

## **Approach Paper**

# **Bangladesh Country Program Evaluation**

July 8, 2020

## **1. Background and Context**

### **Introduction**

1.1 The Country Program Evaluation (CPE) for Bangladesh aims to assess the development effectiveness of the World Bank Group’s engagement with Bangladesh during the last 10 years (fiscal year [FY]11–20). The CPE will review the extent to which the Bank Group contributed to Bangladesh’s development outcomes. In doing so, it will assess the extent to which Bank Group support was aligned with the Bank Group’s corporate twin goals—ending extreme poverty and boosting shared prosperity—and with International Development Association (IDA) priorities. It will also assess how that support adapted over the evaluation period to changing circumstances and priorities. It will cover two country engagement cycles as defined in the Country Assistance Strategy (CAS) for FY11–15 and the Country Partnership Framework (CPF) for FY16–21.

1.2 The CPE is expected to provide lessons for the Bank Group’s engagement in Bangladesh and for other IDA-eligible countries. The CPE is scheduled for delivery in FY21, in time to inform the preparation of the next CPF for Bangladesh. It is also envisaged to offer lessons for other countries aspiring to upper-middle-income status that are facing similar development challenges and for IDA in general. The last Independent Evaluation Group (IEG) CPE (previously called Country Assistance Evaluation) for Bangladesh was completed in 2009.

### **Country Context**

1.3 Bangladesh faced formidable development challenges at its independence in 1971 but has surpassed expectations in growth and poverty reduction. In 1975, Bangladesh had one of the world’s lowest per capita incomes with the world’s highest population density. The country is highly vulnerable to natural disasters and climate change. The Global Climate Risk Index ranks Bangladesh the seventh most affected country by climate change events over the last 20 years. Notwithstanding initial conditions, Bangladesh grew rapidly, with its growth driven primarily by the ready-made garment (RMG) sector and fueled by remittances from migrant workers. Between 2011 and 2018, the country registered average annual gross domestic product (GDP) growth of 6.7 percent and average annual gross national income per capita growth of 5.6 percent, allowing Bangladesh to cross the lower-middle-income threshold in 2016.

However, recent developments related to the coronavirus pandemic (COVID-19) could significantly affect not only the growth prospects of Bangladesh in the near to medium term but also poverty, given the regressive nature of economic impacts at the household level.

1.4 Bangladesh has made good progress toward achieving the Sustainable Development Goals. This was done by reducing extreme poverty, reducing under-five mortality, increasing gross enrollment in primary and secondary education, and improving gender parity (tables 1.1 and 1.2). The achievements in gender parity and under-five mortality are particularly noteworthy. In 2018, Bangladesh ranked 48 of 149 countries on the Global Gender Index, with a score of 0.72.

**Table 1.1. Key Economic and Social Indicators for Bangladesh**

Indicators	Years (Bangladesh)			Average (2011–18)		
	2011	2015	2018	Bangladesh	South Asia	World
GDP growth ( <i>annual percentage</i> )	6.5	6.6	7.9	6.7	6.6	2.8
Agriculture, fishery, fishing ( <i>percentage GDP</i> )	16.8	14.8	13.1	14.9	16.9	3.6
GDP per capita growth ( <i>annual percentage</i> )	5.3	5.4	6.73	5.6	5.2	1.6
GNI per capita, Atlas method ( <i>current \$</i> )	890	1,220	1,750	1,233	1,555	10,610
Inflation, consumer prices ( <i>annual percentage</i> )	11.4	6.2	5.5	6.9	6.2	2.6
Life expectancy at birth, total ( <i>years</i> ) <sup>a</sup>	70.3	71.5	72.1	71.2	68.3	71.7
Immunization, DPT ( <i>percentage of children age 12–23 months</i> )	96	98	98	96.9	83.7	85.3
Infant mortality rate ( <i>per 1,000 live births</i> )	36.8	29.6	25.1	30.7	40.3	32.1

Sources: World Development Indicators (database), 2020, <https://databank.worldbank.org/source/world-development-indicators>; International Monetary Fund, World Economic Outlook (database), April 2020.

Note: DPT = diphtheria, pertussis, and tetanus; GDP = gross domestic product; GNI = gross national income.

a. Data are available up to 2017; therefore, the average period is 2011–17.

**Table 1.2. Bangladesh: Selected Indicators, 2015–20**

Indicator	Year	Indicator	Ranking
Global Gender Gap Index	2018	0.721 (1 = full gender parity)	48 of 149
Incidence of corruption	2019	26 (0 = best)	125 of 141
Corruption Perception Index (Transparency International)	2019	26 (100 = very clean)	146 of 180
Poverty headcount ratio at \$1.90 per day (2011 PPP) ( <i>percentage of population</i> )	2015	14.8	
Poverty headcount ratio at national poverty lines ( <i>percentage of population</i> )	2016	24.5	
Gini index (World Bank estimate)	2016	32.4	
Doing Business Ranking (global ease of doing business)	2020	n.a.	168 of 190 (from 176 in 2019)

Source: World Development Indicators (database), Schwab2019; World Economic Forum. 2019b; Transparency International (data set), 2019; World Bank 2019a; World Bank 2020c.

Note: PPP = purchasing power parity.

1.5 The last decade also witnessed a significant transformation of the economy. The accelerated expansion of the RMG sector facilitated the structural transformation from agriculture to a more manufacturing-based economy. By 2015, manufacturing accounted for 17 percent of GDP (from 13 percent in 1981), and agriculture’s share declined to 15 percent (from 30 percent in 1981). The structural transformation created more jobs in the manufacturing sector, and women accounted for half of the net increase in total employment. However, despite the increase in manufacturing employment, half of workers remain in agriculture and the informal sector. Unemployment and underemployment are high, accentuating vulnerability, especially among youth. The pace of job creation has also slowed in recent years, and labor productivity is low by international standards. There is also a significant gender gap, with female participation in nonagricultural employment being low.

1.6 Other development challenges persist as new ones are emerging. The 2015 Systematic Country Diagnostic (SCD) identified several key constraints in energy, inland connectivity, macroeconomic stability, and weak public institutions that Bangladesh needed to address to achieve its upper-middle-income aspirations (appendix A). Weaknesses in the banking sector, including high and growing nonperforming loans and undercapitalized banks, pose significant economic and fiscal risks. High poverty persists in areas with poor infrastructure and low human capital. Malnutrition is among the highest in the world. Underinvestment in infrastructure is a binding constraint to growth, and access to services (water and sanitation, road connectivity, and electricity) is

poor. There are also emerging challenges, notably the influx of Rohingya refugees from Myanmar into the area of Cox's Bazar and the impact of COVID-19 on the economy.

1.7 According to the 2015 SCD, Bangladesh has a fundamental challenge of creating “more and better jobs” for continued growth and poverty reduction.<sup>1</sup> The SCD identified two key priorities (transformational and foundational) that would help promote private sector-led growth and job creation that Bangladesh could reasonably address over the next three to five years. The foundational priorities—human development and macroeconomic stability—are considered prerequisites for faster growth and job creation and are areas in which Bangladesh has made good progress in recent years. Transformational priorities are those in which Bangladesh has lagged behind its Asian peers—energy, inland connectivity and logistics, regional and global integration, urbanization, and delta management—and where concerted actions would have a transformative impact on reducing extreme poverty and boosting shared prosperity.

