

SIDA Evaluation Report, Rural Employment, Bangladesh

1990/3

# NEW PATHS FROM POVERTY

An Evaluation of SIDA Rural Employment Sector Support  
to Bangladesh 1986 – 1989



By Nigel Hawkesworth, Md. Mainul Islam, Mahmuda Islam,  
Ton Jansen, Ole Lindberg, Sadrel Reza, Else Skjønberg



This report is the result of an evaluation carried out in November 1989 by an independent study team consisting of Nigel Hawkesworth, Md. Mainul Islam, Mahmuda Islam, Ton Jansen, Ole Lindberg, Sadrel Reza, Else Skjønberg.

The views and interpretations expressed in this report are those of the authors and should not be attributed to the Swedish International Development Authority, SIDA.

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# New Paths From Poverty

An evaluation of SIDA Rural Employment Support  
to Bangladesh 1986 – 1989

*by*

*Nigel Hawkesworth*

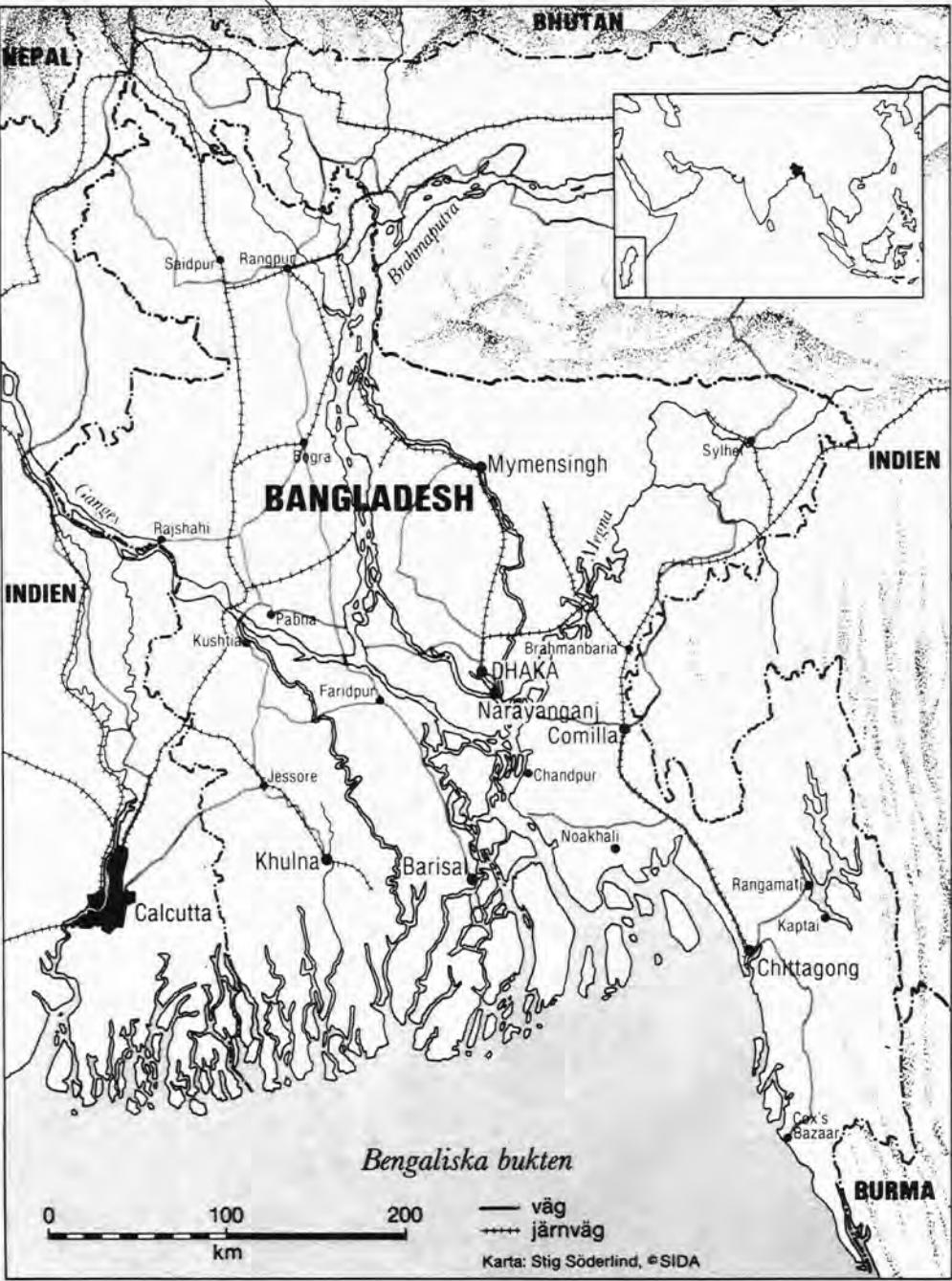
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SIDA  
Stockholm 1990

# BANGLADESH



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# Preface

The Rural Employment Sector Programme (RESP) started in October 1986, and was the successor to the Integrated Rural Works Programme (IRWP) which started in 1982. RESP was planned for a three year period up to July 1989 and will be extended by one year. From July 1990 it is expected that the second phase of RESP (RESP II) will start. In the project documents a joint mid-term evaluation of RESP was planned for late 1988. It has taken place in January-February 1989 and has also functioned as a preliminary assessment of RESP II.

The Evaluation Mission was composed of the following members:

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Md. Mainul Islam Professor of Management

Mahmuda Islam Sociologist

Ton Jansen Engineer

Ole Lindberg Cooperative Specialist

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The Terms of Reference of the Mission are found in Appendix 1.

The team members would like to express their sincere thanks and appreciation for the full cooperation and very effective assistance rendered to them by the staff of RESP and officials from LGEB, BRDB, the Planning Commission and SIDA.

The views expressed in this report are those of the members of the Evaluation Mission and may not necessarily coincide with the views of the Government of Bangladesh, SIDA or NORAD.

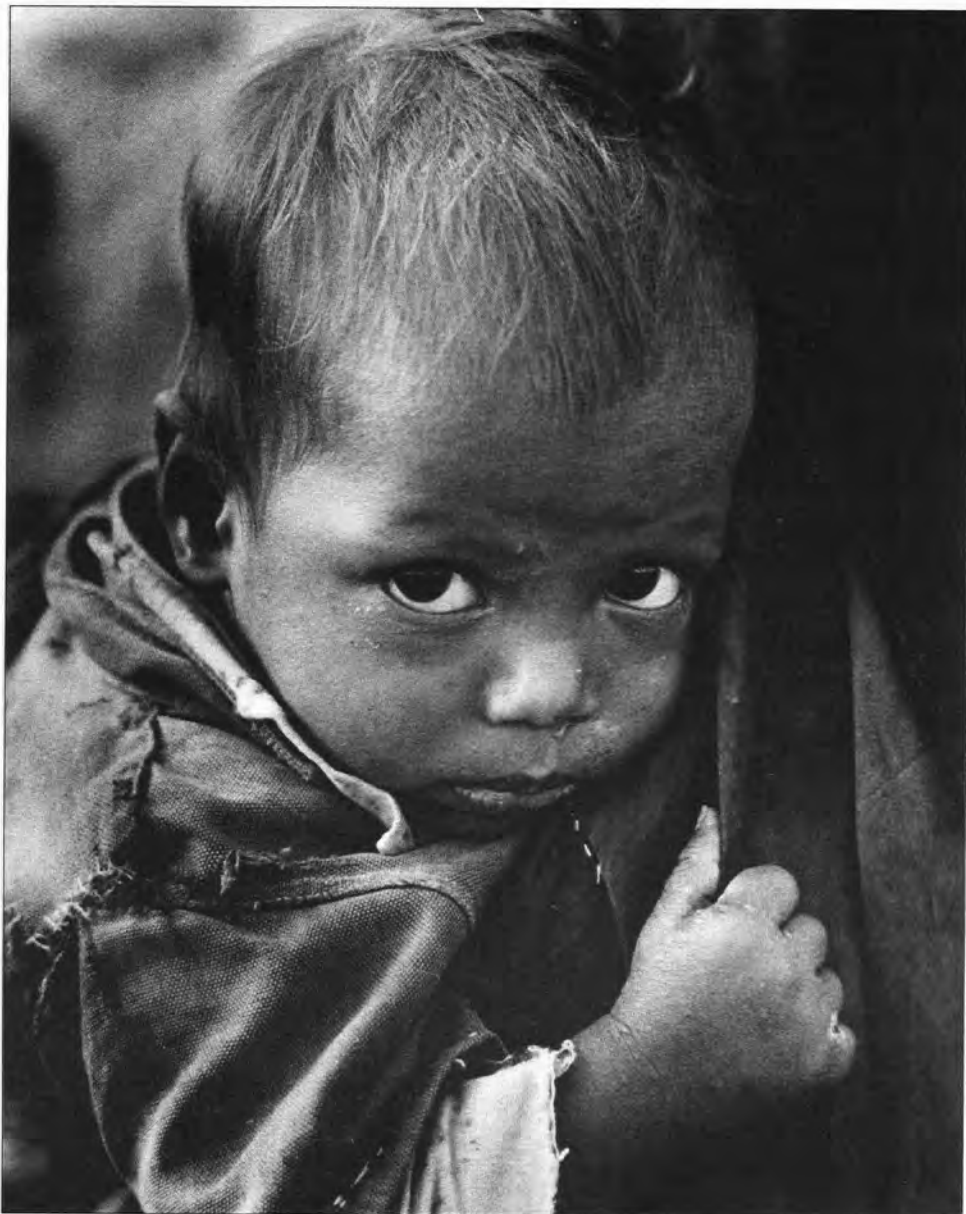
## The Evaluation

The evaluation had two main tasks: to evaluate the progress of RESP since the last evaluation in 1985, and to assess an outline of RESP II.

The very detailed Terms of Reference (Appendix) was constructed in such a way that the Evaluation Mission (EM) was required to investigate the main issues, and then was able to make a choice of the remaining points that were considered to be the most essential. In the event, most of the points in the TOR were covered. However, it should be noted that the topic that was uppermost in the minds of most persons concerned with RESP was the structural problems in PEP and their implications for RESP II. The EM was naturally influenced by this atmosphere and has tried to find a reasonable proposal for the future.

The EM was asked "to assess an outline of RESP II", which implied that there was one document that represented a consensus among the concerned parties about the future structure and operation of RESP. In fact the EM was presented with a number of documents which in some points were very different from each other. Other points of view were presented verbally by the GOB authorities, the GOB staff and the TA staff. Consensus did not exist. Thus the EM had many alternatives to choose from. The result, as found in Chapter 8, is not an appraisal or a full design of RESP II, which was not possible in the time available, but an outline of what the EM team members think is feasible. Its weakness is its lack of consistency in detail. Some aspects have been treated in detail because the EM considered them to be potential problem areas, while other aspects have been treated in far more general terms. A proper appraisal or a Plan of Operation would have a more consistent level of detail.

The EM acknowledges that most of its findings are not original thinking.



*The EM is of the opinion that it is better to make the attempt to reach the poor rural population than not to make the attempt at all. The evaluation of 1985 questioned if it is at all possible for a donor project, which has ambitions to help the lowest strata, to be effective in Bangladesh. The question is still relevant today. However, the EM has chosen not to make it the basis of the evaluation.*

*Photo: Lars Åström, SIDA Photo Archives*

All of the major issues have been thoroughly discussed and analysed by the interested parties during the last year or so, and the EM has had much benefit from the various discussion papers and points of view. The EM has had the role of trying to arrive at a reasonably consistent and realistic assessment of the situation, which may hopefully form the basis of further progress.

The evaluation of 1985 emphasized the social/political environment in which the programme worked, and questioned if it is at all possible for a donor project, which has ambitions for helping the lowest strata of society, to be effective in such a situation. The question is still relevant today. However, the EM has chosen not to make it the basis of the evaluation. The EM is of the opinion that the reality of the rural power structure is a given within which the donors have chosen to operate, presumably being aware of the situation, and that it is better to make the attempt to reach the lower strata than not to make the attempt at all. It is recognised that poverty-orientated programmes in Bangladesh have immense difficulties in creating real socio-economic progress for the target group, and that the process is a very long-term one that has to learn from trial and error. Given that the programme exists, the EM found that the emphasis of the evaluation should be on the effectiveness of the programme on reaching its objectives in relation to the target group, and on how to improve the activities so that they become more effective.

The methodology of the evaluation has been the traditional combination of analysis of documents, field visits to all the districts covered by the programme, and discussions with the staff, concerned authorities and related GOB and NGO programmes.

## Chapter 1

# Introduction

## Background of RESP

The origin of the Rural Employment Sector Programme (RESP) dates back to 1981 when the Government of Bangladesh (GOB) and the three Nordic donor agencies DANIDA, NORAD and SIDA agreed on implementation of the Intensive Rural Works Programme (IRWP). IRWP was designed to cover a period of four years up to June 1985, but was subsequently, due to initial delays, extended by one year. The Programme, to be implemented in 100 thanas ( now upazilas ), was conceived as a support to the countrywide Rural Works Programme and was given five main objectives :

- (i) Increase short-term and long-term employment;
- (ii) Improve infrastructure;
- (iii) Raise agricultural production;
- (iv) Institution-building;
- (v) Reduce inequality.

An evaluation of IRWP, which was carried out in 1985, recommended that the donor support to the Programme should be phased out and that the preparations for a continuation of IRWP within the framework of its modified version — RESP — should be discontinued. Apart from noting that the programme objectives as such were "utterly unrealistic" in view of the design of the IRWP and the constraints originating from its socio-economic as well as the political environment, the Evaluation Mission identified a number of basic shortcomings relating to the implementation process as well as the impact of the Programme. They can be summarised as follows:

- (i) The objective of increasing agricultural production had not been achieved. The impact of IRWP in this regard had, at best, been marginal;

- (ii) Employment-generation for the target group had been far below the targets set for IRWP and the employment opportunities created had mainly been of a short-term nature. Additionally, the costs of the employment generated had been inordinately high;
- (iii) Most of the benefits of the Programme had accrued to the comparatively better-off sectors of the population and IRWP had thereby failed to reach its target group;
- (iv) The quality of the infrastructure that had been created was sub-standard. Measures to tackle the quality issue through training, supervision and preparation of guide-lines and design manuals had not resulted in a significant improvement;
- (v) The process of implementation had been characterised by widespread misappropriation of Programme funds.

The positive achievements identified by the 1985 Evaluation Mission were mainly in the areas of institution building, i.e. a strengthening of the Local Government Engineering Bureau and of engineering capacity in the districts where IRWP was operating.

The outcome of the evaluation did not result in a discontinuation of the preparations for RESP. As stated in the programme documentation for RESP, it was considered that the evaluation did not give an entirely correct reflection of programme achievements nor did it pay due attention to the historical perspective in which rural development programmes must be seen. Apparently, however, the critical assessment by the Evaluation Mission and the experience gained in implementation of IRWP, resulted in a partial redesign of the second phase of the Programme (RESP). Increased emphasis was put on measures to improve the technical quality of the infrastructure development schemes; new procedures were introduced to curb misappropriation of funds; and a new programme component—the Production and Employment Project (PEP)—was designed as a means of contributing to long-term employment generation for the target group. The extent to which these measures have contributed to an improvement of the implementation performance and impact of RESP in relation to its objectives and targets and in comparison with IRWP is the main focus of the present evaluation.



*IRWP work-site. During the low season for farming the landless are given work in dam or road construction. Photo Eva Asplund, SIDA Photo Archives.*

## **Policy Framework and Basic Design Concept of RESP**

Successive national development plans have emphasised development of rural infrastructure both as a source of short-term employment for the landless as well as a means of promoting agricultural production. The strategy of employment generation and promotion of agriculture through infrastructural development projects is also reflected in the Third Five Year Development Plan 1985-90 (TFYP) which defines the following main components as the cornerstones of the Government's rural development effort:

- (i) Development of physical infrastructure, including roads, storage and markets;
- (ii) Expansion of irrigated agriculture through minor drainage , small-scale irrigation and flood control works;

(iii) Production and employment programmes for the rural poor.

The last mentioned component is a fairly recent addition to the rural development strategy which in the past has had much of its focus on rural works and agricultural promotion schemes. It is based on two main considerations as outlined in the development strategy prepared by the Planning Commission to guide the design and implementation of rural development projects. First, public works programmes cannot alone provide a long-term solution to the employment problem. Secondly, although the agricultural sector is the main source of employment and income, it will not be able to absorb the rapidly growing labour force and address the acute problems of rural poverty and landlessness. The increasingly skewed distribution of land has resulted in the main benefits of agricultural development accruing to the better-off segments of the population. Production and employment programmes, through which the rural poor/landless are motivated through group action to involve themselves in social and economic activities and through which they are given access to credit, skill training and markets for their products, are strategy in addition to further development of the rural infrastructure and promotion of agricultural production.

RESP has been designed in broad conformity with the development strategy briefly outlined above. In contrast to IRWP, which was heavily geared towards investments in infrastructure, the design of RESP gives more prominence to the objective of long-term employment and income generation for the rural poor. RESP is thus formulated as a programme with two interlinked projects. One project, PEP, aims at organising groups through which support — e.g. training and credit — is provided in order to enable group members to take up long-term income generating activities and, generally, to improve their social and economic situation. The second project, IDP, which is largely a modified version of IRWP, has as its main aim to improve rural infrastructure through investments in e.g. roads, water schemes and rural markets and thereby to provide immediate employment as well as to contribute to longer-term economic development in its area of operation.

