

Bangladesh

Coastal Climate Resilient Infrastructure Project Supervision Report

Main report and appendices

Mission Dates: 30 May - 10 May 2018
Document Date: 12/06/2018
Project No. 1100001647
Report No.

Asia and the Pacific Division
Programme Management Department

Abbreviations and Acronyms

ADB	Asian Development Bank
AA	Assistant Accountant
AE	Assistant Engineer
AIS	Agricultural Information Service
AWPB	Annual Work Programme and Budget
BDT	Bangladesh Taka
BRS	Bank Reconciliation Statements
BUET	Bangladesh University of Engineering and Technology
CCRIP	Coastal Coastal Climate Resilient Infrastructure Project
CCP	Community Collection Point
CRCD	Climate Resilient Community Development Project
CDSP	Char Development and Settlement Project
C&AG	Comptroller and Auditor General of Bangladesh
Char	Newly accreted land
DA	District Accountant
DAE	Department of Agriculture Extension
EIRR	Economic Internal Rate of Return
FAPAD	Foreign Aided Projects Audit Directorate
FAR	Fixed Assets Register
FMO	Field Monitoring Officer
FMS	Financial Management Specialist
FY	Fiscal Year
GALS	Gender Action Learning System
GDP	Gross Domestic Product
Ghat	A Bangla word of boat landing boat platform
GIS	Geographical Information System
GoB	Government of Bangladesh
Haat	A Bangladesh word for a rural market or bazaar, which assembles everyday with small number of buyers/sellers but meets twice a week in a large-scale where buyers/sellers from wider areas converge to do business
HILIP	Hoar Infrastructure and Livelihood Improvement Project
IAS	Internal Audit Section
IFAD	International Fund for Agricultural Development
IGA	Income generating activity
IGA	Income generating activity
IOSAI	International Organization of Supreme Audit Institutions
KAP	Knowledge, Attitude and Practice
KfW	Kreditanstalt für Wiederaufbau
KM	Knowledge Management
KUET	Khulna University of Engineering and Technology
LCS	Labour Contracting Society
LGD	Local Government Division
LGED	Local Government Engineering Department
Ita	Local Traders Association
M&E	Monitoring and Evaluation
MIDPCR	Market Infrastructure Development Project in Charland Regions (IFAD)
MoLGRD&C	Ministry of Local Government Rural Development and Cooperatives
MMC	Market Management Committee
MOF	Ministry of Finance
MPF	Material Purchase Form
MTR	Mid-Term Review
NATP	National Agricultural Technology Project (World Bank – IFAD)
PCR	Project Completion Review

PD	Project Director
PAM	Project Administration Manual
PKSF	Palli Karma-Sahayak Foundation, Government established apex funding agency for MFIs/NGOs
PME	Participatory Monitoring and Evaluation
PMO	Project Management Office
PO	Partner Organization
PSC	Project Steering Committee
RCC	Reinforced cement concrete (e.g. road)
RIMS	Results and Impact Management System
RIO	Return on Investment
RIR	Receiving and Inspection Report
RRI	Rural Radio Initiative
SAE	Sub-Assistant Engineer
SECAP	Social, Environmental and Climate Assessment Procedures
SOE	Summary of Expenditure
SIMES	Monitoring and Evaluation System
SM	Supervision Mission
TA	Technical Assistance
UE	Upazila Engineer
UNO	Upazila Nirbahi (Executive) Officer
UP	Union Parishad
Upazila	Sub-district
USD	United States Dollars
WA	Withdrawal Application
WFP	United Nations World Food Programme
WMS	Womens Market Section
XEN	Executive Engineer (of LGED)

A. Project Overview

Region:	Asia and the Pacific Division	Project at Risk Status:	Not at risk
Country:	Bangladesh	Environmental and Social Category:	C
Project Name:	Coastal Climate Resilient Infrastructure Project	Climate Risk Classification:	not available yet
Project Id:	1100001647	Executing Institution:	Local Government Engineering Department
Project Type:	Rural Development	Implementing Institutions:	not available yet
CPM:	Omer Zafar		
Project Director:	not available yet		
Project Area:	not available yet		

Approval Date	10/04/2013	Last audit receipt	21/01/2018
Signing Date	28/06/2013	Date of Last SIS Mission	08/05/2018
Entry into Force Date	28/06/2013	Number of SIS Missions	3
Available for Disbursement Date	28/06/2013	Number of extensions	0
First Disbursement Date	26/11/2013	Effectiveness lag	2 months
MTR Date	15/07/2017		
Original Completion Date	30/06/2019		
Current Completion Date	30/06/2019		
Financial Closure	31/12/2019		

Project total financing

IFAD Financing breakdown	Asia and the Pacific Division	\$1,007,502
	IFAD	\$19,500,000
	IFAD	\$39,503,909
Domestic Financing breakdown	National Government	\$31,229,583
Co-financing breakdown,	Asian Development Bank	\$20,003,132
	German Credit Institution for Reconstruction (KfW)	\$8,838,813
	Strategic Climate Fund	\$29,970,381
Project total financing		\$150,053,320

Current Mission

Mission Dates:	30 May - 10 May 2018
Days in the field:	4
Mission composition:	Mr. Marc De Sousa, Team Leader and Rural Development; Mr. Shamsul Hoque, Infrastructure; Ms. Martina Huonder, Gender, IFAD; Ms. Christa Ketting, Markets, IFAD; Mr. Didarul Islam, Financial Management; Mr Asifur Rahman, Procurement.
Field sites visited:	8

B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		5	Assessment of the Overall Implementation Performance		5

Effectiveness and Developmental Focus	5	Project Management	5
Effectiveness	5	Quality of Project Management	5
Targeting and Outreach	5	Knowledge Management	5
Gender equality & women's participation	6	Value for Money	5
Agricultural Productivity	N/A	Coherence between AWPB and Implementation	5
Nutrition	N/A	Performance of M&E System	5
Adaptation to Climate Change	5	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	5

Sustainability and Scaling-up	5	Financial Management and Execution	5
Institutions and Policy Engagement	5	Acceptable Disbursement Rate	4
Partnership-building	5	Quality of Financial Management	5
Human and Social Capital and Empowerment	5	Quality and Timeliness of Audit	4
Quality of Beneficiary Participation	5	Counterparts Funds	5
Responsiveness of Service Providers	5	Compliance with Loan Covenants	5
Environment and Natural Resource Management	5	Procurement	5
Exit Strategy	5		
Potential for Scaling-up	5		

C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

A Supervision Mission (SM) of the Coastal Climate Resilient Infrastructure Project (CCRIP) was conducted in Bangladesh between April 30 to May 10 to review the implementation of project progress to identify constraints, challenges and opportunities arising since the July 2017 mid-term review (MTR). The mission's assignment was: i) assess project progress by comparing achievements with the qualitative and quantitative objectives laid down in the appraisal report and the Annual Work Programme and Budget (AWPBs); and, ii) verify the progress of agreed recommendations of the MTR under the different components.

The SM will review component implementation progress, analysing/ discussing actual and potential problems and constraints affecting the achievement of outputs and outcomes. The SM will provide management guidance to implementing agencies towards achieving objectives, sustainability, and impact, proposing mechanisms to increase impact. Further, the mission will undertake field visits to interact with project beneficiaries and project partners, assessing implementation challenges and issues. It will review project fiduciary aspects and compliance with loan agreement covenants and government regulations. The mission will assess the complementarity of ADB- and KfW-funded activities, drawing lessons on the overall alignment of donors; and, review appropriateness of project implementation modalities (e.g., staffing, MIS, audit, financial management etc.) and propose solutions, corrective measures, or improvements. The two main outputs of the supervision mission are: i) an aide memoire documenting the findings, conclusions, and recommendations of the mission to be discussed with the Government during the wrap-up meeting in Dhaka on 10 May; and, ii) a supervision report.

While CCRIP is co-financed by the Asian Development Bank (\$50 million), Kreditanstalt für Wiederaufbau (\$ 8.8 million) and IFAD (\$ million), the supervision mission does not include co-finance partner activities.

The mission met with the CCRIP team in Dhaka 30 April to 02 May 2018, including a programme progress presentation. The mission visited projects in Barishal, Patuakhali, Barguna, and Perojpur districts 03 - 06 May, and held a pre-wrap up with the CCRIP PMO in Dhaka on 09 May and held wrap up meetings 10 May with the LGED Chief Engineer, Mr Abul Kalam Azad and 10 May with Md. Rois Udden, Additional Secretary, Local Government Division, Ministry of Local Government, Rural Development and Cooperatives (MoLGRD&C) of Local Government Division (LGD).

Key Mission Agreements and Conclusions

CCRIP has had steady financial and physical performance since the July-August 2017 Midterm Review (MTR). All Component 1 (Union and Village roads/bridges/ culverts) and 2 (community markets and related infrastructure) are on track to finish planned construction. The programme's climate resilient infrastructure is built for long term climate conditions and offers observable environmental/ natural resource benefits. Component 3 research remains delayed and the reportedly popular Rural Radio Initiative (RRI) now faces prospects of continuing without a plan for sustainable operations. The mission verifies notable poverty alleviation outcomes among permanent and temporary market traders, and LCS members due to improved road access and market infrastructure. The programme's limited integration of Income Generation Activities (IGA) training and Gender Action Learning System (GALS) on a test basis to a small number of LCS members, demonstrates the potential of infrastructure and beneficiary social and economic development training/ support for sustainable household and community/ rural social capital/ empowerment and economic development outcomes. Challenges remain, particularly meeting output targets for bridge and culverts (Component 1), finalizing BUET research activities, developing and diffusing vital knowledge products, funding Field Monitoring Officer (FMOs) positions to December 2019, and ensuring sustainable market management by the Marketing Management Committees (MMCs).

Aside from minor financial management problem to be resolved, the main agreements for action revolve around programme exit and bolster, as possible, the potential for sustainable outcomes/ impacts. Additionally, during the mission it became clear that the GoB project period and IFAD project period need to be aligned. Other agreed actions include one outcome related studies, synthesizing and distributing key programme experience/ learnings, completing the midterm survey, and continuing to advocate for Market Management Committee good market management practice policy and enforcement.

D. Overview and Project Progress

The execution rate of the AWPB for 2018 is 24% at 30 March 2018 and 99% for FY 2017. Infrastructure for both Component 1 and 2 is of generally good quality, with minor non-systemic problems. The programme is well managed and has proven to be flexible, adjusting for local context. Challenges remain, particularly meeting output targets for bridge and culverts, finalizing BUET research activities, diffusing knowledge products, and sustainable market management. The programme has met most 2017 MTR agreed actions, but land availability for WMS and some community markets remain challenging, resulting in modest reduction in construction goals. The mission verifies CCRIP outcome studies and survey findings that market trader volumes/ diversity have increased, as have trader incomes and margins.

A reallocation of funds has been processed and approved by January 2018. With the availability of project aid, including IFAD funding, reduced substantially due to the devaluation of SDR and US Dollar currency, with respect to Bangladeshi Taka the majority of funds had been reallocated to Category 1 "Civil works" to make up for the shortage of funding. The reallocation had minor impacts on project outputs.

Component 1 – Road construction is on target for completion by programme end with 360 km of Union and Village roads completed, an additional 128 km under construction, and 311 km procured for construction in 2018. As of 30 April 2018, average cumulative physical progress is 65% with an additional 27% under construction for a targeted 87% progress by June 2018. The project completed 1951m of bridges/ culverts on Union and Village roads (target 2,710 m) for 59% progress. The remaining 759m is under construction for completion in June 2018 (cumulative progress of 82%). The mission notes substantial effort will be required to complete the 35% of roads and 41% of bridges outstanding within the project period.

