

REPORT
OF THE
PUBLIC ADMINISTRATION EFFICIENCY STUDY

Volume - 5
Project Cycle : Policies and Procedures

Ministry of Establishment
Government of the People's Republic of Bangladesh

Dhaka
November 1989



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ACRONYMS

ACR	Annual Confidential Report
ADP	Annual Development Programme
APD	Academy for Planning and Development
BARC	Bangladesh Agricultural Research Council
BCS (Econ)	Bangladesh Civil Service (Economic)
BWDB	Bangladesh Water Development Board
CCI&E	Chief Controller of Imports & Exports
CDRB	Center For Development Research Bangladesh
CDST	Customs Duties and Sales Tax
CPM	Critical Path Method
crore	10 million
DAI	Development Alternatives Inc.
DPEC	Departmental Project Evaluation Committee
DSI	Directorate of Supply & Inspection
ECNEC	Executive Committee of National Economic Council
EO	Executive Order
ERD	External Resources Division
FY	Fiscal Year
FYP	Five Year Plan
GDP	Gross Domestic Product
GOB	Government of Bangladesh
IDA	International Development Association
IMED	Implementation Monitoring And Evaluation Division
M&E	Monitoring and Evaluation
NEC	National Economic Council
NGO	Non-government Organisation
OJT	On-Job-Training
O&M	Organisation and Management Wing, Ministry of Establishment
PAES	Public Administration Efficiency Study
PATC	Public Administration Training Centre
PC	Planning Commission
PERT	Program Evaluation Review Technique
PEC	Project Evaluation Committee
PP	Project Proforma
PPP	Preliminary Project Proforma

PROJECT CYCLE HIGHLIGHT

Problems

1. Overcentralised decision making

Primary Recommendations

1.1 Raise project approval limits for investment projects.

1.2 Eliminate separate administrative approval for components of approved projects.

1.3 Raise procurement and contract award authority.

1.4 Delegate to project directors full financial and administrative powers.

1.5 Move appropriate authorities to include in Schedule 2 of Rules of Business all Class 1 officers, including Research officers to Chiefs with authority to sign letters and documents on behalf of government, if warranted, regardless of cadre affiliation.

2. Human resource needs

2.1 Conduct needs assessment in planning and development units to determine planning and monitoring staffing needs.

2.2 Use qualified local consultants and make greater use of transfers and lateral entry to place qualified staff where immediate planning and monitoring needs are greatest.

2.3 Rotate non-cadre officers and officers from administrative, economic and technical cadres within allied sectors, and among project, agency and planning cell postings.

2.4 Provide planning cells in ministries and implementing agencies with the number of skilled officers that results in satisfactory planning and monitoring of development project activities.

2.5 Strengthen capability of training institutes, particularly the Academy for Planning and Development to conduct needs

4.5 Use more turn-key projects, when appropriate, keeping in view their impact on technology transfer.

4.6 Streamline procurement process based on study of procurement rules and procedures.

data gathering was limited to specific ministries, the intent of the study was to provide recommendations which may apply to development projects generally.

B. Key Constraints to More Efficient Development Projects

This study, as well as all preceding studies regarding development projects, points to several key constraining factors which cause persistent problems, such as those cited by the IMED study, in development projects: overcentralisation of authority, lack of accountability, inadequate resource base, and implementation bottlenecks caused by inconsistent and inflexible adherence to rules, procedures and systems.

There is a relationship among these factors. A statement that was made repeatedly in interviews with government officials was that a fundamental sense of distrust of others is at the heart of the bureaucratic culture. This sense of distrust has resulted in a need for controls throughout government, which in turn has resulted in a diffusion of accountability through overlapping checks and balances. The net effect is a widespread feeling of no effective accountability.

The diffusion of accountability and overcentralisation of decision making produces a climate which inhibits bold and timely management decisions, resulting in delays. Delays also result from a lack of knowledge of rules and procedures among many government officials, resulting from inadequate or inappropriate training, as well as frequent changes in rules and procedures.

C. Recommendations

The objective of this study was to assist the Government in developing recommendations which overcome constraints to efficiency in development projects. As may be determined from reading the report, some of the recommendations are directly implementable. Others indicate that before government can take action to address a causal problem, other actions may need to be taken. For example, decentralisation of increased project approval authority logically requires the development of capability within line ministries to review and approve project proposals. Determining capability requires, among other factors, information about human resources, on a position-by-position, office-by-office basis. Such information does not exist, nor was it within the scope of this study to generate it. The study does not recommend actions which will immediately lead to a specific Planning Cell in a given ministry having the capability to handle newly decentralised authority.

Determining capability also presupposes that there is an answer to the question of how far decentralisation should go. This is essentially a political and institutional question which has not

been clearly answered, and was also a limitation to the development of specific, implementable recommendations. Notwithstanding these limitations, the study has provided recommendations which may lead to more efficient development projects. In the remainder of this section the recommendations of the report are summarised. The numbers in parentheses indicate the number of the recommendation and the page on which it may be found in Section III below. Section II reviews the background of the study and provides a conceptual framework. Section III analyses constraints and recommendations in the phases of the Project Cycle; suggests an implementation/action plan for selected recommendations; and, reviews key recommendations within the context of the TOR's objectives.

Overcentralisation of authority

The primary recommendations regarding this constraint are:

1. Reaffirm responsibility of ministries for integrating project goals with sector goals (#9/p26).
2. Emphasise Planning Commission's responsibility for macro-level planning, for integrating ADP and FYP, and for establishing parameters for ministries and agencies to integrate projects with ADP and FYP (#11/p27).
3. Raise project approval limits for investment projects (#12/p31).
4. Eliminate separate administrative approval for components of approved projects (#17/p35).
5. Raise procurement and contract award authority (#16c/p35; #25/p38).
6. Delegate to project directors full financial and administrative powers (#16a&b/p34).

Other recommendations to overcome overcentralisation are:

7. Move appropriate authorities to include in Schedule 2 of Rules of Business all Class 1 officers, including Research officers to Chiefs with authority to sign letters and documents on behalf of government, if warranted, regardless of cadre affiliation (#13/p31).
8. Reduce details and highlight policy issues and issues critical for policy implementation in review of PPs by PEC and ECNEC (#8/p26).

9. Emphasise joint review sessions at planning cell level before sending PPs for further processing (#14/p31).

10. Delegate authority to approve procurement proposals on one-step basis for approved proposals (#26/p38).

Human Resource Needs

The primary recommendations regarding this constraint include:

11. Conduct needs assessment in planning and development units to determine type and level of specific skills needed at project, agency and ministry levels for planning, implementing and monitoring roles (#3/p22; #41/p41; #43/p46).

12. Use qualified local consultants and make greater use of transfers and lateral entry to place qualified staff where immediate planning and monitoring needs are greatest (#1/p22; #44/p46).

13. Provide planning cells in ministries and implementing agencies with the number of skilled officers that results in satisfactory planning and monitoring of development project activities (#4/p22).

14. Acquire essential information technology, and appropriate staff training, for efficient project planning and monitoring (#6/p23).

15. Upgrade APD and strengthen capability to conduct needs assessment and to design and deliver training which will result in improved performance at the individual, work unit and organisation levels (#41/p41; #20/p35 ;#32/p39).

Other recommendations to improve the human resource base in all phases of the project cycle include:

16. Rotate non-cadre officers and officers from administrative, economic and technical cadres within allied sectors, and among project, agency and planning cell postings (#2/p22).

17. Develop effective incentive system based upon proven efficiency (#21/p35).

Weak Accountability and Information Systems

The primary recommendations to improve accountability regarding development projects are:

18. Increase delegation of monitoring responsibilities to ministries, implementing agencies and projects (#47/p46).

19. Design and implement a management information system for development projects, such as that in Malaysia (#45/p46; #49/p47).

20. Ensure that appropriate representation of affected people (i.e., stakeholders) is institutionalized in each phase of the project cycle (#10/p26; #46/p46).

21. Strengthen rules and regulations related to standards of conduct, and their enforcement (#22/p35).

Other recommendations to strengthen accountability include:

22. Provide more public information concerning development project decisions (#52/p48).

23. Improve utilisation of monitoring and evaluation reports from all sources, including donors (#48/p47).

24. Use wrap-up meetings between appraisal teams and sector divisions to clarify areas of agreement regarding project goals and requirements (#50/p48).

25. Convene meetings involving donors, ministries, agencies and project staff to review project implementation performance (#51/p48).

Bottlenecks

The primary recommendations to reduce bottlenecks are:

26. Rationalise allocation of resources to Revenue Budget and Annual Development Programme so that projects may be implemented on time and not be delayed by revenue shortage; strengthen capability of forward expenditure planning (#24/p36).

27. Allow staffing of key project positions as soon as projects are approved (#39/p41).

28. Allow project personnel to remain with project until its completion without forfeiting rights to promotion and increases (#40/p41).

29. Streamline procurement process based on study of procurement rules and procedures (#33/p39).

Other recommendations include:

30. Use more turn-key projects, when appropriate (#18/p35).
31. Examine probable impact of Executive Orders to insure that high priority development projects will not be impaired in mid-stream (#42/p42).
32. Develop and use standard project management handbook for operational management (#19/p35).
33. Create inventory of information regarding successful projects and give them wide publicity, including use as training materials for project management (#23/p35).
34. Establish new guidelines for tender/purchase committees to expedite processing (#27/p38).
35. Assure access to procurement specialists for every project (#28/p38).
36. Increase donor funding for locally produced resources and improve opportunities for local suppliers to compete (#29/p38).
37. Publish lists of locally produced materials which meet procurement standards (#30/p39).
38. Encourage donors to give local offices more authority to approve bid packaging and to approve contract awards (#31/p39).
39. Consider creating special desks in Customs and CCI&E for processing of development projects' requirements (#34/p39).
40. Update and give wider distribution to 1979 ERD procurement guidelines (#35/p39).
41. Eliminate use of outdated procurement forms and procedures such as Forms #2911 and #2908 (#36/p39).
42. Enforce time limits for procurement decisions; if time limits for large, complex projects are not appropriate, change them (#37/p39).
43. Enforce confidentiality in bid handling procedures (#38/p39).
44. Continue improvement of quality and coverage of database for macro economic planning (#5/p23).

45. Provide adequate logistic support to concerned planning and monitoring offices (#7/p24)

46. Assign responsibility for monitoring project approval to substantive divisions of the Planning Commissions, and report regularly to government regarding approval status of projects (#15/p31)

D. Implementation Plans

The development of an effective, sustainable implementation strategy to improve the efficiency and effectiveness of development projects will require considerable political will, resources and patient coordination of efforts among government offices and between government and donors.

The overall strategy of implementing the recommendations discussed in this report is:

- * to initiate actions within a limited scope of ministries, implementing agencies and projects on a pilot basis to determine their effectiveness before undertaking government-wide changes;
- * to initiate actions which produce immediate and continuing successes so that a climate of success is developed and maintained;
- * to give priority to actions which can be initiated with little or no increase in expenditures, and without delay;
- * to give priority to those actions which reduce delays without compromising accountability;
- * to initiate prerequisite actions so that subsequent steps can be taken on the basis of adequate preparation, such as developing planning capacity in the ministries and implementing agencies in order to relieve the Planning Commission of its involvement in the details of projects at the planning and approval stage;
- * to develop a coordinated plan of actions, with long term donor support, in order to assure achievable outcomes.

The implementation steps should be planned and coordinated through an Implementation Committee established by Government, as a follow up to the study, though specific actions may be the responsibility of other government entities.

II. BACKGROUND and CONCEPTUAL FRAMEWORK

A. Background of PAES

The successive Governments in Bangladesh have been cognizant of the problems in public administration since 1972 and the macro- level issues in administration have been addressed by various committees from 1972 to the present. Some of the recommendations of the various committees have been implemented and have brought about changes in the civil service structure. However, the micro- level problems in public administration such as internal procedures, work-methods, logistical support, have received limited attention.

In 1987, the Bangladesh Government decided to undertake a study to identify key constraints affecting the efficiency of Public Administration, particularly in relation to important key ministries. This led to the present Public Administration Efficiency Study (PAES), whose structure and scope of work was developed by the GOB officials in consultation with the World Bank and the United States Agency for International Development (USAID), which is the funding agency.

The recommended changes from the study are generally limited to the existing GOB structure and the rules of business. The main focus of the study is on the following four priority areas:

- (1) Secretariat System and Work Procedures;
- (2) Relationship between Ministries and Departments;
- (3) Relationship between Ministries and Public Corporations;
- (4) Project Cycle Policies and Procedures.

The studies in the above areas have been undertaken by four Working Groups, under the direction of a Steering Committee headed by the Foreign Minister. This volume of the study has been produced by the Working Group on Project Cycle Policies and Procedures.

B. Objectives and Issues

1. The main objective of the Public Administration Efficiency Study (PAES) Project is to assist the GOB Steering Committee in identifying the key constraints in Administrative Performance and recommending implementable measures for improving administrative efficiency. These are discussed in the Executive Summary.

2. Issues. The Study's Terms of Reference also call for attention to issues which affect efficiency of public administration. These issues include bureaucratic behaviour, accountability, decision making, continuity, expert services, personnel management, and training for development administration. They are discussed throughout the report.

C. Background of the Project Cycle Report

A major reason for this study has been concern over the persistent pattern of difficulties in achieving development targets in the mid-term five-year plans and short-term annual plans. In Bangladesh the development process is carried out mostly through projects, organised and funded through the mechanism of the Annual Development Programme (ADP).

The IMED Annual Report for the fiscal year 1987-88 mentions the following as reasons for poor project implementation records: defects in the pre-feasibility study and project design, winding up of projects which are still incomplete, lack of initiative, delays in resource deployments, shortage of funds, specially for O&M expenses, and weaknesses in project management. It is estimated that delays in project completion increase costs by roughly 35 percent and extend time to completion by more than 60 percent. (DAI, 1988(a):12).

At the macro level, delays in project implementation frustrate the goals and objectives of development planning in Bangladesh. An immediate impact is on the absorptive capacity for foreign aid, upon which the country's economy is dependent. This is evident in the concern about the project aid "pipeline", which has more than doubled over the course of the 1980s. The pipeline has grown from about \$US 2.0 billion at the beginning of the 1980-81 fiscal year (FY) to roughly \$US 4.7 billion at the end of FY 1987-88. To put the matter another way, disbursements during FY 1980-81 were some 27.9 percent of the opening pipeline, while in FY 1987-88, they amounted to only 18.9 percent (World Bank, 1989:100).

That Bangladesh is unable to absorb the foreign aid required in order to promote needed socio-economic development was stressed in the mid-term review of the Third Five Year Plan. The Planning Commission (PC) found that at the end of the first three years of the plan, only 43.5 percent of planned development expenditure had in fact taken place, as against the 60 percent that should have occurred.

The main objective of this study is to analyse the constraints of the project cycle in general, and in its various phases in particular, in order to recommend actions which will overcome the constraints and increase project efficiency. Issues relating to delays, centralisation of authority, delegation of power and responsibility, accountability, the overall bureaucratic environment, along with limitations in human and other resources have been brought into focus by looking at projects within the framework of government in Bangladesh, and at project efficiency within a framework of organisational performance.

In a simplified form of the framework of government, projects are at the bottom of the governmental hierarchy, and actions taken to

improve efficiency at this level are controlled and influenced by what happens or does not happen at higher levels.²

- There are basically two strategies to improve efficiency of projects: improve the efficiency of all levels above the project level, or remove the operational aspects of projects from the influence of all above it through delegation of authority, and make projects operate more efficiently. This study recommends a combination of the two strategies.

In order to establish a base for recommendations on how to accomplish this, it is useful to have an understanding of how and why actions occur at all levels. For an understanding of specific issues concerning the upper levels, other volumes in this study (Volume II: Secretariat System and Work Procedure, Volume III: Relations between Ministries and Department, and Volume IV: Relations between Ministries and Public Corporations) provide important information. This report is concerned with the actions of the upper levels only within the context of project performance. The following section provides general conceptual tools for understanding the dynamics within organisations which determine performance and affect efficiency.

D. Efficiency and Bureaucratic Behaviour

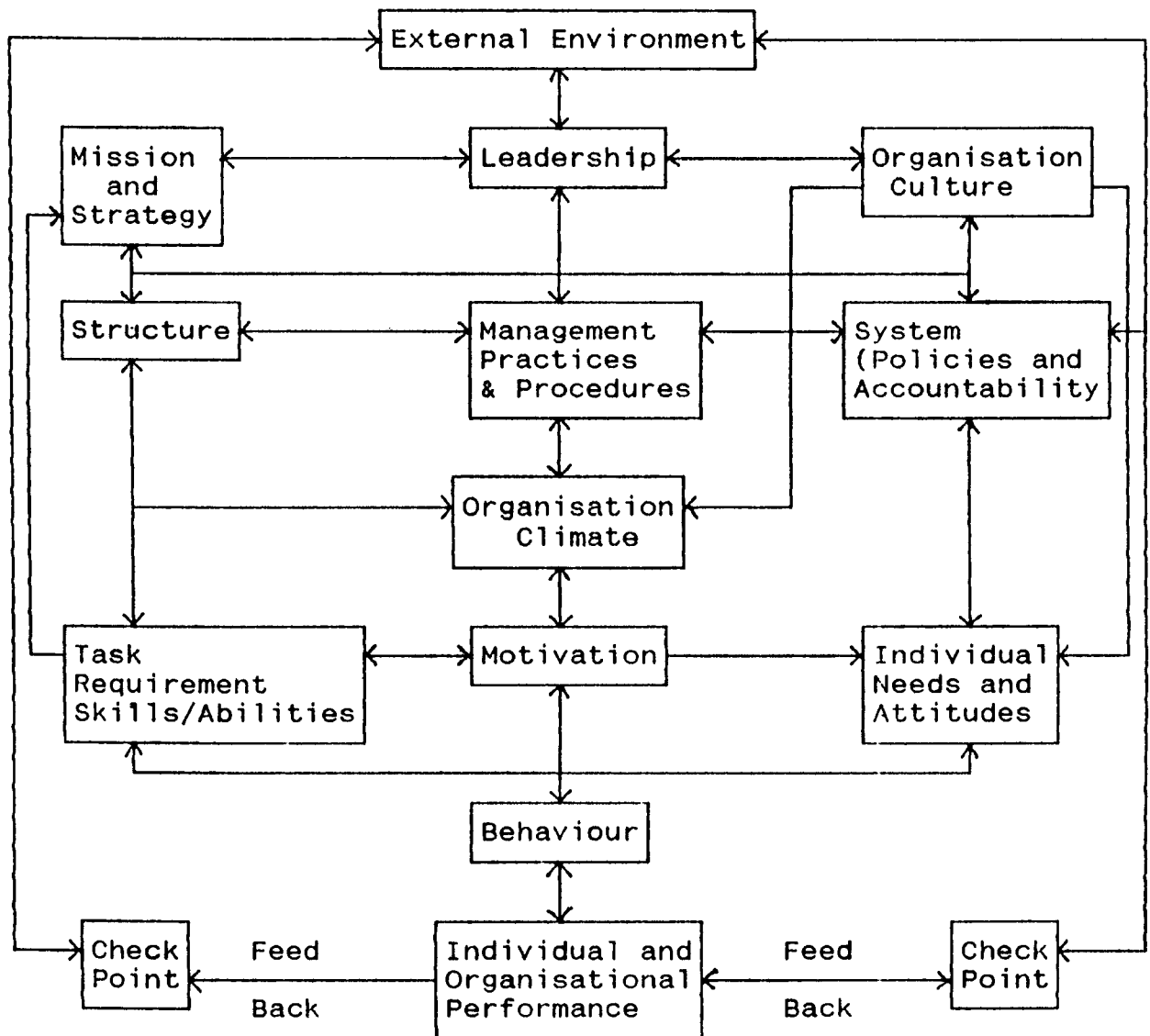
A common response from high government officials interviewed in this study was: "Efficiency is impossible unless you get rid of distrust within government." Those who drafted the Terms of Reference of this study were aware of this sentiment, since "dysfunctional aspects of bureaucratic behavior" heads the list of issues to be assessed in order to improve efficiency. Other studies concerned with project implementation point out the need to understand this relationship, but do not delve into it. (Chadha, 1989:247; DAI, 1988(a):95; World Bank, 1989:65, World Bank, 1989:103). The DAI study, in fact, specifically cites the Public Administration Efficiency Study as having the potential to analyse this matter more thoroughly (DAI, 1988 a:95).

1. Conceptual Framework

It may be helpful to consider a model of the dynamics of actions in organisations prior to analysing problems and recommending actions which change the linkages among distrust, delay and efficiency. Such a model is suggested in Figure 1.

². This study covers investment projects and technical assistance projects, but excludes development projects in the private sector, through NGOs and those allocated through block grants to the upazila levels. Also excluded is development assistance through commodity and food aid.

FIGURE 1
MODEL OF INDIVIDUAL AND ORGANISATIONAL PERFORMANCE



(Source: Adapted from Burke and Litwin, 1989: 280)

Briefly, individual and organisational performance is a function of behaviour, which is a function of ability and motivation. If efforts are to be taken to produce efficiency, they must be directed towards improving ability and creating higher levels of motivation. Improving ability can be accomplished by acquiring new competence through training, by changing structures so that work flows more smoothly, and by improving technology.

Motivation is a function of attitude, which results from values held by individuals and supported and influenced by the organisations in which individuals work. In social units (families, organisations, societies, etc.) the sum of attitudes is climate, and the sum of values is culture. Organisational behaviour, including bureaucratic behaviour, is often expressed as the prevailing climate in the organisation, and reflects the dominant values in the organisation.

Current management literature throughout the world points to organisational climate as the key variable in accounting for the most substantial improvements in organisational efficiency. Gains in productivity from technology decline over the years, while gains from improvements in human performance continue to grow over time. In countries such as Bangladesh, gain from both technology and human performance offer considerable potential for productivity improvement. Productivity gains from increases in human performance and technology are directly related to improvements in organisational climate. The primary indicator of a positive climate is the expanding scope of free and frank exchange of views, leading to appropriate and timely decisions as well as innovation and initiative at the employee level.

Other key factors in an organisational setting also effect performance. These include: external environment, leadership, goals, structure, systems, and management practices. While the arrows in Figure 1 suggest equal force in all directions, the reality is that this is a "gravity-fed" model. The determining factors are at the top, and the logical flow is downward and left to right.

Within the context of this study, management practices are concerned with procedures, structure is concerned with issues of centralisation and decision making authority, and systems are concerned with control and accountability.

Accountability is a critical factor in this study, according to those interviewed. Accountability is the "answerability" aspect of actions relating to responsibilities of a position. In the broader context, it is both individual and corporate value of accepting responsibility for actions in terms of propriety, process and public interest. Accountability is achieved by establishing "checkpoints" where the results of actions are compared with goals, against accepted standards. Checkpoints may include monitoring on a routine basis by the organisation, or by an independent external body.

Responsible performances of public officials and organisations are the products of effective systems of accountability, the basic components of which include:

(1) laws and policies which clearly define goals, policies, rules and standards as they relate to the function of accountability, including rules and regulations concerning standards of conduct and professional norms; and independent audit and accounting agencies;

(2) organisations whose cultural values emphasise trust, openness, cooperation, and collaboration;

(3) systematic approaches for public oversight of government programmes through open meetings, uncensored press, and other democratic institutions;

(4) high standards of individual professional behaviour, reinforced regularly through active professional association activities, such as training, publications, etc.

Combining the governmental framework of projects and the model of organisational performance as outlined in Figure 1 creates a context for analysing the project environment management. In effect, each government level is a performance system, complete with culture, mission, structure, systems, climate, motivation, abilities, etc. The performance output of Planning Commission, for example, influences the performance system of the ministries, their output influences the performance system of the executing agencies (department development, corporations, etc.). Their output influences the performance system of projects. Consequently, improving efficiency in government generally, and projects specifically, will be the result of improving interdependent performance systems.

2. Application in the Bangladesh Project Environment

The contents of performance in this study are the decisions and actions taken at each level regarding project cycle activities. In the planning phase there is an interchange among levels regarding the purposes, design, resources, etc. of projects. In the approval phase project proforma (PP) flow upward for approval according to prescribed procedures. In the implementation phase, approval requests for specific implementation actions (procurement, staffing, etc) flow upward according to prescribed procedures, and back to the project level for implementation. During monitoring and evaluation, data regarding the progress of projects is collected and reported to concerned officers in their respective levels.

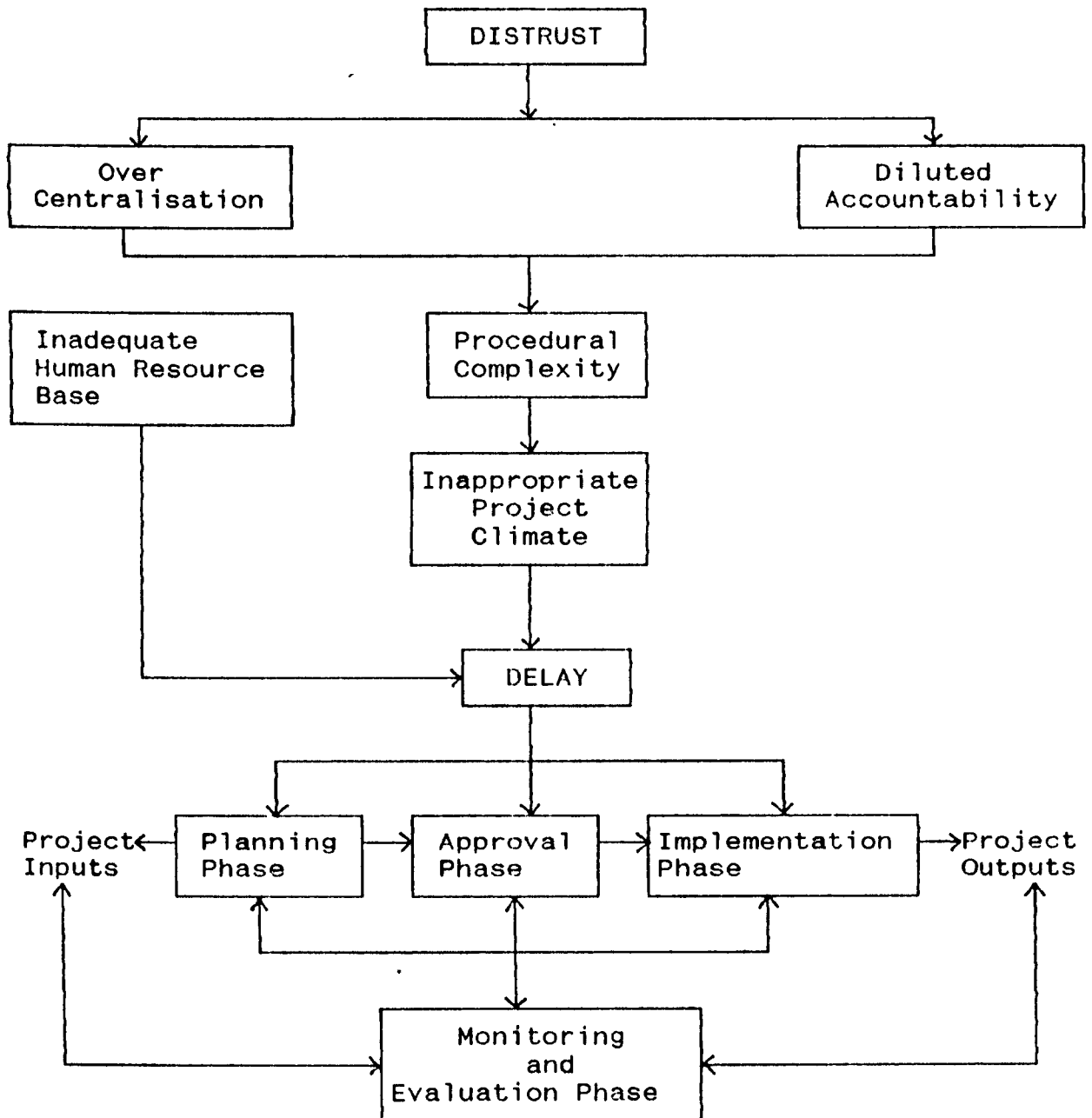
What this and preceding studies of project implementation have found is that the performance output of each government level is frequently delayed, thus actions at the project level are delayed by the sum of delay in all the preceding levels. The magnitude of the cumulative effect is shown in "The Case of the Order for Handling Equipment" (Annex D). Fifty four separate actions, covering a period from August 1981 to November 1982, were taken,

each in prompt response to the preceding action, in order to accomplish critical procurement, originally promised in 15 days (Chadha, 1989:276-279).

The causal constraints which result in delays in the project cycle, are indicated in Figure 2.