Interaction between the two projects in implementation of their activities is an important design concept of RESP. This is referred to several times in the Plan of Operation although it is not entirely clear what this interaction in reality means and which are, at the field level, the mechanisms envisaged for such interaction. However, the basic idea is that the two projects are to be

complementary drawing on each others' resources and providing short-term as well as long-term income earning and employment opportunities to the target group.

Both projects are designed to provide institutional development support to their parent organizations, the Bangladesh Rural Development Board (BRDB) and the Local Government Engineering Bureau (LGEB), to effectively carry out the functions allocated to these bodies by the Government.

The target group of the Programme is defined in two categories, primary and secondary. The primary target group consists of men and women belonging to households of landless labourers, poor artisans and sharecroppers who depend on manual labour as their main source of income and who do not own or operate more than 0.5 acres of land. The secondary target group are marginal farmers with up to 1.5 acres of agricultural land.

The overriding objective of the Programme emphasises the target group aspect being defined as "to improve the economic and social situation of the target group through direct and indirect measures".

The design of IDP, being based on the experience gained under IRWP, has by and large proved to be realistic. Delays in implementation have occurred, especially during the first year of the RESP period, but they were due to factors unrelated to the design of the Project.

The achievement of PEP, on the other hand, have fallen short of the targets defined in the plan of operation. In retrospect, on the basis of two and a half years of experience, it can be seen that the design of the project was over-optimistic. The time required to build a new project organization and work out the necessary systems for group mobilization, training, credit delivery, etc. was under-estimated. Furthermore, the institutional framework and organizational set-up of PEP was ambiguous. PEP was designed to be an innovative and flexible project aimed at introducing new ideas and methods for promotion of income and employment generating activities for the rural poor. Being designed as an innovative project, PEP contains organizational and operational features which deviate from the established procedures of BRDB. It seems that BRDB only reluctantly accepted the design of PEP, and there was apparently from the beginning a lack of consensus on the extent to which PEP would be allowed to operate outside the BRDB system.

## Chapter 2

# Organization and Management of the Programme

## Overall Programme Structure and Management

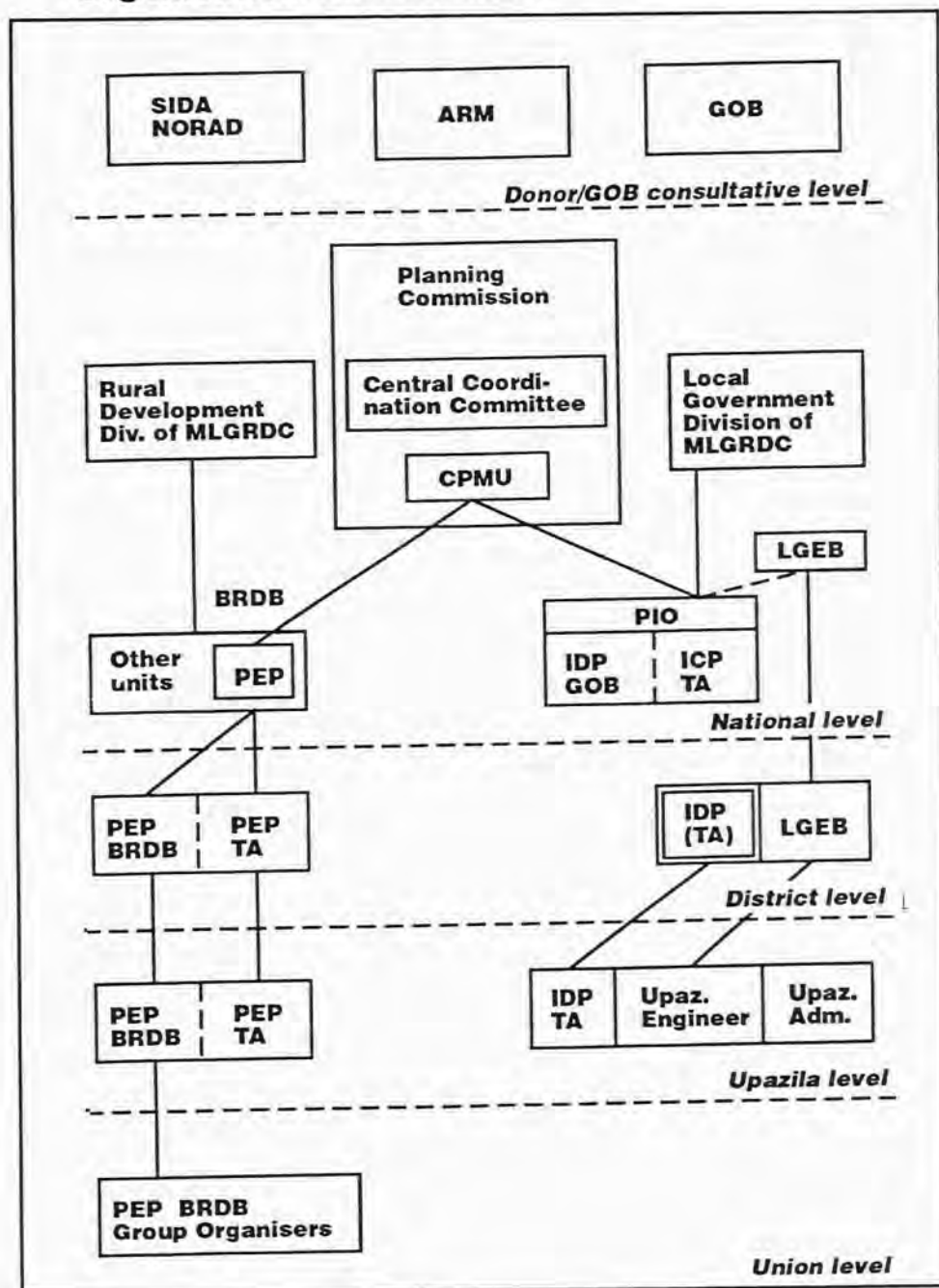
The organizational structure of RESP is shown below. There is no officially approved organization chart for the Programme. This is symptomatic of the lack of clarity and consensus concerning the division of functions between the various units involved in implementation of RESP, notably in the case of PEP. The main organizational features of RESP are:

- (i) The Annual Review Mission (ARM), composed of representatives of the donors and GOB, is responsible for overall monitoring of the Programme and for approval of the annual work plans and budgets;
- (ii) The responsibility for overall coordination, within the framework of the work plans agreed upon by the ARM, rests with the Central Coordinating Committee (CCC) under the Planning Commission with the Central Planning and Monitoring Unit (CPMU) as its secretariat;
- (iii) The CPMU, headed by the Senior Programme Adviser and a Bangladeshi Programme Manager, coordinates and monitors implementation of the Programme and prepares consolidated plans and progress reports for the ARM and the CCC;
- (iv) A Project Implementation Office (PIO) under The Local Government Division of MLGRDC has the responsibility for implementing IDP. The project is implemented through the LGEB. The Bangladesh Rural Development Board is the executing agency of PEP;
- (v) Administrative and logistical services are provided by a consulting firm under a contract with SIDA.

On the basis of its analysis of the RESP organization, the EM has the following observations and recommendations to make:

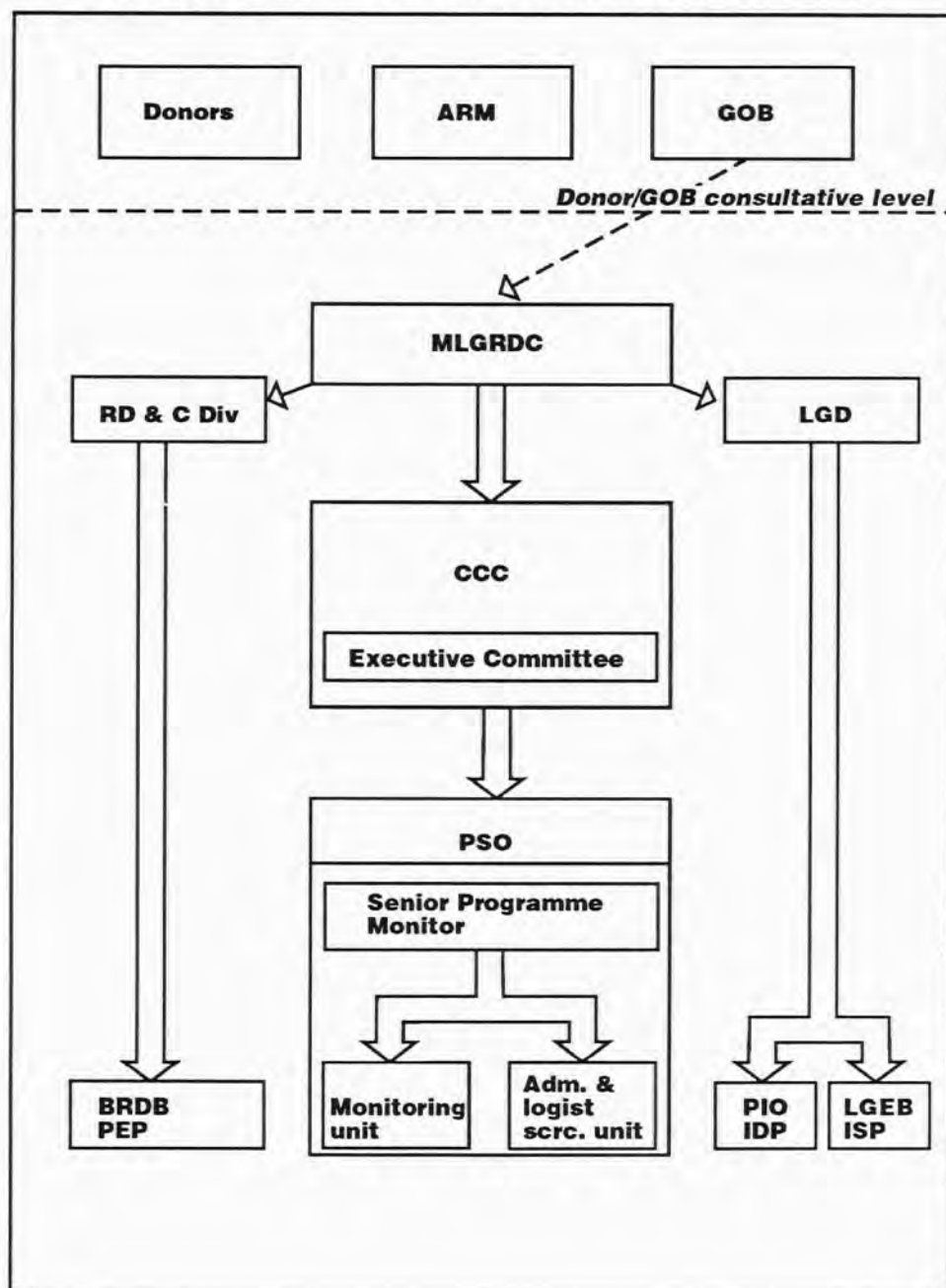
- (i) The ARM is an appropriate mechanism for joint GOB (donor plans and budgets. The documentation available to the ARM is excellent. The timing of the ARM, normally taking place only one month before the commencement of the next financial year is, however, a problem. It leaves little time for final processing of budgets and plans approved by the ARM. This issue becomes crucial in case decisions taken by the ARM necessitate a revision of the Project Proforma. This is a lengthy process which, as experience has shown, is bound to result in delays in release of Programme implementation funds. The Bangladeshi and sometimes the donor delegations to the ARM do not have the mandate for final approval of all decisions. The EM recommends that the ARM should be held at an earlier date than hitherto and that the delegations should be composed of officers senior enough to ensure that decisions taken by the ARM can be approved in without delay.
- (ii) The position of the CCC under the Planning Commission has meant that overall coordination of the Programme does not exist from MLGRDC, where it organizationally belongs. The Mission finds it logical that CCC should be placed under the Ministry in view of the fact that its two divisions, LGD and RDGD, are the sponsoring bodies of IDP and PEP respectively with ultimate responsibility for implementation of the projects. It is therefore recommended that CCC should operate under the auspices of MLGRDC with the Secretaries of the two Divisions as alternating chairmen.
- (iii) CPMU has played a useful role in planning and monitoring. Through the SPA, who is responsible to the donors for ensuring that agreed plans are adhered to, CPMU has also provided the donors with an important mechanism for regular monitoring of the Programme. The existence of CPMU has, however, contributed to a rather top-heavy and costly organizational structure. The EM suggests that CPMU under RESP II should be abolished and that its functions should be reallocated. An outline of the recommended future set-up is presented in a later part of this section.
- (iv) The EM considers that the present arrangement for provision of services through a Consultant is appropriate. Some modifications are, however, recommended with the view to reducing costs.

# **Organisation Chart of RESP**



[1] Based on chart supplied by CPMU (not definitive).

## Proposed organisational structure of RESP II



(v) The present organizational and management structure of PEP is fraught with problems and needs to be revised.

The organization which should be considered for RESP II at the Programme level, is illustrated above. The salient features of the proposal are:

(i) The Programme would consist of three projects, i.e. PEP with a modified organizational structure and modified objectives as suggested elsewhere in this report; IDP roughly in line with its present objectives and organization; and The Institutional Support Project (ISP) providing support to LGEB at the national level in the fields of physical planning, mapping and training. An alternative that can be considered is that the ISP become a project on its own outside RESP, but with close working links to RESP.

(ii) The three projects would have their own distinct management structure and would be responsible for all aspects of planning and progress monitoring and would report separately to the CCC through the respective divisions of MLGRDC.

(iii) The present functions of CPMU would be reallocated. Physical planning and mapping would become the responsibility of ISP; financial administration and control with regard to TA funds (presently with the Consultant) as well as funds channeled through the GOB system (presently with the Financial Unit of CPMU) would be combined under the Administrative and Logistical Service Unit of PSO; impact monitoring would be carried out by the Monitoring Unit of PSO; and the overall monitoring requirements of the donors, presently with the SPA, would be met by a SIDA-appointed Senior Programme Monitor (SPM). The PSO would be directly funded by the donor, and be responsible to the CCC.

(iv) The main functions of the PSO would thus be administer the donor inputs (through a consulting firm); to operate the impact monitoring system; and to monitor, on behalf of the donors, that the Programme is implemented in accordance with agreed plans. The SPM would also be responsible for ensuring that the services provided by the consultant are in conformity with the agreement between the consultant and SIDA. The SPM would be the head of the PSO.

(v) The CCC would operate under MLGRDC and would retain its present membership composition. In order to enable the CCC to play a more active role

than hitherto in coordination and monitoring of the Programme it is recommended that an Executive Committee should be formed under the CCC. It would be composed of representatives of LGD and RDCD respectively, the Project Directors and the Senior Advisers, the SPM and the lead donor. One of its principal tasks would be to ensure through review of 1 and quarterly plans and reports, that a sufficient degree of coordination and interaction is maintained between the three projects. The present system of joint donor/GOB monitoring of the Programme through the ARM could continue.

### **Organization and Management of PEP**

The Organization designed in the plan of operation for PEP has the following main features: '

- (i) At the national level, a PEP Headquarters Unit under the Rural Poor Division of BRDB is responsible for implementation of the Project. It consists of one Project Director (of the rank of Joint Director) and an Assistant Director who are GOB staff reimbursed from project funds. In addition, the Unit has a number of technical assistance staff (TA), including two expatriate advisers. The headquarters "Unit" is physically split in that the BRDB staff are located at BRDB headquarters and the TA staff in another part of Dhaka.
- (iii) At the District level, a Deputy Project Director (DPD) is deployed by BRDB to work exclusively with implementation of PEP. The larger part of the PEP staff in the Districts are TA staff, including one expatriate Socio-Economic Adviser, who were to be deployed in the PEP District Unit from which they were to "liaise" with the BRDB District Office.
- (iv) At the Upazila level there are two GOB reimbursable ARDOs and a TA staff establishment of three socio-economists. The ARDO in charge reports directly to the DPD and not to the URDO as is the case in the normal BRDB set-up.
- (v) At the lowest level of the organization, i.e. in the Unions, there are a number of Group Organizers (approx, one per 10 groups ) who are GOB reimbursable staff.

From the very outset it appears to have been unclear how this organization would operate with regard to division of authority, responsibilities and tasks

between the GOB and the TA staff at all levels, lines of authority within the BRDB structure, and, generally, with regard to the degree of integration of PEP into the overall structure and operational procedures of BRDB. The system which evolved, was a dual operational and organizational set-up with the TA staff on one side and the GOB staff on the other. This division has been accentuated by the considerable differences in salaries between the TA and the GOB staff and their different background (a large number of TA staff have been recruited from NGOs).

Efforts have been made by the PEP HQ Unit to solve the problem in the field through preparation of a set of Project Management Guidelines. It is perhaps symptomatic of the lack of consensus between the TA and GOB component of the Project that these guidelines have remained in draft form without immediate prospects of reaching the stage of approval. The current situation in the field can be described as an uneasy truce, but the problem has not been solved. A GOB field officer interviewed by the Mission defined the issue: "Either you (meaning the donors and the TA staff) implement PEP or we (BRDB) do it".