1.8 Governance challenges in Bangladesh persisted over the evaluation period; these pose a major risk to the country's aspirations to reach upper-middle-income status. Early progress in social and economic indicators was achieved within a challenging governance context, or what has been called the “Bangladesh development paradox.” The paradox has been explained as follows: Despite the country's highly competitive politics dominated by a two-party system, successive governments have broadly supported the same economic reform agenda and have managed to maintain macroeconomic stability (although fiscal and financial sector vulnerabilities have increased in recent years). Governance reforms are more politically challenging and have not advanced as much as economic reforms. The World Governance Indicators for Bangladesh have shown no significant improvement for most indicators, except for some progress on the rule of law and political stability; however, voice and accountability have deteriorated (table 1.3). Other indicators from the Transparency International ranking and incidence of corruption ranking by the Global Competitiveness Report also point to persistent governance challenges (Schwab 2019). Although early economic progress was achieved in the context of weak governance, stronger public institutions will be needed to manage an increasingly complex economy to implement a range of reforms that will be critical in creating a conducive environment for dynamic private sector-led growth.

---

<sup>1</sup> Demographic trends that make for a labor force bulge until 2025 present both challenges and opportunities.

**Table 1.3. Bangladesh’s Percentile Ranking in World Governance Indicators, 2011, 2015, and 2018**

<b>Governance Indicators</b>	<b>2011</b>	<b>2015</b>	<b>2018</b>
Control of corruption	14.22	22.12	16.83
Government effectiveness	24.64	24.04	21.63
Regulatory quality	22.75	18.27	19.23
Rule of law	27.7	25.96	28.37
Voice and accountability	36.15	30.54	27.59
Political stability and absence of violence	9.0	10.0	13.81

*Source:* World Governance Indicators 2019 (data set), <https://info.worldbank.org/governance/wgi/>.

*Note:* Percentile rank (0–100) indicates the rank of the country among all countries in the world (0 = lowest rank; 100 = highest rank).

## **2. World Bank Group Engagement**

2.1 Bank Group support to Bangladesh increased dramatically since the last CPE, making it the largest IDA borrower by FY19. Between FY11 and FY19, the Bank Group approved an aggregate net commitment of \$16.4 billion to Bangladesh, making it the largest IDA recipient in total cumulative commitments for this period. Long-term investment commitments from the International Finance Corporation (IFC) amounted to \$1.5 billion as of FY20 (up from \$40 million before FY11). The Multilateral Investment Guarantee Agency (MIGA) had a total gross outstanding exposure of \$813 million for the same period.

2.2 Two core strategy documents underpinned the Bank Group’s engagement in Bangladesh over the review period. These were the CAS for FY11–15, updated in November 2013, and the CPF for FY16–20, updated in January 2020. The updated CPF will remain in effect until June 2021. The evaluation period also coincided with evolving IDA priorities as articulated through its special themes. Special themes for IDA from 2016 to 2018 reflected both continuity and emerging issues. Gender, Climate Change, and Fragility, Conflict, and Violence were priorities in all three IDA Replenishment periods. New themes were introduced: crisis response (16th Replenishment of IDA [IDA16]), inclusive growth (IDA17) and jobs and economic transformation, and governance and institutions (IDA18).

2.3 Bank Group engagement in Bangladesh has demonstrated substantial continuity in strategic focus but has also responded to changes in the country context and priorities and to lessons from implementation. Figure 2.1 depicts the evolution of the Bank Group’s areas of strategic focus and the associated objectives and outcomes. Although the Bank Group’s engagement in Bangladesh evolved, it remained substantially focused on four strategic areas: growth, social service delivery and inclusion, climate change and disaster management, and governance and accountability of the public sector. Bank

Group strategies during the CPE period supported the government's priorities as articulated in its long-run "Perspective Plan of Bangladesh 2010–2021: Making Vision 2021 a Reality" (Vision 2021) and through its successive Five-Year Development Plans during the two Bank Group engagement cycles.<sup>2</sup> The government's Vision 2021 plan set out ambitious goals of reducing poverty to 15 percent and achieving middle-income status by 2021. The two strategies were also informed by the Bank Group's analytical work, including the 2015 SCD, and by the activities of other development partners operating in Bangladesh.

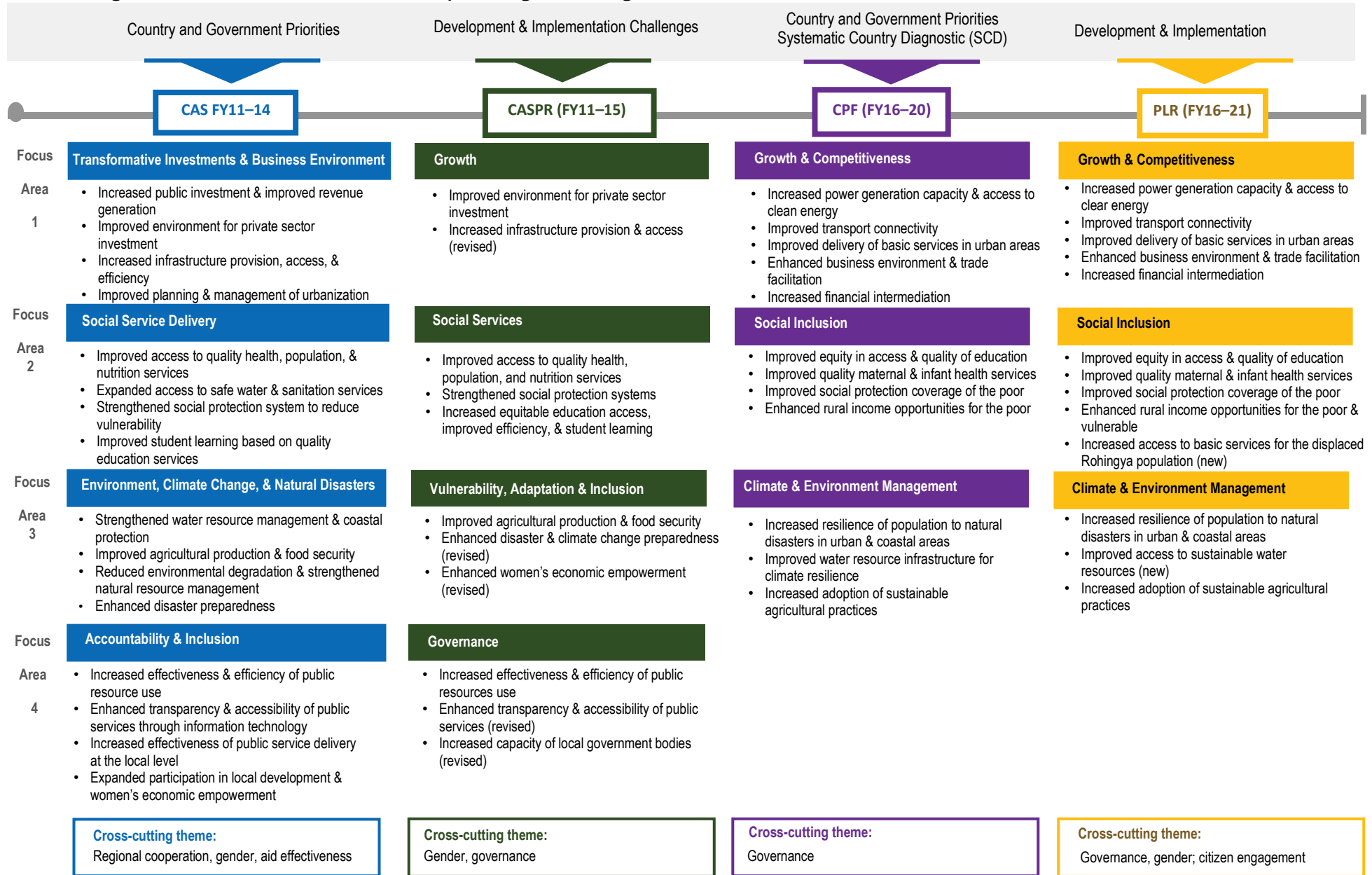
2.4 The FY11–15 CAS was anchored in the government's priorities as articulated in the government's Vision 2021. Implemented through the government's second National Strategy for Accelerated Poverty Reduction (NSAPR II), it sought to address macroeconomic stability, infrastructure gaps, urban congestion, labor absorption, effective health services, and malnutrition, with governance as a central challenge. At the preparation of the CAS in FY10, the country had peacefully transitioned to a democratic government and placed elimination of poverty and inequality at the center of the NSAPR II and the subsequent Sixth Year Five-Year Plan for FY11–15. The NSAPR II and the Sixth Year Five-Year Plan aimed for high economic growth, sustained improvements in health and education, and reduced social disparities. The International Monetary Fund Extended Credit Facility arrangement, completed in October 2015, helped lay the foundation for strong macrofiscal policies in Bangladesh.

