

profile

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Bangladesh Country Programme Evaluation

The Bangladesh economy has made considerable progress over the last two decades, in both economic and social sectors. Economic growth has been robust, averaging slightly above 6 per cent per annum. In terms of social development, the country is expected to reach its Millennium Development Goal of halving extreme poverty by 2015. Considerable structural transformation has taken place in the economy. The percentage of the population living below the national poverty line declined from 48.9 per cent in 2000 to 31.5 per cent in 2010. However, poverty is high in rural areas, especially among small farm households, landless workers, women, and among the disadvantaged populations.

The agricultural sector grew at around 4 per cent per annum over the 2006-2013 period. It plays a key role in food security, employment (nearly half of the total manpower) and livelihood of the rural population. Despite its moderate growth, its share in the country's gross domestic product declined from 30 per cent in 1990 to 17 per cent in 2013.

Bangladesh is among the top three recipients of IFAD funding in the Asia and the Pacific region. Since 1979, IFAD has financed 31 projects in the country for a total project cost of US\$1.9 billion, of which US\$717.2 million are attributed to IFAD. Government's and beneficiaries' contributions constitute US\$394.05 million, while cofinancing by other development partners amounts to US\$818.55 million. The country also benefited from activities financed by several IFAD country grants supporting inter alia research and knowledge management initiatives for a total of US\$3.9 million. Bangladesh was also covered by several global and regional grants supporting capacity-building and knowledge-sharing.

This is the third country programme evaluation (CPE) undertaken by IOE in Bangladesh since the beginning of IFAD operations in the country. The previous one was completed in 2006. The main objectives of the CPE are to assess the performance and impact of IFAD-supported operations in the country, generate a series of findings and recommendations to enhance the country programme's overall development effectiveness, and provide relevant insights to inform the formulation of the future Bangladesh Country Strategic Opportunities Programme (COSOP) by IFAD and the Government.



Bangladesh - Microfinance for Marginal and Small Farmers Project. Women drying rice in Pach bibi joypur haat.

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Main evaluation findings

The CPE assesses the performance of the IFAD-financed project portfolio between 2004-2014 as satisfactory. Overall the portfolio demonstrated having a positive impact on rural poverty alleviation, in particular with respect to increases in rural household income and assets in project areas, as well as improvements in productivity. This was generated, in particular, from on-farm activities facilitated by the combination of microcredit/seasonal agricultural credit, adoption of improved production and management techniques, marketing support linking with supply/value chain, and infrastructure development. Alongside income and productivity increase, the portfolio is also contributing to the building/strengthening of social capital and empowerment of the beneficiaries, and in particular to the promotion of gender equality and women's empowerment. On the other hand, the evaluation underlines that there are pockets of unmet need in rural credit and stresses the need for diversification and policy support for emerging entrepreneurs.

There has been a strong focus on innovation in IFAD-supported projects in Bangladesh, with particular attention given to agriculture technologies, microfinance, community-based resource management, value chain

pilots and infrastructure. In terms of scaling up, there has been a deliberate pursuit and many examples in the programme, with the latest two COSOPs recognizing the strategic priority of adopting and scaling up successful innovations. Taken as a whole, the pursuit of innovation within the programme has been consistent and carefully implemented through pilots and trials. In general, the lessons learned have been built into subsequent projects and scaled up. More recently, the larger scale of innovation has generated more risks that need to be carefully considered but overall, 'innovation and scaling up' is rated as satisfactory.

The performance of non-lending activities (partnership-building, policy dialogue and knowledge management) is assessed as moderately satisfactory. In overall terms, the planning, designing and follow-through of the non-lending activities together have not been systematic or well-resourced, and were relegated to a lower priority in overall operations. The evaluation considers that knowledge management is still one weak link of the Bangladesh country programme. Although there have been some concrete developments, the IFAD country office needs to be strengthened to increase IFAD's visibility as well as further develop its information-gathering and -processing capabilities.

Given the intensity of poverty, changing demographics, shrinking rural space, and climate change vulnerabilities of the country, the evaluation emphasizes that IFAD's role and strategy in the country faces dynamic challenges and future programmes would require creative rethinking and sectoral shifts as summarized in the CPE's recommendations.

BANGLADESH AT A GLANCE

Population: **156.6 million (2013)**

Rural population: **105.3 million (2013)**

Poverty headcount ratio at national poverty line (% of population): **31.5% (2010)**

Life expectancy at birth: **71 years (2013)**

Total number of loan-funded projects: **31**

IFAD financing: **US\$717.2 million**

Sources: IFAD Flex Cube, World Bank Development Indicators.

Key recommendations

- **Strengthening the focus on agriculture.** In future COSOPs, IFAD should consider a more clear-cut focus on agriculture and related issues. To support the Government objective of achieving a far-reaching reduction in rural poverty, IFAD should focus on some important aspects of agriculture, e.g. strengthening investment in extension and research, supply chain development, intensification, diversification, livestock, and particularly inland fisheries, which is a major and growing export commodity.
- **Maintaining access to credit as a priority.** The unevenness of microcredit market saturation and the remaining risks, gaps and opportunities within the sector offer imperatives for further IFAD involvement. If new projects are designed to link with the existing portfolio with export-led value chains, more specific mechanisms and further capacity development of the functionaries as well as specialized credit products and services are required, for example in debt management, technology, business and marketing capacity development.
- **Maintaining environmental protection as a priority in the face of emerging challenges.** In addition to maintaining its current effort in climate change adaptation, the future programme will have to carefully balance two competing priorities of environmental protection and poverty reduction in the context of two confronting realities of increasing agricultural intensity and population pressure.
- **Broadening policy and institutional support for the programme.** To push for more lasting and longer-term reform in policies and legislation, IFAD needs a secure constituency at policy level. A deeper and more proactive engagement is required with a wider set of ministries at the central level (e.g. ministries of agriculture, fisheries and livestock, food, water resources, land) to leverage their expertise and experience to focus on some of the important areas of intervention.
- **Investing further in knowledge management.** IFAD should develop a clear and thorough knowledge management strategy along with a plan for generating specific knowledge products based on country and regional experience, sponsoring knowledge-sharing events, developing a platform for periodic facilitated interactive and real-time discussions on emerging agriculture and rural development issues among project professionals, research organizations and academia.
- **Enhancing IFAD presence and capacity in the country.** Considering the size of the Bangladesh programme and the volume of in-country interactions between development partners and the Government, the CPE recommends that the Bangladesh country programme manager be out-posted from Rome to Dhaka as soon as possible. This will provide IFAD a stronger in-country presence at the appropriate level in general, including for strengthening its participation in policy dialogue.

Further information:

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