

EDCF Country Program Evaluation in Bangladesh

- Executive Summary -

April 2024

1. Purpose of the Country Program Evaluation

- The country program evaluation (hereinafter referred to as “evaluation”) aims to analyze EDCF’s strategy for Bangladesh, all projects supported by EDCF, and their pipeline projects and to conduct a comprehensive performance evaluation.

- The purpose is to derive valuable lessons and recommendations applicable to future EDCF projects in Bangladesh, thereby aiding in shaping the strategic direction of EDCF initiatives in the country.

2. Evaluation Method and Results

Evaluation Method

- **(Overview)** The evaluation was conducted through a literature review, interviews with EDCF project stakeholders, on-site observations through field visits, and surveys.
 - **(Literature Review)** The evaluation involved a literature review to assess criteria such as relevance, coherence, and effectiveness based on OECD DAC standards. The documents reviewed included Bangladesh’s national development strategy, official project documents from implementing agencies, and strategy documents from other donor agencies concerning Bangladesh.
 - **(Stakeholder Interviews)** Domestic and international stakeholder interviews related to the project were conducted for stakeholder analysis.
 - **(On-site Observations)** In order to formulate the EDCF’s strategy for Bangladesh, in-depth interviews were conducted with various stakeholders, including implementing agencies, in the field. Qualitative and quantitative information were collected through site visits to establish a basis for evaluation and strategy formulation.

– **(Surveys)** Surveys were conducted to assess satisfaction with EDCF–supported projects by departments in Bangladesh and to identify project demand. The surveys were divided into country program evaluations and case analyses of representative projects. However, owing to political issues in Bangladesh and the low participation rates of Bangladeshi ministries, the survey results are limited in their general applicability to this evaluation. Therefore, they were used as qualitative assessment data.

□ Evaluation Results

- **(Relevance)** EDCF’s initiatives in Bangladesh are closely aligned with the country’s development and sectoral strategies, as well as with Korea’s strategic priorities and focus areas for cooperation. The projects were designed to be feasible within Bangladesh’s ODA project procedures, and adjustments were made during project implementation in response to risks and environmental changes through consultations with implementing agencies. Therefore, it is considered as relevant and well–suited to Bangladesh’s needs and conditions.
- **(Coherence)** EDCF–supported projects in Bangladesh do not overlap with those of other donor agencies, and ongoing discussions are being held for project coordination. Additionally, EDCF projects not only benefit Bangladesh but also contribute to the expansion of Korean companies, ensuring coherence with international development cooperation projects, policies, and other initiatives.
- **(Effectiveness and Impact)** The effectiveness (impact) of EDCF’s assistance to Bangladesh is qualitatively evaluated based on its overall impact on society, economy, and institutions, and through case analyses of representative projects rather than evaluating individual project outputs or achievements.
 - **(Impact on Society, Economy, and Institutions)** EDCF’s support for Bangladesh contributes to economic development and facilitates Korean companies’ entry into Bangladesh based on EDCF project experiences, confirming its high impact on both countries’ social, economic, and institutional aspects.

