs.

4) With regard to collaboration with social enterprises that are potential future development actors, it is clearly important that the government, NGOs and the private sector establish a platform to incubate support and to scale-up assistance, as is the case with the promotion of entrepreneurship in the private sector.

While Japan's assistance to Bangladesh is still conducted on an inter-governmental basis, cooperation with a range of development actors, such as NGOs and social enterprises, is necessary if it is to realize its objective of human security. The P-to-P perspective, as

Professor Mohammad Yunus puts it, will be more important than ever.<sup>8</sup>

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<sup>8</sup> Prof. Yunus told the evaluation team in an interview that “assistance is a gift from the Japanese people to the Bangladesh people, and the government should play the role as its facilitator.”

## **Chapter 2: Evaluation Purpose and Principles**

### **2-1 Background and purpose**

Official Development Assistance (ODA), one of the key pillars of Japan's contribution to the international community, requires efficient and effective implementation. In order to achieve high quality assistance, ODA evaluation (policy-level evaluation) is regarded as important.

Since recognizing Bangladesh in 1972, the year following its independence, Japan has consistently maintained good relations with the government and actively undertaken measures to support the country's development. As a moderate Muslim democracy, Bangladesh is important in such multinational diplomatic organizations as the United Nations as well as in South Asian regional diplomacy. It has the potential to develop into an important market and a good investment destination for Japan, and the promotion of Japanese-Bangladeshi cooperation is considered significant.

Japan formulated its first Country Assistance Program (CAP) for Bangladesh in March 2000 and revised it in May 2006. The basic policies of the revised CAP are assistance to Bangladeshi ownership and self-help efforts, promotion of development partnerships and attention to gender and environment. The priority goals are economic growth, social development, human security and governance.

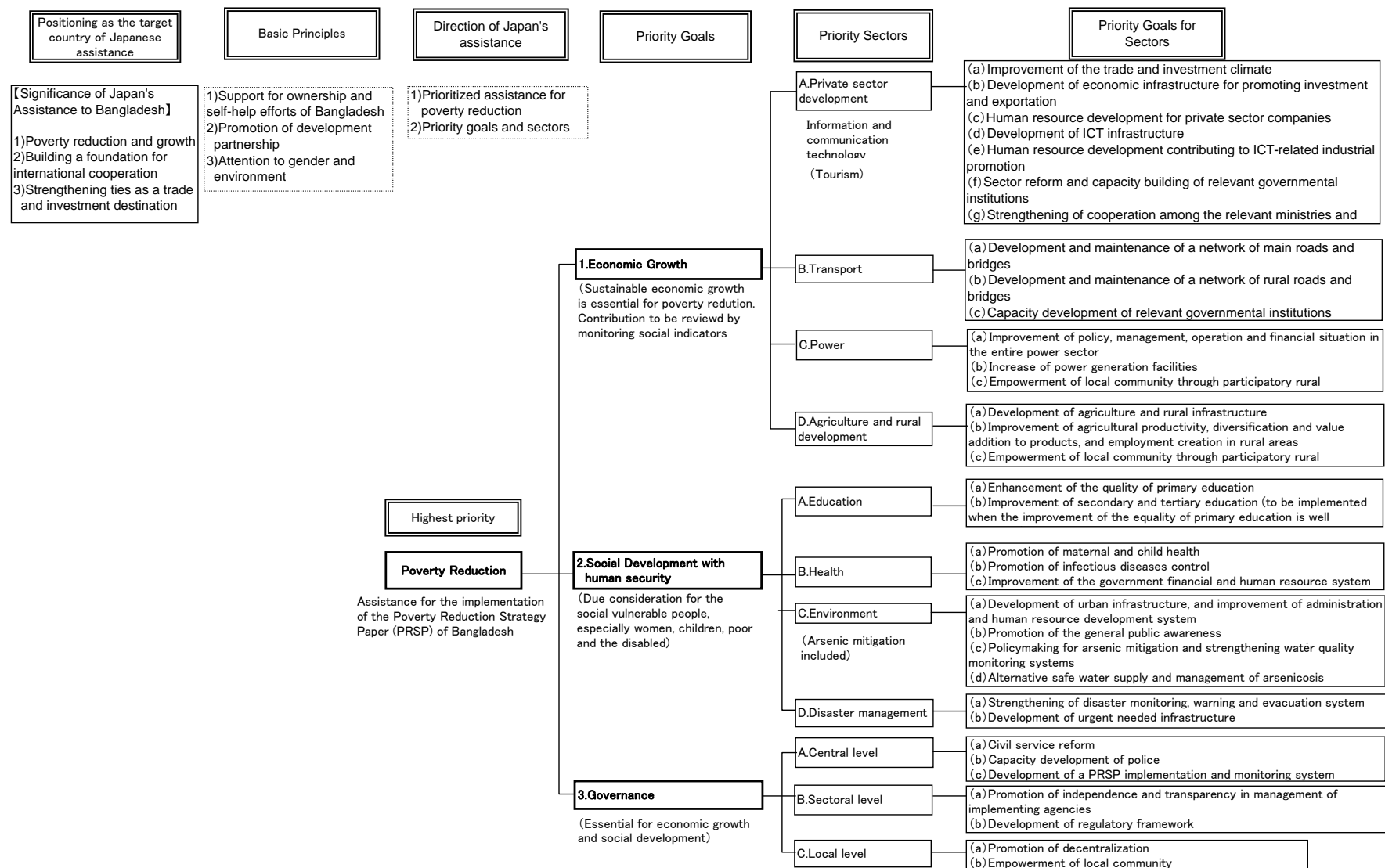
This evaluation was conducted with several objectives: to evaluate Japan's assistance policies for Bangladesh as a whole, to grasp lessons learned, to offer recommendations for formulating assistance policies, to provide effective and efficient assistance in the future, and to reflect findings in the formation of a new CAP for Bangladesh. It intends to feed back the evaluation results to the Bangladeshi government and development partners for future reference and to publicize Japan's ODA and fulfill accountability to the public.

