

Validation Report
June 2022

Bangladesh: Second Crop Diversification Project

Reference Number: PVR-861
Project Number: 40534-013
Loan Number: 2649



Raising development impact through evaluation

ABBREVIATIONS

ADB	–	Asian Development Bank
BRAC	–	Bangladesh Rural Advancement Committee
DAE	–	Department of Agricultural Extension
DMF	–	design and monitoring framework
EIRR	–	economic internal rate of return
FMA	–	farmers' marketing association
GAP	–	gender action plan
HVC	–	high value crop
MFI	–	microfinance institution
MTR	–	midterm review
OFSSI	–	on-farm small-scale infrastructure
PCR	–	project completion report
RRP	–	report and recommendation of the President

NOTE

In this report, “\$” refers to United States dollars and “Tk” refers to Bangladesh taka.

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PROJECT BASIC DATA

Project number	40534-013	PCR circulation date	Nov 2021	
Loan number	2649	PCR validation date	Jun 2022	
Project name	Second Crop Diversification Project			
Sector and subsector	Agriculture, natural resources and rural development Finance	Agricultural policy, institutional and capacity development Agricultural production Inclusive finance		
Strategic agenda	Environmentally sustainable growth Inclusive economic growth			
Safeguard categories	Environment		B	
	Involuntary resettlement		C	
	Indigenous peoples		B	
Country	Bangladesh		Approved (\$ million)	Actual (\$ million)
ADB financing (\$ million)	ADF: 0.00	Total project costs	46.77	53.44
	OCR: 40.96	Loan	40.96	41.53
		Borrower	5.42	11.91
		Beneficiaries	0.00	0.00
		Others	0.39	0.00
Cofinancier		Total cofinancing	0.00	0.00
Approval date	30 Jun 2010	Effectiveness date	11 Jan 2011	10 Jan 2011
Signing date	13 Oct 2010	Closing date Financial closing date	31 Dec 2016 23 Jul 2018	31 Dec 2016
Project officers	A. K. Shaha Md. S. Alam	Location Bangladesh Resident Mission Bangladesh Resident Mission	From Jan 2011 Jun 2013	To Jun 2013 Dec 2016
IED review				
Director	N. Subramaniam, IESP			
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ADB = Asian Development Bank, ADF = Asian Development Fund, IED = Independent Evaluation Department, OCR = ordinary capital resources, PCR = project completion report

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I. PROJECT DESCRIPTION

A. Rationale

1. Agriculture is the predominant sector in Bangladesh with more than 75% of the population involved at the time of appraisal.¹ Rice has traditionally been the principal crop produced and the country's major domestic food source. Focusing on rice cultivation has reduced the production of other crops, and has negatively affected biodiversity. Nutritional outcomes have resulted in less varied diets and a dependence on imported foods. Relying on imports of high value crops (HVC) give a higher rate of return per hectare than high-yielding winter (boro) rice. Dependence on expensive imports, particularly fruits, has meant that HVCs are inaccessible for many who cannot afford a varied diet. This lack of crop diversity was a major factor constraining economic growth, as indicated in the Asian Development Bank's (ADB) country strategy and program, 2006–2010 at the time of project design.²

¹ ADB. 2010. *Report and Recommendation of the President for the Second Crop Diversification Project of Bangladesh*. Manila.

² ADB. 2005. *Country Strategy and Program: Bangladesh, 2006–2010*. Manila.

2. The Second Crop Diversification Project (SCDP) was aligned with the ADB country strategy and program, 2006–2010 as well as the previous country assistance program evaluation and relevant national strategies, including the National Strategy for Accelerated Poverty Reduction II and the National Agriculture Policy.³ The project was aimed at increasing rural incomes in targeted regions and at improving the efficiency and value addition in HVC production. The project targeted marginal farmers with up to 3 hectares (ha) of land.⁴

3. Based on the report and recommendation of the President (RRP), the project was also expected to indirectly benefit landless people with added employment opportunities. The project targeted areas in the southwest (Barisal, Dhaka, and Khulna divisions) and northwest (Rajshahi and Rangpur divisions) where large proportions of the country's poorest people reside.