FIGURE 2

PRIMARY CONSTRAINTS IN PROJECT CYCLE



These constraints are: a bureaucratic culture based on distrust; leading to overcentralisation of decision making structures and accountability systems which overlap with each other, diluting the intended effect; procedural complexities; a bureaucratic climate which inhibits bold and timely decisions; and a resource base which lacks, human, logistical and financial resources (Chadha, 1989; DAI, 1988(a); World Bank, 1989; World Bank, 1987). Figure 2 may also be used to analyse donor based delays in all aspects of the project cycle. That is, many delays occur because donors distrust host government practices. This leads to centralisation of control in the donor agency, and widespread systems of accountability involving donor field and head offices, both of which lead to procedural complexity. In projects with multiple donors, the complexity is increased since donors tend not to relinquish autonomy.

These factors are the primary constraints to more effective and efficient projects. They affect performance in each phase of the project cycle, primarily by creating delays.

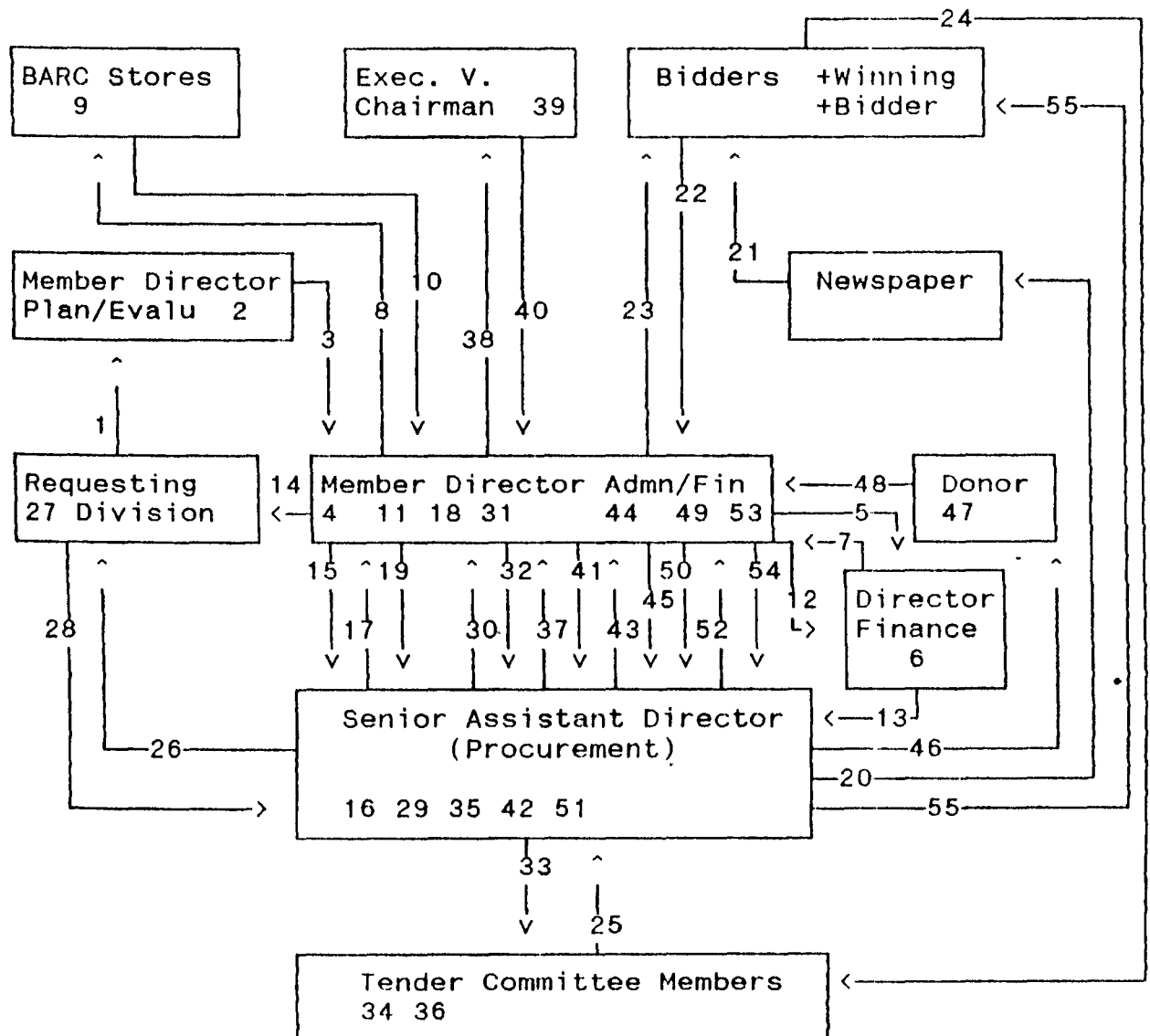
The dominance of delay as a problem throughout the project cycle suggests a search for underlying causes. What is it that officers are waiting for during a delay period? Generally, they are waiting for a chain of individuals, in various organisations, in sequence, to review, comment and finally make a decision which will permit an activity to proceed until it shortly reaches another "review/decision" point.

Figure 3 below demonstrates this pattern. It reveals a system of checks and balances, widely spread throughout government, frequently held together where the decision chains in different agencies or ministries intersect, by committees of government officials whose busy schedules make finding common meeting times very difficult. The decision chain reflects a concern for accountability, making sure that no action is taken that might be inappropriate.

Appropriateness, in the context of many bureaucracies, including that of Bangladesh, means more than simply an administratively logical decision; it means a decision that will not be against the wishes and interests of one's superior. Superiors, aware of the complexity of rules and the possible inadequacies of the education and training of their subordinates, are reluctant to trust them. Junior officers, uncertain of the wishes and interests of their superiors, do not trust their own judgement. The net effect is that in almost all cases, the decision chain has a long, uphill angle, and two primary characteristics: overcentralisation and diffusion of accountability.

FIGURE 3

BARC PROCUREMENT
PROCEDURES FOR PURCHASES OVER TAKA 5000 (US \$ 151.)



(Source: Paul Hardin, BARC Consultant. See Annex E for more details)

Why do these characteristics exist? Because they embody a key value at the root of bureaucratic culture -- distrust of others. The sense of distrust has resulted in a need for controls throughout government, whose main effect is to seriously slow

down the functioning of government, without producing the intended effects for which they were created. Chadha describes the impact thus:

"Looking at the set-up of procedures and the continuous changes that are brought in it, one feels that the systems are built on a general assumption that everyone is dishonest unlike the West, where by and large, systems are built on a general assumption that everyone is honest." (Chadha, 1989:247)

It should be noted that distrust is not unique to the Bangladesh bureaucratic environment. It is a common management problem everywhere in the world. However, what makes it such a primary factor in Bangladesh is the reality that government, which essentially means the civil bureaucracy, is the primary institution in the country...in the economy, in social and educational affairs, and in political affairs. In other countries, other strong institutions offset the effects of distrust as a value in bureaucracy. For example, a strong, private sector based on a free market economy rewards efficiency and promotes trust among all. An easily accessed, impartial legal system protects and enforces the basis of trust.

In addition to producing a dysfunctional pattern of accountability and delays, bureaucratic culture also produces a climate within bureaucracy which inhibits bold, timely action; it provides little incentive to develop "improved" projects which could serve as effective and efficient models for replication elsewhere within the nation. The result is that previously approved projects are frequently replicated simply because they are "safe" and expedient, without adequate evaluation concerning their efficacy.

Independent of these factors, delays also result from an inadequate human resource base. If all the above constraints were removed, project implementation would still be less than desired because it is widely reported that there are not enough appropriately trained officers to carry out the diverse and highly skilled tasks in the project cycle phases. In addition to a shortage of staff, many of the existing staff need additional training to keep up with changing project management technology, as well as frequent changes in rules and procedures.

There is also reported to be a scarcity of logistical resources, i.e. the tools of project planning, management and evaluation, including computers, photocopy machines, vehicles, etc. During the implementation of projects, there is also a shortage of financial resources for the procurement of goods and services, and for meeting the local currency requirements in donor-aided projects.

The outcome of the delays caused by these constraints is a set of specific problems in the project cycle. There have been numerous studies to identify the key problems; Table 1 indicates the ranking of problems in five recent studies. While these are just a few of the studies and reports reviewed in the course of this study, these five are cited because each attempted to analyse problems across major development sectors and all phases of the project cycle.

TABLE 1

- RANKED PROJECT IMPLEMENTATION PROBLEMS IN SELECTED STUDIES

WORLD BANK 1987	WORLD BANK 1989	DAI / CORB 1988	CHADA 1989	IMED 1989
1. Primary delay due to insufficient funds.	1. Procurement delays	1. Discontinuity between macro plan & "Project Cycle".	1. Lack of time concept re projects.	1. Insufficient allocation of money.
2. Delay in approval due to staffing constraints in PC & Ministries.	2. Local currency shortage (spread too thin; too many projects).	2. Delays in all phases.	2. Centralisation of authority delays at every decision point.	2. Delay in project approval.
3. Delay in approval due to micro management review (details) at PC.	3. TA Consultants.	3. Local resource shortage (financial and human.)	3. Procedural rigidity.	3. Frequent transfer of project directors.
4. Fund release procedure.	4. Recruitment & staffing of projects.	4. Inadequate data throughout all phases of projects.	4. Project management skills.	4. Delay in tender formalities, work order issue, etc.
5. Land acquisition.	5. Land acquisition.	5. Project management no flexibility or delegation of authority.	5. Technical skills in project implementation phases.	5. Delay in revision of projects.
6. Delay in appointing key officers.	6. Project monitoring.	6. Existing Bureaucratic culture: over centralisation.	6. No accountability system.	6. Delay in land requisition.
7. Procurement.		7. Procurement.		7. Delay in arrangement of project funding.
8. Consultant recruitment.		8. Coordination of implementation.		8. Delay in allocation of building materials, goods & equipments/machinery.
9. Project management delegation/motivation issues.		9. Monitoring & Evaluation.		9. Delay in accomplishing contracts with donor.

The findings are important: first, they indicate that the government has been able to achieve success in responding to some of these problems. Evidence of improvement is offered by recent government orders relating to fund allocation and release for 1989-90 development projects. The administrative ministries and divisions can make a single allocation fund for three installments. But the fourth installment must correspond to the provision of the revised ADP. For revised unapproved projects, allocation and installmentwise break up needs prior concurrence of the Planning Commission and the Ministry of Finance. For unapproved projects, allocation, installmentwise phasing and release can be made only with the approval of Planning Commission and the Ministry of Finance. For CDST of approved projects, fund allocation and release can be made by ministries and divisions in two equal six monthly installments provided a bank A/C current in favour of Customs authorities at ports has been opened and this fact is noted in the list of ministries, divisions and agencies circulated by the Ministry of Finance. For revised approved and unapproved projects, fund allocation for CDST can be made on Customs' verified demands with the concurrence of Planning Commission and Ministry of Finance. (GOB, Ministry of Finance, 1989).

Second, the studies indicate that some of the key problems are not likely to be solved in the short term, nor without considerable commitment, since they are caused by constraints embedded in the prevailing norms and values of the bureaucracy.

In the next section, the consequences of inadequate resource base, inappropriate climate, overcentralisation and diluted accountability will be analysed in each phase of the project cycle. Recommendations to overcome the constraints and reduce the problems follow the analysis. (In order to get a quick overview of the nature of the project environment, and the way the constraints identified above are manifested, the reader may wish to scan the summary of a development project case in its entirety from planning to completion. The Meghna Dhonagoda Irrigation Project is summarised in Annex F for this purpose (Chadha, 1989:225-226)).

III. CONSTRAINTS and RECOMMENDATIONS

A. Planning Phase:³

1. Human Resource Needs

1.0 Previous studies regarding development planning point to the need for the Planning Commission to devote more time to the development of macro economic plans, and less time engaged in activities related to the planning and approval of development projects. The reason the Planning Commission allocates as much time to micro-level planning is because there is a need for rigorous scrutiny as most agencies and planning cells have limited capabilities to plan and scrutinise projects due to skilled manpower shortage. It is reported that many of the planning cells in ministries are not staffed at the sanctioned level (in terms of BCS Econ cadre). This information seems to be confirmed by the data shown in Table 2, which indicates that out of 204 sanctioned positions, 68 are vacant. Not all ministries have planning cells, making the task of planning more problematic in those ministries without an office for that purpose.

Table 2

SUMMARY OF SANCTIONED STRENGTH AND ACTUAL POSITION OF BCS ECONOMIC CADRE (EXCEPT MINISTRIES OF PLANNING, CABINET, DEFENCE, FINANCE AND THE ELECTION COMMISSION)

	Adl.C	JC	DC	AC	RO	Total
SANCTION	1	7	31	56	109	204
IN POSITION	0	3	23	47	63	136
*VACANT	1	4	8	9	46	68

* Inclusive of incumbents on training abroad and positions occupied by others.

Source: Mr. Imdadul Huq, Ministry of Irrigation, Water Development and Flood Control.

1.1 It was also reported to the study team that many of the officers in planning cells lack appropriate skills for planning

Planning Phase in this study includes project identification, aspects of appraisal and preparation activities.

development projects ⁴. Frequently, those who are given the task of preparing a PP may have technical skills in the area of the project (e.g. construction, irrigation, education, etc.) but little or no knowledge or experience in PP preparation. This situation produces delays and inaccuracies, which in turn produce more delays. One of the main causes of failure to achieve project objectives, as mentioned in the 87-88 IMED Annual Report, is the number of defects in pre-investment feasibility studies and the subsequent project designs, which are the products of the planning phase.

1.2 Lack of training capacity in relevant training institutes limits the ability to respond to staff shortages, assuming that government had the resources to fill all positions. It is estimated that only a small portion of the new recruits to the planners' cadre --BCS (Economics)-- is able to take the "functional" course in planning at the Academy for Planning and Development (APD). Others must learn their planning skills on the job, usually without adequate supervision. Reasons for the training short-fall are said to be related to the significant increase in demand for foundation training courses at the cadre training academies, resulting from the upazila decentralisation initiative.

1.3 It may be advisable for APD to concentrate on providing specialized courses in project planning, implementation, monitoring and evaluation, and to conduct consultancies for government and others involved in development projects. Upgrading training content in APD courses would contribute to a more professionally prepared human resource base in planning cells. A review of training curricula concerning project planning suggests that specialised topics are not covered in depth, nor is sufficient time provided to develop adequate skills during training. Training methodology and follow-ups may be improved by extensive use of simulation exercises and workshops, and feed back after returning to job situation.

1.4 In general, the government's approach to training should follow certain basic principles: (1) training should be based on needs assessments determined through data gathered from officials in the positions to receive training, and their supervisor; (2) training should be competency-based; (3) training should focus on changing performance in the actual work situation; and, (4) training should involve all whose performance directly contributes to the efficiency of a given work unit. Application of these principles would mean considerable emphasis of on-job-training (OJT) and use of APD and other training institutes to assist in

These skills include socio-economic impact analysis, cost-benefit analysis, technology impact analysis, budgeting, project management, procurement and other skills specific to development sectors.

determining needs, providing training for basic and advanced competencies, and supporting ministries and implementing agencies in training officers to conduct OJT effectively. Annex K provides a detailed model for determining management needs, which, with appropriate modification, might be used as the basis for needs assessment related to all phases of development projects.

1.5 Another step which government could take to address the skill shortage problem would be to institute a pattern of rotating officers through planning, evaluation and project implementation roles, in ministries, implementing agencies, and projects within allied areas or sectors. At the same time, short term assignments in planning cells of training staff from APD would help ease the shortage of staff in those cells, and provide trainers with valuable experience, as would a general practice of assigning all faculty members from APD to PC, planning cells, implementing agencies and projects for periods of up to six months.

Recommendations:

Short Term:

1. Government should take steps to increase the capacity and capability of project planning skills in ministries and implementing agencies by using qualified local consultants and by making greater use of transfers to place qualified staff where planning needs are greatest, such as bringing more technical cadre officers to the PC, transferring qualified staff from PC to planning cells, and using lateral entry, as necessary.

2. Government should adopt a policy to rotate non-cadre officers and officers in economic, administrative and technical cadres within allied sectors, and among project, agency, and planning cell postings. This policy should be specifically provided in career development programs. Normal rotation should be within the sector up to the rank of Deputy Secretary/Deputy Chief.

Mid Term:

3. Government should direct that training needs in the Planning Commission and the planning cells in ministries and implementing agencies be determined on the basis of needs assessments to specify the type and level of specific planning skills needed at project, agency and ministry levels.

4. Government should provide planning cells in ministries and implementing agencies with the number of skilled officers that results in

satisfactory planning and monitoring of development project activities.

2. Logistical Resource Needs

2.0 In the Planning Commission and the planning cells the following shortages were reported: a shortage of computers and software for planning purposes (from macro level planning to project planning); an inadequate data base; a "desperate" shortage of photocopy equipment (reportedly only one in the entire Planning Commission); and, a shortage of vehicles for planners/evaluators to visit project sites. An example of the increases in efficiency which can be gained with good tools was provided by the head of a planning cell which has limited computer capability. Before being assigned to this position he was in a similar position in another ministry which did not have any computer capability. He estimates that in the new position his cell is able to get twice as much work done with less than half the staff as in the former cell, even though the staff in the new cell are less experienced than the staff in the old cell.

2.1 A UNDP Project to provide computers, software and appropriate training for Planning Division and IMED is regarded as an important step in the right direction. It is advisable for reasons of cost, ease of use, and effectiveness in linking planning, management, and monitoring functions, from Planning Commission to projects, that new computer technology acquired have the following characteristics: "user friendly", networking, open-system (such as Unix), and based on PCs rather mainframe technology. It is also essential that training in the use of computer technology be designed and implemented in such a manner that users... from planning, development, and monitoring offices, from PC to implementing agency levels... train together. Joint training in new systems is an effective way to overcome institutional and structural gaps between PC and the ministries. The National Computer Board may be consulted for system design, hardware and software acquisition, and training.

Recommendations:

Mid-Term:

5. Government should continue to improve the quality and coverage of the database for macro economic planning.

6. Government should continue the acquisition of appropriate computer technology for planning and evaluation activities at ministry and agency levels, and should assure that necessary training is provided for use of this technology. However, continued acquisition should be based on a careful review to

determine which departments/divisions of the ministries and agencies need what types of this technology, and in what numbers depending on their existing and future work load resulting from further delegations of responsibilities.

7. Government should acquire photocopy machines, vehicles and other logistical resources deemed critical for efficient functioning of planning offices in ministry and agency levels. Whenever possible, means should be developed which encourage offices to share resources.

3. Delegation and Accountability in the Planning Phase

3.0 The most significant consequence of centralising project level planning in the Ministry of Planning is the lack of time available for macro level planning of national development, and assuring the linkage of policies, programmes and projects. Five Year Plans are designed to set sectoral priorities and goals, with the intent that the Annual Development Programmes will provide yearly agendas for meeting those goals. But what happens is that the Planning Commission is preoccupied with project micro-planning due to reasons discussed earlier, and does not have the time to develop and monitor sectoral allocations in the ADP.

3.1 Instead, the question of how much investment (both foreign and local) goes into each sector is determined by an essentially uncoordinated amalgam of donors pursuing their own notion of Bangladesh's priorities, more or less independently. The yearly Paris meeting and the local consultative group in Dhaka are supposed to provide some coherence to the overall development effort, but in fact what gets included in the ADP really depends on which donors, in combination with which GOB implementing agencies, are pushing favorite projects. Table 3 shows that annual allocations by sectors do not reflect FYP priorities. What is observed are deviations right from the start of a FYP, which may have been caused by the weak linkage between the FYP and the ADP, among other reasons.

The agricultural sector, for example was slated to receive almost 11 percent of development expenditure, but in the first year's ADP within the Third FYP (i.e. 1985-86), it was allocated less than eight percent, and in the revised ADP it received six percent. The physical planning, water supply and housing (PhP, WS&H) sector, on the other hand, was to receive less than 2.5 percent, but in fact received four percent or more in four of the five ADPs generated in the Third Plan. Similarly, the water resources sector received significantly more than planned in four of the five ADPs.

TABLE 3
SECTOR WISE ADP ALLOCATIONS AND REVISIONS DURING THE THIRD FIVE YEAR PLAN
(figures in percentage)

Sector	FYP planned	Annual Development Programmes									
		1985-86		1986-87		1987-88		1988-89		1989-90	
		Allocated	Revised	Allocated	Revised	Allocated	Revised	Allocated	Revised	Allocated	Revised
1. Agriculture	10.86	7.64	6.07	7.01	6.80	8.38	8.72	8.28	9.49	10.34	
2. Rural develop.	8.88	3.83	3.57	3.91	3.88	4.29	3.60	4.41	3.42	5.59	
3. Water Res.	12.24	14.30	15.00	13.87	11.93	13.23	14.65	15.27	17.28	15.68	
4. Industries	11.78	16.55	18.56	18.92	18.00	13.14	10.99	8.57	7.47	8.56	
5. Power	19.41	20.50	22.81	18.36	22.93	20.88	20.92	18.29	17.33	14.77	
6. Oil, Gas & MR	6.30	6.87	6.63	6.48	5.16	5.50	5.80	5.69	3.92	4.91	
7. Transport	11.95	9.59	8.36	9.86	11.75	11.81	12.27	15.24	15.78	12.61	
8. Communication	1.76	1.95	1.55	1.78	1.18	1.96	2.51	2.01	3.34	2.67	
9. PHP, MSAH	2.49	3.38	3.23	4.17	4.28	5.05	5.18	4.83	4.69	5.79	
10. Educ. & Relig.	5.53	5.77	5.71	6.75	5.79	6.78	6.58	6.81	6.73	7.27	
11. Sports & Cult.	0.52	0.40	0.36	0.42	0.57	0.52	0.55	0.59	0.41	0.47	
12. Health	2.49	2.65	2.28	2.70	2.17	2.45	2.28	2.82	2.69	3.27	
13. Pop. control	3.94	4.50	4.02	3.83	3.84	4.15	4.46	5.18	5.58	6.37	
14. Mass Media	0.23	0.22	0.20	0.32	0.30	0.33	0.32	0.36	0.26	0.30	
15. SHWA & YD	0.64	0.52	0.46	0.74	0.59	0.77	0.52	0.99	1.08	0.89	
16. Pub. Admin.	0.29	0.61	0.55	0.40	0.39	0.42	0.42	0.40	0.37	0.27	
17. Sci. tech. res.	0.27	0.32	0.28	0.22	0.20	0.14	0.09	0.12	0.06	0.11	
18. Manp. & Labor	0.42	0.40	0.36	0.26	0.24	0.16	0.14	0.15	0.01	0.20	
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	

Source: Third Five Year Plan 1985-90, and Annual Development Programmes, 1985-86 through 1989-90.

Admittedly, national needs may change over a five year period. In fact, one might expect increasing deviations from plan over the quinquennium, but as shown above, the deviations between FYP and ADP do not reflect this type of pattern. This suggests that a lack of accountability may result in a vulnerability of project planning to pressures distorting the planning discipline.

3.2 Another consequence of the Planning Commission's time diversion is the difficulty of the Ministry of Planning, in conjunction with the Ministry of Finance, to link macro level expenditure planning with revenue planning, across the period of the FYP (World Bank, 1989:94). This is a contributing factor to the shortage of local currency, which all studies have indicated is a primary cause of project delays in the implementation phase.

3.3 It is often remarked that in the present project planning environment, the interests of those who are going to be affected by projects are often ignored in planning. Including stakeholders' interests in project planning is a requirement that follows from

the Government's concern about public participation in development process. It is not an easy task to institutionalise stakeholders' interest in project planning at the macro levels, but what the government can do is to publicise the idea of projects (in which public participation is deemed necessary) through newspapers or other information media at the stage of pre-feasibility or feasibility study, invite public reactions through appropriate institutionalised mechanism, and take note of them in processing the project through government's planning and approval network.

3.4 In order to assist the Planning Commission and ECNEC in time management, consideration may be given to summarising the non-policy data that is provided in PPs. It should not be necessary for PC to rescrutinise sections of the PPs which its senior staff has already reviewed carefully. Many of the following items in the new format for PPs (both forms) are concerned with data which is not vital for policy discussion and might best be summarised: serial nos. 14 to 20, 25(a), 26, 27, and serial 33 and 36 under Part D which are repetitions of serial nos. 5 and 11 respectively of Part A; serial nos. 41 to 43 and 45 to 47 under Part E. It may be useful for the government to evaluate the new forms after some period of use, in order to improve the choice of information required for review at various levels.

Recommendations:

Short-Term:

8. Government should reduce details and highlight policy issues and issues critical for policy implementation in review of PPs by PEC and ECNEC.

Mid-Term:

9. Planning Commission should reaffirm the roles of the ministries and agencies as regards development project planning, with ministries having the responsibility for integrating project goals with sector goals according to parameters established by the Planning Commission.

10. Government should modify the Instructions and Guidelines on Processing and Implementing Development Projects to ensure that appropriate socio-economic analysis of projects be based on recent field data or on actual field visits, if so warranted by the project proposal. Government should publicise project ideas at the stage of pre-feasibility/ feasibility study and create receptive attitude in government regarding public opinion in planning and approval phase, through training of government officials and representatives of stakeholders regarding techniques of effective public

participation in development projects through appropriate institutions.

Long Term:

11. Government should direct the PC to focus on national development planning...developing the Five Year Plans and modifying them on an annual basis; developing an integrated ADP and Revenue Budget as an annual linkage to the FYP; setting specific development targets for intersectoral and sectoral programmes which are directly linked to FYP through the ADP, and assuring that Core projects, regardless of their source of approval, are designed to contribute directly to national development priorities.

B. Approval Phase

1. Overview

1.0 Delays in approval exhibit a pattern which has apparently remained more or less constant over the last decade and more. A GOB study conducted in 1975 showed that for a sample of 25 projects, the average time to process a PP in the early 1970s was 406 days (GOB, 1975: 6). Thirteen years later, the DAI/CDRB study found that the average length of time required to process its sample of 33 projects was precisely the same: 406 days (DAI, 1988a:47). Other studies from the 1980s show similar or even longer delays in project approval (see Chadha, 1989: 68-70).

1.1 Frequently, the PPs are sent back, even for minor corrections, to the implementing agency to be redone (in some cases more than once) and finally to the Executive Committee of the National Economic Council (ECNEC) for the final approval, in some cases. Each of these steps (and the sub-steps within the steps) is time consuming. The last step (from PEC approval to ECNEC approval), for instance, took an average of 182 days, according to the DAI/CDRB study's (1988: 47) sample data.

2. Human Resource Needs

2.0 A primary cause of delays in the approval phase is reported to be inadequate staffing at the ministry and implementing agency levels, as shown in Table 2 earlier. This results in poorly prepared PPs sent onward. The PPs arrive at the relevant sector division at the PC, and are reviewed and presented to the Project Evaluation Committee (PEC), for analytical discussion. Because of defects in preparation and inadequate attention at the primary review stage, they are scrutinised in detail, sometimes at the cost of proper attention to the relationship of the project's purposes and goals to development policy.

2.1 The reasons for the inadequate human resource base discussed in the planning phase also apply here, since essentially the same offices in the ministries and agencies are involved in planning and pre-approval review. In addition to causing delays, skill inadequacies inhibit delegation of approval from Planning Commission to ministries and implementing agencies.

3. Delegation of Approval Authority

3.0 In order for the Planning Commission to have the necessary time to carry out its macro planning responsibilities, it needs to shift some of the project review and approval responsibilities to other approval levels. This shift may happen in a responsible way if there is adequate capability at other levels. To identify capability, the current workload and performance in the following areas would need to be assessed: (i) project planning at agency/department level; (ii) project scrutiny at ministry level; (iii) project implementation at agency/department level; (iv) project monitoring at agency, department and ministry level; and, (v) project evaluation at ministry level.

Information from IMED reports, ADPs, Planning Commission's mid-term reviews and the Sector Divisions' first hand experience in working with ministries and agencies should provide a sound basis for developing a set of criteria for determining capability. In addition, an intensive analysis of skill needs of these levels of selected ministries, departments and agencies should precede action programmes to augment and upgrade skills through transfers/fresh or short-term contract appointments, or recruitment and training of new and lateral entry officers. Only on a carefully developed and adjudged capability base should pilot delegation begin. Simultaneously, efforts should also be mounted to build up capability in other ministries, agencies and departments.