### **2-2 Scope of Evaluation**

This study evaluates the CAP that was revised in 2006. It covers the period from May 2006 through the point of the field research (October 2009). Some related assistance activities from the past were also researched, as appropriate.

Figure 2-1 illustrates Japan's assistance policies for Bangladesh as specified in the CAP.

Figure 2-1 Goal chart based on the CAP



Source: "Japan's Country Assistance Program for Bangladesh" with some additions made by the evaluation team.



## 2-3 Methodology and framework

### 2-3-1 Framework and analysis method of evaluation

Japan's assistance policies for Bangladesh during the target period were evaluated comprehensively from the viewpoints of purpose, result and process, in accordance with the "ODA Evaluation Guidelines" (April 2008). The criteria for evaluation were "relevance of policies" (purpose), "effectiveness of results", and "appropriateness of processes". The specific contents of the evaluation framework are as follows:

#### (1) Relevance of policies

Relevance of policies was evaluated through verification of factors including consistency with Bangladesh's development plans and Japan's priority policies (relevance from the time of formulation through the point of evaluation), relevance to international priority issues, and role sharing with other development partners. Those elements were verified by examining, for example, whether the contents of the CAP were formulated with due consideration to Bangladesh's policies, Japan's priority policies and international development issues.

The specific verification items included the following: comparison against Japan's CAP for Bangladesh, Bangladesh's PRSP "Unlocking the Potential: National Strategy for Poverty Reduction"(2005), PRSP II "Moving Ahead: National Strategy for Accelerated Poverty Reduction"(2008), revised version of PRSP II (draft)<sup>9</sup>, comparison against Japan's "ODA Charter" and "Medium-Term Policy on ODA", the Millennium Development Goals(MDGs), Japan's initiatives concerning issues of development, and mutual supplementation with other development partners.

#### (2) Effectiveness of results

In order to verify the extent of achievement against the initial goals, the effectiveness of the results was verified by examining the progress in development in each priority sector in Bangladesh and then by assessing the contribution of Japan's assistance in each key sector. Since development outcomes are the consequences of a variety of factors including inputs by Japan, other development partners, the Bangladeshi government and other stakeholders such as NGOs/civil society, cooperation with other partners was also taken into consideration when examining Japan's contribution to Bangladesh's development.