2.5 The Bank Group's CAS sought to support the government in pursuit of accelerated sustainable and inclusive development that would be underpinned by stronger governance at the central and local levels. The CAS program was comprehensive because it sought to address many of the country's development challenges through its 16 development objectives under four broad areas: transformative investments and business environment, social service delivery, environment and climate change, and accountability and inclusion. The CAS also envisaged addressing three cross-cutting areas: regional cooperation, gender mainstreaming, and aid effectiveness.

---

<sup>2</sup> National Strategy for Accelerated Poverty Reduction II and the Sixth (FY11–15) and Seventh (FY16–20) Five-Year Development Plans.

**Figure 2.1. Evolution of the Bank Group Strategies in Bangladesh, FY11–20**



2.6 The Padma Bridge Project was the centerpiece of the CAS. This project was considered a transformative investment that would support the government's goals of higher growth, poverty reduction, and social inclusion. However, the World Bank canceled the Padma Bridge Project before effectiveness because of allegations of corruption.<sup>3</sup> The cancellation of the Padma Bridge Project strained the relationship between the Bank Group and the authorities, and the resulting tensions have persisted for most of the last decade.

2.7 The 2013 Country Assistance Strategy Progress Report (CASPR) adjusted the original CAS focus areas in response to implementation challenges, notably the Padma Bridge Project cancellation and its aftermath (World Bank 2013b). The CASPR maintained, in substance, the CAS focus areas but dropped the reference to "transformative investments" in the CAS's first focus area to reflect the Padma Bridge Project cancellation and the subsequent dropping of several infrastructure-related operations (particularly power and transport). In effect, the World Bank recalibrated its program by placing greater emphasis on managing fraud and corruption risks and temporarily disengaging from new infrastructure lending, which was deemed a high governance risk. Five of the CAS's 16 objectives (such as expanded access to safe water and sanitation services) were dropped to reflect slippages in the lending program or limited World Bank contribution to outcomes sought (in the case of the objective on increased public investment and improved revenue generation). Some of the other CAS objectives were either revised or remapped. In effect, the CASPR consolidated the original Bank Group program to reflect implementation challenges and the evolving relationship with government authorities. During this period, the Bank Group intensified its efforts at safeguarding operations from governance concerns by integrating institutional strengthening into relevant operations and requiring a governance accountability action plan (GAAP) for operations with high to substantial risk.<sup>4</sup>

2.8 Reflecting the findings of the 2015 SCD, the CPF envisaged increasing engagement in transformational priorities to foster job creation and growth and

---

<sup>3</sup> The Padma Multipurpose Bridge Project was approved by the World Bank's Board of Executive Directors in fiscal year 2011 but canceled before becoming effective because of allegations of corruption involving high-level government officials. The International Development Association was to finance the project for \$1.2 billion with cofinancing from the Asian Development Bank, the Japan International Cooperation Agency, and the Islamic Development Bank for \$1.55 billion. The cancellation was documented in Moreno-Ocampo, Tong, and Alderman 2013, World Bank 2013a, and World Bank 2014.

<sup>4</sup> The GAAP requirement was applied to similar operations in countries with high systemic corruption risk during this period.



advance poverty reduction while sustaining engagement in areas that promote inclusive growth. The CPF proposed increasing financing for key infrastructure investments, particularly in energy and transport, where underinvestment is a binding constraint to growth and the Bank Group has a comparative advantage. The Bank Group also planned to continue its long-standing engagement in human development and in financial sector support and business environment. In effect, the Bank Group sought to catch up in supporting key infrastructure investments that were scaled back after the Padma Bridge Project cancellation.

2.9 The CPF maintained three of the four CAS focus areas (growth, social inclusion, and climate resilience) while addressing governance as a cross-cutting theme. The CPF expanded the focus on growth to encompass competitiveness, including financial intermediation and trade facilitation. The financial intermediation objective sought to strengthen the foundations of Bangladesh's state-owned financial institutions and foster a sound financial sector, an important prerequisite for sustained financial intermediation.<sup>5</sup> Under this objective, the Bank Group also sought to enhance financial inclusion, strengthen the regulatory framework for private commercial banks, and promote long-term financing, especially for exporting firms. The CPF's shift in addressing governance as a cross-cutting theme is reflected in the World Bank's support for procurement and public financial management using the Program-for-Results to strengthen country systems instead of project-based approaches. It also supported the automation of value-added tax administration to boost tax revenues. The CPF envisaged supporting additional tax and financial sector reforms. However, the associated development policy credit series did not materialize because of the politically sensitive nature of these reforms, which led to insufficient government buy-in and support. The CPF also sought to scale up infrastructure investments in response to the SCD's diagnosis that underinvestment in infrastructure was a binding constraint to job creation and growth.

2.10 The Performance and Learning Review (PLR) maintained the three focus areas with some modifications in response to emerging issues, implementation challenges, and significantly ramped-up lending. It introduced two new objectives, including the World Bank's response to the displaced Rohingya population. The period leading up to the PLR was marked by substantial increases in lending, particularly in 2018 and 2019. There was a noteworthy spike in Human Development lending in 2018, amounting to \$2.3 billion, with half accounted for by two Program-for-Results operations in primary and secondary education. In 2019, there was also a significant increase in lending for

---

<sup>5</sup> Although the World Bank approved an operation supporting the modernization of state-owned financial institutions, the government authorities did not proceed with its implementation.

Urban, Environment, and Transport. By the end of the evaluation period, Human Development had surpassed Infrastructure in total lending volume, which was not envisaged in the CPF.

2.11 From FY11–20, IDA approved 82 projects for a total net commitment of \$17.0 billion. The instrument composition was 76 investment project financing, 5 Program-for-Results, and one development policy financing operation. In addition, there were 2 regional projects in energy and environment approved during the review period. Bangladesh also had 39 trust-funded operations (\$830 million in commitments), 68 IFC investments, and 6 MIGA guarantees. An inherited portfolio of 26 IDA investment project financing operations (including 2 regional operations), 14 trust-funded activities, and 4 IFC investments were active during at least part of the review period (see table 2.1 and appendix B for more detailed portfolio information).

2.12 Human Development accounted for the largest share of IDA commitments, followed by Infrastructure and Sustainable Development. In terms of Global Practices, Urban and Education each accounted for the largest share, followed by Transport and Energy (see figure 2.2, panels a and b).

**Table 2.1. Source and Volume of Bank Group Financing Support to Bangladesh, FY11–20**

Source of Financing	Commitments Approved during Evaluation Period		Active Portfolio at the Start of Evaluation Period		Total	
	Projects (no.)	Commitment (\$, millions)	Projects (no.)	Commitment (\$, millions)	Projects (no.)	Commitment (\$, millions)
IDA	82	17,040	26	2,539	108	19,579
Trust fund	39	830	14	494	53	1,324
IFC <sup>a</sup> (net)	68	1,489	4	39	72	1,528
MIGA <sup>b</sup>	6	813	0	n.a	6	813

Sources: World Bank Business Intelligence (May 28, 2020); World Bank Client Connection (website) as of June 13., 2020); International Finance Corporation Project Portal as of March 25, 2020; MIGA database as of April 30, 2020.