B. Expected Impact, Outcome, and Outputs

4. The project's expected impact was increased rural income in the northwest and southwest areas' 27 districts. Its intended outcome was improved efficiency and value addition of HVC production. The project had four expected outputs: (i) increased HVC production and commercialization; (ii) reduced HVC postharvest losses, improved product quality and value addition, and enhanced market efficiency; (iii) enhanced capacity of public sector institutions and participating partners in supporting farmers to increase their incomes; and (iv) increased women's participation in commercial agriculture.

C. Provision of Inputs

5. The project was approved in June 2010 and became effective in January 2011. The project was completed in December 2016 as planned, and financially closed in July 2018.

6. The original total cost estimate was \$45.81 million. Of this amount, \$5.42 million was expected to be borrower-financed, \$40 million was ADB-financed, and \$0.39 million was to be externally financed. Actual total costs amounted to \$52.49 million, with the borrower contributing \$11.91 million. There were increases in funding for extension services, credit lines and vehicles, and cancellation of funding associated with field-level agricultural offices and value-added service providers. The project disbursed all available funds.

7. The \$2.79 million allocated for consulting services was increased slightly to \$2.80 million upon full disbursement. At appraisal, \$1.80 million was estimated for the international consultants and \$961,000 for national consultants. At completion, \$922,430 was utilized for international consultants and \$1.88 million for national consultants.⁵ All consultant services activities were completed within the project period. The project completion report (PCR) rated the consultants' performance as satisfactory.

8. The project was categorized as B for environmental safeguards, C for resettlement, and B for indigenous peoples. The project's gender action plan (GAP) had gender equity as theme and with a component specifically addressing support for women. GAP activities were mainstreamed with support of a gender focal person.

³ Government of Bangladesh, Planning Commission. 2009. *Steps towards Change: National Strategy for Accelerated Poverty Reduction II, FY2009–2011*. Dhaka.

⁴ ADB. 2021. *Completion Report: Second Crop Diversification Project in Bangladesh*. Manila.

⁵ The distribution of person-hours between national and international consultants was not available in the information provided for the validation.

D. Implementation Arrangements

9. The RRP for this project outlined a project steering committee as the oversight body, the Department of Agriculture Extension (DAE) as the executing agency for components 1, 2, 4, and 5, and the Agricultural Credit Department of the Bangladesh Bank, with microfinance institutions (MFI) for component 3.⁶ Two regional project implementation units were envisioned to be established in DAE regional offices with oversight by the project management unit. These arrangements were carried out during implementation.

10. The project originally engaged two consultants, one for implementation and one for the baseline survey. An additional three consultants were engaged later in the project, one for the project completion survey, one for a food quality standards feasibility study, and one for an impact study on indigenous peoples' community safety. A 20-month delay was experienced with the contracting of the implementation consultant that resulted in other delays in site selection, recruitment of community facilitators, and training activities. Other consultant services were delivered on time and were considered satisfactory.

11. All 34 loan covenants were complied with, with one experiencing a delay. This delay pertained to the recruitment of community facilitators that was to be completed 3 months after the effectivity date, although it occurred 1 year after due to delays in engaging the services of the implementation consultant.

II. EVALUATION OF PERFORMANCE AND RATINGS

A. Relevance of Design and Formulation

12. The PCR rated the project relevant, based on the design's alignment with the government's objectives to strengthen the agriculture sector and identify demand for HVCs in the market. The project was in line with the government's National Agriculture Policy toward supporting Bangladesh to become self-sufficient in food and ensuring a dependable food security system by 2013 through increasing the production of all crops, including HVCs.⁷ The government also released the National Strategy for Accelerated Poverty Reduction II (footnote 3) that aimed to reduce poverty through rapid economic growth. For this reason, the development of agriculture was a priority to address and reduce poverty. The project design was market-oriented and demand-driven, and was expected to increase farmers' incomes and enhance food security in Bangladesh.

13. This validation finds the project design consistent with the ADB country strategy and program, 2006–2010 (footnote 2). It was a follow-on project to the ADB-supported Northwest Crop Diversification project completed in June 2009.⁸ The design was expected to complement ADB's Agribusiness Development Project.⁹

⁶ The Bangladesh Rural Advancement Committee (BRAC) was appointed as an MFI based on the criteria that the project developed.

⁷ Government of Bangladesh, Ministry of Agriculture. 1999. *National Agricultural Policy*. Dhaka.

⁸ ADB. 2000. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the People's Republic of Bangladesh for the Northwest Crop Diversification Project*. Manila.

