As the world’s second largest less developed country, Bangladesh is clearly a crucial player in the global fight against poverty and, as such, is one of the largest recipients of UNDP’s core funding. In these circumstances, Bangladesh is without question one of UNDP’s most significant partner countries and UNDP is committed to supporting Bangladesh in building upon its strengths, facing potential threats and resolving its paradoxes. This report is expected to provide useful input to the next programming cycle of UNDP Bangladesh, which will start in 2005.

The purpose of this evaluation is to assist UNDP in continuing to build upon its strengths and, within the terms of its comparative advantage, enhancing its contribution to effective development in Bangladesh. The Assessment of Development Results (ADR) covers the time period of the Country Cooperation Framework (CCF) I (1996-2000) and CCF-II (2001-2005) to the end of 2004. Recommendations are based on the ADR’s identification of the status of outcomes, the factors affecting outcomes and UNDP’s response to development challenges. The lessons learned are designed to be forward looking and to suggest the best use of UNDP’s comparative advantage in the years to come.

METHODOLOGY
A major aim of the ADR is to draw a credible link between overall development results and UNDP’s contribution to their achievement. The emphasis on higher level results is intended to improve understanding of the outcome, its status, and the factors that contribute to change. There are also important lessons to be learned about how UNDP operates, opportunities and constraints UNDP faces, and UNDP’s effectiveness as a client-oriented institution. This country evaluation, therefore, also includes a “bottom-up” analyses of a sample of the most important programmes, projects and non-project activities.

The preparatory work for the evaluation started with extensive desk research including programme mapping and a documentation review by the UNDP Evaluation Office (EO). This was followed by an exploratory mission to Bangladesh, which consisted of direct consultations with the UNDP Country Office (CO) and key stakeholders, and provided a basis for the Terms of Reference (TOR).

The main evaluation was undertaken in two parts. The first mission visited Bangladesh in July 2003 and lasted two weeks. It consisted of two international external consultants, one external national consultant and one member of UNDP’s EO. A second validation mission took place in October 2004 consisting of one international external consultant, one external national consultant and
one member of UNDP’s EO. Both missions consulted a wide range of stakeholders from the government, civil society and donors. To validate and broaden observations made in Dhaka, field visits were also made to projects in Sirajganj and the Chittagong Hill Tracts (CHT).

Following standard evaluation procedures developed by UNDP’s EO for ADRs, the team drew upon three major sources of information: perception, validation and documentation. The criteria used to assess results (drawing on qualitative and quantitative information) are presented in Chapter 1.

The report is divided into five chapters. Chapter 1 provides the rationale for the ADR and outlines the methodology. Chapter 2 presents a brief outline of the national context and of UNDP’s role. Chapter 3 covers the development results achieved in Bangladesh and UNDP’s contributions towards them. Chapter 4 locates the UNDP in terms of its strategic positioning and the relevance of its programmes. Chapter 5 summarizes the findings and makes recommendations for the future based on this country evaluation.

NATIONAL CONTEXT AND DEVELOPMENT CHALLENGES

Bangladesh is a country of paradoxes. Income poverty levels have decreased (albeit modestly) in the last decade while inequalities in income and consumption have increased. Serious governance issues face the country, yet social indicators have shown dramatic improvements. The parliamentary system has become increasingly dysfunctional, yet the macro-economic fundamentals have improved and are currently on a sound footing. Both the prime minister and the leader of the opposition are women, yet women continue to be disadvantaged in accessing the social, political and economic opportunities that provide the social basis for self-respect. Frequent incidents of intimidation and violence against journalists are observed while the print media remains relatively free. An innovative and well-established non-governmental organization (NGO) sector is active in service delivery to supplement the government, yet donor organizations are saddled with serious delivery issues. These contradictions point to a complex development context. As such, a nuanced and comprehensive understanding is necessary for UNDP to contribute effectively to Bangladesh’s efforts to achieve its development targets.

