

Joint Evaluation on Four Donors' Assistance~Transport Sector~

Study period from September 2008 to May 2009

Summary of the Evaluation

As part of the joint evaluation implemented by the World Bank (WB), the Asian Development Bank (ADB), the United Kingdom's Department for International Development (DfID), and Japan, this evaluation analyzed the four donors' assistance in Bangladesh's transport sector, and derived lessons learned

and recommendations to improve aid effectiveness. To date, various aid coordination efforts have been made in this sector. Therefore, this evaluation examines not only technical assistance and infrastructure development, but also aid coordination among the donors.

Background and Objectives of the Evaluation

An OECD-DAC subsidiary body, Network on Development Evaluation (EVALUNET), proposes that donors conduct a cross-sectional evaluation to examine aid effectiveness at the country level. With this in mind, WB, ADB, DfID, and Japan conducted a joint evaluation in Bangladesh, where the donors have been promoting coordinated aid approaches.

The evaluation process was centered on WB's Country Assistance Evaluation (CAE). Each donor was in charge of a sectoral evaluation, and evaluation information was shared through joint evaluation missions. This evaluation was

conducted as part of the joint evaluation. Japan evaluated the four donors' assistance in Bangladesh's transport sector. The aim was to derive lessons learned and recommendations, in view of improving aid effectiveness, including efficient aid coordination.

The outcomes and results of WB's CAE at the core of the joint evaluation, is expected to be applied to the country evaluation necessary for revising Japan's Country Assistance Program for Bangladesh.

The Framework and the Policy for Evaluation

This evaluation analyzed the four donors' assistance for Bangladesh's transport sector. The focus was on ground transportation (corridor development, rural roads) in which the four donors' aid was concentrated. Taking into account WB's inputs for CAE, the evaluation period was set for FY2001-07.

The OECD-DAC's five evaluation criteria were adopted for the evaluation criteria. Each criterion was evaluated by the evaluation approach specified in the right table.

DAC's 5 Criteria	Evaluation Approach
Relevance	Derive commonalities and changes in national development strategy during evaluation period Compare donor assistance content and commonalities of national development strategy Compare donor assistance content and changes in national development strategy
Efficiency	Categorize aid coordination modalities based on content of past assistance Analyze examples of aid coordination modalities and impact on improving aid efficiency Clarify characteristics of each coordination modality
Effectiveness / Impact	Integrate existing evaluation on corridor development, rural roads Gauge quantitative effects based on transportation / economic statistics
Sustainability	Analyze system, plan, budget for road maintenance and management Effects of four donors' assistance in maintenance and management capacity development

Evaluation Results

► Evaluation results

Relevance

The national development strategy of Bangladesh identifies the development of corridors and rural roads as key challenges. The Poverty Reduction Strategy Paper (PRSP), too, promotes the development of corridors aimed at pro-poor growth and recommends more investment in improving the quality of rural roads. The majority of the four donors' assistance was allocated to the two key challenges. Therefore, the assistance was relevant.

The attention to road maintenance, the emphasis on urban

transport, and the outcome-oriented nature of the PRSP (improved service provision as a project effect) were the changes made to the national development strategy during the evaluation period. While DfID and Japan allocated more funding to road maintenance, new investment in urban transport was limited. Meanwhile, although measures linking the national development strategy and projects/programs (e.g., sub-sector master plans) are increasing in importance due to the PRSP's emphasis on outcomes rather than inputs, e.g., project scope, the Bangladeshi Government has approved only the master plan for urban transport.

Efficiency

It can be judged that aid coordination among the four donors became more robust during the evaluation period compared to before. ADB, WB, and Japan signed a memorandum of understanding (MOU) on railway sector reform, and the goal of aid coordination is applied more broadly from inputs (adjustment of scope of assistance) to include outcomes (improvement of service provision). Through the MOU, donors mobilized behind a common reform agenda and provided railway assistance linked with the MOU. As a result, progress was observed in railway sector reform. Under the MOU, adjustments between donors and the Bangladeshi Government are made under the leadership of ADB, preventing increases in the transaction cost of the Bangladeshi Government.

Also, joint co-financing continues to be employed. It is an effective aid coordination method if a large sum of investment is needed and it is difficult to divide the project scope. However, its high transaction cost should be kept in mind. In one example of co-financing in the rural road sector, discrepancy in the disbursement method was one factor for the scale-down of project scope.

