

People's Republic of Bangladesh

FY2024 Ex-Post Evaluation Report of

Japanese ODA Loan “Northern Bangladesh Integrated Development Project” / Technical Assistance Project Related to ODA Loan “Strengthening Paurashava Governance Project”

External Evaluator: Hisae Takahashi, Fortience Consulting Inc.

0. Summary

The “Northern Bangladesh Integrated Development Project” (hereinafter referred to as “the Project”) was implemented with the aim of improving access to basic infrastructure and social services by improving rural and urban infrastructure and enhancing administrative and financial capacities of municipalities (Paurashavas)¹ in the northern 14 districts of Bangladesh, thereby contributing to the activating economic activities, reducing poverty, and reducing regional disparities. Additionally, in connection with the Project, a Technical Assistance Project related to the ODA Loan, the “Strengthening Paurashava Governance Project” (hereinafter referred to as “the Associated Project”) was also implemented, with the aim of establishing a framework for strengthening the administrative capacities of Paurashavas. At both the time of appraisal and ex-post evaluation, the Project has been consistent with Bangladesh's development plans and development needs. Although there was no specific coordination or collaboration with other projects or assistance within or outside JICA, the objective of the Project was aligned with Japan's ODA policies and international frameworks at the time of appraisal. Therefore, relevance and coherence of the Project are high. Due to factors such as increased personnel costs and unit prices borne by the Bangladeshi side, higher tax rates, and partial impacts of COVID-19, the project cost slightly exceeded the plan. As for the project period, delays in the deployment of consultants and the time required to select target sections for urban infrastructure also caused the project period to exceed the plan. Accordingly, the efficiency of the project is moderately low. In the target areas, an increase in traffic volume through infrastructure development has been observed, along with the revitalization of regional economic activities around the target roads and a rise in land prices. Improvements to markets have led to an increase in the number of shops and improvements in the sales environment, resulting in a confirmed increase in the number of customers. Participation of women living in poverty in road maintenance activities and the implementation of training programs aimed at improving livelihoods have also contributed to enhancing women's social and economic status. Furthermore, the rise in land prices and increased lease income through training on market

¹ The structure of local governance in Bangladesh consists of, from the higher levels, Divisions and Districts. Below the District level, rural areas are administered through Upazilas (sub-districts), while urban areas are governed by City Corporations (for major cities) and Pourashavas (for municipal cities). In rural areas, Upazilas are further subdivided into Unions (townships). Pourashavas are responsible for the provision of public services, maintenance of infrastructure, urban planning, and tax collection in urban areas. They operate under the jurisdiction of the Ministry of Local Government, Rural Development and Cooperatives, and are managed under the policy guidance of the Local Government Division (hereinafter referred to as “LGD”).

management has led to higher tax revenues for Paurashavas, contributing to the improvement of its fiscal condition. In addition, training provided to Paurashavas have promoted transparency in procurement, digitization of operations, and greater efficiency, thereby achieving one of the project's objectives: strengthening Paurashavas' administrative and financial capacity. Therefore, effectiveness and impacts of the project are high. Slight issues have been observed in the institutional/organizational aspects as well as the current status of operation and maintenance, however, there are good prospects for improvement/resolution. Therefore, sustainability of the project effects is high. In light of the above, this project is evaluated to be highly satisfactory.

1. Project Description



Project locations
(Source: the evaluator)



Photo 1: Urban road and streetlights developed under the project in Rangpur District (Source: taken by the evaluator)

1.1 Background

At the time of the appraisal, Bangladesh was experiencing rapid economic growth, and the national poverty rate was on a downward trend. However, as of 2010, approximately 31.5% of the total population (around 47 million people) were living below the poverty line as defined by the government. In particular, the poverty rate in rural areas was more than 10% higher than in urban areas, posing a significant policy challenge. Delays in infrastructure development, including roads, hindered not only economic opportunities such as the revitalization of logistics, but also improvements in access to administrative services such as schools and hospitals, etc. Furthermore, the Paurashavas, which were expected to serve as hubs for promoting regional economic development, remained highly vulnerable due to shortages in personnel and financial resources. They also lacked the mechanisms and capacity to formulate and implement development plans that reflected the needs of local residents. This tendency was particularly pronounced in small municipal cities (with an average population of 50,000) located near rural

areas, where donor support was minimal and delays in infrastructure development connecting the municipal cities and surrounding areas remained a critical issue. In light of these circumstances, the Project was implemented in the northern region of Bangladesh, where poverty rates were high, with the aim of improving infrastructure in rural areas and municipal cities, as well as enhancing the administrative capacity of Paurashavas. In addition, in response to the rapid pace of urbanization, an Associated Project was carried out to strengthen the administrative functions of Paurashavas, thereby reinforcing their institutional foundations.

1.2 Project Outline

The objective of the Project is to improve access to basic infrastructure and social services in the northern 14 districts of Bangladesh by improving rural and urban infrastructure and enhancing administrative and financial capacities of municipalities, thereby contributing to the activating economic activities, reducing poverty, and alleviating regional disparities.

[ODA Loan Project]

Loan Approved Amount / Disbursed Amount	20,556 million yen / 20,195 million yen
Exchange of Notes Date / Loan Agreement Signing Date	March 2013 / March 2013
Terms and Conditions	Interest Rate 0.01 % Repayment Period 40 years (Grace Period 10 years) Conditions for Procurement General Untied
Borrower / Executing Agency	Government of the People's Republic of Bangladesh / Local Government Engineering Department (LGED)
Project Completion	March 2022
Target Areas	14 districts ² in the northern region of Bangladesh (8 districts in Rangpur Division and 6 district ³ in Mymensingh Division within Dhaka Division)
Main Contractor (Over 1 billion yen)	None
Main Consultants (Over 100 million yen)	• Sodev Consult (Bangladesh) / Bets Consulting Services Ltd (Bangladesh) / Dev Consultant Ltd (Bangladesh) (JV) • Associates for Development Services Limited (Bangladesh) / IC Net Limited (Japan) (JV) • IC Net Limited (Japan) / Hifab International AB (Sweden) (JV)

² Rangpur District, Gaibandha District, Kurigram District, Dinajpur District, Thakurgaon District, Nilphamari District, Panchagarh District, Lalmonirhat District

³ Mymensingh District, Tangail District, Jamalpur District, Sherpur District, Kishoreganj District, Netrokona District (Mymensingh Division was separated from Dhaka Division in 2015. At that time, the two underlined districts remained in Dhaka Division.)

Related Studies	• Preparatory Survey (JICA, 2012)
Related Projects	[Technical Cooperation] • Project for Strengthening Activities of Rural Development Engineering Center (Phase I & II) (2003–2006, 2007–2011) • Participatory Rural Development Project (Phase I & II) (2000–2005, 2005–2010) [World Bank (WB)] • Municipal Services Project (1999): Implemented infrastructure development projects in large regional cities and provided support for strengthening the capacity of local governments. [Asian Development Bank] • Sustainable Rural Infrastructure Improvement Project (2011–2016) (Rural infrastructure development project in the western and northern regions) • Urban Governance and Infrastructure Improvement Project 2 (2009–2014) (Implemented infrastructure and service enhancement, as well as accountability improvement, targeting 35 Paurashavas nationwide)

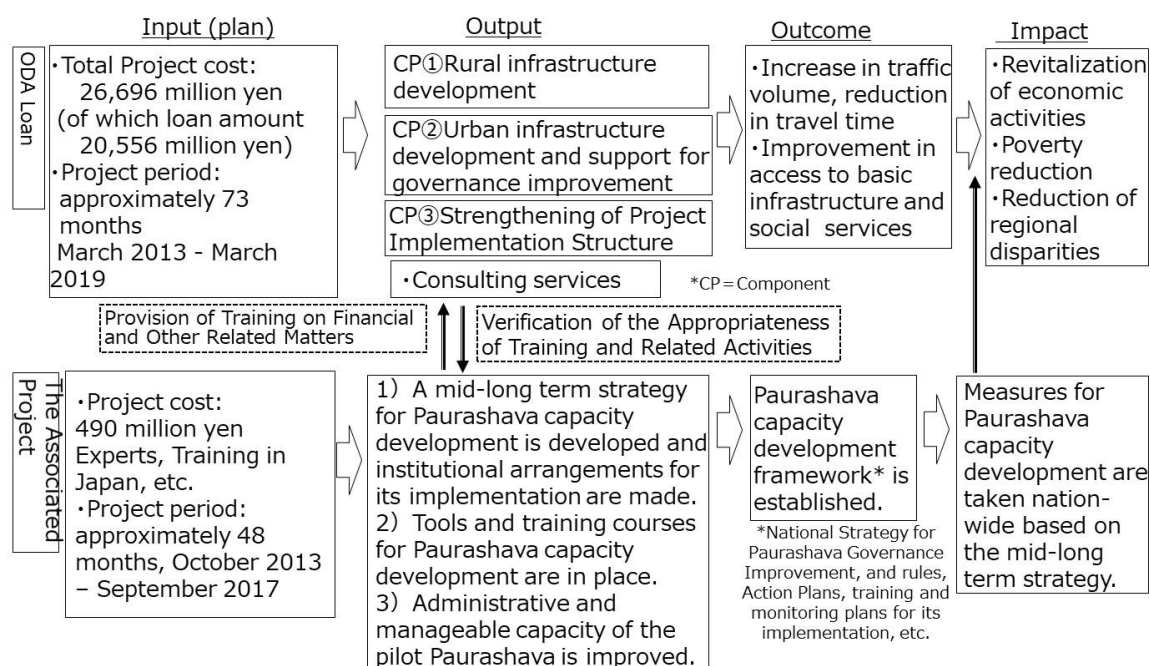
[The Associated Project]

Overall Goal		Measures for Paurashava capacity development are taken nation-wide based on the mid-long term strategy.
Project Purpose		Paurashava capacity development framework is established.
Outputs	Output 1	A mid-long term strategy for Paurashava capacity development is developed and institutional arrangements for its implementation are made.
	Output 2	Tools and training courses for Paurashava capacity development are in place.
	Output 3	Administrative capacity of the pilot Paurashava is improved.
Total Cost (Japanese Side)		Approximately 688 million yen
Period of Cooperation		October 2013–October 2018 (Extension period: October 2017–October 2018)
Target Area		Nationwide Bangladesh and 7 pilot sites ⁴
Implementing Agencies		Local Government Division (LGD)

⁴ Athagaria in Rajshahi Division, Bakerganj in Barisal Division, Changar Char in Chattogram Division, Kanaighat in Sylhet Division, Pakundia in Dhaka Division, Shailkupa in Khulna Division, Ulipur in Rangpur Division

<Integrated evaluation>

In relation to the Project, which aimed to improve infrastructure and the fiscal and administrative capacities of Paurashavas, a series of activities were undertaken through the Associated Project. These included the provision of training for Paurashavas to the Project, and the subsequent validation of the Paurashava training system based on the results. These activities were assumed to contribute to the realization and sustainability of the project's outcomes and impacts through synergistic effects (see Figure 1). Based on this perspective, this evaluation adopts an integrated approach that takes into account the interrelation between the two projects. The continuity of the Associated Project's overall goal and its project purpose at the time of the ex-post evaluation is assessed under the criterion of effectiveness. In addition, the extent to which the Associated Project contributed to the realization and sustainability of the effects of the Project is taken into account, as appropriate, in the evaluation judgments for effectiveness and sustainability.