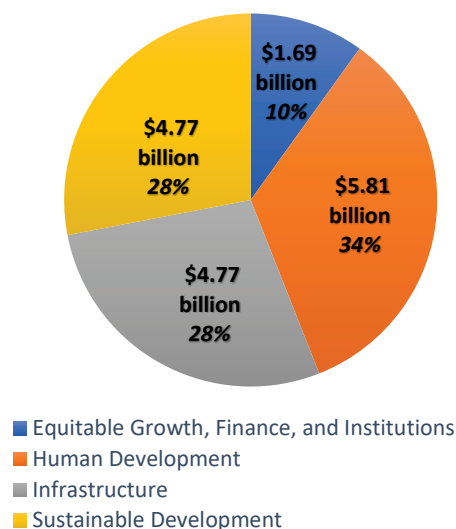
Note: IDA = International Development Association; IFC = International Finance Corporation; MIGA = Multilateral Investment Guarantee Agency; n.a. = not applicable.

a. Long-term investment commitments (excludes short-term finance).

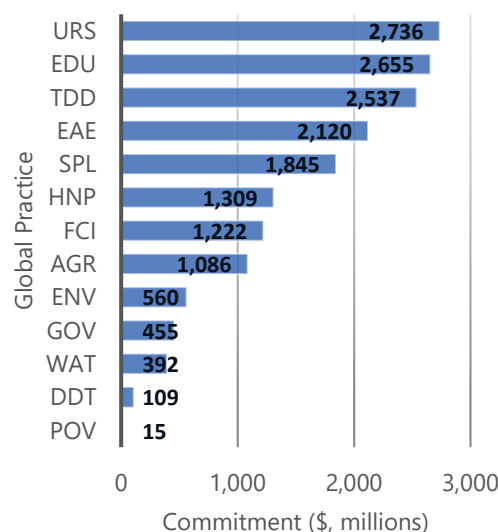
b. Guarantees.

**Figure 2.2. IDA Commitment by Vice Presidency and Lending by Global Practice, FY11–20**

a. IDA commitment by Vice Presidency, FY11–20



b. IDA lending by Global Practice, FY11–20



Source: World Bank Business Intelligence (database) May 28, 2020.

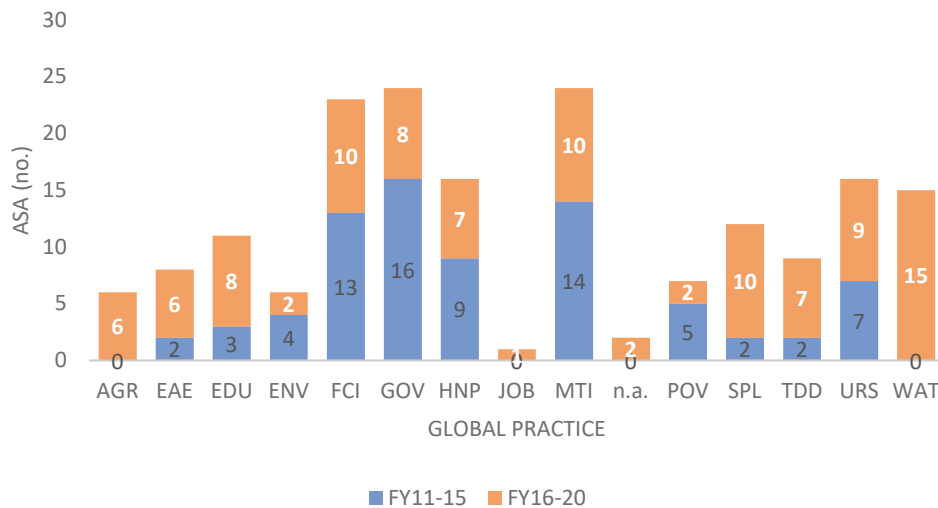
Note: AGR = Agriculture; DDT = Digital Development; EAE = Energy and Extractives; EDU = Education; EFI = Equitable Growth, Finance, and Institutions; ENV = Environment and Natural Resources; FCI = Finance, Competitiveness, and Innovation; GOV = Governance; HNP = Health, Nutrition, and Population; IDA = International Development Association; POV = Poverty; SPL = Social Protection and Labor; TDD = Transport; URS = Urban, Resilience, and Land; WAT = Water.

2.13 Bangladesh’s portfolio performance at exit for World Bank projects (as measured by IEG outcome ratings) compares favorably with South Asia and World Bank–wide averages, but IFC results are mixed. Of the 38 projects that exited during the CPE period, 94.5 percent were rated moderately satisfactory or above (by volume of commitments) compared with the averages for the South Asia Region (88.1 percent) and World Bank–wide (81.4 percent). Some Global Practices (Health, Nutrition, and Population; Education; Environment and Natural Resources; and Agriculture) performed better than others (Governance, Transport, and Energy). However, the results are mixed when compared with India and Pakistan (see appendix B for details). For IFC, IEG validated four Expanded Project Supervision Reports, of which 50 percent were rated mostly successful or better.

2.14 During the review period, the World Bank delivered 180 advisory services and analytics, and IFC had 41 advisory services (AS). The advisory services and analytics products, which cost \$45.92 million, comprised several core diagnostics and important analytical pieces, including the Poverty Assessment (2020), Financial Sector Assessment Program (2020), Policy Notes for the New Government (2019), Country Environmental Analysis (2018), Public Expenditure Review Update (2017), Diagnostic Trade Integration Study (2017), Jobs Diagnostic (2017), Public Expenditure and Financial Accountability repeat assessment (2017), and several sector reviews on education, health, and social

protection and labor. Macroeconomics, Trade, and Investment and Governance ranked highest with 24 deliveries each to the client, followed by Finance, Competitiveness, and Innovation (see figure 2.3). IFC had 41 AS, which cost \$80.09 million, mostly on Financial Institutions Group, followed by Equitable Growth, Finance, and Institutions; and Manufacturing, Agribusiness, and Services. IEG validated 11 AS Project Completion Reports, of which 55 percent were rated successful or better.

**Figure 2.2. World Bank Advisory Services and Analytics Delivery by Global Practice, FY11–15 and FY16–20**



Source: World Bank Business Intelligence (database) and Standard Reports as of June 2, 2020.

Note: AGR = Agriculture; EAE = Energy and Extractives; EDU = Education; ENV = Environment and Natural Resources; FCI = Finance, Competitiveness, and Innovation; GOV = Governance; HNP = Health, Nutrition, and Population; JOB = Jobs and Development; MTI = Macroeconomics, Trade, and Investment; N/A = not applicable; POV = Poverty; SPL = Social Protection and Labor; TDD = Transport; URS = Urban, Rural, and Land; WAT = Water.

2.15 Over the CPE period, the Bank Group was the largest source of official development assistance (ODA) flows to Bangladesh. Between 2011 and 2018, the Bank Group contributed approximately about one-quarter (\$5.3 billion) of the total ODA flows to Bangladesh (\$20.6 billion from multilateral, bilateral, and private donors). The Bank Group is an active member of the Development Partners’ Group, the main coordinating mechanism for development partners in Bangladesh. Since 1998, the World Bank has been working closely with several development partners in supporting the government’s program in education and health. It also collaborates and coordinates with other partners through cofinancing or parallel financing arrangements and by administering multidonor trust funds.