#### (3) Appropriateness of processes

Appropriateness of processes was verified by the evaluation of whether the system and the process of CAP formulation and implementation ensured relevance of policies and effectiveness of results. Specifically, the study looked into involvement of key stakeholders in the formulation process, incorporation of the evaluation results of the previous CAP for Bangladesh (2005) in the revised CAP, and coordination among the formulation processes of the CAP, the PRSP and the Joint Country Assistance Strategy shared among four donors including Japan. Concerning the process of implementation, there was analysis of whether the CAP was reflected in implementing agency's plans, whether the implementing

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<sup>9</sup> The revised version of PRSP II (NSAPR II) was officially published and distributed during the Bangladesh Development Forum in February 2010.

system was appropriate, whether policies were monitored/evaluated, and whether the approaches specified in the CAP were actually taken.

#### (4) Evaluation summary and recommendations

The evaluation of the policies of Japan's assistance to Bangladesh was comprehensively summarized based on an analysis of the above-described factors: relevance of policies; effectiveness of results; and appropriateness of processes. Notable issues for formulation of the next CAP reflecting the evaluation results were presented along with recommendations on points to be improved.

### 2-3-2 Survey process and evaluation implementation

The period of the evaluation was June 2009 through March 2010. Review meetings were held as necessary, attended by members of the Ministry of Foreign Affairs, JICA and the evaluation team (consisting of a chief evaluator, an advisor and a consultant team). The evaluation was conducted as follows:

#### (1) Formulation of evaluation design

After discussions with the relevant departments of the Ministry of Foreign Affairs (MOFA) and JICA, and upon approval of the External Advisory Meeting on ODA Evaluation, the evaluation team finalized the evaluation design and established a draft framework of evaluation based on the finalized design. Detailed evaluation questions were established based on the framework.

#### (2) Domestic survey

Guided by the final evaluation design, information necessary for evaluation was collected, mainly through interviews with concerned officials of MOFA, implementing agencies, intellectuals and other experts. A literature review was also taken. As a preliminary survey before the field survey, questionnaires were formulated and distributed to the concerned departments of the Bangladeshi government.

#### (3) Field survey

Interviews, collection of related references/data and observation of the project sites were conducted in accordance with the evaluation framework. The targets include Bangladeshi government agencies, the Japanese Embassy in Bangladesh, the JICA Bangladesh office, the JETRO Bangladesh office, major development partners, local NGOs/civil society, and Japanese corporations in Bangladesh. After completion of the field survey, the results were reported in a review meeting

## Chapter 3: Evaluation Results

### 3-1 Evaluation summary

#### 3-1-1 Significance of the assistance to Bangladesh, “a least developed country with consistent economic growth<sup>10)</sup>”

Bangladesh has maintained economic growth at the high average annual rate of 5.7% over the past decade, driven by the export growth in its garment industry, and supported by remittance from migrant workers overseas. Though it is still one of the least developed countries (LDC)<sup>11)</sup>, the percentage of poor dropped from approximately 50% in 2000 to 40% in 2005, due to the economic growth<sup>12)</sup>. The country’s social indicators also are improving, including the child mortality rate and the maternal mortality rate, both of which have halved from 1990/1991, and the primary school enrollment rate, which increased from 60.5% in 1990/1991 to 91.1% in 2007. On the other hand, there are still as many as 55 million people living below the national poverty line, accounting for 40% of the population<sup>13)</sup>. In spite of the high economic growth, the gaps between rich and poor and east and west are widening. The key issue currently is how to help those who have been left behind by the economic growth. Since the administration has only limited capacity to cope with this issue, services are imperative from NGOs/civil society with expertise and competence<sup>14)</sup>.

