Objective Verifiable Indicators of Institutional Development
A Case Study of Road Organization in Bangladesh
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Design and application of institutional development components of highway projects should be carefully tailored to the nature of the road institutions concerned and the problems that they face. In the Bangladesh Second Road Rehabilitation and Maintenance Project (RRMP-II) "objectively verifiable indicators" (OVIs) were designed for monitoring the performance of the institutional development component. This note discusses how the institutional problems were identified, how the OVIs were chosen, and how the client institutions were persuaded to "buy" into this OVI process.

HOW THE PROBLEM WAS IDENTIFIED

In Bangladesh, there are three main institutions concerned with the development and management of the 15,000 km main road network. The Roads and Road Transport Division (RRTD) under the Ministry of Communication (MOC) is responsible for roads policy and economics. The Roads and Highway Department (RHD) is responsible for engineering implementation. The Bangladesh Road Transport Authority (BRTA) is responsible for road safety and road transport related issues. Findings by the Bank and the Borrower during the supervision of previous road projects in Bangladesh revealed that, in general, the institutional capacity of these road institutions is not commensurate with the state-of-the-art planning and management of road investments.

The following were identified, during the preparation of the RRMP-II, as major weaknesses which might be addressed by institutional development:

- no systematic approach for recording and analyzing data collected on road condition surveys;
- no prioritized road maintenance program based on a well defined road maintenance strategy;
- no clear basis for the allocation of annual road maintenance and rehabilitation budget;
- inefficient local construction industry and no actions over procurement delays and cost overruns;
- some road and bridge structure failures, within their design life, due to lack of quality control;
- non-operational material testing laboratories and under-utilized equipment workshops;
- no concept of environmental management;
- no traffic management unit in the MOC though traffic congestion is a serious problem;
- more than 23,000 staff in RHD, but no system of keeping personnel records; and
- little evidence of the use of computers.

As a consequence, an institutional development component (IDC), aimed at capacity building of the related institutions, was introduced in the Second Road Rehabilitation and Maintenance Project (RRMP-II) under the IDA credit (Cr.2638-BD)(US$146.8 million). The project became effective in 1994 and is now under implementation. The British Overseas Development
Agency (ODA) participated in the project appraisal and agreed to provide grant aid for the IDC (US$8.8 million). To address the institutional weaknesses the IDC consultants introduced an outline of the IDC logical framework in their inception report and proposed, to members of the Institutional Review Committee, the active participation of all the related agencies in order to develop a complete logical framework for the IDC.

**HOW THE OBJECTIVELY VERIFIABLE INDICATORS (OVIS) WERE CHosen**

The goal of the IDC is to help provide a safe, cost-effective and well maintained main road network in Bangladesh. It aims to achieve that end by establishing an open dialogue to improve the efficiency of both the supplier and the client, and to agree how any associated problems should be dealt with in the best interest of all concerned.

In order to achieve that goal, twinning arrangements have been arranged with several local and foreign institutions. Mandatory management and technical training has been introduced for all staff. The program is also aimed at contractors who are not eligible to bid for RHD contracts until they have received appropriate training. Furthermore, ODA finances equipment only after pre-conditions have been agreed in writing about its application and training in its use and assurances about its maintenance and environment have been given.

Central to the program has been development of a “logical framework” for the IDC (as shown in Annex-I), linking goal, purpose, outputs and the activities, as the foundation for the development of a time based work plan. In total 15 logframes have been developed and about 5 more are being developed.

Indicators were established at two levels. The agreed "high level output" OVIS are as follows:

- road deaths/10,000 vehicles (target: 25% drop in by the year 2000);
- cost control (target: 90% success in keeping project within approved project cost limit); and
- road condition (target: 80% of RHD roads in good condition by the year 2000).

IDC’s institutional airport indicators over the four year project period were tailored to reflect the needs of the RHD and its sister organizations within the government and the private sector, and are broken down into the following four groupings, which have become known as PIES.

- P: Foundations laid for a smart and sustainable Planning system in the main roads sector.
- I: Foundation laid for an efficient and sustainable Implementation system in the main roads sector.
- E: Foundations laid for an effective and sustainable monitoring and Evaluation system.
- S: Foundations laid for an appropriate and sustainable institutional Support system.

To measure the success of the outputs, the agreed OVIS are also given in the logframe of the IDC.

**HOW THE CLIENT INSTITUTIONS WERE PERSUADED TO BUY INTO THE OVI PROCESS**

The strategy of the project was to develop the IDC logical framework and its subsidiary frameworks through an active participatory approach. During the project appraisal of RRMP-II, it was agreed that: the MOC would set up an Institutional Review Committee (IRC) comprising 3 members from RHD, 1 from BRTA, and 1 from RRTD as well as 3 consultants. The IRC would be responsible for monitoring the general progress of the IDC, developing a logical framework for the IDC and designing appropriate OVIS. The first IRC meeting decided to develop a separate logical framework for each of the three road agencies (RHD, RRTD, and BRTA), and to develop four subsidiary frameworks, one for each of the four RHD main outputs; Planning, Implementation, Evaluation and Support Services. To build active participation among all related institutions and its high level staff, the ODA organized and sponsored a 3-day team building course at the British High Commission in Bangladesh and invited all the senior managers of RHD, BRTA, and RRTD, as well as Consultants, to participate in the training course. This course concentrated on team work and team development within the context of project planning and the use of the logical framework.

**EXPERIENCE TO DATE AND LESSONS LEARNED**

Since the start of the IDC in early 1994, the participation of all stake-holders in the development of logical frameworks has been proved successful, especially in designing outputs, major tasks, OVIS and the means of their verification. Staff are gaining confidence in discharging their duties following the management and technical training and are becoming more enthusiastic to attend training courses. As a consequence the development of a road maintenance strategy, road condition surveys, balanced allocation of funding and improved quality control for all road works were well received by the RHD staff.
The key lessons learned during the implementation of the IDC are as follows:

- The program should be designed only after careful assessment of the existing institutional capacity. During the implementation stage new ideas are received from all concerned so that the component must include close review and the program should be flexible for incorporating useful changes;
- The success of the IDC depends on the degree to which both public and private sector institutions in the road sector are willing to make changes in their functions, leadership and institutional structures;
- The implementation of a road safety seminar can help in developing recommendations with the participation of all concerned to formulate a comprehensive road safety policy for a country;
- Publication of the bi-monthly IDC newsletter proved to be a good tool for sending IDC messages across related institutions, development partners and NGOs;
- Twinning arrangements, established both with local and foreign institutions, can be very successful if the objectives and purposes are clearly defined; and
- Institutional inertia delays response to institutional development initiatives, and sufficient time must be allowed to observe fully the reaction in order to avoid any "over-steering" effect and subsequent confusion caused by constantly changing tactics.

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**TO LEARN MORE**


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<th>LOGICAL FRAMEWORK FOR IDC</th>
<th>BANGLADESH (December 1994) Objectively Verifiable Indicators (OVIs)</th>
<th>Means of Verification</th>
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<td>IDC Goal</td>
<td>Main road sector able to provide a safe, cost effective and well maintained road network.</td>
<td>25% drop in Road Deaths/10000 vehicles by 2000. 90% of projects within approved project cost by 2000. 80% of RHD roads in good condition by 2000.</td>
<td>RHD Annual Report</td>
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