⁹ ADB. 2005. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Technical Assistance Grant to the People's Republic of Bangladesh for the Agribusiness Development Project*. Manila.

14. The project approach that supported DAE and MFIs to work with farmers' marketing associations (FMA) for each subdistrict (*upazila*) was appropriate in targeting the most vulnerable communities that needed intervention. Investing in low-cost, on-farm small-scale infrastructure (OFSSI) facilities to improve farm produce collection and post-harvest handling, and preparing markets helped in addressing the barrier to improved agriculture development. However, the design could have foreseen the difficulties in accessing available land for construction of such facilities and defined more realistic targets.

15. The PCR stated that applying a sector loan modality to the project was appropriate due to the large scope of work in Bangladesh's agricultural sector. However, the PCR was silent on whether Bangladesh had a sector development plan, or if the institutional capacity was sufficient, which were two criteria that had to be satisfied to meet ADB's policy on sector lending.¹⁰

16. The logic and indicators included in the RRP's design and management framework (DMF) had shortcomings, notably the absence of baselines for many indicators. Outcome indicator 1 did not include a target. The outcome statement referred to "efficiency" although none of the outcome indicators was related to efficiency. On the positive side, the inclusion of multiple indicators for one objective allowed triangulation of data collected. For example, the indicator on increased rural income included headcount ratio of rural poverty, farmer incomes, and employment in agriculture.

17. The intended project outcome was clearly aligned with the government priorities and the ADB strategies for Bangladesh at the time of design. The project design addressed the identified needs and proposed a relevant set of interventions. There were no changes to design during implementation.

The DMF had weaknesses, making it difficult to measure project achievements. On the whole, this validation assesses the project relevant.

B. Effectiveness in Achieving Project Outcomes and Outputs

18. The PCR rated the project effective because it achieved all three outcome indicators. It also indicated that 18 out of 20 output targets were either achieved, substantially achieved, or exceeded. There were no formal changes to indicators or targets between the RRP and the PCR. However, the government reduced the target for OFSSI due to difficulties in finding suitable construction sites. This change was not formalized through ADB processes.

19. This validation finds the evidence of outcome achievement mixed due to a lack of baselines and unclear wording in the PCR's DMF achievements. The sole outcome of improved efficiency and value addition of HVC production had three indicators. The project partially achieved outcome indicator 1—improved quantity, quality, regularity, and value of HVCs in response to market demand, and public health and environmental requirements. Evidence regarding the quantity was from the output indicators and, thus, acceptable. Evidence on the improvement of quality—the adoption of good agricultural practices by at least 48.4% to 78.1% farmers, and organic farming by 73.4% farmers—was impossible to substantiate without baselines or additional details, which the PCR did not provide. The PCR also did not provide evidence on regularity of HVCs in response to market demand, while evidence on value of HVCs was confusing, which mentioned a benefit–cost ratio without context. However, output 2 focused on improved value, so it could be assumed there was an increase in HVC value at the outcome level. Outcome indicator 2—women involved in commercial agricultural production and marketing increased by 10% by 2016—barely achieved its target, with 10.6% of women participating in

¹⁰ OM Section D3/BP, para 4. <https://www.adb.org/sites/default/files/institutional-document/31483/om-d3.pdf>

decision making. The third outcome indicator—women’s access to rural finance—overachieved its 20% target, with 601% increase in 2016.

20. The project substantially achieved its output 1—increased HVC production and commercialization—with three of its indicators exceeded, one achieved, and one partially achieved. Output 2—reduced HVC postharvest losses, improved product quality and value addition, and enhanced market efficiency—was substantially achieved, with one of its indicators exceeded, one achieved, and one substantially achieved. Output 3—enhanced capacity of public sector institutions and participating partners in supporting farmers to increase their incomes—was achieved, with three of its indicators exceeded and one achieved. Output 4—increased participation of women in commercial agricultural activities—was achieved, with seven of its eight indicators exceeded, and one indicator achieved.

21. As noted earlier, most indicators exceeded results. However, the PCR did not further explain as to why these indicators were exceeded. With the establishment of FMAs, 33 had confirmed market agreements (132% of target). The targets for capacity building of public sector and partner institutions were also substantially higher than targeted for both number of staff (783%) and number of training days (174%). The level of credit available for participating farmers was higher at \$92.15 million than the \$25 million target for 205,989 borrowers against the 175,000 target.