Since the country’s independence Japan has consistently maintained good relations with Bangladesh. As a consequence of Japanese assistance to the country, Bangladesh’s affinity toward Japan has expanded from the official diplomatic level to the general public. As a moderate Muslim democracy, Bangladesh is a signatory to the Nuclear Non-Proliferation Treaty (NPT) and it is also the first South Asian country to have ratified the Comprehensive Nuclear Test Ban Treaty (CTBT). In that sense, Bangladesh already is a country important to Japan’s multinational diplomacy. With regard to geopolitics, Bangladesh is situated at the junction of Southeast Asia and South Asia, in an important location as an advocate of the South Asian Association for Regional Cooperation (SAARC). In the context of international development, in order to achieve the Millennium Development Goals it will be important to promote poverty reduction in South Asia, home to as many poor people as in Sub-Saharan Africa. Regarding its economic aspect, Bangladesh stands out in the South Asian region for its rapid development and potential to be one of the “Next 11<sup>15)</sup>”. There is reason to believe that this country will become more important than ever for Japan, as a market and as an opportunity for investment.

#### 3-1-2 Relevance of policies

The CAP is highly relevant because the directions, policies and priority areas of Japan’s

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<sup>10)</sup> Japan’s Country Assistance Program for the Republic of Bangladesh, May 2006.

<sup>11)</sup> Referring to the United Nation’s definition of LDC. There are 49 as of 2009.

<sup>12)</sup> General Economic Division, Planning Commission, Government of the People’s Republic of Bangladesh (2009)

<sup>13)</sup> Bangladesh Bureau of Statistics (2007) “Key Findings of HIES 2005.”, [http://www.bbs.gov.bd/dataindex/hies\\_2005.pdf](http://www.bbs.gov.bd/dataindex/hies_2005.pdf)

<sup>14)</sup> Civil society refers not only to the so-called development NGOs/civil society, but also to the entire private non-profit sector including micro finance institutions, social businesses that are important in Bangladesh, as well as community organizations, cooperatives, labor unions and religious organizations.

<sup>15)</sup> Goldman Sachs identified in 2005 rapidly growing countries and termed them the “Next 11” after the BRICs.

assistance for Bangladesh in it are consistent with Japan's overall ODA policies (the ODA Charter and the Medium-Term Policy), the Poverty Reduction Strategy Paper (PRSP), a main Bangladeshi government national development plan, international priority issues such as the MDGs, assistance policies of major development partners, and various development initiatives launched by the Japanese government.

Japan's CAP covers almost all sectors covered in the PRSP so it is able to cope with Bangladesh's policy issues. However, looking at each priority sector in detail reveals that Japan's assistance is concentrated in a pattern based on its own development experience and past performance. Attempts have been made to complement other development partners in the fields of power, transport, water supply, primary education and health.

The PRSP has been revised twice since the CAP was formulated, resulting in some changes in priority issues by the Bangladeshi government. The need for multi-sectoral assistance against climate change was increased, for example, as was support for the poorest, which was articulated in the revised version of PRSP II (NSAPR II). Since the CAP fails to reflect those changes, it should be reviewed for future program flexibility.

### 3-1-3 Effectiveness of results

There has been progress in poverty reduction, in terms of poverty ratio, but issues still remain. As far as key targets are concerned, the economic growth is not successful in benefiting the poor. Even though good practices have been identified in Japan's assistance activities, the extent of the scale-up is still insufficient to realize human security through social development. Positive efforts have been made to improve the country's governance, or institutional infrastructure, especially mechanisms to provide services to the poor; but they haven't yet overcome weaknesses in the government's administrative capacity.

In the priority areas of power, water supply, arsenic mitigation, primary education and health, Japan's assistance has been programmed to accord with the policies of the Bangladeshi government, or within the framework of its sectoral program. Other areas, such as railroads, are supported by complementary relationships with other development partners. It is evident that Japan's assistance is directed at achieving the goals of the Bangladeshi government in those sectors in cooperation with other development partners. In some sectors, there are many cases in which the expected outcomes of assistance have been seen or are likely to be seen for specific priority areas in which limited resources were invested.

The current CAP attempts to contribute to poverty reduction separately in each sector, but the actual results of cooperation hardly extend beyond the sectoral boundaries. There is very little cooperation or synergy among sectors so that the impacts of cooperation are limited. Goals have been achieved to some extent in limited areas, but there are still wide gaps compared with the higher targets.