Source: Prepared by the evaluator

Figure 1 Conceptual diagram of the logic model for the Project

1.3 Outline of the Terminal Evaluation

At the time of the terminal evaluation of the Associated Project, it was confirmed that National Strategy for Paurashava Governance Improvement had been formulated through consultations with relevant institutions and stakeholders, thereby laying the foundation for such capacity enhancement. However, since the Action Plans for implementing the strategy was still under development, the project purpose was assessed as likely to be partially achieved. Regarding the overall goal, while improvements in daily operations were observed in the pilot

Paurashavas, the following actions were recommended to support its achievement.

- Official notification of the National Strategy for Paurashava Governance Improvement, and instruction to formulate Action Plans for its implementation
- Examination of issues including clarification of role-sharing under the National Strategy for Paurashava Governance Improvement
- Preparation and approval of practical handbooks for all 10 subjects, followed by official notification to relevant institutions and all Paurashavas
- Implementation of OJT for training instructors through training sessions expanded to a wider range of Paurashavas
- Implementation of the LGD Action Plans developed and approved during the project extension period
- Development of Action Plans in all Paurashavas other than the pilot Paurashavas
- Nationwide rollout of Paurashava training, including securing necessary budget and personnel structure for its implementation

2. Outline of the Evaluation Study

2.1 External Evaluator

Hisae Takahashi, Fortience Consulting Inc.

2.2 Duration of Evaluation Study

This ex-post evaluation study was conducted with the following schedule.

Duration of the Study: October 2024-February 2026

Duration of the Field Study: January 14-February 10, 2025, and May 25-30, 2025

2.3 Constraints During the Evaluation Study

The Project supported the improvement small-scale, community-based decentralized infrastructure with local resident participation. However, it was difficult to establish and monitor operation and effect indicators. This challenge was common to other similar projects. Therefore, while referring to output indicators, evaluative judgments were made based on qualitative information to the extent possible. Furthermore, the direct beneficiaries of the Associated Project—namely, the mayor and council members of Paurashava—became difficult to locate or interview due to the change in administration in 2024, when the long-standing Awami League government was replaced.⁵ As a result, efforts were made to understand the main achievements

⁵ In 2024, a large-scale protest movement erupted following a High Court ruling that reinstated the “quota system,” which allocated a fixed percentage of civil service positions to the families of war veterans. The movement was further fueled by widespread dissatisfaction among the youth over high unemployment and corruption, eventually spreading nationwide. As a result, the Awami League government stepped down. Subsequently, an interim administration was established, with Muhammad Yunus appointed as Chief Adviser.

through the National Institute of Local Government (hereinafter referred to as “NILG”), which was responsible for conducting the training. However, information regarding the effectiveness and sustainability in each Paurashava remained limited.

3. Results of the Evaluation (Overall Rating: A⁶)

3.1 Relevance/Coherence (Rating: ③⁷)

3.1.1. Relevance (Rating: ③)

3.1.1.1 Consistency with the Development Plan of Bangladesh

At the time of appraisal, the *Sixth Five Year Plan* (2011/12–2015/16), which was positioned at the highest level of Bangladesh’s national development strategy, clearly stated the aim of revitalizing regional economies through infrastructure development and strengthening of local administration, with a view to eliminating regional disparities and promoting balanced development. Furthermore, both the *National Rural Development Policy* (2001) and the *Rural Road Master Plan* (2005), which outlined development plans for rural roads and rural infrastructure, emphasized the importance of comprehensive development of rural roads and related infrastructure. These documents also underscored the significance of formulating and implementing project plans based on decentralization. In addition, the *National Urban Sector Policy* (2011) identified municipal cities as core areas for regional development and stressed the necessity of an integrated development approach encompassing urban areas and surrounding rural regions. It highlighted the importance of perspectives such as the “Rural-Urban Linkage Plan,” which promoted coordinated development between rural and urban areas.

At the time of ex-post evaluation, the national policy *Vision 2041* set the ultimate goal of achieving zero poverty, and in the transport sector, it presented a development strategy that includes not only securing smooth freight transport routes from production centers, but also promoting local industries and improving access to rural areas through the upgrading of rural roads. The *Eighth Five Year Plan* (2020–2025), which is positioned as an action plan under *Vision 2041*, identifies the need for an “inclusive strategy with a focus on supporting the poor and vulnerable” as a priority issue. To address this, the plan emphasizes key strategies such as poverty reduction and the promotion of infrastructure development. Furthermore, the *National Urban Sector Policy* (2011) is currently being revised into a new policy titled the *National Urban Policy* (NUP-2025).⁸ While maintaining the fundamental structure of the 2011 policy, the draft revision reflects updates aligned with the current socio-economic context, the SDGs, and international frameworks on climate change. The revised content

⁶ A: Highly satisfactory, B: Satisfactory, C: Partially satisfactory, D: Unsatisfactory

⁷ ④: Very High, ③: High, ②: Moderately Low, ①: Low

⁸ As of the time of the ex-post evaluation, it remained in draft form and had not been approved.

incorporates inclusive urbanization considerations such as gender sensitivity and attention to slum dwellers, decentralization and capacity building of municipalities, and balanced development among cities, all of which are consistent with the objectives of the Project.

In light of the above, the objective of the Project has been consistent with Bangladesh's development plans at the time of appraisal, planning and ex-post evaluation.

3.1.1.2 Consistency with the Development Needs of Bangladesh

At the time of appraisal, the development level of rural infrastructure in the northern region of Bangladesh remained low compared to the national average. For example, among rural roads, the proportion of union roads that had been improved stood at 40% on the national average, while in the northern region it remained at only 28%.⁹ The poverty rate in the region also exceeded the national average (31.5%) by approximately 10 percentage points. In particular, Rangpur Division, one of the target areas of the Project, recorded a poverty rate of 42%, the highest among the country's eight divisions. In addition, compared to rural infrastructure development undertaken by the central government, infrastructure development in local urban areas, which is the responsibility of Paurashavas, tended to be given lower priority. As a result, infrastructure development under the jurisdiction of Paurashavas lagged behind, becoming a factor that hindered regional economic development. This situation was especially pronounced in Paurashavas classified as Category B¹⁰ or lower, where staffing levels were insufficient¹¹ and financial resources were limited, making it difficult to provide adequate social services and creating bottlenecks in local development. Meanwhile, with the progress of urbanization, the role of Paurashavas as hubs of surrounding economic zones, in addition to rural areas, became increasingly important, and there was a growing need to strengthen their capacity as drivers of local development.

At the time of the ex-post evaluation, the paved road ratio of union roads nationwide stood at 49%, whereas in the northern region it remained low at 36%. Regarding poverty rates, while the national average was 19.2%, Dhaka Division—including the capital city Dhaka—recorded 19.6%, and among the target areas, Rangpur and Mymensingh Divisions recorded 25.5% and 22.6%, respectively, indicating that there remains room for improvement.¹² The

⁹ The road network in Bangladesh is composed of national highways, regional highways, and district roads under the jurisdiction of the Roads and Highways Department of the Ministry of Road Transport and Bridges; upazila roads, union roads, and village roads managed by the LGED; and municipal roads administered by Paurashavas.

¹⁰ Paurashavas are classified into three categories—A, B, and C—based on revenue scale and tax collection rate. Category A comprises those with an average revenue of over 10 million Taka and a tax collection rate of 75% or higher over the past three years. Category B includes those with an average revenue of over 6 million Taka and a tax collection rate of 75% or higher. Category C consists of those with an average revenue of over 2 million Taka, but no standard for the tax collection rate is set (as of 2012).

¹¹ Issues related to financial constraints and employment conditions—such as delays in salary payments—have persisted, contributing to difficulties in securing personnel.

¹² Source: Bangladesh Bureau of Statistics, *Socio-Economic and Demographic Survey 2023*
http://nsds.bbs.gov.bd/storage/files/1/Publications/others/SEDS_2023_Report.pdf (accessed August 20, 2025)

staffing levels of Paurashavas also remained low, with fulfilment rates of 26% for Category A, 32% for Category B, and 20% for Category C, and the proportion of own-source revenue in average total revenue remained stagnant.¹³ In light of these circumstances, the need to strengthen the capacity of Paurashavas, which serve as key actors in local development, remains high.

3.1.1.3 Appropriateness of the Project Plan and Approach

A lesson learned from similar past projects was that, due to budgetary constraints for maintenance, it was considered desirable to clearly prioritize the selection of target sections based on traffic volume and road conditions, and to implement maintenance in an efficient and effective manner. Based on this lesson, the Project established clear prioritization criteria that emphasized poverty-stricken communities, while also taking into account road conditions, social benefits, and the potential for economic development. Accordingly, road sections with high maintenance priority were selected. Although the road sections were selected in accordance with the criteria established at the time of appraisal, additional efforts were made to address poverty-related considerations. In particular, the selection criteria included poverty rates, and various initiatives were implemented, such as the participation of female members of Labor Contracting Societies (hereinafter referred to as “LCSs”) composed of women from poor households, the installation of footpaths and sanitation facilities in slum communities within Paurashavas, and livelihood improvement training programs targeting socially vulnerable women. Through these activities, it can be concluded that due consideration was given to the needs of the poor.

Furthermore, under the component for urban infrastructure development and support for governance improvement, the Project adopted a system whereby funds were allocated in accordance with the progress of each subproject (hereinafter referred to as “SP”)—a mechanism known as Performance-Based Fund Allocation (hereinafter referred to as “PBFA”). The introduction of this scheme raised awareness among Paurashava staff regarding the importance of carrying out tasks according to schedule and completing them within the designated timeframe—practices that had not been previously emphasized. As a result, project implementation proceeded as planned without reducing the expected outputs.

Based on past cases in which effective utilization of local resources enabled the development of training materials and case studies tailored to on-the-ground needs, it was proposed that local consultants and resources be utilized in the formulation of strategies and the development or revision of training materials to enhance their quality. In the Associated Project, local consultants and resources were engaged in the preparation of training materials, and the training content was adjusted for mayors and council members of the Paurashavas,

¹³ Source: Questionnaire responses and interviews with the executing agency

ensuring that it was delivered in a manner aligned with local conditions.