22. The two targets related to the numbers of training days and OFSSIs constructed were partially achieved. The training days accomplished were 340,975 compared to a target of 523,000 (65% of target). This partial achievement was due to the success of the on-farm field demonstration plots, with direct field tours rather than formal training activities. A total of 92 OFSSIs were constructed, with positive feedback from respondents during the end of project survey on the importance of these facilities for storage and preparation for market. The project was delayed in recruiting a service provider to assist in preparing the OFSSIs and had difficulty in identifying appropriate and available land that did not require acquisition for OFSSI facilities. Consequently, due to delays, only 92 were constructed, with 48 fully operational by the end of the project. The PCR and back-to-office reports noted challenges and heightened level of supervision to ensure adequate construction quality. Costs associated with OFSSI procurement also increased due to price changes and procurement delays. As a result of these challenges, the government decreased the OFSSI target to 104. The change in targets was recorded in the 2014 aide-mémoire and was not noted as ADB’s formal DMF change in targets. For this reason, the original targets were used in the PCR.

23. The project prepared a GAP with 44 activities, all completed. On the whole, the project met 94% of quantitative targets for the GAP implementation. The results of the focus on women’s participation were highly effective. The FMAs ran by 1,955 farmers, of which 593 were women, were three times higher than the targeted level. The completion study reported that women had a strong decision-making role for the FMAs and in the planning for OFSSIs. Of the 17,071 HVC demonstration plots established, 41% were set up for women. The project also achieved a substantial increase in access to agricultural credit for women (123,425 women compared to 17,611 at baseline).

24. Achievements were verified through supporting documentation, although there were slightly lower data reported in the completion survey report compared to the PCR. This may be due to the timing of report issuance, with the PCR generated after the completion survey report. This aspect could be more clearly referenced in the data sources for each indicator.

25. The project's safeguards were satisfactorily implemented. No subprojects entailed land acquisition or involuntary resettlement, including relocation, although this requirement constrained the project implementation of the OFSSIs. A total of 54,664 indigenous peoples in 10,369 households from various communities were included in project planning and implementation, although the remoteness of the communities and lack of access to arable land led to difficulties in production, marketing, and access to MFIs. A total of 36 small farmers groups were formed with 529 members, including 194 males and 335 females, with 59% of members receiving credit. Due to the remote locations, the access to credit was lower for indigenous peoples' areas than in other project locations. By December 2016, a total of Tk6.686 million credit was disbursed to members, with an average Tk18,115 credit per member. The HVC area per indigenous people's family increased by 36%.

26. On the whole, the PCR assessed the project as having no adverse environmental impacts. An environmental management plan, as required under the updated ADB Safeguard Policy Statement 2009, was not prepared. Nonetheless, the environmental documents produced during the initiation phase were of a good quality and provided sufficient instruction to guide project operations. The project planned and implemented climate-sensitive agricultural training that was appropriate to the targeted *upazilas'* fragile environment. The introduction of organic and farming system approaches to resource management included climate change adaptation activity benefits, such as decreased use of chemical fertilizer and pesticides, increased crop production per cleared area, and decreased water use. During implementation, safeguards assessments concluded that the project did not generate negative environmental effects.

27. While the evidence presented on outcome achievement was not strong, this validation finds the outputs' achievements will likely to have contributed to the outcome's achievement. Based on this, this validation assesses the project effective.

C. Efficiency of Resource Use

28. The PCR rated the project highly efficient. The economic internal rate of return (EIRR) was at 74%, compared to 38.6% at appraisal, using a similar methodology. The project's EIRR was highly efficient at 18%, based on ADB's benchmark for economically viable projects at 12%. The PCR's Appendix 16 provided strong evidence from a range of data sources of a credible analysis for the high-level economic benefits achieved through the project.¹¹ The justification for the high EIRR were: (i) increased HVC production area of 93,870 hectares from the target of 50,000 hectares; (ii) 176.2% increase in farmer's income; (iii) 30.1% increase in agricultural employment; and (iv) a sharp 18.5% increase in HVC production. Furthermore, there was no cost overrun in loan currency and the intended outputs were delivered at 100% of the cost estimate at appraisal.

29. The project disbursed all available funds, following minor reallocations during implementation because of initial delays. These delays were well-presented in the PCR's Appendix 11. The PCR noted that the delays experienced with identifying sites for OFSSI projects increased construction costs resulting in a lower number of infrastructure than originally intended using the same budget. Nonetheless, the project did not require any extensions and delivered most intended results on time and within budget.