Despite having the third largest population living in poverty in the world (as of 2004, an estimated 71 million of the 143.8 million population was deemed poor), Bangladesh is on track or ahead in its pursuit of the Millennium Development Goals (MDGs) in several areas of social development. The human poverty index (HPI) fell from 47.2 in 1993-1994 to 34.8 in 1998-2000. The human development index (HDI) showed one of the fastest rates of increase in the sub-region, increasing at a rate of 8.8 percent per annum in the 1990s.¹

In addition, Bangladesh has moved away from being an aid-dependent economy to becoming a trade-dependent economy. The official development aid (ODA) to gross domestic product (GDP) ratio declined from 7 percent in 1990 to 1.9 percent in 2002. Conversely, exports as a percentage of GDP increased from 8.6 percent in the first half of the 1990s to 16.9 percent in 2001-2002. In other words, current export earnings are 10 times the ODA received.

However, challenges persist. There are three key development challenges facing Bangladesh that UNDP initiatives need to take into account:

- Sustaining human development in the face of rising inequality
- Sustaining the macro-economic momentum in a changing development context and deteriorating environment
- Deteriorating governance, a dysfunctional parliament and institutionalized political violence

Poverty reduction during the 1990s was accompanied by a worsening of income distribution. Research conducted by the Bangladesh Institute of Development Studies (BIDS) shows that the Gini coefficient based on income as well as consumption has risen for both urban and rural areas. Clearly, the initial dynamism that fuelled economic growth appears to be accompa-

nied by high inequalities, and there is a growing concern that such high inequalities may not only make it difficult to sustain the past rate of achievements, but also may even reverse the gains if specific attention is not paid to addressing rising inequality.

Progress from very low initial levels of human development often involves low cost solutions such as oral rehydration technology for diarrhoea treatment (leading to a decrease in child mortality) or creating awareness regarding immunization and contraception. This has been aided by the density of the population, the accessibility for even distant villages and the political commitment to make a difference.

Yet, as the potential of low cost solutions is fully exploited, the level of public expenditure and the quality of services becomes more critical. For example, further lowering the maternal mortality rate would require more costly health services; and translating increased school enrolment into improved educational standards would require significant improvements in the education system itself. Both of these would require significantly higher levels of spending. Thus, it is essential to sustain the macro-economic momentum.

As argued by a recent UNDP study, growth in the non-tradable sector, exports (particularly ready made garments [RMGs]), and remittances from migrant labour in industrialized countries contributed to this growth momentum. The international Multi Fiber Agreement (MFA) that had given Bangladesh a guaranteed market in the industrialized countries came to an end in December 2003, posing further challenges to maintaining the growth momentum.

Economic growth in Bangladesh has come at the cost of considerable stress on the environment and ecology. This is particularly important, as approximately 80 percent of Bangladesh population depend directly or indirectly on natural resource management in the primary sectors (agriculture, forestry and fisheries), which can be categorized as environmental resources. Common property resources, such as open water and marine fisheries, wetland based flora and fauna, and government land and forests, are also a significant source of livelihood for the poor. As the population grows, these resources have come under intense pressure—including soil degradation and toxic impact of agrochemicals.

There are signs that, unless there are urgent institutional reforms, sustaining the rate of achievements in human development is not only unlikely to be sustained but also past gains may also be eroded. In 2001, an opinion survey conducted by the World Bank showed that breakdown in law enforcement (particularly, corruption in the police and delays in the courts) was the top concern of ordinary citizens and entrepreneurs alike. The deterioration of the governance system can be observed in various aspects of the state machinery, including:

- The disorganized public administration system
- Weak local governance institutions
- A dysfunctional parliamentary system and regulatory framework
- A judiciary system where, although the higher-level courts are considered relatively independent and impartial, law enforcement is generally seen as serving the interests of the status quo

The government cannot strengthen governance by itself. Civil society already plays an increasingly active role in strengthening governance in Bangladesh through education; monitoring; policy advocacy; training of candidates, elected members and government officials at the national and local level; and facilitation of public-private dialogue on national development issues.