In light of the above, the project plan and approach can be considered appropriate.

3.1.2 Coherence (Rating: ②)

3.1.2.1 Consistency with Japan's ODA Policy

The *Country Assistance Policy for Bangladesh* (2012) stated that support would focus on the development of roads, markets, irrigation facilities, and water supply facilities and other infrastructure, from the perspective of reducing poverty in rural areas and correcting regional disparities. It also emphasized cooperation aimed at improving local residents' livelihoods by disseminating and expanding the collaborative system between local residents and local administrative bodies, which had produced positive outcomes in previous assistance efforts. Furthermore, the *JICA Country Analysis Paper for Bangladesh* (2012) identified "overcoming social vulnerability" as a priority issue based on its analytical findings. The Project was implemented with the aim of contributing to poverty reduction in the northern region of Bangladesh, where the poverty rate is high, by improving access to basic infrastructure and social services provided by Paurashavas, which are municipalities. Accordingly, it can be said that the Project aligns with Japan's ODA policy at the time of appraisal.

Based on the above, it can be concluded that this project is consistent with the ODA policies of the Government of Japan and JICA at the time of planning.

3.1.2.2 Internal Coherence

At the time of appraisal, no projects were planned that were directly linked to the Project or expected to generate synergistic effects. However, the "Link Model"¹⁴ developed under the previously implemented technical cooperation project, the *Participatory Rural Development Project* (hereinafter referred to as "PRDP"), was expected to be disseminated and utilized in the development of municipalities categorized as Category B or lower, which were targeted under the Project. In practice, however, it was not possible to confirm any concrete cases of success. This was due to several challenges, including differences in the relationships among relevant institutions between rural and municipal cities, the complexity of municipal areas settings, and the limited capacity of Category B or lower Paurashavas targeted by the Project. These challenges stemmed from the fact that, while the PRDP model was primarily designed for rural areas, the Project mainly targeted

¹⁴ The "Link Model" is a framework designed to contribute to regional development by establishing a Union Coordination Committee within Union Parishads, which are the lowest tier of local government in Bangladesh. This committee is composed of field staff from various ministries and representatives from village committees organized by local residents. The model aims to connect community needs with a wide range of administrative services.

municipal cities, although it also included rural areas.¹⁵ In addition, the ODA loan expert was dispatched to conduct capacity development training through the revision of manuals and guidelines for improving financial and administrative management of Paurashavas, as well as the introduction of regional forums. However, according to the executing agency and the experts involved in the Project, no coordination or collaboration was carried out with the ODA loan expert, nor with other JICA projects that had not been initially anticipated.

3.1.2.3 External Coherence

During the implementation of the Project, no other projects directly related to the Project were carried out. Furthermore, there was no mutual complementarity with other Japanese projects or assistance provided by other development cooperation agencies that had not been anticipated at the time of appraisal. Regarding alignment with international frameworks, the Project aimed to contribute to poverty reduction and the correction of regional disparities through infrastructure development in rural and municipal cities and the enhancement of the administrative and financial capacities of Paurashavas. From this perspective, the Project is aligned with SDG's Goal 1: "No Poverty" and Goal 9: "Industry, Innovation and Infrastructure." Furthermore, the *New Urban Agenda* (2016),¹⁶ an international framework, seeks to address disparities in administrative services between municipal cities and within local urban districts. In this regard, the direction of the Project—which focused on infrastructure development and governance improvement in municipal cities—is consistent with the objectives of the New Urban Agenda.¹⁷ On the other hand, no coordination to avoid duplication of support or emergence of concrete synergistic effects was confirmed.

As described above, the implementation of the Project was consistent with Bangladesh's development plans and development needs, and there were no issues with the project plan or approach. The consistency between Japan's ODA policy and the Project was also confirmed. On the other hand, no concrete coordination or collaboration was observed with other projects or assistance within or outside JICA. Therefore, its relevance and coherence are high.

¹⁵ Source: Responses to the questionnaire from the executing agency

¹⁶ The New Urban Agenda, an international policy framework for promoting New Urbanism in the 21st century, was affirmed at Habitat III, held in Quito, Ecuador in October 2016 under the auspices of UN-Habitat.

¹⁷ Source: Responses to the questionnaire for the executing agencies, UN-Habitat Website, <https://habitat3.org/the-new-urban-agenda/> (accessed July 30, 2025)

3.2 Efficiency (Rating: ②)

3.2.1 Project Outputs

Under the Project, infrastructure development in rural areas and municipal cities in the northern region of Bangladesh, support for governance improvement for Paurashavas, and assistance through the institutional development and consulting services for the implementation of the Project were planned. The planned and actual outputs of the Project are shown in Table 1.

Table 1 Planned and actual outputs

Components	Plan	Actual
1. Rural infrastructure development		
1-1. Upazila road improvement	621 km, 69 roads	579 km, 81 roads
1-2. Union road improvement	332 km, 47 roads	450 km, 72 roads
1-3. Upazila road rehabilitation	300 km	233 km and Pakistan-funded portion of 264 km
1-4. Rural market improvement	70 growth centers and 12 rural markets	50 growth centers and 43 rural markets
1-5. Ghats (landing stages) improvement	20 sites	3 sites
1-6. Pavement maintenance / Tree planting ^{Note 1}	1,229km / 929km	1,234km/ 969km
1-7. Community-based road safety program	Establishment of Traffic Safety Committees, awareness campaigns, and lectures at primary schools	Traffic safety training (1,050 person-days) and awareness activities
1-8. Capacity development training	LGED training and training conducted by LGED	As planned Training contents: e-GP (electronic government procurement), quality control, traffic safety, administrative training, OJT training for engineers on high-strength RCC (reinforced concrete) girders, and basic training for newly appointed LGED engineers, etc.
2. Urban infrastructure development and support for governance improvement		
2-1. Urban infrastructure development		
1) Paurashava road	Each Paurashava utilizes the Town-Level Coordination Committee and the Ward-Level Coordination Committee to select and implement SPs from the 11 sectors on the left (no quantity specified).	Total: 131 packages
2) Drains		116.97 km, 278 roads
3) Municipal markets		5.53km, 51 drainages
4) Slaughterhouses		4 markets
5) Streetlights		6 sites
6) Parking lots		637 sites
7) Public toilets		7 sites
8) Waste disposal sites		27 sites
9) Bus and truck terminals		18 sites
10) Infrastructure for the poor ^{Note 2}		-
11) Livelihood improvement services ^{Note 3} and training for Paurashavas ^{Note 4}		Footpaths, drainage channels, gender-segregated toilets, shared water taps, etc., in slum areas Livelihood improvement services for impoverished women

2-2. Governance improvement	Implementation of financial and administrative improvements in three phases in line with the Governance Improvement Program	Training for Paurashavas Total trainings days: 11,519 person-days Phase 1: 1,178 person-days Phase 2: 5,651 person-days Phase 3: 4,690 person-days
3. Strengthening of project implementation structure 3-1. Assignment of personnel to strengthen the implementation structure Support for project accounting, procurement, monitoring and evaluation, public relations, and statistical analysis, etc. (to be assigned to LGED Headquarters) 3-2. Equipment procurement (Construction equipment, vehicles, and office equipment)		One person each for support to project accounting, procurement, monitoring and evaluation, statistical analysis, and public relations (assigned to LGED) As planned
4. Consulting services 4-1. Design, monitoring, and supervision Detailed design, monitoring, quality control, and preparation of bidding documents 4-2. Governance improvement and capacity development Formulation of Paurashava Development Plans related to governance improvement, establishment of community organizations, training for Paurashava stakeholders (staff, mayors, councillors, etc.) on topics such as community participation, financial improvement, and e-governance, etc., and support for computerization to improve financial management ¹⁸ 4-3. Monitoring and evaluation (Benefit Monitoring and Evaluation: BME): Support for the implementation of baseline surveys and for monitoring and evaluation of the entire project		As planned Training participants: cumulative total of 17,627 persons (including LGED staff, Paurashava stakeholders, members of various committees, farmers, LCS members, and contractors, including training conducted under Items 1 and 2) As planned

Source: Documents provided by JICA, responses to questionnaires from the executing agency, and interviews with Paurashava and Upazila staff

Note 1: Implemented by female members of LCS as a poverty alleviation measure

Note 2: Footpaths, drainage channels, gender-segregated toilets, shared water taps, etc., in slum areas

Note 3: Micro-credit, income-generating training, etc.

Note 4: Capacity-building training for Paurashava stakeholders

The major output items were largely implemented as planned. For rural infrastructure development, where output quantities were specified at the time of appraisal, the quantities for each item increased or decreased. However, as shown below, the main reason was adjustments based on local conditions, and all changes were appropriate.

<Factors for increase/decrease in rural infrastructure development items>

1-1. Upazila road improvement

The implementation scope was modified by excluding sections that had already been improved under other projects during the delay in starting construction.

1-2. Union road improvement

¹⁸ The support included accounting, tax payment (including invoice issuance), the introduction of software for business licenses, and the implementation of training for its operation.

The target area was expanded based on site conditions and local needs.

1-3. Upazila road rehabilitation

Due to the widening of carriageways from 3.7 meters to 5.5 meters, the portion funded by JICA was reduced. On the other hand, given the high demand for improvement, an additional 264 km was improved with funding from Pakistan side.

1-4. Rural market improvement

Since 20 Growth centers had already been improved under other projects, they were excluded to avoid duplication. Meanwhile, the number of rural markets targeted for improvement increased due to high demand.

1-5. Ghats improvement

It was found that navigation was difficult in some rivers. In addition, concerns about riverbank erosion on the opposite shore at several planned sites led to a reduction in the number of Ghats targeted.



Photo 2: Improved rural road
(Rangpur District)
(Source: Taken by the evaluator)



Photo 3: Improved rural market
(Mymensingh District)
(Source: Taken by the evaluator)

3.2.2 Project Inputs

3.2.2.1 Project Cost

The total cost of the Project was planned to be 26,696 million yen (ODA loan: 20,556 million yen). However, the actual project cost was 27,591 million yen (ODA loan: 20,195 million yen), slightly exceeded the plan (103% of the plan). The main factors were the extension of the project period due to delays in procuring the consulting firm, exchange rate fluctuations, and an increased burden on the Bangladeshi side. Specifically, during the project period (2015), the government announced a new national pay and allowance scale, which increased various allowances. In addition, the value-added tax (VAT) rate was raised from 4.5% to 7.5%, the tax rate on civil works from 4% to 5%, and for consulting services from 25% to 27%, all contributing to the increased burden. Furthermore, although the exact amount could not be identified, the Project was affected by a lockdown of approximately six months

due to COVID-19, which forced the suspension of works in some sections. In addition, securing skilled personnel to supervise on-site operations became difficult, necessitating the hiring of local workers at higher wages as substitutes. These factors led to an extension of the project period and, consequently, an increase in project costs.