Another facet of the organizational dilemma facing PEP is internal to BRDB. The District and Upazila level heads of BRDB, i.e. the Project Director and the Upazila Rural Development officers, seem to have difficulties in accepting that PEP operates outside their direct control.

It is not only in the field that there is lack of cooperation, coordination and consensus between the GOB and the TA staff. The EM has gained the impression that cooperation between the TA and BRDB sides at the HQ level leaves much to be desired. There is also a strong resentment from the top leadership at BRDB not only against the organizational and management structure of PEP, but also against its activities and resource allocation. The activities undertaken by PEP are considered to be of little benefit to the target group and the overhead costs are seen as excessive. (The Mission's analysis of the activities, results and cost-effectiveness of PEP is presented in chapter 6).

The EM is convinced that the present situation in PEP is unsustainable and that a complete review of the activities as well as the institutional arrangements is called for. As PEP is organised now it will neither contribute to a development of BRDB's institutional capability nor realise its objective of being innovative. As far as the institutional aspect is concerned, there are two basic alternatives: either the project is redesigned to conform more closely with the

with the existing organization of BRDB or it is cut out altogether from BRDB and redesigned for implementation through an NGO. The choice between these two alternatives will depend on the importance given to the objective of "strengthening and expansion of BRDB as per the Rural Poor Programme" as stated in the current plan of operation. If this is a major consideration, then it is clear that the project will have to operate within the BRDB framework. If, on the other hand, a high degree of flexibility coupled with an experimental and innovative approach is required in order to realise the objectives of the project, then the NGO-approach becomes more attractive.

The EM recommends the first mentioned alternative although it may limit the experimental scope of the project to some extent. However, even within the framework of a closer affiliation to the BRDB structure, it should be possible for the project to maintain its distinct identity. If the project is redesigned and reorganised as suggested here and in chapter 6, a condition should be that GOB and the donors can arrive at a clear consensus concerning those project strategies and activities within which the project will be allowed to deviate from the BRDB procedures. The EM suggests following the CIDA RD 12 model with some modifications.

From an organizational and staffing point of view, the EM recommends the following set-up:

(i) PEP should operate as a separate entity under the RPP Division of BRDB. At the national level, a PEP Cell would be established to ensure liaison with the BRDB HQ and to facilitate dissemination of experience gained under PEP to other RPP programmes of BRDB. An expatriate management adviser would be attached to the Cell in the RPP Division. The Cell would have a direct link to the Additional Director-General.

(ii) The PEP HQ, expected to be located in Faridpur, would operate under a BRDB-appointed Project Director assisted by a sufficient number of GOB professional staff (AD's in charge of training, credit and promotion of IGA) and a technical resource team consisting of 6-7 technical assistance staff. The TA staff would work under the supervision and guidance of the PD. One expatriate Senior Adviser, with extensive experience in promotion of IGA would be attached to the PEP HQ to work as counterpart to the PD and would also participate in field supervision of the PEP activities.

(iii) At the district level, PEP would be staffed with one DPD as hitherto with

at least one additional BRDB staff would be assisted by one or two TA staff, who would work under his/her guidance. The need for a continued deployment of DSEA's under RESP II — an issue on which the EM has not been able to reach a full consensus — should be studied further in connection with the preparations for RESP II.

(iv) A PEP URDO would be deployed at the Upazila level to be in charge of the project. The URDO should have a staff of two AFDOs as at present and an additional officer, GOB reimbursable, specialising in promotion of IGA. All the TA staff would be withdrawn from the Upazilas.

(v) The set-up as Group Organizers would remain as in the present organization.

The above suggestion would result in a clear organizational and management structure. This will contribute to an improvement of the working atmosphere in the project although it must be recognised that PEP, at least initially, will suffer from the withdrawal of part of the present TA staff. Some of the positive achievements of PEP, e.g. the homogeneity of the groups, may be at risk. In order to counteract adverse effects of the reorganization of PEP it is recommended that a comprehensive staff training programme should be designed and implemented. Special emphasis should be put on training of new BRDB (GOB reimbursable) staff suggested to be deployed in the project in order to familiarise them with the PEP concept, objectives and working methods.

It must be stressed that the proposed reduction of the number of TA staff should be compensated for through deployment of additional GOB reimbursable staff. PEP, having as one of its main aims to contribute to testing and introduction of new methods for long-term employment and income generation, will necessarily have to be resource intensive in terms of staff as well as funds for action research and experimental schemes.

## **Organization and Management of IDP**

The IDP organization, being based on several years of experience under IRWP and RESP, seems to be working without any major problems. IDP, although organised as a separate entity under LGD, operates at all levels in close affiliation with LGEB and has, in fact, made a significant contribution to the

institutional development of LGEB. At the Upazila level, the IDP schemes to be implemented are subject to approval by the Upazila Parishad. This is an appropriate mechanism for ensuring that the schemes selected conform with the priorities set by the Upazila administration.

Although the working relationship and division of responsibilities between IDP and LGEB field staff generally are well defined, occasional problems seem to have arisen with regard to reporting on quality deficiencies in implementation of IDP schemes. It is alleged that TA field staff sometimes report to their "expatriate bosses" in Dhaka without informing the LGEB staff in the field. There are no indications that this would be a major problem but it should nevertheless be looked into with the view to eliminating any ambiguity which may exist in the reporting procedures.

There is a need to strengthen the coordination and interaction between the various units within IDP. Two examples can be mentioned to illustrate this. Firstly, the Water Resources Cell, which at present tends to operate in isolation from the other IDP units, should participate in the design of roads in order to ensure that they fulfil the necessary hydraulic and hydrological requirements. Secondly, the Upazila physical planning exercise needs to be integrated with the process of selecting local schemes for implementation under IDP. At present the selection is not always based on the priorities identified in the Upazila Planbooks.

The EM supports the proposal, contained in the Draft Working Paper on RESP II, to strengthen the institutional development support to LGEB through a separate Institutional Support Project (ISP). The proposed activity areas of ISP are presented in detail in the Working Paper and are therefore not further elaborated upon here.

### **Administrative and logistical services**

The SIDA-appointed consultant, presently Hifab International, is responsible for provision of administrative and logistical services as specified in the agreement between SIDA and Hifab. These services fall into the following categories:

- (i) Recruitment and administration of local and expatriate technical assistance staff;

(ii) Procurement of equipment and services financed by the donors under the technical assistance component of the Programme budget;

In addition to the above, the consultant is to provide backstopping services to the Programme. For that purpose Hifab has established an in-house team with experience relevant to the activities of RESP. Technical backstopping is, however, only a minor part of the services provided by the consultant.

The role of the consultant as defined in the agreement between SIDA and Hifab is clear. The consultant's responsibility is restricted to provision of services needed for implementation of the Programme. The consultant plays no direct part in execution of the projects which fall under the domain of BRDB in the case of PEP and under the Project Implementation Office of LGD in the case of IDP.

Although this distinction between the administrative role of Hifab and the implementing role of BRDB and PIO is clear and appropriate, areas of conflict within the set-up do exist. Firstly, the justification of using a foreign consulting firm and the cost of the services provided are questioned on the Bangladeshi side. Secondly, there appears to be a feeling that the action to appoint a consultant has been taken unilaterally by the donors without sufficient consultations with GOB (although the deployment of a consultant is envisaged in the approved Plan of Operation), and that GOB has not been given the opportunity to scrutinize the terms of reference of the consultant. Thirdly, there are occasional disagreements between the consultant and those responsible for programme implementation with regard to selection and appointment of TA staff. This conflict culminated in 1987 in a directive by the Local Government Division of MLGRDC to stop the recruitment of TA staff pending clarification of the recruitment procedures.

The issue of costs and that of the consultant being foreign-based are to a large extent inter-related. The consultant's remuneration during the 1987/88 financial year amounted to approx. Tk 34 lakh, consisting of a fixed management fee, the costs of the Hifab Resident Representative, backstopping services, Hifab HQ costs and a procurement fee. The Mission is not in a position to assess whether this is a reasonable remuneration although this can be assumed to be so by international standards as the appointment of Hifab was preceded by competitive bidding for the management contract. However,

it is seen from the GOB side as a high cost in relation to the RESP budget and adds to the already high overheads.

From its analysis of the consultant's role and performance in the present programme set-up the EM has concluded that:

(i) The role of the consultant is by and large well defined in the agreement between SIDA and Hifab and the consultant is executing its functions in conformity with the agreement;

(ii) As the Programme is organised at present there is no immediate alternative which would ensure that the support services are provided as effectively as hitherto. It not be feasible, considering the large number of TA staff and the substantial procurement requirements, to transfer the responsibility for administrative and logistical services to any other body within the Programme organization;

(iii) The present set-up should be allowed to continue at least until the end of the current Programme period, including the bridging year 1989/90. To change it now without adequate time for preparations would jeopardise the quality of the services;

(iv) Possible alternatives to the present arrangement can be considered for the RESP II period, especially with the view to minimising costs while at the same time maintaining efficiency.

It is recommended that the following alternatives should be considered:

(i) SIDA takes over the task of recruitment and "Sweden-based" administration of expatriate staff. Local administration is given on contract to a Bangladeshi management consultant;

(ii) A Swedish firm is appointed with overall responsibility for provision of the services required but with a local sub-contracted consultant to handle the administration in Bangladesh;

The role of the consultant, foreign or Bangladeshi, providing the local services should, under a possible prolongation of RESP beyond 1990, be seen in relation to that of CPMU. Assuming, as was discussed above, that a Programme Support Office (PSO) will be established, then it should be feasible to transfer part of the present functions of CPMU to PSO and to combine them with the services to be provided by the consultant. The area of

responsibility of the consultant would be expanded to include financial control, i.e. follow-up and reporting on the utilization of Programme funds.

### **Administration and utilization of Programme funds**

This section of the report attempts to provide an answer to the following two questions:

- (i) Are the present procedures for disbursement and administration of Programme funds conducive to effective implementation of the RESP activities?
- (ii) Has the problem of "massive corruption" as identified by the 1985 evaluation been adequately addressed through introduction of adequate financial control procedures?

As reflected in the Programme budget for the current financial year, funds from donor sources are disbursed through three channels:

- (i) To the Bangladesh Bank for further disbursement through the normal GOB system. These funds, which accounts for 53 percent of the total budget, are mainly for investments in infrastructure (including maintenance) under IDP, personnel and related costs of the GOB reimbursable staff and for training activities carried out through the BRDB system under PEP;
- (ii) To the Consultant (Hifab) to meet the costs of the TA component, i. e. salaries and related personnel costs, equipment, office expenses, etc. The TA component accounts for 44 percent of the Programme budget;
- (iii) Directly from SIDA to a special Project Bank Account (approx. 3 percent of the budget) to be used for support to LGEB for activities outside the operations of IDP.

The last two mentioned disbursement channels function, from an administrative and financial control point of view, are satisfactorily.

As regards funds channeled through the GOB system there have been frequent problems in ensuring timely release of funds. In 1986/87, for instance, no funds for IDP investments were released until the last quarter of the year due to delays in processing and approval of the necessary project documents. Similar delays, although of a lesser magnitude, have occurred

during 1988/89 when the first installment of the funds was made available to IDP some five months after the commencement of the Financial year.

The problems caused by late disbursements have to some extent been alleviated by the fact that unspent balances from previous financial years have been available. This reflects a low rate of utilization of Programme funds, especially during 1986/87, when the implementation of RESP was affected by delays in finalization of the PP and by floods. In the case of PEP, the shortfall is also due to the over-optimistic assessment in the plan of operation of the time required to establish the implementation organization and to start the planned activities. Furthermore, BRDB's internal procedures for administration of funds have slowed down the implementation of planned training activities. The Mission has been informed that action has been taken to deal with this problem and that BRDB has agreed to the introduction of more flexible procedures outside its normal financial management system. This includes a decision to decentralise authority for use of training funds to the PEP Project Director and allocation of a special fund to the District level for use for unanticipated activities.

As shown in the table below, the utilization of budgeted funds improved significantly in 1987/88 in comparison with the previous year.

RESP budget utilization 1986/87 and 1987/88. Actual spending as a percentage of budget.

|       | 1986/87 |    |       | 1987/88 |     |       |
|-------|---------|----|-------|---------|-----|-------|
|       | GOB     | TA | Total | GOB     | TA  | Total |
| CPMU  | -       | 30 | 30    | -       | 90  | 90    |
| IDP   | 19      | 84 | 47    | 98      | 102 | 97    |
| PEP   | 16      | 42 | 29    | 16      | 72  | 53    |
| Total | 19      | 78 | 43    | 86      | 103 | 97    |

Although the disbursement delays in the past to some extent have been compensated for by the availability of unutilized funds from previous programme periods, the EM finds the magnitude of the delays unacceptable. The following measures are recommended in order to ensure that disbursement problem do not develop into a serious constraint to effective Programme implementation:

- (i) The ARM should be held earlier in the year to leave enough time for preparation of the documentation needed for issuing of Government Orders;
- (ii) In case of delays which hamper Programme implementation authorization for use of TA funds (to be refunded later from the GOB allocation) should be given;
- (iii) CPMU should, in consultation with BRDB, review the procedures for administration of GOB PEP funds and, if necessary, devise additional measure which ensure that the flexible and innovative nature of the project is not jeopardised by problems in financial administration.

### **Financial control**

The misappropriation reported by the 1985 evaluation and in the Review of the Financial Aspects of IRWP (carried out by two SIDA consultants) noted that misuse of funds had occurred with regard to

- Underpayment of labourers
- Work over-reported
- More labourers on master-roll than actually working
- Sub-standard work and use of low-quality materials.

Poor supervision of the work in the field and failure by the IRWP HQ and LGD to take remedial action were identified as factors contributing to the unsatisfactory situation. In addition, serious shortcomings in the accounting and financial control system were identified.

The EM has noted that a considerable improvement of the financial control procedures have taken place since the commencement of RESP as compared to the situation in IRWP. A Financial Unit was established in 1986 under CPMU with responsibility for introduction of an improved accounting and financial control system, compilation of consolidated statements of accounts, and auditing. The accounting system has been revised in accordance with the recommendations of the above mentioned Review and operates now, after some initial problems, satisfactorily. Regular internal audit is performed by the unit in the project areas and financial statements are normally available within a few weeks after the end of the quarterly accounting period.

The EM is convinced that the steps taken have resulted in a reduction of the incidents of misappropriation of Programme funds.

### **Planning, Reporting and Monitoring**

The standard of planning, reporting and monitoring of progress in relation to work plans is high and the EM sees no reason to suggest changes in the existing system.

As regards impact monitoring, however, the situation has hitherto been less than satisfactory. Systematically compiled data are not available to show the effects of the various Programme-activities in relation to the overriding objective of "improving the economic and social situation of the target group through direct and indirect measures". In the absence of such data it is, of course, difficult to define priorities and to make a sensible choice of "measures" both as regards selection of various types of infrastructure development schemes under IDP and, the orientation of the activities of PEP.

The kind of monitoring which so far has been carried out has only to a limited extent provided a basis for assessing the socio-economic impact on the target group. Within IDP emphasis has been put on variables such as the number of man-days of short-term employment created under various types of schemes and the relation between jobs created and costs of the investments. PEP has built its monitoring system on quantitative progress and performance indicators (defined in the plan of operation) such as number of groups formed, their membership, development of savings by members, number of beneficiaries trained, etc. PEP is, of course, a new project which still remains to start a major part of its planned activities, and there has therefore been very little to measure as regards the impact on the target group.

Design of an impact monitoring system, one of the activities allocated to CPMU in the plan of operation, started in 1987. After some difficulties and delays, reported to have originated from an initial under-estimation of the complexity and scope of the task, the design work has now been completed and the staff required to operate the system have been recruited and given initial training.

The system consists, briefly described, of a census survey of 7.000 households in the three RESP districts, an in-depth sample survey (covering approx 20% of the households in the census) with some 900 socio-economic variables,

and a smaller survey, to be repeated every quarter, of a few hundred households. The quarterly survey is intended to include a more limited number of key variables which can be used to assess the impact of the IDP and PEP activities on a continuous basis. These key variables have not yet been defined.

The census and the in-depth sample survey are in the process of being completed and will serve as a benchmark against which changes will be assessed through a replication of the exercise in one to two years time. The focus of attention of the monitoring system is on the following four main components of RESP:

- (i) Growth centres.
- (ii) Feeder roads.
- (iii) Water schemes.
- (iv) PEP.

As can be understood from the above sketchy description of some main features of the system, the monitoring system created is complex as well as comprehensive. It will certainly be demanding to operate both as regards data collection, tabulation and analysis of the results. The level of ambition is high, possibly too high.

Whatever the experience of the impact monitoring system proves to be, it is essential that it provides answers to a number of basic questions. Concerning the IDP infrastructure development schemes. It should as a minimum:

- (i) Measure the long-term socio-economic impact of various types of schemes, e.g. with regard to development of agricultural and other production activities, long-term employment generation, access to market outlets and commercial services, access to health and other social services, and, generally, with regard to creation of an impetus to overall socio-economic development;
- (ii) Reflect the relative benefits accruing to different socio-economic groups under the various types of schemes;
- (iii) On the basis of the above, facilitate grading of the schemes in order of priority on the basis of their suitability in relation to the objective of serving the social and economic interests of the rural poor.