The overall quality of roads and bridges/ culverts was generally good, with a few minor improvement issues. Quality control test conducted by LGED and by the Khulna University of Engineering and Technology (KUET) found construction satisfactory. Difficulties were reported for controlling large load truck use (i.e., greater than 8-ton axle load) due to insufficient control at district and local levels. Controlling heavy load usage is vital to road sustainability and the mission reiterates earlier SM observations that local control must be addressed. The mission learned the Ministry of Local Government, Rural Development & Cooperatives (MoLGRD&C) has noted this issue and that LGED is discussing resolutions with them.

Planting of vetiver grass for road slope protection is being pioneered in the field by CCRIP. Field trials on road slopes were conducted in 13 sites in 12 CCRIP districts and found the grass grew well enough to reduce slope erosion. Where soil has higher saline content the grass may require several re-plantings before coverage is achieved. Research by BUET offers advanced planting knowledge, including variety selection (e.g., local varieties of grass native to saline prone coastal areas), timing of planting, use of organic fertilizers, geo-jut for plant growth/ protection, and proper watering.

Outcomes - The mission validates a June 2017 market user survey and LCS outcome studies that improved road connectivity increases the number of traders, producers, buyers (retail and wholesale), volumes of trade, incomes, and margins. It also increases the number and diversity of products and services available in local markets, and private investment around markets. Direct and indirect beneficiaries enjoy improved communication and lower travel costs, which, linked to new markets, improve target beneficiary incomes, food security, and asset development through expanding livelihood opportunities.

Compliance with previous MTR recommendations - The mission notes that the PMO followed up on the agreed actions in the 2017 MTR to increase construction of ghats through reallocation of funds. CCRIP was asked, where possible and in critical cases (e.g., approaches to bridges etc.,) to obtain adequate land to accommodate wider roads prior to floating construction tenders. Where possible this was addressed.

Component 2 - Overall physical and financial progress for Component 2 was 83% and 79% respectively (30 April 2018). Some 184 contracts have been awarded for community market construction (target 197), of which, 157 are complete and 27 are under construction (for physical and financial progress of 90% and 94% respectively). Due to higher construction costs and lack of khas land, the programme will not build 13 markets. Eleven women's market sections (WMS) contracts have been awarded (target 14), with 8 completed, and another 3 under construction (physical and financial progress of 90% and 82%). After the 2017 MTR, CCRIP agreed to build an additional 3 to 5 WMS, but the programme could not obtain land for these or the remaining 2 originally planned markets. Thirty-two of a targeted 40 ghats have been contracted with 24 completed (physical and financial progress of 74% and 74%). The remaining ghats are in procurement. Five community collection points could not be constructed due to unavailability of land (as reported in the 2017 MTR).

Due to the unavailability of land, the project was unable to construct community collection platforms near the market areas. The programme planted trees along 7.2 km of road slopes and shade trees markets, and replaced trees removed in construction (as per 2016 SM recommendation). Due to governmental social forestation programs dominating tree supply, this activity is behind target, also because many road construction alignments already have mature trees.

Quality of construction - Uniform market design was applied throughout the project and sheds, drainage systems, toilet facilities, and internal roads are of good quality. The mission visited a total of seven construction sites and found minor cracks/ damage in finished roads and market infrastructure (most related to use and not to construction). The mission found generally good construction practices but did observe scope for improvements (e.g., drain type selection, shed accessibility, surface finishing, and side wall construction).

Market Management and Use - After construction, markets are handed over market management committees (MMCs).

MMCs members are trained on their responsibilities by the project. The programme has held 94 maintenance plan workshops (2,350 participants), 177 market user and stakeholder workshops on market management (7,038 participants), 184 market management trainings (4,578) and 14 market management workshops for the upazila chairperson and team (420 participants). Despite training, the mission found the majority of MMCs did not consistently follow guidelines found in the GOB market management circular. The mission noted lease income was often insufficient for long-term market maintenance. The PMO continues taking these issue to the Ministry of Local Government, Rural Development and Cooperatives, and the mission recognizes the challenge of influencing change on the matter.

Toilet facilities were generally well managed by individuals contracted by the MMC or local Traders Association (LTAs - the LTA usually manages market cleaning and waste management). By design, waste bins constructed by the project are too small, poorly located, and often unused. Market waste is often disposed in waterways or on unused land, although in some cases it is used for fill to create new land in water bodies near the market.

Space allocation practice for market traders differ by market (e.g., first come first served, lottery, etc.). Fixed shops were also found in market sheds. A market opinion survey showed 20% of traders, mostly temporary, are agricultural producers. Assuming producers are poorer than traders with fixed shops, the development impact of sheds could decrease when fixed shops are built in markets. The mission proposes CCRIP examine the extent to which permanent stores are built in sheds and if poorer producers/ traders are being crowded out.

Outcomes - Following project interventions, market lease value and private investments around sheds notably increased. The number of consumers and traders (retail and wholesale) were also reported to have increased both on haat and regular market days, as did permanent and temporary trader volumes and margins. Markets attracted a reported increase traffic of 61% (2017 Opinion Survey).

Component 3 has the objective of supporting rural communities and local authorities coping with volatile climate events during climatic shocks. Some 100 trainings on climate-resilient rural infrastructure and knowledge management were held (15% women participants); one climate change assessment and adaptation strategy approved; one climate resilient rural infrastructure management plan for LGED approved; three research studies are being carried out by the Bangladesh University of Engineering and Technology (BUET); and the rural radio initiative (RRI) providing climate related rural/ agricultural production news was implemented. Financial progress under this component is 80%.

Three separate research activities were commissioned to the BUET. *Investigation of Climate Resilient Slope Protection* undertook field trails at 13 project sites to test vetiver grass slope protection performance under different circumstances. A lengthy review document and guidelines on vetiver grass slope use was provided to Upazila engineers. *Sustainable Waste Management in Markets* research findings were piloted in 2 markets (biodigesters and mechanical shredders). Trials were encouraging but there are no plans for broader implementation. *Quality Test Protocols for Roads and Market Rehabilitation* provided recommendations for LGED use. Some 100 trainings were held for LGED engineers on road test protocols. All three research projects requested a second no-cost extension to finalize work. The mission notes academic work is time consuming and that more focused research questions may have accelerated activities.

The RRI is managed in collaboration with the Agriculture Information Service (AIS) and broadcasts “the voice of the coastal people” on four radio stations featuring climate resilience programming. Some 409 episodes have been produced for 1636 broadcast hours. Episodes include sketches, field stories, and expert interviews. The reported catchment area of the stations is 1.2 million with 100 listening clubs (unverified). Project closure is in July 2018, and the programme believes it will continue with financial sponsors (GoB allows limited commercial sponsorship on public radio) but no planning/ marketing has started despite that the MTR encouraged development of business plans. If no sponsors are found, the programmes needs to continue with volunteers and scaled down production. The AIS and the programme must support station funding plans

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Undertake an outcome study to assess the extent to which permanent traders are established in markets, and if they are crowding out lower income traders and producers.	PMO/ME	03/2018
Collect lessons learned to assess where/ how markets are managing solid waste to find appropriate and low cost means to resolve waste management problems.	PMO	12/2018
Merge community collection centres and tree plantation with road component.	PMO	
Raise the issue of controlling heavily trucks on project roads and other rural low-cost transport infrastructures to the MLGRDC.	PMO/LGED	
Plan to ensure completion of remaining works within the next year.	PMO	
Continue to expedite construction of ghats.	PMO	
Assist local radio stations with funding plans allowing them to continue airing after project closures.	PMO/AIS	

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus		
Effectiveness	Rating: 5	Previous rating: 5

Justification of rating

CCRIP has had steady financial and physical performance since the July-August 2017 Midterm Review (MTR). All Component 1 (Union and Village roads/bridges/ culverts) and 2 (community markets and related infrastructure) are on track to finish planned construction. As of 30 April 2018, average cumulative physical progress for Component 1 is 65% with an additional 27% under construction for a targeted 87% progress by June 2018. The project completed 1,951m of bridges/ culverts (target 2,710 m) for 59% progress. The remaining 759m is under construction set for June 2018 completion for cumulative progress of 82%. The mission notes substantial effort will be required to complete the 35% of roads and 41% of bridges outstanding within the project period.

Log-Frame Analysis & Main Issues of Effectiveness

Overall physical and financial progress for *Component 2* was 83% and 79% at 30 April 2018. Some 184 contracts have been awarded for community market construction (target 197), of which, 157 are complete and 27 are under construction (for physical and financial progress of 90% and 94%). Due to higher construction costs and lack of khas land, the programme will not build 13 markets. Eleven women's market sections (WMS) contracts have been awarded (target 14), with 8 completed and another 3 under construction (physical and financial progress of 90% and 82%). The programme could not obtain land for all 15 originally planned WMS and 3-5 extra WMS requested at MTR. Thirty-two of a targeted 40 ghats have been contracted with 24 completed (physical and financial progress of 74% and 74%). The remaining ghats are in procurement. Five community collection points could not be constructed due to unavailability of land (as reported in the 2017 MTR).

Component 3: 100 trainings on climate-resilient rural infrastructure and knowledge management were held (15% women participants) and completed several climate change adaptation strategies and management plans. Three BUET research studies are near complete after two no cost exemptions, and the RRI initiative is fully implemented. Financial progress under this component is 80%.

Through LCSs employed in the construction of markets and earth works of roads using LCSs the programme has employed 5,508 people (110% of 5,000 target), of which 4,013 were women (73%, target 70%) and 1,495 were men (27%). The number of groups managing infrastructure formed/ strengthened was 441 or 96% of a target of 423. Persons trained in income-generating activities or business management was not in the original design but some 5,282 women and 2,620 men have been trained (1,264 and 316 women and men respectively in 2017)

The programme's climate resilient infrastructure is built for long term climate conditions and offers observable environmental/ natural resource benefits. Component 3 research remains delayed and the reportedly popular Rural Radio Initiative (RRI) now faces prospects of continuing without a plan for sustainable operations. The mission verifies notable poverty alleviation outcomes among LCS members, as well as permanent and temporary market traders due to improved road access and market infrastructure. The programme's limited integration of Income Generation Activities training (IGA) and Gender Action Learning System (GALS pilot activity to a small number of LCS members), demonstrates the potential of infrastructure and beneficiary social and economic development training/ support for sustainable household and community/ rural social capital/ empowerment and economic development outcomes.

Development Focus		
Targeting and Outreach	Rating: 5	Previous rating: 5

Justification of rating

As roads and markets benefit all people in a market/ road catchment area irrespective of income, the project will benefit an estimated 5.5 million people. CCRIP internal surveys and this mission found infrastructure notably expanded market/ economic activity in and around markets benefiting the poor and non-poor. Using LCSs for construction, the project employed 5,412 mostly poor and extremely poor for periods from 4 to 24 months. Market management practice will determine the extent to which the poor use markets, and the mission notes that market space distribution practice may not always favour the poor (e.g., access to covered market sheds, building of permanent shops etc.). Increased private investment is notable around most markets, as is temporary and permanent employment opportunities for the poor

Main issues

The project target group is the population in project catchment areas in the villages around markets and or road projects,

or an estimated 5.5 million people. The project has not estimated the number of direct beneficiaries of completed markets and roads. The midterm survey is not complete, but the mission can verify that markets and roads serve both non-poor, poor and extremely poor.