(Reference) The project cost for the Associated Project: the actual cost was approximately 688 million, compared to the planned cost of approximately 490 million yen, and exceeded the plan (140% of the plan). The increase in the project cost was attributable to the extension of the project period in the Associated Project (for details on the extension of the project period, see “3.2.2.2 Project Period”).

3.2.2.2 Project Period

The project period was planned to be 73 months, from March 2013 (L/A signing) to March 2019 (commencement of facility operation). However, the actual project was 109 months, from March 2013 to March 2022. The breakdown of the project period is shown in the table below. When comparing the planned period at the time of appraisal with the actual period, the ratio to the plan is 149%. Among the factors listed below, the six-month delay caused by the impact of COVID-19 is regarded as an external factor; therefore, it is deducted from the 109 months, resulting in a revised actual period of 103 months for evaluation purposes. This adjustment brings the ratio to 141%, which exceeded the plan.

Table 2 Breakdown of the project period (plan and actual)

	Plan	Actual
Signing of L/A	March 2013	March 2013
Selection of consultant	March – December 2013	March 2013 – July 2014
Consulting services	January 2014 – March 2020	August 2015 (January 2015) - N.A.
Tendering and contracting	March 2014 – September 2017	March 2014 – N.A.
Construction works	April 2014 – March 2019	January 2015 – December 2021
Governance improvement and Strengthening of Project Implementation Structure	April 2014 – March 2019	Phase 1: April – December 2015 Phase 2: January 2016 – June 2017 Phase 3: July 2017 – December 2020
Project completion	March 2019	March 2022

Source: Documents provided by JICA, responses to questionnaires from the executing agency

The main factors contributing to delays¹⁹ in the Project were as follows:

- Delay in the deployment of consultants

With regard to the contract for consultants under the Governance Improvement and Capacity

¹⁹ Source: Documents provided by JICA, responses to questionnaires from the executing agency

Development component, an objection raised by one bidder during the bidding process resulted in litigation, which caused delays in the deployment of consultants for this component.

- Delay in commencement of construction works

Infrastructure development targets in local urban cities were to be selected based on the Paurashava Development Plan (hereinafter referred to as “PDP”).²⁰ However, the formulation of the PDP and adaptation to the electronic procurement system took time, resulting in delays in the commencement of construction works.

- Impact of COVID-19

In March 2020, a lockdown was implemented pursuant to a notification from the Ministry of Health, resulting in the suspension of public transportation and the closure of offices and educational institutions. The Ministry of Health instructed that operation be continued under an emergency response system with a minimum number of personnel, which imposed restrictions on on-site work and consultants’ activities. Domestic movement restrictions were almost fully lifted in February 2022, and during this period, construction works were forced to be suspended for approximately six months in certain sections.²¹

(Reference) Project period of the Associated Project: The project period was planned to be 48 months, from October 2013 to September 2017, however, the actual period was 57 months, from February 2014 to October 2018. Factors contributing to delays included road blockages caused by strikes and barricades (mainly from January to April 2015), as well as a six-month travel ban following the attack that occurred in Dhaka in 2016, which delayed activities. In addition, the absence (vacancy) of the Project Manager on the Bangladesh side resulted in the Project Director concurrently managing project operations; however, due to a demanding schedule, smooth communication could not be sufficiently ensured, which also affected project progress. However, as the six-month travel ban following the Dhaka attack is considered an external factor, an analysis excluding this period from the actual 57 months indicates that the effective project period was 51 months, which is 106% of the plan (48 months), and therefore slightly exceeded the plan.

3.2.3 Results of Calculations for Internal Rates of Return (Reference only)

At the time of appraisal, as it was not possible to select all target SPs prior to project implementation, the Economic Internal Rate of Return (EIRR) for the entire project was not

²⁰ A medium-term infrastructure development plan formulated by the Paurashava.

²¹ The period during which construction was suspended was indicated as approximately six months based on interviews with the executing agency. Although the specific sections and dates of suspension during this period are not clearly identified in the records, this period was set as the duration to be excluded from the construction schedule, taking into account its impact on overall progress.

calculated, and it was decided to select SPs with an EIRR of 12% or higher. It was envisaged to obtain the EIRR calculation sheets prepared at the time of SP selection from the executing agency and to recalculate using a sample of representative SPs in the ex-post evaluation. However, recalculation of the EIRR required actual data such as traffic volume at the time of ex-post evaluation, traffic volume for SP sections had not been measured; therefore, the necessary information could not be obtained, and recalculation was not carried out.

Based on the above, the project cost slightly exceeded the plan and the project period also exceeded the plan. Therefore, efficiency of the project is moderately low.

3.3 Effectiveness and Impacts²² (Rating: ③)

3.3.1 Effectiveness

3.3.1.1 Quantitative Effects (Operation and Effect Indicators)

The operation and effect indicators set at the time of appraisal are shown in Table 3. The Project was a wide-area development project targeting numerous small-scale infrastructure facilities, making it difficult to set individual numerical targets. Therefore, it was decided at the time of appraisal that the achievement status would be judged based on whether each indicator showed an “increasing” or “decreasing” trend. Initially, it was planned to set baseline values for the indicators through sample-based baseline surveys for each SP; however, the actual baseline survey report did not include such values, and the executing agency also indicated that it would be difficult to demonstrate effective impacts with data. Consequently, as an alternative, information obtained from the executing agency and through field surveys²³ was used to confirm changes before and after project implementation, while incorporating certain output information as performance indicators for the assessment.

²² When providing the sub-rating, Effectiveness and Impacts are to be considered together.

²³ To assess the effects of the Project on improved access to basic infrastructure and social services, revitalization of economic activities, and changes in income, etc., field surveys were conducted in a total of six areas: Ulipur, Badraganj, and Haragach in Rangpur District, and Phulpur, Nandail, and Pakundia in Mymensingh District. Interviews were carried out with beneficiaries, including local residents as well as Paurashava and Upazila staffs. The survey areas—two districts and six Paurashavas—were selected based on instructions from JICA’s Evaluation Department and considering local security conditions to ensure accessibility. These areas correspond to the components of rural infrastructure development, urban infrastructure development and governance improvement, and technical cooperation project. The breakdown of interviewees is as follows: local residents (24 persons): Ulipur (6), Badraganj (3), Haragach (3), Phulpur (6), Nandail (6), Pakundia (3); LCS members (10 persons): Nandail (4), Haragach (Kaunia) (5); and staff from each visited Paurashava and Upazila (10 persons in total): including administrators, planning officers, senior engineers, technical assistants, work aides, accountants, tax assessors, tax collectors, and license inspectors, and others.

Table 3 Operation and effect indicators of the Project

Type of SP	Indicator (Unit)	Baseline value	Target value: 2 years after completion	Actual value: 2024 2 years after completion
1) Rural roads	Annual average daily traffic (vehicles/day)	-	Increase	Increase
	Average travel time (hours)	-	Decrease	Decrease
	Average travel cost (Taka/trip)	-	Decrease	Decrease
2) Rural markets	Number of shops / vendors (shops/persons)	-	Increase	Increase
	Amount of fresh food waste (kg/day)	-	Decrease	Decrease
3) Paurashava road-related facilities	Annual average daily traffic (vehicles/day)	-	Increase	Increase
	Average travel time (hours)	-	Decrease	Decrease
	Average travel cost (Taka/trip)	-	Decrease	Decrease
4) Municipal markets / slaughterhouses	Number of shops / vendors (shops/persons)	-	Increase	Increase
	Amount of fresh food waste (kg/day)	-	Decrease	Decrease
5) Water supply and sanitation facilities	Population with access to water	-	Increase	Increase
6) Bus terminals	Number of users (per day/year)	-	Increase	N.A. ^{Note}
7) Drainage channels	Number of days of road flooding (days/year)	-	Decrease	Decrease
8) Solid waste disposal sites	Amount of waste collected (tons/day)	-	Increase	N.A. ^{Note}

Source: Documents provided by JICA, the executing agency, and interviews with Paurashava and Upazila staffs as well as beneficiaries.

Note: Indicators for which the target facilities were not visited during site inspections and interviews with beneficiaries were not conducted are marked as N.A.

Among the eight operation and effect indicators shown in the table, an “increase” or “decrease” as targeted was confirmed for six indicators, and it is assessed that the effects were generally achieved as planned. Furthermore, as shown in “Table 1 Planned and actual outputs,” regarding 1) rural roads and 2) rural markets, the total length and the number of markets exceeded the plan, thereby quantitatively substantiating the achievements in infrastructure development. Although the planned values for roads, markets, and other related facilities in municipal cities were not specified by SP at the time of appraisal, a certain number of facilities were developed in each sector, which is considered to have brought meaningful changes to the living environment and economic activities in the target areas.

The changes observed before and after project implementation and the effects confirmed through field surveys and other means for each SP are shown as follows.

<Effects of rural and urban infrastructure development>

- 1) Rural and 3) Paurashava roads²⁴: Increase in traffic volume, reduction in travel time, reduction in maintenance costs, and synergistic effects through the link between rural and urban infrastructure.

²⁴ Source: Interviews with Paurashava and Upazila staffs and local residents in Phulpur, Nandail, Pakundia, Ulipur, Haragach, and Badraganj.

Many of the roads constructed or rehabilitated under the Project were unpaved before the Project, making it difficult for three-wheelers (three-wheeled vehicles) and automobiles to travel. Through pavement improvement, traffic volume on the target sections increased, travel time to markets and other destinations was shortened, and, in addition, the improvement of road conditions reduced maintenance costs for three-wheelers, automobiles, motorcycles, bicycles, and others.

- 2) Rural and 4) Municipal markets²⁵: Increase in number of shops and customers, and reduction in fresh produce waste

Prior to the implementation of the Project, sales in the target market were primarily conducted in open areas without roofing, where vendors sold vegetables, fruits, and fish by placing them directly on the ground under direct sunlight. Such conditions made it difficult to maintain product freshness and posed hygiene challenges. Through the Project, improvements were made to the sales environment by installing stalls and constructing roofs over the sales areas. As a result, vendors no longer needed to place products directly on the ground, and protection from sunlight and rain became possible, which encouraged greater vendor participation and led to an increase in the number of shops. Furthermore, the improved market environment facilitated better preservation of product freshness and enabled hygienic sales. In addition, the ability to continue sales during rainy weather contributed to an increase in customer visits and expanded sales opportunities. Consequently, the volume of fresh produce previously discarded due to weather conditions was reduced.