Under PEP, which as suggested in chapter 6 should focus more sharply on

promotion of income generating activities, the main emphasis of the impact monitoring system should be on:

- (i) The cost-benefit ratio (profitability) of income generating activities promoted for groups or individual members of the groups;
- (ii) The impact of various inputs provided, e.g. skill training, credit and extension services, on the performance of various types of income and employment generating activities;
- (iii) The impact of various types of IGA on nutrition, health, family welfare, etc.
- (iv) The effects of group mobilization and human development training on the ability of the target group members to improve their social and economic standing in their local community.

The above are examples of questions which the monitoring system must be able to answer. It is important that those responsible for implementation PEP and IDP arrive at a clear definition of a simple set of indicators which reflect achievement of the project objectives.

### Technical Assistance Personnel

The staffing pattern of the various components of RESP, including permanent GOB staff, is shown in the table below.

It can be seen that the TA staff, as far as numbers are concerned, account for slightly more than half of the total. Together with the GOB reimbursable staff, who are employed for the purpose of implementation of the Programme and who may not necessarily be taken over by GOB after the end of the Programme period, they constitute more than 96 per cent of the total staff. This is clearly an unsatisfactory situation in a programme which has an institution building objective. It is therefore recommended that key positions within the implementation set-up of IDP as well as PEP should be filled by permanent GOB staff working in close collaboration with the TA and GOB reimbursable staff in order to ensure continued use of the experience gained and the methods developed under RESP when the Programme eventually is phased out.

The TA staff costs and their share of the total RESP expenditure in

1987/88 are shown in the table below for each of the three components of the Programme.

It can be seen that TA staff costs—inclusive of Hifab overheads—in 1987/88 accounted for 36% of total RESP expenditure. Expatriate staff costs, including Hifab, amounted to nearly one quarter of the RESP total and in the

| IDP                     | PEP        | CPMU       | Total     |            |
|-------------------------|------------|------------|-----------|------------|
| GOB permanent staff:    |            |            |           |            |
| Professional            | 16         | -          | -         | 16         |
| Support                 | 10         | -          | -         | 10         |
| <b>Total GOB perm.</b>  | <b>26</b>  | <b>-</b>   | <b>-</b>  | <b>26</b>  |
| GOB reimbursable staff: |            |            |           |            |
| Professional            | 25         | 21         | -         | 46         |
| Support                 | 36         | 154        | -         | 190        |
| Technical               | 74         | -          | -         | 74         |
| <b>Total GOB reinb.</b> | <b>135</b> | <b>175</b> | <b>-</b>  | <b>310</b> |
| Technical Asst. staff:  |            |            |           |            |
| Expatriates             | 7          | 5          | 3         | 15         |
| Local professional      | 106        | 46         | 9         | 161        |
| Local support staff     | 142        | 46         | 12        | 200        |
| Local technical staff   | 28         | -          | -         | 28         |
| <b>Total TA</b>         | <b>283</b> | <b>97</b>  | <b>24</b> | <b>404</b> |
| <b>Grand total</b>      | <b>444</b> | <b>272</b> | <b>24</b> | <b>740</b> |

|                       | CPMU     | PEP       | IDP       | Total     |
|-----------------------|----------|-----------|-----------|-----------|
| Total expenditure*    | 154.8    | 313.9     | 1,941.7   | 2,410.4   |
| of which              |          |           |           |           |
| - National TA staff   | 30.7(20) | 45.7(15)  | 218.0(11) | 294.4(12) |
| - Expatriate TA staff | 82.5(53) | 127.8(41) | 231.2(12) | 441.1(18) |
| - Hifab overheads     | 16.1(10) | 29.5 (9)  | 88.6 (5)  | 134.2 (6) |

\* lakh taka - figures in brackets denote percentage  
(lakh = 100 000)

case of CPMU and PEP for two thirds and one half respectively. GOB officials interviewed by the Mission have strongly pointed out that they regard the number as well as the costs of expatriate staff as excessive.

The EM agrees that the TA costs, as a percentage of the total expenditure, are high and that possibilities of reducing them should be looked into. An agreement to that effect was actually reached between SIDA and GOB already in 1986: "serious efforts will be made to decrease the reliance on and costs for expatriate and local TA staff". The EM has not been able to identify any such "serious efforts" based on a systematic assessment of the staff needs in each component of the Programme and the prospects of replacing TA staff with GOB regular or reimbursable staff. The EM recommends that a comprehensive staff review should be undertaken by an independent team of consultants in connection with the planning for RESP II. The review, which should be undertaken when the objectives, activities and geographical coverage of the Programme has been determined, should result in an identification of the staff establishment needed to ensure effective implementation, the positions to be filled from various staff categories (GOB regular staff, reimbursable GOB staff, national TA staff and expatriates), and a plan for a gradual replacement of TA staff with GOB personnel.

Although agreeing that the TA costs are high and that ways and means of reducing them should be sought, the EM feels that it would be wrong to determine the TA component on the basis of costs phone. An equally important consideration must be quality of work and efficiency in implementation of the Programme. A considerable improvement of quality control and control of the use of funds has taken place under RESP in comparison with IRWP. These improvements must not be jeopardised by an arbitrary limit on TA staff costs.

As regards expatriate staff the EM feels that it would be possible to reduce the number. A reorganization of CPMU's present functions, the establishment of the PSO and an expansion of the functions of the Consultant as suggested. Would make it possible to reduce the expatriate staff posts by two. Concerning the expatriates deployed At the district level, the EM has noted that there is a strong feeling, especially in BRDB, that the continued presence of these advisers is not necessary. This is, as far as IDP is concerned, contrary to the EM's observation that the DEAs have played a significant role in ensuring high technical quality of work and in curbing malpractices which

were identified as a major problem in IRWP. The EM has not been able to reach agreement on the future need for DSEA's. The Bangladeshi team members recommend the withdrawal of all DSEA's. Another possibility which should be looked into is whether the post of DSEA could be combined with that of DEA in the three districts, or that one DSEA can cover two districts.

The practice of employing advisers on contracts of a duration of one year should be discontinued. This is too short a time to enable a foreigner to adjust to the Bangladeshi situation and to make a significant contribution in his/her field of work.

## Chapter 3

# Programme Implementation: Infrastructure Development Project

## Objectives

The specific objectives of IDP, as defined in its Plan of Operation, are:

- I to build, rehabilitate and maintain such infrastructure in Programme upazilas, as will contribute to increased production, particularly agricultural production, unproved rural communication, increased commercial and economic importance to markets identified as growth centres, raising direct and indirect employment, or in other respects would be of direct or indirect benefit to the target population;
- II to make arrangements within the GOB framework to lease out assets created under the Project to the target group in cooperation with PEP on a pilot basis initially; and
- III to strengthen and improve the organizational and administrative framework of GOB institutions at central and local level concerned with I and II above.

## Activities and targets

Activities and targets for the IDP programme from 1 July 1986 to 30 June 1989 have been defined as follows:

|                                             |                |
|---------------------------------------------|----------------|
| • Feeder roads, type B                      | 59.71 km       |
| • Growth centres and related infrastructure | 22 centres     |
| • Special schemes                           |                |
| pipe casting                                | 5800 (1986-88) |
| and culvert installation                    | 417 (1986-88)  |

|                                              |          |             |
|----------------------------------------------|----------|-------------|
| locally initiated grass-root schemes (LIGRS) | 102      | (1986-88)   |
| women's schemes                              | 64       | (1986-88)   |
| re-excavation of khas ponds                  | 29       | (1986-88)   |
| • Maintenance routine maintenance            | 790 km   | (1986-88)   |
| pucca maintenance                            | 889 str. | (86-88)     |
| • Small scale water resources schemes        | 19       | (incl IRWP) |
| • Formation of Labour Contracting Societies  |          |             |
| • Target group training                      | 19945    | trainees    |
| • IDP-LGEB training                          | 23923    | trainees    |
| • Material testing                           |          |             |
| • Intermediate technology                    |          |             |
| • Mapping and upazila planning (under CPMU)  |          |             |

## Physical Achievements

The physical achievements of the first two years of the RESP project, as expressed in financial terms is summarised in the following table:

### Physical Achievements in Relation to Targets (lakh Tk)

| IDP investment component | Target up to 30 June 1988 | Value of work implemented by 30 June 1988 | Achievement in relation to target |
|--------------------------|---------------------------|-------------------------------------------|-----------------------------------|
| • Feeder roads           | 456.00                    | 44.18                                     | 97.2%                             |
| • Growth centres         | 474.00                    | 81.15                                     | 80.4%                             |
| • Special schemes        | 248.00                    | 184.60                                    | 74.4%                             |
| • Maintenance            | 258.00                    | 206.69                                    | 80.1%                             |
| • Small scale WRS        | 185.00                    | 136.02                                    | 73.5%                             |
| Total                    | 1621.00                   | 1351.64                                   | 83.4%                             |

The achievements are quite satisfactory, and more so, when considering, that for the year 1986-87 the progress was only 23.0% of that year's target. For the following year this was 121.4%. Also in comparison to other projects, this achievement should be appreciated.

When comparing the progress to the targets listed above, the following can be mentioned:



*There is very little rock in Bangladesh. Instead bricks are used in road foundations. Here bricks are carried out from the brickworks. Photo: Brita Åsbrink, SIDA Photo Archives*

- |                    |                                                                 |
|--------------------|-----------------------------------------------------------------|
| • Feeder roads     | 95% of the earthwork is completed and 25.9 km of surfacing;     |
| • Growth centres   | work is going on in all the 22 centres;                         |
| • Special schemes  |                                                                 |
| - pipecasting      | 4742 pipes were casted;                                         |
| - culvert install. | 300 culverts installed;                                         |
| - LIGRS            | 85 schemes approved and 77 completed;                           |
| - women schemes    | 56 schemes approved and 50 completed;                           |
| - khas ponds       | 20 ponds approved and 14 completed;                             |
| • Maintenance      |                                                                 |
| - routine          | 787 km of earthroad maintained;                                 |
| - pucca            | 554 structures completed and 122 on-going                       |
| • SSWRS            | 9 schemes completed, 9 under construction, 1 under preparation. |

Transfer of resources to the target group has been limited to the lease of 20 fishponds.

Training of the target group has been more intensive than earlier planned. During the year 1987/88 311 courses were conducted, mainly training of Labour Contracting Societies (LCS). 8522 trainees attended for 35,683 trainee days.

Under the LGEB-IDP training programme, 80 courses were conducted, involving 3544 trainees for 12211 trained days. This was 51% of the target. The lower achievement was mainly due to the flooding problems in the country.

Mapping, a CPMU activity, is progressing quite well. Up to July 1988, 69 upazila maps have been produced for the RESP programme area and 50 for other programmes and agencies.

Upazila Development Planning (CPMU) covered 9 upazila under RESP up to July 1988 and 2 upazila outside RESP. Altogether 6 upazila Development Plans have been completed.

## **Quality of work**

### **Planning and design**

Planning and hydrological design of feeder roads has been quite weak up to now, and especially so in Faridpur and Madaripur. Selection of feeder roads was more on political/administrative than on technical/economic grounds. The roads in Faridpur and Madaripur are constructed in flood-prone areas and do open up isolated upazilas, but it is possible that they could have been turned into roads-cum-embankments.

Respecting the earlier decisions from the Planning Commission to construct certain feeder roads, selection of roads to be included in the programme should be made on a comparative study base. This is to a certain extent done under IDP. Feeder roads which do have a flood protection function and fit in the BWDB regional planning should have priority in development. Often those roads are opening up isolated areas and fit the IDP selection criteria. Feeder roads should not be constructed in flood-prone areas in case regional flood prevention activities planned in the near future, say within 10 years. Contacts with BWDB should be further intensified. This will be of mutual interest. Plans in BWDB are changing quite suddenly sometimes.

Following instructions by the Planning Commission, feeder roads are constructed with two-lane bridges while the roads as such are one-lane. Costs of structures increase by 30-50% in this way. As a general rule, double-lane structures are only justified in double-lane roads. As it will take 10-20 years to complete the construction of the one-lane feeder road network are planned, the EM considers that most of the double lane bridges are justified only after about 30 years from now. The economic lifetime of bridges is 30-40 years which means that the double-lane bridges being built now will have to be replaced about the time that the roads become double-lane. The EM advises that the project makes a well-documented economic analysis on this issue for further discussion.

Selection of rural roads, as Locally Initiated Grass Root Schemes and women schemes, is going on quite haphazardly. The target group is not much involved in project identification and formulation. Decisions are mostly taken by the rural influentials and those have their own criteria and don't always follow the priorities defined in the Upazila Planbooks. It seems better for the overall physical development in the upazilas that the Planbooks are used for selection of those roads in the future, and that, before final approval, those roads will be checked in the field to explore whether construction has the full support of the target group. Local drainage aspects should be given proper and increased attention. In general, roads following waterdivides should have priority in development.

As studies by CPMU indicated, loss of agricultural land, crops and trees due to earthwork affected the small farmer more than large farmers. Large farmers, both in absolute and proportionate terms, have contributed less than the others. In order to reduce this the fixing of alignments should be monitored more closely. At the same time the EM requests that the payment of crop compensation and land acquisition be considered seriously by LGEB and higher authorities. The EM is well aware of the problems involved.

The identification, selection and design procedures for the Water Resource Schemes are in general sound. Proper attention is given to the field surveys. However, the Water Resource Schemes included in the Upazila Planbooks should be studied on priority basis, and this is not done.

The embankment design principles should be improved. Some embankments are constructed inside out, with flatter slopes at the country side and steeper slopes at the river side. This is for reason of seepage control. No

attention is given to major wind directions. However, seepage is hardly a decisive factor for dike ruptures in Bangladesh, while wave erosion is (as one of several factors). Therefore, if the situation allows flatter slopes they should be constructed on the river side and not on the countryside. Furthermore, the main wind direction during the monsoon should be considered. Outer slopes facing south should usually be flatter than those facing north.

### Implementation

The implementation of works receives serious attention. The monitoring and quality control procedures are correct in general. The overall quality level is satisfactory and sometimes even impressive. The quality of the structures and a major part of the earthwork is close to the highest level reached in Bangladesh, and is an example for most of the similar schemes in the country.

Earthwork done by Labour Contracting Societies (LCS's) is of a remarkably better quality than work done by contractors and Project Committees. This is reflected in the type of works taken up: earthwork on rural roads and in water resource schemes is far better than that on feeder roads in general. Rural roads and WRS's (partly) have been constructed by LCS's, and feeder roads mainly by contractors and Project Committees. The project is increasing the involvement of LCS's quite drastically.

Earthwork on the feeder roads is of an average quality, but worst in Madaripur. Shoulders are too narrow, slopes too steep, and too fine and borrow pits too near to the slope.

Bricks used on the feeder roads in Kurigram are of a poor quality. The project considered this a case of 'severe violation', and rightly so. However the Violation Committee deducted only 5-7% of the final payments. The EM considers this to be a very friendly punishment for a severe violation. It undermines the concept and weakens the position of the staff and of the advisers.

As mentioned, works on structures are implemented properly. This is not only due to prequalifying the contractors, sample testing and frequent site inspections, but may also, to a certain extent, be a reflection of the training programmes carried out, including on-the-job-training. The pucca maintenance, pipe casting and culvert installation works are also of a satisfactory quality, as mentioned in the 'Engineering Review of IDP' report of May 1988.

Misuse of funds relates largely to quality of work. As the tender rates are by

and large controlled and comparable to those of other agencies, and the quality of work in IDP is satisfactory, it must be assumed that the misappropriation of funds is at a relatively low level.

### **Training**

"So far the performance and progress of the training programme is quite impressive". The EM was not able to analyze the training programme in much depth, but from the discussions and impressions gained, it definitely agrees with this conclusion as expressed in the recent evaluation study by Dr. F.U. Mahtab.

So far, 90% of all upazila engineers have been provided with 'Training of Trainers' courses and 70% attended the Road Structure Manual Course. Fourteen other courses were offered at various levels in addition to 11 different types of courses for the target group. With due appreciation, the EM is aware that so far the training activities have been more extensive in nature than intensive. One single course given to the trainee cannot develop the required capabilities. The training should continue and be even more intensive. Worksheets could be included in the lecture notes.

The well-structured on-the-job training programme should remain in the hands of well qualified trainers in the near future. On-the-job training has shown to be effective, as mentioned by the engineers in the field. Guidance of engineers and contractors during a second year "takes only 20% of the time of the first year".

Training in the understanding and application of the road structures manual should be more extensive than done up to now.

For the water resources programme, a design manual is under preparation. One week training is quite short. Much attention should be given to identification and planning.

The training course for contractors is quite unique and highly appreciated by the EM. Its attendance is however too low. Attendance should be binding for the contractors and in principle be conditional for awarding of contracts.

### **Upazila Planning and Mapping.**

Quality of the upazila mapping and inventory of physical resources is of an acceptable standard and definitely so when considering the drawbacks of the shortage of qualified staff. The distortions in the map scales are considerable,

however, as observed in the field, but this will now improve as satellite images will be used as base.

Although information is collected from surrounding upazilas, upazila development planning is still done in isolation. District level plans do not exist. They should be developed jointly with (or preceding) the upazila physical plans.

### **Institutional support**

The EM is of the opinion that the overall programme within IDP has given a constructive input in the institutional development of LGEB. The support in training, the development of the water sector and in implementation monitoring in particularly, is much appreciated.

### **Target Group Benefits and Cost Effectiveness of IDP**

The overriding objective of RESP is to improve the economic and social situation of the target groups. This is also reflected in the IDP objectives which emphasize creation of employment and income-generating opportunities for the target groups through investments in physical infrastructure.