### **3. Evaluation Purpose and Coverage**

3.1 The CPE's purpose is to assess the relevance and effectiveness of Bank Group support to Bangladesh over the FY11–20 evaluation period. Relevance will be assessed against the following metrics: (i) the extent to which Bank Group objectives were adapted to the country's evolving development challenges and needs, (ii) the extent to which they were responsive to evolving IDA priorities, (iii) the extent to which the program gave adequate attention to the most critical and binding development challenges facing Bangladesh (as diagnosed in the SCD and other analytical work) and implementation performance, and (iv) the extent to which interventions were appropriately designed and combined for maximum impact. Bank Group effectiveness will be assessed in terms of the achievement of outcomes sought in the results frameworks of the CAS (as modified by the CASPR) and the CPF (as modified by the PLR). In addition, the evaluation will interrogate how and to what extent the Bank Group leveraged partnerships—both internal (World Bank, IFC, and MIGA) and external (development partners)—and managed its relationships with country stakeholders to achieve development outcomes. Particular attention will be given to the contribution of Bank Group support to the cross-cutting themes of improving gender equity and governance. Finally, where feasible, the distributional impact of Bank Group interventions will also be assessed.

### **4. Evaluation Design and Evaluability Assessment**

4.1 The CPE will be structured in two parts. The first part will consist of a systematic desk review of Bank Group support during the last 10 years. The aim is to assess how Bank Group support has evolved in line with the country's most pressing development challenges and IDA priorities and how that support delivered against objectives. The desk review will be complemented by fieldwork focusing on the quality of engagement with the client and other development partners (see section 5). The first part will be rated in accordance with the standard CPE rating methodology. The second part will consist of an in-depth assessment (or deep dive) of the relevance and effectiveness of Bank Group support in two specific areas: quality job creation and energy sector governance, including the response to climate change. The second part will not be rated.

4.2 The two topics for deep dives were selected based on their centrality to the Bank Group strategy for Bangladesh over the evaluation period. Both topics are consistent with IDA priorities and special themes on jobs and economic transformation and on climate change (World Bank 2018b, 2019b). Both topics also respond to the central findings of the 2015 SCD assessment. The topic of jobs responds to the SCD's diagnosis of job creation as Bangladesh's central challenge and addresses impediments to achieving it, including the mismatch between the supply of and demand for labor skills.

The Bank Group has a long tradition of supporting the supply (human capital, notably education) and demand (private sector development) sides of the jobs agenda in Bangladesh. The topic of energy reflects the SCD’s identification of underinvestment in infrastructure as a binding constraint to growth and poverty reduction, and the substantial share of World Bank financing directed toward the sector during the period. During the CPE period, the Bank Group played a critical role in contributing to enhancing energy security by providing sustained support in lending and analytical work. For both topics, the review will interrogate the synergies across the Bank Group institutions (World Bank, IFC, and MIGA) in supporting reforms.

## 5. Methodology

5.1 The CPE will pose two sets of evaluation questions in line with the two-part approach. Under the special topics, the review will systematically query what the Bank Group set out to do, how relevant its approach was—both in terms of framing objectives and results sought, and instruments deployed—and to what results it likely contributed (table 5.1).

**Table 5.1. Evaluation Questions, Methods, and Data Sources**

Evaluation Questions	Methods	Data Sources
<b>Part 1: Overall program review</b>		
Question 1: To what extent has Bank Group support evolved in line with the country’s development challenges and IDA priorities over the CPE period?	Portfolio review of the Bank Group’s lending and nonlending instruments	Bank Group CAS and CASPR, CPF, PLR, project documents, and ASA products
To what extent has the Bank Group adapted to the changed environment and leveraged its comparative advantage to support the country’s response to COVID-19 and its aftermath?	Text analytics of the Bank Group’s portfolio	IEG CLRR and relevant thematic evaluations, including Bangladesh case studies
Were any critical development challenges or opportunities missed?	Semistructured interviews of key stakeholders, including private sector representatives	SCD for Bangladesh (2015)
	External literature review (academic and think tank, development partner, and government sources)	Financial Sector Assessment Programs (2010 and 2020); World Bank Programmatic Financial Sector Development ASA, World Bank–IFC Joint Capital Markets Program, and IFC advisory services on financial infrastructure and financial inclusion

Evaluation Questions	Methods	Data Sources
		<p>IDA Replenishment Documents (IDA 16–IDA 18)</p> <p>External sources (including government and IMF staff reports), civil society analysis</p>
Question 2: To what extent has Bank Group support met its development objectives?	Focus area by focus area, objective by objective assessment based on relevance and achievement of results sought in the consolidated CPE results framework	<p>CAS and CASPR, CPF and PLR results frameworks</p> <p>Completion reports: CLRR, ICRs, ICRRs, PPARs</p>
Question 3: How effectively has the Bank Group leveraged partnerships, both external (management of the relationship with government and with development partners) and internal (synergies among World Bank, IFC, and MIGA), to achieve development outcomes?	<p>Review of country program documents and relevant project documents and analytical work</p> <p>Semistructured interviews of key stakeholders (external and internal) involved in SWAp in health and education</p>	<p>CAS and CASPR, CPF and PLR</p> <p>Documents from external sources (other development partners, academia, and civil society)</p> <p>World Bank project documents</p>
<b>Part II: In-depth special topics</b>		
<i>Special topic 1: jobs (supply of and demand for labor skills)</i>		
Question 1: How relevant and effective has Bank Group support been in helping Bangladesh transition to high productivity-led growth by (i) creating the conditions for job expansion through investment climate reforms and (ii) supporting education tailored to meeting changing labor market demand in the country?	<p>Conceptual framework and building blocks for assessing Bank Group contributions</p> <p>Portfolio review analysis</p> <p>Review of relevant Bank Group diagnostics and IEG evaluations, and external literature (academic publications) on the subject matter</p>	<p>Project documents (PAD and PDs, ICRs, ICRRs, PPARs)</p> <p>2015 SCD for Bangladesh</p> <p>2017 Jobs Diagnostics for Bangladesh</p> <p>Several case studies for completed and ongoing IEG thematic evaluations,</p>

Evaluation Questions	Methods	Data Sources
	Semistructured interviews of key stakeholders	including the topics of fiscal and financial sector crises preparedness, reform of state-owned enterprises, and private capital mobilization
<i>Special topic 2: energy and climate change</i>		
Question 1: How relevant and effective has Bank Group support been in developing sustainable power and promoting green energy to meet the country's needs, and in strengthening institutions in the energy sector?	Conceptual framework and building blocks for tracing contributions of Bank Group interventions	Bank Group project documents IEG evaluations
	Portfolio review analysis	Bank Group publications
	Review of relevant diagnostics and analytical work both within the Bank Group and IEG as well as external literature	External and academic literature
	Semistructured interviews of key stakeholder	

*Note:* ASA = advisory services and analytics; CAS = Country Assistance Strategy; CASPR = Country Assistance Strategy Progress Report; CLRR = Completion and Learning Report Review; CPE = Country Program Evaluation; CPF = Country Partnership Framework; ICR = Implementation Completion and Results Report; ICRR = Implementation Completion and Results Report Review; IDA = International Development Association; IEG = Independent Evaluation Group; IFC = International Finance Corporation; IMF = International Monetary Fund; MIGA = Multilateral Investment Guarantee Agency; PAD = Project Appraisal Document; PD = Program Document; PLR = Performance and Learning Review; PPAR = Project Performance Assessment Report; SCD = Systematic Country Diagnostic; SWAp = sectorwide approach.




**5.2 However, there are limitations to the proposed CPE work.** The pertinence of the conclusions that it will be able to draw will be likely dampened by (i) data shortcomings, notwithstanding the rich information base on Bangladesh; and (ii) the inherent complexity of drawing conclusions about the contribution of the Bank Group to outcomes, especially in a context in which multiple partners are engaged alongside the Bank Group.

**5.3** The extent to which objectives of the Bank Group program were relevant and achieved will be rated according to the breakdown in the evaluation framework



(figure 5.1).<sup>6</sup> The rating approach will be based on IEG’s standard CPE rating methodology. Progress under the cross-cutting themes as a result of Bank Group interventions will be assessed but not rated.