- 5) Water supply and sanitation facilities²⁶: Improvement of sanitary conditions in slum communities

Through the Project, basic infrastructure facilities such as gender-segregated toilets, communal water taps, and footpaths were developed in slum communities. The development of these facilities has resulted in confirmed improvements in sanitary conditions. In particular, the construction of footpaths eliminated frequent flooding during the rainy season, and toilets, which had experienced deteriorated sanitary conditions due to flooding, were improved through the provision of appropriate drainage systems. In addition, the installation of communal water taps enabled local residents to have stable access to hygienic water. Regarding women's use of toilets, prior to the Project, there was a tendency to refrain from using them during the daytime; however, improvements in the location and structure of toilets, enhanced sanitary conditions, and ensured privacy have created an environment where women can use toilets without concern. As a result, it was reported that women are now able to use toilets safely and comfortably at any time of day. These improvements are directly linked to

²⁵ Source: Interviews with Paurashava and Upazila staffs and beneficiaries in Phulpur, Nandail, and Badraganj.

²⁶ Source: Interviews with Paurashava and Upazila staffs and beneficiaries in Phulpur, Nandail, Haragach, and Badraganj.

the enhancement of residents' quality of life.

· 7) Drainage facilities²⁷: Reduction in flooding days

Before the project implementation, flooding of roads and surrounding areas frequently occurred during rainfall, but this was resolved through the improvement of drainage channels. As a result, it became easier to travel to schools and other destinations, and various changes in local residents' lives have been observed, such as improvements in sanitary conditions and the possibility of cultivating vegetables in surrounding areas.

3.3.1.2 Qualitative Effects (Other Effects)

In the Project, "Improved access to basic infrastructure and administrative services" was expected as a qualitative effect. In the ex-post evaluation, in addition to improvements in access to services through infrastructure development, the following enhancements in the administrative and financial management capacity of Paurashava and Upazila stakeholders were confirmed through support for Governance improvement of Paurashava.

(1) Improvement in access to basic infrastructure and administrative services

In areas where the target roads were previously unpaved, the implementation of road improvement under the Project has significantly improved the situation in which there were almost no means of transportation other than walking, and travel itself was particularly difficult during the rainy season. After the road improvements, access to markets, schools, hospitals, and government offices has been enhanced, and passage is now possible regardless of the season. In particular, during the rainy season, muddy roads had made it difficult to reach destinations, and there were cases where schools were closed; however, such situations are now avoided after the improvements. Furthermore, feedback indicates that ambulances, which could not enter before the road was improved, can now reach nearby areas.

Furthermore, in Paurashavas, various administrative services that were previously provided manually have been digitized and streamlined, thereby improving convenience for local residents. For example, taxes that previously had to be paid in person at the Paurashava can be paid at banks following the project implementation, eliminating the need to wait in long queues at the Paurashava. In addition, all information related to business licenses is registered in an electronic system, and details such as license numbers can now be obtained electronically. Certificates that used to take more than three days to issue can now be issued in approximately two minutes after the project was completed.

²⁷ Source: Interviews with Paurashava staffs and beneficiaries in Haragach.

(2) Status of improvements in administrative and financial capacity

- Improvement of procurement processes through the full-scale introduction of the Electronic Government Procurement (hereinafter referred to as “EGP”).

Under the Project, support was provided for the full-scale introduction and operation of the EGP. Compared to the conventional paper-based bidding process, the EGP has reduced the risk of bribery and fraud (e.g., reflecting the mayor’s intentions, occurrence of bid interference), and contributed to enhancing the transparency of the procurement process by promoting fair competition. Furthermore, the digitization of various procedures has advanced the efficiency of procurement operations, and significant reductions in procurement costs and staff workload have been reported. According to Paurashava staffs, whereas preparing a single set of bidding documents previously required about one month, it can now be completed within two to three days after the project was completed.

- Improvement of tax collection operations

Through computerization support aimed at financial improvement, an increase in the collection rate of Holding Tax (property tax) in Paurashavas has also been reported. All visited Paurashavas reported improvements in tax collection rates (see table below). Contributing factors include the promotion of monitoring and analysis of collection status through the computerization of tax-related operations, the acceleration of invoice issuance through training on billing procedures enabling timely invoicing, and the improvement of payment conditions by allowing local residents to make payments quickly at banks without long waiting times at the Paurashava office. Furthermore, before the project implementation, invoices were prepared manually by checking tax ledgers and writing them by hand—an approach that required significant time and effort and often resulted in errors. They can now be automatically printed within one to two days, thereby improving both operational efficiency and accuracy.

Table 4 Collection rate of holding tax before and after project implementation (%)

Paurashava	Before project (2013)	After project (2023)	Paurashava	Before project (2013)	After project (2023)
Ulipur	16	N.A.	Phulpur	45-50	58
Haragach	30—35	20 ^{Note}	Nandail	30-35	78
Badarganj	50 or less	45 ^{Note}	Pakundia	N.A.	81

Source: Interviews with each Paurashava

Note: The figures for 2023 deteriorated due to the worsening economic situation following COVID-19; however, after project implementation, the collection rate in each Paurashava had reached nearly 90%.

- Improvement in PDP formulation

Through the support provided under the Project, systematic updating of PDPs has become possible. Before the project implementation, in the formulation of PDPs, which are medium-term infrastructure development plans for Paurashavas, there had been a strong tendency for the

preferences of mayors and council members to be reflected, and no clear mechanism for prioritizing projects existed. Through the implementation of the Project, a method for selecting projects based on objective proposals, including economic analysis, was introduced. Furthermore, although various councils of local residents—such as the Town Level Coordination Committee (hereinafter referred to as “TLCC”) and the Ward Level Coordination Committee (hereinafter referred to as “WLCC”)—had existed in the institutional framework, they had not been functioning adequately in terms of regular meetings or mechanisms for incorporating local residents’ opinions into plans. The Project promoted the convening of these committees and established an institutional framework to reflect local residents’ voices in planning through consultative meetings.²⁸

- Improvement in quality control for infrastructure development

Under the Project, training was conducted for Paurashava and Upazila engineers in an OJT format with the aim of enhancing quality control capacity, particularly for road construction. The training provided guidance on testing methods for construction materials such as concrete and on procedures for various tests required during construction, thereby establishing a system in which engineers themselves can verify material quality. As a result, quality testing which depended on LGED are now able to be conducted and managed by Paurashavas themselves, enabling not only appropriate quality control but also more efficient process management. In particular, the practice of conducting preliminary ground strength tests for each layer of road construction has become established, achieving both time reduction in the construction process and assurance of quality.

3.3.1.3 Achievement status of outputs, project purpose, and overall goal of the Associated Project

The status of achievement of the overall goal, project purpose, and outputs at the completion of the Associated Project is shown in the table below. Both the outputs and the project purpose were generally achieved by the time of project completion, while the overall goal is assessed as partially achieved.

Under the Associated Project, the National Strategy for Paurashava Governance Improvement and its Action Plan were formulated, and ten subjects of manuals, guidelines, and training programs necessary for strengthening the operational capacity of Paurashavas were developed and implemented. Practical capacity building and institutional arrangements were promoted mainly through training for Paurashava mayors and council members, and as of project completion, improvements in the daily operations of pilot Paurashavas were reported, as shown

²⁸ However, following the political transition, many Paurashavas have temporarily suspended their activities due to the absence of mayors and council members who had previously chaired these councils and standing committees.

in the table below. The training conducted for pilot Paurashavas under the Associated Project has been scaled up nationwide by NILG after project completion, thereby contributing to the achievement of the overall goal of implementing administrative capacity enhancement measures for Paurashavas across the country. However, the formal notification originally intended has not been issued, and implementation has not been legally mandated.

Table 5 Achievement status of overall goal, project purpose, project goal, and outputs under the Associated Project

	Achievement Status
Overall goal: Measures for Paurashava capacity development are taken nation-wide based on the mid-long term strategy.	[Partially Achieved] At the time of project completion, improvements were observed in the daily operations of pilot Paurashavas, such as enhanced financial management by mayors, council members, and staff; improved transparency of Paurashava administration through dialogue with local residents; strengthened willingness of local residents to pay taxes; and increased revenue. Furthermore, among the training programs conducted for the pilot Paurashavas during the project period, those related to “Budget Formulation and Accounting,” “Tax Collection and Assessment,” “Citizen Participation,” and “Monitoring of Paurashava Activities” were subsequently implemented by NILG for all Paurashavas nationwide after the completion of the project. As stated in the project purpose, although the Paurashava Administrative Capacity Development Strategy has been approved by the government, its implementation is not legally mandated.
Project purpose: Paurashava capacity development framework is established.	[Largely Achieved] By the time of project completion, the formulated National Strategy for Paurashava Governance Improvement and its Action Plan had been provisionally approved by the Joint Coordination Committee of the project and disseminated nationwide. The budget required for training was also included in the budget plan of the Action Plan, and manuals specifying concrete monitoring methods had been prepared.
Output 1: A mid-long term strategy for Paurashava capacity development is developed and institutional arrangements for its implementation are made.	[Achieved] Drafts of the National Strategy for Paurashava Governance Improvement and the Action Plan were completed, and various regulations necessary for their implementation were reviewed and prepared to ensure consistency with the Local Government (Paurashava) Act (2009). The roles and responsibilities of the implementing agencies were also stipulated in the National Strategy for Paurashava Governance Improvement and clearly stated in the Action Plan.
Output 2: Tools and training courses for Paurashava capacity development are in place.	[Achieved] Manuals, guidelines, and training courses for ten subjects ²⁹ have been developed, and the participants’ level of understanding and satisfaction reached the target values. Core trainers for each training subject have also been trained.

²⁹ The ten subjects are: budget formulation and accounting; tax collection and tax assessment; financial management for mayors and councilors; orientation training for mayors and councilors; citizen participation; development planning; master plan; roads; drainage; and monitoring of Paurashava activities.

Output 3: Administrative and manageable capacity of the pilot Paurashava is improved.	[Largely Achieved] Overall, the administrative and operational capacity of the pilot Paurashavas has improved. For example, at the baseline stage, only one out of seven pilot Paurashavas had prepared a budget statement in compliance with the regulations; however, by completion, six pilot Paurashavas prepared budget statements in accordance with the format specified in the regulations. Improvements in tax collection rates and timely tax assessments without delays were also confirmed.
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Source: Project Completion Report, interviews with Paurashava officials and NILG staffs.