¹¹ The PCR cited aide-mémoires, benefit monitoring and evaluation reports, and consultants' progress reports, quarterly progress reports, Implementation Monitoring and Evaluation Division, SCDP completion report (2017), executive agency's project completion survey report (2018), and the project completion review mission's small-scale socioeconomic survey as sources to verify economic data in the post-facto economic analysis.

30. The EIRR analysis was consistent with the RRP calculations, given that the land area converted to HVC production was almost double than targeted. Economic gains also accrued from the demonstrated gains in productivity diversified crop value in wider markets. Consequently, this validation assesses the project highly efficient.

D. Preliminary Assessment of Sustainability

31. The PCR rated the project likely sustainable. The financial internal rate of return was 46.7% at appraisal and 49% at project completion. The weighted average cost of capital at completion was 0.10%. The results that the project achieved are likely to continue given the increased capacity of DAE's extension services and Bangladesh Rural Advancement Committee (BRAC) officers' assistance to the project-supported investments in HVC development and access to credit. The seven Horticulture Development and Training Centers have been strengthened to continue producing high-quality planting materials and support partners on nursery management to ensure continuous supply of HVC seedlings. Capacity mainstreaming within implementing partners with existing budgets contributed to likely sustainability from providing continuing institutional support to farmers. The extent of continuing DAE budget for extension services was not noted in the PCR and the level of budget allocation would affect the extent of ongoing services to the project participants. Nonetheless, these are expected to continue to the level of budget available.

32. The high level of adoption of improved farming practices and the direct market linkages demonstrate the extent to which capacity among the farmers has been accomplished. The application of new approaches is likely to continue, given the higher income levels being attained due to the change in farming systems and practices. The on-ground results, including increased understanding and application of good agricultural practices for many participants, are likely to enable continued farm production using improved practice. Introducing organic farming practices means that the requirement for inputs is reduced and that even with reduced commercial farm inputs, production is likely to continue. In addition, measures have been put in place for the revolving credit mechanisms that the project established to keep operating beyond the project completion date.

33. The likely risks to sustainability were noted as reduction in market price and climatic factors affecting production. These risks may occur, although, based on the financial sensitivity analysis, the extent of impact is unlikely to lead to loss of income and that, given the continuing availability of financing and the high repayment rates to date, production is expected to rebound if risk factors occur. The impact on women is also likely to be sustained. The involvement of women in leadership positions and in active marketing activities is unlikely to decline and is likely to further increase. The increased inclusion of women in agricultural decision-making processes is likely to be maintained.

34. Given the project's investment on institutional development and capacity development, the benefits of the project are likely to be maintained given the continued support for production and extension, and the demonstrated capacity of the participants to continue HVC production. Consequently, this validation assesses the project likely sustainable.

III. OTHER PERFORMANCE ASSESSMENTS

A. Preliminary Assessment of Development Impact

35. The PCR rated the project's development impact satisfactory. The achievement of impact targets related to poverty reduction, income increases, and agricultural employment growth are positive indicators of ongoing impact. The rural poverty in western Bangladesh was reduced from 47%–54% in 2008 to 30%–49% in 2016. This was a decrease of between 5% and 17% from the baseline, compared to a 2% decrease target. Further, employment in agriculture in western Bangladesh increased by 30.1% against the 5% target, substantiating the improved levels of economic activity in agriculture.¹² Other supporting documents, such as the Indigenous Community Monitoring Report, support the increase in income through improved production volumes for HVC and value-adding activities.¹³ This represented a major shift in agricultural practices in the project sites that has contributed to improved household incomes.

36. The project household survey indicated a 49.7% increase in the income of project beneficiaries compared to the baseline survey. Based on the completion survey, the monthly average household income increased from Tk15,132 in 2008 to Tk22,651 at project completion. Furthermore, many farmers indicated in the survey that the application of new knowledge in activities that the project conducted have contributed to crop diversification, increased growth of HVCs, and implementation of good agricultural practices. This is likely to contribute to further impact related to poverty reduction and income growth. The project's comprehensive approach also facilitated increased accessibility of markets and sale of HVCs. The establishment of FMAs would likely further stimulate impact through income changes. For this reason, this validation assesses the project satisfactory.