Stakeholders reported to the mission that the number of villages served by markets has grown because of new infrastructure (e.g., villages served in an isolated rural town of W-gonj, Kalapar market (Patuakhli District) from 7 to 30 with estimated haat market day traffic rising from 2,000 to 7,000). An internal opinion market trader survey undertaken by CCRIP found only 14% of visitors were women. Consistent with observations made by the MTR, the mission notes indirect non-poor will benefit substantially from the project. There is some evidence of increased trading activity and job creation for the poor and extreme poor, however. The most direct impact on the poor has been using LCS groups for market and some road construction (ranging from 4 to 24 months). LCS member selection criteria established by LGED target women living 2 km or less from construction sites, are unemployed and divorced/ widowed/ destitute/ separated, but also include some poor men, and family members who have disabled persons in their households (typically 20 women and 5 men). Field observations suggest the LCS member selection processes was sound but applied unevenly, and in limited cases non-poor members were chosen. Targeting for women market sections (WMS) balanced the goal of helping poor women and the need for members to have sufficient capital to start a business in new stalls. At the beginning of the project, after construction of markets a few disputes arose over assignment of shops which were claimed by persons of more advantaged classes. Consequently, to avoid this elite capture, CCRIP has adopted the policy to assign specific market sections to the LCS member wanting to be market sellers, prior to construction.

Related, the mission validates findings from CCRIP outcome/ livelihood studies that LCS members and many new market users are poor and extremely poor (e.g., smaller traders without fixed stands/ shops/ previously sold goods on street). The mission validates the MTR observation that some fixed market stands/ stalls have been built in some market sheds and CCRIP reports this takes place on a limited basis. The delayed mid-term survey and a proposed outcome study will provide further insights to targeting and outreach questions. Continued good practice training of MMCs should include pro-poor market management guidance to avoid potential bias against poor traders.

Gender equality & women's participation

Rating: 6

Previous rating: 6

Justification of rating

The project has a strong commitment to gender. LCSs primarily employ poor/ extremely poor women who receive wages and profit share. Of the 5,412 LCS members, 1,104 are men (21%) and 4,308 are women (79%, target 70%). The programme was to construct up to 20 Women Market Sections (WMS 15 in design, 3-5 added at MTR) but could obtain land for only 14. The Gender Action Learning System is planned to train LCS households on a limited basis; over 5,000 LCS members received income generating training. The project has a gender action plan which is updated monthly. The project staff gender ratio is 28 females to 163 males or 15%), up from 11% at MTR. Women in key positions include the programme deputy director and gender specialist (ADB funded, part-time), and 1 of 12 field monitoring officers.

Main issues

The generation of livelihood opportunities for the poor and extremely poor women through infrastructure development is an objective of CCRIP. To achieve this, the programme employed LCSs to undertake construction and maintenance works. This provided poor households wage labour and a share of construction profit. This modality bypasses traditional construction contracting to companies, giving steady wage employment to local, low income people. To 30 April, the programme employed 5,412 LCS members (1,104/ 21% men and 4,308/ 79% women - target 70%).

How beneficiaries take full advantage of opportunities of improved wage labour income stability and the relatively large capital profit share payment was not considered in design. Investment of profits in productive activities, however, was an opportunity to extent and expand poverty alleviation impacts. To this end, the programme introduced income generating activity training to 5,000 LSC members. The one day trainings focused on popular productive activities such as hen and cow rearing. In addition to encouraging LCS members to invest profits and increase skills in productive activities, the LCS experience helped increase self-esteem among women, enhancing their ability to participate in household decisions and negotiate wage and contract employment. As many women were unable to join LCSs due to family and cultural constraints, the project offer IGA trainings to a trial group of non-LCS members demonstrating the potential for efficiently increasing the scale and social inclusion of trainings.

Women market sections (WMS) are being constructed by the programme to provide women opportunities to become permanent traders. The project was to construct 15 WMS on the edges of community markets in areas of good traffic flow. The MTR recommended adding 3 to 5 additional WMS. To date, 8 WMS have been completed, 3 are under construction, and 3 others will be built. Due to unavailability of land 6 WMS will not be built. Women provide labour in the construction of the WSM each with 5 permanent stores with locking doors and electricity. They receive wages, a significant profit share, ownership of stalls, and do not have to pay market lease tolls. Profits are used by women as start-up capital, to which they often add savings or loans (from family, friends, or microfinance institutions). The mission notes that there was some uneven application of participant targeting selection guides that led to some non-poor and or male owned shops. This was reviewed and largely remediated after MTR. Application of women-only and pro-poor selection criteria is vital to avoid elite capture.

LCS wage levels have been a concern to the programme as competitive wage employment can affect the

programme's ability to attract labour particularly during agricultural production season. All three programme partners pay less than private contractors (IFAD, ADB, KfW 3.24%, 2%, and 16% less respectively). The mission recommends wage levels be reconsidered.

At the recommendation of the 2017 MTR, the programme will introduce GALS training in 5 upazilas. The goal is to enhance programme economic and social capital outcomes for LCS members, and, in doing so, demonstrate the potential and efficient saleability of GALS in an infrastructure programme. Learnings from CCRIP will be used in the new IFAD – GOB programme PROVATIII which will train 7,000 LCS groups in the methodology.

The project has a common gender action plan for IFAD, ADB and KfW. The plan is updated monthly and reports disaggregated data. The project staff gender ratio 28 females to 163 males or 15%, up from 11% at MTR. Women in key positions include the programme deputy director and gender specialist (ADB funded, part-time), and 1 of 12 field monitoring officers.

Agricultural Productivity	Rating: N/A	Previous rating: 4
Nutrition	Rating: N/A	
Adaptation to Climate Change	Rating: 5	Previous rating: 5

Justification of rating

CCRIP climate change features include: i) concrete road construction accommodating excess precipitation/ runoff, flooding; ii) vetiver grass slope protection; iii) cross drainage structures (bridges/ culverts) designed for highest flood predicted level (HFL), reducing maintenance/ mitigating flood prolongation; iii) structural pavement and market stability built to HFL; iv) all weathered cement concrete for internal market roads with good drainage preventing market yard muddying, improving hygiene, and market attractiveness; and, v) MMC and LCS cleaning/ hygiene training promoting environmental/ market sustainability (e.g., changing culture of open toilet waste being thrown into waterways, etc.). The mission validates construction meets quality design and construction standards.

b. Sustainability and Scaling up

Institutions and Policy Engagement	Rating: 5	Previous rating: 5
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Justification of rating

CCRIP has modest institutional and policy engagement goals. Policy related impacts include increased use of LCS in LGED works (including more women working on road works), supported broader use of vetiver grass for slope protection. CCRIP has participated in numerous policy workshops advocating formally and informally vital climate change and management infrastructure issues. CCRIP raised several community market management issues directly with the (MoLGRD&C) to ensure good practice policy application/ enforcement. The mission encourages CCRIP to have BUET complete research work and so it can further inform policy and infrastructure development good practice.

Main issues

The mission notes MMCs do not consistently execute tasks according to good management practice offered by training and set out the GoB MMC management circular. It observes that the PMO has had ongoing dialogue with the GoB on the enforcement and transparency around Union Pradesh government dedication of an agreed 25% of market lease value to MMCs. These funds are critical to market maintenance and management, and vital to long-term market growth and sustainability. Additionally, the programme has provided informal input to practice/ policies around MMC market space allocation guidelines which work to ensure transparent/ fair access to traders (fees and space allocations), lease fee collection, and governance/ management checks and balances. The programme was to undertake policy dialogue with government to reconstitute the MMCs with higher representation from the Trader's Association. Informal discussions took place without noteworthy results.

In many markets the mission notes Local Trader Associations (LTAs) often perform most market management responsibilities. LTA management can be good, but LTAs also often collect fees from traders (in addition to those levied by the MMCs) and thus, traders can pay twice for cleaning and waste management services. The mission notes some MMCs accept very low lease payments reducing total funds available for market maintenance and management (e.g., in one market, the annual lease fee was BDT 750/ USD 8.85, leaving of which, 25% or BDT 331/ USD 3.54, would be available for market management annually). CCRIP raised this issue with the (MoLGRD&C) but notes without adequate enforcement and/ or incentives, the quality/ potential for MMC market management will remain uneven.

The programme was to advocate procurement/ participation of LCS on civil works. To this end, LCS works in LGED programmes will increase in the new IFAD/ GOB programme PROVATIII which will include over 15,000 LCS groups. The

programme was to conduct an internal study on various types of vehicles that ply on union/ village roads and assess impact on longevity of roads. It was also to initiate policy dialogue on the same with governments to discuss union/ village road designs based on the findings. This survey is incorporated into the delayed midterm survey and no results can be noted. The programme has involved policy makers and government officials at various levels, in numerous workshops on market management and other forms of good infrastructure design and good management practice. The mission observes that it is challenging for LGED to pursue policy issues, as the project has neither dedicated internal capacity nor adequate influence/ authority outside LGED to substantially challenge established policy and enforcement practice.

Partnership-building

Rating: 5

Justification of rating

CCRIP does not have direct implementation partners. Projects are managed directly via LGED at the local level by Upazila and district level engineers, with LCSs and local contractor responsible for construction. CCRIP maintains good relationships with Upazila, Union Pradesh, and district level officials who help with local issues/ challenges. CCRIP worked with the IFAD/ GoB funded PACE programme to explore links around value chain activities in areas where both programmes were active. Despite theoretical partnership potential, there were too few markets/ roads developed where both programmes were active and a mismatch between target beneficiaries to consummate coordinated activities (PACE targeted higher income, often non-poor and LCS members are poor or extremely poor). Project co-financiers include the ADB and KfW and the project enjoys resource sharing due to this collaboration.

Main issues

The need for income generating training (IGA) of LCS members was identified in the 2016 Supervision Mission, and there was an expectation that the PACE programme (implemented by PKSf and partner organizations – POs) could provide value chain support to CCRIP beneficiaries. The CCRIP livelihood specialist found PACE has value chain projects in three CCRIP districts (including *inter alia* medicinal plants, Hogla mats, mung bean and cattle rearing), and PACE partner organizations (POs) are active in three others. Initial discussions between CCRIP and POs were promising, but the programmes ultimately found linkages between both programmes would be challenging. First, most PACE programmes had already be established and PO beneficiaries selected (via established PO lending group membership). Second, PACE programme beneficiaries tended to be less-poor as projects targeted individuals eligible for microenterprise loans. Most CCRIP LCS members were too poor for such loans. Third, CCRIP did not have sufficient livelihood management capacity to formally link with PACE.

The MTR mission recommended CCRIP identify and map on its GIS system product growth trends in sample localities. The objective of this would be to identify products with growth stimulated by CCRIP infrastructure development in or near PACE project areas. This agreed upon recommendation was delayed until after the midterm RIMs survey. CCRIP project has established contacts and working relationship with several government departments including Department of Agriculture Extension (DAE), Department of Livestock Services (DLS), Department of Fisheries (DF), employing experts as trainers/ resource persons. CCRIP has also contacted private companies (e.g., EUGLENA, SQUARE, PRAN) to facilitate possible linkages to support CCRIP beneficiaries. CCRIP also works closely with local government officials at the village, Union and district levels, with whom the PD, along with other senior officials of the programme have built notable and positive relationships.

CCRIP is co-financed by the Asian Development Bank (\$50 million), Kreditanstalt für Wiederaufbau (\$ 8.8 million) and IFAD (\$ 69 million). Although no joint-supervision activities have been carried out, the mission did enjoy resource sharing in terms of human resource management. For example, ADB financing allowed for the team leader of the technical teams and a Gender specialist whilst through IFAD resources field monitoring officers are hired.