**Table 5.2. CPE Evaluation Framework (CAS: FY11–15; CPF: FY16–21)**

 <b>Focus Area 1: Growth and Competitiveness</b>	 <b>Focus Area 2: Social Inclusion</b>	 <b>Focus Area 3: Climate and Environment Management</b>
<ol style="list-style-type: none"> <li>1. Power and clean energy</li> <li>2. Transport</li> <li>3. Urban service delivery</li> <li>4. Business environment and trade facilitation</li> <li>5. Financial intermediation</li> </ol>	<ol style="list-style-type: none"> <li>1. Education</li> <li>2. Maternal and infant health services</li> <li>3. Social protection</li> <li>4. Opportunities for the poor and vulnerable</li> <li>5. Basic services for the displaced Rohingya population</li> </ol>	<ol style="list-style-type: none"> <li>1. Resilience to natural disasters in urban and coastal areas</li> <li>2. Water resources</li> <li>3. Agriculture</li> </ol>
<b>Cross-cutting Themes: Gender and Governance</b>		

Sources: CAS, CASPR, CPF, and PLR.

Note: CAS = Country Assistance Strategy; CASPR = Country Assistance Strategy Progress Report; CPF = Country Partnership Framework; PLR = Performance and Learning Review.

## 6. Timeline, Process, Outreach, and Resources

6.1 The CPE is expected to be delivered to the Board of Executive Directors by early FY21 in time to inform the preparation of the next CPF for Bangladesh (see appendix C for a detailed timeline). The estimated budget is \$475,000.

6.2 Quality assurance will be ensured through appropriate peer review arrangements and by working closely with IEG management. The IEG team will engage closely with the Country Management Unit during the preparation and completion of the CPE.

6.3 The evaluation team will be led by Ms. Lourdes N. Pagaran (co-team leader, senior evaluation officer) and Ms. Soniya Carvalho (co-team leader, lead evaluation

---

<sup>6</sup> The evaluation framework in figure 5.1 accommodates the union of the two intervention areas under the Country Assistance Strategy and Country Assistance Strategy Progress Report and the Country Partnership Framework and Performance and Learning Review periods, respectively.

officer). Team members will be Ali Khadr, Albert Martinez, Richard Tobin, Anthony Tyrrell, Franz Loyola (consultants); Corky de Asis (evaluation assistant), Patricia Acevedo (program assistant).

## Bibliography

- Al-Samarai, Sameer. 2009. "The Impact of Governance on Education Inequality: Evidence from Bangladesh." *Public Administration and Development* 29 (3): 167–179.
- Amin, Sakib Bin, Shaikh Shah Nawaz Ferdous, and Aroni Kabita Porna. 2012. "Causal Relationship among Energy Use, CO<sub>2</sub> Emissions and Economic Growth in Bangladesh: An Empirical Study." *World Journal of Social Sciences* 2 (4): 273–290.
- Asian Development Bank. 2016. *Bangladesh: Country Partnership Strategy (2016–2020)*. Manila: Asian Development Bank.
- Bangladesh Bureau of Statistics. 2019. "Preliminary Report on the Household Income and Expenditure Survey 2016." Bangladesh Bureau of Statistics, Dhaka, Bangladesh.
- Blunch, Niels-Hugo, and Maitreyi Bordia Das. 2015. "Changing Norms about Gender Inequality in Education: Evidence from Bangladesh." *Demographic Research* 32 (6): 183–218.
- Eckstein, David, Marie-Lena Hutfils, and Maik Wings. 2018. "Global Climate Risk Index 2019: Who Suffers Most from Extreme Weather Events? Weather-Related Loss Events in 2017 and 1998 to 2017." Germanwatch e.V., Berlin.
- Farole, Thomas, Yoonyoung Cho, Laurent Bossavie, and Reyes Aterido. 2017. "Jobs Diagnostic Bangladesh." Jobs Series Issue 9, World Bank, Washington, DC.
- IMF (International Monetary Fund). 2019a. "Bangladesh: 2019 Article IV Consultation." IMF Country Report No. 19/299, International Monetary Fund, Washington, DC.
- IMF. 2019b. "Bangladesh: Selected Issues." IMF Country Report No. 19/300, International Monetary Fund, Washington, DC.
- International Monetary Fund. 2020. World Economic Outlook, April 2020 (database). International Monetary Fund, Washington, DC.  
<https://www.imf.org/external/pubs/ft/weo/2020/01/weodata/index.aspx>
- Moreno-Ocampo, Luis, Timothy Tong, and Richard Alderman. *Final Report of the External Panel of Experts: The Padma Multipurpose Bridge Project*. Washington, DC: World Bank.
- Karim, Mohammad Ershadul, Ridoan Karim, Md. Toriqul Islam, Firdaus Muhammad-Sukki, Nurul Aini Bani, and Mohd Nabil Muhtazaruddin. 2019. "Renewable Energy for Sustainable Growth and Development: An Evaluation of Law and Policy of Bangladesh." *Sustainability* 11 (20): 5774.
- Khan, Mushtaq H. 2013. "Bangladesh Economic Growth in a Vulnerable Limited Access Order." In *The Shadow of Violence: Politics, Economics, and the Problems of Development*, edited by Douglass North, John Wallis, Steven Webb, and Barry Weingast, 24–69. Cambridge: Cambridge University Press.

- Schwab, Klaus, ed. 2019. *The Global Competitiveness Report 2019*. Geneva: World Economic Forum.
- Solotaroff, Jennifer L., Aphichoke Kotikula, Anna Tara Lonnberg, Ali Snigdha, Rohini P. Pande, and Ferdous Jahan. 2019. *Voices to Choices: Bangladesh's Journey in Women's Economic Empowerment*. Washington, DC: World Bank.
- UNDP (United Nations Development Programme). 2019. *Human Development Report 2019—Beyond Income, Beyond Averages, Beyond Today: Inequalities in Human Development in the 21st Century*. New York: UNDP.
- World Bank. 2008. "Whispers to Voices: Gender and Social Transformation in Bangladesh." Bangladesh Development Series Paper 22, World Bank, Washington, DC.
- World Bank. 2009. *Bangladesh Country Assistance Evaluation*. Independent Evaluation Group. Washington, DC: World Bank.  
[http://ieg.worldbank.org/sites/default/files/Data/reports/bang\\_cae\\_0.pdf](http://ieg.worldbank.org/sites/default/files/Data/reports/bang_cae_0.pdf).
- World Bank. 2010. *Bangladesh—Country Assistance Strategy, FY11–14*. Washington, DC: World Bank.
- World Bank. 2013a. "Bangladesh—Padma Multipurpose Bridge Project." Note on Cancelled Operation Report NCO0002797, World Bank, Washington, DC.
- World Bank. 2013b. *Bangladesh—Country Assistance Strategy Progress Report, FY11–15*. Washington, DC: World Bank.
- World Bank. 2014. "Bangladesh—Padma Multipurpose Bridge Project." Independent Evaluation Group, Implementation Completion and Results Report Review ICCR14292, World Bank, Washington, DC.
- World Bank. 2015. *Bangladesh—More and Better Jobs to Accelerate Shared Growth and End Extreme Poverty*. Systematic Country Diagnostic. Washington, DC: World Bank.
- World Bank. 2016a. "Bangladesh—Completion and Learning Review of the Country Assistance Strategy, FY11–15." Independent Evaluation Group, Completion and Learning Review 103723-BD, World Bank, Washington, DC.  
<http://ieg.worldbankgroup.org/sites/default/files/Data/reports/BangladeshCLR.pdf>.
- World Bank. 2016b. *Bangladesh—Country Partnership Framework, FY16–20*. Washington, DC: World Bank.
- World Bank. 2018a. *Bangladesh—Skills for Tomorrow's Jobs: Preparing Youths for a Fast-Changing Economy*. Washington, DC: World Bank.
- World Bank. 2018b. "IDA 18 Overarching Theme—Towards 2030: Investing in Growth, Resilience, and Opportunity." Board Report 106194, World Bank, Washington, DC.