3.1 There have been recommendations to change the approval limits in many of the previously cited studies. The need for this was also discussed frequently by interviewees in this study. If the approval limits shown in the recommendations below had been put into effect last year, the PP work of the Planning Commission would have been substantially reduced, as shown in the following data (based on the 1988-1989 Annual Development Programme):

Number of Projects Under		
	Present Approval Limit	Proposed Approval Limit
Category A:	96	186
Category B:	95	237
Category C:	489	257

It is recommended that the change in approval authority limits be phased in, starting immediately with those ministries which have demonstrated a capability for efficient and effective preparation and review of projects. For example, Ministries of Public Works, Energy and Irrigation are frequently cited by government officials and donors as having the capability to make effective use of proposed delegated authority.

3.2 It is recognized that not all ministries and implementing agencies have the capability at present to implement actions as proposed. Careful monitoring by the Planning Commission should be the basis for continuing delegation. At the same time, Planning Commission, in conjunction with other governmental entities should identify necessary steps to strengthen other ministries and implementing agencies which have important development project activities, and support the implementation of those steps.

3.3 With respect to project revisions, consideration should be given to procedures which eliminate the need for full review of PPs in the light of proposed revisions. Revision review should be confined to the proposed revision, except when the proposed revisions clearly impact other aspects of the project.

3.4 Centralisation of the approval phase is also the result of growth in average project size, while maintaining the approval limits constant. This fact is shown in Table 4. Average project size, across all development projects, has grown from Taka 1.37 crore in 1980-81 to Taka 6.85 crore in 1989-90. The result is that fewer projects are approved at the "A" and "B" levels. In the 1988-89 ADP the average size of new projects grew to over Taka 35 crore. Only 16 of 57 new projects fell into the "A" category, accounting for less than one percent of total projected funding, "B" category accounted for 5 new projects, while "C" category accounted for 36 new projects and more than 98 percent of anticipated spending (data from Planning Commission, 1988 c).

3.5 Growth in average project size reflects an attempt to reduce the number of projects, so as to reduce delays caused by congestion in the approval process. Some have reported that the reduction in numbers was achieved by merging several projects, rather than designing fewer projects. This parallels similar efforts within some donor agencies, where , because of staff reductions, projects in the development phase were merged.

3.6 There are some who feel that the number of projects included in the ADP each year is still much too large (World Bank, 1989;69). The large number of both core and non-core projects reflects the difficulties within and across ministries in achieving political and fiscal accountability within the politics of the budgetary process. The weakness in accountability results in over-estimation of the revenue surplus, under budgeting for ongoing projects, and inclusion of too many new projects (World Bank,

TABLE 4
NUMBER AND SIZE OF PROJECTS IN ANNUAL DEVELOPMENT PROGRAMME

Year	Number of Projects	Avg. size in Tk. crores	Increase Over Previous Year	GDP deflator *
1980-81	1525	1.37	--	--
1981-82	1726	1.72	25.5%	12.7%
1982-83	1128	2.26	31.4%	5.0%
1983-84	910	3.37	49.1%	16.4%
1984-85	828	3.85	14.2%	14.9%
1985-86	637	4.49	16.6%	5.8%
1986-87	648	5.79	29.0%	12.2%
1987-88	684	6.18	6.7%	10.0%
1988-89	676	6.56	6.1%	--
1989-90	692	6.85	4.4%	--

Source: GOB Annual Development Programs. GDP deflator data from World Bank Data.

1987:93, World Bank, 1989:69). These outcomes further constrain the approval and implementation of development projects.

3.7 The project approval phase may be vulnerable to pressures which distort the public interest. Mechanisms of accountability need to be strengthened in order to assure that the approval process may continue to serve the public interest. It may be advisable to strengthen the present scope of rules and regulations concerning standards of conduct so as to better regulate conflicts of interest. Rules which open project approval meetings to the public may be considered as a way to provide the public with opportunities to verify the appropriateness of factors being discussed in project approval decisions, or to keep the public informed of approval decisions.

3.8 It is widely reported that a source of delays in the planning and approval phases is the limitation of authority to sign on behalf of government by members of Economics cadre (and others)

who are in positions of responsibility, but who lack authority to discharge their duties because of interpretation of present rules. Clarification of functions and rules, combined with increased scope of signing authority, when appropriate, would reduce delays.

Recommendations:

Short-Term: 12. Government should raise project approval limits for investment projects so that fewer projects require full PEC and ECNEC review, either for initial approval or for revisions to approved projects. Delegate more approval authority to ministry level, subject to clearer development goals (sectoral parameters) and budget allocations established by Planning Commission.

Recommended approval limits for investment projects are as follows:

	Proposed (Crore)	Present
Category A:	under 5	under 2
Category B:	5 - 20	2 - 5
Category C:	over 20	over 5

An automatic adjustment may be made at the end of each FY to keep this value in real terms.

13. Ministries and Divisions should move appropriate authorities, if so required in the interest of work, to include in Schedule 2 of the Rules of Business all Class 1 officers, including Research Officers to Chiefs or equivalent positions, with authority to discharge their duties (i.e., to sign letters and documents on behalf of government) regardless of cadre affiliation.

14. Government should put greater emphasis on planning cell reviews before sending PPs up for further processing. This can be achieved by requiring sector division and technical staff from agencies to participate in joint review sessions at the planning cell level.

15. It may be useful to assign responsibility for monitoring project approval to the four substantive divisions of the Planning Commission, and have each report regularly to government on the approval status of projects.

C. Implementation Phase

1. Overview

1.0 Problems preventing efficient project implementation constitute a lengthy list. Many of the problems are the consequences of actions or inactions in the planning and approval phases, such as the persistent problem of local currency shortages. Many problems may not exist if greater financial and administrative authority were delegated to project directors (DAI, 1988(a); World Bank, 1989, Chadha, 1989), while some problems may continue because some project directors do not use available authority, or use it ineffectively (World Bank, 1987:99).

1.1 Delay is the most common complaint during this phase, and the cost of delays in project implementation increases project costs by approximately 35 percent, and extends the time of project completion by more than 60 percent beyond the original completion date (DAI, 1988(a):12). Because Bangladesh depends so heavily upon development projects, the impact of the cost of delay is severe. The extent of cost overrun is seen in the following data, from the IMED 1987-88 review of projects (Chadha, 1989:291).

<u>COST OVERRUN</u>	<u>NO. OF PROJECTS</u>
100-200%	57
200-300%	7
300-400%	6
400-500%	1
500-600%	2
600-700%	3
over 700%	6

2. Project Management:

2.0 A key limitation to the efficient implementation of development projects is the lack of authority delegated to project directors. Under present conditions, most project directors do not have adequate control over resources used on a daily basis, and have little discretion or flexibility in their use. that in Ministry of Agriculture, that project directors have "full" authority, but this is an exception. An important step towards efficient project implementation is delegating to project directors full authority to use resources provided by the PP, and the autonomy needed to focus on the tasks of management without undue interference from implementing agency and ministry.

2.1 There is a presumption that opportunities to delegate authority are often rejected, reflecting poorly on the person who does not respond to the opportunity. However, this may be a very rational decision, based on the current situation in Bangladesh.

(Annex G is a case entitled "Delegation of Power: An Insider's View of the Options". The case examines the logic of not accepting delegated authority, given the possibilities of corruption.)

2.2 Turn-key projects represent an approach to improving efficiency of project implementation that has increasing use in Bangladesh. This approach is most useful in certain types of projects, such as construction. There may be limitations to overuse of the approach, since it inhibits the transfer of technology acquired through the process of project implementation. It is also reported to be were costly. However, as an alternative method, used with careful consideration of short term and long term benefits, it may be considered more widely in Bangladesh.

2.3 A practical, successful way to begin changing the climate of projects, and having a significant impact upon efficiency may be through the introduction of "employee involvement" techniques, such as Quality Circles. Through the use of this technique, employees in a work unit learn to use group skills to improve the quality of work output through group analysis and problem solving of specific work procedures. In Singapore, government and private sector have made extensive use of Quality Circles, and this technique is given credit for improving efficiency. On the basis of these gains, government employees have received substantial bonuses. Government should consider ways to encourage the of use such techniques in Bangladesh.

2.4 A common problem in project management worldwide is coordinating the timely use of resources to produce the project's expected results. Even under the best of circumstances it is impossible to forecast all the factors which can affect project efficiency. A standard practice in some countries for controlling uncertainty and providing better use of project resources is the development and use of a project manual or handbook which specifies responsibilities, tasks, resources, schedules, standards, and other vital information. While all projects are different, the processes of managing them are sufficiently similar that numerous standardised project management handbooks exist, ranging from massive construction projects to small training projects. The project handbook is to the project director what the battle plan is to the general...a working document which anyone in the field staff can use to carry on if there is a change in command. Such a tool may be very useful in the project environment of Bangladesh.

2.5 Much of the efforts of project management are concerned with issues of coordination. It is reported that coordination efforts are hampered by the current structure of ministries, in which functions of planning, implementation and monitoring are in different Wings. A study is underway through the Coordination Wing of the Planning Commission to determine ways to improve project coordination. The Study team recommends that issues of coordination

should continue to be explored in order to improve the efficiency of project management.

Recommendations:

Short-Term: 16. Government should delegate to project directors full administrative and financial authority as follows:

a. regarding delegation of administrative powers: 1. Disciplinary Action: delegation to project directors full authority for initiating disciplinary action for all persons placed under their administrative control. 2. All Other Administrative Powers: delegation to project directors full administrative powers concerning transfers and posting (where project has more than one site, or project director has more than one project), and granting of leave.

b. regarding financial powers specified in Delegation of Financial Powers for the Execution of Development Projects of the Annex to GOB, Ministry of Finance No.MFD-1/Bt-1/Misc-I(31)/82-83/3 of August 3, 1982, to grant project directors of approved projects full powers for all items therein except Serial No.1, concerning creation and retention of temporary posts. However, it is recommended that Serial No.1 be amended to grant project directors full power to create and fill temporary posts for pay scales up to and including Tk.1650-3020 in an emergency situation, for a period not to exceed one year, and with immediate notification of ministry.

Other powers to be increased relate to: Works (residential and non-residential under approved development schemes; repairs to project vehicles; local purchase of stationery; purchase of instruments and furniture; hire charge of office furniture; purchase of bicycles; charges for printing at press other than government press, subject to no objection certification obtained from Government Press; purchase of consumable stores for operation of the office/offices; rent of non-residential buildings.

c. In addition, project directors should have procurement and contract award authority up to Taka one crore.

17. Government should modify relevant rules and regulations so that once a project has been approved no further administrative approval is required for project components.

18. Government should provide briefings to agencies on the potential uses and limitations to turn-key approaches to project implementation.

Mid-Term:

19. Implementing agencies, in conjunction with APD, should develop a standard project management handbook and assist project directors and other key project personnel in adapting the handbook for the needs of a given project. (See Annex I for a suggested outline for a handbook.)

20. Government should provide training in employee involvement techniques that have demonstrated value in raising productivity (such as Quality Circles).

21. Government should direct IMED, in consultation with O&M Wing/Establishment, should develop a pilot project of monetary reward systems based upon proven cost savings. In addition, government should promote regular procedures of employee recognition for outstanding performance each FY, especially in project design, target achievement, time and cost savings and other notable contributions.

22. Government should strengthen rules and regulations related to standards of conduct, and their enforcement; and should direct that training courses at all levels build trust and accountability into individual and organisational values.

23. IMED should create an inventory of successful projects in Bangladesh and give them wide publicity within "project community" and training institutions. These may be used as case studies for all concerned.

3. Local currency shortage

3.0 A major cause of delays is "the paucity of domestic resources relative to foreign aid inflows" as the Planning Commission put the matter (GOB, 1989:14). This means that because

the GOB is unable to put up its counterpart share of development expenditure, donors release of funds is curtailed. For example, during 1986-87, local currency shortages delayed 120 out of 150 projects of the Roads and Highways Department (Chadha, 1989:253).

3.1 Local currency shortages are due, to a degree, to the difficulty of government in forecasting public expenditures. There are a number of reasons for this, including the incompatibility of expenditure categories between revenue and development budgets, and the differing techniques for handling recurrent costs and capital budget needs. In addition to these factors, there are pressures during the budget process to underestimate expenditures. These pressures also cause an overestimation of revenue projections, which, together with the government's need to strengthen revenue generating capabilities, also contribute to shortfalls in local currency.

Recommendation:

Mid-Term: 24. Government should rationalise allocation of resources to Revenue Budget and Annual Development Programme so that projects may be implemented on time and not be delayed by revenue shortage; strengthen capability of forward expenditure planning.

4. Procurement

4.0 Procurement problems are the result of procedural complexities, which are themselves the products of overcentralisation and diluted accountability system. Procedural complexities breed further problems when acted on by officers untrained in these matters. Forty types of procurement problems, covering the entire project cycle, have been identified in this study and confirmed in other studies. These are classified into five areas: (i) inaccurate and improper provisions of PPs regarding procurement, (ii) insufficient skill base requiring procurement, policies and procedures, (iii) insufficient and inappropriate local resources and inefficient project management, and (v) interference to influence procurement decisions.

4.1 Procurement problems are not confined to procurement procedures only, as is generally assumed. Mere simplification of procurement procedures, without addressing causal issues of overcentralisation, more effective accountability and specialized training is inadequate and inappropriate for improving the level of procurement efficiency.

4.2 As noted earlier, delays relating to procurement begin in the planning and approval phases as a result of inaccurate and improper completion of PPs or as a result of revisions to the .

PPs. As seen in Figure 3 earlier, the complexities of the procurement procedure, after PP approval, are inappropriate and for effective procurement administration. Even if each officer acts in a timely fashion, the result is excessive delay, as shown in the Case in Annex D.

4.3 Procurement delays are often the result of donor/agency/project differences in procedure and judgements. For example, in a primary education project, procurement was delayed because the executing agency did not seek IDA approval prior to floating of tenders, even though those tenders contained items that were included in the approved project documentation. (DAI, 1988(a): 2/9). Even if local procurement is followed, procedures are lengthy. For example, a review of the process used for local procurement indicates that 90 to 160 days elapse after receipt of a request by the BWDB Directorate of Purchase before a contract is awarded to a contractor or supplier. (DAI, 1988(a): 33).

4.4 A source of delay in procurement is reported to be the lack of delegation of procurement authority. Professionals in the field suggest that what is needed for better procurement management are two types of delegation: (i) authority to approve procurement proposals (initiation of procurement of certain items including bid packaging) and, (ii) authority to approve proposals for contract awards. Some suggest that delegated authority should be based on functional aspects and considerations rather than present basis of hierarchy or position. In other words, whenever possible procurement decisions should be taken at the project level, keeping agencies and ministries free for effective supervision and monitoring of quality and timeliness of procurement decisions.

4.5 Procurement professional in Bangladesh feel that Chief Executive Officers of public statutory Bodies / Departments / Directorates should have full authority to approve procurement proposals on one step basis (including bidpackaging), when the items to be procured are included in the approved PP, instead of present slabwise authority delegated for approved proposals regarding contract awards. However, in case of procurement of items not included in approved PP, approval for procurement should be obtained from the next higher layer, i.e., the ministry. As regards contract awards, professionals interviewed for this study suggested delegation of authority as specified in the recommendations below.

4.6 Finally, development assistance, procurement, and weak accountability systems produce a situation that is vulnerable to interference in order to influence procurement decision for personal gain. The Intensive Rural Works Programme (IRWP) is cited as a project victimized by massive corruption, at the core of which were procurement related activities (Chadha, 1989:221).

Recommendations:

Short-Term:

25. Government may consider revising procurement and contract award authority as follows: Chief Executives of public statutory Bodies/ Departments/ Directorates should be raised to Taka ten crore; Secretary in-charge up to Taka fifteen crore; and Minister in-charge unlimited above 15 crore. The Cabinet Committee on Government Purchase should formulate and coordinate policies as they pertain to procurement, and, upon evidence of deviations, may review specific procurement and contract award decisions. This recommendation may be implemented immediately in those ministries and agencies where government considers necessary conditions already exist. (In Working Group meetings mention was made of Ministry of Irrigation, Water Development and Flood Control; the Roads and Highways Division of the Ministry of Communication; the Bangladesh Water Development Board, Public Works Department, BADC, among others, for consideration.)

26. Chief executives of public statutory Bodies/ Departments / Directorates should have full authority to approve procurement proposals on one step basis (including bid packaging), when the items to be procured are included in the approved PP, and conform to the procurement schedule.

27. Government should establish new guidelines for Tender/purchase committees so that members have professional background in relevant procurement matters and are drawn from among project officers or from the department or Corporation.

Mid-Term:

28. Agencies should assure that every project has access to procurement specialists with current procurement management capabilities, in specialized areas such as drawing up of specifications, preparation of bid and contract documents, bid evaluation, legal aspects and obligations of contracts, familiarity with import licensing, shipping, Customs, inspection and port procedures.

29. Donors should increase financing for locally produced resources, and should assist in promoting means to assure that local suppliers are invited to compete.

30. DSI should be directed to publish regularly a list of locally produced materials which meet procurement standards.

31. Local offices of donors should be given more authority to approve bid packaging and approve contract awards.

32. DSI, APD and donors should conduct more frequent training in procurement, including mandatory courses for project procurement officers without previous training or experience.

33. Government and donors should collaborate in a full scale study of procurement rules and procedures in order to streamline the entire process and eliminate unnecessary steps.

34. Government may consider creation of a special desk in Customs and CCI&E for purpose of timely processing of import licenses and Customs clearance for development projects.

35. ERD procurement guidelines issued in 1979 need to be updated and given wider distribution, since most implementing agencies are not aware of these guidelines, or copies of them are not available.

36. Government should eliminate the use of forms and procedures which are outdated (such as Forms #2911 and #2908).

37. Time limits for procurement decisions, especially in the case of bids, must be enforced. If the time limits are not appropriate, they should be changed.

38. Government should enforce confidentiality in bid handling procedures, and should institute more effective controls and discipline in these matters.

5. Human Resource Needs

5.0 If all the implementation constraints discussed above were removed, delays would still be a serious problem since human resource (skill base) constraints still remains. The inadequacies of the project implementation human resource base are reported to be: too few officers with appropriate combinations of management and technical skills; and, too few projects offices with specialised project management skills (such as PERT, CPM; project monitoring and evaluation; procurement; accounting; inventory; etc). In addition the Development Wings in ministries and line agencies are said to have similar shortages, and are therefore presumably limited in their capacity to provide management assistance to projects.

5.1 The reasons for shortages were discussed earlier in relation to planning and approval skill inadequacies, and apply here as well. The vacancy rate in project staffing was 27 percent in FY85, as compared with 24 percent in Revenue Budget positions of comparable grade (World Bank, 1989:75), indicating that recruitment problems in projects may be slightly more difficult than the situation faced in government generally. This may be due to the difficulty of converting project positions into permanent, revenue budget positions at the end of project, as well as the fact that many projects are carried out in regions of the country where professionals prefer not to live.

5.2 The policy of rotating government officials has a major impact on project implementation. The life cycle of most development projects is generally much longer than the normal rotation pattern of less than three years. This assures that all key positions in a project are subject to turnover at least once, hindering the development of efficient project management.

5.3 Another type of staffing problem concerns technical assistance (TA), which may constitute part of an investment project, or may be separate, free standing development project. In recent years, approval of technical assistance has become a serious bottleneck (World Bank, 1987:91; World Bank, 1989:76; Chadha, 1989:78; UNDP, 1987:13). The average length of time to approve a TAPP was 300 days, as opposed to the stated standard of one month (UNDP, 1987:13) Chadha states the total time reported by different donors from submittal of Technical Assistance Project Performa (TAPP) to approval from SPEC and negotiation with ERD ranged from 394 days to 682 days (Chadha, 1989:78).

5.4 The reasons for delay are due to more vigorous screening of technical assistance proposals by GOB than in earlier years; limitation of TA funding to donor grant programmes, which limit donor flexibility ; and, the fact that contracting for technical assistance is essentially a procurement mechanism and subject to the complexities of that process as noted above. The government

changed the approval authority levels for TAPP so that line ministries can now approve TA projects up to Taka 2 million. Prior to July 1989 the limit was Taka 1 million. While this may reduce some of the congestion, other serious issues remain. The increased vigor of ERD review reflects a desire by government that more local consultants be used for technical assistance. It is claimed that there exists adequate local capacity and that the use of foreign assistance has not been effective. ERD sponsored a study, done by local consultants, to support these claims, but the effect of the report has been limited. Donors who wish to make better use of local consultants claim to be hindered by a lack of reliable information about local consulting capacity, the lack of guidelines from government about appropriate search procedures, and cultural differences in business development practices.

Recommendations:

Short-Term: 39. Government should modify administrative regulations to allow staffing of key project positions to begin as soon as projects are approved.

40. Government should modify rules regarding transfer of officers to allow officers assigned to development projects to remain throughout the life of project without forfeiting rights to promotion and increases.

Mid-Term: 41. Government should take steps to strengthen project management training programs in APD and other training institutions. Steps should include upgrading the competence of training staff by emphasising successful project management experience. The content of training programs should be based on the outcome of training needs assessment emphasising skill development in all functional areas of project management, including planning, monitoring and evaluation, accounting, procurement and inventory control and other areas.

6. Executive Orders

6.0 The impact of overcentralisation as a cause of delays in the implementation phase is seen in Executive Orders (EO). Executive orders have the impact of interrupting projects in mid-stream. For example, EOs may transfer specific officers from projects, prohibit particular parcels of land from acquisition, or direct that tenders for procurement be reopened. Or, they be much more general, such as an Order prohibiting procurement of a particular type of commodity such as vehicles, which may impact all projects using that commodity.

Recommendation:

Short-Term: 42. Government should examine probable impact of EOs on on-going projects prior to issuance, to insure that high priority development projects will not be impaired.

7. Land acquisition:

7.0 Land acquisition procedures create delays during project implementation. These procedures, which frequently take more than a year, cannot be initiated until after the PP is approved. The severity of delays may be such that project outcomes and impacts are effected. For example, the Karnafuli Irrigation Project experienced serious delays related to land acquisition. The project closing date was extended four years for these reasons, and the flood protection embankment at Halda was not undertaken because it proved impossible to purchase the required land (Bangladesh Agriculture Sector Review, Vol III: 21). Whenever possible, steps should be taken to initiate land acquisition proceedings as soon as projects have been approved.

7.1 It is not unusual for land acquisition to be delayed due to temporary lack of local currency. This situation may be resolved by a more rigorous resource programming.

7.2 Another aspect of this problem is that authority for land acquisition is limited to relatively small parcels; some feel that this level should be raised in order to expedite project implementation. However, in a land scare environment, it may not be possible to raise authority limits without careful review of the situation. In view of the complexity of the issues, and their policy implications, the Working Group felt that analysis of this problem was beyond the resources of the study. Government may consider a special study on the issues of land acquisition in development projects.

D. Monitoring and Evaluation

1. Overview

1.0 The Implementation Monitoring and Evaluation Division (IMED), within the Ministry of Planning has the responsibility for monitoring and evaluating development projects in Bangladesh. Its capability to carry out these functions has improved considerably in recent years, according to many officials interviewed, and as reported in other recent studies. For example, recent donor efforts have resulted in improvements in data gathering and reporting, as well as providing training for selected staff in ex-post evaluation.

1.1 However, it is reported that IMED still lacks the capacity to provide a broad audience with a wide range of monitoring and evaluation information suited to their needs. It is felt that there is a need to clarify the monitoring and evaluating function at projects, agencies, ministry and national levels, determining what data is needed and determining whose role it is to gather, analyse, and act on this information. It is also felt that monitoring should be an ongoing activity at all levels, associated with efforts to improve project management, while evaluation is an activity needing some degree of independence from management.

1.2 In its reports, IMED understandably and correctly tends to reflect the priorities of the Planning Ministry. IMED reports emphasise the current priorities of the Ministry of Planning. Reports provide aggregate data on the progress of projects in terms of approval status, fund utilisation, physical progress and completion. The unit of analysis for monitoring and evaluations is the project, since that is the focus of analysis in the planning and approval activities of the Ministry. Data aggregated on projectwise base, however is not converted into analysis regarding the impact of development policies and programmes in the FYP. If the Planning Commission is able to divest itself of micro-level planning, and carry out macro-level development planning, it is likely that IMED will be able to develop the capability to provide impact analysis suited for macro planning needs. Through UNDP assistance, IMED and the Planning Commission have begun developing capability in this direction.

2. Monitoring

2.0 At intermediate levels of ministries and agencies, progress has been made in recent years to develop and strengthen project monitoring. For example, it is reported that Bangladesh Water Development Board (BWDB) in particular has introduced an effective project monitoring system (WB, 1989:78). (A description of it is provided in Annex J.) However, according to recent studies on monitoring in Bangladesh, capability and capacity at ministry and agency levels continues to need strengthening (Swedish International Service:34; Chadha:1989).

2.1 What is proposed as the basis for the general design of the monitoring system in Bangladesh is a division of labor such that IMED continues to have the overall responsibility for monitoring, establishes the data gathering guidelines and procedures to be used throughout all levels, and trains and coordinates monitoring professional at all levels to assure consistency in methods and approaches. IMED would continue to focus on gathering and analysing information related to development on a nationwide basis. Its data "client" would be the NEC and the Planning Commission. Basically, IMED would be assisting the Planning Commission in determining whether development goals were

being met through development policies, and what progress current development programmes were having. IMED has the capability to carry out this mission.

2.2 Ministries and agencies, perhaps through consolidated Development Wings and Planning/Monitoring Cells, would have the responsibility for monitoring performance of projects, focusing on what some call the technical and factual issues of performance. Technical refers to questions of internal efficiency (determining if project level work is being carried out satisfactorily), while factual refers to questions of external efficiency (determining if project work is consistent with specified development goals) (Swedish International Services, 1988: 48). At the project level, the function of monitoring would focus on day-to-day operational issues of meeting established targets for resource utilisation and accomplishment of project tasks.

2.3 According to reported information, IMED has made excellent progress in developing the reports needed to make such a system work, though full implementation is constrained by lack of computer capability and staff. An example of a fully developed and integrated project monitoring system, which combines information needs of offices of planning, accounting, implementation, treasury and monitoring is in SETIA in Malaysia. The SETIA set-up demonstrates the potential for upgrading the mechanisms of project monitoring and evaluation into a system of accountability, since the database of the SETIA system included detailed expenditure accounts of projects (Annex K).

2.4 In the existing system, IMED sends periodic reports to ministries and agencies summarising findings on project progress, based on reports submitted from projects and on IMED visits to projects. Agencies are supposed to respond to these reports within a specified time period, indicating actions taken or contemplated in light of the issues addressed in the report. Agency response to these reports are frequently delayed, and various explanations for the delays have been given. Given that the intent of the system is to identify problems in implementation and correct them, it appears that this matter needs further attention.

2.5 Project monitoring may be more effective if periodic feedback from stakeholders is included in reports on project implementation, and if project status reports are publicised. This would help achieve the objective of enhancing public participation in the development process as well as maintaining public accountability of development agencies.

3. Evaluation

3.0 Evaluation of development efforts is an important function which may be done independently from project management. IMED has taken steps to improve its capability to conduct ex-post

evaluation, and has been using external consultants to carry out some of project evaluations. Continued use of this approach may be advisable, given the reported staff limitations. Further, it may be advisable to establish priorities regarding evaluation, with nationally important projects receiving most attention, and smaller projects with limited national impact receiving proportionately less evaluation attention, and fewer resources. (Annex L provides review of current issues and approaches to impact analysis.)

4. Human Resources

4.0 Efforts to improve monitoring and evaluation functions and roles at national, ministry, agency and project levels are constrained by a reported lack of human resources. IMED has only fifty four officers to monitor and evaluate the projects being carried out by government in eighteen sectors. Clearly, that is inadequate. Furthermore, the mix of professional backgrounds in monitoring and evaluation activities should reflect the diverse technical nature of projects, programmes and policies. However, despite the large number of engineering projects in Bangladesh, it is reported that IMED has only one engineer (Chadha, 1989:244). At present, there are no data available which accurately reflect either the number nor qualifications of persons with monitoring responsibilities in ministries and agencies.

4.1 The shortage of diverse skills needed for the broad range of monitoring and evaluation functions for which IMED is responsible may be addressed through a variety of approaches. As mentioned, much of the monitoring responsibility may be delegated to ministries, agencies and projects, but, as mentioned earlier, there are reported to be shortages of officers trained in monitoring at these levels in many organisations. Some of the evaluation work may be contracted out to the private sector, under supervision of IMED, as is currently being done. In addition, continuing efforts to upgrade skills should be pursued through various means, such as the training recently completed with UNDP assistance. It is reported that training capacity at institutes such as APD may need to be strengthened if they are to provide new sources of trained personnel. While UNDP has provided some assistance to address skill development much more needs to be done (DAI, 1988(a):124; SIS:49; Chadha, 1989:244).