Human and Social Capital and Empowerment

Rating: 5

Previous rating: 5

Justification of rating

A variety of evidence confirms programme beneficiary's income and assets are increasing (e.g., trader and LCS member incomes rose from 10% to 30%). The number of permanent and temporary market traders has risen in most markets, and a CCRIP survey (June 2017) found income and margins increased after road and market improvements. LCS members uniformly note improved social capital, particularly for women (e.g., ability to negotiate and participate meaningfully in household decision making). Women members report skills learned during construction can lead to work on private projects. Health, security, and social interactions have increased community and individual social capital. Introduction of the GALs methodology shows potential for more social/ human capital gains.

Main issues

Consistent with the 2017 MTR, the SM mission found over 80% of LCS members interviewed acquired new assets with distributed profit share capital (e.g., livestock, consumer durables, land leasing etc.). Levels of increased income were consistent with those reported in the MTR (ranging between 10% and 40% monthly) and with over half interviewed by the mission reporting being better off. This finding is also consistent with figures found *The LCS Return on Income* report (June 2016) and those in the CCRIP Opinion Survey (June 2017) which report average temporary and permanent trader

incomes rising 29%. The latter report found the number of temporary traders, *including many farmers*, increased in most markets, as did their incomes (averaging 48% with corresponding profit margins). Stakeholders report improved road connectivity increases access to medical services while decreasing costs. The outcome of rising trader incomes/ margins is improved household food security, home improvement, health, and education spending. LCS and MMC members interviewed by the mission validated MTR findings that nearly 100% of market users found notable social impact improvements because of CCRIP market and road infrastructure improvements, including *inter alia* improving spaces for social gatherings, improved social relations (including between men and women), improved social and physical mobility, etc. Introduction of the GALs methodology shows potential for more social/ human capital gains (GALS will be used in PROVATIII involving some 7,000 households). The delayed midterm survey will provide more detailed and representative data on these and a range of other social and human capital advances.

Quality of Beneficiary Participation	Rating: 5	Previous rating: 6
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Justification of rating

The mission found that beneficiaries are generally satisfied with project design, construction, and management. There was beneficiary participation and other stakeholder challenges throughout implementation (e.g., market design, market flows), but through a combination of Union Parishad, local LGED staff, FMOs, the PD *inter alia*, no notable beneficiary participation dissatisfaction disrupted programme implementation was reported to the SM mission (or previous missions). The M&E data collection used a Participatory Monitoring and Evaluation (PME) system which encouraged beneficiary participation. Overall satisfaction in the project (as a proxy for quality of beneficiary participation) noted in a CCRIP market user satisfaction survey was notably positive.

Main issues

Beneficiaries and local stakeholders were consulted regularly during road and market design and development. Challenges around land availability, market design, market client flows, changing permanent shop visibility and access, as well as other design and construction issues were faced (e.g., placement and positioning of toilet facilities, assignment of trader stalls etc.). LGED was able to resolve most challenges, and very few incidences at the local level slowed programme activities. When challenges were complex, the programme could rely on Union Prashad officials and or the PD to resolve issues. Uzirpur upazila Nirahi Officer (Administrative head of Sub-district), are federal government representatives at the local level many of whom supported CCRIP. Uzirpur upazila Nirahi Officers helped the programme facilitate land acquisition and manage local stakeholder complaints. Overall, they are considered a vital link to the programme and local beneficiaries.

CCRIP manages a Participatory Monitoring and Evaluation (PME) system developed to generate feedback from project participants as the programme was implemented, particularly from LCS groups (as well as other project stakeholders). The PME includes regular assessment on the effectiveness of programme training activities via Knowledge, Attitude and Practice (KAP) surveys, *ad hoc* surveys, and case studies. While the mission could not substantially verify the efficacy of the PME system or the degree to which broader beneficiary input to the programme was facilitated, it can note/ validate high levels of satisfaction (as a proxy for quality beneficiary participate) on a range of issues by programme beneficiaries of off all types (e.g., traders, local officials, LCS members etc. - See: Opinion Survey on developed physical facilities of markets, June 2017, CCRIP).

MMCs and local stakeholders prepared master market plans with the support of the project via planning workshops. Some 169 workshops have been provided, involving market users, traders' associations, leaseholders, and MMCs who discuss and prioritize markets expansion activities, additional access roads, maintenance, cleaning, drainage, and land actions/ issues. Plans are executed by MMCs and leaseholders before the end of the project. Final selection of markets was based on a set of selection criteria (e.g., vulnerability to river erosion, availability of Khas land, buy-in of market stakeholders, agreement with UP officials to share 25% lease amount with MMCs etc.). Secondary criteria included potential for women to participate, stakeholders' willingness to share portion of development costs, and stakeholder willingness to reserve space for temporary sellers.

LCS training is participatory in nature and provides a venue for beneficiary input to project management. LCS members were trained in construction, safety, and receive basic IGA training. Training also included modest social empowerment tools to increase participant ability to confidently provide input to the programme. The mission encouraged stakeholder input and participation through documentation of lessons learned and good practice market development beyond infrastructure investments (as agreed to in the 2018 SM). Lessons learned in wrap up workshops are to be held to provide and share local development capacity building experiences for local engineers and stakeholders.

Responsiveness of Service Providers	Rating: 5	Previous rating: 5
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Justification of rating

CCRIP relies on LCS groups and local contractors for most of the services. While service efficiency and quality vary by contract/ location, providers have allowed CCRIP to mostly meet physical and financial progress targets. BUET-led research has fallen behind schedule (two no cost extensions) limiting potential policy and institutional development outcomes. The mission recognizes research/ academic works is time consuming, but better planning and narrower

scopes of work could have avoided delays. The RRI initiative was also extended under a non-cost extension. Given that “the voice of the rural people” is a popular show, it is disappointing that AIS has not substantially helped the four radio stations involved to secure sustainable programme funding for after CCRIP funding has ended.

Environment and Natural Resource Management

Rating: 5

Previous rating: 5

Justification of rating

CCRIP infrastructure is built for future climate conditions maximizing the life of roads and markets. Improved drainage and enhanced slope protection reduces soil run off and improves environmental market and roadside conditions. BUET studies on slope protection and road/ market test protocols influence LGED/ GOB environmental/ infrastructure policy/ practice. Waste management is problematic in many markets where solid wastes are often disposed in waterways or along the roadsides. Constructed waste bins are too small and are in locations inconvenient for effective waste management. BUET research shows potential for biogas digester waste management at markets but offers no implementation plans. CCRIP planted trees on both sides of 7.2 km roads with trees maintenance by groups of women

Agreed Action	Responsibility	Agreed Date
Discontinue dust bin construction in local markets.	PMO	

Exit Strategy

Rating: 5

Previous rating: 5

Justification of rating

LGED, local government officials and MMCs all recognize the importance of public asset management. CCRIP has provided training on this theme. While public asset maintenance is always a challenge, there is a demonstrable increase in attention to this theme (including LGED participation in a USD 450 M public asset management programme). Programme LCS members have been given basic income generating training to enhance sustainable livelihood activities supported in part because of construction profit sharing and wages. CCRIP knowledge sharing products, particularly outcome studies, have been instrumental in sharing lessons learned/ programme experience. Funding key programme staff, particularly field monitoring officers at the district level needs is required for effective project closure

Main issues

Approximately 75% of project resources are used on the construction of roads and markets for which maintenance has been institutionalized through GoB regulations. Village and Union road maintenance is the responsibility of either upazila or LGED. Both the GOB and the LGED is committed to road maintenance and will participate in a new USD 450M World Bank public asset management programme which has a substantial focus on roads. Market maintenance is the responsibility of MMCs. The sustainability of markets and continued growth of related economic and social capital outcomes/ impacts relies on MMCs, which despite having institutionalized responsibilities face several operational challenges (e.g., access to and appropriate use of the 25% of market lease value for market management/ maintenance). The mission encourages the LGED to continue liaising with the MoLGRD&C on this matter.

Notable LCS economic/ social capital outcomes/ impacts were limited in scope given LCS members were offered only two days of training. Given training was focused on income generating activities specific to member interests (e.g., productive investments in hens, cows, etc.) and not enterprise management generally, trainings provide a foundation for sustained household asset/ income growth (as indicated surveys and outcome studies undertaken by CCRIP and through mission verification). Key CCRIP personnel, particularly Field Monitoring Officers at the district level who provide M&E, financial data input, and problem resolution services may not be funded to programme end representing a risk to smooth programme exit. (See Quality of programme management below). CCRIP has built *substantial knowledge/ experience assets* which would benefit from more accessible and wider distribution to ensure influence/ impact post programme. (See Knowledge Generation for actions)

Potential for Scaling-up

Rating: 5

Previous rating: 5

Justification of rating

There is great demand for local road and market development in Bangladesh for which LGED's management implementation capacity is ideally suited. As climate change threats increase, upgraded climate resilient infrastructure is increasingly important. CCRIP's experience shows LCS participation in market and road construction projects is viable and attractive from development cost: effectiveness and poverty alleviation perspectives. CCRIP's IGA training and considered links with PACE provides a knowledge base for infrastructure–value chain programming for poverty alleviation and rural development. The potential for scaling IGA and GALs household social/ economic programming is notable, and both are scaled-up in PROVATIII involving 15,000 LCSs and 7,000 households respectively.

c. Project Management

Quality of Project Management

Rating: 5

Previous rating: 5

Justification of rating

CCRIP has disciplined and flexible project management, sound staffing arrangements, and notable management leadership at the PMO and throughout its local and district offices. IFAD funding for some key personnel (e.g. finance officer, M&E officer, FMOs and livelihoods officers) are not included in the final year of the project which could constrain effective management to programme end. With a view to project completion, the mission recommends the PMO assess and prioritize positions essential for full and effective management over the remaining time of project and request reallocation of funds as required to support essential functions.

Main issues

Project management falls under the responsibility of a Project Management Office (PMO) based in LGED's headquarters. In line with LGED's decentralized structure, CCRIP is represented at district and Upazila level where engineers oversee implementation of infrastructure works. Besides field engineers providing oversight with technical implementation, the mission notes the value of 13 field monitoring officers (FMOs - hired following 2015 SM recommendation). Not only do FMOs allow the project to produce accurate and timely M&E data, FMOs also deliver training activities, and general support to LCS. Additionally, they input district level financial data in TOMPRO software. Further to an MTR recommendation, 304 participants received 17 training sessions on TOMPRO to help reduced inputting errors. Although error rates decreased somewhat, the financial management specialist still spends considerable time on reviewing and revising FMO inputs.

Since the MTR, the M&E officer joined a learning route training organised by Procasur in West Bangladesh on innovative project management. The project director joined an IFAD funded training under the global certification framework for M&E and impact assessment in Rural Development in Rome and Nairobi. A proposed reallocation of funds between expenditure categories was submitted by the project following MTR and approved by IFAD on 18 January 2018.