In light of the challenges listed above, it is clear that a policy of “more of the same” will not work. These challenges and priorities are reflected in the CCF documents as well as the Interim Poverty Reduction Strategy Paper (I-PRSP) document.

UNDP SUPPORT

According to the TOR, this report shall focus on three of the sectors in which UNDP is involved, namely environment, governance and poverty alleviation. As mentioned earlier, a desk review of all key interventions was studied and documented as part of the background information for the team. In addition, the team conducted in-depth analyses of select interventions that offered adequate evaluative evidence and were deemed by the ADR team as illustrative cases of best or worst practices.

In the environment sector the following initiatives were considered:

- Support of the introduction of Compressed Natural Gas as automobiles in Dhaka City
- Support for the ban on polythene bags

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• Support to the community-based environmental sanitation project by the NGO Waste Concern

In the poverty alleviation sector, the following two initiatives were considered:

• Community empowerment and microfinance for poverty alleviation
• Sustainable Human Development Project (SHD) conducted in collaboration with the Government of Bangladesh (GoB) Planning Commission

Finally, in the governance sector, the following initiatives were considered:

• Sirajganj Local Government Development Fund Project
• Human rights initiative in the Ministry of Law of GoB
• Human Security Report Project
• UNDP Support to Parliament
• Conflict resolution and development promotion in the CHT

Based on an analysis of these initiatives, which included desk reviews, field visits, and stakeholder consultations, the following lessons were drawn and recommendations were proposed. These provide both an evaluation of UNDP’s ongoing and planned activities during the period 1996 to 2005 and a vision for future UNDP cooperation.

LESSONS LEARNED AND RECOMMENDATIONS

Lessons learned

A close study of UNDP initiatives provides many lessons that may be drawn on to improve the effectiveness of UNDP’s support to Bangladesh to achieve its development goals.

Contributing to development results

Broad-based ownership matters. Growth and development of NGO sector and civil society mobilization have greatly contributed to the human development achievements of Bangladesh. UNDP has been able to facilitate the efforts of this sector to bring about significant results. UNDP initiatives in the environmental sector that responded to the development needs articulated by the civil society have proved to be successful (for example, National Environmental Action Plan [NEAP] and the ban on polythene bags). UNDP efforts at coordinating and advocacy as a neutral UN agency have provided a useful platform for active NGOs to engage in dialogue with the government on a number of environmental issues. Despite moments of tensions (for example, the development of the Sustainable Environmental Management Plan [SEMP]), UNDP efforts have benefited from strong government commitment and broad-based ownership of environmental reform policies.

Innovative initiatives are critical in a dynamic development context. Successful sub-national level initiatives have demonstrated the viability and effectiveness of promoting the links between NGOs and the private sector (such as the Solid Waste Management Project, a component of SEMP). They have also shown the need to integrate local communities in design and implementation and assessment of their own development initiatives for good governance (such as Sirajganj Local Government Development Fund Programme [SLGDP]). UNDP experience also shows the difficulties in undertaking large, multi-sectoral initiatives (such as SEMP), particularly, in terms of managing relationships with the government and coordinating a number of NGO partners.

Complex contexts require nuanced approaches to development support. UNDP support to Bangladesh in addressing the deteriorating governance situation points to the effectiveness of the dual strategy followed. In a politically polarized context, UNDP has chosen on the one hand, to undertake “neutral” initiatives to institute changes that would help the poor (such as SLGDP), while on the other hand, it has taken sensitive issues head on (such as the Human Security Report and CHT), maintaining strict neutrality between contending factions. In order to maintain credibility among donors and civil society as a neutral partner and to be faithful to its human development mandate, UNDP should continue to strike a strategic balance between these two types of approaches.