### 3-1-4 Appropriateness of processes

The appropriateness of the CAP formulation process was evaluated in terms of setup for revision of the CAP, participation by the Bangladeshi side, coordination with other

development partners and involvement of Japanese stakeholders. The country-based ODA-TF played a vital role in the revision of the CAP, taking initiative for the whole process and contributing its locally accumulated knowledge. However, it may also have increased the difficulty in narrowing down key sectors or holding cross-sectoral discussions because the ODA-TF had already established its own system. It failed to make effective policy/strategy decisions on which sectors or sub-sectors should contribute to poverty reduction and how, and on what kind of cross-sectoral approaches would be effective.

On reflecting the needs of the Bangladeshi side, attempts were made to improve consistency between the different parties by linking the process of revising the Japanese CAP to that of formulating the Bangladeshi PRSP. There was close cooperation and coordination among the key development partners, namely the World Bank, the Asian Development Bank (ADB), and the Department for International Development (DFID) of the British government. However, issues still remain: one is limited participation by NGOs /civil society, both of which are highly specialized and capable stakeholders in Bangladesh's development; and another is the lengthy formulating process.

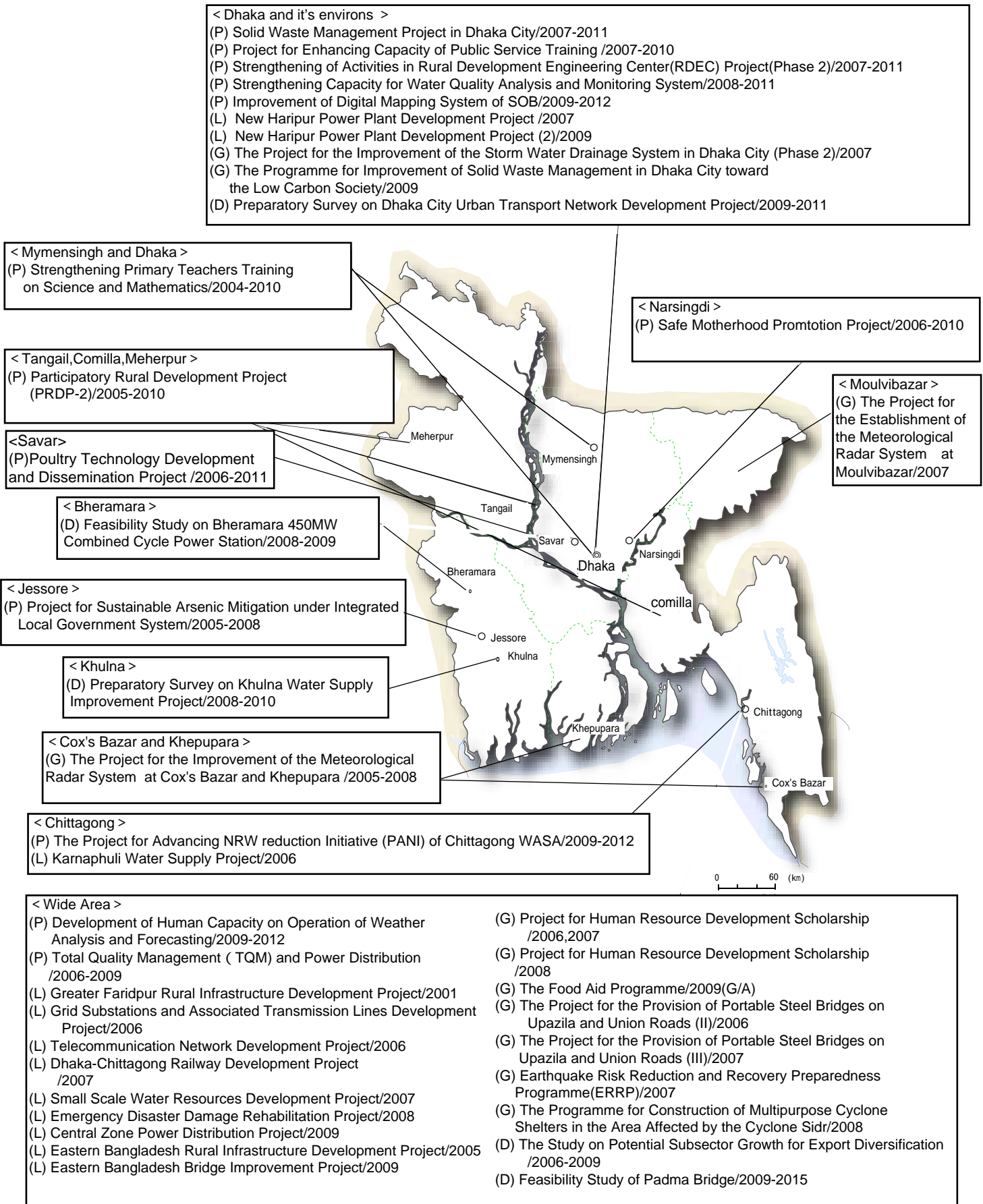
In its implementation, the CAP has reflected the assistance plans of its implementing agencies. Cooperation based on the CAP was considered in the project identification and formulation process while the needs to be addressed were reflected through on-going discussions with the Bangladeshi government. Thus, the implementation process of Japan's assistance was more or less appropriate. Pursuing complementarities and a division of roles with development partners, projects and other assistance activities for each sector are formulated and programmed in alignment with the PRSP, making efficient use of limited resources. The ODA-TF has played an important role in those processes as it has in the CAP formulation processes. However, since the launch of the new JICA executing 3 ODA schemes, some functions of the ODA-TF have been performed solely by JICA. It would be useful, therefore, to review the roles and functions of the ODA-TF, to adapt it to the changed circumstances. Though cooperation with NGOs/civil society is producing good practices, the actual instances of cooperation have been limited due to restrictions in assistance schemes and procedures. Some are concerned that cooperation with NGOs/civil society would disturb the flow of assistance and jeopardize continuity, and that commissioning social services performed by the government would discourage capacity improvement on its part. However, as long as the capacity of the government is limited in order to bring benefit to the poor and the socially vulnerable and to realize human security through development, cooperation with NGOs/civil society that takes advantage of their expertise should be more seriously considered.

