

# Bangladesh

## 1. Performance Analysis Overview

The 21 Bangladesh projects evaluated thus far have achieved nearly satisfactory results overall, but depending on the sector and on the evaluation item, results vary to a certain degree. First of all, with respect to “project relevance” and “efficiency of implementation,” most projects were at an overall good level with some delay of schedule in mainly manufacturing sector. Even in projects that did have some issues, those were scattered and found mainly in the manufacturing sector. As regards “effectiveness (project goal achievement)” and “sustainability”, projects with lower output utilization than planned are found mostly in the electric power sector.

Projects in each of the other sectors, transportation, bridges, telecommunications, and urban/rural social infrastructure were evaluated at a high level on the whole, and among which there are projects that have been evaluated as an example of good practice that can be useful in the future.

The performance evaluation results of projects targeted for review are outlined below, using the five primary evaluation check criteria.

### (1) Relevance

“Project relevance” is the criterion that received the highest evaluation among the five evaluation criteria, and with the exception of projects for which evaluation was impossible, the consistency with overall goals and the development issues was judged to be appropriate for all projects. Many of the Bangladesh projects were in line with the Five-Year Plans and the priority issues.

Approximately 60% of the total number of projects experienced some alterations in scope during the implementation stage, but most of those alterations were deemed to have been appropriate. Conversely, economic fluctuations such as a sharp rise in commodity prices due to the second oil shock were areas in which project goals should have been

reviewed and modified, but were not, and implementation of the project as planned resulted in problems in profitability in some instances.

### (2) Efficiency

Overall, projects in Bangladesh had good “efficiency of implementation”. Degree of “completeness of output” was overall very high and almost all projects were completed as planned. There were projects, however, that were completed with some problems in facility operation. In terms of “implementation schedule efficiency”, almost 60% of projects were completed on time or with construction delays of a year or less, just over 30% experienced delays of between 1 and 3 years, and only 10% of the total number of projects experienced major delays exceeding 3 years. The reasons for long-term delays were alterations in project scope and resulting changes in project costs/funds procurement and contract procedures, handling of accidents that happened during plant refurbishment projects, and lack of coordination between donor agencies. In the same way, “project cost efficiency” was overall good, with almost 80% of all projects being completed within the planned budget or coming in with overruns of 10% or less. Of the 6 projects that had cost overruns exceeding 10%, 5 projects were in the manufacturing sector. The “project implementation systems” were overall good for 70% of the projects assessed. Although few, there were some instances in which problems with the method for procuring materials and work exceeded the capabilities of the agency implementing the project.

### (3) Effectiveness (Project Goal Achievement)

As compared with other evaluation items, the effectiveness (project goal achievement) level of the 21 Bangladesh projects overall was somewhat lower than other criteria, owing mainly to insufficient performance of projects in the power plant sector. “Output” was utilized in nearly 70% of the

projects, and “project goals” were realized in nearly 70% of projects. At the same time, slightly over 20% of projects in terms of output utilization and almost 20% of projects in terms of project goal realization were deemed insufficient, and most of those projects were in the electric power sectors. In terms of degree of “IRR achievement”, more than half of the projects had produced expected economic and fiscal benefits at the time of evaluation.



Bangladesh Rural Development Credit Program (Grameen Bank)

#### (4) Impact

Nearly half of the project evaluations do not have clear description or sufficient information about the contribution to overall goal achievement. In projects that were evaluated, a contribution to achievement of overall goals was acknowledged in more than 70%. There was only 1 project for which notation was made about impact on policy and organization. This reflects the fact that there have been almost no Japanese ODA loan projects to Bangladesh evaluated so far and reviewed that included policy and organizational reforms in their scope. Slightly fewer than 40% of projects had notation in the Evaluation Report about a “socio-economic impact.” In many projects, the cause and effect relationship between project implementation and impact has not necessarily been fully explained. However, in terms of “socioeconomic impact,” concrete examples did exist such as (1) regional development, (2) improvement in quality of life, (3) job creation and savings/acquisition of foreign exchange, and (4) increased rice production.

Fewer than 40% of the total number of projects mentioned the environment, and most noted no particularly negative impact on the environment, or, as was the case with just one project, noted a positive impact on the environment. There was only one project for which the ex-post evaluation

report made note of “resident relocation or land acquisition,” and it is thought that the Bangladesh government’s handling of the issue itself and the follow-up of the impact survey entrusted to a third party by JBIC and the World Bank was appropriate. Problem solving of this kind, such as done by the government or by the development assistance agencies, along with the lessons learned that are reported in the aforementioned impact survey can be used as examples of “good practice” in the future.

#### (5) Sustainability

The evaluated level of “sustainability” of projects was the next lowest after “effectiveness (project goal achievement)” as compared with other primary evaluation check criteria. Looking at the main check items of output and administrative and maintenance system, only around 70% of projects had overall good conditions. Conversely, although 10-20% of projects with problems is not necessarily a high figure, they are all concentrated in the power plant sector. Outside the electric power sector, each of the other sectors of transportation, telecommunications, mining and manufacturing, and urban/rural social infrastructure were at an overall good level. However, in terms of “financial resources for operation and maintenance,” the number of projects that had a sufficient amount or had established resources to a certain extent was only just over 30% of the total, while nearly 40% of projects (most in the electric power and manufacturing sectors) were criticized for having problems such as lack of fund for operation and maintenance or chronic state of deficit, and cause concern about sustainable impact of the project. There were 10% of projects evaluated to have a problem with “continuation of needs,” but they are the same projects that were deemed to have problems with relevance of project goals at the time of evaluation.



Bangladesh Jamuna Multipurpose Bridge Project

## 2. Lessons Learned / Recommendations

### **Continued assistance for further development of high priority sectors in which JBIC has extensive experience and high presence**

The electric power sector and the manufacturing sector (especially fertilizer industry) have been the central focus of yen loan projects to Bangladesh up to the present. However, as was mentioned in the previous section, most of the projects that have had issues to be solved with “effectiveness (project goal achievement)” and “sustainability” have been concentrated in the electric power sector. In addition, among the projects that had problems with sustainability, many that had concerns with resources for administration and maintenance had structural problems, particularly in the electric power sector and the manufacturing sector.

Specifically, in the electric power sector, the primary cause of problems with “effectiveness (project goal achievement)” and “sustainability” in the projects under review has been pointed out as insufficiency on the part of the operation and maintenance system of the Bangladesh Power Development Board (BPDB). In order to improve the situation, it is essential that project formulation with due consideration for improvement of the technical level of engineers, appropriate placement and securing of personnel, improvement of staff morale, technology transfer, etc. be done. When doing so, it will be prudent to stay involved, based on JBIC’s experiences up to the present, in overall structural reform of the electric power sector being carried out under the assistance of the World Bank and the ADB, and as part of that framework, to carry out projects in the electric power sector with attention also being paid to the improvement of the capabilities of the organizations implementing the projects in sectors such as the power generation sector as well as to the achievement of sustainability.