5. Logistical Resources

5.0 Logistical needs are reported to be a limitation to better monitoring and evaluation of development projects. Donors working closely with IMED confirm the need for improved information technology, and the skills to utilise such technology. If resources are made available to acquire additional information technology, it may be advisable to ensure that the characteristics discussed in para 2.1 page 23 above are observed. The National Computer Board may be consulted for further guidance. In addition, IMED officials

report limitations caused by shortages of photocopy machines and transport, the latter restricting ability to carry out site visits to projects.

Recommendations:

Short-Term:

43. Government should conduct a detailed assessment of monitoring/evaluation staffing needs, on ministry by ministry basis, to determine capability and needs, and should fill vacant positions with suitably qualified officers through transfers and recruitment of new and lateral entry officers.

44. Government should address short term monitoring and evaluation staffing needs through continued and expanded use of contract services, as well as transfer and contracting out evaluation studies..

45. Government should review the adequacy of information technology available for monitoring and evaluation needs, and seek donor assistance to upgrade capabilities which are likely to have a direct impact on monitoring performance of development projects.

46. Agencies responsible for project monitoring should take appropriate steps to assure adequate stakeholder input into the monitoring process, and allow reasonable access to information.

Mid-Term:

47. IMED should increase delegation of monitoring responsibilities to ministries, implementing agencies and projects as follows:

a. IMED would be responsible for providing PC and NEC with evaluation information concerning progress and impact of development policies, as well as providing government with a summary of monitoring information, as required.

b. Ministry/agency should be responsible for monitoring performance of projects within their jurisdiction, according to guidelines specified by IMED, and should provide IMED with timely reports, including recommendations regarding needed improvements.

c. Project directors should be responsible for monitoring operational, day-to-day aspects of projects in order to assure timely completion of project, and project effectiveness.

48. Through IMED, government should take steps to improve the utilization of donor and government monitoring and evaluation reports by all parties; donors and IMED should collaborate in making their reporting requirements more compatible.

Long-Term:

49. Government should direct the Planning Commission and Audit and Accounts agencies to design and implement a management information system for development projects which provides Planning Commission, Audits and Accounts, ministries, implementing agencies, and projects with accurate, timely information on status of projects that is relevant to their respective responsibilities.

E. Coordination and the Project Cycle

Centralisation of decision making processes creates a permanent debate on the effectiveness of central authorities or field offices to coordinate efforts at the project level for better implementation and achievement of targets. Most large projects involve a number of ministries and departments, as well as a diverse group of agencies and organisations outside the government, creating a need for coordination in all phases of projects.

1. Planning Phase. Coordination in the planning phase entails bringing together those with a problem or idea and those with resources. The mechanisms for coordination during steps of planning have been strengthened in recent years, primarily in terms of government-donor coordination. ERD, which has the major responsibility for this task, has improved its capability. The practice of determining a lead agency in the planning phase, in projects that are likely to involve more than one ministry or implementing agency is now more widely used than previously, with some positive results. It is almost always used among donors when there are multiple donors.

2. Approval Phase. There are frequently delays in the approval process due to cost component differences between visiting appraisal reports and subsequent project proposals. These differences may be reduced by better coordination between appraisal missions and concerned divisions of the Planning Commission, as, for example, a final wrap-up meeting with the appraisal team under

the chairmanship of the concerned member of the Planning Commission. Another area where improved donor-government coordination is needed concerns conditionalities of projects. While the concept of conditionalities may be valid in principle, the application to specific projects requires consideration of the relevancies of the specific conditionalities within the context of the requirements of the project. Priority may be given to those conditionalities which help projects achieve their objectives, rather than those which help the donor or help government make changes in an area not directly related to the concerned project.

3. Implementation Phase. Coordination needs are most apparent during project implementation, when resources may have to be brought from halfway around the world, trying to arrive at a particular place at a specific point in time. Effective project monitoring also requires careful coordination in order to assure that the right feedback gets to the right person in time to take the right action. The Asian Development Bank has been using a monitoring process involving all the principal stakeholders in a project. This process is widely regarded as being very effective, and may be used by other donors.

4. Monitoring Phase. Other than Tripartite Review Meetings and Local Consultation Group meetings, interaction among donors and government regarding mutual interests in project monitoring is limited, and felt to be insufficient. IMED should organise joint review meetings on a half yearly basis to review project implementation performance. This may be organised on a sector basis to facilitate coordination and planning.

Recommendations:

- Short-Term:
- 50. Government should encourage the use of final wrap-up meeting between Appraisal Teams and sector divisions of Planning Commission to clarify areas of agreement.
 - 51. IMED should convene half yearly meetings involving donors, ministries and agencies to review project implementation performance.
 - 52. Government should provide more public information concerning development project decisions and activities at each phase, through local meetings, press conferences and other fora, as appropriate.

F. Implementation Plans

The development of an effective, sustainable implementation strategy to improve the efficiency and effectiveness of development projects will require considerable political will and substantial resources. It will require patient coordination of efforts among government offices and between government and donors.

The overall strategy of implementing the recommendations discussed in this report is:

- * to initiate actions within a limited scope of ministries, implementing agencies and projects on a pilot basis to determine their effectiveness before undertaking government-wide changes;
- * to initiate actions which produce immediate and continuing successes so that a climate of success is developed and maintained;
- * to give priority to actions which can be initiated with little or no increase in expenditures, and without delay;
- * to give priority to those actions which reduce delays without compromising accountability;
- * to initiate prerequisite actions so that subsequent steps can be taken on the basis of adequate preparation, such as developing planning capacity in the ministries and implementing agencies in order to relieve the Planning Commission of its involvement in the details of projects at the planning and approval stage;
- * to develop a coordinated plan of actions, with long term donor support, in order to assure achievable outcomes.

Using these guidelines, the following Action Plan is suggested. Reference is made to selected recommendations... only those major actions which are likely to have most impact on the efficient management of projects.

The implementation steps should be planned and coordinated through an Implementation Committee established by Government, as a follow-up to the study, though specific actions may be the responsibility of other government entities.

ACTION PLAN

1. Concerning decentralisation of planning, approval and monitoring of development projects:

Recommendations:

Involves recommendations #1, #2, #3, #11, #18 and #19 in the Executive Summary.

Implementation:

The Working Group recommends decentralisation of responsibilities and authority of planning, approval and monitoring of development projects, with implementation as follows:

a. Government should raise project approval limits (by amending "Categories of Projects" in Procedures for Processing of Projects) for investment projects so that fewer projects require full PEC and ECNEC review, either for initial approval or for revisions to approved projects.

Recommended approval limits for investment projects are as follows:

	Proposed	Present
	(Crore)	
Category A:	under 5	under 2
Category B:	5 - 20	2 - 5
Category C:	over 20	over 5

An automatic adjustment may be made at the end of each FY to keep this value in real terms.

b. In the longer term, delegate more approval and revision authority such that PEC and ECNEC review and approve large, intersectoral projects with national development priority, ministries review and approve sectoral projects, subject to clearer development goals (sectoral parameters) and budget allocations established by Planning Commission.

i. To implement this decentralisation in a phased -in manner, the Planning Commission would identify those ministries having the best capability at present for planning and monitoring development projects. Criteria for identifying capability were discussed on page 28, along with indicated ministries. The recommended allocation of monitoring responsibilities were discussed on pages 46 and 47.

ii. In this initial set of ministries, a comprehensive needs assessment should be carried out in planning and development units to identify where human resources may need strengthening, through transfer, use of short term consultants, or short term, on-job training. (A model methodology for management needs assessment is presented in Annex K. This is a general model, which with appropriate adaptation, may be useful in the context of Bangladesh.)

iii. Simultaneously with steps taken to address the staffing needs, decentralisation should begin with an initial set of ministries and proceed in close association through advice and suggestions from appropriate units of Planning Commission.

iv. Government should review the decentralisation process after a reasonable period, and based upon the outcome of that review, take appropriate steps to further decentralise planning, approval and monitoring authority to other ministries.

v. While the initial phasing-in is underway, a comprehensive needs assessment of other ministries should be initiated. Based on the outcome of this effort, steps should be undertaken through training, recruitment (including lateral entry) and transfer to strengthen the planning, approval and monitoring capabilities of this set of ministries. It is assumed that more effort and a longer time period will be required to have this set reach an acceptable level of capability.

2. Concerning delegation of administrative and financial powers to Project Directors.

Recommendation:

Delegate full financial and administrative powers to project directors. (Recommendation # 6 in the Executive Summary)

Implementation

a. Delegation of financial powers

Revise Delegation of Financial Powers for the Execution of Development Projects of the Annex to GOB, Ministry of Finance No.MFD-1/Bt-1/Misc-I(31)/82-83/3 of August 3, 1982, to grant project directors of approved projects full powers for all items therein except Serial No.1, concerning creation and retention of temporary posts. However, it is recommended that Serial No.1 be amended

to grant project directors full power to create and fill temporary posts for pay scales up to and including Tk.1650-3020 in an emergency situation, for a period not to exceed one year, and with immediate notification of ministry.

b. Delegation of administrative powers

i. Disciplinary Action: delegation to project directors full authority for initiating disciplinary action for all persons placed under their administrative control. Such delegation to be conferred through Government Servants (Discipline & Appeal) Rules, 1985, as detailed in Implementation Steps of Vol.3 Relationships Between Ministries and Departments, Public Administration Efficiency Study, pp.27-31.

ii. All Other Administrative Powers: delegation to project directors full administrative powers concerning transfers and posting (where project has more than one site, or project director has more than one project), granting of leave, power to count extraordinary leave for increment and sanctions of all kinds of pensions. Delegation to be implemented through rule making process conferred on the President by Article 133 of the Constitution and as detailed in the Implementation Steps of Vol.3 Relationships Between Ministries and Departments, Public Administration Efficiency Study, pp.32-39.

3. Concerning the elimination of separate administrative approval for components of approved projects.

Recommendation:

Government should modify relevant rules and regulations so that once a project has been approved no further administrative approval is required for project components.(Rec # 17/p35)

Implementation:

A careful analysis of existing Office Memoranda, Rules of Business and other sources of procedures is needed to identify all documents requiring change in order to implement this recommendation. Having done so, however, no other action or resources would be needed to institute new procedures which could save considerable time in implementing projects.

4. Concerning improvements in procurement procedures.

Recommendations:

Recommendations in the Executive Summary: #5, 10, 29, 34-43.

Implementation:

a. Short term actions which can be taken through various rule change procedures:

i. Delegate authority to approve procurement proposals on one-step basis for approved proposals (#26/p38).

ii. Establish new guidelines for tender/purchase committees to expedite processing (#27/p38).

iii. Eliminate use of outdated procurement forms and procedures such as Forms #2911 and #2908 (#36/p39).

iv. Enforce time limits for procurement decisions; if time limits for large, complex projects are not appropriate, change them (#37/p39).

v. Enforce confidentiality in bid handling procedures (#38/p39).

vi. Raise procurement and contract award authority (#16c/p35);(#25/p38).

Implementation Considerations:

Authority needed for procurement management are of two types, (i) authority to approve procurement proposals (initiation of procurement of certain items including bid packaging) and, (ii) authority to approve proposals for contract awards.

The principles that may guide the delegation of authority and the structure of delegated slabwise limits are suggested as follows:

a. Principle:

1. Authority to be delegated based on functional aspects and considerations as against present principle of administrative power and hierarchy.

2. Lower layers, particularly where the projects are implemented should take procurement decisions, keeping the higher layers free for effective supervision and monitoring of quality and timeliness of procurement decisions; instead of present principle of taking decisions outside the projects at higher layers.

b. Structure:

1. Procurement proposals: Chief executives of public statutory Bodies/ Departments / Directorates or the Ministry (if the Ministry is implementing a project directly itself) should have full authority to approve procurement proposals on one step basis (including bid packaging), if the items to be procured are included in the approved PP; instead to present slabwise authority delegated to approved proposals for contract awards. However, in case of procurement of items not included in approved PP, approval for procurement should be obtained from the next higher layer i.e the ministry.

2. Contract Awards: Government may consider the following:

2.1 The concerned project Directors should have authority to approve contract awards up to TK 1.00 crore. They do not have any such authority at present.

2.2 The authority of all the heads of Corporations / Boards / Departments / Directorates (irrespective of size) should be enhanced to TK 10.00 crore from present slab of TK 5.00 crores (many heads do not have authority of even TK 5.00 crores).

2.3 The Secretary or Secretary in-charge of the ministry should have authority to approved contract awards up to TK 15.00 crores. They do not exercise any authority and all such proposals go to the Minister in-charge and the Minister approves proposal up to TK 15.00 crores.

2.4 The authority of the Minister in-charge should be unlimited instead of a limited authority of up to TK 15.00 crores. The Cabinet Committee for Government Purchase should formulate policy and co-ordination matters relating to Government procurement, and, upon evidence of deviations, may review specific procurement and contract award decisions.

b. Mid-term actions which require additional resources and actions by other entities:

i. Streamline procurement process based on study of procurement rules and procedures (#33/p39; #36/p39).

This is an important area, requiring focused attention by skilled specialists with a high degree of knowledge in procurement procedures, rules, etc. in Bangladesh. A study, with participation by donors, should establish the base of actions for all the following recommendations.

ii. Assure access to procurement specialists for every project (#28/p38).

iii. Increase donor funding for locally produced resources and improve opportunities for local suppliers to compete (#29/p38).

iv. Publish lists of locally produced materials which meet procurement standards (#30/p39).

v. Encourage donors to give local offices more authority to approve bid packaging and to approve contract awards (#31/p39).

vi. Consider creating special desks in Customs and CCI&E for processing of development projects' requirements (#34/p39).

v. Update and give wider distribution to 1979 ERD procurement guidelines (#35/p39).

5. Concerning rotation and assignment to development projects.

Recommendations:

Government should adopt a policy to rotate officers in economic, administrative and technical cadres within allied sectors, and among project, agency, and ministerial postings. This policy should be specifically provided in career development programs. Normal rotation should be within the sector up to the rank of Deputy Secretary/Deputy Chief. (Rec #2/p22)

Government should modify rules regarding transfer of officers to allow officers assigned to development projects to remain throughout the life of project without forfeiting rights to promotion and increases. (Rec #40/p41)

Implementation:

To give effect to this recommendation the Ministry of Establishment should frame a firm policy regarding rotation, reminding all Heads of Ministries and Departments of the harmful effects of too frequent rotation. The policy so framed should include:

- a. Ban on rotation officers from one position to another within a period of five years, and in the case of development projects, during the life of the project.
- b. Exception should be granted only for over-riding personal or organisational requirements.
- c. Rotation should normally be within a series of ministries or departments with similar purposes or functions.
- d. Rotation should attempt to follow a pattern which provides officers with successively more complex roles regarding project planning, implementation and monitoring and at project, agency and ministry levels. Combination of rotation and training should provide cadre officers from the economic, administrative and technical cadres with supplementary skills in each of the other two cadre areas, if feasible.

G. Relationship of Study Recommendations to Objectives

An objective of this study was to assist the Government in considering recommendations which overcome constraints to efficiency in development projects, especially in regard to the following, as specified in the Terms of Reference:

1. Higher Standards of Administrative Performance
2. Sound Policy Analysis
3. Implementation of Policy and its Strategic Implications
4. Delegation of Authority
5. Procedures for Staffing
6. Training for Development Administration

The objectives and recommendations of each of these points, as they relate to development projects, are summarised below.

1. Higher Standards of Administrative Performance

The primary standard to be pursued in this area is: a significant increase in the number of development projects which are completed on time and within the approved budget.

In order to achieve this standard, three sub-objectives must be set as standards and met:

- a. a significant decrease in the amount of time needed to approve projects;
- b. a significant decrease in the amount of time needed to procure project resources (commodity and human resources);
- c. a significant increase in the predictable availability of local currency.

If these efforts had a higher standard of efficiency and effectiveness, they would have a positive impact on the efforts of government to provide economic uplift to the country, and increase confidence of donors in the efficacy of their support to the people of Bangladesh.

To meet these standards, the following actions are recommended:

Recommendation #1: Raise project approval limits for investment projects so that fewer projects require full PEC and ECNEC review. Delegate more approval and revision authority to ministry level, subject to clearer development goals (sectoral parameters) and budget allocations established by Planning Commission.

Recommendation #2: Modify relevant rules and regulations so that once a project has been approved no further administrative approval is required for project components.

Recommendation #3: Rationalise allocation of resources to Revenue Budget and Annual Development Programme so that projects may be implemented on time and not be delayed by revenue shortage; strengthen capability of forward expenditure planning.

A second standard of administrative performance which may have a significant impact on the efficiency of development projects concerns accountability. The objective in this area ought to be: the efficient and effective functioning of accountability mechanisms which:

- a. make individual and organisations answerable for their performance in given projects, within a time period that permits changes to affect future performance in the same projects;
- b. create trust in the decisions and actions of others;
- c. eliminate corruption as a factor which influences decisions and activities in all phases of the development project cycle.

In order to achieve this standard, the following actions are recommended:

Recommendation #4: Design and implement a management information system for development projects which provides Planning Commission, Audit and Accounts, ministries, implementing agencies, and projects with accurate, timely information on status of projects that is relevant to their respective responsibilities.

Recommendation #5: Strengthen rules and regulations related to standards of conduct, and their enforcement; and should direct that training courses at all levels help build trust and accountability into individual and organisational values.

A third standard which needs to be raised is the expansion of incentive systems in development projects which promote efficiency and effectiveness through rewards to individuals and organisations based on performance. To meet this standard, the following action is recommended:

Recommendation #6: Develop a pilot project of monetary reward systems based upon proven cost savings. In addition, government should promote regular procedures of employee recognition for outstanding performance.

2. Sound Policy Analysis

Essentially, sound policy analysis is the clear definition of policy problems, and the identification and prioritisation of appropriate strategies to address these problems.

Projects are the means to give life and meaning to policy. A prerequisite for effective project implementation is the development of a sound policy framework within which projects are designed and implemented. For this framework, the government should have as a key objective the development of the following:

a. ADPs, and the project portfolios in them, which are consistent with the Five Year Plan and help achieve national and sectoral objectives;

b. Public expenditure program based on reviewing together the Revenue Budget and the Annual Development Programme, and developing standard classification for expenditures, including recurrent costs and capital budget expenditures.

To accomplish this it will be necessary for the Ministry of Planning to work closely with the Ministry of Finance. It will also require that the Planning Commission focus its attention on the development of macroeconomic policy, to include setting the sectoral goals and targets, allocation of sectoral budgets, and fixing the macro level operational parameters for the ministries in development administration. This may be a necessary condition for creating a framework within which development policies and projects may be linked. However, it may not be sufficient to assure policy-project linkages which sustain national development. The sufficient condition is the development of public accountability to judge the appropriateness of policy-project linkages.

The objective of public accountability will be furthered through procedures of openness and public participation in the steps of policy formulation, and in subsequent steps of project design, implementation and evaluation.

To implement these steps, the following actions are recommended:

Recommendation #7: Modify the Instructions and Guidelines on Processing and Implementing Development Projects to ensure that appropriate representation of affected people (i.e., stakeholders) is institutionalised in each phase

of the project cycle; and direct that training be planned and initiated for government officials and representatives of stakeholders regarding techniques of effective public participation in development projects through appropriate institutions.

Recommendation #8: Provide more public information concerning development project decisions at each key phase, through local meetings, press conferences and other fora, as appropriate.

3. Implementation of Policy and its Strategic Implications

If projects are to be effective in contributing to the achievement of development policies, one primary objective is that the design and outcomes of projects are linked to sectoral development objectives, and that this linkage is reviewed annually.

A second key objective is that the internal management factors (organisation structure, administrative procedures, financial, human, and physical resources) of project implementation are appropriate for the selected strategy.

In order for these objectives to be met, it is essential to strengthen the project planning capabilities at the implementing agency level and project appraisal and review capabilities at the ministry level. It is also essential that strengthening of these capabilities includes more effective mechanisms for coordinating donor and appropriate stakeholder inputs to project identification, design and appraisal. Also, it is necessary to strengthen the capability to measure the impact of a project's design and actions on policy goals at earlier points in time so that there is latitude for corrective action.

To achieve these objectives, the following action is recommended:

Recommendation #9: Provide planning cells in ministries and implementing agencies with the number of skilled officers that results in satisfactory planning and monitoring of development project activities.

Recommendation #10: Government should work closely with donors to improve coordination between government and donors in appraisal steps, and during project implementation.

4. Delegation of Authority for Non-policy Decisions

A key cause of delays in project implementation is waiting for decisions and actions. The goal of increased efficiency in the

implementation of development projects is more likely to be met if delegation of authority is a top priority.

In order to achieve this objective, it is essential that the following supportive objectives be achieved:

Recommendation # 11: Delegate to project directors full financial and administrative authority.

Recommendation #12: Revise procurement and contract award authority.

Recommendation #13: Ministries and Divisions should move appropriate authorities, if so required in the interest of work, to include in Schedule 2 of the Rules of Business all Class 1 officers, including Research Officers to Chiefs or equivalent positions, with authority to discharge their duties (i.e., to sign letters and documents on behalf of government) regardless of cadre affiliation.

5. Procedures for Staffing

An important objective is to decrease significantly the delays in project implementation caused by staffing problems. In order to achieve this objective, it is necessary to decrease delays in initial staffing of projects, and to maintain key staff throughout the life of a project.

Another important objective is to reduce delays in the functions of planning, approval, monitoring and evaluation caused by staffing problems. Some of these problems could be reduced if a policy was adopted and followed which resulted in opportunities for administrative, economic and technical officers to rotate through planning, implementation and evaluation roles in ministries (including Planning and Finance), implementing agencies and projects.

To achieve these objectives the following actions are recommended:

Recommendation #14: Modify administrative regulations to allow staffing of key project positions to begin as soon as projects are approved.

Recommendation #15: Modify rules regarding transfer of officers to allow officers assigned to development projects to remain throughout the life of project without forfeiting rights to promotion and increases.

Recommendation #16: Adopt a policy to rotate officers in economic, administrative and technical cadres within allied sectors, and among project, agency, and ministerial postings. This policy should be specifically provided in career development programs.

6. Training for Development Administration

The key objective of training, as it relates to the project cycle, is to improve the efficiency of performance at the individual, work unit and organisation levels. The implication of this objective is to shift the focus of training to the work place and away from training institutes, and to the development of specific skills related to the flow of work in the project cycle, rather than general skills and knowledge. This will require that training institutes must sharpen their capability to deliver skill-specific training. It also demands that the content of training be based on needs assessments conducted directly with officers who are to be trained, and with their work situation.

To achieve these objectives, the following activities are recommended:

Recommendation #17: Strengthen capability of APD to conduct needs assessment and to design and deliver training which will result in improved performance at the individual, work unit or organisation levels. The status of trainers and principal should also be upgraded to an appropriate level.

If these objectives are pursued vigorously by Government, with full support of donors, the goal of more efficient and effective development projects will be met, and the benefits of economic uplift will be felt by all.

**PUBLIC ADMINISTRATION EFFICIENCY
STUDY**

ANNEXES

**PROJECT CYCLE:
POLICIES AND PROCEDURES**

November 1989
Dhaka

ANNEX A

WORKING GROUP MEMBERS

Convenor	Dr. Mashiur Rahman Joint Secretary, Finance Division, Ministry of Finance.
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Local Consultants:	Eng. Md. Abul Quassem, Project Management Eng. Md. Eusuf Ali, Procurement
Secretary:	M. A. Habib

ANNEX B

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ANNEX C

PERSONS INTERVIEWED1. MINISTRY OF AGRICULTURE

Maj. Gen.(Retd.) M. A. Munim, Minister,
 Mr. Akmal Hossain, Joint Secretary,
 Mr. Golam Sarwar Mollah, Joint Chief,
 Mr. Sheikh Shafiqul Islam, Deputy Secretary,
 Mr. A.K.M. Shajahan, Chief M&E, BADC.
 Mr. M. Mizanur Rahman, General Manager(Pur.Div.), BADC,
 Mr. M. Sultan, Deputy Chief Engineer(Pur.), BADC,
 Mr. M. A. Satter, Principal Scientific Officer, BARRI,
 Mr. A. A. Mazid, Zonal Manager, Bangladesh Krishi Bank,

2. MINISTRY OF COMMERCE

Mr. Mohiuddin Azad, Joint Secretary,
 Mr. Margoob Murshed, Joint Secretary,

3. MINISTRY OF COMMUNICATION

Md. Ataur Rahman, Additional Chief Engineer,
 Planning & Development, Roads & Highway Department.

4. MINISTRY OF CULTURE

Mr. M. Atiqul Islam, Superintending Engineer,
 Department of Archeology,

5. MINISTRY OF ESTABLISHMENT

Mr. S.M. Al-Hussainy, Chairman, Public Service
 Commission.
 Mr. Noor Mohammed, Joint Secretary,
 Dr. Shah Md. Farid, Joint Secretary,
 Mr. Ekramul Ahsan, Member Directing Staff, BPATC.

6. MINISTRY OF ENERGY & NATURAL RESOURCE

Mr. A. Z. M. Sazzadur Rahman, Deputy Secretary,

7. MINISTRY OF FINANCE

Mr. Gulam Kibria, Comptroller and Auditor General
 Mr. Dilip Kr. Biswas, Deputy Secretary,

8. MINISTRY OF FISHERIES AND LIVESTOCK

Mr. M. Moslehuddin, Deputy Project Director,
Directorate of Fisheries,

9. MINISTRY OF INDUSTRIES

Mr. Moudud Ahmed, Vice President, (in charge of the
Ministry) -
Mr. A. K. M. Mosharraf Hossain, Secretary
Mr. Md. Faizur Razzak, Chairman, BSCIC
Mr. Azizur Rahman, Joint Chief,
Mr. Abdul Huq, Deputy Secretary,
Mr. Mollal Shahidul Haque, General Manager, BSCIC
Mr. Nural Alam, Planning Officer, BSCIC

10. MINISTRY OF IRRIGATION

Dr. A. T. M. Shamsul Huda, Joint Secretary,
Mr. Emdadul Huq, Joint Chief,
Mr. Abul Kalam Azad Deputy Secretary,

11. MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT
CORPORATIVES

Mr. Anwarul Huque, Director, BRDB,

12. MINISTRY OF PLANNING

Mr. Shamsul Huq, Division Chief, Planning Commission,
Mr. Samsuzzaman Majumdar, Division Chief, Planning
Commission,
Mr. A.F.M. Alamgir, Joint Chief, PAMSTECH,
Planning Commission,
Mr. A.B.M. Siddique, Director General, IMED,
Planning Commission,
Mr. Abdus Samad, Director General, IMED, Planning
Commission,
Mr. Joynal Abedin, Principal, Bangladesh Planning
Development Academy.
Mr. Nazmul Ahsan, Joint Secretary, Planning Commission,
Mr. S.M. Shahjahan, Joint Chief, ERD.
Mr. A.B.M. Siddique, Joint Secretary, ERD.
Mr. Ayub Quadri, Joint Secretary, ERD.
Mr. A.B.M. Abdul Fattah, Joint Chief, Planning
Commission,
Mr. Munirul Huq, Director, PAMS TECH, Planning
Commission,
Mr. A.F.M. Abdur Rashid, Deputy Secretary, Planning

Commission,
Capt.(Retd.) Jamilur Rahman Khan, Deputy Secretary,
ERD.

Mr. Sheik Siraj Uddin, Deputy Chief, Planning
Commission,
Mr. Munirul Haque, Deputy Chief, Planning Commission,
Mr. Syed Maqbul Hussain, Division Chief, Planning
Commission,
Mrs.Momtaz Mannan, Assistant Chief, Planning
Commission,
Mrs.Rini Reza, Sr. Assistant Secretary, Planning
Commission,
Mr. Enayet Karim, Section Officer,

13. MINISTRY OF SHIPPING

Mr. M. Asadul Huque, Deputy Secretary,

14. MINISTRY OF SOCIAL WELFARE & WOMEN'S AFFAIRES

Mrs. H. A. Kashem, Deputy Director,
Women's Affairs Department,

15. MINISTRY OF YOUTH AND SPORTS

Mr. T. M. Alamgir, Project Director,
Youth Development Department,

WORLD BANK

Mr. Md. Ali, Procurement Engineer,
Mr. Sayed Nizamuddin, Programme Officer,
Mr. Nurul Alam, Programme Officer,

UNDP

Mr. Terry Jones, Deputy Resident Representative,
Ms. Flavia Pansieri, Assistant Resident Representative,
Mr. Aly-Raza Nazerali, Assistant Resident
Representative,
Ms. Nuzhat Ehsan, Programme Officer,
Mr. Fred Thomas, Consultant,

USAID

Mrs. Priscilla Boughton, Director,
Frank Young, Programme Officer,
Colette Chabbot, Assistant Programme Officer,
Dean Alter,
Ray Renfro, OFA,
Tribid Mukerjee, OFA,

CARE

Mr. Arthur Hussey

CIDA

Mr. Tony Breuer, Counselor.