Enhancing effectiveness of UNDP’s support to Bangladesh

Managing partnerships

Government

Cultivating relationships with pro-development elements in the government sharing UNDP’s goals has proved to be an asset (such as in the Police Reform Project). The relationship with the government has positioned UNDP to take bold leadership steps, such as in CHT, and make inroads into the sensitive governance area through the Human Security Report. The ADR team finds that the UNDP relationship with the government balances the recognition that the government is led by the elected
representatives of the people with the fact that serious concerns over the state's accountability to its constituents persist.

Civil society

Discussions with civil society indicate that UNDP has benefited from the service delivery capabilities of the NGOs. Experience shows that UNDP could benefit from close collaboration with proactive and credible NGOs (such as NEMAP). Given their experience, established NGOs could serve as valuable partners when identifying and conceptualizing appropriate initiatives to help UNDP avoid mistakes such as community empowerment projects (CEPs) or reduce the gender imbalance in Union Parishad (UP) level meetings of SLGDP. The practice of the Comprehensive Disaster Management Programme (CDMP) group of the CO in setting up an expert panel to advise on designing initiatives would be a useful model to mainstream within the CO.

Experience (e.g. under the governance programme) shows that, when UNDP has gained a high level of respect in a given area, it can go beyond advocacy to consensus building and coordination of multi-partner inputs (e.g. the Human Security Report is being followed by the Police Reform Project).

Effective programming

Enabling conditions within UNDP for improved effectiveness

UNDP CO management is often faced by a conflict between the headquarters' requirement to spend TRAC resources to the available ceiling and the need to move upstream and engage in more advocacy and policy formulation initiatives. Upstream activities consume much more of the CO's staff time but are unlikely to generate high TRAC expenditures. Downstream projects are more likely to relieve delivery concerns.

National execution (NEX) is an important instrument for creating a sense of national ownership of UNDP supported programmes and projects. However, the quality of the management of NEX projects will inevitably be influenced by the local environment and particularly by prevailing levels of capacity of the public administration in the host country. A rigorous approach to NEX management is crucial for UNDP's reputation within the country.

Strengthening micro-macro linkages

Strengthening the two-way link between local-level initiatives and upstream efforts is vital to the effectiveness of UNDP support. UNDP programming provides useful lessons for micro-to-macro linkages as well as macro-to-micro linkages. UNDP's upstream efforts can help formulate effective downstream interventions (for example, work on the Human Security Report helped identify the Police Reform Project and SPPD helped identify SLGDP).

Experience at the field level lends credibility for UNDP to become a player at the national level. For instance, in the environmental sector, the Ministry of Environment identified UNDP as a partner in many national efforts, such as formulating the national forestry master plan, and in conjunction with NEMAP, its disaster management, conservation of natural resources, and biodiversity due to its experience at the ground level in the early 1990s.

Strengthening the development effectiveness focus of programming

In selecting pilot initiatives, the CO should keep in mind the following:
• UNDP's comparative advantage in the selected field
• The potential for influence on national policy making
• The cost effectiveness of the intervention for replicability
• The potential for strengthening local capacity in a sustained way (rather than as displacement or substitution)
• The potential for strengthening broad-based participation

Strengthening a culture of assessment

Strengthening UNDP's contribution to development effectiveness is only possible if there is rigorous use of available evidence about what works and what fails. With the Management for Results framework, it is no longer adequate to verify whether the appropriate processes are in place, but it is necessary to assess whether UNDP's efforts are actually changing people's lives.

Even successful programmes need evidence to identify the extent of benefits and potential areas for improvements in future implementation. For example, how significant is the reduction in air pollution in Dhaka City as a result of the Compressed Natural Gas (CNG) conversion programme and how much has it reduced the burden of disease? To this end, the ADR team believes that existing monitoring systems must be systematically expanded to cover outputs and, where possible, indicators of success associated with delivery. As observed in the SLGDP case, in many instances, such expansion could be readily accommodated.