B. Performance of the Borrower and Executing Agency

37. The PCR rated the performance of the borrower and executing agency satisfactory. Of the 35 loan covenants, 34 were fully complied and the remaining covenant—recruitment of an implementation consultant and the community facilitators—was delayed. The project management unit operated successfully to address all implementation requirements and progress was assessed as satisfactory for each of the implementation reviews. Although there were some delays with procurement and financial management processes during implementation, these issues were effectively resolved. Reports were submitted regularly, and the GAP was satisfactorily implemented. Based on the executing agency's active engagement, compliance with covenants, effective implementation processes, and achievement of positive results, the validation assesses the performance of the borrower and executing agency satisfactory.

C. Performance of the Asian Development Bank and Cofinanciers

38. The PCR rated ADB performance satisfactory with no major concerns. Project design was appropriate and activities conducted were in line with relevant ADB policies and procedures, including procurement guidelines. Activities ADB provided adequate support to implementing and executing agencies, and effectively responded as needed. However, the midterm review (MTR) did not account for the delays experienced in consultant procurement. This resulted in missed

¹² International Bank for Reconstruction and Development–International Development Association. 2016. *Bangladesh Interactive Poverty Maps*. Dhaka.

¹³ ADB and Government of Bangladesh, Department of Agricultural Extension. 2016. *Indigenous Community Monitoring Report*. Dhaka. <https://www.adb.org/sites/default/files/project-documents/40534/40534-013-smr-en.pdf>

potential to change the project scope at the MTR based on findings that arose later in the project. The project referred to outdated ADB Safeguard Policy Statement during project appraisal, although this was updated in the Project Administration Instructions and the indigenous people's development framework.¹⁴ Several documents which were intended to be produced at appraisal were not developed, thus, environmental and indigenous peoples-related indicators were not tracked as effectively as possible. On the whole, this validation still assesses ADB performance satisfactory.

D. Others

39. The PCR provided detailed information on governance, fund flow, and procurement. There were delays in procurement that resulted in implementation delays. Goods and civil works were procured following ADB's Procurement Guidelines (2010, as amended from time to time). There were 26 goods packages procured through national competitive bidding. A total of 122 civil works contracts resulted in the construction of buildings for the 92 OFSSI facilities, and renovations and repairs of 30 district agricultural offices and horticulture development and training centers. All contracts were completed satisfactorily. The funds flow was also satisfactory, and the role of the project steering committee was important in ensuring implementation oversight for project governance matters.

IV. OVERALL ASSESSMENT, LESSONS, AND RECOMMENDATIONS

A. Overall Assessment and Ratings

40. The PCR rated the project relevant due to its alignment with national government and ADB priorities. The loan instrument, institutional arrangements, and implementation approaches were appropriate to the context and targeted population. The design was well formulated and addressed the identified development issues. This validation assesses that the project was relevant as it responded appropriately to identified development challenges in Bangladesh, although the modality was not fully supported and there were some weaknesses in the DMF. The PCR rated the project effective. This validation assesses the project effective because of the high number of met and exceeded output targets, accompanied by the assumption that they supported outcome achievement (as the outcome indicators were not clear). The PCR rated the project highly efficient. This validation assesses the project highly efficient because it achieved a very high EIRR despite some delays. The PCR rated the project to be likely sustainable. This validation assesses the project to be likely sustainable because of indications that project interventions will be continued, and new knowledge and behavioral change will be adopted. Overall, the validation assesses the project successful.

Overall Ratings

Validation Criteria	PCR	IED Review	Reason for Disagreement and/or Comments
Relevance	Relevant	Relevant	
Effectiveness	Effective	Effective	
Efficiency	Highly efficient	Highly efficient	
Sustainability	Likely sustainable	Likely sustainable	
Overall Assessment	Successful	Successful	

¹⁴ ADB. 2009. *Safeguard Policy Statement*. Manila.

Validation Criteria	PCR	IED Review	Reason for Disagreement and/or Comments
Preliminary assessment of impact	Satisfactory	Satisfactory	
Borrower and executing agency	Satisfactory	Satisfactory	
Performance of ADB	Satisfactory	Satisfactory	
Quality of PCR		Satisfactory	Para. 45.

ADB = Asian Development Bank, IED = Independent Evaluation Department, PCR = project completion report.
Source: ADB (IED).