DANIDA

Mr. Finn Thilsted, Counselor,

OTHERS

Mr. Michael Loft, Research Team Leader, SIFAD Task Force, GOB.

Dr. K. M. Das, Principal, Bangladesh Cooperative College, BARD.

Dr. R. A. Ghani, Consultant,

Skylark Chadha, Consultant, SIDA.

Mr. Azizur Rahman, Director, National Computer Board.

Dr. M. Ali Hossain, Chief Technical Manager(R & D), Urea Fertilizer Factory.

Dr. Mokbul Ahmed Khan, Secretary General, Bangladesh Project Management Institute.

Mr. Waliul Islam, Project Engineer, ADB.

ANNEX D

"THE CASE OF THE ORDER FOR HANDLING EQUIPMENT"

Consultant pre-informed that this particular order would be critical for project and must be processed very fast it was promised to process it in 15 days.	Aug., 1981
Recommendation by Expatriate Consultant Party recommendation was the lowest in order value, lower by TK. 1 million compared to next lowest bidder.	Nov. 19, 1981
Head of Enterprise writes a forwarding note.	Dec. 10, 1981
Forwarded by Executive Director of industrial complex	Dec. 12, 1981
Chief Engineer's approval	Dec. 14, 1981
Chief Finance Officer comments	Dec. 18, 1981
GM(Implementation) comments	Dec. 23, 1981
Director (Planning & Implementation)	Dec. 24, 1981
Meeting arranged in presence of Consultant	Jan., 1982
Note from Enterprise Head with clarifications	Jan. 12, 1982
Approval from Chief Engineer	Jan. 12, 1982
Approval from CFO	Jan. 12, 1982
Approval from GM(Implementation)	Jan. 12, 1982
Approval form Director (P&I)	Jan. 12, 1982
Chairman finds some faults with the order	Jan. 16, 1982
One of the bidder registers a complaint	Jan. 16, 1982
Comments of Executive Director and Enterprise Head (long note with details)	Jan. 20, 1982
Forwarding note by GM (Impl.)	Jan. 21, 1982
Chief Engineer's Approval	Jan. 21, 1982

Approval by Executive Director	Jan. 21, 1982
Director's (P&I) comments	Jan. 21, 1982
Chairman comments	Jan. 22, 1982
Executive Director's note to Enterprise manager	Jan. 22, 1982
Enterprise Manager's reply	Jan. 22, 1982
Executive Director's note	Jan. 23, 1982
Chairman clears the order for placement	Jun. 24, 1982
Director (P&I) gives instructions for making the agreement and issuance of letter of intent	Jun. 25, 1982
By this time draft order was already prepared by the project organization. It was modified at head office of the corporation and new draft prepared Clearance given by legal officers. Proposed a committee for negotiation with the supplier	Feb. 20, 1982
Committee approved by Executive Director	Feb. 20, 1982
Finally approved by Chairman	Feb. 23, 1982
Party invited after finalisation of various new suggestions regarding local input. Meeting with supplier. Consultant invited. Commercial agreement jointly prepared.	April 3, 1982
Director (P&I) Approved	April 3, 1982
Chairman approved	April 3, 1982
Agreement ready for approval of Executive Director. Meanwhile Martial Law holds up Executive Director against some other charges. New Executive Director reports and he wants the file to be formally marked for him. Consultants point out in writing the Cost of Delay	April, 1982
Director (P&I) marks the file for ED	May 14, 1982
Executive Director marks the file to Chief of legal Affairs in Head Office once again to check all is correct	May 19, 1982

Legal officers approves the file	May 21, 1982
New Executive Director again writes to Chief Legal Affairs Officers regarding some of the processing formalities	May 22, 1982
Everybody is upset by remarks. Director (P&I) constitutes a committee to look into the formalities again. Report to be submitted within one week.	June 2, 1982
Chairman sees the file	June 8, 1982
Committee had meetings between various members. Consultants held with the Consultant	June 18-22, 1982
GM(Impl.) reports on behalf of committee	June 23, 1982
Secretary BCIC notes	June 24, 1982
Chairman instructs that committees finding be placed before the Board of Director of the Corporations	June 24, 1982
Secretary fixes the next Board meeting on July 7, 1984.	
Chief Finance Officer requests, ERD, for extension of funds availability after the financial year.	June 26, 1982
Preparation of copies for Board meeting. Concerned officer called.	June 28, 1982
Board approves	July 7, 1982
Forwarded to GM Purchase for further processing.	July 10, 1982
GM Purchase (Corporation Head Office) says that the order is bigger than TK. 10 million. It has to be approved by Ministry.	July 15, 1982
Minister's approval obtained by Chairman of Corporation. Delay in contacting Minister.	
GM(Impl.) invites the supplier for signing agreement	Aug. 26, 1982
Approval from Director (P&I)	
Approval of CFO, Chief Engineer, Chief of Legal Affairs and GM(Impl.)	Aug. 28, 1982

Agreement between the Managing Director of the party and Secretary of the corporation signed.

Aug. 30, 1982

Letter of Credit opened in favor of supplier

Sep. 23, 1982

Supplier was asked to submit bank guarantee before payment of agreed advance, submission of bank guarantee, modifications of contents etc.

Approval of bank guarantee. Release of payment from Bangladesh LC opening bank. Payment of advance to the party and the effective date for start of delivery.

Nov. 10, 1982

(Source: Chadha, 1989: 276 - 279)

ANNEX E

PROCUREMENT PROCEDURES ABOVE TK 5000
According to Dr. Hamid Miah, MDP&E,
Dr. M.S.U. Chowdhury, MDA&F, and
Mr. Md. Mosharraf Hussain
Sr. Assistant Director (Procurement)
Administration and Finance

[Original Meeting held September 4-6, 1989]

██████████ PRELIMINARY APPROVAL PROCEDURES ██████████

1. (Assume that funds are available to BARC from the government.) Requesting division sends a request to MDP&E for supplies.
2. Member Director For Planning and Evaluation (MDP&E) determines propriety of purchase.
3. MDP&E sends purchase proposal to Member Director for Administration and Finance (MDA&F) according to division requirements to request allocation of funds.
4. MDA&F reviews purchase proposal.
5. MDA&F sends request to Director of Finance (DF) for verification of available funds.
6. DF verifies availability of funds.
7. DF notifies MDA&F of availability of funds.
8. MDA&F requests that BARC Stores supply the needed items.
9. BARC Stores Officer notes on the file that such item needs to be purchased, and approximate amount.
10. Stores Officer sends notice to MDA&F.
11. MDA&F determines if items should be tendered or purchased locally. Due to amount of purchase (above taka 5000), the items will be tendered.
12. MDA&F passes decision to DF.
13. DF notifies Senior Assistant Director (Procurement) (SADP) of amount available for purchase and procurement process.
14. MDA&F sends notice of approval to requesting division.

15. MDA&F also sends notice of approval to Sr. Assistant Director (Procurement), along with proposal.

██████████ TENDER (BID) NOTIFICATION PROCESS ██████████

16. A tender document (bid notice) is prepared by the SADP. (It is written in Bangla if is a local bid, and in English if it is an international bid.)
17. Bid notice is sent to MDA&F for approval.
18. MDA&F approves bid notice.
19. Bid notice is returned to SADP.
20. Bid notice is put in Bangali and English newspapers by the SADP. (The newspapers translate the notice into the appropriate language.)

██████████ TENDER (BID) TAKING PROCEDURE ██████████

21. Potential bidders receive notice of bid from newspapers.
22. Potential bidders request official tender documents from Administration and Finance, and pay an official non-refundable fee.
23. MDA&F provides official tender documents to bidders.
24. Bids are submitted from the bidders to the Member Director of Administration and Finance (MDA&F) by depositing in a locked tender box.

██████████ TENDER (BID) TECHNICAL EVALUATION PROCEDURE ██████████

25. The tender box is opened in the presence of the tender committee, and the bids are counted. At this time the SADP takes charge of the tender documents. MDA&F sends bids to SADP.
26. SADP sends bids to requesting division for technical evaluation and comparative analysis.
27. All bids are given a technical evaluation by requesting division, and a technical scrutiny (evaluation) report is generated.

28. Technical report is returned to SADP.
29. A comparative statement of bids is prepared by the SADP.

TENDER (BID) COMMITTEE PROCEDURE

30. Original bids, technical evaluations, and comparative statement are compiled as a single file folder and sent to MDA&F, who is also chairman of the Tender (bids) Committee.
31. MDA&F assigns a date for Tender Committee to meet by noting dates on the file.
32. MDA&F returns the file to the SADP with date indicated.
33. SADP sends letter to all Tender Committee members to notify them of the meeting date.
34. Tender Committee meets on given date to discuss the procurement. A simple majority forms a quorum. The members of the Committee are as follows:

M.D. Administration and Finance--Chairman
 Sr. Asst. Dir. (Procurement)--Member Secretary¹
 M.D. Agricultural Engineering
 Director Support Services²
 C.S.O. Agricultural Engineering
 Coordinator Farming Systems Research
 C.S.O. Forestry
 C.S.O. Planning and Evaluation
 Executive Engineer³
 Deputy Director (Accounts)⁴
 Sr. Asst. Dir. (Personnel)⁵

Administration and Finance

Administration and Finance

Administration and Finance, Support Services (for repair and maintenance, etc.)

Administration and Finance

Administration and Finance

35. Proceedings are kept on a note sheet by the SADP (Member Secretary).
36. Proceedings, including any procurement decisions, are signed by the Committee members present.

INTERNAL BID APPROVAL PROCEDURE

37. SADP sends proceedings and procurement file to MDA&F.
38. MDA&F (Committee Chairman) delivers procurement file including proceedings to EVC for final approval.
39. EVC initials proceedings.
40. EVC returns file to MDA&F.
41. MDA&F returns file to SADP.

DONOR BID APPROVAL PROCEDURE (General)

42. SADP makes cover letter requesting Donor approval.
43. SADP sends cover letter to MDA&F for signature.
44. MDA&F signs cover letter.
45. MDA&F returns cover letter to SADP.
46. SADP sends cover letter, original bids, technical evaluation, and comparison statement to Donor for clearance.
47. Donor writes letter of acceptance or rejection of proposed procurement.
48. Donor sends letter of acceptance or rejection and original materials to MDA&F.
49. MDA&F initials clearance letter.
50. MDA&F sends letter to SADP.

WORK ORDER PREPARATION PROCEDURE

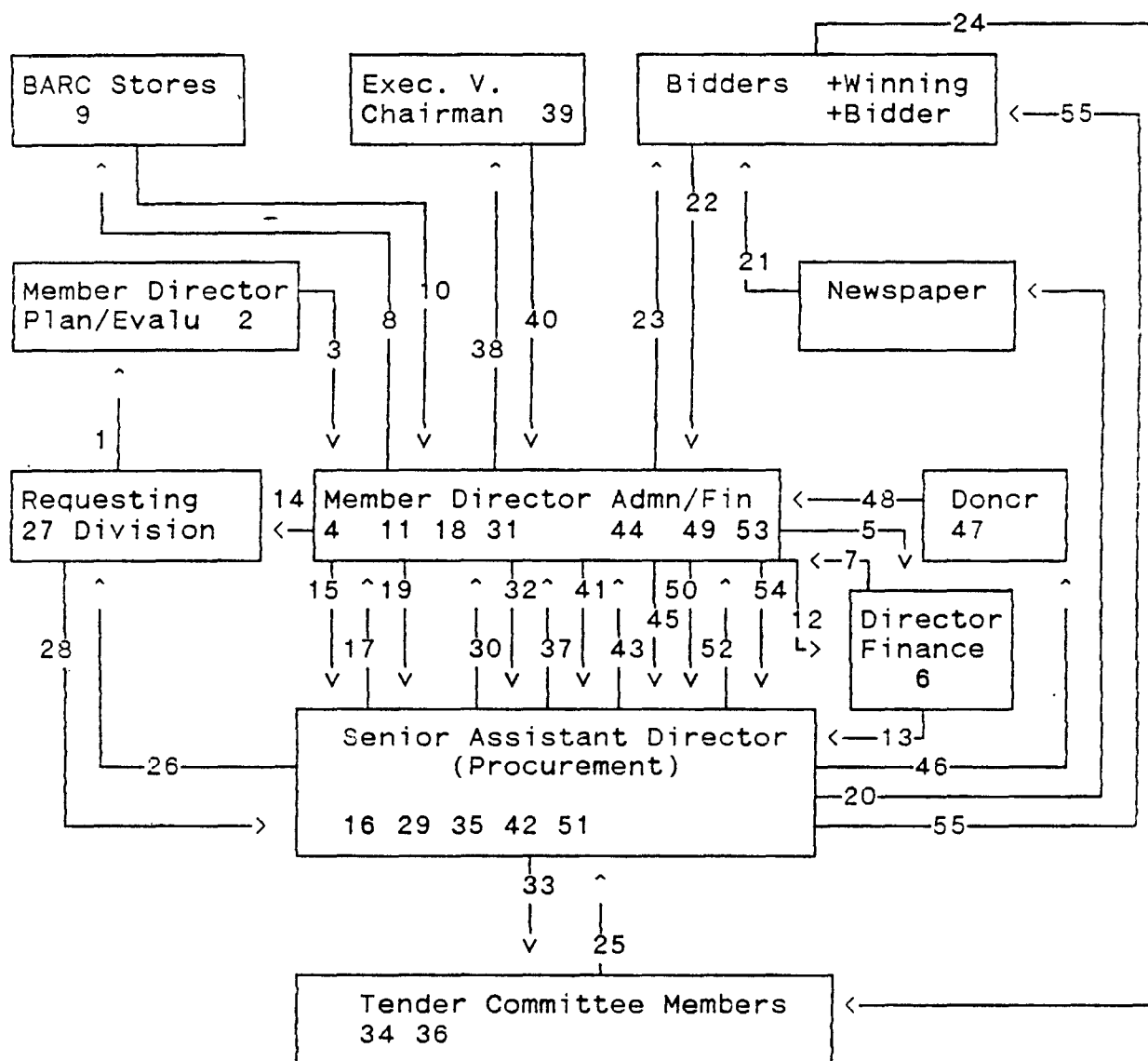
51. Work order is prepared by SADP.
52. SADP sends work order to MDA&F for signature.
53. MDA&F signs work order.
54. MDA&F returns work order to SADP.
55. SADP sends signed work order to winning bidder.

IF TENDER FAILS

- A36. Committee determines that no bids were satisfactory or that less than three bids were submitted.
- A37. The committee decides to put out a second (or third) notice.
- A38. An exception to this procedure is if there is only one company which has facility to provide a service, that one bid may be acted on. This usually occurs only in cases less than Tk.20,000. Otherwise, three bids are necessary for a valid bidding competition.

IF RE-TENDER FAILS

- B36. Upon failure of third tender notice, a committee of Senior Officers and a member from the requesting division is formed. (This might be the original tender committee, or a subset thereof.)
- B37. The committee checks prices of three or more local shops or industries.
- B38. Shops submit prices.
- B39. REgular procurement process is followed. This failed tender procedure is done only for items of less than Tk.20,000. Otherwise, normal bid procedures are followed.



10.9 Meghna Dhonagoda Irrigation Project

This irrigation project is located in the Matlab Upazila of Chandpur district in the Chittagong division and belongs to the Bangladesh Water Development Board under the Ministry of Irrigation, Water Development and Flood Control.

The main objectives of this project were to provide flood protection, water extraction and irrigation facilities as follows:

- | | |
|------------------------|-----------------|
| a. Flood protection | 17,584 hectares |
| b. Water extraction | 17,584 hectares |
| c. Irrigation facility | 14,367 hectares |

The project was supposed to come as boon to the 300,000 inhabitants of 14 out of 22 unions of Matlab Upazila.

In order to achieve the above the project had components like acquisition of 1,578 hectares of land, construction of 280 km of irrigation canal, 64 km of flood embankment construction, 126 km of extraction canal, construction of 532 irrigation infrastructures, 48 km. of power line, construction of 72 bridges and 8,700 sq m of building construction apart from other common TA components and installation of a couple of pumping stations.

The focus was to increase the agricultural production to protect the land in Matlab Upazila from floods during the rainy season and to provide irrigation possibility during the dry season. An agreement was signed in 1977 between GoB and ADB and Chu Kaitahasu were appointed as the consultants in 1979 and the implementation

started during 79-80. The project PP was originally approved for Tk. 630 lacs for its implementation during 1973-76. The PP was revised a number of times lately in 1983, 1985 and 1987. Completion targets were correspondingly changed at different times. The final version of the PP was approved by PEC in April, 1988 and the project was declared complete in June 1988.

The final project cost, which has achieved almost 100% of physical targets, has been recorded as Tk. 14285 lacs and has been implemented during 1973-88 recording a cost increase by 2,163% and a time overrun of 400%.

An important element in the project has been the formation of local committees who are trained and motivated for modern cultivation. A number of such committees have been joined under Krishak Samabay Samity (KSS) and agricultural extension officers have been appointed recently.

During 1987-88 Rabi season 3216 hectares of land were to be irrigated and 6072 hectares were targeted for Ulshi rice cultivation during Kharif-2 season. Further increase of targets have been planned for 1988-89 seasons.

The project has suffered from the following problems:

- Delay in land acquisition. By 1984 only about 60% land was acquired.
- Inadequate allocation. Because of this problem the PP had to be revised a number of times.
- International tenders. It took ADB between 1-2 years for inviting international tenders, their evaluation and approval for the purchase of construction materials and equipment from abroad. Besides, there was a delay in the arrival of shipment and the power generation line could not be installed due to non-availability of line equipments in time. Erection work had also been delayed for want of timely deliveries.

- The construction work of the two main pump houses was delayed due to irregular power supply and load shedding.
- The Kalipur pump house foundation design was under dispute for some time. Because of these delays irrigation and extraction canals and extraction structures could not be started till 85-86.
- The pump house contractor had to be changed due to poor performance.
- The construction sight faced serious technical dewatering problems.
- During implementation 8 km of Meghna river faced erosion. As a result the barrage had to be shifted by 5 km.

As if the above problems were not enough, the nature has not been very kind to this project. The project area has been given a flood protection by a 64 km long polder embankment. 150 ft section of this embankment was washed away on August 28, 1987. After the repair of this breach in 1987 the farmers cultivated both HYV Boro (IRRI) on most of the plots of land and HYV Aman (IRRI) on about 10,000 acres.

On September 3, 1989 floods washed away 200 m of embankment which submerged the crops completely. In April 1989, when the repairs of the damage were yet to be undertaken by the Water Development Board and the rainy season was only two months away, the farmers of the area were planning to go back to their traditional deep water Aman paddy.

Situated at the confluence of the three great rivers - Brahmaputra, Padma and the Meghna the project and its polder embankment face an ever present danger of erosion on both the Dhonagoda and the Meghna sides. There are not many who would like to bet on the 50 years of life span of the project facilities as originally estimated!

ANNEX G

"Delegation of Powers: An Insider's View of the Options"

Anonymous

Delegation of power is an important issue. In many cases delegated powers are inadequate, or not sufficiently exercised and in some cases powers are misused. Much has been written about inadequacy of the delegated power, particularly about procurement, staff recruitment, and financial powers, which are mostly true; but little is written about powers not sufficiently exercised or powers being misused. This write - up narrates a few relevant stories, taken from real world in Bangladesh.

Mr. 'X' needed to repair a motor vessel amounting to TK. 76 lacs, which was beyond his authority. But, he is responsible and answerable for doing the work in time and he needed the repaired vessel urgently. He needed the approval of Mr. 'Y' (the competent authority) who was two ranks higher than Mr. 'X'. But instead of approving it himself, Mr. 'Y' sent it two tiers further up to the highest officer (chairman) of the organisation. What is surprising is that the superior officers of Mr. 'Y', including the Chairman, did not notice that Mr. 'Y' had authority to approve the work.

This is an example where Mr. 'X's dynamism (considering him a dynamic officer) dynamism is restrained by inadequate power, and another officer Mr. 'Y' voluntarily does not exercise his power. This costs time and at the end Mr. 'X' is answerable for the delay caused by other's incompetence.

A contractor supported by "extraneous factor" wanted payment without doing the work in proper quantity and quality but Mr. 'X' refused to pay because he was responsible and answerable for completion of the work, its cost, quality, payment etc. Mr. 'A' who is the boss of Mr. 'X' tried to impress on the latter that he should immediately pay the contractor, otherwise the contractor will complain to "extraneous factor" who will be annoyed and may put Mr. 'X' as well as Mr. 'A' to task. In fact, demand of the situation was that the work order of the said contractor should have been cancelled and been awarded to somebody else for completing it. This was within the delegated power of Mr. 'X'. But Mr. 'X' could not do so, although he wanted to do it, because of the pressure of "extraneous factor". This is an example where project manager can not use his delegated power due to pressure from extraneous factor / influence.

Sometimes a project manager is under tremendous pressure from "extraneous factor" to do something with his (Project Manager) delegated power which he does not like to do. Under such situation he does not exercise his power and sends the issue to a

higher level for decision to avoid responsibility of either doing something wrong or non-compliance of "requests" from "extraneous factor". Instances of misuse of delegated powers are also quite frequent. Previously the project managers enjoyed more power and authority with respect to appointments, posting - transfers, financial authority etc. For example, project managers could appoint muster - roll employees, which was misused in many cases by appointing unnecessary employees or misappropriating power. The government has taken away that power from the project managers. This is true for financial powers also. Previously more authority for financial approval were delegated at the project level. Because some (maybe many) officers misused those powers, authority for financial administration by project manager was also reduced. However, the expressed intention of curtailing power is in most cases, frustrated. Many project officers break those down within their financial power, although splitting up of estimates of one single big work into components is prohibited by financial rules. Some people do it for good reasons but some do it for other reasons also. "Whether it is the right way or not" - is another question, but the fact is that such examples of misuses of power are used to curb the administration. Only the genuine needs suffer and implementation is delayed.

All these stories talked about but are not written, make one conclusion prominent, and that is one may design a very good system of public administration, but no public administration system can be designed which is immune to distortion if put in wrong hands.

ANNEX H

It is suggested that each project have an implementation manual, which will list specific powers, duties and responsibility of each project officer involved in implementation, as well as the specific activity flow chart for the project. This may apparently seem to be a duplication of PP but in effect the PP is a planning document with provision and the proposed manual is an operational guide in project management.

The exact contents of such manual would vary from one implementing project to another, but a considerable range of items would be common to all, at least, if the project are under one implementing agency, or within a particular ministry. The proposed contents that follow are not intended to be exhaustive, but rather indicative of what should go into this manual.

PROJECT IMPLEMENTATION MANUAL -- PROPOSED CONTENTS

- (1) Authority and responsibility--
 - (a) Management setup -- function (job description) and structure (organogram) of all positions in the project.
 - (b) Responsibilities of each position.
 - (c) Specific responsibilities of external agencies connected with the project (line ministry, PC, IMED, AG office, etc.).
- (2) Activity flowsheet for all phases and sub-phases of the project effort, including schedule for each stage of implementation.
- (3) Resource (input) plan, including labour, material, equipment, etc.--
 - (a) obtaining inputs, i.e. a procurement worksheet, showing who has to do what, when and how for each type of procurement, local and foreign.
 - (b) using the inputs -- what are the rules and regulations governing their use (labour relations, environmental safeguards, etc.).
- (4) The project context and setting--
 - (a) Procedures for contacting and dealing with relevant local agencies and authorities, for police protection, land acquisition, electricity, road repair, flood control, etc.

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- (b) Contingency action for bottlenecks, interruptions, non-performance of duty by project staff, failures in procurement, meeting payroll obligations, etc.
- (5) Project review methodology--
 - (a) internal review: self-monitoring of progress.
 - (b) external review: what data to furnish to implementing agency, development wing at line ministry level, IMED.
- (6) Project termination activity and duties.

International Commission on
Irrigation and Drainage

Seventh Afro-Asian Regional Conference
Tokyo, 1989

EXPERIENCES WITH EVALUATION OF WATER DEVELOPMENT PROJECTS IN BANGLADESH

MD. ABUL QUASSEM

B.Sc. C.E.(Dhaka), DHE (Delft), DRPP (The Hague), FIE (B).

Abstract

In a world where funds are scarce, every decision to do something means a corresponding decision not to do something else. This makes it imperative to try to get as much as possible from the investment in a project. Project evaluation at various stages (ex-ante evaluation, ex-post evaluation and monitoring of on-going ones) can play an essentially important role towards that purpose.

Bangladesh Water Development Board (BWDB) is engaged in building infrastructures to protect land from floods as well as create facilities for irrigation and drainage. It has, so far, completed 376 large and small projects encompassing an area of 2.84 million hectare.

Usually the BWDB projects are evaluated at the pre-project stage for project appraisal, but ex-post evaluation of completed projects are very few and do not deal with the "extent to which" the project achieved their goals in terms of quantity, quality, time and cost at the planning stage. Those studies do not deal with the "why" questions as to the causes of their success or failure; also do not formulate the experiences and lessons which may be used in the planning, execution, operation and maintenance of new projects.

This paper deals with the above issues, discusses the limitations with project evaluation in BWDB, makes a number of recommendations for future evaluation studies and ends up with a number of remarks about the experiences on project evaluation obtained from the BWDB projects.

EXPERIENCES SUR PROJETS
D'EVALUATION DE DEVELOPMENT DES PROJETS D'EAU BANGLADESH

Executive Engineer
Bangladesh Water Development Board

1.0 INTRODUCTION

Bangladesh Water Development Board (BWDB) under the Ministry of Irrigation, Water Development and Flood Control is engaged in building infrastructures to protect land from floods as well as create facilities for irrigation and drainage. It has, so far, completed 376 large and small projects encompassing an area of 2.84 million hectare!

In a world where funds are scarce, every decision to do something means a corresponding decision not to do something else. This makes it imperative to try to get as much as possible from the investment in a project. Project evaluation at various stages (ex-ante, on-going and ex-post evaluation) can play an essentially important role towards that purpose.

This paper is an attempt to discuss the experiences with evaluation of water development projects in Bangladesh. Section 2 describes the conceptual framework of evaluation where different aspects of evaluation and uses of evaluation for water development projects have been discussed; a brief description of the water development sector has been provided in Section-3; Section-4 discusses the scenario in and around evaluation of water development projects and the limitations as well as conceptual guidelines; Section-5 contains recommendations for the future with concluding remarks in Section-6. In writing this paper, assistance has been taken from available literatures, printed documents and interview with a number of BWDB officials.

2.0 EVALUATION : CONCEPTUAL FRAMEWORK

Evaluation study is useful to judge the worth of completed projects; to improve ongoing projects; to assess the utility of innovative programmes; to increase the effectiveness of program management and administration; to meet various accountability requirements; and for decision making on continuation, expansion, or curtailment of programmes.

Evaluation study is a relatively young field and was born in the USA in the sixties, out of two lessons: Firstly, the fact that there is not enough money to do all the things that need doing; and secondly, the realisation that even if there were enough money, it takes more than money to reach the desired outcomes from an intervention. Such studies were primarily devoted to examination of the effects of government social programmes. Rossi & Freeman,² Suchman,³ Patton,⁴ Rakodi⁵ have dealt with the conceptual framework of different types of evaluation.

Regarding the methodological issues, Donal T. Cambell and his associates have presented approximately twenty different experimental, quasi-experimental, and non-experimental research designs.⁶ Rossi and Freeman developed a schematic classification of impact assessment research design considering the control

strategies, intervention, features, and data collection strategies simultaneously.

Setting of indicators is a difficult issue. The planned and achieved targets in connection with physical works like embankments, sluices etc., however can be quantitatively described by such indicators as number, time, cost, internal rate of return etc.; but how to measure the changes in economic growth, socio-political fields and relevant institutions as well as the environmental aspects, which have resulted from implementation of the physical works. Such a task requires, to the best of ability, to exclude the extraneous confounding factors influencing the outcome of the interventions.