- **(Effectiveness Analysis Based on Case Studies)** The case analysis of the exemplary project, the “Well Field Construction Project at Tetulzhora–Bhakurta Area of Savar Upazila,” evaluated it as “highly successful” with a comprehensive score of 3.7 out of 4.0, demonstrating the effectiveness and impact of EDCF’s involvement in the water resources sector. Recommendations were derived through project–based evaluations for risk management, readiness, etc., for application to overall projects in Bangladesh.
- **(Partnerships)** To formulate EDCF sectoral strategies for Bangladesh, a partnership analysis between the EDCF and Bangladesh’s implementing agencies is necessary. To evaluate this aspect in greater detail within the OECD DAC’s six criteria under “Human–resource and Institutional Sustainability,” the evaluation criterion name was changed to “Partnerships,” and country program evaluations were conducted.
 - **(Partner Country)** Bangladesh partnerships evaluate the overall operational capacity of Bangladeshi implementation agencies to enhance the operation, management, and support the effectiveness of future projects in the country. It is qualitatively assessed based on project planning, operations, and willingness to expand partnerships.
 - **(EDCF)** EDCF partnerships analyze the EDCF’s cooperative relationship and support capacity in Bangladesh. It is evaluated on the basis of project planning and development, project management and monitoring, and network formation.
 - The EDCF considers introducing methods, such as time–slice approval, contingent upon the procedural complexity inherent in implementing Bangladesh’s ODA. This may necessitate institutional enhancements drawn from precedents set by the ADB and JICA for project management and monitoring. Such considerations are particularly pertinent, given the identified human resource constraints at the Dhaka office.
 - Although the EDCF headquarters and offices have cooperated seamlessly with domestic and international institutions such as MDBs and grant aid agencies, it is necessary to establish regular network channels between the EDCF and ministries, even without any pipelines or project experience, considering frequent reshuffles within Bangladeshi ministries.

3. Proposition for the EDCF Bangladesh Portfolio

□ Justification and Direction of Portfolio

- With increasing domestic and international interest and understanding of the EDCF's support for Bangladesh over the past 30 years, there has been a growing demand for concrete, objective, and logical presentations of the results and achievements of supported projects.
- The EDCF is undergoing an important period in which it can emerge as one of the major donors in Bangladesh through increased commitments tailored to economic environment changes in Bangladesh.
- Therefore, an analysis and evaluation of the performance and achievements of projects supported in Bangladesh, based on the current situation and existing methods in Bangladesh, was conducted, aiming to foster portfolio establishment aligned with the enlargement and specialization of EDCF-supported projects.
- To solidify the EDCF's collaboration with Bangladesh and enhance its influence, it is necessary to establish strategic tasks based on reflections on project implementation methods and directions for support in various sectors. Therefore, portfolio strategies are presented from a short-to medium-term perspective through a SWOT analysis and sectoral mapping.

Vision

Promote sustainable development of Bangladesh and strengthen economic cooperation with Korea