In spite of the strong target group orientation of IDP and RESP as a whole and its emphasis on the need to ensure that the programme resources reach the rural poor, little is known about the socio-economic impact of the project, especially its ability to provide long-term benefits to its target groups. The impact monitoring system still remains to be implemented and the analyses undertaken by the IDP socio-economic staff in the field are too shallow to be of any real use.

The benefits which are intended to accrue to the rural poor from the IDP activities fall into two main categories:

(1) Short-term employment which consists of two main components. Firstly, the direct labour component of infrastructural development and maintenance schemes undertaken by IDP, and, secondly, the employment created through production and distribution of construction materials used by the various IDP financed schemes;

(2) Long-term income and employment generation. Leasing of assets created under the Project to the target groups is one of the means to extend long-term benefits. It can also be expected that the investments will contribute to

increased economic activities and thereby provide additional opportunities for landless labourers as well as for marginal farmers. Long-term perspectives can also be created in other ways (maintenance, labour societies).

### Short-term Employment Generation

It is only in the first category, direct short-term employment generation, that reliable data are available. As shown in the table below, the IDP investments created in 1987-88 are approximately 1.15 million person days of short-term employment:

**Direct labour created per investment and activity (1987-88)**

|                 | Investment<br>(lakh Tk) | Persondays<br>created | Persondays per<br>lakh Tk inv. |
|-----------------|-------------------------|-----------------------|--------------------------------|
| Growth centres  | 355.6 (29%)             | 131,343 (11%)         | 369                            |
| Feeder roads    | 417.5 (35%)             | 261,293 (23%)         | 626                            |
| SSWRS's         | 94.0 (8%)               | 81,181 (7%)           | 864                            |
| Special schemes | 170.6 (14%)             | 327,816 (29%)         | 1,922                          |
| Maintenance     | 170.1 (14%)             | 345,340 (30%)         | 2,030                          |
| Total           | 1,207.8                 | 1,146,973             | 950                            |

Judged against the criteria of short-term employment generation, the special schemes and the maintenance activities are the most effective. Investments in growth centers have the lowest effect on short-term employment.

The issue of cost effectiveness, even if judged only on the basis of the ratio between IDP input costs and the short-term employment effect, is difficult to settle. What can be concluded on the basis of the figures available, is that a total of nearly Tk 1208 lakh was used for construction work under IDP in 1987-88 to provide appr. 3800 person-years of direct short-term employment. This is Tk 32,000 per person-year. If compared to the total IDP cost, including overheads it is close to Tk 49,000. This appears to be a high figure, although comparative data from other similar projects would have to be analyzed to support such a conclusion.

The direct short-term benefits of IDP accruing to the target groups are small if measured as a share of total IDP costs. Assuming a daily age rate of



*The Labour Contracting Societies have been effective in reaching the target population. The PEP groups are the best functioning groups.  
Photo: Heldur Netocny, SIDA Photo Archives.*

Tk 30 payable to the labourers, the total wage bill in 1987-88 amounted to Tk 340 lakh. This is 28% of the investment costs and 18% of the total IDP costs. The figure of 28% can be compared to the results of calculations made by the 1985 evaluation of IRWP. They showed that the trend had been as follows: 1981-82 65%; 1982-83 45%; 1983-84 51%; and 1984-85 34%.

The EM regards this trend as a very undesirable feature of IDP and recommends that more emphasis should be put on direct target group benefits in selection of schemes. A shift of emphasis from growth centres and feeder roads to SSWRS's, special schemes with a high labour component and to maintenance should be considered for RESP II. But, as will be explained later, there are also other reasons to make this shift.

The Labour Contracting Societies concept has proven to be a successful

formula for reaching the target groups and for implementation of work. Higher quality of work combined with an increase in daily labour income, skill development and conscientization form together a strong base for further strengthening and expansion of this implementation model.

For the first two years of the programme, 64% of all labour involvement was through LCS's and maintenance groups. Contractors and Project Committees (PC's) were involved only on feeder roads, growth centres and SSWRS's. For the feeder roads, only 10% of the earthwork went to LCS's, while 64% went to PC's and 26% to contractors. Excluding pipecasting and maintenance, 296 LCS's have been formed during the last two years, involving 8485 labourers. The direct employment created is 46 days a year for the members of each LCS/ on average; the average payment was Tk 35 per labour day.

Four percent of the labour supplied under IDP was done by PEP groups; 38% of those were women. The PEP groups were the best functioning LCS groups.

## **Long-term Effects on the Target Groups**

As mentioned above, there is a lack of comprehensive data on which to base an analysis of long-term employment and income generating effects and the socio-economic impact of the IDP activities. However, on the basis of a number of studies made by IDP and other rural works programmes, the following observations can be made on the various infrastructural development components of IDP.

### **Feeder roads and growth centres**

The construction of feeder roads and the creation of growth centres had only a limited short-term impact on the position of the target groups. But the EM also considers the long-term impact on their position to be doubtful. Researchers come to conflicting conclusions (Raisuddin Ahmed/Neela Matin). The expectations in this direction have still to be proven. The negative impact of the development of growth centres on smaller surrounding markets may also be considerable and should be further studied.

### **Khas fish ponds**

Excavation of khas fish ponds and leasing those to the target groups had

(will have) a positive impact on the position of the groups. Short and long-term employment opportunities have been created. However, the overall impact will be limited as the EM expects that the number of ponds to be leased will remain low due to much local opposition by influential persons.

### **Maintenance and pipecasting**

The formation and operation of routine maintenance groups, pucca maintenance groups and pipecasting groups not only can play a relevant role in maintaining and upgrading the infrastructure of the countryside, it also creates long-term job opportunities with a positive impact on the target groups. Jobs in this sector are round-the-year jobs. Formation of groups in this sector presents a considerable scope for skill development. During the last two years 1417 labourers have been involved during 223 days each on average.

### **Water Resource Schemes**

Implementation of Water Resource Schemes not only comprises a lot of earthwork, giving short-term labour opportunities, it also creates considerable long-term employment opportunities in the agricultural sector. The EM estimates, that the annual additional labour requirement in the agricultural sector right after implementation is for most of the SSWRS's in the same order of magnitude as the annual labour requirement during construction. When preparing and selecting SSWRS's, this aspect should be analyzed in the future and be seriously taken into consideration.

### **Cost Effectiveness in Long-term Perspective**

In the light of what has been said before some remarks have to be made on feasibility and cost effectiveness, item wise and comparative wise.

#### **Feeder roads and growth centres**

The average cost of the HBB feeder roads is relatively high, specially in Faridpur and Madaripur due to the high cost of structures. In Madaripur, the feeder road is costing Tk 25 lakh/km.

The feasibility in macro-economic terms of the construction of feeder roads, growth centres and earth roads is hard to predict, or, as quoted from the 1988 BIDS study on infrastructure by Kaisuddin Ahmed "benefit-cost

analysis of infrastructural projects is a nightmare to analysts primarily because of complexities in identifying the multifaceted benefits". The sensitivity of any BC-figure is very high. "Therefore formal benefit-cost analysis for appraisal of infrastructural projects has remained quite weak and judgement of policymakers has served in the past and will continue to serve in the future as a strong basis for public investment decisions".

The EM definitely recognizes the need for constructing roads and growth centres, but at the same time is aware of the negative aspects as described in CPMU studies and elsewhere. However, in the light of the target group oriented objectives as stated by the project, and when considering other modes of investments in rural areas, the EM is not convinced of the economic priority of developing these infrastructural works.

### **Khas fish ponds**

Rehabilitation of fish ponds give direct economic returns. Studies indicated that those activities can be economically highly feasible. However they require a relatively large manpower input from the project side, not least in arranging the leases.

### **Maintenance**

Maintenance in general is highly cost effective, and an inherent condition for viable construction work. In economic terms, the feasibility of proper maintenance is higher than that of construction, and more cost effective. In other words, maintaining existing infrastructure has a higher economic priority than building new structures.

### **Water Resource Schemes**

The average investment for SSWRS's per ha. benefited is very low, Tk 4721/ha. This is about half of the unit investment for the Early Implementation Projects programme under BWDB (IDA-DGIS co-financed). Lower costs are mainly due to the minor catchment areas involved (leading to lower investments in structures and excavations) and to the exclusion of land acquisition.

The economic viability of the SSWRS's is high, and considerably higher than the figures published on feeder roads and growth centres. For feeder roads EIRR's are mentioned with values between 13% and 26% (ADB figures), while the average B/C ratio for 26 SSWRS's has been calculated as 3.8,

corresponding to a higher EIRR (40-45%) than the figures mentioned for roads. The economic figures for SSWRS's are easier (and more reliable) to predict than the ones for feeder roads.

The simplified B/C ratios for SSWRS's as calculated by the project (1.6-5.6 with an average of 3.8) are probably too high. Gross economic benefits have been used in the calculations as net economic benefits, and no economic consideration is given to the fact that agricultural land is used for construction (in spite of the fact that no land acquisition has been paid). The B/C ratios might be, say, 40-50% lower than predicted, but even then all the 26 SSWRS's studied are economically feasible, and the statements made previously are still valid. As already mentioned in the previous section, the long-term effect of SSWRS's on agricultural employment is considerable. The supervision cost during construction is lower than for feeder roads, but the input required to support the OCM activities seriously is large.

### **Trials**

A number of experiments are going on in the project, some more useful than others.

The road trials are considered essential by the EM, and the experiments on tiles make a lot of sense as well; cement tiles offer an economic alternative for clay tiles and CI sheets. The interlocking concrete bricks are strong but quite expensive; demand seems to be low; a large-scale road trial in Kurigram (where the brick quality is low) could be considered. The jutemesh slope protection experiment is questionable. The cost is too high to give much perspective (Tk 10/sq,m against Tk 1.6 for regular turfing). Turfing, well planned at the right time, can be highly effective.

Experiments with buried pipe irrigation systems should continue in the opinion of the EM, but carefully. Long experience in Uttar Pradesh, India, indicated that it remains very difficult, also with this system for the right people to receive the right quantity of water. The experiment will require much guidance.

### **Physical planning**

The physical planning exercise and the production of Upazila Planbooks is a matter of concern. Upazila Planbooks don't have status, not even within the project. Planbooks are not really integrated in the programme; the books

are rarely used for setting priorities in development. As mentioned earlier, overall district level planning is not done jointly with upazila level planning. The cost effectiveness of the entire planning exercise, as it stands now, is considered to be very low.

### **Training**

The EM finds that the on-going training programme is of a fundamental value for improving the standards of work at upazila level and for raising awareness. Its cost effectiveness, although impossible to be expressed in figures, is high. Especially the on-the-job training courses are believed to be highly cost effective.

### **Priorities in IDP - RESP II**

The IDP programme under RESP, built on the experience of IRWP, has indicated sufficient scope for improving the conditions of the target groups in the rural area to justify continuation.

One of the objectives of IDP was "raising direct and indirect employment... which would be of direct or indirect benefit to the target population". For the continuation of the programme, this objective should remain, but it should be sharpened: creation of long-term employment possibilities should receive greater attention when selecting schemes for investment. Creation of short-term employment possibilities should be geared to formation of long-term employment in principle. It is assumed that long-term employment generation still has to depend largely on the two main traditional sectors: agriculture and earthwork.

Sectorial thinking within the project should be reduced. Activities should be more integrated in order to make the project more effective.

With these points of departure in mind and the comments on the various project activities as mentioned in the previous sections, the EM has the following suggestions for changes to be incorporated in a possible RESP II.

Feeder road construction would receive a lower priority in the total investment package. Selection of feeder roads would be based on regional development studies which would look at transport needs and pay proper attention to flood control. Feeder roads (fitting the criteria set by the Planning Commission) which also have a flood control function, open up isolated areas

and fit into BWDB regional flood protection planning, would have priority. Alternative alignments should be considered. Construction of double-lane structures and more particularly of double-lane bridges is not justified. Discussions with the Planning Commission on this costly issue should continue, and should be based on a proper economic analysis to be produced by the project.

Final surfacing of the feeder roads implemented by the project should be taken up in the future, say after 5-6 years. Final surfacing of both the roads in Kurigram might already be required within RESP II and should be included in the programme.

Investments in growth centres would be reduced, and minor markets would be included in this activity. The Upazila Parishads should contribute with at least 10% of the total investment costs initially, as these investments directly enhance the revenue collection possibilities of the upazilas. Where it concerns financial participation of the upazilas in implementation, lessons should be learned from the Rangpur Dinajpur Rehabilitation Service Project.

The income for the upazilas from auctioning the lease of markets is unacceptably low (less than 10-20% of the money collected), and duties by the auctioneers are completely neglected. Rules and procedures should be revised by the higher authorities, and be conditional to the flow of Government funds to the upazilas. The EM proposes that the contribution of the upazila Parishads for cleaning and physical maintenance will increase gradually to 50%.

Investment in water resource schemes would be increased, and the identification of drainage improvement schemes would receive more attention. The economic justification of the SSWRS's should be better analyzed. The Water Resource Cell in the project should be strengthened with a full time hydrologist and an agronomist (both local). The Mission supports the proposal to expand the existing design unit in the Water Resource Cell into a design unit for the entire programme. This unit would also deal with the hydraulic/hydrological design of feeder road structures, and will take part in the selection of those roads using their knowledge of the regional hydrology.

Expanding the activities into irrigation should be done very cautiously. Proper monitoring of irrigation activities requires a considerable input on monitoring, even the construction of buried pipe systems does not guarantee fair distribution of water without intensive monitoring.

In spite of all set-backs to make the operation and maintenance program in the Water Resources Schemes successful, the OCM programme should receive increased attention in the years to come. This will require increased staffing in this sector. Where operation and maintenance programmes will be introduced, and irrigation activities will be started, PEP groups or LCS's women groups should be involved wherever possible.

The LIGRS's would give greater priority to minor drainage improvement schemes than to rural roads. Drainage aspects related to rural roads should receive more attention. The LIGRS's should be included in the priority programmes formulated in the Upazila Planbooks.

Fish pond activities should continue but the programme should not be expanded until it can be demonstrated that long-term control of the ponds and economic viability can be realised by the target group.

Maintenance of all schemes constructed by the project would receive consistent long-term attention. This includes also the feeder roads. Routine maintenance would be expanded to the entire project area. Extending the maintenance programme has its consequences on staffing. Monitoring maintenance activities requires more manpower input than required for construction. The upazila/GOB contribution to pucca and routine maintenance would gradually increase from 25% to 40%.

The tree-planting and caretaking programme should be fully linked with the routine maintenance programme, and should be expanded.

The LCS involvement should be further strengthened and intensified. Whenever possible, new LCS groups formed in the upazilas where the PEP programme is working, would be recruited from PEP groups; otherwise new LCS groups should be formed into PEP groups. In the selection of projects a certain preference would be given to those areas where PEP groups are already active. The motivational training among the LCS groups would be further expanded in order to strengthen their position. The gradual move for involving LCS groups into activities other than earthwork (pucca construction, road paving) should continue.

The project would assist the LCS groups who have been involved in IDP for 2-3 years, if they wish so, to change into Class D contractors, thus helping to create possibilities for long-term employment. The project can assist and advise the groups for 2-3 years after they have become contractors.

The number of pipecasting groups and pucca maintenance groups would

increase. They should be turned into LCS groups to improve their performance and support the formation of independent and viable economic units.

Training is a condition for further improvement of quality; the programme should continue and be strengthened. Well-structured on-the-job training should receive increased attention, as should the training on water resources and road structures. A study to analyze the impact of the training given recently should be conducted shortly in order to give direction to the training programme to be offered in the near future. The District Training Officers (TA), to be replaced by District Training Engineers shortly (reimbursable), need an overlap for a period of 3 months at least.

Regional planning and mapping would only continue if the end result receives formal status, at least within the project, related to decision-making. District level planning should also be started. The EM supports the formation of the Institutional Support Project, incorporating the training and planning units. However, the production and updating of the Upazila planbooks related to the project area, should fall under direct responsibility of the RESP headquarter in Faridpur (1990).

The local and foreign TA staff under IDP could be reduced, but this can only be considered after finalising the Programme. It is most unlikely that the total project staff can be reduced; even an increase might be required. LGEB should post more permanent GOB staff to the project so that not all staff in certain sectors are reimbursable or TA. Posting GOB staff in the training unit, in the planning unit, and in the Water Resource Cell, including creating posts for sociologists, will be appreciated by the EM and understood to reflect an intention from the GOB side to continue certain development activities after RESP comes to an end.

With the minor modifications in the tasks as mentioned above, the organizational structure for IDP would remain in line with RESP. Adjustments in staffing should be based on a needs assessment to be made after the program for RESP II has been defined.

The Mission advises that the project will be expanded, but in stages. Activities in Kurigram district should continue as long as another donor is not found to continue the on-going activities in a consistent way. In the first or second year the project would expand to cover one more (new) district in Greater Faridpur. In the third year a decision would be taken regarding further expansion.

## Chapter 4

# Programme Implementation: Production and Employment

## PEP Objectives

The overall RESP objective of "generating long- and short-term employment for the rural poor" is also a GOB Third National Development Plan and NORAD/SIDA development objective. Thus the donor/GOB cooperation is in the interest of all the parties concerned.