World Bank. 2019. "IDA 19—Special Theme: Jobs and Economic Transformation." Board Report 139725, World Bank, Washington, DC.

World Bank. 2020a. *Bangladesh—Financial Sector Assessment*. Washington, DC: World Bank.

World Bank. 2020b. "Bangladesh—Performance and Learning Review of the Country Partnership Framework, FY16–20." Performance and Learning Review 141189, World Bank, Washington, DC.

World Bank. 2020c. *Doing Business 2020*. Washington, DC: World Bank

World Economic Forum. 2019b. *Global Gender Gap Report 2020*. Geneva: World Economic Forum.

## Appendix A. Development Challenges

Bangladesh's fundamental development challenge is, How can more and better jobs be created as a way out of poverty?

Table A.1. Development Challenges in Bangladesh

Challenges	Key Constraints
Foundational	
Maintaining macroeconomic stability	<ul style="list-style-type: none"> <li>• Inefficient and uncoordinated tax administration and tax policy areas</li> <li>• Significant and increasing contingent liabilities from state-owned enterprises</li> <li>• Weak financial situation in the banking sector</li> <li>• Weak governance and public financial management</li> </ul>
Human development	<ul style="list-style-type: none"> <li>• Mismatch between skills and education level and demand in labor market</li> <li>• Low learning achievements</li> <li>• Lagging completion rates</li> </ul>
Strengthening institutions and the business environment	<ul style="list-style-type: none"> <li>• Weak and dysfunctional public institutions</li> <li>• Slow pace of reforms to address key constraints in private sector investments</li> <li>• Political instability</li> </ul>
Transformational	
Energy	<ul style="list-style-type: none"> <li>• Acute energy shortages and less diversified energy sources</li> <li>• Low per capita electricity consumption (one of the lowest in the world at 348 kilowatts per year)</li> <li>• Low level of private sector investment</li> <li>• Massive investment needs in new capacity and increasing cost of supply</li> </ul>
Inland connectivity and logistics	<ul style="list-style-type: none"> <li>• Poor connectivity in rural areas</li> <li>• High logistics costs and impact on trade</li> <li>• Underdeveloped railway and transport connecting ports with the hinterland</li> <li>• Congested airport and lack of capacity</li> </ul>
Regional and global integration	<ul style="list-style-type: none"> <li>• Untapped potential in expanding export-led growth, with foreign direct investment playing a dominant role</li> <li>• Lack of strategy to enhance the integration of Bangladesh's economy with regional and global markets</li> </ul>

Challenges	Key Constraints
Urbanization	<ul style="list-style-type: none"> <li>• Rapid urbanization but limited resources for urban infrastructure development (less than 1 percent of gross domestic product)</li> <li>• Inadequate and poor-quality urban transport infrastructure and services</li> <li>• Limited autonomy of local governments</li> </ul>
Adaptive delta management	<ul style="list-style-type: none"> <li>• Bangladesh ranked as most climate-vulnerable country in the world in 2014</li> <li>• Inadequate integration of adaptive delta management in all aspects of planning and sector development</li> <li>• Narrow focus on staple crop productivity</li> </ul>
Gender	<ul style="list-style-type: none"> <li>• Constrained female labor force participation, especially among the poor</li> <li>• Poor law and order affect female security, education and employment opportunities of women</li> </ul>

Sources: World Bank 2015, 2016.

## References

- World Bank. 2015. *Bangladesh—More and Better Jobs to Accelerate Shared Growth and End Extreme Poverty*. Systematic Country Diagnostic. Washington, DC: World Bank.
- World Bank. 2016. *Bangladesh—Country Partnership Framework, FY16–20*. Washington, DC: World Bank.

## **Appendix B. Preliminary Portfolio Review**

During the fiscal year (FY)11–20 review period, the World Bank approved 82 new projects. This amounted to total net International Development Association (IDA) commitments of \$17.04 billion covering 76 investment project financing, 5 Program-for-Results, and 1 development policy financing. In addition, 2 regional projects in energy and environment were approved during the Country Program Evaluation period.<sup>1</sup> An inherited portfolio of 26 investment projects (\$2.54 billion) were active during the review period (see table B.1).

Bangladesh benefited from 39 trust funds for \$830 million. Health, Nutrition, and Population accounted for the largest share (52 percent), followed by Education (15 percent). The Free-Standing Trust Fund for South Asia Region was the main source (or 51 percent of the total) of trust fund financing. The majority of the trust funds of \$626 million (75 percent) were committed in FY11–15.

During FY11–20, there were 68 International Finance Corporation investment projects in Bangladesh with an original commitment of \$1.5 billion. Investment projects were mostly in the finance and insurance sector with 31 projects representing 46 percent of the total portfolio, or \$750 million. For the same period, there were six Multilateral Investment Guarantee Agency guarantees in Bangladesh with a total gross outstanding exposure of \$813 million—five in the power sector and one in the agribusiness and manufacturing sector.

---

<sup>1</sup> The two regional projects were under the Energy and Extractive and Environment practice with a total commitment of \$591.5 million and \$41.3 million, respectively.



**Table B.1. Sources and Volume of World Bank Group Financing Support to Bangladesh, FY11–20**

Source of Financing	Commitments Approved during Evaluation Period		Active Portfolio at the Start of the Evaluation Period		Total	
	Projects (no.)	Commitment (\$, millions)	Projects (no.)	Commitment (\$, millions)	Projects (no.)	Commitment (\$, millions)
IDA	82	17,040	26	2,539	108	19,579
Trust Fund	39	830	14	494	53	1,324
IFC <sup>a</sup> (net)	68	1,489	4	39	72	1,528
MIGA <sup>b</sup>	6	813	0	n.a.	6	813

Source: World Bank Business Intelligence (May 28, 2020); World Bank Client Connection (as of June 2, 2020); IFC Project Portal (as of March 25, 2020); MIGA database (as of April 30, 2020).

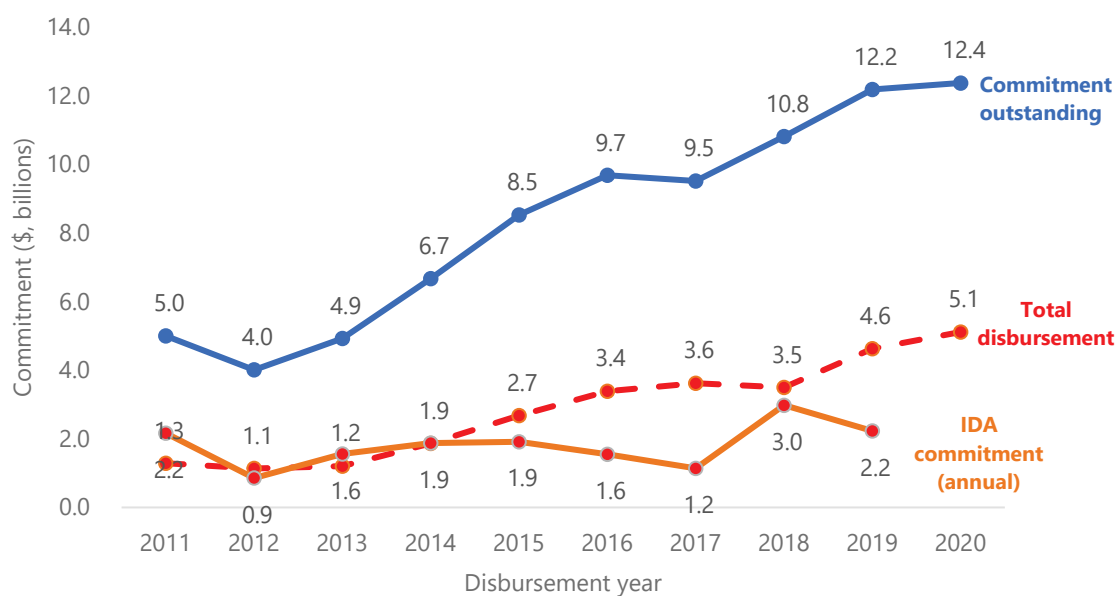
Note: IDA = International Development Association; IFC = International Finance Corporation; MIGA = Multilateral Investment Guarantee Agency.

a. IFC financing is long-term investment commitment (excludes short-term finance).

b. MIGA financing is guarantees.