The mission has found multiple indicators of sound project management. First, there is uniformity in project outputs, consistent delivery of outputs & disbursement rates, and updated monitoring and evaluation systems. Second, the project built 137 markets in 2017 and 20 markets in 2018 using LCSs. An IFAD study on LCS management concluded that this modality has significant development impacts, yet it requires more planning and oversight and is more challenging than private company contracting. The mission recognises that the PMO took significant efforts to pursue this method with a view to achieving impact. Third, all but two of the 15 MTR recommendations were followed-up on. The 3 to 5 extra Women's Market Section were not built due to unavailability of land and the midterm survey was delayed due in part to the integration of IFAD RIA impact assessment section in the survey. (See M&E section for review)

Funding under the IFAD component for multiple key positions including the livelihoods officer, M&E officer, financial officer, GIS specialist and FMOs ends in 31 December 2018. FMOs are considered by the mission as vital for the programme's final months. Other positions ending at this date may also be important to effectively wind up. The mission recommends the PMO assesses positions required and related funding needs (including salary increases to match inflation) to programme's end. Additionally, the mission noted a discrepancy between project closure in IFAD and GoB documents. Therefore, the mission recommends extending the GoB project period until December 2019 to match IFAD loan closing date.

Finally, the mission underlines that the project enjoys capable and committed management office. Although the project has a vertical reporting structure, management information flows are notably efficient, and the Project Director/ senior staff are well informed of challenges/ issues to be resolved at local levels. There is a healthy working atmosphere and a high degree of trust at all levels. Project co-financiers and local experts confirm this observation, commending the Project Director's management skills and practices.

Agreed Action	Responsibility	Agreed Date
Consider increasing salaries of personal under IFAD funding to accommodate cost of living inflation.	PMO	
Reallocate resources to extent contracts of relevant staff under IFAD funding inter alia, FMOs, financial officer & M&E officer.	PMO	
Extend the GoB project period until December 2019 to match IFAD loan closing date.	PMO	

Knowledge Management

Rating: 5

Previous rating: 5

Justification of rating

CCRIP continues to advance its knowledge management agenda since the MTR. The KM plan is sound but not consistently followed (e.g., the CCRIP website has few KM documents). Nonetheless, KM developments continue to be produced, albeit at a slower rate since the MTR. The production of several KM products has been postponed due to delays to the midterm survey. CCRIP continues to acquire knowledge/ experience at the critical nexus of infrastructure and poverty alleviation. The mission encourages an aggressive advance in the programme's KM agenda to consolidate, synthesize, document, and diffuse lesson learned. CCRIP must put more of publications and research on-line, making known via social media, including more social and economic data on its GIS system

Main issues

CCRIP has rich experience on a range of infrastructure and stakeholder themes. Some of these experiences have been captured in publications developed prior to the 2017 MTR. CCRIP has deepened its knowledge of the development impact synergies between markets, roads and social/ economic/ human capital through surveys, case studies, and M&E reporting. A study of LCS and market stakeholders to explore formal interaction with the IFAD funded PACE programme provided insights to CCRIP outcome/ impact potential, highlighting the need for expanded IGA training. CCRIP has developed a strategy paper to attain sustainable livelihoods for the LCS women using a value chain development approach.

The mission found instances of successful innovations in design and construction, as well as some challenges providing insights to more effective and efficient infrastructure development (e.g., more attention to market traffic flows, environmental conditions, etc.). Similarly, potential of the LCS groups emerging from the project continues to provide fertile knowledge generation (e.g., site selection for maximum programmatic outcomes/ impacts, most appropriate IGA training for LCS members etc.). The addition of socio-economic data (e.g., income, asset development) to the GIS mapping of market sites (planned for after the midterm survey) will provide unique mapping of programme outcomes (particularly when compared to baseline findings). Knowledge products combine an adequate mix of qualitative and quantitative information but could benefit from improved synthesis. Given the nature of findings and potential international interest, CCRIP knowledge document value could be enhanced by better translation and editing.

The programme provided a written knowledge management and communications strategy to the mission. The plan is adequate but out of date and should be revised to consider programme exit and the need to collate and synthesize learnings. CCRIP has not achieved several research/ documentation agreements set out in the 2017 MTR which has reduced the momentum of its knowledge generation and diffusion. The delayed midterm survey is responsible for some decreased KM activity (e.g., a study to increase accuracy of the measuring the impacts of roads and markets, systematically collection of prices and volumes of selected goods in strategic markets). CCRIP did not consider putting a question related to how LCS members are using profit shares to lever additional capital into productive projects in the upcoming midterm survey due to a confusion over the request. The mission clarified the action and will convey instructions to be included, if possible, in the survey. CCRIP agreed at MTR to ensure all relevant programme publication are loaded on CCRIP website in an accessible format. A review of the website found few new documents. CCRIP has a project page on the IFAD/Asia website (not updated since May 2017 but with 10 case studies and 6 baseline reports). The programme plans to create Facebook and Twitter accounts. As the programme will soon end, the mission notes it may be too late to develop a large social media effort of its own, and that CCRIP should employ the social media of other institutions for distribution of its knowledge products.

The mission encourages CCRIP to undertake an aggressive, well-supported advance in its KM agenda until programme ends. It must consolidate, synthesize, and document knowledge generated/ learned for the broadest diffusion possible

Agreed Action	Responsibility	Agreed Date
Develop and widely distribute simple synthesis of key project experience/ learnings for diffusion on the social medias of influential organizations and stakeholders.	PMO/M&E	12/2018
Review and update a viable KM plan to project's end.	PMO/M&E	

Value for Money

Rating: 5

Justification of rating

CCRIP met estimated cost expectations and there is evidence suggesting notably positive value for money at the outcome level. Outcome studies and an assessment of wages, profits, and LCS member loans leveraged by profits suggest notable beneficiary outcome efficiency. The project cost per beneficiary of markets was of BDT 91.4/ USD 1.1; for Union and Village roads, it was BDT 672/ USD 8.0 per km. Average wages and profit per LCS market constructed was BDT 7,352/ USD 88 and average profit BDT 8.630/ USD 103. An estimated 50% of LSC members added an average loan to their profit pay out of BDT 15,000/ USD 179 primarily for productive investments, leveraging a total of BDT 34,500,000/ USD 410,714 with an estimated 30% ROI, or an additional BDT 16,500/ USD 196 in annual income per member.

Main issues

Overall the programme's financial and physical performance is on budget all major physical outputs (e.g., component 1 and 2 outputs). The mission was unable to credibly assess outcome level cost to benefit ratios due to the delayed midterm survey. The mission was able to calculate some cost to beneficiary ratios and make some income/ profit assessments.

CCRIP has financial performance of 68% for Union and Village roads and 93% for community markets and served an estimated 5.5m beneficiaries. This translates to BDT 91.4 and USD 1.1 per beneficiary for markets and BDT 672/ USD 8.0 per km of Union and Village roads. Although not indicative of long term job creation, jobs created was BDT 111,087/ USD 1,322 per LSC member. Indirect job creation could not be calculated by the SM but should be considered by the project completion mission. Review of project sites visited and supporting documentation shows that all works have completed within 1-2 years period. No time and cost overrun were reported . Moreover, no case of compensation due to price escalation have been reported. Considering tenders were awarded close to engineer's estimated price with no cases of time and cost overrun or compensation for escalation and, most importantly, observed quality of construction, suggests good value for money.

Average wages and profit per LCS Market construction project member was BDT 7,352/ USD 88 and average profit BDT 8,630/ USD 103. The mission found that an estimated 50% of all LSC market members added to their profit pay by securing an average estimated loan of BDT 15,000/ USD 179 (i.e., leveraged profit money for larger enterprise investment or consumer purchase). The total leverage effect of the programme was BDT 34,500,000/ or USD 410,714 producing an estimated 30% ROI would add an estimated BDT16,500/ USD 196 extra in annual income per member.

Cost per Beneficiary Markets and Roads*				
	No Units	Cost/Unit	Cost / Beneficiary	
		BDT**	USD	BDT
Markets	184	91	1.1	91.4
Roads (kms)	477.82	672	8.0	671.7
No Beneficiaries	5,589,540			
*Beneficiaries = total number of direct and indirect beneficiaries in programme catchment area using roads and markets or 5.1 million. **Total cost of market construction by programme. *** BDT 84 = USD 1				

Average Market LCS Member Wage and Profit*		
	USD**	BDT
Total LSC Market Wages	402,631	33,821,000
Total LSC Market Profits	472,595	39,698,000
Average Wage	88	7,352
Average Profit	103	8,630
* LCS groups built all markets and worked on some earth and road works. ** BDT 84 = USD 1		

LSC Profit Distribution Leverage Effect		
	USD**	BDT
No. LCS Market Members	4,600	
Members Taking Loan	2,300	
Average Loan Size	179	15,000
Total Leverage	410,714	34,500,000
*** BDT 84 = USD 1		

LSC Profit Distribution Leverage Effect		
	USD**	BDT
No. LCS Market Members	4,600	
Members Taking Loan	2,300	
Average Loan Size	179	15,000
Total Leverage	410,714	34,500,000
*** BDT 84 = USD 1		

The mission notes that construction costs have risen notably in the last several months which could have a modest effect on cost to benefits for the AWPB for 2018.

Coherence between AWPB and Implementation

Rating: 5

Previous rating: 5

Justification of rating

The AWPB for 2018 was submitted 02 January 2018 and received No Objection from IFAD 06 February 2018, after the project provided feedback on comments early February. It provides realistic programme cost and physical projections. Delays to AWPB 2018 approval were due a reallocation of funding from consulting to infrastructure. The reallocation

proposal was sent by CCRIP to IFAD in October, the AWPB was submitted by CCRIP early January, and finalized early February. Cumulative financial and implementation progress by component and expense category against approved allocations under the AWPB 2018 to 31 March 2018 was 24%. Rising building materials cost has caused some stress on estimated costs and may rise through the year.

AWPB Inputs and Outputs Review and Implementation Progress

The AWPB for 2018 was submitted 02 January 2018 and received No Objection 06 February 2018. It provides realistic programme cost and physical projections. Delays to AWPB 2018 approval were due to the need to reallocate funding from consulting to infrastructure after MTR. The reallocation proposal was sent by CCRIP to IFAD in October. Following, the AWPB was submitted by CCRIP early January, commented on by IFAD subsequently and finalized by the project early February. Cumulative financial and implementation progress by component and expense category against approved allocations to 31 March 2018 was 24%. The project monitors implementation progress against the AWPB in the Standard IFAD Monitoring and Evaluation System. Rising building materials cost has caused some stress on estimated costs and may rise through the year.

Performance of M&E System	Rating: 5	Previous rating: 5
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Justification of rating

CCRIP's M&E system provides adequate, reliable, and timely data to monitor and report on project management performance, and knowledge generation. The M&E lead mid-term survey, to be held in 2016 was delayed. The July 2017 MTR reiterated a 2016 SM note to expedite the survey, but CCRIP did not issue a call for survey delivery proposals until January 2018. The call was further delayed by an IFAD Research and Impact Assessment Division request to participate in the survey. Two outcome related research projects have delayed as a result. FMOs continue to provide valuable M&E data collection services while serving other roles (e.g., financial data inputting and problem solving) but are not funded past December 2018. Their contracts should be extended - see action under Project management.

M&E System Review

CCRIP has an adequate M&E plan and provides information to support and report on management/ implementation activities not only to IFAD, but on ADB, KfW projects, and numerous GoB agencies/ members of parliament as well. M&E data is collected monthly and reported quarterly to IFAD, although some quarterly reports were not available to this mission (e.g., neither submitted, listed, nor available on CCRIP website). As part of IFAD's Results and Impact Management System (RIMS), the M&E unit prepares and submits RIMS Level 1 reports regularly to IFAD. Level 1 results show progress of project activities and outputs in the terms of IFAD standard indicators. Level 2 results will be reported annually after midterm survey, these are a subjective rating of the effectiveness and sustainability of each output, supported by evidence from project monitoring. The quality of data is considered adequate and reliable for monitoring and evaluation purposes at all levels of programme activity (including disaggregated by sex). M&E reports for since mid-term have been made available and submitted on time.