Effectiveness / Impact

Corridor development and rural road development have been both effective. Assistance for corridor development contributed to increasing traffic volume on major highways, and social and economic indicators are improving, coupled with the region's development. In the Dhaka Northwest Corridor, travel time was shortened substantially and shipping agricultural products in the northwest region became easier. This in turn improved peoples' agricultural income. In the Dhaka Chittagong Corridor, too, traffic volume increased sharply, and is supporting the rise in trade volume. From the rural road development program supported by ADB and Japan, an increase in traffic volume and a reduction in travel cost were confirmed. Peoples' access to social services improved, and it is believed that the program is having a positive impact on their livelihood and employment.

The negative impact of road sector assistance is traffic accidents. In Bangladesh, many traffic accidents are fatal, involving the male workforce. Thus, the economic impact on poor households is large.

Sustainability

The road conditions of national roads managed by the Roads and Highways Department (RHD) are at an acceptable level, and the four donors' investment in road assets has maintained its value. On the other hand, the road conditions of other classes of roads managed by RHD (regional roads, Zila roads) have been deteriorating, and are becoming a risk for weakening the link between national roads and rural roads. The Road Asset Management System (RAMS) was introduced at RHD with support from DfID. Although RAMS is used to formulate the road maintenance plan, database updates have been slow and this has been a factor that is preventing the use of RAMS within RHD. Additionally, RHD's capability to manage contracts needs improvement. Its expenditures are not according to budget, the quality of the construction materials does not meet the technical specifications, among other problems.

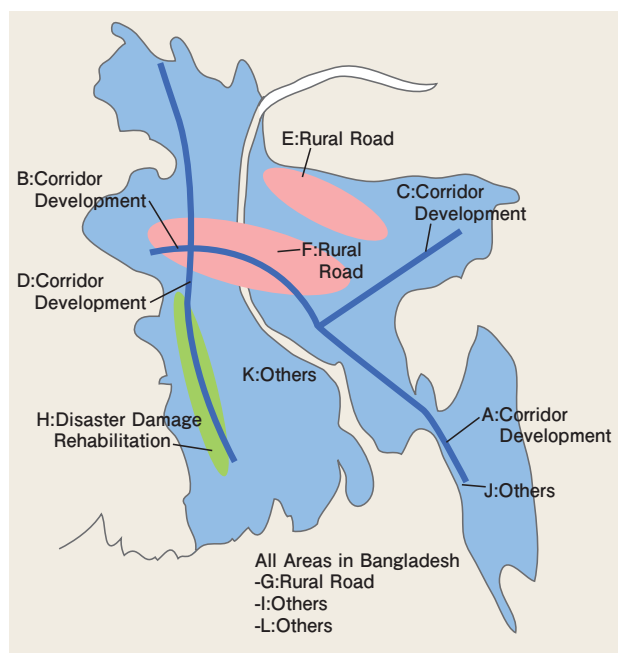
At the Local Government Engineering Department (LGED), a mechanism for data collection has been established with support from JICA, and the database is updated regularly. It will formulate the next fiscal year's road maintenance plan by

the end of the fiscal year using RAMS. Furthermore, because the database contains not only road-related data, but also various social data, it is also used in education, governance, and other sectors. The maintenance and management of the roads' unpaved sections are outsourced to a resident organization, and the executing agency pays the resident organization the maintenance fee. The fee is also used to improve livelihood and is contributing to poverty mitigation.

▶▶ Lessons learned and recommendations

The following recommendations were made to improve aid effectiveness.

- Because the PRSP reduced mention of development plan inputs (content of investment) and became outcome-oriented, ensuring consistency between the national development strategy and projects/programs has become a challenge. To increase consistency between policy/measures and projects/programs, the four donors should continue their efforts for the early formulation of sub-sector master plans.
- Rapid motorization has created gaps in assistance in the urban traffic and traffic safety sectors. To close the gaps, it is desirable that donors have a common assistance policy for both sectors, and divide roles between them.
- The aid coordination modality should be selected bearing in mind its purpose and the nature of the assistance's target. Joint co-financing has the risk of delaying project implementation due to discrepancies in disbursement method. In the transport sector, if there are no other options, joint co-financing should be considered for large-scale infrastructure projects whose contract package is difficult to divide among donors.
- To ensure the continuous functioning of transport infrastructure, it is desirable that an outsider reviews the contents of the contract after the maintenance construction. It is significant that RHD conducted an external audit with the support of DfID. To enable beneficiaries to monitor the content of the construction and its implementation, it is desirable that the four donors support RHD in the disclosure of maintenance construction information.



Map of four donors' assistance in the transport sector