[The relationship between the Project and the Associated Project and the synergistic effects generated by the implementation of both projects]

The Associated Project was a technical cooperation project implemented with the aim of facilitating the smooth implementation and effectiveness of the Project, as well as strengthening the capacity of Paurashavas, taking into account the importance of supporting Paurashavas in the early stages of urbanization and the necessity of establishing a mechanism for capacity development that had previously been undeveloped. On the other hand, although both the Project and the Associated Project shared the common goal of “supporting Paurashavas,” they did not achieve close coordination for the following reasons.

- 1) The Project was implemented by LGED, while the Associated Project was implemented by LGD, and no particular coordination was carried out between the two agencies
- 2) Among the Paurashavas targeted by the Project (14 Paurashavas) and those targeted by the Associated Project (seven pilot Paurashavas), only two were included in both,³⁰ and therefore the direct beneficiaries were not the same.
- 3) The Project included a soft component that provided training in addition to road and facility construction, and therefore there was no need to rely on the Associated Project for the soft (capacity building) aspects.

As described above, due to differences in executing/implementing agencies and target areas, close coordination between the two projects was limited. Nevertheless, each project promoted support for Paurashavas in parallel from its own perspective, and the simultaneous implementation of physical infrastructure development and capacity building support for Paurashavas in the target areas under the Project, together with institutional and human resource strengthening under the Associated Project, can be evaluated as an important factor contributing to the sustainable development of Paurashavas in Bangladesh.

³⁰ Initially, five Paurashavas were designated as pilot Paurashavas under the Associated Project; however, Ulipur and Pakundia, which were target Paurashavas of the Project, were additionally included as pilot Paurashavas after the commencement of the Associated Project. The training attended by these two Paurashavas was limited to three out of the ten subjects.

3.3.2 Impacts

3.3.2.1 Intended Impacts

① Quantitative effects

The Project was expected to generate an impact of contributing to the revitalization of economic activities, poverty reduction, and correction of regional disparities in the target areas.

The target area of the Project was located in the northern part of Bangladesh, with an estimated population of 33 million, accounting for 23% of the country's total population. It is also reported that more than 80% of the population in this area resides in rural areas. Compared to the period before project implementation, both the poverty rate and the average household income in each target area have shown an improving trend. Although no data exists to demonstrate a direct causal relationship, considering that most of the target areas are rural and, as described later under qualitative effects, beneficiary opinions have been obtained regarding reductions in poverty rates and increases in income through revitalization of the local economy, it can be considered that the Project made a certain contribution to economic improvement in the area.

Table 6 Poverty rate and household income before and after project implementation in target areas

	Poverty rate (%)		Monthly average household income (BDT)	
	2012	2022	2010	2022
Rangpur	28.8	9.5	8,359	21,674
Mymensingh	16.1	9.4	—	24,183
Dhaka	7.00	2.8	13,226	42,696

Source: Documents provided by JICA, responses to questionnaires from the executing agency, Bangladesh Bureau of Statistics Household, *Income and Expenditure survey 2010 and 2022*

② Qualitative effects

Through interviews conducted with executing agency and at sites visited during field surveys, the following impacts were identified regarding how the development of basic infrastructure and improved administrative and financial capacity contributed to the revitalization of economic activities in the target areas.

According to local residents, infrastructure development in rural areas and municipal cities has revitalized regional economic activities. As an effect of road development, new shops, factories, and aquaculture facilities have been established along the roads, and expansion of income and reduction of expenses have been observed among these businesses (Refer to the following [Column] for cases related to the revitalization of local economic activities). Furthermore, the variety of goods available for sale and purchase has increased, and the reduction in transportation costs has enabled local residents to purchase essential items at lower prices, thereby improving the convenience of daily life. The volume of agricultural products transported has increased, and transportation cost reductions have been achieved. In addition,

spill over effects such as an increase in the number of houses and a rise in land prices have been observed. In the development of markets, the increase in the number of shops has led to a rise in both customer visits and sales. Furthermore, lease fees collected from each shop, which constitute revenue for the Paurashava operating the market, have shown improvements in both collection rate and total amount.

In the Paurashavas of the target areas, category³¹ upgrades have been progressing, driven by factors such as improved tax collection rates, increased lease fees in markets, and rising land prices. Among the six Paurashavas visited, four were confirmed to have been upgraded to a higher category. Furthermore, improvements in Paurashava capacity have also been observed, with enhanced operational efficiency and financial management. Whereas salary payments to staff were previously delayed by several months, at the time of the ex-post evaluation, salaries were being paid monthly without delay.

Table 7 Status of category updates for visited Paurashavas

Paurashavas	Before project	After project
Ulipur	B	A
Haragach	C	C
Badarganj	C	B
Phulpur	B	A
Nandail	C	A
Pakundia	C	C

Source: Interviews with respective Paurashavas

[Column (Impact case): Improved transport efficiency and spill over effects on the local economy through road development]

In Phulpur, Mymensingh District, fish fry farming is actively practiced due to the favourable water quality. Prior to the implementation of the Project, the Upazila (rural) road connecting the area to the main highway was unpaved. During the shipment of fish fry, they were transported by tractor for approximately 2 km along the Upazila road and then reloaded onto trucks for delivery via the main highway. During rainy weather, the unpaved road became muddy, making transportation difficult and forcing fish farms to reduce shipment volumes and scale down operations. In addition, due to poor road conditions, approximately 10% of the fish fry were damaged and could not be shipped. Furthermore, each tractor required a cost of 5,000 taka, and transferring the fish fry to trucks took more than one hour. After the road improvement, it became possible to transport fish fry directly from the farms by truck, and thanks to the improved road conditions, losses of fish fry have almost been eliminated. As a result, both transportation costs and time have been significantly reduced. According to interviews with fish farms, they are currently expanding their facilities with support from the Netherlands and receiving assistance in aquaculture techniques. They stated that without the road improvements implemented under the Project, it would not have been possible to obtain such support.



Photo 4: Aquaculture facility along the improved road
(Source: Taken by the evaluator)

³¹ The category classification of Paurashavas is presented in Footnote 10.

3.3.2.2 Other Positive and Negative Impacts

1) Impacts on the Environment

Under the *JICA Guidelines for Environmental and Social Considerations* (promulgated in April 2010), the Project was classified as Category FI (Financial Intermediary). This classification was applied because the Project provided financing to financial intermediaries, and at the time of JICA's loan approval, SPs had not yet been identified, and such SPs were expected to have environmental impacts. At the time of appraisal, it was planned that, with support from consultants hired under the ODA loan, the executing agency would classify each SP based on domestic laws and regulations as well as the *JICA Guidelines for Environmental and Social Considerations*, and that necessary measures corresponding to the assigned category would be taken. During implementation, it was reported that no SPs were classified as Category A. LGED complied with the Environmental Management Framework, conducted environmental assessments for each SP, and prepared an environmental checklist that included anticipated impacts and mitigation measures. In addition to Category B projects, information regarding construction was explained in advance to local residents for each SP, and their consent was obtained before the implementation of each SP. The results of the environmental assessment for each SP could not be confirmed; however, monitoring was conducted based on the checklist, and it was confirmed with the executing agency that no problems or deviations were present during the implementation or post-operation phases regarding compliance with air quality standards and impacts from traffic and construction, the presence of pollution due to sediment runoff or drainage related to water quality and water conservation, and the disposal methods at markets and public facilities concerning waste management. Furthermore, the mitigation measures required for the following items were implemented as planned.

- Air Quality, Water Quality, and Water Conservation: During construction and vehicle movement, water was sprayed on roads to suppress dust and particulate matter. Construction schedules were notified to nearby local residents in advance, and dust-generating activities were carried out outside peak hours. For water quality, rainwater inlets and drainage outlets were protected with filters to prevent the inflow of pollutants. In addition, paving and other impermeable surfaces were used to reduce runoff, and low-flow facilities were employed and water was reused for dust suppression.
- Waste Management: The waste management plan was implemented to prevent pollutants from entering water bodies. Vehicles and equipment were properly maintained to avoid leakage of oil and other fluids. Special handling was applied to chemicals such as oil, gas, and paint, and concrete waste was washed at designated locations to ensure that it did not enter water bodies.

Additionally, complaint boxes have been installed at each Paurashava office, and any

complaints received have been reviewed and addressed by the respective Paurashavas. It has also been confirmed with the executing agency that no complaints related to the Project were lodged either during implementation or after completion.

2) Resettlement and Land acquisition

At the time of appraisal, there was no mention of either resettlement or land acquisition; however, during implementation, a total of 21.6 hectares of land was acquired for 17 SPs. The acquired land did not include any residential areas, and no resettlement occurred. Compensation was paid based on the replacement cost in accordance with the domestic law of Bangladesh, the *Land Acquisition Act 2017*, and the *JICA Guidelines for Environmental and Social Considerations*, and no particular grievances or issues have arisen.³²

3) Gender Equality

Under the Project, support was provided to impoverished women who were members of LCS through the promotion of employment in rural road development via tree planting and road maintenance, the facilitation of economic activities by establishing women-only sales sections in rural market improvement, and the enhancement of livelihoods through income-generation training and microcredit. In addition, under the component “Urban infrastructure development and support for governance improvement,” efforts were made to promote women’s participation in decision-making processes. Training and employment opportunities were provided to economically disadvantaged women, which contributed to enabling the targeted women to secure stable incomes and establish a foundation for their livelihoods, as shown below. Training was also provided to establish opportunities for participation in economic activities, contributing to the improvement of women’s social and economic status.

① Promotion of women’s employment and improvement of livelihoods

In rural infrastructure development, women who were members of LCS engaged in tree planting and shoulder repair work. The beneficiaries were selected from women whose husbands were unable to earn an income for various reasons. A system was introduced whereby monthly wages were paid, and a portion of these wages was accumulated as savings. The accumulated funds were disbursed in a lump sum by check upon completion of the Project, and reports from the women involved indicated that participation in the Project brought significant changes to their lives. There have also been cases where income earned through the Project and the accumulated savings were utilized to purchase and sell livestock such as goats and cattle, and this created new sources of income and contributed to improved livelihoods.

³² Source: Response to questionnaire from LGED

Additionally, in several rural markets that were improved under the Project, designated sales areas for women were established, where women who had received training under the Project are engaged in selling vegetables and household goods. Such designated sales areas for women are an uncommon initiative in traditional local markets and can be regarded as pioneering in providing a safe and stable environment for women to earn income. In particular, creating opportunities for impoverished women to secure means of livelihood is one of the significant achievements of the Project.

② Livelihood support and improvement of social status through income-generating training

In each area, approximately 20 women participated in tailoring training, and upon completion, they were provided with sewing machines and began selling the garments they produced, thereby supporting the establishment of new livelihood opportunities. As a result, many women earned income through tailoring for the first time and took an initial step toward economic independence. Some participants have also gained opportunities to serve as trainers in NGO-led programs held in their communities, and through such experiences, their involvement in decision-making within households and local communities has increased. These changes have been reported as significant achievements contributing to the improvement of women's social status (specific examples are provided in the columns in this report).