B. Lessons

41. The PCR did not explicitly identify lessons learned; however, it identified the broader impact of the consultant recruitment delays and how this resulted in continuing issues for the project. As a result, the PCR suggested that the required chain of events needs to be considered when scheduling an MTR mission. The PCR also noted that the training approach of using demonstration rather than traditional training was effective in adopting new practices and implementing the knowledge built.

42. This validation identifies that given the project's exceeded indicators, there are likely to be important lessons that were inadequately documented in the PCR. First, adequate risk assessment and provisions for mitigation measures on safeguards at design stage are critical requirements for project readiness. Oftentimes, these prerequisites (e.g., analysis on the need for land acquisition), if not sufficiently done, could contribute to implementation delays. Such analysis could include appropriate assessment of project target areas, including land availability, as well as meeting the pertinent social safeguards prior to site access and/or civil works. Specifically, under an agricultural sector development project, it is essential to consider the development context of the local area during preparation, as beneficiaries may not readily support the implementation of specific project activities due to social and cultural aspects that have to be carefully considered. Second, establishing a project performance monitoring system allows better tracking of project results and implementation progress and risks, among other things. It is vital that a performance monitoring and evaluation tool is in place prior to, and during implementation to carefully monitor the status of project activities and issues, including data and information. This will allow a project to undertake necessary adjustments to address possible implementation issues and data gaps. For example, under the project, the project performance management system (PPMS) supported the achievement of gender-related targets through appropriate monitoring of gender indicators. Also, a PPMS would be useful during ex-post project evaluation, in terms of a more systematic aggregation and assessment of data and information collected via the system.

C. Recommendations for Follow-Up

43. The PCR provided practical recommendations that reflected the issues faced by the project, such as: (i) increasing DAE's capacity for consultant recruitment and financial management; (ii) assessing land acquisition at appraisal; (iii) providing sex-segregated toilets for all structures; (iv) fielding the MTR appropriately; and (v) making market-based cost estimates. It also had valid suggestions of improving monitoring and reporting and conducting a project performance evaluation. In addition, this validation suggests that the lessons learned through this project be more clearly documented to enable DAE and BRAC to build from the successes, and challenges faced during the project.

V. OTHER CONSIDERATIONS AND FOLLOW-UP

A. Monitoring and Reporting

44. The PCR did not mention the development of the investment project performance monitoring and analysis for use throughout the life of the project. The project covenants imply one was established, although it is only mentioned sporadically in the PCR in relation to other reports (e.g., GAP). The PCR did not mention if quarterly progress reports were submitted on time and of acceptable quality. All safeguards monitoring reports were submitted and disclosed on time. ADB monitored the project's progress through eight loan review missions and an MTR in March 2013.

B. Comments on Project Completion Report Quality

45. On the whole, the PCR was of a good quality and is assessed satisfactory. The PCR contained logical justifications for ratings supported by data and evidence. It also provided a clear assessment of project performance including candid discussion of challenges faced. The PCR could have included a stronger discussion on lessons to facilitate ongoing improvements in similar projects. The PCR could have been further strengthened by commenting on the quality of available documentation and indicating data sources. The PCR was circulated in November 2021, almost 40 months after the financial closing date of July 2018. ADB's Project Administration Instructions applied at that time (No. 6.07A, version of March 2009) indicates that circulation should be within 24 months.¹⁵

C. Data Sources for Validation

46. The main data sources for this validation were the PCR, the RRP, the project completion survey report, the government PCR, and recent project progress reports as well as other documents are footnoted throughout.

D. Recommendation for Independent Evaluation Department Follow-Up

47. This validation recommends a project performance evaluation report be conducted to further document and investigate project impact and sustainability. This report can also be used to document lessons learned on the comprehensive approach the project adopted.

¹⁵ The South Asia Regional Department noted that the project was completed on 31 December 2016. However, due to administrative delays in the executing agency, the project was financially closed in July 2018. To better reflect the project's development effectiveness and impact, the Bangladesh Resident Mission decided to finalize the PCR and utilize the allowed 24 months with planned PCR circulation in 2020. The department noted that in September 2020, in the middle of the PCR preparation, the responsible project officer resigned and resident mission did not have enough staff resources to complete the PCR in 2020. There were six PCRs being prepared for circulation that time and all project officers were fully engaged. A new staff was hired to complete the PCR preparation in March 2021.