As agreed at MTR, the programme has recruited an independent consulting firm through a competitive bidding process to conduct a comprehensive midterm outcome survey (including RIMS indicators) based on the detailed TOR. The July 2017 MTR reiterated a 2016 SM mission note to expedite the survey, but CCRIP did not issue the call for survey delivery proposals until January 2018. The call was further delayed by an IFAD Research and Impact Assessment Division request to participate in the survey (as part of IFAD wide impact assessments). The survey should take place in July 2018. The mission questioned the cost effectiveness of undertaking a midterm and end-line survey within a year of each other (the end line RIMS would likely take place in July 2019) and discussed collapsing the two surveys together for delivery in October 2018. Due to RIA timing needs and the value of collecting a third outcome/ impact data point, it was determined maintaining current survey schedule was the best course of action.

A Participatory Monitoring and Evaluation (PME) was developed by M&E to generate feedback from project participants on a range of topics. The programme also developed a GIS mapping system of projects (IFAD, KfW, and ADB funded) and will add outcome data to select sites with data from the midterm survey. The programme has not begun an internal outcome study (using mixed methods-qualitative and quantitative) of LCS/ IGA training and RRI activities as agreed to at the 2017 MTR. Finally, M&E data provides substantial input to Knowledge Management activities (e.g., outcome studies) but had much fewer output since the MTR due in part to mid-term survey reviews. (See Knowledge Management for more details.

Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	Rating: 5
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Justification of rating

CCRIP has a "C" SECAP (ESSN) designation based on the project's minimal anticipated effects on physical and environment resources (based primarily on a review of Component 1). The project has instituted most of the environmental and social protection activities anticipated in design (e.g., drainage systems, tree planting, market cleanliness, social safeguards etc). Adequate market solid waste management systems to be proposed and implemented

by MMCs have not been consistently developed and managed, and most remain informal/ ad hoc. The BUET study on solid waste management using biodigesters is delayed and does not support system implementation at the market level. Solid waste management at markets remains a challenge and needs remediation.

SECAP Review

CCRIP has a “C” ESSN designation based on the project’s minimal anticipated effects on physical and environment resources (based primarily on a review of road construction). A summary of direct negative effects at design included: soil erosion, damage at borrow sides, disturbance of drainage, water contamination, and air pollution. Only “disturbance of drainage” was considered to have potential negative impacts on water management of surrounding lands, as road works may impede drainage of adjacent lands. This was thought to be minimal as the project would rehabilitate existing roads that traverse existing polders. Possible negative effect from culverts and bridges would be minimal given their size, and because they would typically replace/ upgrade existing infrastructures. For greater road safety, paved roads will have structures to limit speed of vehicles and the roadsides will be marked accordingly exhibiting maximum allowable speed limits. No vegetation will be allowed in the inner bend to allow clear vision. Construction of ghats may reduce canal cross-section impeding discharge and improperly designed they could affect river morphology. Additional impact may come from increased river traffic, but this impact was estimated be minor. Safety gears, including retro-reflective vests would be mandatory for LCS members, and accident and life insurance for the LCS workers and contractors. Measures would be taken so women workers avoided carrying head-loads.

The project has, for the most part, built adequately designed cross drainage to maintain water flow and navigation as well as to act as fish pass/ migratory routes. The use of vetiver for bioengineering of slope of rural roads was tested and applied. Increased market traffic on roads and waterways is notable in some markets, though it has not been measured in detail (to come in the midterm survey). The SM mission and the MTR previously were not appraised of any negative environmental implications of increased traffic. LCSs had three to five men each for heavy work, and while insurance coverage for LCS members was purchased somewhat later than anticipated, no claims have been made to date, and only a small number of minor injuries were reported (all treated on site using supplied medical kits).

Design anticipated some interventions at marketplaces may impact the environment. Toilet blocks were thought to present a risk but were mitigated by septic tanks. Design stated solid waste would be disposed of in a safe manner in dump sites with soil coverage, though no toxic waste was anticipated. Market drainage systems would ensure capture of solid wastes via grates. Waste management systems at markets are ad hoc, despite MMCs and traders’ associations planning and training. Disposal systems include burning, dumping in local waterways, or use as infill for land creation. There was no reported community compost system as noted in design. Tree planting during construction was mitigated through tree planting (both around markets and roads) and internal roads, drainage and garbage collection system has improved the environment in and around markets. MMC and trader associations have ensured market cleanliness with a positive impact on the environment. There is gender differentiated toilet design in markets and strategic locations have been designated for women market sections.

d. Financial Management & Execution

Disbursement by financier

Type	Name	Current Amount	Disbursed Amount	Actual Rate
Domestic Financing breakdown	National Government	\$31,229,583		
Co-financing breakdown,	Asian Development Bank	\$20,003,132		
	German Credit Institution for Reconstruction (KfW)	\$8,838,813		
	Strategic Climate Fund	\$29,970,381		

Acceptable Disbursement Rate

Rating: 4

Previous rating: 5

Justification of rating

Based on the available information the disbursement rating was downgraded to 4. This rating is calculated automatically based on the inputs provided to the IFAD system.

Main issues

The overall IFAD disbursement for CCRIP has reached to SDR 31.60 (\$44.48) million including initial advance which is

77% of the total commitment including loans and grants as of 31 March 2018. The financial progress seems to be in line with the overall implementation progress (79%). The overall cumulative IFAD disbursement of CCRIP (comprising IFAD 1st loan, IFAD additional loan and Grant) in SDR 31.60 3million and in USD 44.48 million (including initial advances) till 31 March, 2018, which is 77% against SDR but 74% against USD of total allocation. Differences in % of disbursement between SDR & USD due to foreign exchange difference. It should have pointed out that the overall disbursement rate drops to 63% when the IFAD advance is excluded.

The total disbursement to the project includes SDR 25.60 million from Loan No. 896, SDR 5.51 million from Additional loan along with SDR 0.48 million as Grants, which are 98%, 39% and 73% of the total SDR commitment respectively.

Fiduciary Aspects

Quality of Financial Management

Rating: 5

Previous rating: 5

Justification of rating

There is no change in the rating mainly because of the stable performance on the financial management activities.

Main issues

Staffing at the PMU appears adequate, however, recruitment of CCRIP dedicated Accounts Assistant to be posted in districts is not completed. FMS spend considerable of time reviewing, revising and finalizing the district's input in TOMPRO. The project has submitted Annual Work Plan Budget (AWPB) for 2018 to IFAD on January 02, 2018 (delayed by 63 days)[1]. The execution rate of AWPB for the year 2018 is 24% at 30 March 2018, and 99% for 2017. The physical stock taking of fixed assets was not carried out by the project (to be done each financial year). The auditor has reported twelve (12) observations in the management letter attached to the audit report for FY 2016-17, the project has responded to the issues raised by FAPAD. All outstanding audit issues for previous years have been resolved except one related to FY 2014-15 (partially resolved). The mission reviewed the internal audit report submitted by LGED internal audit team for FY 2015-2016 appears to be limited in scope. The audit concentrated on the GOB contribution and was written in Bangla. The mission recommends conducting an internal audit for FY 2016-17 in overall project activity instead of limiting to government contribution. The accounting software, TOMPRO, was populated with updated financial data, which reconciles to the manual cashbook. The software is fully functioning in terms of producing Withdrawal Applications (WAs) and financial reporting though it requires some improvement to recording advances. Also, the fixed assets register in TOMPRO was not updated with all information, which requires some additional input in the formatting such as location and identification number. The mission noted TOMPRO has limitations regarding accounting entries for advances. Advances classified as "Non-claimable advance" remain adjustable after the fact without being recorded in the Statement of Expenditure (SOE). "Claimable" advances are directly recorded in the SOE and needs further customization. Currently, advances are traced manually while preparing WA and SOE, which is not ideal. Inherent risks of advances being claimed as expenditures are not mitigated as a result. A sample check showed advances claimed as expenditure. The mission advised LCS should be following to liquidate its advances with appropriate supporting documents. However the mission advised an alternative solution for smoothing project disbursement, the LCS advance can be liquidated through submission of minimum supporting documents i.e. having Materials procured invoice, Material Purchase Form (MPF) and Receiving and Inspection Report (RIR). The invoices together with these accomplished forms as certified by the Upazila Engineer will be submitted to PMU to justify the liquidation of advances. The mission noted that the manual advance registrar was not updated with the most recent information in LGED office, Madaripur. Some advances remained unadjusted for some time, and the mission recommends the project strengthen "advance" management through periodic reviews, establishing accounting entry control, and monthly reconciliations. The mission reviewed 10 justifications WAs, and has verified the documentation related to SOE items on a sample basis. The mission also reviewed the books and records in Madaripur and noted the main findings include three (3) instances of LCS advances claimed as expenditure in WAs no. 36 and improper control in file management and record keeping particularly in adjustment of training advances. The mission recommended to carry out a review and reconcile on the unadjusted advances to find any such event as stated above.

Further discussions were carried out to explain the project that there is no provision related to IFAD accepting advances as expenditure. CCRIP will review its process to guaranty timely liquidation of advances and traceability of funds.

[1] Please note that the first draft AWPB was submitted ahead of the deadline, yet the final submission was delayed due to a reallocation in expenditure categories after MTR

Agreed Action	Responsibility	Agreed Date
Communicate with vendor for customization of TOMPRO software to account for "Advances" correctly	CCRIP	06/2018
Update fixed asset register and physical stock take of assets.	CCRIP	06/2018
Conduct an internal audit using LGED's internal audit unit for FY 2016-17	CCRIP	06/2018
Update the advance register and reconcile the advance balance at PMU with the district advance registers monthly.	CCRIP	06/2018
Undertake review to identify and determine advances claimed as expenditures.	CCRIP	06/2018
Adjustment of advances claimed as expenditure in previous withdrawal applications with future applications.	CCRIP	09/2018

Quality and Timeliness of Audit

Rating: 4

Previous rating: 5

Justification of rating

The rating is downgraded from the previous period due to delays in submission of audit report for FY 2016-17. The audit report for FY 2016-17 was submitted after twenty-one days of legal submission as the deadline established in the General Conditions of Contract.

Main issues

Annual external audit of the project is conducted by Foreign Aided Projects Audit Directorate (FAPAD) under C&AG of Bangladesh. However, the audit report for FY 2016-17 was submitted with a delay of 21 days from the legally mandated submission deadline established in the General Conditions of IFAD, however the audit report was signed on December 31, 2017. The auditor has expressed unqualified audit opinion on Financial Statements, Special Account and Statement of Expenditures (SoE). The mission recommends improving performance for the next fiscal year through submission of audit report for FY 2017-18 to IFAD latest by December 31, 2018. The audit opinion to be structured according with The International Organization of Supreme Audit Institutions (INTOSAI) standard. The mission recommends the project to prepare "Statements of cash receipts and payments" for both loans and grants as part of the Financial Statements, along with a fixed assets statement.

Agreed Action	Responsibility	Agreed Date
Resolve all observations for FY 2016-17 and 1 pending observation for FY 2014-15 with FAPAD	CCRIP	12/2018
Submit annual audit report of the project financial statements for FY 2017-18	CCRIP	12/2018

Counterparts Funds

Rating: 5

Previous rating: 5

Justification of rating

The rating would remain same as previous mission, as there is no significant change in this part and the project secured adequate counterpart financing throughout the review period.