③ Promoting women's participation in decision-making processes

In each Paurashava, a Gender Committee (hereinafter referred to as "GC") has been established and is required to convene quarterly. Within TLCC and WLCC, which are involved in PDP formulation and Paurashava-level decision-making, one-third of the committee members are mandated to be women. However, this requirement was not well recognized in many areas, and at the outset of the Project, women had almost no opportunity to participate in local planning or decision-making processes. During project implementation, explanations were provided regarding the purpose of the system and its operational procedures, and compliance with prescribed rules—such as regular GC meetings and the selection of women committee members—was encouraged. Accordingly, women's participation in planning and in conveying community needs was promoted, and it was reported that women's involvement in decision-making processes has expanded.

4) Marginalized People

As previously stated, through the implementation of the Project, it has been reported that opinions expressed in TLCC and WLCC meetings were reflected in the formulation of various plans, including the PDP. For example, the selection of urban infrastructure SPs was

carried out based on the PDPs prepared by each Paurashava, and these plans were formulated taking into account the opinions and needs of local TLCCs and WLCCs. It has also been reported that, in interviews conducted within slum communities, the opinions of community leaders and other members were reflected in the SPs implemented. Therefore, it can be concluded that the views of the poor in the targeted municipal cities were taken into account in the selection of SPs.

5) Social Systems and Norms, People's Well-being and Human Rights

At the time of appraisal, no specific measures based on perspectives such as social systems, norms, people's well-being, or human rights were identified. Furthermore, during and after project implementation, no related impacts resulting from the implementation of the Project occurred.

6) Unintended Positive / Negative Impacts

The road improvements implemented under the Project were found to have not only improved means of transportation but also exerted a certain influence on the social aspects of the target areas. In particular, in rural areas and municipal cities, it has been reported that improved convenience in daily life has led to increased opportunities for marriage and for interaction with relatives and friends. Prior to the road improvements, there were strong concerns regarding areas with insufficient transportation access, and a tendency was observed to avoid establishing households in these areas. However, interview surveys confirmed local residents' statements that, following the improvement works, transportation options such as taxis and three-wheelers were secured, and the improved convenience of daily life led to an increase in marriage opportunities. There are also reports that interactions with relatives and friends became more active during religious events and festivals, suggesting that the road improvements have contributed to strengthening social ties among local residents.

[Column (Impact case): Women's income generation and improvement of social status through income generating training]

Ms. Chakradar from Phulpur in Mymensingh District participated in a tailoring training program with support from the Project, received sewing machine and a small amount of seed capital, and subsequently launched a full-fledged tailoring business. Starting with an initial capital of 3,000 taka (approximately 4,000 yen), she began selling garments and is now active as a female entrepreneur, producing and selling clothing worth an estimated 400,000 to 500,000 taka (approximately 470,000 to 600,000 yen) annually. In the past, her household faced financial hardship due to her husband's illness and relied on support from her father-in-law to maintain their livelihood. At present, however, she has purchased land and a house and established a stable life. It can be said that the skills and opportunities gained through the Project have brought about a significant change in her life. Furthermore, she teaches sewing skills to impoverished women in the community and engages in efforts to create employment. These activities have been highly valued within the local community, and she has been honored as a distinguished individual for her contributions to the region.

Her efforts have supported the enhancement of confidence and social status among women in the community, and she serves as a role model demonstrating the potential for women's economic independence and contribution to local society.



Photo 5: Ms. Chakradar holding the plaque received at the time of the award
(Source: Taken by the evaluator)

As described above, in the Project, it was confirmed that the improvement of unpaved roads resulted in an increase in traffic volume, along with the revitalization of local economic activities and a rise in land prices in the areas surrounding the target roads. In addition, the improvement of markets led to an increase in the number of shops and a growth in customer numbers through the enhancement of the sales environment. Furthermore, the increase in tax revenue of the Paurashava has contributed to the improvement of its financial situation. In addition, training provided to the Paurashava has also led to the enhancement of its administrative and financial capacity, including the promotion of efficiency through better transparency in procurement and the digitalization of operations. Additionally, in areas where infrastructure has been developed, social changes have been observed, including an increase in opportunities for marriage and social interaction. Moreover, participation in road maintenance activities and the implementation of training aimed at improving livelihoods targeting impoverished women have also contributed to improvements in women's social and economic status.

In light of the above, the Project has mostly achieved its objectives. Therefore, effectiveness and impacts of the project are high.

3.4 Sustainability (Rating: ③)

3.4.1 Policy and System

As indicated in “3.1.1.1 Consistency with the Development Plan of Bangladesh,” both *Vision 2041* and the *Eighth Five-Year Plan* identify the correction of regional disparities and poverty reduction through regional development as overarching objectives, and emphasize the importance of road improvement in contributing to these goals. Therefore, no policy or institutional changes have occurred that would undermine the realization of the project effects achieved under the Project, and no particular issues have been identified.

3.4.2 Institutional/Organizational Aspect

Maintenance of rural infrastructure is carried out under the supervision of engineers at various levels stationed in regional offices, and is managed by the Road Maintenance and Road Safety Unit (hereinafter referred to as “RMRSU”) of LGED. LGED employs a total of 11,117 staff members, of which 15 belong to RMRSU. At each regional office, positions such as Chief Engineer, Super-intending Engineer, Executive Engineer, and Upazila Engineer are assigned. Each Engineer, together with approximately 10 to 20 staff members, is responsible for the operation and maintenance (O&M) activities within their respective areas. Although the number of LGED staff cannot be considered fully adequate, there is no serious shortage. Furthermore, LGED headquarters and regional offices maintain regular communication and coordination, and a reporting system has been established.

With regard to urban infrastructure, each Paurashava is responsible for its maintenance. The staffing level of Paurashava personnel has not improved since the time of appraisal, and as of the ex-post evaluation, the Paurashavas visited continued to have low staffing levels, as shown in the table below. On the other hand, many observations indicated that operational improvements, such as the introduction of e-bidding and adherence to scheduled work implementation, have enhanced efficiency and compensated for the shortage of staff.

Table 8 Number of staff and staffing levels in the Paurashavas visited

Paurashava name	Authorized posts	Number of staff (of which temporary)	Staffing level for regular posts (including temporary staff) (%)
Phulpur	121	68 (20)	40 (56)
Nandail	121	35 (21)	12 (29)
Pakundia	74	36 (18)	24 (49)
Ulipur	121	94 (55)	32 (78)
Haragach	74	26 (14)	16 (35)
Badarganj	108	105 (70)	32 (97)

Source: Prepared based on interviews with each Paurashava during site visits

Concerning rural infrastructure, LGED has secured the minimum necessary personnel, and no particular issues have been observed in the communication system between the headquarters and regional offices. Conversely, for urban infrastructure, although the shortage of personnel in Paurashavas has been partially improved, it remains a challenge for the proper implementation of O&M.

3.4.3 Technical Aspect

LGED possesses extensive experience in the O&M of rural roads and has adequate technical capacity. Furthermore, through participation in the training implemented under the Project, improvements have been made in the technical aspects of quality control. LGED staff have opportunities to participate in training programs conducted by LGED. Although regular transfers of staff occur among regional offices, it has been reported that personnel who participated in the training share the knowledge and experience gained even after being transferred to regional offices. Manuals are also kept at each office and are referred to as needed.

EGP continues to be implemented in the Paurashavas, and the improved administrative and financial capacity has been maintained. With respect to O&M for infrastructure, although the technical capacity of staff was strengthened through the Project, deficiencies in the technical standards required for maintenance and cases where maintenance was not adequately carried out in accordance with plans were still observed in some Paurashavas. However, as described later, it is possible to receive practical technical advice and support from LGED and Upazila engineers, and a mechanism to complement responses to technical issues has been secured. At present, no particular problems have arisen; however, as the frequency of maintenance is expected to increase over time, it will be necessary to consider future measures.

3.4.4 Financial Aspect

The O&M costs for rural infrastructure are allocated from the national budget to LGED. The allocated budget, and actual maintenance expenditures over the past five years for RMRSU, which is responsible for the maintenance of rural infrastructure, are shown in the table below.

Table 9 Budget allocation, and actual expenditure for the maintenance of RMRSU

(Unit: Million Bangladeshi Taka (BDT))

	2019/20	2020/21	2021/22	2022/23	2023/24
Budget allocation	19,800	23,960	23,630	30,000	30,000
Actual expenditure	17,365	22,736	23,628	27,907	21,140

Source: Documents provided by LGED

For urban infrastructure, O&M costs are covered by the revenue budgets of the Paurashavas. The financial performance and O&M budgets of the visited Paurashavas for the past three years are shown in the tables below. In FY2022/23, Phulpur, Nandail, and Haragach recorded deficits, whereas in FY2020/21 and FY2021/22, all except Haragach posted surpluses.

Table 10 Financial performance of the Paurashavas visited

(Unit: Million BDT)

	2020/21		2021/22		2022/23	
	Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure
Badarganj	58.1	39.7	64.6	34.5	68.9	68.9
Pakundia	15.9	14.8	18.1	17.1	20.6	19.5
Phulpur	30.6	28.1	40.3	31.6	37.1	39.2
Ulipur	54.1	49.9	41.3	38.2	50.9	44.9
Nandail	21.1	20.9	20.8	18.8	22.9	23.7
Haragach	12.5	13.0	16.7	15.1	9.3	12.1

Source: Documents provided by each Paurashava

Table 11 O&M Costs of the Paurashavas Visited

(Unit: Thousand BDT)

	2020/21	2022/22	2022/23 ^{Note}
Badarganj	2,204	2,204	7,854
Pakundia	1,500	2,598	300
Phulpur	1,047	3,217	4,857
Ulipur	1,577	447	381
Nandail	37	38	35
Haragach	868	565	663

Source: Documents provided by each Paurashava

Note: Regarding O&M costs in 2022/23, a significant increase was observed in Badarganj and a substantial decrease in Pakundia; however, the possibility of data entry errors or the underlying factors could not be confirmed.

Neither LGED nor the Paurashavas have secured sufficient budgets for operation and maintenance. However, the rural and urban infrastructure developed under the Project is generally well maintained, and it is considered that the minimum necessary O&M has been carried out within the limited budgets. According to NILG, among the pilot Paurashavas of the Associated Project, in five Paurashavas excluding Pakundia and Ulipur mentioned above, both the O&M budgets and actual expenditures increased during the two fiscal years of 2021/22 and 2022/23. It was also noted that there is a growing tendency for Paurashavas to secure more funds for O&M expenditures at the time of ex-post evaluation.