Under RESP, IDP's role is i.a. to provide short-term jobs, while PEP was designed to fulfil RESP's objective as regards long-term employment for the landless poor. But PEP was also given other long- and short-term objectives and the array of objectives is, in the opinion of the EM, the cause of many of the present PEP problems. In addition to the long-term employment objective, according to the Plan of Operation (POP) PEP shall also strengthen BRDB and organize landless poor into groups.

The POP also cites 9 so-called short-term objectives. These are in fact the PEP strategy or strategic inputs. Particularly as 'short-term' 'objectives' the strategy is ambitious. It demands that PEP works on not less than nine different tasks, and within each of these "develop and introduce systems". Thus PEP shall develop and introduce systems for:

- 1) strengthening BRDB rural poor programme;
- 2) human development training;
- 3) more productive and efficient use of savings and provisions of credits;
- 4) literacy and numeracy training;
- 5) skills training;

- 6) promotion of productive activities and new technologies and provision of a market information system;
- 7) strengthening the agricultural, livestock and fisheries GOB extension services;
- 8) provision of legal services;
- 9) participation of target groups in selecting and implementing infrastructural development schemes.

It is the view of the EM that the POP recommended inputs are too many, and some of them too diffuse, to allow for cost-effective and rapid implementation of PEP's main goal. It is not that some of the activities are irrelevant, but some are more important than others and should consequently be prioritized. Skills training and development, provided the training is made need-specific, is one such activity, and particularly as specified in the POP. Promotion of productive activities and technologies is another, and the introduction of a system for more productive and efficient use of savings a third. The EM strongly recommends that the income generating objective be kept central in all future PEP work, and that these three strategic inputs receive priority.

To reach the long term goals, the POP specifies some guiding principles; "the project must be innovative, flexible and unbureaucratic, and responsive to the needs of the target group". The EM supports this emphasis on innovativeness and flexibility.

The success of PEP will not only depend on whether the project succeeds in developing and promoting economically viable income generating activities (IGA). The degree to which PEP services and inputs can be replicated on a larger scale, and sustained over time are equally crucial. For this reason close cooperation between PEP and BRDB is a necessity.

## The PEP Concept

The POP enumerates a series of institution building activities "to develop and improve the BRDB system for formation and support of BSS/MSS groups outside the UCCA system". The EM supports the overall objective of strengthening BRDB, but questions many of the activities recommended for

this purpose in the POP. It seems essential to resolve the question of whether PEP shall play an innovative and experimental role as regards target group IGA, or whether PEP shall function as an immediate reinforcement to the present BRDB/RPP set up.

The two PEP concepts need not be contradictory, but they differ in the sense that the former — innovative, experimental and unbureaucratic — presupposes greater technical expertise and more administrative flexibility than what is presently available to PEP. It also implies fewer ambitions regarding targets in terms of numbers of groups, number of training days and amounts of savings. The latter PEP concept may be more in line with the present quantitative emphasis, but demands a much closer cooperation with BRDB tkah has hitherto been the case.

The present lack of clarity as to PEP's main emphasis contributes to many of the problems presently facing PEP. 'Too many objectives are no objectives', and the result is a PEP which pleases no one. It is also a PEP that contributes neither to institution building, nor to any innovative approaches to rural IGA. To bypass the present impass, the PEP concept must be clarified and administration structures made to suit the main PEP emphasis. As will be clear from the rest of this paper, the EM recommends that the emphasis be on a innovative approach to promoting IGA to groups, within the basic model provided by the BRDB RD 12 project supported by CIDA.

It is the view of the EM that PEP is a viable as well as promising approach to rural IGA provided the project be permitted to pursue its guiding principles of being innovative, and flexible. To strengthen this part of PEP the EM recommends that the donors and GOB define PEP's main role to go beyond the formation of groups and the promotion of savings and credits. The EM recommends that it be as a spearhead for rural income generation that PEP concentrates its efforts in the future. Group formation should not be a goal in itself, but a means towards greater economic self-reliance among the landless poor, and thus a vehicle for PEP IGA. PEP's institution building role cannot be seen independent of PEP IGA achievements and depends on whether the project succeeds in working out innovative methods for alternative and viable IGA modules that can be implemented by the target group.

## PEP Achievements

The POP ambitions not only affect PEP objectives, but also its targets. As many as 16 quantitative targets have been specified in the POP and understandably enough, these rather than the overall objective, seem to have become a guide for PEP performance.

### PEP PROGRESS AS PER NOV/DEC 1988

| Activity                | Target<br>(as by June 1989) | Achievement |
|-------------------------|-----------------------------|-------------|
| Number of groups        | 2,000                       | 734         |
| % women's groups        | 30%                         | 40%         |
| Number of group members | 32,000                      | 14,868      |
| Savings (Tk, lakh)      | 15,2                        | 11,2        |
| Credit (Tk, lakh)       | 100,0                       | 3,02        |
| Training:               |                             |             |
| Literacy: trainees      | 8,982                       | 1,252       |
| % women's groups        | 30%                         | 34%         |
| Human dev:              |                             |             |
| trainees                | 48,000                      | -           |
| number of groups        | -                           | 500         |
| Skills:                 |                             |             |
| trainees                | 25,600                      | 3,573       |
| IGA persons involved    | -                           | 2,500       |
| groups involved         | 300                         | 320         |

Since April 1987 when group formation started, 743 groups have been formed, 603 of them are male groups, 40% women groups. Total number of group members is 14,800. Drop-outs have been reported to be negligible until recently, but may increase due to the delay in the provision of credit. A total of 734 groups is a considerable achievement even if the figure is modest as compared to PEP expectations. The target has however been revised from 2000 first to 1500, subsequently to 1200 and then to 1000 groups. The EM supports this toning down of the number of groups, and recommends that no



*Fishing is the activity that has received most credit and most attention so far. In Kurigram 72 groups and more than 1500 persons are involved in fishing from Khas water bodies leased from the government.*

*Photo: Fredrik Schjander, SIDA Photo Archives*

more groups be established during the coming phase, except in connection with the formation of IDP/LCS's in Upazilas where PEP is already active.

At least 500 groups have undergone formal and/or informal human development training. 3500 persons have got skills training during a total of 8800 days. 1252 persons have been given literacy training. The literacy programme is the only one that has been formally assessed. The report (Kramer, Dec. 1988) advises against the continuation of the programme, unless quality is radically improved, due to the poor target group attendance, unsatisfactory teaching and lack of supervision from PEP.

PEP has not only trained groups, but also its own TA and GOB reimbursable staff, as well as the 20 bank workers that were employed by Agrani Bank and paid for by PEP in June 1988. Most field staff are without previous experience in the field in which they are working, and much of the success of PEP will

depend on how the staff perform vis-a-vis the PEP group members. It is the contention of the EM that 20 days formal training of the field staff is much too little.

The average saving per group member is only Tk 76, due to the fact that many groups have not functioned for long. Total group savings however amount to over Tk 1 mill. So far no plans exist as how best to make use of this capital.

PEP income generation activities and possibly PEP group morale, have been reported to suffer due to non-availability of credit. Still, ad hoc credit has been provided through the so-called TA fund on a group basis. Irrigated paddy cultivation, vegetable cultivation, paddy husking, poultry and duck rearing, bee-keeping and basket making are among the present IGA. Fishing is the activity that has received most credit and most attention so far. In Kurigram 72 groups and more than 1500 persons are involved in fishing from Khas water bodies leased from the government. The total number of group members having undertaken PEP inspired IGAs is reported to be 2500. Unfortunately, the individual earnings derived from such activities are said to be modest, but no systematic monitoring exists as yet. Virtually all the IGA seem to have met with problems. Theft, floods, late planting, broken down irrigation pumps, wrong crops, improper management and lack of technical knowledge are among the identified causes for unsatisfactory return on investments.

So far it is in interaction with IDP, particularly through LCS's, that PEP groups have been most substantially benefited. A total of 50,000 employment days, of which 38% are women-days have been created for PEP group members through LIGRS. Special schemes account for 40,000 person days of which 48% are women-days. Maintenance schemes (LCS) have provided 9500 person-days of which one third are women-days. PEP involvement in LIGRS and ws has doubled since the cooperation IDP-PEP started, as the table shows

|                                | LIGRS   |         | WOMEN' S SCHEMES |         |
|--------------------------------|---------|---------|------------------|---------|
|                                | 1987/88 | 1988/90 | 1987/88          | 1989/89 |
| PEP group involvement          | 12%     | 28%     | 16%              | 32%     |
| as per cent of all involvement |         |         |                  |         |

Among the PEP achievements in the short time span since the project started are the establishment of the PEP administration in Dhaka and at district and upazila level. The present staff, reimbursable staff included, number about 240 persons.

So far, the reader will perhaps have noticed that none of the "systems" that the POP called for and asked PEP to "develop and introduce" have been mentioned. They have not because they do not as yet exist. This is substantial weakness of PEP and has contributed to making PEP much less goal directed than may otherwise have been the case.

## Problems and Constraints

It is the contention of the EM that the main internal problems plaguing PEP at this early stage are the diffuseness and ambiguity of the PEP concept, the proliferation of objectives and activities and the pressure to meet the quantitative PEP targets. But the EM has also identified a number of other constraints that prevent PEP getting off the ground. These include:

- the dual and even triple lines of command
- the failure to recruit (particularly GOB female field) staff
- shortcomings as regards adequate staff training
- lack of clarity as regards job descriptions
- lack of income generation skills among project staff
- lack of policy and plans as regards savings and credit
- lack of plans and modules for how to raise target group incomes
- the lack of an impact monitoring system.

The structural set up with double and even triple lines of command is partly a result of the lack of conceptual clarity. The large number of PEP staff does not simplify the structural problem. TA and GOB staff are caught in the middle of conflicting and competitive intentions and have, no doubt, tried to make the best out of it. However it can be questioned whether the staff are suitably qualified for the job they do, and whether their training suffices.

Working directly with the target group the group organizers play a key role in the success of PEP. So far the group organizers have been constrained in

their job by lack of sufficient training and because of considerable understaffing, particularly among women group organizers. The EM recommends that emphasis be put on experience and attitudes rather than formal education when group organizers are recruited, and that they be recruited locally. Qualifications as graduates seem unnecessary, and may create expectation of status and facilities that the project cannot meet. Female group organizers, because of attitudes to women field workers, have had particular problems as regards personal security. Presently there are about 30% vacancies among female group organizer staff. The EM recommends that the initial group organizer training be substantially increased. A three month course with annual refresher courses seems a minimum. Training should as far as possible be done by NGO's or others that specialize in this field. Suitable incentives should be considered for upazila and union staff in order to attract good candidates.

It is at the upazila level that the TA and reimbursable staff are designed to work most closely together. The lack of cooperation at this level has in many places become counterproductive, and consequently it is here that structural changes are most pertinent. This issue is treated in detail in section.

The lack of job descriptions and the fact that most senior PEP TA staff are socio-economists have contributed to PEP structural constraints. A 'socio-economist' is not a professional title but designates a PEP staff with seemingly general but usually target group oriented work experience, much of which has been acquired working with local NGO's. What the project has in abundance are specialists in group formation and mobilization. What PEP lacks at all levels are specialists in rural income generation.

The lack of expertise on how to guide groups to run viable economic enterprises and to promote sustainable income generation among group members is a serious constraint to the development of PEP. Though PEP group savings amount to Tk 1,1 mill. and the Bank Plan has been in the pipeline for about a year, no PEP policy and guidelines exist on how savings and loans can be used to generate incomes on a sustained basis. The EM recommends that the generalists at HQ be substituted with a PEP Technical Cell (PTC) consisting of a team of 6-7 TAs, well-qualified specialists/entrepreneurs in the fields of marketing, small scale technology, fisheries, horticulture, women's affairs, etc. The PTC's task will be to develop packages and modules for IGA to be introduced, and monitored by the PEP field staff.

The Cell must have access to a Consultancy Fund with which to hire short-term technical experts in fields the Cell does not cover, and continue to have access to an Action Research Fund as at present.

The ad hoc credit (from the so-called TA fund) underlines the dilemma that PEP seems to face. The fund has permitted PEP group members to undertake productive activities, but the results have been modest. A pressure seems to have existed on getting IGA started independent of PEP's ability to adequately plan and follow-up performances. The fishing in Kurigram is an example where profitability so far has been modest or even negative. And yet, with more credit, increased insight in fisheries, better management of groups and improved skills and technology, fishing may become a viable undertaking.

The failure to establish the credit programme may well be a serious PEP constraint. Still, the EM sees PEP's inability to identify group members' credit needs, and assess local investment possibilities and economic and social constraints as equally important in the endeavour to provide the target group with IGA modules and packages. Credit can only be a part of PEP's inputs to raise incomes. Identification of ICA, skills training and management training are just as important.

The failure of the credit programme to materialize has certainly contributed to tension within some groups. Particularly in Kurigram group members are reported to join Grameen Bank in order to get credit. The EM sees the ability of the target group to choose from different credit programmes as positive and advises against any attempt to prevent such moves.

The EM is not in a position to judge if the new banking plan and the amount of credit proposed is adequate for the remainder of RESP I, but room should be left open for increase in credit funds in RESP II.

The EM fully recognizes that to establish a programme like PEP a 3 year time frame is most unrealistic. A 10-15 year perspective seems more relevant. However, what the project ought to have achieved during this initial programme phase are:

- a) planning system which permits the identification of needs, resources, potentials and constraints and encompasses outlines of IGA; and a
- b) monitoring system that goes beyond the present counting of heads (number of groups, persons, savings ) and days (number of training

days) to include the socio-economic impact of the various income generating activities (inputs), training and credit included.

No such policies and plans exist and the EM recommends that efforts be made forthwith to rectify this.

## Key Issues

Whether or not PEP will reach its overall objectives of creating long term incomes for the target group and, eventually contribute to strengthening BRDB depends on how the project resolves certain key substantial issues. These are in addition to the conceptual and structural issues already mentioned, and have been identified by the EM to be;

- 1) the cost benefit issue;
- 2) the target group issue;
- 3) the gender issue;
- 4) the quality issue;
- 5) the resource base issue;
- 6) the back-stopping issue.

How PEP tackles them will determine PEP's ability to achieve its overall objective as well as sustainability and replicability of the activities.

## The Cost-Benefit Issue

Simple estimates of project costs in terms of number of beneficiaries certainly oversimplifies project economics, and more so in a project that is to be innovative and experimental. As PEP is still in its initial stage (even if the first phase ends June 1989) project costs must be expected to be higher and benefits/beneficiaries fewer than at later stages. Still, cost is such an important factor that it should not be overlooked at any project stage.

In the report Comparative Review of Rural Employment Programmes in Bangladesh, prepared for SIDA by D. Bhattacharya and B. Sen (Jan. 1988) a cost input per beneficiary is quoted for Grameen Bank (Tk 383), Proshika (Tk 308) and BRDB (Tk 173) based on 1986 operation costs (Source: Alam 1988). PEP costs 1987/88 amounted to Tk 33,4 mill. and the number of beneficiaries



*Perhaps the major achievement of PEP so far has been the project's ability to reach the primary target groups.*

*Photo: Kevin Bubrinski, UN Photo 154363*

(group members) where around 12,000. Had the number of group members been doubled (24,000) the costs per head would still be almost four times those quoted for Grameen Bank, and 8 times that of a BRDB (BSS/MBSS). It is partly because of our concern with the high PEP costs, and because of the negative impact of TAs on BRDB institution building that the EM recommends a reduction in expatriate and TA staff.

One criticism against PEP is that virtually all its costs are personnel costs.

Also PEP training costs are largely personnel costs, even if they are not registered as such in the PEP accounts, as they include the pay of the trainers. The EM is not particularly worried about the proportion of staff costs in relation to other project costs. PEP aims to mobilize people and teach them new skills and new awareness, and the personnel costs will necessarily be high. The important point is whether project outputs reflect the heavy staff input. And, a very essential question in a poor country like Bangladesh, how much effort (project costs) is it reasonable to invest in raising group standards, and where is the point of diminishing returns?

It is the view of EM that PEP will not be able to compete with Grameen Bank, Proshika or BRDB as concerns cost effective mobilization of groups, savings and the provision of credit to landless poor. Thus if GOB and the donors want the major PEP effort to continue to be on organizing landless poor for the provision of credit, the EM recommends that, on the ground of cost effectiveness, this be done through NGO's and other institutions that have already proved their ability to work cost-effectively with the landless poor, and that PEP as such be discontinued.

It is not the present far-below-target number of PEP groups organized that causes the EM's concern for the high costs. On the contrary, the present number of 736 groups may partly explain why PEP has not yet been able to concentrate on its main objectives of income generation, or to make systematic plans or procedures for how this can be done. It is for this reason that the EM recommends that new groups be formed only in relation to LCS's and that PEP restrict itself to servicing the already existing groups in terms of creating income-generating possibilities.

### **The Target Group Issue**

Perhaps the major achievement of PEP so far has been the project's ability to reach the primary target group, landless and near landless people depending on manual labour as their main source of income. Through repeated screening of the groups PEP has succeeded in curbing the infiltration and interference/dominance of local elites which other comparable groups are often plagued with. The result has been largely homogeneous and seemingly well functioning groups with members regularly attending meeting and regularly saving. The about 40% women's groups are reported to function particularly well.

The EM sees the maintenance of homogeneous groups a crucial issue and strongly recommends that the careful screening of groups be continued and made a condition for future PEP support.