Goal

Actively develop landmark infrastructure and climate change response projects

Strategy



Support large-scale orders



Establish a climate change response system



Develop a system to adapt to changing development environments



Raise awareness and strengthen internal and external cooperation of EDCF

Portfolio



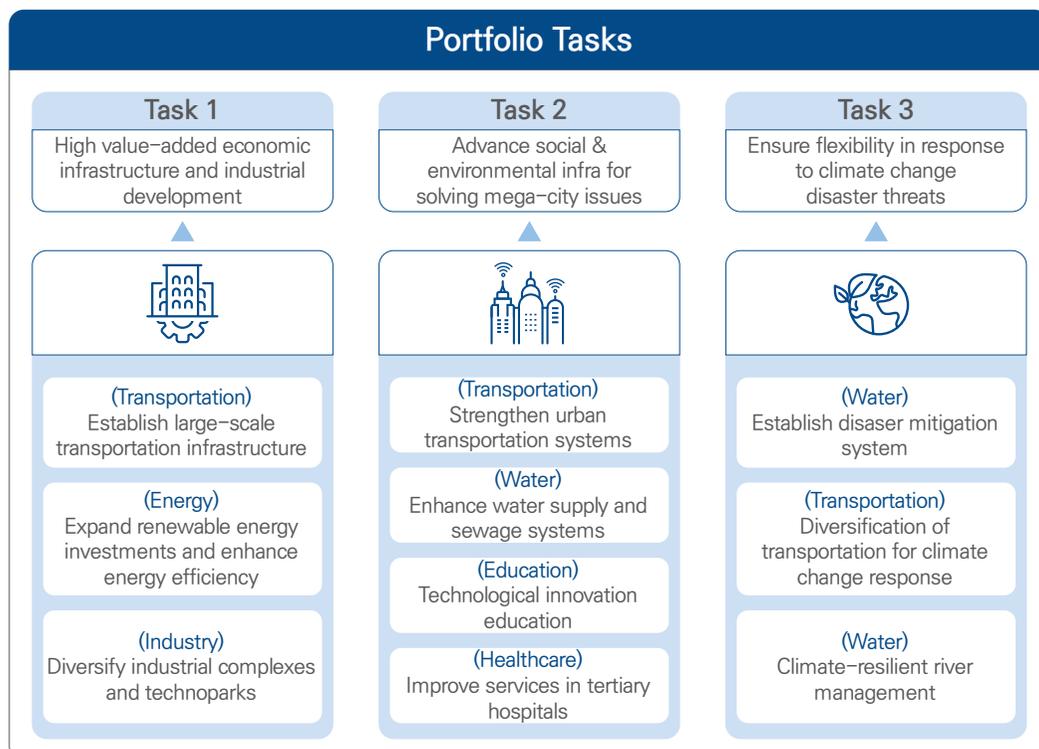
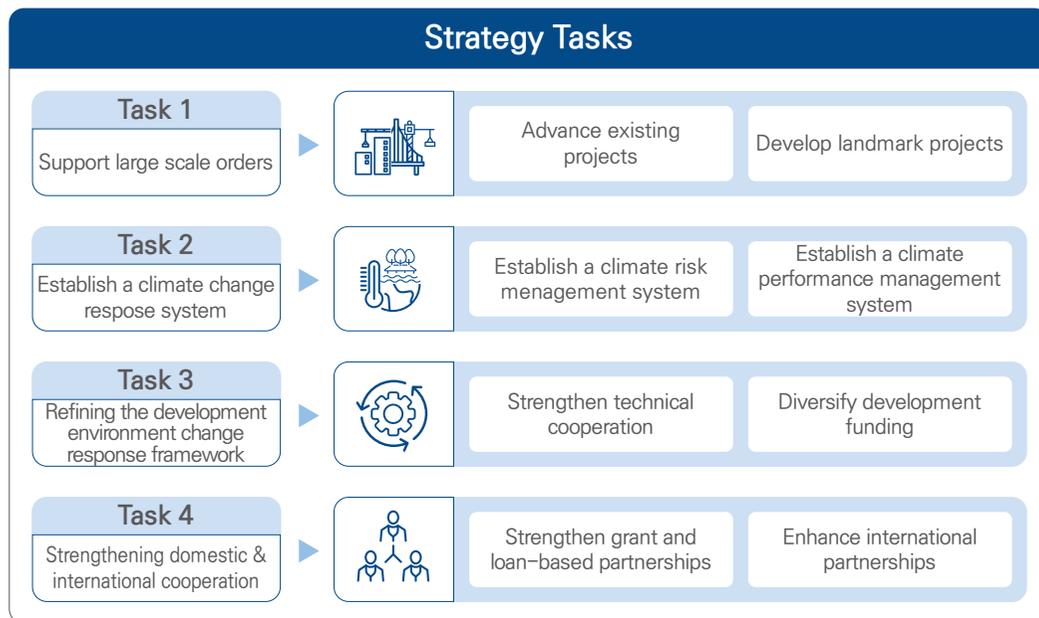
High value-added Bangladesh's economic infrastructure and industrial development



Advanced social and environmental infrastructure to solve megacity problems



Ensured flexibility against climate change disaster threats



4. Lessons and Recommendations

A. Lessons Learned

1) Success Factor

- (Portfolio alignment with the level of economic development in the Partner Country)** EDCF-supported projects in Bangladesh, spanning 30 years since 1993, have expanded their scope in line with Bangladesh's economic development and changes in development strategies. This expansion, driven by the needs of Bangladesh, not only ensures smooth project implementation but also contributes to the sustainability of projects.