In the field of technical programmes, evaluation study is still in a nascent stage. The conceptual framework, methodological designs, setting of indicators are still to be established on firm basis. Moreover most of the existing evaluation research discussions have focussed primarily on the Western context. The same is true for the basic methodological orientation and designs. The application of evaluation research techniques to Third World countries have been largely neglected, with a few notable exceptions.⁸ Many of their recommendations just cannot be replicated in the Bangladesh environment. That necessitates the adaptation of the evaluation principles developed so far to evaluate the technical projects. Suchman writes about the basic principles of evaluative research, "as research it adheres to the basic logic and rules of scientific method as closely as possible. Its causes of 'proof' and its laws of inference are the same as those of any research project. It utilises all available techniques for the collection and analysis of data and employs a wide variety of research designs".⁹

The conceptual framework for evaluation of the technical projects relevant to their objectives, time of occurrence and the corresponding type may be schematised as follows:

<u>Type of Evaluation</u>	<u>Time of occurrence related to project implementation</u>	<u>Objectives</u>
Project Appraisal	Ex-ante	- To evaluate economic justification.
Monitoring	On-going	- To improve on-going projects. - To increase the effectiveness of programme management and administration.
Impact evaluation	Ex-post	- To assess utility of innovative programmes. - To meet accountability requirements.

For decision making on continuance, expansion or curtailment of programme. To judge the success, failure of completed projects, to identify the cause thereof, to formulate corrective measures.

3.0 WATER DEVELOPMENT PROJECTS IN BANGLADESH

Although water development projects imply a wide-range of connotation with respect to their objectives, but for the purpose of this paper, water development projects include only those with the objectives of flood control, irrigation and drainage and are undertaken by the Bangladesh Water Development Board (BWDB) .

Since its inception in 1957, the BWDB (erstwhile EPWAPDA) has constructed about 376 big and small projects involving about 6519 km of dykes including 3674 km of sea dykes, 6095 small and big sluices, 1276 big regulators, 6419 km of drainage and irrigation canals, 1044 closures, 3584 bridges, 87 pump houses, two cross-dams to reclaim about 129,000 ha of new land, 1 barrage to protect about 2,844 million ha of land from upland and tidal flood hazards and bring 192,000 ha under irrigation.¹⁰

The key importance of the water development projects for overall national development may be appreciated from two major aspects. Firstly, agriculture is the mainstay of the economy and the prime source of resource generation. It shared 47 per cent of the GDP in 1986-87,¹¹ far more than any other sector, but suffers heavily due to floods and droughts. Between May and October, one-third of total cultivated land is deeply flooded (over 3 feet of flooding), and another third is shallow flooded (less than 3 feet). Coastal areas are subject to storm surges, annual rainfall is erratic. During the dry season (November-April), there is little rainfall, and some 60 per cent of cultivable land remains fallow.¹² In spite of significant achievements in reducing dependence on nature through expansion of acreage under flood protection and drainage, only about a quarter of cultivable land is covered by irrigation, and nature continues to play the critical role in determining the output in agriculture.

Secondly, the national goal of achieving self-sufficiency in food depends very much on the increase in per acre yield which is one of the lowest in the world. Per hectare yield of rice in Bangladesh is 2,350 kg while for Japan, Egypt and North Korea those are 6,322 kg, 5,947 kg and 5,821 kg respectively.¹³ Any effort to increase per acre yield will necessitate the adoption of improved technology which demands high input of irrigation water and proper water management system including flood control and drainage.

Due to its importance for generating agricultural growth, the water sector quite legitimately has attracted a substantial allocation of national and external resources. According to a World Bank Report, about US\$ 1.2 billion have been spent in this sector during the last decade.¹⁴

Most of these resources flow from foreign aid, which shares 58.8 percent of the development budget of BWDB for 1987-88.¹⁵ About 13.5 percent of the total annual development budget of the Govt. is allocated for this Sector.¹⁶

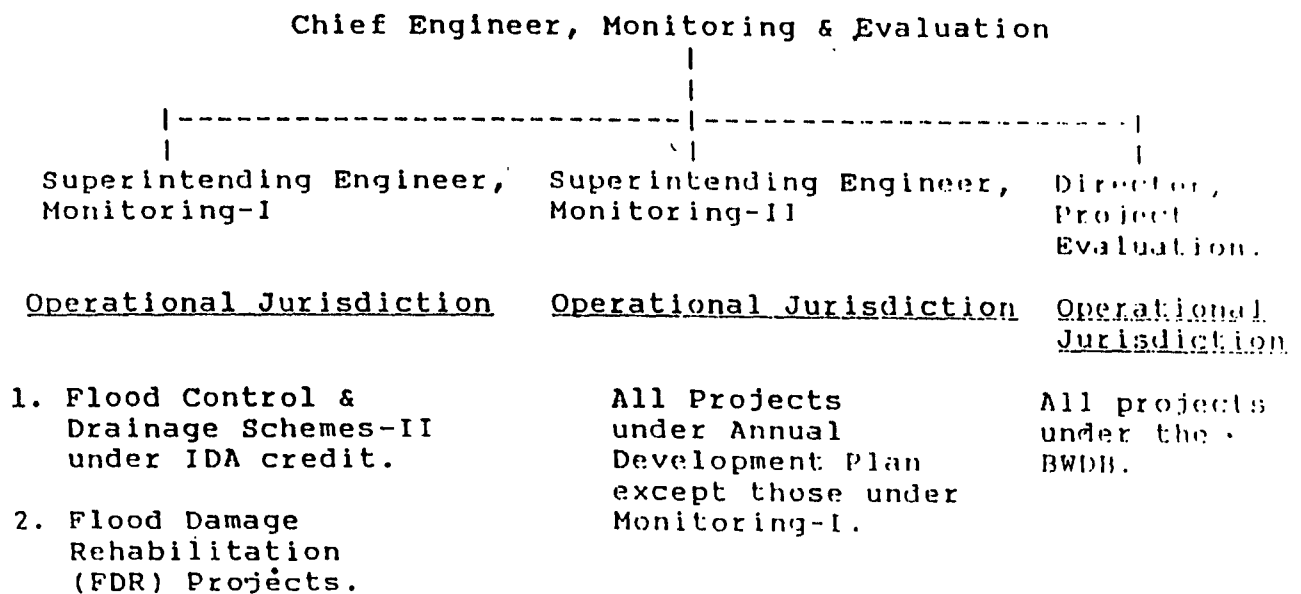
The Water Development Projects evidently have brought enormous improvement in the agricultural practices and production. But all the projects have not brought benefits to the same extent; some more, some less. There is at least one or two which one may consider as bad.

4.0 EVALUATION OF BWDB PROJECTS

4.1 The Evaluation Practice in BWDB¹⁷

Ex-ante evaluation i.e. appraisal of projects is an usual phenomenon in BWDB. Monitoring as a system of routine periodical reporting (monthly, quarterly, annual) about progress in physical target achievement and utilisation of allocated resources are also in practice. Ex-post evaluation of completed projects, until recently, were practically absent.

Monitoring and Evaluation of Projects are done by three directorates having separate offices under the over-all control of one Chief Engineer (Chief Engineer, Monitoring and Evaluation) and have been presented schematically as follows:



Each of the Superintending Engineer is supported by two senior engineers (Executive Engineers) with at least 12 years experience, two senior technical officers and six Assistant Engineers; the Director of Project Evaluation is assisted by one senior engineer and two senior economists.

The Superintending Engineers are involved in on-going evaluation (i.e. monitoring activities) for the projects taken up for implementation within their operational jurisdiction. After a project is finally selected for construction, certain preparatory works like design of physical infrastructures, tendering, land acquisition, work authorisation etc. (pre-work stage) are to be completed. The Superintending Engineers monitor those activities. When construction works start (on-going stage), monitoring activities include monitoring of the progress of physical works and financial expenditures, fund placement, processing and submission of reimbursement claims, etc.

Ex-post evaluation of completed projects are done by the Directorate of Project Evaluation and is aimed at feeding back the planning directorates. The activities of this directorate however is not pronounced and ex-post evaluations, although very few, are mostly done on the initiative of the funding agencies either with their own personnel or by consultants. Projects have so far been evaluated for physical achievements only, but not for their achieved IRR or overall effectiveness. The performance of technical assistance has not at all been evaluated, nor is there any evaluation of achievements of the sector as a whole.

Ex ante evaluations of only the FDR projects are done through the Superintending Engineer, Monitoring-I. For all other projects the ex-ante evaluations i.e. appraisal of projects are executed through Planning Directorates under the Chief Engineer, Planning and are performed by the consultants (local and/or foreign). IRR is the main criteria used for project appraisal.

The results of ex-ante evaluation are used by the funding agencies and the BWDB in selecting a project for implementation and are presented in the form of report. The monitoring results are used, to evaluate progress achieved, to identify the problems in the process of implementation and sort those out, and to allocate annual resources to different projects. The results are presented in specified formats on monthly, quarterly and annual basis.

The results of ex-post evaluation are mainly used by the donors, also by the BWDB, to judge the worth of a project, and for making decision on continuation, expansion, or curtailment of a programme. The results are presented in the form of report.

Ex-ante evaluations, i.e. project appraisals are financed by the donor agencies/ countries. On-going evaluation i.e. monitoring is financed by the BWDB. Ex-post evaluation is financed by the donor agencies/countries.

It may not be out of context to mention here that in all cases evaluations are done by evaluators with, may be high degree of

expertise in a particular discipline like engineering, agriculture, economics, sociology etc., but not in evaluation research or "science", if one may dare to call it "science". Lack of expertise in evaluative research of the evaluators is very much noticeable in the evaluation results and reports. Evaluation, here, still is treated as a job which can be done by "anybody" using "intuition" and does not require special expertise.

4.2 Limitations with Evaluation

It has been mentioned earlier that, in general, evaluation studies are in a very nascent stage and the limitations originate from that. Those are more so in Bangladesh environment. These limitations relate to conceptual framework, availability of data, institutional arrangements, financing, etc.

At present all evaluations attach most importance to physical achievements alone. Time and cost over-run is a dominant feature for most of the major projects,¹⁸ but are not emphasized in the evaluation reports. The evaluation studies do not investigate into the cost effectiveness of projects. None of the evaluation studies evaluated to what extent the post-project Internal Rate of Return achieved the targets fixed at the planning stage, although IRR is the main criteria at the time of project selection.

The major issue involved here is "clarity about objectives" of the projects to be evaluated. The question is whether construction of physical infrastructures (i.e. output) are ends in themselves and can be regarded as the objective of a water development project, or, they are instrument to reach other socio-economic objectives (i.e. outcome). The relevance of this question lies, on the one hand, in the fact that although the physical targets and the time and cost framework of a project are clearly defined in the project documents in measurable terms, the socio-economic objectives are not so defined; and, on the other hand, the projects are evaluated primarily for physical achievements.

One can immediately argue that the physical infrastructures are only instrument to create conditions to improve the agro-socio-economic situation of the project area. The success of a water development project depends on the utilization of the created facilities by the target population, generation of economic growth, creation of new employment opportunities and alleviation of poverty.

Accordingly, during ex-ante evaluation, projects should be appraised for their socio-economic objectives (i.e. outcomes) also. Similarly monitoring should be done for the expected outcomes also which is not done at present. Ex-post evaluation of completed projects should be done for socio-economic objectives (i.e. outcomes), physical achievements (i.e. outputs) and cost.

effectiveness. However, the impacts of the project on the ecology of the area or the region should also be examined during any project evaluation.

The other major issues in this respect relates to the objectives of evaluation, primarily to monitoring and ex-post evaluation. At present evaluation studies do not deal with the "extent to which" the projects achieve their goals.

Those studies also do not deal with the "why" questions as to the causes of success or failure to achieve the desired outcomes; also the "how" questions as to the ways and means, if adopted, could have improved the project, are not considered. It may be relevant to mention here that the present evaluation studies do not inventorise the experiences and lessons which may be used in the planning, execution, operation and maintenance of new projects.

So ex-post evaluation should investigate into the "to what extent" questions on the use of the created facilities by target population, creation of new employment and alleviation of poverty as a result of the project, as well as, the physical achievements and cost-effectiveness. The achievements should be evaluated also in terms of time and cost estimated at the planning stage.

The "why" questions related to failures and successes should be investigated and the "how" questions related to improvement of the plan, implementation, operation and maintenance of the project/programme should also be answered. Answers to the "why" and "how" questions may be searched in the context of one or more of the following issues:

- deficiencies in the project plan;
- lapses in implementation of the plan;
- inadequate supply of inputs like fund, land, equipments, personnel etc.
- inadequacies or (and) inefficiency in operation and maintenance of the project;
- inefficiency of the project personnel.

The experiences and lessons which may be used in the planning, execution, operation and maintenance of future projects, should be inventorised.

Non-availability of the required data for ex-post evaluation is a regular phenomenon. Sometimes it is difficult to generate data and many a times access to the available data is also an arduous task.

Non-availability of fund for evaluation studies, particularly for the ex-post ones is a serious constraint to project evaluation. When millions of Taka are being invested to reach certain goals, it would be prudent to spend a little more to ensure the effectiveness and efficiency of those investments.

Non-utilization of the results obtained from evaluation studies is also another regular phenomenon. Generally speaking, there is a reluctance to learn from the past and use those for the future, but efficiency and effectiveness of the water development projects will not improve if conscious efforts are not made in that direction.

Last but not the least evaluation activities are limited by institutional constraints also. The major institutional constraints relate to limited tasks assigned to the monitoring and evaluation units, limitations about conceptual framework, financial support and lack of proper training of the officers involved in monitoring and evaluation.

5.0 RECOMMENDATIONS FOR THE FUTURE

The following recommendations, if implemented, may be useful to facilitate evaluation studies:

- a. Plan for monitoring of the on-going activities and ex-post evaluation study should be formulated at the planning stage of the project. Data and information should be collected and inventorised accordingly, at least for the major projects.
- b. The physical targets and socio-economic objectives (outputs and outcomes) of a project should be defined in measurable terms at its planning stage, as far as practicable.
- c. Base-line survey of the physical as well as agro-socio-economic situation of the project area should be undertaken in line with the requirement for future evaluation studies.
- d. Cost of evaluation studies and monitoring activities should be incorporated in the costing of a project as its integral component.
- e. Evaluators for evaluation studies should be selected carefully, keeping in view that evaluation is a specialised job and requires people having the expertise and training. The institutional arrangements within the BWDB for monitoring and evaluation activities should also be strengthened with manpower having the relevant expertise and/or training.
- f. Results of evaluation studies should be utilised in the planning, implementation, operation and monitoring of new projects, and improvement of the on-going ones.

6.0 CONCLUSION

Finally a number of concluding remarks may be made with respect to the experiences about project evaluation obtained from the water development projects in Bangladesh:

- a. Monitoring and evaluation activities are still in embryonic stage. It is beset with a number of conceptual limitations and operational constraints, which need to be removed in order to enable monitoring and evaluation to play their role in the improvement of efficiency and effectiveness of the projects.
- b. Monitoring and evaluation activities need to be regarded as an expertise job and not as everybody's job.
- c. Monitoring of on-going projects and ex-post evaluation of completed projects should be an integral component of, particularly, the major projects.

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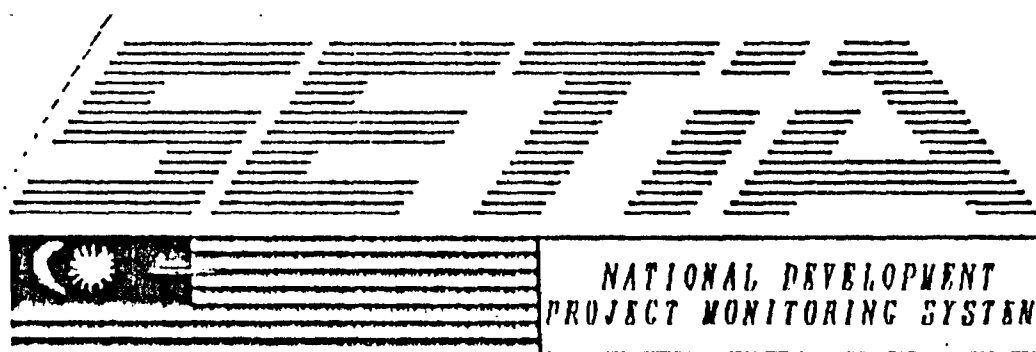
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**INFORMATION TECHNOLOGY (IT)
APPLICATIONS IN DECENTRALISED
ENVIRONMENT**

(12 - 16 SEPTEMBER 1989)

CASE STUDY 1



APPLICATION OF IT IN THE DEVELOPMENT PROCESS
IN MALAYSIA WITH SPECIAL REFERENCE TO
SETIA AS AN INTEGRATED
PROJECT MONITORING SYSTEM

INDEX

1. SETIA CASE STUDY PAPER .
2. LIST OF WORKING GROUPS FOR HANDS ON SESSION .
3. HANDS ON EXERCISES
4. SETIA USER MANUAL
5. SETIA CODES

Application of Information Technology in the Development
Process in Malaysia,
With Special Reference to SEHA as an Integrated Project
Monitoring System

Hashim Meon, Mohd Yunus Famin, Abdul Aziz Mohd Yusof

Prime Minister's Department
Kuala Lumpur

APPLICATION OF IT IN THE DEVELOPMENT PROCESS IN MALAYSIA, WITH SPECIAL REFERENCE TO SEHIA AS AN INTEGRATED PROJECT MONITORING SYSTEM

1. INTRODUCTION

Socio-economic development in Malaysia has been a planned process that is repeated every five years. Seven development plans have been carried out since 1957, each with objectives consistent with the requirement of the changing nature of the Malaysian socio-political- economic situation. From development goals in the 1950s that emphasised modernisation of the traditional sectors to infrastructural development and agricultural diversification in the 1960s to society restructuring and poverty eradication in the 1970-80s; these plans collectively provide an explicit sense of direction for development.

The purpose of this paper is to describe briefly the use of information technology (IT) in the formulation, implementation and evaluation of Malaysia's Five Year Development plans, with special reference to SEHIA as an integrated Development Project Monitoring System.

2. THE PLANNING MACHINERY AND PROCESS

The government's administrative philosophy with regard to economic development is characterised by the belief that there need to be close coordination between planning and implementation of programmes, and there should be consultation between the political leaders, administrators and the people in the planning and implementation process. Using this philosophy, Malaysia embarks on its first economic development plan in 1957 when it achieved independence, followed by a series of 5 year development plans.

1957 - 1960	First Malaya Plan
1961 - 1965	Second Malaya Plan
1966 - 1970	First Malaysia Plan
1971 - 1975	Second Malaysia Plan
1976 - 1980	Third Malaysia Plan
1981 - 1985	Fourth Malaysia Plan
1986 - 1990	Fifth Malaysia Plan

Briefly, the development planning machinery of Malaysia and its relationship with the implementation agencies are clearly depicted in **CHART 1**. Planning in Malaysia begin from above as well as below, that is top-down and bottom-up planning. Projects are proposed from below, from the village, district, state and national levels which are then assessed by the Economic Planning Unit (EPU) of the Prime Minister's Department, and then by the National Development Planning Committee (NDPC) before submission to the National Planning Council (NPC) for decision and endorsement and finally by the Cabinet.

3. THE IMPLEMENTATION PROCESS

The Implementation Coordination Unit (ICU) of the Prime Minister's Department has been the main agency undertaking close monitoring of implementation as far back as 1960 with the launching of the Rural Economic Development (RED) Plan. The plan, more commonly called the Red Book, documented all projects planned and programmed for implementation in each of the districts. The heart and nerve centre of the operations is the Operations Room established at every District Office, State Secretariats and the Prime Minister's Office. Projects approved for implementation under the Red Book are monitored closely on maps and charts to show the progress as shown in **CHART 2**. This method has proved to be very successful

NATIONAL PLANNING AND IMPLEMENTATION MACHINERY

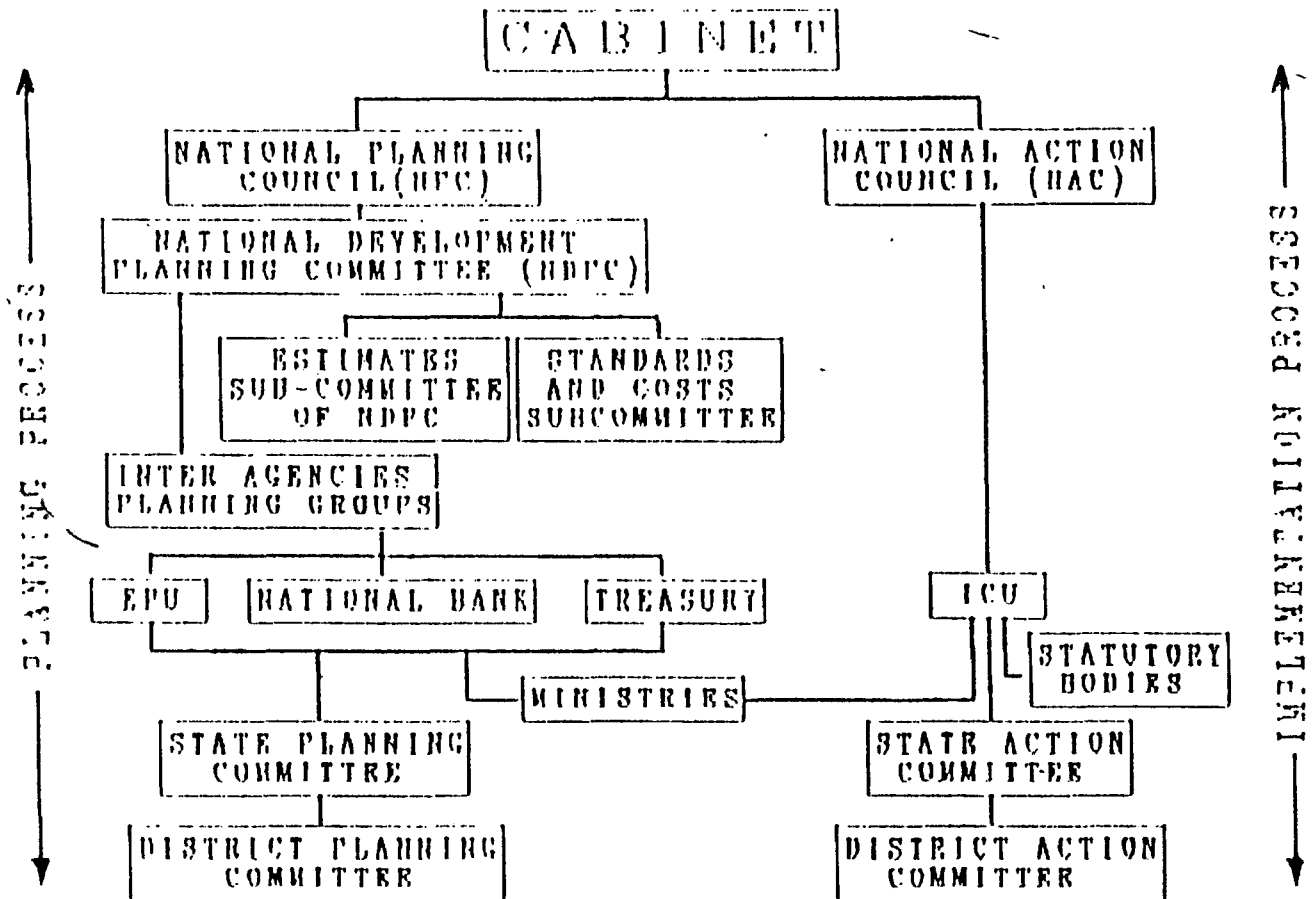


CHART 1: NATIONAL PLANNING AND IMPLEMENTATION MACHINERY

and has become the norm till the present day as shown in the network of National Action Council, State and District Action Committees in **CHART 1**.

4. COMPUTERISATION OF THE PLANNING AND IMPLEMENTATION PROCESS

Computerisation of the planning and implementation process was started in 1978 when the computerised Project Monitoring System (PMS) was established with the following objectives:-

1. To ensure projects meet implementation schedules
2. To control expenditure within allocation
3. To identify problems of implementation
4. To ensure projects meet their objectives

The computerised PMS was found necessary due to the increase in the number of projects to be implemented in the subsequent plans. It is basically a management tool to assist decision makers in gathering information regarding project implementation, identifying problems, determining the size and gravity of the problems, determining its causes and formulating alternative solutions. The system caters for all levels of users, the National Action Councils and Ministries at the Federal level, the State and District Action Committees at the State and District level.

The PMS was a centralised system whereby quarterly reports were sent by the implementing agencies to ICU for processing. It has its shortcomings in that it was a centralised system where all processing of information was done at ICU. As such, by the time all the forms were processed (numbering around 18,000 - 19,000) the information thereby generated by the system were already out of date and thereby not of much use for the purpose of making decisions. This brought about a review of the PMS giving rise to the introduction of the SETIA System.

5. THE SEHIA SYSTEM

The need for SEHIA arose from a 1981 study undertaken by the Cabinet Committee On Steps to Speed Up the Implementation of Development Projects which found various limitations in the information system for planning and implementation of development projects in government agencies. More specifically, some of the problems faced were that some projects were not reported by implementing agencies; incomplete, inaccurate and late reporting; and the systems run by central agencies were not being properly coordinated. In order to resolve these problems, the Cabinet Committee made the following recommendations:-

Ministries/Departments with the assistance of the Implementation Coordination Unit should develop an information system or use existing systems meant for the same purpose specifically to plan and implement development projects and for making necessary decisions.

All information systems of the Central Agencies meant for the control and evaluation of the performance of development projects should be integrated. In this respect, all three systems, SIMKOM of the Treasury, the Project Monitoring System of the Implementation Coordination Unit and data collection activities of the Economic Planning Unit should be integrated so that only one information system will be used. Central Agencies and other agencies are encouraged to exchange information with one another.

It is in this environment that SEHIA, an acronym for (S)ystem (E)conomic Planning Unit, (T)reasury, (I)mplementation Coordination Unit, (A)ccountant General's Department, was conceived and then developed to advance the goals of national development.

5.1 OBJECTIVES OF SETIA

To implement the recommendations of the Cabinet Committee, SETIA was developed with the following objectives:-

1. To integrate the information systems of the Central Agencies
2. To develop an information system for the Ministries to plan and implement development projects

With the realisation of these objectives, the Central Agencies, Ministries and other agencies alike can share one common information system for better decisions on project performance.

5.2 SCOPE AND COVERAGE OF SETIA

The scope of SETIA is to provide an integrated information system on development projects for the Central Agencies, Operating Ministries as well as other agencies requiring the same kind of information. This method ensures the consistency of data used by all agencies concerned. The information captured in this system are on federally funded development projects as well as projects funded jointly by the Federal Government/State Government/Statutory Bodies. The information captured include such items as cost and plan allocation ceilings, scope and objectives, location, sources of funding, implementing agency, yearly budget allocations, planned implementation schedules, status of implementation, expenditures as well as problems encountered in implementation.

This is the first attempt at integration of the already existing information systems, namely, The Project Planning System of the Economic Planning Unit (EPU), The Computer-based Information System of the Treasury (SIMKOM), The Project Monitoring System (PMS) of the Implementation Coordination Unit (ICU) and the Federal Accounting System of the Accountant General's Department (AGD).

5.3 ORGANIZATION OF SETIA

SETIA is developed using the existing organizational and manpower resources of the Federal Government, involving the Central Agencies; EPU and ICU of the Prime Minister's Department, The Federal Treasury and, all Federal Ministries and State Development Offices. CHART 3 depicts the organisational structure of the Federal Government machinery for the management of development projects.

5.4 SYSTEM DEVELOPMENT

SETIA is completely developed in house by the SETIA project team of ICU assisted by a Steering Committee consisting of representatives of EPU, Treasury, ICU and AGD. The system has been designed taking into account most of the critical information needs of the Central Agencies as well as the operating Ministries using the hierarchical distributed processing technique. The processing of information is distributed to the respective agencies to meet their information requirements as shown in CHART 4 . The information generated at the source level is transmitted and integrated at ICU to form the main SETIA database to be shared by all agencies concerned.

Management of the main SETIA database is handled by ICU which also controls all computer operations. EPU, Treasury, AGD as well as Operating Ministries manage the respective data bases at their own remote locations.