Main issues

The project secured adequate counterpart financing throughout the review period. According to PMU records, cumulative amount funded by government stands at \$ 20.39 million equivalent BDT 1,605 million as of 31/03/18. The current cumulative expenditure of USD 19.32 million represents 62% of the total government commitment (USD 31.20 million). While the budget for the project is made on a calendar year basis, the government makes the allocation in its Annual Development Programme (ADP) on a July to June financial year basis.

Compliance with Loan Covenants

Rating: 5

Previous rating: 5

Justification of rating

All financing agreement covenants were complied with except for submission timing of the audit report FY 2016-17 and AWPB for FY 2018. The audit report was submitted to IFAD on 21 January 2018 instead of before the December 31 deadline. The 2017 AWPB was submitted 2 January 2018 instead of 31 October 2017. (See S, Section II Para 7 (vii) and sub section 7.01 respectively, of the General conditions of the Loan Covenants). The project did not submit detailed financial statements of operations, resources, and expenditures related to the project (required to be submitted within four (4) months of the end of fiscal year as per Article IX, sec 9.02 of General Conditions of FA) to IFAD. Insurance of key staff has not been secured, despite being a Section 7.11 requirement of the General Conditions.

Procurement

Procurement

Rating: 5

Previous rating: 5

Justification of rating

There are some delays the execution of CCRIP's procurement plan for goods and services and closer monitoring is required for completion of open contracts for works. Overall project procurement is consistent with national public procurement policy and IFAD guidelines. CCRIP procurement process has adequate transparency and a good quality of procurement process documentation. The mission performed a limited walk through test on works procurement and found the procurement process follows national public procurement guidelines. The contract register is properly maintained for all procurement items. In addition to the contract register, the project also maintains a progress report for all three districts. The report provides an effective tool for efficiently monitoring contracts. A review of contract management by the mission found some 55 cases have exceeded the contracted time with overall progress being a concern (estimated average 70% over time). The PD explained delays were due to the monsoon in the last year and construction material price hikes. CCRIP is optimistic that all contracts will be completed by December 2018.

F. Agreed Actions

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Undertake an outcome study to assess the extent to which permanent traders are established in markets, and if they are crowding out lower income traders and producers.	PMO/ME	03/2018
Undertake review to identify and determine advances claimed as expenditures.	CCRIP	06/2018
Update the advance register and reconcile the advance balance at PMU with the district advance registers monthly.	CCRIP	06/2018
Conduct an internal audit using LGED's internal audit unit for FY 2016-17	CCRIP	06/2018
Update fixed asset register and physical stock take of assets.	CCRIP	06/2018
Communicate with vendor for customization of TOMPRO software to account for "Advances" correctly	CCRIP	06/2018

Adjustment of advances claimed as expenditure in previous withdrawal applications with future applications.	CCRIP	09/2018
Develop and widely distribute simple synthesis of key project experience/ learnings for diffusion on the social medias of influential organizations and stakeholders.	PMO/M&E	12/2018
Collect lessons learned to assess where/ how markets are managing solid waste to find appropriate and low cost means to resolve waste management problems.	PMO	12/2018
Submit annual audit report of the project financial statements for FY 2017-18	CCRIP	12/2018
Resolve all observations for FY 2016-17 and 1 pending observation for FY 2014-15 with FAPAD	CCRIP	12/2018
Extend the GoB project period until December 2019 to match IFAD loan closing date.	PMO	
Plan to ensure completion of remaining works within the next year.	PMO	
Review and update a viable KM plan to project's end.	PMO/M&E	
Reallocate resources to extent contracts of relevant staff under IFAD funding inter alia, FMOs, financial officer & M&E officer.	PMO	
Merge community collection centres and tree plantation with road component.	PMO	
Discontinue dust bin construction in local markets.	PMO	
Consider increasing salaries of personal under IFAD funding to accommodate cost of living inflation.	PMO	
Assist local radio stations with funding plans allowing them to continue airing after project closures.	PMO/AIS	
Raise the issue of controlling heavily trucks on project roads and other rural low-cost transport infrastructures to the MLGRDC.	PMO/LGED	
Continue to expedite construction of ghats.	PMO	

Coastal Climate Resilient Infrastructure Project

Logical Framework

Results Hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2017)	Cumulative Result (2017)	Cumulative Result % (2017)	Source	Frequency	Responsibility	
Outreach	1.a Corresponding number of households reached							Progress report, RIMS report	Annual	PMU	
	Non-women-headed households			1097959	245391	1135714	103.4				
	Women-headed households										
	1 Persons receiving services promoted or supported by the project							Progress report, RIMS report	Annual	PMU	
	Males			2743800	638016	2912564	106.2				
	Females			2636200	588937	2676976	101.5				
Goal Improved livelihoods for poor households in selected Upazilas of 12 coastal districts	increase of households reporting improvements in household asset ownership index							Bangladesh Bureau of Statistics, Multiple Indicator Cluster Survey (MICS) of the RIMS surveys, Impact surveys at baseline, mid-term and completion, Qualitative assessment (PRA) with target HHs in project	Baseline, mid-term and completion	PMU	
	% increased of households reporting improvement			20							

	reduction in the prevalence of child malnutrition						Bangladesh Bureau of Statistics, Multiple Indicator Cluster Survey (MICS) of the RIMS surveys, Impact surveys at baseline, mid-term and completion, Qualitative assessment (PRA) with target HHs in project	Baseline, mid-term and completion	PMU	
	Reduction in the prevalence of child malnutrition			30						
	increase in incomes in 50% of poor households from a range of farm, fishery and non-farm sources, disaggregated by sex									
	increase in income			60						

Objective Enhanced climate resilience of coastal road and market infrastructure and people in selected Upazilas of 12 project districts	60% more beneficiaries reporting improved food security						Independent evaluation of robustness and resilience of infrastructure design, CCRIP project assessment report after each monsoon season and natural disaster event, IFAD annual supervision report, PRA after each monsoon season and natural disaster event.	Baseline, mid-term and completion	PMU	Climate change related impacts are within predicted level	
	Beneficiaries reporting improved food security (Males)			60							
	Beneficiaries reporting improved food security (Males/Females)			60							
	Beneficiaries reporting improved food security (Females)			60							
	reduced loss of lives and assets during disaster						Independent evaluation of robustness and resilience of infrastructure design, CCRIP project assessment report after each monsoon season and natural disaster event, IFAD annual supervision report, PRA after each monsoon season and natural disaster event.	Baseline, mid-term and completion	PMU		
	Percentage			50							

Outcome 1. Improved road connectivity for men and women living in project Upazilas to access markets and social services	1.1. increase in average traffic volume per day on project roads							Traffic data surveys (volume and price). Transport worker and user surveys.	Annual	PMU	• Government sustains or increases funds for road and market maintenance. • Investments in polder protections by other programmes and projects continue
	Average traffic volume per day			50	55						
	1.2. reduced transportation costs on project roads							Traffic data surveys (volume and price). Transport worker and user surveys.	Annual	PMU	
	Percentage reduced in transportation costs			25	30						
	2.2.6 Households reporting improved physical access to markets, processing and storage facilities										
	Households reporting improved physical access to markets										
Output 1. Upazila, union and village roads upgraded to climate resilience standards Bridges and culverts built	2.1.5 Roads constructed, rehabilitated or upgraded							Independent monitoring of construction of roads, bridges and culverts Site inspections Environmental assessment Project reports and MIS	Quarterly	PMU	• No major delays due to price escalation of materials and labour • Public procurement process remains adequate and adheres to ADB/IFAD requirements • Sufficient availability of labour • Roads properly maintained • LGED remains committed to apply acquired knowledge
	Length of roads		555	709	147	249	35.1				
	1.3. Bridges and culverts constructed							Independent monitoring of construction of roads, bridges and culverts Site inspections Environmental assessment Project reports and MIS	Quarterly	PMU	
	Length of bridges and culverts constructed (Total metres)		3300	4650	1502	1546	33.2				
Outcome 2. Enhanced marketing of farm and non-farm produce in project markets	2.1. additional income from construction of infrastructure							Market surveys	Baseline, mid-term and completion	PMU	Services of MAPP are reinforcing CCRIP interventions
	Percentage			20	22						

	increase in the volume of goods marketed in village markets						Market surveys	Baseline, mid-term and completion	PMU		
	Increase in the volume of goods			50	55						
	increase of traders						Market surveys	Baseline, mid-term and completion	PMU		
	Percentage increased (Males)			25	22						
	Percentage increased (Males/Females)			25							
	Percentage increased (Females)			25	3						
Output 2. 1. Market infrastructure expanded and upgraded; 2.2. women market sections built; 2.3.boat landing facilities (ghats) buildt; 2.4. market management committees established; 2.5. LCS formed, trained and employed	2.2. 15 community markets with a women section						Site inspections and surveys	Quarterly	PMU	• Adequate functioning of MMCs • Climate trends do not reduce on- and off-farm productivity, or quality ; production levels remain stable • Public policy continues to allow procurement of works with the participation of LCS	
	Markets with a women section		14	15	1	5					33.3
	2.1.6 Market, processing or storage facilities constructed or rehabilitated						Site inspections and surveys	Quarterly	PMU		
	Market facilities constructed/rehabilitated		139	197	21	139					70.6
	2.4. 38 new landing ghats built						Site inspections and surveys	Quarterly	PMU		
	Boat landing ghats		38	40	11	15					37.5
	2.5. poor women and men employed in construction of markets & earth work of roads through LCS (IFAD)						Site inspections and surveys	Quarterly	PMU		
	Males				120	1492					
	Number employed (Males/Females)		5000	5000	720	5508					110.2
Females				600	4016						
Outcome 3. Rural communities and local authorities are able to cope with volatile climate events and meet their basic needs during climatic shocks	3.1 Climate resilient rural infrastructure management plan is operational						Qualitative surveys: focus group discussions and key informant interviews after completion of shelters		PMU	Local government maintains emergency and recovery plans	
	Plans operational				1	1					

	3.2. Population using shelters during natural disasters						Post-climate shock surveys, PRA on effectiveness of response, management of shelters		PMU		
	population										
Output 3.1 Group formation and training	Groups managing infrastructure formed/strengthened						RIMS reporting	Annual	PMU	Knowledge Management & communication plans are integrated into policies, programs and enforced of 4 rural radio stations.	
	Group			441	24	423					95.9
	People trained in infrastructure development						RIMS reporting	Annual	PMU		
	Males				120	2407					
	Females				600	6294					
	2.1.2 Persons trained in income-generating activities or business management						RIMS reporting	Annual	PMU		
	Females				1264	5282					
	Males				316	2620					
Output 3.3. LGED pilots sustainable climate resilient rural infrastructure management plan	Sustainable road maintenance plan										
	plan				1	1					
Output 3.4. Knowledge management products for climate change developed	Number of knowledge products published										
	km products, research products										
Output 3.2. Rural Radio Initiative	3.1.2 Persons provided with climate information services										
	Persons provided with climate info services				5500	536200					

Bangladesh

Coastal Climate Resilient Infrastructure Project

Supervision Report

Appendix 1: Financial: actual financial performance; by financier by component and disbursements by category

Mission Dates: 30 May - 10 May 2018

Document Date: 12/06/2018

Project No. 1100001647

Report No.