- (Promotion of Korean Corporate Expansion)** The EDCF contributes not only to the socio-economic development and welfare enhancement of Bangladesh but also to the expansion of economic exchanges between South Korea and Bangladesh. The EDCF-supported projects play a crucial role in facilitating the entry of Korean companies into Bangladesh's infrastructure markets.

- (Projects Improvement in Response to Environmental Changes)** EDCF aligns its project direction and performance management with domestic and international development strategies, as well as socio-environmental changes. To address the identified need for improvements in Bangladesh's climate change vulnerability, the EDCF aims to bolster the effectiveness and impact of Bangladesh's development by initiating climate change pilot projects and integrating climate considerations into all project components in Bangladesh.

2) Limitations

- (Need for Strengthening Project Preparation Capacity)** Due to staffing shortages at the local offices of EDCF and the complex ODA introduction process within Bangladesh, administrative burdens and time constraints during project preparation are increasing. However, to facilitate the expansion and specialization of EDCF projects, measures must be taken to ensure effective project preparation.
- (Alternative Solutions for Project Delays Needed)** Various Factors causing long-term delays in EDCF-supported projects continue to arise, necessitating the development of strategies to prevent such delays.
- (Monitoring Constraints Due to Limited Staff at Local Offices)** The limited personnel at EDCF's Dhaka office are inadequate to manage various tasks, including formulating country support strategies, developing projects, monitoring, and conducting post-completion evaluations. This limitation can impede risk management and reduce effectiveness
- (Constraints on Diversification of Development Funding Due to Institutional and Financial Instability in Bangladesh)** As the scale of projects in Bangladesh grows, there is an increased need for investment from the private sector and the utilization of alternative development funds. However, the institutional and financial instability in Bangladesh is constrained by the diversification of development funding.
- (Need for Establishing Governance Systems for EDCF Projects by Implementing Agencies)** Frequent turnover of personnel responsible for EDCF projects in Bangladeshi implementing agencies and the lack of a system for accumulating EDCF-related experiences within these institutions hinder the effectiveness and efficiency of EDCF projects.

- **(Improvement of Performance Management Systems from a Mitigation Perspective for Mainstreaming Climate Action)** It is crucial to broaden the scope of projects aimed at climate change mitigation to enhance climate change resilience in Bangladesh. There is a need to expand projects centered on mitigation and establish performance indicators that consider mitigation efforts to consolidate the climate change response system.

B. Recommendations

1) EDCF

- **(Improving Project Implementation Procedures for Shortening Project Duration)** To enhance the predictability and sustainability of large-scale projects and to reduce the administrative procedures and costs required for individual project support, improvements in project implementation procedures are necessary.
 - With an expanded F/A, it is essential to reduce administrative burdens and preparation time for individual projects to ensure the continuation of large-scale infrastructure projects.
 - For this purpose, institutional improvements, such as enhancing consultant hiring procedures, advancing bidding preparation, and conducting prompt reviews in case of content changes, are deemed necessary.
 - Additionally, it is necessary to review the possibility of institutional adoption by referring to examples of time-slice approvals from other donor countries and agencies.

□ **(Initiating Technical Cooperation)** To address the enhanced specialization and increased risks associated with the expansion of projects, as well as to alleviate the workload burden on the EDCF Dhaka Office staff, it is proposed to conduct technical cooperation at various stages of project implementation to enhance the effectiveness of the projects.

- The scope of intervention across all phases of the project cycle increases with larger projects. Therefore, in addition to alleviating the workload burden on the EDCF Dhaka Office, it is necessary to strengthen the capacity of partner countries' organizations through technical cooperation to maximize development effectiveness.
- Technical cooperation aims to expedite project preparation and procedures, enhance project performance management, and diversify support types to improve project quality. Other donor agencies, such as the ADB, WB, and JICA, complement the expertise of local offices by utilizing technical cooperation.
- Consequently, it is proposed to improve performance management by utilizing technical cooperation throughout the entire project cycle.