Evidence need not be collected only from within UNDP's own evaluation and assessment mechanisms. There are NGOs active in practically every village that could be sources of information where information gaps exist.
Evidence gathered must be integrated into the decision-making processes at all key stages of implementation. The SLGDP and SEMP initiatives benefited from their mid-term evaluations and were able to correct their course, while the failed replication of microcredit-based CEPs during the CCF-I period neglected to do so.

Recommendations

As mentioned earlier, even though CCF-II predates the I-PRSP, it provides a good reflection of emerging national priorities. The broad focus of CCF-II is on track, particularly in keeping poverty alleviation on the agenda while increasing the emphasis on governance issues. One of the aims of this report is to point to the possibilities, if any, for a sharper focus on areas within these identified priorities.

These recommendations are intended as a set of key strategies from which UNDP Bangladesh could choose based on a full assessment of its own resource constraints and available opportunities.

These recommendations are derived from the analyses of the sectors studied by the ADR team, namely, environment, poverty alleviation and governance. They do not speak of the other areas of interventions of UNDP Bangladesh, such as risk reduction and disaster management.

1. In order to address the rising inequalities in income (and some social sector indicators), UNDP Bangladesh should continue to target the poorest of the poor. To this end, it should continue its course on CHT efforts and hopefully, after completing the initial investment in establishing the organizational infrastructure, more of the resources will directly flow towards development of the “safer” areas within CHT. While the team clearly recognizes the risks involved and the need to move with caution, it should be possible to set a clearer picture by conducting a needs assessment in partnership with other actors and developing a coherent development strategy.

2. Given the political sensibilities, a National Human Development Report (NHDR) may not be feasible and may not be even a priority in Bangladesh. However, given the rise in inequalities, particularly geographic inequalities, UNDP may make a significant contribution using its comparative advantage and initiate developing a Human Development (HD) atlas – a Geographic Information System (GIS)-based statistical compendium that could provide detailed disaggregated indicators at UP level. Such information should help transparent procedure in targeting and provide valuable base information for advocacy efforts and debates on policy alternatives for the vibrant civil society in the country. This HD atlas could be developed as a partnership effort with the GoB, its statistical bodies, and local think tanks and NGOs.

3. UNDP has made significant headway in the environmental sector at the upstream and downstream level. Clearly, its contributions have been greatly strengthened by its partnership with the proactive NGOs and the media. UNDP could institutionalize this link by inviting key NGO actors in the field to be part of its advisory panels in designing new strategies.

4. In the post-MFA Bangladesh, UNDP Bangladesh needs to support the ongoing country efforts to diversify exports and to strengthen the non-tradable sector (a CCF-I priority that was omitted in CCF-II), which has contributed greatly to past growth momentum. Already, UNDP Bangladesh has lost its high profile in policy dialogue. To regain its profile, UNDP Bangladesh needs to shift gears in planning its poverty alleviation strategies and advocacy efforts. Clearly, as the first step, additional capacity in the form of trained economists is needed. Avoiding the past pitfalls of its CEPs, UNDP should seek to establish its own comparative advantage in specializing in capacity development of the non-tradable sector. For instance, as the analyses in Chapter 2 points out, links between remittances of migrant labour and capacities of the non-tradable sector could be explored.

In this regard, UNDP headquarters should provide active support to the CO in its effort to champion human development alternatives in relation to the post-MFA development strategies.

5. In the increasingly volatile immediate future, UNDP should focus its limited resources more on “safe” initiatives in its area of comparative advantage. Thus at the upstream level, it should continue its support to election monitoring efforts but emphasise strengthening local capacities to undertake monitoring. At the downstream level, it should focus more on local governance issues. Following its successful SLGDP, UNDP Bangladesh should continue its innovative experiments in strengthening transparency and accountability of local institutions. This focus will be consistent with the I-PRSP priorities of the country as well as the CCF-II agenda. To this end, UNDP Bangladesh should focus its effort in this area on a key
pilot exercise and identify arenas in local governance that could be derived from its macro-initiatives (such as Human Security Report) and linked to its efforts on the HD atlas (if undertaken).