In light of the above, no particular issues are observed at present in the financial aspects of operation and maintenance.

3.4.5 Environmental and Social Aspect

No negative environmental or social impacts anticipated at the time of the ex-post evaluation were identified.

3.4.6 Preventative Measures to Risks

For the urban infrastructure development under the Project, because the SPs were selected during the implementation stage and the target sites were dispersed, it was pointed out that the following actions would be necessary: to require reporting on SP selection and the progress of civil works, with support from ODA loan project experts and consultants, and to monitor these reports. The progress of each component was managed by the BME experts using online software, and quality control was also monitored through on-site inspection reports; therefore, it can be said that the necessary actions were taken. Furthermore, it has been confirmed with the executing agency that no risks are anticipated to occur either at the time of the ex-post evaluation or subsequent to the ex-post evaluation.

3.4.7 Status of Operation and Maintenance

Regarding rural and urban roads, the O&M condition is good, even in sections where a certain period has passed since their construction. Specifically, sections where appropriate repairs have already been made to damaged areas have been confirmed, particularly on road shoulders prone to damage and on roads located in areas experiencing heavy rainfall. Markets, bridges, and ghats also maintain good condition.³³ In some Paurashavas, issues were observed where some functions became temporarily unusable. For example, at the Badarganj Paurashava in Rangpur District, this functional disruption occurred due to the need for computer software renewal and related work. However, the Paurashava mistakenly contacted personnel involved during the project's implementation, rather than the appropriate LGED division. As these local personnel had already concluded their contracts, they could not resolve the issue. However, necessary action was taken through the appropriate LGED division (RMRSU) during the ex-post evaluation, and the issue has now been resolved.

At LGED, which is responsible for the O&M of rural infrastructure, maintenance is carried out in accordance with the O&M plan formulated by LGED. For Paurashavas responsible for the O&M of urban infrastructure, an Action Plan for the Operation and Maintenance of Paurashava Infrastructure has also been developed. In Paurashavas, there is a shortage of adequate personnel and technical capacity, and cases have been observed where responses remain reactive, making this an issue that requires future attention. On the other hand, it has been reported that through the implementation of the Project, Paurashava staff received

³³ Information on infrastructure such as bridges and ghats, which were not physically inspected, was confirmed through the executing agency.

training related to maintenance, resulting in improvements in technical capacity, and a practical system has been established whereby technical advice and support can be obtained from LGED and Upazila engineers as needed.

As stated above, slight issues have been observed in the institutional/organizational and the current status of operation and maintenance, however, there are good prospects for improvement/resolution. Therefore, sustainability of the project effects is high.

4. Conclusion, Lessons Learned and Recommendations

4.1 Conclusion

The Project was implemented with the aim of improving access to basic infrastructure and social services by improving rural and urban infrastructure and enhancing administrative and financial capacities of municipalities (Paurashavas) in the northern 14 districts of Bangladesh, thereby contributing to the activating economic activities, reducing poverty, and reducing regional disparities. Additionally, in connection with the Project, the Associated Project was also implemented, with the aim of establishing a framework for strengthening the administrative capacities of Paurashavas. At both the time of appraisal and ex-post evaluation, the Project has been consistent with Bangladesh's development plans and development needs. Although there was no specific coordination or collaboration with other projects or assistance within or outside JICA, the objective of the Project was aligned with Japan's ODA policies and international frameworks at the time of appraisal. Therefore, relevance and coherence of the Project are high. Due to factors such as increased personnel costs and unit prices borne by the Bangladeshi side, higher tax rates, and partial impacts of COVID-19, the project cost slightly exceeded the plan. As for the project period, delays in the deployment of consultants and the time required to select target sections for urban infrastructure also caused the project period to exceed the plan. Accordingly, the efficiency of the project is moderately low. In the target areas, an increase in traffic volume through infrastructure development has been observed, along with the revitalization of regional economic activities around the target roads and a rise in land prices. Improvements to markets have led to an increase in the number of shops and improvements in the sales environment, resulting in a confirmed increase in the number of customers. Participation of women living in poverty in road maintenance activities and the implementation of training programs aimed at improving livelihoods have also contributed to enhancing women's social and economic status. Furthermore, the rise in land prices and increased lease income through training on market management has led to higher tax revenues for Paurashavas, contributing to the improvement of its fiscal condition. In addition, training provided to Paurashavas have promoted transparency in procurement, digitization of operations, and greater efficiency, thereby achieving one of the project's objectives: strengthening Paurashavas'

administrative and financial capacity. Therefore, effectiveness and impacts of the project are high. Slight issues have been observed in the institutional/organizational aspects as well as the current status of operation and maintenance, however, there are good prospects for improvement/resolution. Therefore, sustainability of the project effects is high. In light of the above, this project is evaluated to be highly satisfactory.

4.2 Recommendations

4.2.1 Recommendations to the Executing Agency

- In most Paurashavas responsible for the O&M of urban infrastructure, responses have been reactive rather than based on planned O&M. The infrastructure developed under the Project has not yet experienced serious damage or problems, as only a short time has passed since its completion. However, deterioration and the need for repairs are expected to increase in the future. Therefore, it is desirable for LGD and the Paurashavas to promptly arrange a meeting and consider measures—including issues related to staffing, technical capacity, and financial resources—to ensure the proper implementation of preventive maintenance.

4.2.2 Recommendations to JICA

None

4.3 Lessons Learned

- Appropriate communication and sharing of information required for maintenance after project completion

With regard to the software installed under the Project, cases were identified in which malfunctions occurred in several Paurashavas where certain functions stopped working after software updates and the status of corrective actions was not properly understood. Such malfunctions were, in principle, to be reported to LGED's RMRSU, with specialists responsible for addressing them; however, this information was not sufficiently shared with the Paurashavas. As a result, inquiries were made to incorrect contacts, causing delays in response and disruptions to operations. To prevent such issues, it is essential that the executing agency clearly explain and disseminate to each Paurashava the appropriate contact points and procedures for maintenance after project completion.

- Setting of effectiveness indicators and ensuring the feasibility of effectiveness evaluation

In the Project, for the development of small-scale, community-based decentralized infrastructure, neither baseline values nor target values for operational and effect indicators were set, and the expressions used were limited to qualitative terms such as “increase” or “decrease.” As a result, it was difficult to quantitatively assess the actual improvement effects

that the project outcomes brought to the community. In particular, insufficient consideration was given at the time of planning to the feasibility of obtaining the necessary data, which became an issue. In future projects of a similar nature, it is important to confirm at the planning stage whether data related to operation and effect indicators can be obtained, and, where necessary, to also examine the use of output indicators and set realistic indicators that reflect local conditions.

· Coordination with ODA loan project and clarification of roles in the formation of Associated Project

Both the Project and the Associated Project aimed at Paurashava capacity building. However, close cooperation was not achieved because the executing agency/implementing agency for each project was different, the overlap of target Paurashava was limited, and although there were common aspects in the project contents, each project was independently completed. In the future, in the formulation of the Associated Project, it is desirable that JICA stakeholders and the executing agencies involved in project formulation conduct early coordination between the executing agencies of both projects to clarify the scope and roles, thereby maximizing synergy between the projects.

5. Non-Score Criteria

5.1 Performance

5.1.1 Objective Perspective

None

5.2 Additionality

None

(End)

Comparison of the Original and Actual Scope of the Project

Item	Plan	Actual
① Project Outputs 1. Rural infrastructure development 1-1. Upazila road improvement 1-2. Union road improvement 1-3. Upazila road rehabilitation 1-4. Rural market improvement 1-5. Ghats (landing stages) improvement 1-6. Pavement maintenance / Tree planting 1-7. Community-based road safety program 1-8. Capacity development training	621 km, 69 roads 332 km, 47 roads 300 km 70 growth centers and 12 rural markets 20 sites 1,229 km / 929 km Establishment of Traffic Safety Committees, awareness campaigns, and lectures at primary schools LGED training and training conducted by LGED	579 km, 81 roads 450 km, 72 roads 233 km, GoB 264 km 50 growth centers and 43 rural markets 3 sites 1,234 km/ 969 km Traffic safety training (1,050 person-days) and awareness activities (1,050 days) As planned
2. Urban infrastructure development and support for governance improvement 2-1. Urban infrastructure development 2-2. Governance improvement (UGIAP)	Implementation of selected SPs from the following 11 sectors (quantities not specified): Urban roads (including bridges and drainage channels), drainage facilities, urban markets, slaughterhouses, water supply facilities and wells, public toilets, waste disposal sites, bus and truck terminals, streetlights, parking lots, infrastructure and livelihood improvement services for the poor, and training. Implementation of governance improvement in three phases in accordance with the UGIAP	Urban infrastructure development: 131 Packages Urban roads (116.97 km, 278 sections), drainage facilities (5.53 km, 51 sections), urban markets (4 locations), slaughterhouses (6 locations), streetlights (637 units), parking lots (7 locations), public toilets (27 locations), waste disposal sites (18 locations), infrastructure development for the poor, livelihood improvement services for impoverished women, and Training for Paurashavas 11,519 person-days (Training) Phase 1: 1,178 person-days Phase 2: 5,651 person-days Phase 3: 4,690 person-days
3. Strengthening of Project Implementation Structure 3-1. Assignment of personnel to strengthen the implementation structure	Project accounting, procurement, monitoring and evaluation, public relations, statistical analysis support, etc. (to be assigned at LGED Headquarters)	1 project accountant, 1 procurement support, 1 monitoring and evaluation, 1 statistical analysis support, and 1 public relations support

3-2. Equipment procurement	Construction Equipment, Vehicles, Office Equipment	As planned
4. Consulting services 4-1. Design, Monitoring, and Supervision 4-2. Governance Improvement and Capacity Development 4-3. BME	Detailed design, monitoring, quality control, and preparation of bidding documents Formulation of PDD related to governance improvement, formation of community committees, training for Paurashava stakeholders (including staff, mayors, and council members) on citizen participation, financial improvement, and e-governance, as well as support for computerization to improve financial management Implementation of baseline survey, and support for monitoring and evaluation of the entire project	As planned
② Project Period	March 2013 - March 2019 (73 months)	March 2013 - March 2022 (109 months)
③ Project Cost Amount Paid in Foreign Currency Amount Paid in Local Currency Total ODA Loan Portion Exchange Rate	722 million yen 25,925 million yen (266,837 million taka) 26,696 million yen 20,556 million yen 1 taka = 0.966 yen (As of December 2012)	524 million yen 27,067 million yen (20,661 million taka) 27,591 million yen 20,195 million yen 1 taka = 1.31 yen (Average between March 2013 and March 2022)
4. Final Disbursement	March 2022	