



1. Project Data :
OEDID: C1940
Project ID: P009491
Project Name: Rural Roads and Markets Improvement and Management Project
Country: Bangladesh
Sector: Rural Roads
L/C Number: C1940
Partners involved : KfW, SDC
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2. Project Objectives, Financing, Costs and Components :
Objectives : <ul style="list-style-type: none">i) promote rural development through the reconstruction, upgrading, and maintenance of feeder roads, growth center markets and the construction of structures on rural roads in the project area;ii) implement cost effective approaches to design, construction and maintenance of these components within resource constraints;iii) improve resource mobilization to support zila and upzila maintenance activities;iv) strengthen the institutions concerned with the development and maintenance of feeder and rural roads and markets; andv) rehabilitate roads and associated structure damaged by the 1987 floods while improving standards to minimize future flood damage.
Components : <ul style="list-style-type: none">(a) improving, maintaining, and upgrading 500 km of Type B feeder roads;(b) constructing bridges and culverts on about 650 km of rural roads;(c) master planning and improving infrastructures in 65 growth center markets;(d) providing project support in the form of consultants, project staff, vehicles and equipment, and office and laboratory facilities in the project area;(e) constructing a new headquarters building for Local Government Engineering Department;(f) repair about 650 km of flood-damage roads, and 27 km of bridges, culverts, drainage ditches and retaining walls in the area west of the Jamuna River.
Costs: Total project cost : Appraisal US\$ 98.3 million; Actual US\$95 million. Credit amount: US\$ 62.3 million, of which US\$ 5.2 million is canceled.

3. Achievement of Relevant Objectives : <p>The objective to promote rural development was substantially achieved . Physical targets set out in the SAR were achieved, in some cases, exceeded . The institutional development effort substantially increased the institutional capacity of the main organization involved in rural development, LGED . Financial objectives, however, were only partially achieved.</p>
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4. Significant Achievements : <p>Significant achievements were made in : increasing rural mobility, reducing rural transport costs, improving marketing costs; and creating rural employment for the poor .</p>
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5. Significant Shortcomings : <p>The project came short of developing sustainable flow of resources for Union Parishads to increase their share of funds needed to maintain infrastructures under their jurisdiction .</p>

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	Substantial	Substantial	
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Exemplary	

7. Lessons of Broad Applicability :

The key lessons from this project are (i) continuous local community participation at all stages of the project is essential for project success, and (ii) developing a sustainable local source of funding is a challenging undertaking and rarely achieved in the context of a project; it requires a broader intervention including changes in policy to increase the revenue base and decision making powers of local governments .

8. Audit Recommended? Yes No

Why? This project has broad lessons for the Bank's effort in rural development and poverty alleviation, and its audit would make a good building block for a rural development or poverty study .

9. Comments on Quality of ICR :

The ICR is exemplary, and covers all aspects project implementation and achievement of objectives .