# Map of Bangladesh and Sites of Japan-assisted Projects (2006-2009)

(P) Technical Cooperation Project (D) Development Study/Preparatory Survey/Feasibility Study (G) Grand Aid (L) Loan Project

Bangladesh

as of Oct 1, 2010



This Map shows projects under conditions below:  
 -Technical Cooperation Projects started and/or implemented during the period.  
 -Development Studies/Preparatory Surveys/Feasibility Studies started and/or implemented during the period.  
 -Loan Projects agreed (L/A signed) during the period.  
 -Grant Aid agreed (E/N or G/A signed) during the period.  
 -Source:Prepared by the evaluation team based on Maps of JICA Major Projects  
 (https://libportal.jica.go.jp/fmi/xsl/library/Data/PlanInOperation-e/EastAsiaSouthwesternAsian/Bangladesh-e.pdf )

## Photos of the Field Survey

### 【Interview with Bangladeshi Government Agencies】



Economic Relations Division,  
Ministry of Finance

### 【Interview with Japanese Embassy】



Japanese Embassy

### 【Interview with JICA Bangladesh Office】



JICA Bangladesh Office

### 【Japan-assisted Projects】

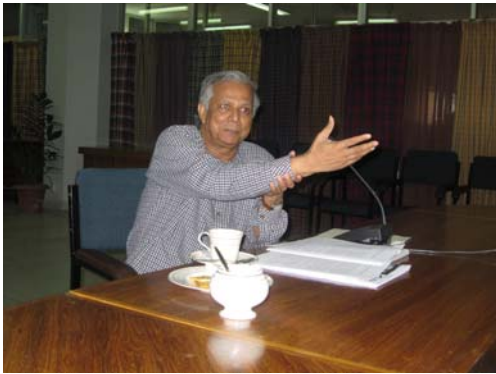


Safe Motherhood Promotion Project  
Narsingdi



Dental Treatment in a Slum by Sapporo  
Dental College, Tongji, Dhaka  
Grass-roots Human Security Grant Aid

**【Interview with Local Intellectuals】**



Prof. Yunus, Nobel Laureate,  
Managing Director of the Grameen Bank



Centre for Policy Dialogue



Dr. Abed, Chairperson of BRAC

**【Visit to Local NGO 】**



BRAC Primary School