□ **(Enhanced Integration of Grant and Loan ODA for Strategic Support to Bangladesh)** To enhance the effectiveness of support to Bangladesh, it is proposed to strategically advance projects by strengthening cooperation between grant and loan institutions from the initial planning stage of support, aiming for strategic alignment.

- Strategic project implementation is necessary for enhancing Korea's ODA competitiveness in Bangladesh. It is proposed to establish a master plan based on grant projects, and then proceed with infrastructure development through loan projects based on the master plan.
- In addition, the maintenance and operation of infrastructure constructed through grant projects will further reinforce the synergy between grant and loan projects.

- **(Gradual Intervention for Diversifying Development Financing)** Considering the current environment of Bangladesh’s development finance, it is proposed to establish a collaborative system and develop step-by-step implementation plans to effectively utilize various domestic and international financial support mechanisms.

- **(Creating an Environment for PPP Projects)** Private sector investment in Bangladesh is expected to increase for infrastructure projects with significant developmental impacts, particularly through PPP partnerships. Therefore, there is a need to provide policy advice to establish or enhance PPP frameworks in Bangladesh.

- **(Expansion of Composite Financial Support)** To encourage active participation and catalyze private sector initiatives in Bangladesh’s government-led projects, it is proposed not only to utilize EDCF but also to actively employ the EDPF for comprehensive financial support.

- **(Development of Additional Greenhouse Gas Measurement Models)** Concrete plans for implementing a climate change response system through the development of additional greenhouse gas measurement models are needed to incorporate both climate change adaptation and mitigation aspects into project identification and planning and to measure the impact of future EDCF-supported projects on Bangladesh’s carbon neutrality.

- To consolidate the climate change response system within Bangladesh projects, which include low-carbon (mitigation) and climate resilience enhancement (adaptation) programs, it is necessary to consider the interconnectivity between potential climate change adaptation and mitigation measures from the project planning stage onwards.

- Given the interconnectivity between adaptation and mitigation, there is a need to evaluate the adaptation and mitigation outcomes separately. Additionally, from a long-term perspective, the development of greenhouse gas measurement models across all sectors will be crucial for effectively measuring mitigation outcomes.

- Therefore, it is necessary to develop models for new sectors, such as wastewater treatment, transportation, education, and healthcare, in addition to the existing models for the six sectors, including renewable energy.

2) Partner Country

- (Active Project Monitoring for Enhanced Effectiveness)** To enhance the effectiveness of EDCF projects, there is a need to increase understanding of performance management frameworks and conduct regular project and performance monitoring for proactive response.
- Implementing agencies of the partner country should actively engage in a thorough review of indicators and provide data for performance measurement. Establishing project-specific monitoring systems with detailed specifications for monitoring targets, and frequencies, is necessary for adaptive management in response to project risks.
- (Setting Project Duration and Costs based on Risk Factor Analysis)** It is essential to plan projects taking into account the common risks in infrastructure projects that may lead to delays in project duration and cost increases. Developing government-level measures in Bangladesh to mitigate these risks and minimize delays and costs is crucial.
- The major causes of project delays in Bangladesh include land-acquisition and administrative procedure delays. Particularly, resolving land acquisition issues is a prerequisite that must be addressed before planning infrastructure projects.
- Land-acquisition issues are highly complex and cannot be resolved solely by individual project-implementing agencies in each sector. Therefore, from a risk analysis perspective, the Bangladeshi government should consider the possibility of project delays. Collaboration with the EDCF is necessary to adequately set project durations and other aspects.

- **(Establishment of a Stable and Consistent Governance System for EDCF Projects)** To promote the advancement and scaling-up of projects, it is necessary to strengthen partnerships with the EDCF and establish a governance system within each project implementing agency to drive projects consistently with the EDCF.
 - Standardizing the handover process for EDCF projects and conducting collaborative handovers during personnel changes can enhance the project's effectiveness and efficiency.
 - In addition, even in the absence of pipeline projects, activating regular collaboration channels is essential for enhancing potential cooperation opportunities.