Presently the PEP approach is to see the landless poor as belonging to one socio-economic strata of the society. 60% of the Bangladeshi society are presently landless and the vast majority of them depend on manual labour for their existence. Particularly as regard IGA, a further grading of groups may be considered to provide a more realistic basis for the planning of PEP IGA support. Such grading may differentiate between:

- a) groups in need of credit but who have viable IGA plans ready;
- b) groups in need of capital as well as training and counselling to improve their economic situation
- c) groups that first of all need to improve their health, nutritional status and housing before they can make use of credit and training inputs;

### **The Gender Issue**

The life processes are very different for men and women in Bangladesh, and consequently the needs of men and women are different. PEP, it seems, has been planned very much with the male rural poor in focus, and the gender issue has been 'solved' by adding women groups and women staff.

As regards the former PEP has been quite successful. Presently 40% of the groups are female and that is 10% more than the target. Still, as women are the majority of the landless poor, the long term PEP goal must be that at least half the PEP groups are women's groups.

PEP's inability to retain female staff underlines the male bias of the project, and indeed of the Bangladeshi society. It is the view of the EM that much more can be done to recruit, secure and support female staff than what has hitherto been done, and such recruitment is essential to strengthen the women's interests in PEP. The EM recommends that full female staffing be made a condition for future PEP support, and that GOB be asked to develop the incentives necessary to recruit and retain the necessary female staff.

In the recognition that the gender issue is one of the basic PEP issues and that special effort must be made to cater for women's IGA needs, the EM

recommends that PEP work out a policy of positive support to female staff and group members. The policy should include interventions needed to:

- a) make women group members effective income earners ;
- b) conscientize male and female staff and PEP group members on the situation and rights of women, and on the part men and women play in upholding the discrimination of women;
- c) recruit female (and male) upazila and union staff locally and give priority to attitudes and experience rather than formal education;
- d) ensure the security of female staff, particularly at union and upazila level;
- e) introduce incentives to compensate female staff for the social costs involved in working in what must be defined as a male domain;
- f) reduce the number of groups supervised by women group organizers, in order to improve on the PEP inputs to female groups and reduce the demand on female group organizer's physical mobility.

Though it may seem a minor point, PEP terminology should be adjusted to adequately reflect gender composition. This is necessary to make the unequal distribution of PEP resources to men and women visible. Instead of 'PEP groups' and 'women's groups' it should read 'men's groups' and 'women's groups'; instead of 'schemes' and 'women's schemes' it should read 'men's schemes', 'mixed schemes' and 'women's schemes' etc. All statistics should, whenever relevant, reflect gender.

It is worth noting that in spite of their social and economic handicaps and the present considerable female understaffing, women's groups are reported to function better than men's groups as regards cooperation, regular attendance and savings. Thus to give women increased attention will not only benefit this most disadvantaged target group, but also enhance PEP's chances of success.

### **The Quality Issue**

PEP replicability and sustainability will largely depend on how well PEP inputs are related to meeting PEP objectives, and at what costs. This presupposes that PEP:



*PEP's inability to retain female staff underlines the male bias of the project, and indeed of Bangladeshi society. The EM recommends that PEP works out a policy of positive support to female staff and group members. Photo: David Dahmén*

- i) satisfactorily assesses target group needs, the local resources available to meet the needs, and the constraints that must be overcome to do so;
- ii) provides sufficient and relevant expertise and guidance to fully utilize local potentials and resources;
- iii) monitors project inputs and results and provides the feedback necessary to continuously improve on project performances.

Thus it is within these three areas that PEP should concentrate its efforts in the immediate future. The quality issue is not only relevant for the PEP goal attainment as concerns IGA, but also the impact the project may have on BRDB's RPP, provided that quality remains cost effective.

Apart from the assessment of the PEP literacy programme, no systematic

data have been available to the EM to assess the quality of the present PEP interventions. In addition to group formation, training has been the most central PEP input so far. A recent workshop on training identified the following shortcomings:

- lack of need-based training modules;
- lack of evaluation of training results;
- unclear concepts of formal and informal training;
- lack of training/communication materials;
- unsatisfactory training needs assessment.

To improve the situation the workshop recommended that;

- a comprehensive master plan on training be developed;
- more emphasis be placed on training of trainers;
- more emphasis be placed on field based training.

The EM fully supports these recommendations and reiterates the need to include conscientization as regards gender relations in all human awareness training. Also as regards special skills training, the training must be made to reflect the gender specific restrictions and potentials. The EM also recommends that the duration of all training be reconsidered, and particularly that of trainers (group organizers and also bank workers) be expanded and strengthened through refresher courses.

A high quality PEP can only be achieved if PEP secures the expertise needed to find new and improve on traditional IGA for the target group. It is to provide this expertise that the EM recommends that PEP HQ be staffed with specialists on IGA and that the PTC be provided with the means to make innovative and experimental approaches possible.

### **The Resource Base Issue**

It is the present PEP IGA strategy that PEP groups initially undertake IGA that are well known to them, and for this reason traditional agricultural based IGA are encouraged. The philosophy that groups shall not go into economic enterprises with which they are not familiar is appreciated, but overlooks the fact that traditional IGA's are not necessarily economically safe. On the contrary, profit margins are often notoriously low and, furthermore, the

activities are closely woven into a socio-economic and political texture where the poor often lose.

If PEP is going to be innovative and experimental a major task will be to expand the local resource bases traditionally accessible to the landless poor. The project can certainly not be justified if PEP only improves the comparative advantage of one group of landless poor at the cost of others in what remains a zero sum game, something which will be the result unless additional resources are created or liberated.

### **The Backstopping Issue**

For a long time to come the landless poor will continue to depend socially and economically on the rural elites that exploit them, just as women will continue to depend on the family which is the primary agent in maintaining their oppression. The horizontal linkages that PEP attempts to strengthen through group mobilization and human awareness training will represent a challenge to the traditional vertical economic and social bonds and may well trigger off economic and social negative sanctions from the rural elite.

Whatever role PEP chooses for itself, a policy and plan must be made for how to protect the target group if PEP interventions contribute to jeopardizing their traditional resource base. The backstopping issue is consequently another vital issue to the success of PEP. Alternative structures to traditional bonds must be established to back-up and support the landless poor legally and economically if need be, so that the risks that the PEP concept involves is not born entirely or in the main by the target group.

The EM recommends that PEP draws up a policy on how to provide legal and economic support to PEP group members when the need arises to compensate for loss of incomes or rights in connection with PEP activities. As regards the Resource Centres, the EM considers the establishment of viable resource centres at Upazila level as unrealistic. It is the EM's view that the recommended PEP Technical Cell will serve as such a resource base for the entire project, meeting requests from the Upazilas and districts, with their own and extra ad hoc expertise. Such a high powered Cell will be less expensive than the suggested Resource Centres, and provide better services. An important task of the PTC will be to work out packages and modules that can be used by local PEP staff everywhere, and to make available the technical support needed to do so.

## **The PEP-IDP Relationship**

So far it is the inter-linkage between PEP and IDP that has been the most innovative and promising aspect of PEP. More income has been made available to PEP group members through IDP/LCS construction and maintenance work than through any PEP intervention. For women groups whose income generating opportunities are limited, IDP generated employment has been particularly beneficial. The cooperation PEP-IDP also entails definite advantages for IDP in that PEP based LCS's function better and provide better quality work than other LCS's.

Most IDP generated work is temporary and lasts only for a couple of months. Still, IDP infrastructural investments entail a long term potential for PEP groups, as for others. In the wake of the IDP construction of roads, embankments and growth centres, new opportunities follow as regards transport businesses, tea stalls, shops, services, increased cultivation and the like. These opportunities represent a particular challenge and should be systematically exploited by PEP.

At the time being PEP-LCS's do not distinguish themselves from other LCS's and ordinary labour groups as regards working conditions and workers rights. It is the EM's view that the PEP social profile should be reflected also in PEP-LCS's. By improving working conditions as regards the provision of clean drinking water, shade for resting, hot food during lunch break, creches and latrines, work performance may improve and thus prove the point that better working conditions 'pay'. Workers rights in the case of illnesses, accidents and death should also be considered established as part of the PEP LCS strategy.

The cooperation on the ground between IDP and PEP is not reflected administratively. Presently the only structural point of interaction is in the DSEA who may well be the minimum connecting body necessary to maintain the present inter-linkage. Particularly as regards the PEP and IDP human awareness/human development training, the lack of regular coordination and sharing of resources seem surprising, as such cooperation certainly would enhance the training both of PEP and IDP. The EM recommends that closer contact be maintained in the field of training, even if we recognize the informal cooperation that exists also in this fields in some districts. Particularly as regards the development in LCS's into Class D contractors some such cooperation should be institutionalized.

The EM does not see that it is necessary to merge IDP and PEP to achieve better integration in the field. It ought to be possible with less radical restructuring.

## **Future PEP Perspectives**

The shortcomings pointed out in this chapter are well known to most PEP staff and are consequently not likely to surprise anyone familiar with the project. The initial two years have been very much a learning process as regards the adequacy of the PEP concept and of the administrative structures set up to realize PEP objectives. It is to sum up this learning process that the EM calls attention to two major conclusions:

One is that the many PEP objectives should be reduced and concentrated in one overall objective, that of long-term income generation.

The other is that PEP administrative structure be streamlined (under BRDB) and simplified.

The administrative structural problems have loomed large in virtually all our discussions about PEP. A minimum-solution is to replace TA staff with reimbursable staff at the level where the conflicts at the moment seem the greatest, i.e. at the upazila level, and continue with the present set up for an additional 2 year period. A better solution, according to the EM, is to keep 2-3 TAs at the district level and to convert the remaining district staff into GOB reimbursable staff, and to establish a PEP Technical Cell at HQ level.

When we recommend that much of the present TA staff be substituted by reimbursable staff, and suggest that the number of expatriate staff be reduced, it is because we consider the reduction of costs and closer cooperation with BRDB essential if the PEP concept shall become replicable and sustainable. We do expect that group quality will go down as a result of reduction in staff, but see the weakness in producing groups whose quality cannot be sustained over time anyway. We recommend that the PEP groups remain informal for the time being to allow for the innovativeness and flexibility which should characterize PEP in the coming years, but they can be formalised at a later stage.

It is the view of the EM, that it will primarily be by working out modules and packages for successful IGA in cooperation with PEP groups and BRDB staff, that PEP will be able to strengthen BRDB, and not through the number of

groups formed or the size of the reimbursable GOB staff within BRDB. It is for this reason that the EM places much emphasis on keeping PEP innovative and experimental. It is the view of the EM that PEP's success as institution builder will be directly related to PEP's contribution to expanding the resource base and increasing the incomes among the TG.

## Chapter 5

# Is RESP Better Than IRWP?

In 1985 IRWP was severely criticised in an evaluation which stated that it had in no way reached its objectives, that very few benefits reached the target groups, that quality of work was bad and that a large part of the funds were misappropriated. It was recommended to close down the programme and not to start RESP.

RESP was started and much of its design was influenced by the hard criticism of the evaluation. Some major points were: the geographical area of the programme was very much reduced in order to better manage it, new procedures for financial control were introduced, new procedures were established for quality control, and PEP was started in order to give more direct benefits to the target group.

Have these changes made the programme better? The 1989 Evaluation Mission can answer with a qualified "yes".

IDP is on the whole a better project than IRWP. The quality of work, with some exceptions of course, has improved, and if the price and quality of work is by and large acceptable it can be assumed that misappropriation is at a relatively low level, and it may be impossible to push it much lower. The financial management systems introduced under RESP have also helped to have better control of funds. The geographical concentration has helped in planning, management and monitoring, but the existence of Kurigram in the programme is an anomaly that should be rectified.

The most critical point for IDP is the target group benefit issue. The short-term wage benefits as a percentage of the investment costs going to the target group have actually declined since IRWP, and there has been a constant

decline in these figures since the start of IRWP. This is a serious issue which must be tackled by changing the priorities of investment.

One could say that the first phase of RESP has straightened out the structural problems of IDP, and that this should have created a good basis for making a serious shift to more target group benefit orientated activities in phase II.

RESP as whole is a very expensive programme. More than half the expenditures, which could be described as benefits, go to the personnel employed by the programme. This has to be reduced.

It cannot be said that PEP, as an effort to create greater benefits for the target group, has been a success. Bad design is the main part of the problem. Too many objectives and a confusing management structure that invites conflict. Up to now the target group has got few benefits from the project. It is hoped that this critical evaluation of PEP will help to design a more effective PEP in the next phase.

In conclusion, the EM can say that RESP is better than IRWP in that definite improvements have been made, but that much more can be done to make the programme as a whole an effective vehicle for improving the economic and social well-being of the poorer members of the rural society. The EM can recommend that RESP continues into a phase II.

## Chapter 6

## Summary: Major Findings

This chapter is a summary list of the major conclusions under the headings: organisation and management, IDP and PEP. Nearly all recommendations will relate to the next phase of the project, and these are found gathered at the end under the heading RESP II.

### Organisations and Management

1. The Annual Review Mission is an appropriate mechanism for joint GOB/donor planning and monitoring of the Programme. However, it is not a determining decision-making body as all decisions are referred elsewhere for approval. It meets too close to the start of the next financial year.
2. The CPMU has produced effective work in planning, budgeting and reporting. However, it has contributed to a top-heavy and expensive RESP Structure, and its role in coordination and management of the Programme is not clear.
3. The present PEP organisation and management structure is hampered by too many objectives, unclear division of responsibilities between two and even three lines of command, and lack of approved management guidelines. The Evaluation Mission (EM) considers it to be an unworkable structure.
4. The IDP structure has the benefit of six years of experience and functions reasonably well.

5. There have been considerable delays in the flow of funds through the normal GOB channels, resulting in much frustration if not delay in scheme implementation. The accounting and financial control system introduced by CPMU operates satisfactorily.
6. Planning and reporting systems are of a high standard. Impact monitoring has not existed to date, but a new system is being introduced. It is well designed, but there is a possibility that it may be too comprehensive to be sustained.
7. The consultant's functions, as agreed between SIDA and Hifab, are carried out effectively, but the expense is very great in comparison to total Programme costs and ways should be looked into for reducing the cost.
8. Too great a proportion of the Programme's budget is devoted to expatriate and local TA costs. However, the number of staff should not be determined on cost alone. Quality of work and efficient Programme implementation must also be of paramount consideration. The EM finds that the expatriate staff can be reduced. The EM has not been in a position to assess the need for all the local TA staff. Therefore it is recommended that, on the basis of an agreed outline for RESP II, an independent needs assessment review of the TA staff be carried out in good time before the start of RESP II.

## **Infrastructure Development Project**

1. There has been a substantial positive impact on the institutional development of LGEB particularly in regard to training and implementation monitoring.
2. The LCS concept has shown to be an effective target group orientated activity that is now adopted by many other organisations.
3. Planning and hydrological design of feeder roads has been weak. Selection of roads was often done on political/administrative grounds rather than technical/economic grounds. Some of the roads could have

been built as roads-cum-embankments, thus reducing overall Programme costs and increasing overall benefits.

4. The physical planning unit activities are not well integrated with rest of the project. The Upazila planbooks are seldom used in making decisions, even with IDP activities.
5. The target group is seldom involved in project identification and formulation, even in regard to the so-called Locally Initiated Grass Roots Schemes (LIGRS).
6. Earthwork done by LCS's is of better quality than that done by contractors and project committees. Earthwork done on Water Resorce Schemes (WRS's) and in LIGRIS's is better than that done on feeder roads.
7. Implementation of works receives serious attention, and the overall quality level is satisfactory, sometimes very impressive.
8. Misuse of funds relates closely to quality of work. As tender rates are by and large controlled and the quality of work in IDP is satisfactory, it must be assumed that the misappropriation of funds is at a relatively low level.
9. Work on feeder roads and growth centres created only a very limited amount of short-term employment, and a positive long-term impact on the target group of these activities is doubtful. The negative effect on smaller markets could be considerable. The EM recognises the need for these works, but is not convinced, of the economic priority when taking into account other forms of investment in rural areas.
10. The economic viability of water sector schemes is high and can be predicted relatively accurately. However, the benefit/cost ratios calculated by the project are probably too high. The long-term employment effect of these schemes is considerable. The annual additional labour requirements in agriculture after completion of the schemes is of the same size as the labour requirements during construction.

employment. The project can assist and advise the groups for 2-3 years after they have become contractors.

11. The number of pucca maintenance groups, including pipecasting groups, would increase, and they should be turned into LCS's to improve their performance and support the formation of independent and viable economic units.
12. Whenever possible, new LCS's formed in the Upazilas where PEP is working would be recruited from PEP groups or would be formed into PEP groups.