5.5 SOURCES OF DATA AND INFORMATION FLOW

The sources of data and inflow of information in the SETIA System is integrated with the activities of the projects namely:-

MACHINERY FOR MANAGEMENT OF DEVELOPMENT PROJECTS

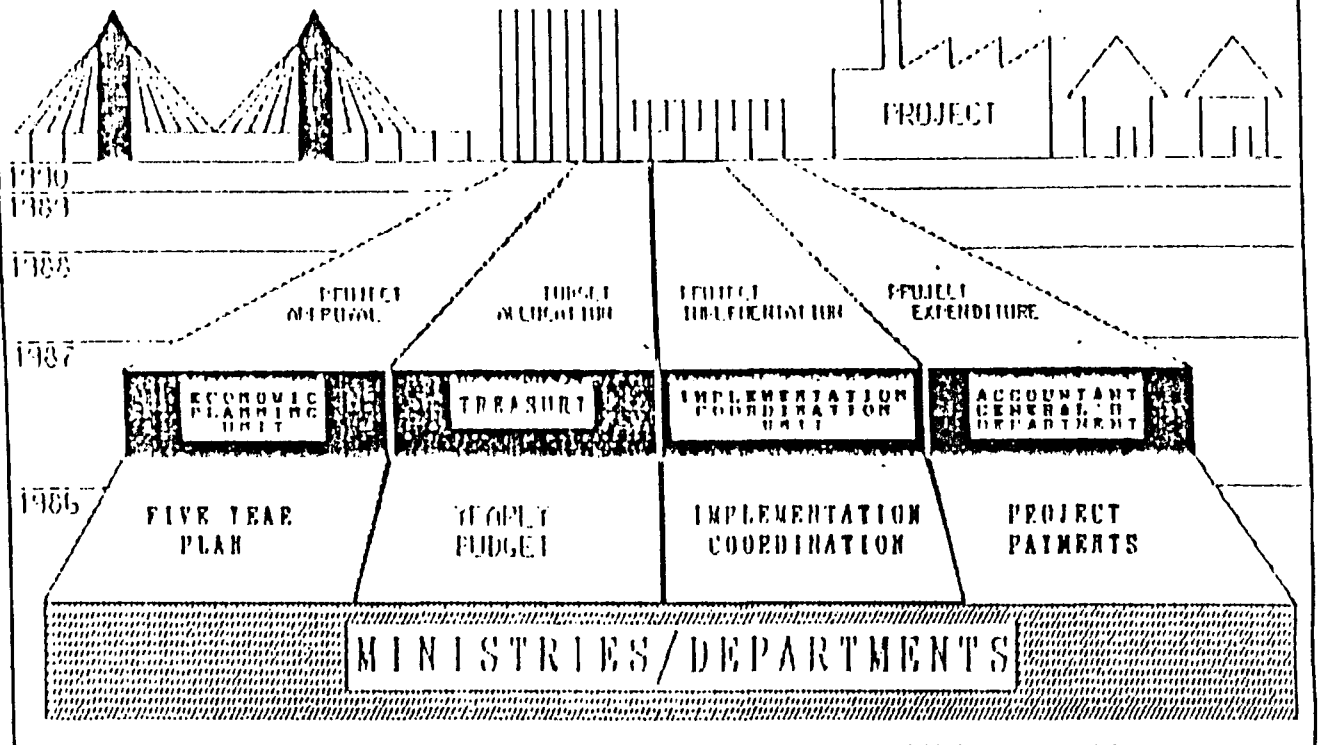


CHART 3: MACHINERY FOR MANAGEMENT OF DEVELOPMENT PROJECTS

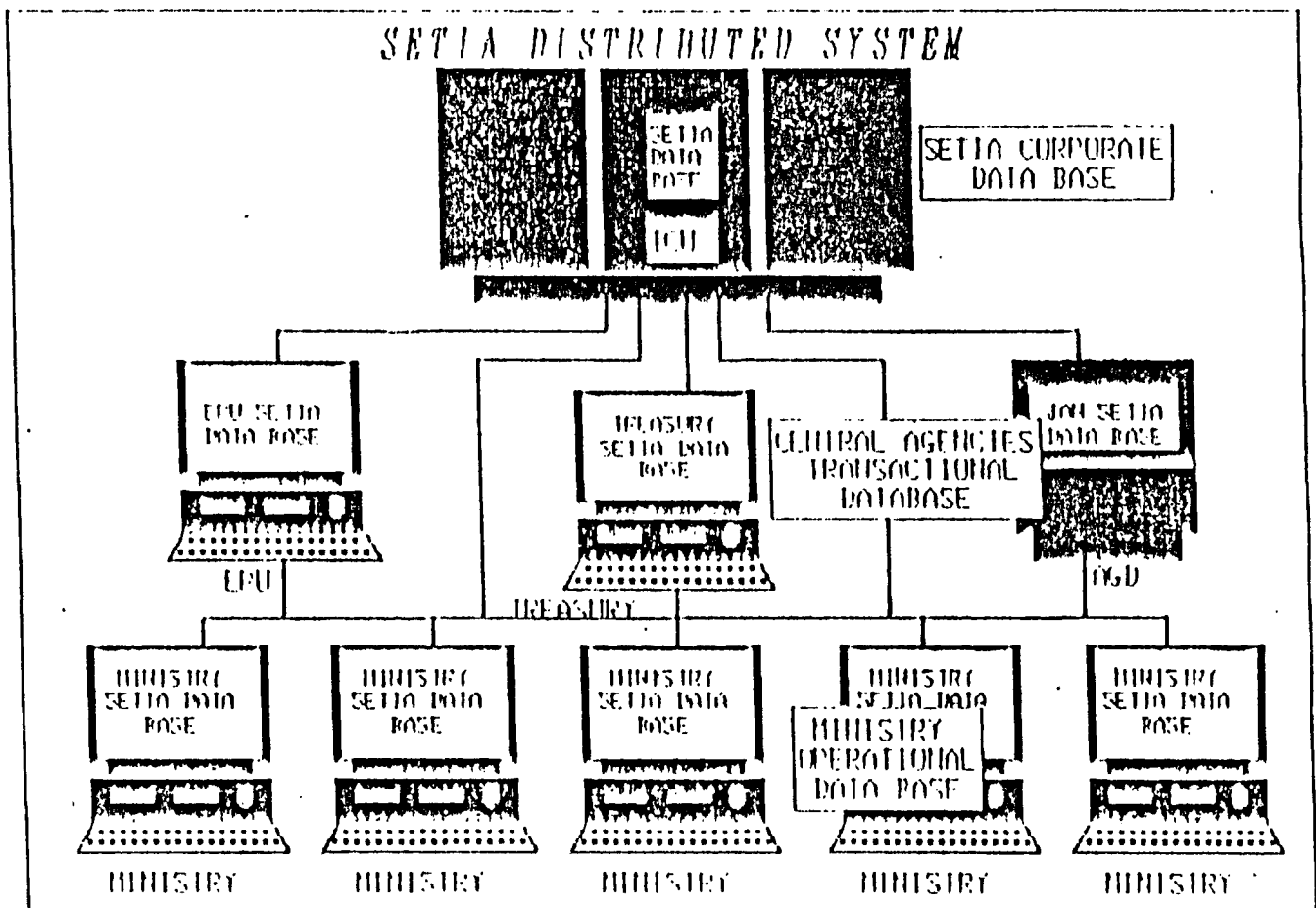


CHART 4: THE SETIA DISTRIBUTED PROCESSING SYSTEM

1. Project planning and approval
2. Project yearly budget approval
3. Monitoring the progress of project implementation
4. Project payment and disbursement of funds

5.5.1 Project Planning and Approval

The purpose of this subsystem is to register development projects which have been approved by EPU for implementation using SI forms. It also forms the basis for the creation of projects and filled only once in the life time of the project. On receipt of SI, EPU will examine the project proposed and subsequently assign a project identification number and register the approved project using the computer provided for this purpose. Information on the approved project is then transmitted to the host computer at ICU to be kept in the Main SETIA database. ICU will then print the information on project list approved and release it to EPU who will notify the relevant ministries/departments. The same information will also be transmitted by ICU to the respective ministries/departments and State Development Offices to be kept in the personal computers at their respective offices.

5.5.2 Project Yearly Budget Allocation

Form S2 is a computer printout produced by the Ministries, or ICU depending on the number of projects in order to request for yearly budget allocations from the Budget Division of the Treasury for all the projects that have been approved by EPU under the Plan. On approval of the yearly budget, the Ministries will input into their PC system the yearly budget allocation approved for the projects. This information is also transmitted by the Ministries to ICU to be kept in the Main SETIA database.

5.5.3 Monitoring the Progress of Project Implementation

All agencies implementing the projects are required to report the physical progress of their active projects or project components as and when there is a change in project performance, to the Ministries which will then update the progress in their personal computers. The Ministries will transmit these information to ICU at the beginning of each month, or quarterly depending on the progress of the project, and this information will be kept in the main SETIA database.

5.5.4 Project Payment and Disbursement of Funds

The Ministries, Departments and Agencies send in payment and journal vouchers to AGD for payment on federally- funded projects. From these source documents, data is captured in the computer of the Headquarters of AGD. The SETIA Secretariat will receive this information monthly via magnetic tapes.

Statutory bodies and self-accounting departments that are commercially- oriented or receive their federal development allocations that are channelled through State Government, will submit the information on payments and the progress reports to the Ministries as vouchers produced by these agencies are not sent to AGD. The conceptual structure of the SETIA system is shown in **CHART 5**.

6. THE SETIA DISTRIBUTED COMPUTERISED SYSTEM

The Fifth Malaysia Plan (1986 - 1990), recognises the importance and increasing roles of Information Technology (IT), particularly in the areas of planning, budgeting, monitoring and evaluation. It is towards this end that the distributed computerised system was implemented. Under this system, the ministries and State

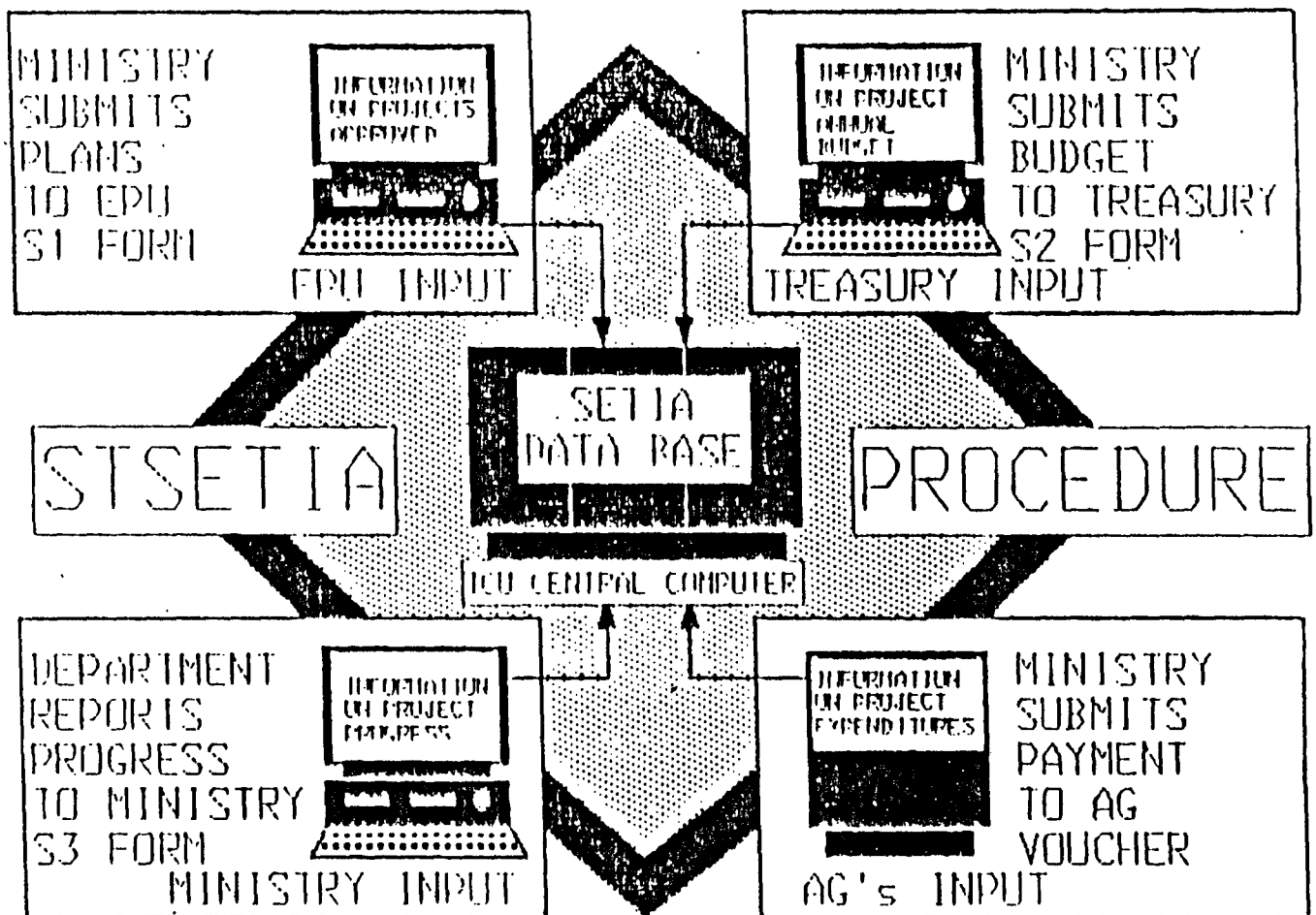


CHART 5: THE CONCEPTUAL STRUCTURE OF SETIA

Development Offices are provided with a Personal Computer (PC) and a printer and they are linked directly to the main computer system at the Implementation Coordination Unit (ICU), Prime Minister's Department in Kuala Lumpur.

The system provides the facility to input, update, process, store, transmit simple output formats for use of the relevant decision makers. Some query programmes are also provided for access to the main data base. This access can be made through 3270/3179/3279 terminals or its compatibles which are linked to IBM CPU 3083 at ICU. The Chief Executive Information System (SMPKE) at the Prime Minister's Office is also linked to the SETIA system through a software called System Network Architecture (SNA). As such SMPKE users at the ministries can also access relevant information from the SETIA system through their terminals. Access to the subsystem can be effected from the stand alone PCs both at the ministries and the SDO offices. An exercise has been prepared for participants to use the SETIA Corporate Database in the workshop and hands on session this evening to get a feel of the system.

7. IMPLEMENTATION ISSUES

As with any computerised system, the issues that had to be addressed in the development and implementation of the SETIA System are:-

1. Budget
2. Manpower and skills
3. Hardware and software
4. User education and acceptance

Fortunately for ICU the first three factors did not present too much of a problem. This is because ICU is not new in the use of IT, as computers were already used by the Unit since 1978. As such it already had most of the hardwares and man-

power required for the development of the system. The only additional items that has to be acquired for the development and implementation of the system are terminals, PC's and other peripherals for the distributed system as well as softwares. The cost for these additional items was about US \$800,000 for which ICU did not find any difficulty in obtaining the budget as the use of IT is a priority in the allocation of funds in the effort to modernise the Malaysian Government machinery. However, this does not reflect the real cost of the system as it does not take into account the existing hardware and manpower. Had the system started from scratch a reasonable estimate for the budget of the system would be in the region of US \$3,000,000.

In terms of manpower skills too, ICU did not face much problems. This is because ICU already has trained DP personnel to develop and maintain the system. The choice of suitable softwares too did not present much problem with the availability in the market today of advanced development tools to simplify and speed up development work.

It is the last factor, user education and acceptance, which presented the most problems in the development and implementation of SETIA. Being layman, most of the users are strangers to computers. This was recognised as the critical success factor of the SETIA system throughout the whole process of the development of the system from system design to user application. It took the development team in ICU 5 years to come up with a system simple enough for a non DP user.

On the issue of user acceptance, a great deal of effort was concentrated on the functionality and user friendliness in the design of the system. To ensure acceptability to the user, the applications were designed around the working environment of the user, that is by computerising the daily activities of the users such as prepa-

ration of project proposals, budget requests and project reports. To ensure user friendliness, the system is designed by providing menu driven keys whereby the user only needs to select the designated keys to perform the specific tasks thereby eliminating elaborate programming. To ensure usefulness of the system, besides the online help provided in the system, the needs of the users are consistently entertained by providing sub-systems pertaining to the needs of the individual users.

8. BENEFITS AND IMPACT OF SETIA

The reporting system of SETIA on project management and implementation is a fairly comprehensive one. The move towards computerization, integration and distributed system is a step in the right direction. However, monitoring system cannot function on a comprehensive reporting system alone. There have to be other complementary devices or strategies in order to ensure the system that is working now will continue to be growing and working effectively. Some of the expected benefits from SETIA can be summarised as follows:-

1. In the immediate term, by inputting data at the critical stages of project planning, yearly budgetting, project monitoring, and project payment, and consolidating all data into a single database, integration and coordinated project management are achieved through the SETIA system.
2. Data need to be gathered only once, and the information gathered can be used by all the four central agencies concerned as well as any other agencies requiring information on development projects.
3. This will also relieve the reporting workload of agencies.

4. SEETIA has built within it several means of control in order to ensure much of the data is captured in the system.
5. Monitoring becomes apparent not only in the formal reporting channels described above, but also in the other three management processes, viz national economic development planning (Five Year Plan and Mid Term Review Plan), annual budget allocation (under or over spending), and fund disbursements (money given out for actual progress of implementation).
6. The placement of the central monitoring function under ICU of the Prime Minister's Department and the roles of the National Action Council, whose Chairman is the Prime Minister, has contributed significantly in the leadership roles of monitoring. The same pattern of influence can be discerned at the State and District levels, where the Chief Minister and District Officer chair State Action and the District Action committee meetings respectively. This is a deliberate arrangement born out from the 30 years experience in project monitoring.
7. It should also be noted that the EPU, the Budget Division, and the Accountant General's Department, whose function also include monitoring, are all attached to powerful organisations, that is the Prime Minister's Department in the case of the EPU, and the Treasury in the case of the other two.

It is still too early to assess whether SEETIA has created an impact or not at this juncture. The system still needs adjustments to suit user needs. There are still some flaws which need to be corrected, namely the absence of real time data. Data capture is still periodic in nature. The monthly updating schedule is often not consistently met as some agencies at the state and the district levels find it difficult to submit progress reports on schedule owing to lack of manpower personnel.

The absence of fail-safe system of verifying the accuracy of progress reports is also a matter of concern. The verification process is largely attributed to site visits by decision makers. As long as such visits are frequent and visitors are men of authority, then the system can work to ensure reliability.

Notwithstanding the above, SFHA is creating some ripples now. An Executive Committee of the National Action Council has just been set up under the Chairmanship of the Chief Secretary to the Government. The Committee would monitor and oversee the overall progress of Fifth Malaysia Plan projects, identify administrative bottlenecks hampering project development, and make decisions to speed up the process of the project implementation.

At the recent sitting of the Committee, fifty recommendations were made to speed up implementation. These decisions have far reaching implications on the strategy of implementation for 1989 and subsequent projects under the Plan. The Treasury has been directed to send approval letters on annual allocation of projects in September and not to wait until January of each year through the issuance of allocation warrant. All these procedures will give ministries and implementing agencies ample time to do preliminary work on the project so that it would be ready for implementation at the beginning of the year.

A seminar was organized jointly between ICU and INTAN for all project managers and those involved in project implementation, from the central agencies, ministries, state governments and district administration. The problem solving seminar formulated 39 new procedures and strategies to speed up the implementation of Fifth Malaysia Plan projects.

The flow of information from the state to the ministry and central agencies, and the subsequent analysis made has assisted in strengthening the capacities of those agencies in monitoring and evaluating their own performance.

CONCLUSION

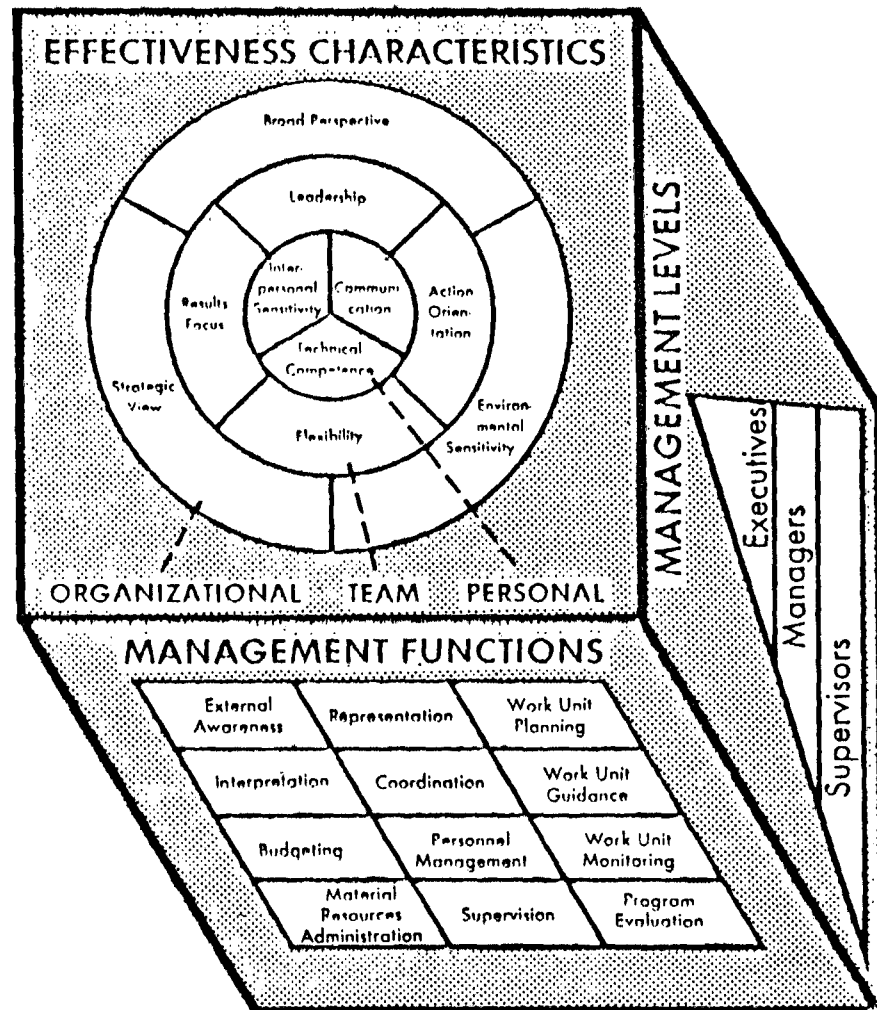
Seen in the context of conventional model of system development, the development of the SETIA system can be considered as a successful exercise. Not only has user participation actively effected in the various phases from strategic design and application development, to testing and implementation, but interagency cooperation and linkages forged amongst the four central agencies and the Ministries have also been more effective. This augurs well for the future of SETIA.

There is no simple way to emulate the SETIA system of Malaysia as the system has been tailor made to suit the Malaysian environment and its administrative structure. It is imperative that these factors must be taken into consideration by any country interested in introducing a similar system.

SETIA SECRETARIAT
IMPLEMENTATION COORDINATION UNIT
PRIME MINISTER'S DEPARTMENT
KUALA LUMPUR
MALAYSIA
SEPTEMBER 1989

The Management Excellence Framework

A Competency-Based Model of
Effective Performance for
Federal Managers



United States
Office of
Personnel
Management

Office of
Training and
Development

Policy and
Systems
Division

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Overview of the Framework

A Competency-Based Model. Under its guidelines published in FPM Chapter 412 on Executive, Management, and Supervisory Development, in the U.S. Office of Personnel Management (OPM) is responsible for developing and maintaining a competency-based model of effective performance for Federal executives, managers, and supervisors. The Management Excellence Framework (MEF) is that model.

Focus on Managerial Performance. The most critical information needed for successfully designing, implementing, and evaluating career development programs for executives, managers, and supervisors addresses the question of what managers must be able to do to be effective. The Management Excellence Framework (MEF), a research-based conceptual model of managerial performance developed by OPM, consolidates such information for the Federal government. The MEF describes management jobs and managerial performance in a way that distinguishes those elements that are necessary to achieve management excellence—those managerial actions that result in the successful implementation and administration of Federal policies and programs—by focusing on the *who*, *what*, and *how* of Federal managerial performance.

A Descriptive Model. The MEF, a descriptive model, is based on an OPM program of research designed

to identify common tasks and actions required of Federal managers in a wide variety of settings. As the research developed, those common elements were confirmed and grouped into a structure that ultimately became the MEF. To simplify the model, broad categories of tasks and practices were developed.

A Three-Dimensional Model. The MEF organizes its elements along three dimensions:

- Management Functions** covering the “*what*” or content of management work—tasks, roles, and responsibilities;
- Effectiveness Characteristics** describing the “*how*” or style of effective managers—their skills, attitudes and perspectives; and
- Management Levels** indicating the “*who*” of the Federal management team—its executives, managers, and supervisors.

Figure 1 depicts the framework and its component dimensions. The MEF's elements establish a common language that permits meaningful comparisons across the immense variety of Federal management positions. They can also be used to differentiate managers and describe the performance expected of particular individuals or groups in distinctive terms. The framework's elements are always easily translated back into specific competencies.

Agency Use of the Framework

Using the MEF, each agency and field activity can design and implement a career development system for its management team. The MEF was developed to help agencies implement and comply with the guidance in FPM Chapter 412.

Specifically, agencies can:

- Save staff and managerial time that would be required for analyzing the major competencies of individual management positions to establish a competency base for designing, implementing and evaluating appropriate career development strategies for executives, managers, and supervisors.
- Solve the problem of how to understand and structure information about what managers do and to use it for measuring or monitoring the progress of career development efforts and assessing organizational impact.

- Clarify roles and responsibilities within the management team, especially at different levels to identify key career transitions.
- Assess the distribution of management competencies within the management team.
- Surface areas of developmental needs for groups and individuals.
- Identify appropriate developmental approaches to fulfill particular needs.
- Provide a competency-based structure for designing and evaluating training courses and other developmental activities.
- Establish a foundation for comparing management jobs, training needs, and developmental activities across agencies and field activities, so organizations can use each other's program resources and share production costs.

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The Management Excellence Framework

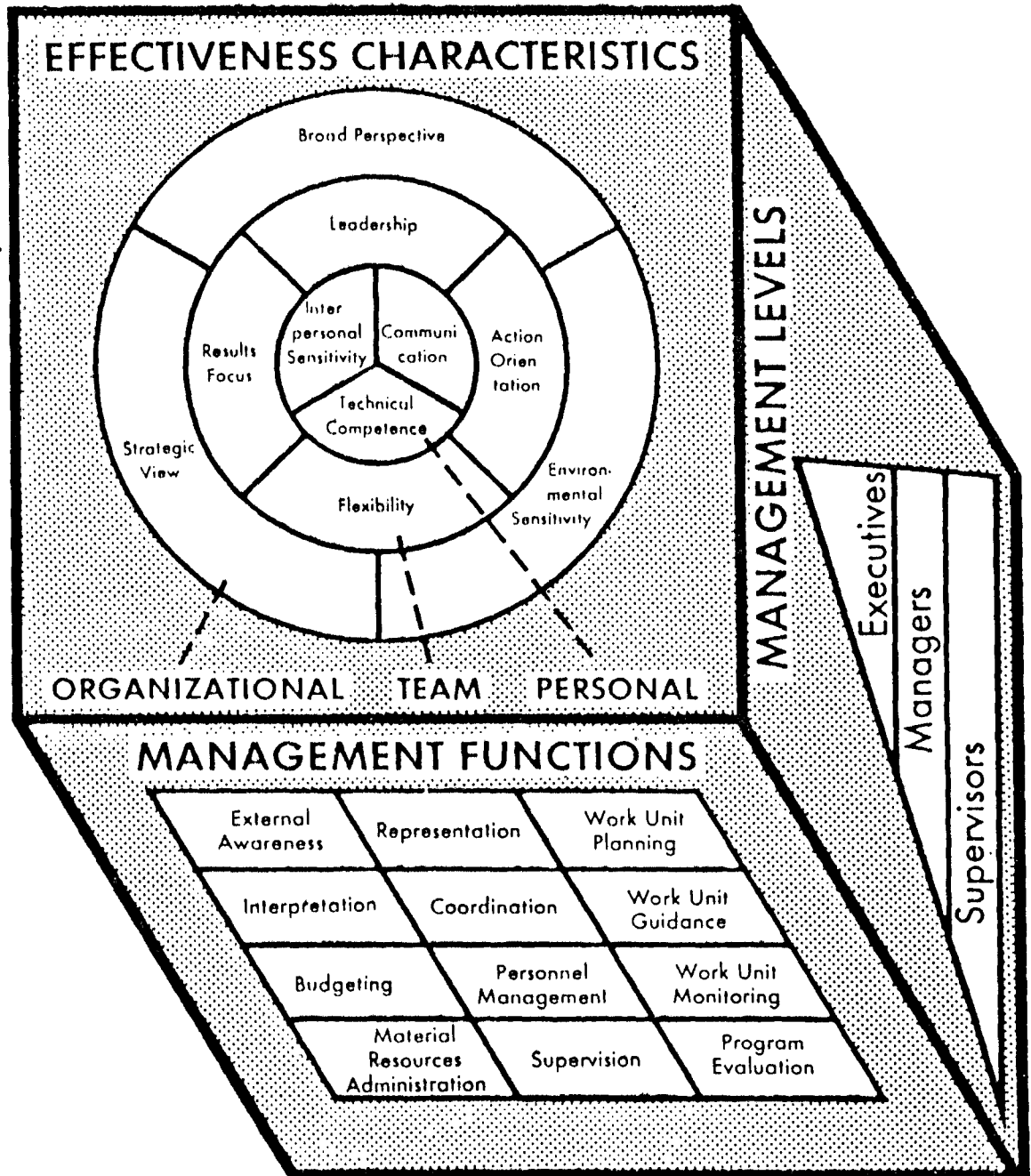


Figure 1

Related OPM Guidance Describing Management Performance

The MEF's description of effective management performance is consistent with OPM policy and guidance published elsewhere with respect to other personnel management functions and purposes. For example, in the general staffing area, materials on both qualification and classification standards reflect the domains of managerial performance the MEF describes. The Qualifications Review Board uses six executive activity or competency areas to certify the qualifications of candidates for initial career appointment to the Senior Executive Service.