Appendix 1: Financial: Actual financial performance by financiers; by component and disbursements by category

Table 1A: Financial performance by financier (USD '000) as of 31/03/2018

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan 896	39,500	36,061	91%
IFAD Additional loan 1457	19,500	7,728	40%
IFAD grant 1445	1,000	695	69%
ADB loan 8258	20,000	14,663	73%
ADB loan 2913	20,000	14,347	72%
ADB Grant 0310	10,000	7,180	72%
KfW Grant	8,800	8,800	100%
Government ¹	31,200	20,063	64%
Total	150,000	109,537	73%

¹Government additional committed USD10.0 million is not included in the approved amount

Table 1B: Financial performance by financier by component (USD '000) as of 31/03/2018

	IFAD loan			IFAD Additional loan			IFAD Grant			ADB			KfW			Government			Total		
Component	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
1.Improved Road connectivity	31,900	26,922	84%	16,600	4,305	26%				28,600	14,576	51%	0	0		18,000	9,394	52%	95,100	9,394	10%
2.Improved market services	4,900	5,231	107%	1,600	227	14%				9,200	6,300	68%	7,200	6,571	91%	3500	3,025	86%	26,400	21,355	81%
3.Enhanced climate changed adoption capacity	300	530	177%	100	10	10%	1,000	548	55%	800	280	35%	300	271	90%	1800	375	21%	4,300	2,014	47%
4.Project management	2,400	1,951	81%	1,200	22	2%				10,700	6,057	57%	1,300	958	74%	6500	7,108	109%	22,100	16,096	73%
Interest during implementation										700						1400			2,100		
Sub-Total Expenditures	39,500	34,633	88%	19,600	4,564	23%	1,000	548	55%	50,000	27,213	54%	8,800	7800	89%	31,200	19,903	64%	150,000	94,661	63%
Unspent balance as of March 2018		1,428			3,164			147			8,977			200			160			14,876	
Total	39,500	36,061	88%	19,500	7,728	23%	1,000	695	55%	50,000	36,190	54%	8,800	7800	89%	31,200	20,063	64%	150,000	109,537	73%

Table 1C1: IFAD loan 896 - (SDR, as at 31/03/18)

DESCRIPTION	CAT#	Original Allocation (SDR)	Revised allocation (SDR)	Disbursed (SDR)	%	Available balance (SDR)
Civil works	I	22,300,000	24,821,000	22,097,890	89%	2,723,110
Vehicles and Equipment	II	400,000	252,000	197,652	78%	54,348
Consulting Services	III	600,000	527,000	431,496	82%	95,504
Studies Training and Workshop	IV	200,000	500,000	322,165	64%	177,835
Unallocated		2,600,000	-			
Advanced to designated account				2,557,811 ²		-2,557,811
TOTAL		26,100,000	26,100,000	25,607,015	98%	492,986

Table 1C2: Additional loan 1457 - (SDR, as at 31/03/18)

DESCRIPTION	CAT#	Original Allocation (SDR)	Revised allocation (SDR)	Disbursed (SDR)	%	Available balance (SDR)
Civil works	I	12,500,000	14,180,000	2,641,213	19%	11,538,787
Consulting Services	III	260,000	-	-	-	
Operating costs	V	70,000	70,000	17,090	24%	52,910
Unallocated		1,420,000	-	-	-	
Advanced to designated account				2,855,971		-2,855,971
TOTAL		14,250,000	14,250,000	5,514,274	39%	8,735,726

Table 1C3: IFAD Grant G-I-C-1445 - (SDR, as at 31/03/18)

DESCRIPTION	CAT#	Original Allocation (SDR)	Revised allocation (SDR)	Disbursed (SDR)	%	Available balance (SDR)
Studies, Training and Workshop	IV	600,000	660,000	305,249 ³	46%	354,751
Unallocated		60,000	-			
Advanced to designated account				175,335		-175,335
TOTAL		660,000	660,000	480,584	73%	179,416

² This amount includes SDR 188,522 which was recovered from WA 37 as part of recovery plan.

³ An amount of USD 97,936 equivalent to SDR 70,787 was submitted for documentation in WA No. 09 by the project, which has not yet been documented in IFAD system. However the amount was disbursed by IFAD and received by the project on June 16, 2017. After considering the said amount, the total amount of actual expenditure would be increased and the amount of advanced would be decreased.

Bangladesh

Coastal Climate Resilient Infrastructure Project Supervision Report

Appendix 2: Physical progress measured against AWP&B

Mission Dates: 30 May - 10 May 2018
Document Date: 12/06/2018
Project No. 1100001647
Report No.

Asia and the Pacific Division
Programme Management Department

Coastal Climate Resilient Infrastructure Project						
Progress against AWBP ¹						
	Indicators					
	Name	Project target	Target included in 2018 AWBP	Completed in 2017	Cumulative Actual	AWBP%
Component 1: Improved road connectivity for men and women living in project Upazilas to access markets and social services	1.1. increase in average traffic volume per day on project roads					
	Average traffic volume per day - Percentage (%)	50	No outcome data available yet			
	1.2. reduced transportation costs on project roads					
	Percentage reduced in transportation costs - Percentage (%)	25	No outcome data available yet			
Output 1. Upazila, union and village roads upgraded to climate resilience standards Bridges and culverts built	1.3 Roads constructed, rehabilitated or upgraded					
	Length of roads - Length (km)	487.13	79	192.75	335	68%
	1.4. Bridges and culverts constructed					
	Length of bridges and culverts constructed (Total metres) - Number	2710	700	1679	1951	72%
Component 2: Enhanced marketing of farm and non-	2.1. additional income from construction of infrastructure					

¹ The mission is confident that the project will be able to deliver the remaining activities before project closure.

farm produce in project markets	Percentage - Percentage (%)	20	No outcome data available yet			
	increase in the volume of goods marketed in village markets					
	Increase in the volume of goods - Percentage (%)	50	No outcome data available yet			
	increase of traders					
	Percentage increased (Males/Females) - Percentage (%)	25	No outcome data available yet			
	Percentage increased (Males) - Percentage (%)	25	No outcome data available yet			
	Percentage increased (Females) - Percentage (%)	25	No outcome data available yet			
Output 2. 1. Market infrastructure expanded and upgraded; 2.2. women market sections built; 2.3.boat landing facilities (ghats) buildt; 2.4. market management committees established; 2.5. LCS formed, trained and employed	2.2. 15 community markets with a women section					
	Markets with a women section - Number	15	4	4	8	77%
	2.1.6 Market, processing or storage facilities constructed or rehabilitated					
	Market facilities constructed/rehabilitated - Number	184	7	59	139	90%
	2.4. 38 new landing ghats built					
	Boat landing ghats - Number	40	10	7	24	68%
	2.5. poor women and men employed in construction of markets & earth work of roads through LCS (IFAD)					

	Number employed (Males/Females) - Number of people	5000	Not detailed as target in AWBP			
Component 3: Rural communities and local authorities are able to cope with volatile climate events and meet their basic needs during climatic shocks	3.1 Climate resilient rural infrastructure management plan is operational					
	Plans operational - Number		Already delivered	1	1	
	3.2. Population using shelters during natural disasters					
	population - Percentage (%)		No outcome data available yet			
Output 3.1 Group formation and training	Groups managing infrastructure formed/strengthened					
	Groups trained - Number		117 trainings provided			
	People trained in infrastructure development					
	Trainings - Number		403 trainings provided			
	2.1.2 Persons trained in income-generating activities or business management					
	Trainings - Number		183 trainings provided			
Output 3.3. LGED pilots sustainable climate resilient rural infrastructure management plan	Sustainable road maintenance plan					
	plan - Number		Already delivered	1	1	
Output 3.4. Knowledge management products for climate change developed	Number of knowledge products published					
	km products, research products - Number		Already delivered			
Output 3.2. Rural Radio Initiative	3.1.2 Persons provided with climate information services					

	Persons provided with climate info services - Number		No outcome data available yet			
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Bangladesh

Coastal Climate Resilient Infrastructure Project

Supervision Report

Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 30 May - 10 May 2018

Document Date: 12/06/2018

Project No. 1100001647

Report No.

Asia and the Pacific Division
Programme Management Department

Appendix 3: Compliance with legal covenants: Status of implementation

Article/ Section of Financing Agreement	Covenant	Status	Remarks
Section B -6	There shall be two (2) designated accounts denominated in USD (collectively referred to as "Designated Accounts") opened in accordance with Section 4.04 (d) of the General Conditions by the Borrower/Recipient in a bank acceptable to the Fund, through which the Loan and Grant proceeds shall be channeled. The Borrower/Recipient shall inform the Fund of the officials authorized to operate the Designated Accounts.	Complied	
Section B - 7	There shall be two (2) project accounts (the "Project Accounts") opened by the Lead Project Agency in a bank acceptable to the Fund to receive and hold financing transferred from the Designated Accounts. There shall be twelve (12) district project accounts (collectively referred to as the "District Project Accounts") in the Project Area as defined in paragraph 1 of Schedule 1 hereto, to receive and hold financing transferred from the Project Account. The Borrower/ Recipient shall inform the Fund of the officials authorized to operate the Project Account and the District Project Accounts.	Complied	
Section B - 8	The Borrower/Recipient shall provide counterpart funds for the Project in the amount of Thirty-one million and two hundred thousand United States Dollars (USD31,200,000), which shall finance inter alia Project-related staff salaries in the Lead Project Agency, operating cost of the Project and Project-related land acquisition and resettlement costs	Being complied on a continuous basis.	
Section E- 1	The following are designated as additional general conditions precedent to withdrawal: a) The Designated Accounts, the Project Accounts, and District Project Accounts as referred to in Section B shall have been duly opened; b) The Project Director and other Key Project Personnel of the Project Management Office (the "PMO") and Regional Project Offices as referred to in paragraph 7 and 6 of Schedule 1 hereto shall have been duly recruited by the Lead Project Agency; and c) The Project financial management system shall have been operational	Complied	
Schedule 1- II- 7- viii	The PMO shall prepare all reports including financial reports for all activities. It shall prepare quarterly reports and annual reports to be presented to the Fund, ADB and KfW.	Complied	

Article/ Section of Financing Agreement	Covenant	Status	Remarks
Schedule 1-II-11	For Monitoring and Evaluation, the PMO shall have a Monitoring Specialist and an assistant	Complied	
Schedule 1- II-14	The Fund, ADB and KfW shall carry out joint supervisions. Besides, the Fund/ADB/KfW annual supervision mission, an independent mid-term and final evaluation shall be conducted.	complied	Individual supervision missions are carried out by each financier.
Schedule 1 – II-16	The PMO shall prepare the Project Administration Manual (the “PAM”) and shall forward it to the Fund for comments and approval.	Complied	
GC Section 7.07	The Borrower/Recipient shall ensure that all facilities and civil works used in connection with the Project shall at all times be properly operated and maintained and that all necessary repairs of such facilities shall be made promptly as needed.	Complied	
GC Section 7.08 (a)	The Borrower/Recipient or the Lead Project Agency shall insure all goods and buildings used in the Project against such risks and in such amounts as shall be consistent with sound commercial practices.	Complied	The project has no building in its ownership, hence this part is not applicable
GC Section 7.08 (b)	The Borrower/Recipient or the Lead Project Agency shall insure the goods imported for the Project which are financed by the Financing against hazards incident to the acquisition, transportation, and delivery thereof to the place of use or installation in accordance with sound commercial practice.	Not Applicable	The project has no provision for importing goods from aboard.
GC Section 7.11	The Borrower/Recipient or the Lead Project Agency shall insure key project personnel against health and accident risks to the extent consistent with sound commercial practice or its customary practice in respect of its national civil service, whichever is applicable.	Not complied	