During the last nine years, Bangladesh has received an aggregate IDA net commitment of \$16.4 billion, making it the largest IDA recipient country. Except for FY12 (when IDA’s net commitment dropped to \$866 million), after the Padma Bridge Project cancellation, Bangladesh received an average of more than \$1.5 billion per year. During the Country Program Evaluation period, the average annual disbursement was \$1.21 billion.

**Figure B.1. IDA Commitment and Disbursement in Bangladesh, FY11–20**

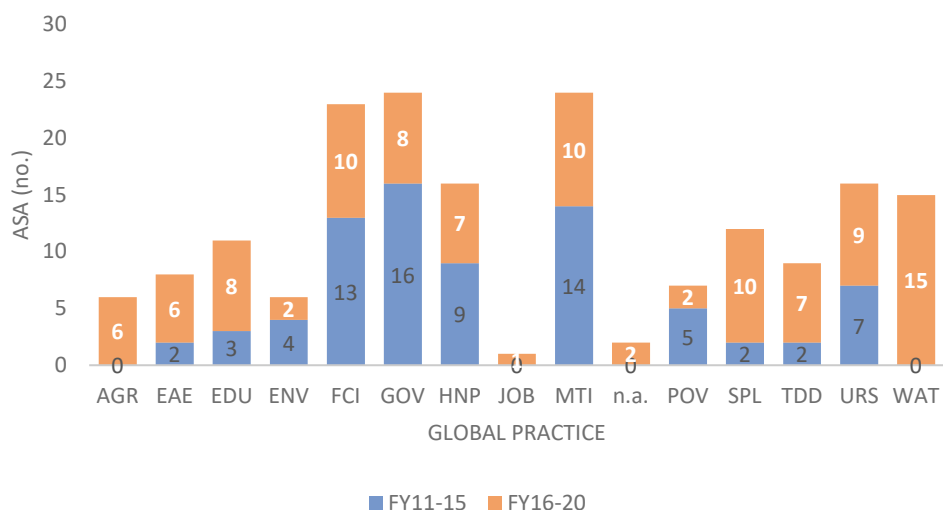


Source: World Bank Business Intelligence (database) as of June 2, 2020.

## Advisory Services and Analytics

During the review period, the World Bank delivered 180 advisory services and analytics (ASA) with a total delivery cost of \$45.92 million, of which 57 percent was delivered during FY16–20. The ASA was mainly technical assistance (61), economic and sector work (43), advisory services and analytics (68), and other ASA (8). From FY11–20, Macroeconomics, Trade, and Investment, and Governance ranked the highest with 24 deliveries each to the client, followed by Finance, Competitiveness, and Innovation with 23.

**Figure B.2. ASA Delivery by Global Practice**

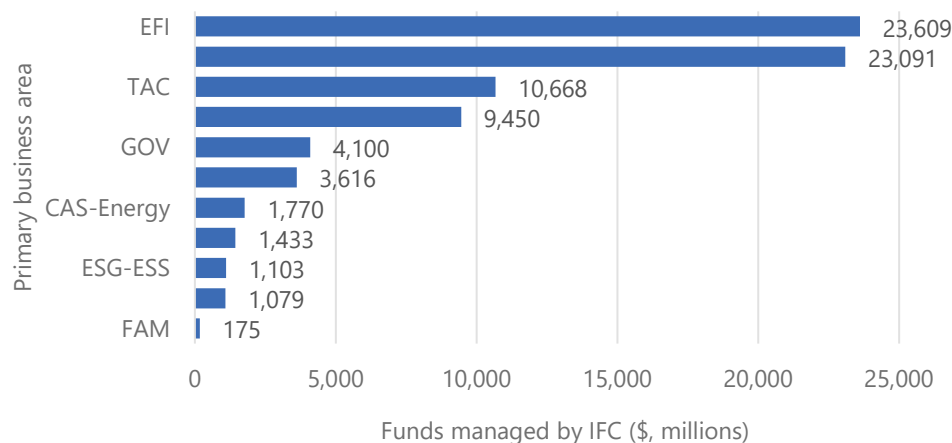


Source: World Bank Business Intelligence and Standard Reports as of June 2, 2020.

Note: AGR = Agriculture; ASA = advisory services and analytics; EAE = Energy and Extractives; EDU = Education; ENV = Environment and Natural Resources; FCI = Finance, Competitiveness, and Innovation; GOV = Governance; HNP = Health, Nutrition, and Population; JOB = Jobs and Development; MTI = Macroeconomics, Trade, and Investment; N/A = not applicable; POV = Poverty; SPL = Social Protection and Labor; TDD = Transport; URS = Urban, Rural, and Land; WAT = Water.

International Finance Corporation had 41 (20 completed and 21 active) advisory services during the review period (or \$80.09 million), mostly on Financial Institutions Group, followed by Equitable Growth, Finance, and Institutions and Manufacturing, Agribusiness, and Services.

**Figure B.3. IFC Advisory Services for Bangladesh by Primary Business Area, FY11–20**



Source: International Finance Corporation advisory services as of May 15, 2020.

Note: CAS = Cross-Cutting Advisory Solutions; CPC-PPP = Corporate Portfolio Committee (Private Public Partnership); CTT = Telecom, Media, Technology, Venture Capital, and Funds; EFI = Equitable Growth, Finance, and Institutions; ESG = Environment, Social, and Governance; FAM = Financial and Markets; FIG = Financial Institutions Group; GOV = Governance; MAS = Manufacturing, Agribusiness, and Services; TAC = Trade and Competitiveness.

## Portfolio Performance (IEG Outcome Ratings)

The Bangladesh portfolio performance at exit compares well with the South Asia Region and World Bank averages. In terms of volume of commitments, Bangladesh had an average outcome rating of 94.5 percent moderately satisfactory (MS) or better compared with the South Asia Region at 88.1 percent and the World Bank at 81.4 percent. Bangladesh performance is at par with Pakistan and slightly better than India by volume of commitments. However, India and Pakistan MS + project outcome ratings are slightly better than Bangladesh by number of projects.

**Table B.2. IEG Project Ratings for Bangladesh and Comparators**

Region	Projects Evaluated		Outcome Rated S (percent)		RDO <sup>a</sup> Rated MS– (percent)	
	(\$, millions)	(no.)	By volume	By number	By volume	By number
Bangladesh	5,208	38	94.5	78.4	76.3	61.5
India	19,858	87	84.6	80.5	67.0	67.3
Pakistan	8,239	46	91.5	80.0	20.3	16.2
South Asia	38,548	283	88.1	77.6	50.9	43.4
World	219,720	2,413	81.4	72.5	51.9	44.3

Note: IEG = Independent Evaluation Group; MS– = moderately satisfactory or below; RDO = risk to development outcome; S = satisfactory.

a. IEG's risk to development outcome rating was dropped in July 2017 following the Implementation Completion and Results Report and Review reform; however, a narrative assessment for risk to development outcome was kept.