### PEP

1. The objectives of PEP for the next three year period would focus on: a) creation of income-generation possibilities for group members through innovative approaches to productive activities, technologies and marketing, and b) institution building in BRDB related to income-generating activities.
2. More groups should only be formed in relation to LCS's and priority be given to forming women LCS groups. The project should restrict itself to servicing the already existing groups in terms of creating income-generating possibilities. Thus, no expansion into new Upazilas should take place until after the review in year three.
3. The project should continue with informal groups for the first three years of RESP II. After that groups that so wish can be formed into formal cooperatives and a second tier UBCCA be formed.
4. The organisational structure of PEP would follow the basic model of the CIDA supported RD 12 project. The model can be slightly modified to increase the capacity for creation of income generating activities (IGA). Clear management guidelines would be agreed upon and put into effect at the start of RESP II.
5. There would be an extra URDO for PEP at the Upazila level, and perhaps one more reimbursable BRDB staff if such persons can be recruited with technical/economic experience in IGA. The TA staff

- would be withdrawn from the Upazila level at the time when the new GOB posts are filled. The deputed line Ministry staff would continue.
6. At the District level the DPD's office would be strengthened by more GOB staff, and would be assisted by two TA who will work under the DPD's guidance. One would be a training specialist and the other a technician/economist for IGA.
  7. At the Programme headquarters level (Faridpur) a team of six to seven TA well-qualified in the fields of marketing, technology, fisheries, horticulture, women's affairs, etc would develop packages and modules for IGA that would be introduced at the field level. This Cell would be headed by an expatriate IGA expert, preferably one with experience of group mobilisation, who would be the Senior Adviser to the Project Director (now a Joint Director). The Cell would work under the direction and guidance of the Project to hire short-term technical experts and an Action Research Fund as at present. The Project Director and the Senior Adviser would have full authority to approve the use of the funds. The Project Director's office would also be strengthened by additional GOB reimbursable staff to deal with the considerable administrative load.
  8. In BRDB headquarters in Dhaka there would be an institutional support unit, headed by an expatriate TA and linked to the Additional Director-General, to monitor the innovative activities in the field with regard to introducing them into BRDB generally. This unit should work closely with the CIDA RD 12 Canadian Resource Team. Coordination of donor inputs to BRDB would be an advantage both to the donors and BRDB.
  9. Practical training related to IGA, both on the technical and management sides, will be an important aspect of the project. There will be need for both staff and group member training. A Training Fund at the disposal of the Project Director and the Senior Adviser would be used for innovative training inputs. On the whole local NGO's and experts should be hired on short-term basis to carry out the training rather than building up a large staff of TA.
  10. PEP would develop and implement a policy of positive support to

female staff members, including incentives and security, as well as ensuring that 40% are female by the end of RESP II.

### **Staff**

1. The EM finds that the number of expatriate staff (advisers) should be reduced, and the exact number can be agreed upon by GOB and the donors. Moving the Programme headquarters to Faridpur will in itself reduce staff as some headquarter staff can also monitor and advise on field work.
2. The IDP should have a Senior Adviser to work with the Project Director. In addition there should be a Water Resource Adviser at the headquarters. The number of advisers at district level for IDP and PEP is still an open question, but thought can be given to one adviser covering two districts or of combining the IDP and PEP advisory posts in, for example, Kurigram.
3. The donor would appoint a Senior Programme Monitor to head the Programme Support office.
4. The local TA staff would be appointed by the sub-contractor located in the PSO. The relevant Project Director and his Senior Adviser will participate in the selection. Clear management guidelines must be worked out to ensure that the advisers and local TA work under the guidance of the Project Directors.

## Appendix

# Terms of Reference

## Background

The Rural Employment Sector Programme (RESP) in Bangladesh is a rural development intervention in four districts aiming at increasing production and generating employment of poor men and women (households holding less than 0.5 acre of land). RESP comprises at present of two separate but inter-related projects, Infra-structure Development Project (IDP) and Production and Employment Project (PEP). For coordination purposes there is a Central Planning and Monitoring Unit (CPMU), which is also responsible for over-all project planning monitoring and financial control.

RESP is under the jurisdiction of the Ministry of Local Government & Rural Development. Implementation of IDP is entrusted to the Local Government Engineering Bureau (LGEB) and local government authorities at district and upazila level, whereas PEP is implemented by the Bangladesh Rural Development Board.

RESP was launched in October 1986, but was preceeded by the "Integrated Rural Works Programme", IRWP. When IRWP was evaluated in 1985 it was severely criticised for lack of goal fulfilment which resulted in several changes aiming at greater so called target group orientation. The present RESP agreement expires in July 1989. During the annual review 1988, the parties however agreed to prepare for an extension of the agreement for one more year, to allow for more time for planning and preparation of a continuation of RESP, 1990-94.

## Purpose of the evaluation

The evaluation has two main purposes: to evaluate the progress of RESP since the evaluation of 1985 and to assess an outline of RESP II to be presented end 1988. The report to be made will have great impact on the design of a possible RESP II.

## General aspects

Make an assessment of the achievements of RESP in respect of

- over-all infrastructure development in the project areas
- employment (direct and indirect), income and other benefits for the target population

Examine each component with regard to the following points:

- compare achievements with quantitative and qualitative targets as indicated in Plan of Operation (indicators progress)
- estimate as far as possible cost effectiveness of both PEP and IDP
- identify and analyze main problems and constraints of project operations
- review the adequacy of the over-all programme organization and administrative arrangements.

- analyze how RESP as a whole and IDP and PEP fit into the administrative structures at central and local levels. Give views on the contributions of expatriate staff and the local TA-organization. In this context the role of the donor consultant (HIFAB) should be studied
  - assess the adequacy and appropriateness of the monitoring and follow-up system, including the donors' follow-up system
  - specifically comment on the general progress made on the below points:
    - \* main criticisms raised in the above mentioned IRWP evaluation
    - \* institutional development on different levels
    - \* target group orientation in general and with specific reference to poor women
    - \* methods used for employment and self-employment generation for the target group
    - \* technical quality of infrastructural investments
    - \* interaction between IDP and PEP on different levels
- Comments on the above points should preferably include concrete proposals for future improvements.

## Project specific aspects

Under A, B, and C, below some specific issues for the different projects are given as further guidance to and for consideration by the mission:

### Infrastructure Development Project IDP

- a) Organization and management:
  - assess the adequacy of project organization in respect of staffing and other resources to achieve the objectives and target of IDP
  - assess to what extent the institutional framework within which the project is operating has been conducive to achieving the objectives including the target-group objectives of IDP
  - assess the degree of integration of IDP within LGEB and estimate the impact of IDP on LGEB's ordinary operations; determine the linkages of IDP with other development programmes implemented at the Upazila-level; determine in which way IDP differs from other similar interventions
- b) Quality of work, design and scheme preparations etc:
  - assess the adequacy and appropriateness of criteria and procedures for identification and selection of different kinds of schemes;
  - assess the quality and standard of design, scheme preparation and construction for different types of structures (feeder roads, bridges, market structures etc) and - if possible - compare with other similar projects
  - assess the efficiency of measures to reduce misappropriations
  - assess the adequacy of measures to develop more cost-effective road surfaces (road trials)
  - assess the appropriateness of construction methods applied and the organization of work
- c) Maintenance
  - review the earthwork maintenance programme in respect of quality of work, cost of operations, employment implications and other relevant aspects
  - programme in respect of quality of work, adequacy of operation and management system, integration within the local government structure, etc
  - determine the relevance and adequacy of the human development and technical

training programme on the performance of the labourers in respect of efficiency, awareness of rights and responsibilities group solidarity etc  
 - give views on the overall balance between resources for investment and maintenance in IDP-upazilas

d) Training

- assess the status of the IDP training programme and its incorporation with LGEb's normal activities at LGEb as well as the district level
- assess to what extent the IDP training strategy has been adopted by other projects

e) Feeder Roads and Growth Centres

- assess the adequacy of the local government set-up for planning and implementation of the feeder road and growth centre components assess appropriateness of the system for maintenance of feeder roads and growth centres
- review the appropriateness of the criteria for selection of roads and markets to be covered under IDP
- determine the progress as regards the use of the road sides for social forestry activities and other productive purposes

f) Small scale local initiative schemes

- review the experience of this component particularly in respect of attitudes of local administration and local population, efficiency of mechanism to identify, approve, supervise implementation of schemes; response from labourers, level of external support required (from TA-staff) etc
- review the adequacy of the training programme provided
- review the performance of the pond excavation programme; identify problems and constraints in respect of other agencies and with access to water bodies
- assess the cooperation with NGOs with regard to the implementation of this component
- make an assessment of the LCS concept: to what extent can LCSs continue to function after the first job is completed, has skills training offered by IDP helped the groups get other work etc

g) Water resource schemes

- assess the adequacy and appropriateness of the organizational set-up for planning and implementation of water resource schemes in IDP; assess the degree of integration of the IDP water resource establishment with the LGEb engineering establishment at Upazila and district level
- assess the performance of this sub-component with regard to pace of implementation, effectiveness, planning capability, impact on the target group etc
- assess the appropriateness of the criteria applied for selection of schemes
- quantify the area affected by schemes implemented to date and estimate the impact on agricultural production
- make an assessment of to what extent the Upazilas and Districts have been motivated to increase the number of water schemes to be funded through other channels; assess to what extent the LGEb has been given other water development projects

h) Institution building

- assess as far as possible to what extent RESP's institution building activities have contributed to improved capabilities of LGEb and the local government engineering set-up and estimate the impact of IDP on LGEb's ordinary activities; make an assessment of LGEb's capability to handle large infrastructure development projects; also try to determine to what extent the innovative socio-economic activities of IDP have been taken up by other projects.

**Production and Employment project, PEP**

- a) Project management, institutional issues:
  - assess the adequacy of the present organization, including level and specification of staffing (both TA and GoB) and appropriateness of other resources allocated to achieve the objectives and targets of PEP
  - examine the justification for and the adequacy of the present TA-establishment; assess advantages and disadvantages with the system in respect of relationship between GoB and TA-staff, effectiveness of management etc
  - assess the adequacy and effectiveness of the management and operational guidelines prepared by the project to guide implementation; identify major deviations from BRDB's normal administrative procedures and examine how that may have affected project implementation
  - make an assessment of the advantages and disadvantages of the present division of authority between Upazila, District and Central level
  - review the assignment of TA and GoB staff as compared to the PLANoP; determine the percentage of female staff at various levels
  - assess the appropriateness of the monitoring and follow-up system
- b) Mobilization of the target population
  - review and draw operational conclusions from the report on group mobilization undertaken by a separate consultant
- c) Establishment and functioning of the Upazila Offices (Resource Centres)
  - assess the pace of establishment of Upazila Offices as compared to targets; review the feasibility of the expansion programme as suggested in the PlanOp and the appropriateness of the selection of Upazilas to be included
  - review and analyze problems as well as positive experiences during the establishment of the Upazila Offices; examine in particular the relationship between the PEP Office on one hand and the Upazila administration and BRDB normal establishment on the other; assess if there are any serious differences in perceptions as regards the role of the PEP Offices or differences in expectations; assess to what extent such differences (if any) have affected implementation
  - assess the appropriateness of the Resource Centre concept as an institutional mechanism to meet the objectives of PEP; review the list of activities to be undertaken by the Resource Centre and assess the adequacy of staffing assigned to the Centre.
  - determine which activities to date have been given priority and assess the justification for such prioritization
  - review the appropriateness and effectiveness of the PEP skills training programme in respect of identification of needs, organization of training courses, selection of trainees, selection of instructors etc
  - review efforts to collect and disseminate information of new or alternative technologies; assess the adequacy of resources allocated for this purpose
  - make preliminary assessment of the functioning of the PEP credit programme
  - examine the relevance and assess the usefulness of legal service provided
  - determine to what extent services of the Resource Centre have been offered to other than BRDB-groups

**Central Coordination and Monitoring Unit**

- review the role and assess the performance of the Central Coordination Committee
- assess the effectiveness of CPMU as a coordinating body for RESP; assess the

- appropriateness of the attachment of CPMU to the Planning Commission; examine the relationship with the Rural Development Division and the Local Government Division
- assess the adequacy of staffing and other resources to achieve the objectives of RESP
- review the adequacy and usefulness of the monitoring system developed within CPMU
- assess the achievements of the planning component as compared to targets; assess the degree of cooperation with other projects and agencies
- assess the effectiveness of the financial management and control system developed within CPMU
- assess the coordination between RESP/CPMU and SIDA

## **Preliminary assessment of the outline for RESP II**

Make an assessment of the RESP II outline with point of departure from the guidelines agreed upon in September 1988. The team would focus on the following issues

- a) over-all structure and balance between components
- b) geographical coverage of the different projects related to issues such as quality of work, financial requirements and staff requirements
- c) appropriateness of administrative arrangements for central management as well as for implementation of PEP and IDP
- d) future for the Growth Centres component in IDP
- e) LGEB institution-building
- f) proposed approach to target group mobilization including the PEP Resource Centre concept

## **Method of Work**

The evaluation will be preceded by three indepth pre-evaluation studies:

- study of group formation and mobilization in PEP
- comparative assessment of rural employment programmes
- study on the foreign personnel component of RESP

The evaluation will base its assessments and conclusions on

- a review and assessment of the above mentioned pre- studies analysis and review of existing progress and other documentation available
- field visits to both project areas and interviews with project and non-project staff

## **Timing and Reporting**

The evaluation will take place during four weeks in January 1988, starting January 10, Summary of findings and recommendations will be presented upon departure from Bangladesh. The final report will be submitted not later than three weeks after departure from Bangladesh.

## **Composition of the Mission**

The evaluation will jointly be undertaken by the Donors and GoB. The Donors have agreed to nominate four experts:

Team leader (Rural Institutions Expert), Nigel Hawkesworth  
 Economist, Ole Lindberg  
 Sociologist, Else Skjønberg  
 Civil engineer, Ton Jansen.

# Abbreviations

|      |                                                                                  |
|------|----------------------------------------------------------------------------------|
| ADB  | Asian Development Bank                                                           |
| ARDO | Assistant Rural Development Officer                                              |
| ARM  | Annual Review Meeting                                                            |
| B/C  | Benefit/Cost ratio                                                               |
| BIDS | Bangladesh Institute of Development Studies                                      |
| BRDB | Bangladesh Rural Development Board                                               |
| BSS  | (Male rural poor cooperative)                                                    |
| BWDB | Bangladesh Water Development Board                                               |
| CCC  | Central Coordination Committee                                                   |
| CIDA | Canadian International Development Agency                                        |
| CPMU | Central Planning and Monitoring Unit                                             |
| DGIS | (Dutch development agency)<br>Directorate-General for International Co-operation |
| DPD  | Deputy Project Director                                                          |
| DEA  | District Engineering Adviser                                                     |
| DSEA | District Socio-Economic Adviser                                                  |
| EIRR | Economic Internal Rate of Return                                                 |
| EM   | Evaluation Mission                                                               |
| GO   | Group Organiser                                                                  |
| GOB  | Government of Bangladesh                                                         |
| HBB  | Herring-Bone Brick                                                               |
| HQ   | Headquarters                                                                     |
| IDA  | International Development Agency (World Bank)                                    |
| IDP  | Infrastructure Development Project                                               |
| IGA  | Income Generating Activities                                                     |

|        |                                                                     |
|--------|---------------------------------------------------------------------|
| IRWP   | Intensive Rural Works Programme                                     |
| ISP    | Institutional Support Project                                       |
| LCS    | Labour Contracting Society                                          |
| LGD    | Local Government Division                                           |
| LGBE   | Local Government Engineering Bureau                                 |
| LIGRS  | Locally Initiated Grass Roots Schemes                               |
| MBSS   | (Female rural poor cooperative)                                     |
| MLGRDC | Ministry of Local Government, Rural Development<br>and Cooperatives |
| NORAD  | Norwegian International Development Agency                          |
| OCM    | Operation and maintenance                                           |
| PC     | Project Committee                                                   |
| PD     | Project Director                                                    |
| PEP    | Production and Employment Project                                   |
| PIO    | Project Implementation Office                                       |
| POP    | Plan of Operation                                                   |
| PSO    | Programme Support office                                            |
| PTC    | PEP Technical Cell                                                  |
| TA     | Technical Assistance                                                |
| TG     | Target Group                                                        |
| RD 12  | Rural Development Project 12                                        |
| RDGD   | Rural Development and Cooperatives Division                         |
| RESP   | Rural Employment Sector Programme                                   |
| RPP    | Rural Poor Programme                                                |
| SIDA   | Swedish International Development Agency                            |
| SPA    | Senior Programme Adviser                                            |
| SPM    | Senior Programme Monitor                                            |
| SSWRS  | Small Scale Water Resource Scheme                                   |
| UBCCA  | Upazila Bitahen Central Cooperative Association                     |
| URDO   | Upazila Rural Development Officer                                   |
| UZ     | Upazila                                                             |
| WRS    | Water Resource Scheme                                               |
| WS     | Womens Scheme                                                       |
| XEN    | Executive Engineer                                                  |

## NEW PATHS FROM POVERTY

**E**xploitation of the poor is woven into the very structure of Bangladesh society. To improve the lot of the landless poor new approaches are needed.

The Rural Employment Sector Programme in Bangladesh consists of two separate programmes: one to improve rural infrastructure, the other to organise groups and start income generating activities.

The infrastructure program has improved the living conditions of the poor. In the future investments should emphasise long-term employment.

The second programme has an over-ambitious number of objectives, and unclear divisions of responsibilities. It should focus on innovative income generating activities. The programme must be restructured to clarify the division of responsibilities.

These are the main findings of this evaluation by Nigel Hawkesworth, Md. Mainul Islam, Mahmuda Islam, Ton Jansen, Ole Lindberg, Sadrel Reza, and Else Skjøsberg.

Each year about 30 of SIDA's 200 projects are evaluated. A number of these evaluations are published in the Evaluation Series. Copies of the reports can be ordered from SIDA, S-105 25 Stockholm, Sweden.