- I. Integrating Internal and External Issues
- II. Representing and Coordinating
- III. Planning and Guiding
- IV. Administering Money and Material Resources
- V. Utilizing Human Resources
- VI. Reviewing Implementation and Results

These six competency areas were derived from the same research on which the MEF is based. They correspond directly to pairs of the management functions and also capture the effectiveness characteristics of the MEF.

At the manager and supervisor levels, the *X-118 Qualification Standard Handbook* includes a section on "Supervisory Positions in General Schedule Occupations," which describes managerial and supervisory responsibilities and the abilities and attributes candidates must demonstrate to qualify for supervisory positions in grade GS/GM-15 and below. The position classification standard contained in OPM's *Supervisory Grade-Evaluation Guide* defines and distinguishes the duties and responsibilities of managerial and supervisory positions; the level distinctions made there have been adopted for the MEF. In the performance appraisal area, OPM's publication, *Appraising Managerial Performance . . . Suggested Elements and Standards for Executives, Managers, and Supervisors*, provides generic criteria for common job responsibilities and basic management activities. In each of these issuances, the language used to describe the responsibilities and successful performance of Federal managers is congruent with MEF language and concepts.

Dimensions of the Framework

Management Functions. The first dimension of the MEF describes *what* executives, managers, and supervisors do and comprises twelve general management functions. This dimension covers the content and nature of management work in the Federal sector—executive, managerial, and supervisory (E-M-S) tasks, roles, and responsibilities. Figure 2 defines the twelve management functions.

Effectiveness Characteristics. The second dimension of the MEF describes *how* successful executives, managers, and supervisors perform using skills, attitudes, and perspectives that increase the likelihood of effective performance. Related components of management effectiveness are grouped into ten general effectiveness characteristics. Those ten characteristics are then clustered according to the individual, work unit or organizational performance level for which the management team is responsible and where the characteristics become critical to success. Figure 3 provides the characteristics and their key component skills, attitudes, and perspectives, and shows how they are clustered.

Figure 3's visual representation of these characteristic clusters as concentric circles or rings illustrates an im-

portant point about the relationships among the clusters: the need for these characteristics is generally cumulative as a manager becomes responsible for the performance of larger units. In other words, first-line supervisors must apply their communication skills, interpersonal sensitivity, and technical competence to assure excellent personal performance for themselves and by their individual subordinates. In addition, their actions must begin to reflect the characteristics from the next cluster (or ring, in figure 3) to produce effective work unit performance. Managers must display the characteristics from the two central clusters (personal and team effectiveness) and begin to apply the characteristics that affect the performance of the larger organizations they manage. Finally, executive performance, which explicitly is to be judged against organizational performance criteria, must reflect the full range of effectiveness characteristics.

This dimension of the MEF recognizes that management excellence requires more than just *doing* a set of management functions. It requires doing them *well*. The effectiveness characteristics capture the management styles that distinguish high performing executives, managers, and supervisors.

Management Content Dimension of the MEF

Management Functions

External Awareness:	Identifying and keeping up-to-date with key agency policies and priorities and/or external issues and trends (e.g., economic, political, social, technological) likely to affect the work unit.
Interpretation:	Keeping subordinates informed about key agency and work unit policies, priorities, issues, and trends and how these are to be incorporated in work unit activities and products.
Representation:	Presenting, explaining, selling, and defending the work unit's activities to supervisor, others in the agency, and/or persons and groups outside the agency.
Coordination:	Performing liaison functions and integrating work unit activities with the activities of other organizations.
Work Unit Planning:	Developing and deciding upon longer-term goals, objectives, and priorities; and developing and deciding among alternative courses of action.
Work Unit Guidance:	Converting plans to actions by setting short-term objectives and priorities; scheduling/sequencing activities; and establishing effectiveness and efficiency standards/guidelines.
Budgeting:	Preparing, justifying, and/or administering the work unit's budget.
Material Resources Administration:	Assuring the availability of adequate supplies, equipment, facilities; overseeing procurement/contracting activities; and/or overseeing logistical operations.
Personnel Management:	Projecting the number and types of staff needed by the work unit, and using various personnel management system components (e.g., recruitment, selection, promotion, performance appraisal) in managing the work unit.
Supervision:	Providing day-to-day guidance and oversight of subordinates (e.g., work assignments, consultation, etc.); and actively working to promote and recognize performance.
Work Unit Monitoring:	Keeping up-to-date on the overall status of activities in the work unit, identifying problem areas, and taking corrective actions (e.g., rescheduling, reallocating resources, etc.).
Program Evaluation:	Critically assessing the degree to which program/project goals are achieved and overall effectiveness/efficiency of work unit operations, to identify means for improving work unit performance.

Note: Each management level does not necessarily perform *all* the aspects of each function as described here.

External Awareness	Representation	Work Unit Planning
Interpretation	Coordination	Work Unit Guidance
Budgeting	Personnel Management	Work Unit Monitoring
Material Resources Administration	Supervision	Program Evaluation

Figure 2

Management Effectiveness Dimension of the MEF

Effectiveness Characteristics

Broad Perspective:	Broad, long-term view; balancing short- and long-term considerations.
Strategic View:	Collecting/assessing/analyzing information; problem identification/ analysis; anticipation, judgment.
Environmental Sensitivity:	"Tuned into" agency and its environment; awareness of importance of non-technical factors.
Leadership:	Individual, group; willingness to lead, manage, and accept responsibility.
Flexibility:	Openness to new information; behavioral flexibility; tolerance for stress/ambiguity/change; innovativeness.
Action Orientation:	Independence, proactivity; problem solving; calculated risk-taking, decisiveness.
Results Focus:	Concerned with goal achievement; follow through, tenacity.
Communication:	Speaking; writing; listening.
Interpersonal Sensitivity:	Self-knowledge and awareness of impact on others; sensitivity to needs/strengths/weaknesses of others; negotiation, conflict resolution; persuasion, selling.
Technical Competence:	Specialized expertise (e.g., engineering, physical science, law, accounting, social science).

Note: Each management level does not necessarily perform *all* the aspects of each characteristic as described here.

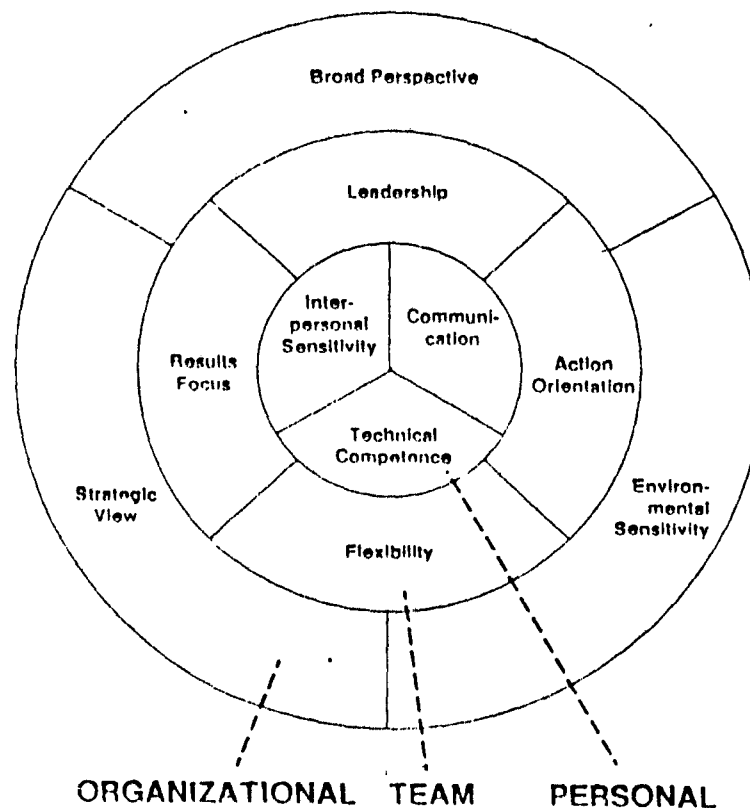


Figure 3

Management Level. The third dimension of the MEF covers *who* the executives, managers, and supervisors are—three groups or levels of managers whose performance the overall framework describes. The distinctions between levels are made most clearly in terms of differences in the substance of jobs at each level. That is, at higher levels, job duties and requirements change in scope and breadth and not just in their intensity or tech-

nical subject matter. Thus, if a person moves from supervising three people to supervising thirty, but the job still requires only a narrow focus on immediate work unit production, the person is still considered a supervisor. The traditional hierarchical pyramid depicting these groups in figure 4 conveys their supervisor-subordinate relationships as well as their relative numbers.

Management Level Dimension of the MEF

Management Levels

- Executives:** Have the most complex jobs and generally are members of the Senior Executive Service.
- Managers:** Have broader, more complex responsibilities than supervisors; become more involved in coordinating the work of others and dealing with longer-range issues than supervisors; may or may not manage subordinate supervisors.
- Supervisors:** Have first-level responsibility for managing day-to-day operations and carrying out directives from higher management.

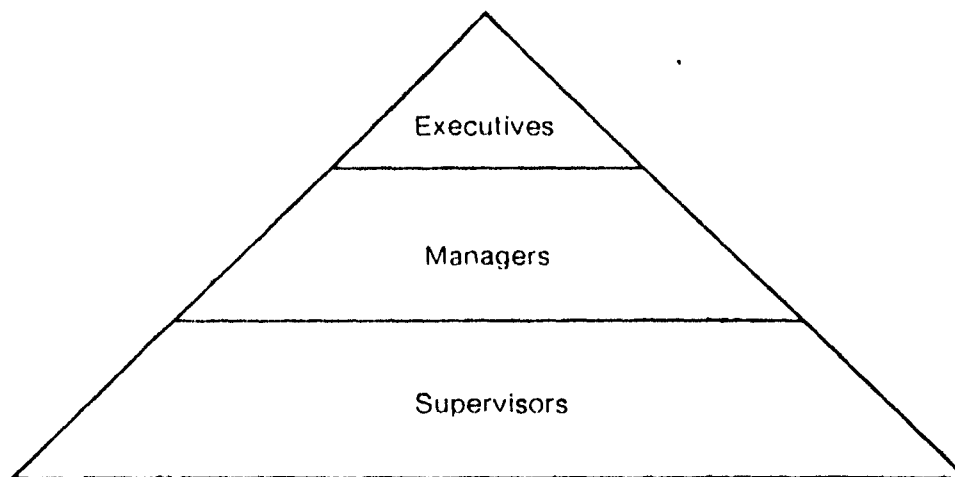


Figure 4

Source of the Framework: The Research Base

OPM's Systematic Research Program. The MEF is the product of a systematic research effort that began in 1978. Its goal was to address the question described earlier concerning what managers must do to be effective. A variety of research methods and sources have contributed to the development of the MEF. Original research on the jobs and roles of Federal managers used a standardized survey instrument and a Governmentwide sample of managers. In-depth critical incident interview studies focused on the performance of several different groups of executives, managers, and supervisors, including individuals identified as superior performers. The research results of other Federal management studies and private sector studies, as well as current private sector theories of management effectiveness, were reviewed carefully for their cross-validation of the findings and directions that were emerging from OPM's data. Subsequent field studies and applications of these results have provided continual testing and validation for the MEF. As a result, the MEF has a solid empirical basis that both demonstrates its consistency with other emerging theories of management competencies and gives it unique relevance for the Federal government.

Research Results Relevant to E-M-S Career Development. A set of research findings from several studies have been integrated and applied to the MEF in a way particularly germane to E-M-S career development concerns. While many factors can be observed and tracked across the elements of the MEF, assessing the *relative importance* of its component competencies for the different groups in the management team is useful in charting the nature and progression of a management career. Differences in importance *within* a level of management help define its particular qualities and demands. Differences in importance *across* management levels provide sharp focus to career transitions by specifying the competencies in which advancing managers must develop new or added proficiency. Figure 5 summarizes a substantial body of research evidence in its display of the relative importance of the ele-

ments of the framework as reported by respondents. Estimates of importance were based on time devoted to an element and the scope and impact of job responsibilities, roles, and functions.

Management Function Importance. As figure 5 indicates, supervisors have the most limited range of management responsibilities. Thus, Management Functions 1, 2, 3, 7, and 8 (see figure 2 for reference) are of relatively little importance; Management Functions 4, 5, and 12 are of moderate importance; and Management Functions 6, 9, 10, and 11 are of great importance. For managers, no management function is of less than moderate importance. This change implies some development of Management Functions 1—5, 7, 8, and 12 upon transition to the manager level. At the executive level, all twelve management functions are judged to be of great importance, given the scope and impact of the responsibilities that these jobs generally have.

Effectiveness Characteristic Importance. The pattern of relative importance of the effectiveness characteristics by level is similar to that of the management functions. As the scope of job responsibilities, roles, and impact increases, a richer variety of skills, attitudes, and perspectives must be displayed for effective performance on the job. The one exception to this pattern occurs with "Technical Competence." For supervisors, technical competence is of great importance since they are usually called upon to make technical judgments daily and often continue to perform a significant amount of technical work. As management responsibility broadens and increases, however, technical details recede in the daily world of managers and executives. They no longer personally perform the technical work and use their other, managerial competencies relatively more as they ensure the effective implementation of policies and programs. Managers and executives use their technical competence and skills in new ways and within the context of a manager's (rather than a technician's) role, principally by directing and evaluating the technical work of others.

Management Excellence Framework

Comparison by Level

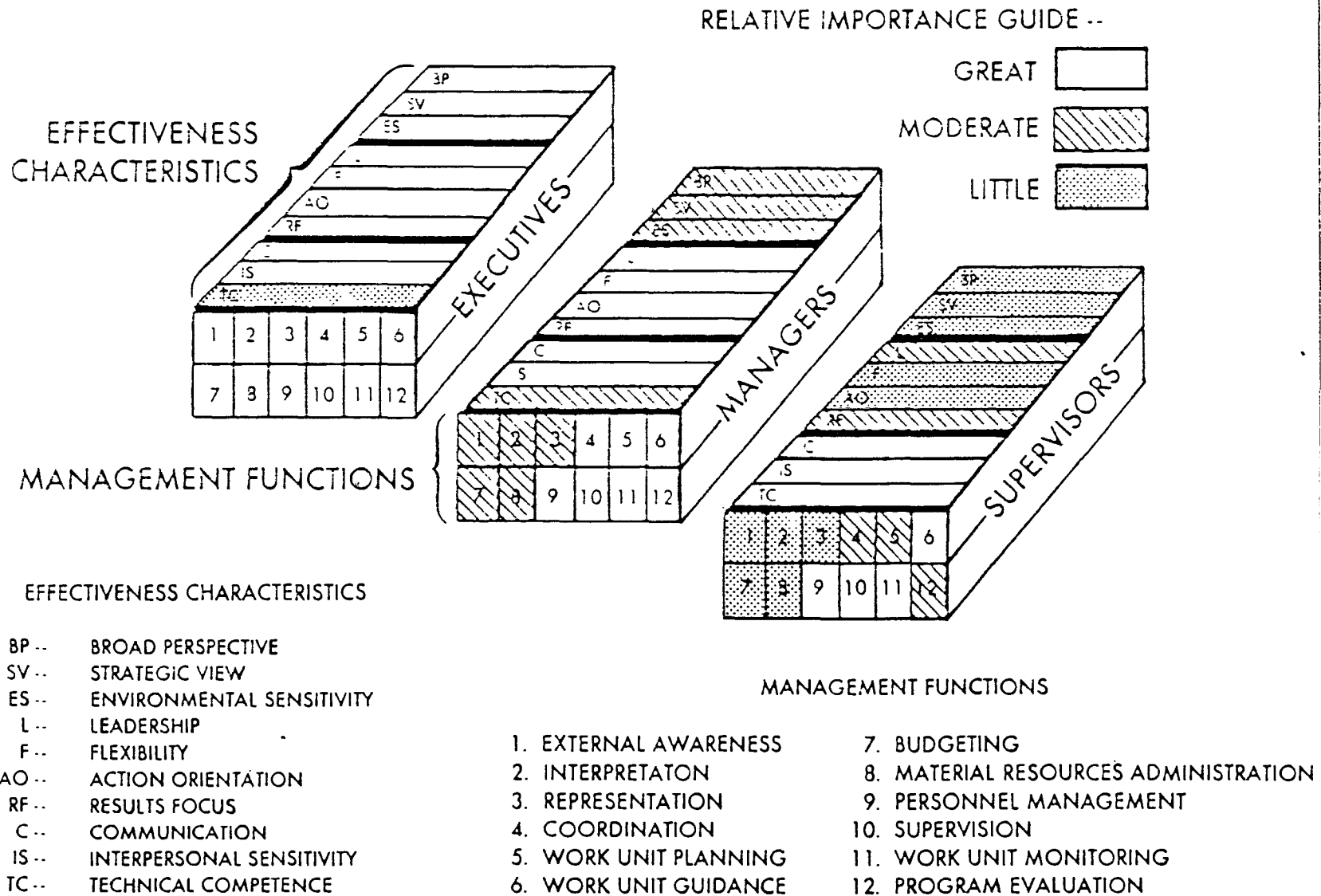


Figure 5

Applications of the Framework

Management Excellence Inventory. OPM has developed the Management Excellence Inventory (MEI) questionnaire as a primary tool for translating the general concepts of the MEF to specific management performance in defined organizational settings. Agencies can use the MEI to focus on and compare the distinctive competency requirements for Federal managers at different levels and career stages and in different organizational situations. Its principal use is to identify organizational (as well as specific individual) development needs and strengths. The MEI measures the components of the MEF by breaking them down into specific task and activity statements, which were identified as

part of OPM's larger research program, and uses a system for establishing importance levels that are specific to the organization (or particular jobs). Figure 6 gives an example of how the MEI measures the framework. Because the MEI systematically measures the requirements of the respondents' positions, assessments of development needs are automatically tailored to the unique aspects of each setting. In addition, an agency may add task and action statements as well as demographic questions that are specific to its needs. The MEI is published in two editions, one for executives and managers, and one for supervisors.

How the Management Excellence Inventory Measures Elements of the Management Excellence Framework

An Example:

Management Function

Program Evaluation: Critically assessing the degree to which program/ project goals are achieved and the overall effectiveness/efficiency of work unit operations, to identify means for improving work unit performance.

MEI Items

61. *Identify ways to improve the efficiency and effectiveness of work unit operations.*
62. *Critically and realistically assess the overall effectiveness of work unit.*
63. *Use project or job reviews or other evaluation information to improve work unit operations.*
64. *Assess progress toward achieving work unit goals.*
65. *Identify ways to improve work unit procedures, processes, or structure.*

Figure 6

National Management Career Curriculum. OPM develops and maintains a Governmentwide curriculum specifying the management competencies that need to be acquired at each level of management. Particular course offerings and other developmental experiences are keyed to those requirements. This approach, used with a needs assessment process grounded in the MEF, provides significant support for more efficient and effective allocation of E-M-S career development resources throughout the Federal government.

For More Information. Information about OPM training courses and other services relating to E-M-S career development can be obtained by contacting:

U.S. Office of Personnel Mgmt.
MEI Services (CEED)
P.O. Box 988/ Room 200
Washington, DC 20044
ATTN: Barry Brown (254-6946)

ANNEX L

METHODOLOGIES OF IMPACT ANALYSIS

A Summary of Selected Publications regarding Criteria

1. KEY FINDINGS OF METHODOLOGIES FOR MEASURING IMPACT -

Impact is a term indicating whether the project or programme has had an effect on its surroundings in terms of technical, economic, sociocultural, institutional and environmental factors. Impacts can be both positive and negative.

Impact assessments should focus on few, carefully selected impact areas that are of critical importance from the point of view of the main objectives of an intervention. The core impact areas stressed by international donor agencies are:

- a. Production and Productivity
- b. Income/Standard of living
- c. Food consumption
- d. Environment

For assessing these core areas three general criteria should be kept in mind: coverage (what proportion of target farmers increased their incomes by raising their production and productivity); sustainability (the benefits produced by an intervention should continue after donor assistance ends); economic efficiency (the project should have a positive rate of return on the investment).

The critical methodological issue in impact assessment is that of establishing the causal relationship between an intervention and the observed changes.

To determine whether changes have occurred in relevant impact areas, data are required on pre and post intervention status and usually on the intervening period.

Evaluators must combine informal, qualitative studies with quantitative measures to infer causal relationships.

Obtaining information quickly through rapid, low-cost methods can prove extremely fruitful. To assess the utility and validity of a wide range of low-cost impact measures, donors must evaluate in-depth at least some of their thousands of projects by establishing rigorous experimental situations.

Problems Identified

The participants of the workshop (sponsored by AID) identified several problems that confront evaluators. First many intervention impacts do not become visible during a project's life of 5 to 7 years. Second many projects impacts are not confined to the boundaries of a particular target area or sector. Third unanticipated effects remain unanalyzed. Fourth several projects are operating in the same area or sector, for this effects of one project cannot be separated from the effects of others for evaluation purposes. Fifth because projects operate within dynamic political and economic settings, many factors external to the project's setting also influence outcome.

2. EVALUATION - HOW EVALUATION FINDINGS ARE USED -

Evaluation as a profession meets two criteria for a useful impact study: a program has been implemented and for a sufficient time for results to have occurred. A third criterion for useful impact studies is also present: someone wants to know. Evaluations can provide data, identify strengths or weaknesses and provide varied comparative information, but they cannot decide. An internal evaluation is intended to have use for organizational improvement - whether they are descriptive, formative or summative in actual design. External evaluators have sometimes designed and conducted evaluation to satisfy criteria in a request for proposals. By virtue of being closer to the programmatic situation, the internal evaluator has greater opportunity to make evaluations useful.

Utilization of evaluation findings presents many challenges and choices to evaluators. It also places many demands on their time and requires the development of skills and abilities.

Rich (1975) has identified the use of evaluation finding as instrumental and conceptual. In the instrumental use of evaluation specific fact inputs are used in documentable ways to answer specific questions. The conceptual use influences policymaker's thinking about an issue but not necessary results in a documentable use of specific information. While instrumental uses of evaluation results may be relatively rare, conceptual uses can have a long - term and significant impact on policy decisions, how problems are defined, and in setting overall policy directions that are compatible with accumulated knowledge. Nagel has indicated that a more common use of an evaluation study is to solidify a direction in which an agency is already heading or to raise questions that might modify an established course.

To maximize the utilization of evaluation findings six steps have been identified --

1. Marketing Evaluation as a worthwhile Service:

Marketing is that change in executives' conceptual framework (Rich, 1975) such that every time they are involved in an upcoming major decision, they call on an evaluator to gather and present relevant information about the issue.

2. Developing and Focusing Policy Questions:

When policy questions are not of major concern to policymakers, the potential use of evaluation findings is minimized and the credibility of the results jeopardized. Another issue relevant to the topic of policymaker is the pros and cons of in-house evaluations seeking outside funding for research projects.

3. Planning and Designing the Evaluation:

This activity involves taking an identified policy question and developing it into an evaluation study. To be successful, evaluators must use their knowledge of the system and of the program being studied. To plan and design the most appropriate evaluation, it is usually necessary to have numerous discussions with field and executive staff to understand the program or service to be studied and the expectation of the study. Once a preliminary plan is developed, discussions are necessary with stakeholders, as well as with those who have requested the evaluation or who may be impacted by its results.

4. Conducting the Evaluation:

The activity includes implementing the design and analyzing the data. Interpretation of results must be decision oriented. The evaluator should not think that a purely descriptive study will be useful. Evaluator should also be concerned about achieving credibility for the evaluation. Another major issue in conducting evaluation is how to continually involve decision makers so that their interest is not lost and they will be primed to use the study's results at some future time. An evaluation with a seriously flawed methodology will have limited instrumental uses and may even damage conceptual uses by casting doubt on the evaluator's credibility.

5. Translating Findings:

This activity focuses on knowledge and communication and has both technical and interpersonal aspects. Interpersonal contacts can have an impact on conceptual uses of evaluations by building a positive image of the evaluator, maintaining involvement, marketing the evaluation service, and shaping the decision maker's thinking on this subject. The use of case studies and anecdotal data is helpful in making others understand and utilize evaluation results.

6. Making People Pay Attention to Evaluation Results:

This activity relates most to instrumental uses of evaluations. An important ingredient in ensuring an evaluation use is knowledge about the legislative, state or agency decision - making processes to be impacted. If an evaluator expects evaluation results to have a systemwide impact, then someone has to be willing and sufficiently interested to act on them.

Failure to use evaluation results, instrumentally or conceptually means a failure of the evaluation itself. Just as we make every effort to secure resources or to make design modifications to ensure that the evaluation is effective, so should we act to maximize its utilization.

3. HOW RAPID LOW COST METHOD IS USED TO INVOLVE STAKE HOLDERS -

Several rapid, low cost data collection methods exist that can provide useful information for project monitoring and evaluation. These methods gather information which can be used to support the impact assessment strategies. Although these methods do not involve rigorous procedure for data collection and analysis, they can deliver relatively accurate information on a wide range of subjects. In many cases such approaches can substitute for more expensive, rigorous methods to save resources and time. They are usually more appropriate for understanding a phenomenon or process than for measuring it precisely.

The five major types of rapid, low cost methods are as follows:

1. Key Informant Interviews:

This method is the most widely used rapid low - cost data collection method. These interviews involve in - depth discussions on a specific topic with knowledgeable persons in order to obtain data opinions, and perspectives on a topic.

2. Focus Group Interviews:

In focus group interviews, participants discuss ideas, issues, and information among themselves under the general supervision of a moderator.

3. Community Interviews:

It takes the form of community/village meetings open to all members. Experience has shown that community interviews can be a valuable source of information and ideas for development projects.

4. Direct Observation:

This method involves intensive and systematic observation of a phenomenon or process in its natural setting.

5. Informal Surveys:

The common perception of surveys is that of long studies based on probability sampling which focus on a multitude of variables. These are costly and time consuming and require a sophisticated organizational apparatus.

Focus group interviews have long been used by marketing researchers in industrialized nations to gauge the reactions of potential consumer to new products and services to discuss a specific topic. Focus groups can generate a variety of information for development interventions. They are especially useful for understanding the perspective, attitude, behaviours and concerns of different groups - project staff, project beneficiaries, field staff involved, and other stakeholders in a project. During the project implementation, focus group interviews can provide explanations for the behaviour of the group, the project is intended to benefit.

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June, 1989.

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United States Agency for International Development
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Savar, Dhaka.

International Commission on
Irrigation and Drainage

Seventh Afro-Asian Regional Conference
Tokyo, 1989

EXPERIENCES WITH EVALUATION OF
WATER DEVELOPMENT PROJECTS IN BANGLADESH

MD. ABUL QUASSEM

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Abstract

In a world where funds are scarce, every decision to do something means a corresponding decision not to do something else. This makes it imperative to try to get as much as possible from the investment in a project. Project evaluation at various stages (ex-ante evaluation, ex-post evaluation and monitoring of on-going ones) can play an essentially important role towards that purpose.

Bangladesh Water Development Board (BWDB) is engaged in building infrastructures to protect land from floods as well as create facilities for irrigation and drainage. It has, so far, completed 376 large and small projects encompassing an area of 2.84 million hectare.

Usually the BWDB projects are evaluated at the pre-project stage for project appraisal, but ex-post evaluation of completed projects are very few and do not deal with the "extent to which" the project achieved their goals in terms of quantity, quality, time and cost at the planning stage. Those studies do not deal with the "why" questions as to the causes of their success or failure; also do not formulate the experiences and lessons which may be used in the planning, execution, operation and maintenance of new projects.

This paper deals with the above issues, discusses the limitations with project evaluation in BWDB, makes a number of recommendations for future evaluation studies and ends up with a number of remarks about the experiences on project evaluation obtained from the BWDB projects.

EXPERIENCES SUR PROJETS
D'EVALUATION DE DEVELOPMENT DES PROJETS D'EAU BANGLADESH

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