



1. Project Data

Project ID P121528	Project Name BD: IDEA Project	
Country Bangladesh	Practice Area(Lead) Governance	
L/C/TF Number(s) IDA-49380	Closing Date (Original) 30-Jun-2016	Total Project Cost (USD) 111,251,189.65
Bank Approval Date 10-May-2011	Closing Date (Actual) 28-Feb-2018	
	IBRD/IDA (USD)	Grants (USD)
Original Commitment	195,000,000.00	0.00
Revised Commitment	170,042,059.52	0.00
Actual	113,738,163.07	0.00

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2. Project Objectives and Components

a. Objectives

According to the Financing Agreement (page 4), the project development objective of the Identification System for Enhancing Access to Services (IDEA) Project of the People's Republic of Bangladesh was "to assist Bangladesh to establish an accurate, secure, and reliable national ID system for a more efficient and transparent service delivery".

As the project development objective did not change during the life of the project, this ICR Review will undertake a standard evaluation of the project, and not a split-rating evaluation, as the ICR did. Additional outcome and output indicators were added during the restructuring of June 2015, but these did not alter the



project objective, and the targets for these new results indicators, once set at restructuring, did not change during the remaining life of the project.

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Will a split evaluation be undertaken?

No

d. Components

The IDEA project comprised the second phase of the Government of Bangladesh's effort to build a national identification (NID) system based on existing voter lists. Earlier, in 2008, the United Nations Development Programme (UNDP) funded the Bangladesh Preparation of Electoral Roll with Photographs (PERP) project which built a database of 18 million citizens aged 18+ years, a biometric based de-duplication system for data entry, and an information technology (IT) infrastructure covering nearly 500 *upazila* offices. (An *upazila* is a local administrative region in Bangladesh, the equivalent of a county in other countries.) The IDEA project, which was designed to advance the Government's effort to issue NID cards with security features, develop the capacity to provide identity verification services, and begin to integrate the NID system into public and private services, had three components:

Regulatory Framework for the National Identification System and Integration into Service Delivery (US\$9 million estimated at appraisal, US\$8 million estimated at the third restructuring, final disbursed amount not reported on a component basis but on a disbursement-category basis) supported the development of the regulatory framework for the NID system, including drafting and issuance of rules and regulations for the NID system, the integration of the NID system into services delivery in selected government agencies, and the provision by the authorities of electronic identity verification services to public and private entities.

Operation and Management of the National Identification System (US\$146 million estimated at appraisal, US\$128 million estimated at the third restructuring, final disbursed amount not reported on a component basis but on a disbursement-category basis) supported the design and deployment of technology infrastructure and facilities for the NID, including a data center and disaster recovery site, a data communications network, a decentralized technology infrastructure, the enhancement of database contents, and the production, personalization and delivery of NID smart cards to citizens. (A smart card has a built-in microprocessor capable of electronic transactions. Personalization is the technical process by which each smart card is made unique.)

Capacity Building, Communication, and Overall Project Management (US\$40 million estimated at appraisal, US\$35 million estimated at the third restructuring, final disbursed amount not reported on a component basis but on a disbursement-category basis) supported the provision of technical assistance,



training, and technology to help develop the capacity of the newly-established National Identity Registration Wing (NIDW) of the Bangladesh Election Commission (BEC) to serve as a high-performing, service-oriented, and self-dependent public organization.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Cost: The total cost of the project was estimated at appraisal at US\$195 million (SDR 123 million equivalent, at the exchange rate of SDR 0.63 = US\$1.00 at appraisal in April 2011). With the depreciation of the SDR against the U.S. dollar, the total cost of the project was re-estimated at the third restructuring at US\$171 million (SDR 123 million, at the exchange rate of SDR 0.72 = US\$1.00 at restructuring in March 2015).

Financing: The project was financed with an International Development Association (IDA) credit in the amount of SDR 123 million (US\$195 million equivalent, at the exchange rate of SDR 0.63 = US\$1.00 at project approval in July 2011). The depreciation of the SDR against the U.S. dollar reduced the U.S. dollar value of the financing from US\$195 million at approval to US\$171 million by the time of the third restructuring in June 2015. The actual amount disbursed was SDR 105.4 million (US\$113.7 million equivalent) by the project closing date. The undisbursed amount of SDR 17.6 million (US\$25 million equivalent at the exchange rate of SDR 0.70 = US\$1.00 in December 2017) was cancelled effective December 14, 2017.

Borrower Contribution: Bangladesh was expected at appraisal to contribute US\$2 million to the project. The Government was to pay: the rent for the Project Office, disaster recovery site, and data center; utility charges for the Project Office; and the salaries and benefits of Government personnel who worked at the Project Office or the NIDW. Moreover, at the third restructuring, the borrower contribution was raised to a proposed US\$24 million, according to the Restructuring Paper of June 25, 2015 (page 8). The customs duties and value added tax (VAT) for the 90 million blank NID smart cards and 10 personalization systems would be higher than the US\$23 million originally estimated. The higher borrower contribution would limit the financing by the project of customs duties and the VAT. The authorities have not provided an accounting of these borrower contributions, but the ICR team contends that it is reasonable to assume that the Government fulfilled the foregoing commitments.

Dates: The project was approved on May 10, 2011 and became effective on August 28, 2011. The project closed on February 28, 2018, a year and eight months after the original closing date of June 30, 2016.

Restructuring: The project was restructured four times. The restructuring did not change the project development objective.



- The first restructuring of March 27, 2012, with none of the project funds disbursed, modified the categories of expenditures for the project to allow for the use of project funds for start-up activities, including for consultants to help with the rules and regulations to implement the National Identity Registration Act of 2010.
- The second restructuring of August 12, 2013, with SDR 3.4 million disbursed (2.7 percent of the project financing), reallocated the project funds between expenditure categories: increasing the allocation for operating costs from SDR 16.5 million to SDR 17.7 million, and reducing the allocation for goods, works, services, consultant services and training from SDR 34.8 million to SDR 33.5 million.
- The third restructuring of June 28, 2015, with SDR 65.6 million disbursed (53.3 percent): (a) revised some results indicators --- added two outcome indicators, deleted three output indicators, and added four output indicators; (b) extended the closing date from June 30, 2016 to December 31, 2017; (c) changed the financing plan for the project in view of the depreciation of the SDR against the U.S. dollar, which reduced the U.S. dollar value of the IDA credit from US\$195 million to US\$171 million; (d) revised the estimates of the costs of the three components to reflect the reduction of the U.S. dollar value of the IDA financing --- the cost of the Regulatory Framework for the National Identification System from US\$9 million to US\$8 million, that for the Operation and Maintenance of the National Identification System from US\$146 million to US\$128 million, and that for Capacity Building and Communication from US\$40 million to US\$35 million; (e) reallocated the project funds between expenditure categories; (f) authorized the use of the project funds to pay for customs duties and the VAT on imports for the project, for up to US\$23.3 million; and (g) changed the schedule for the annual disbursements of the project funds.
- The fourth restructuring of December 29, 2017, with SDR 105.4 million disbursed (85.7 percent), extended the project closing date from December 31, 2017 to February 28, 2018 and cancelled the undisbursed balance of SDR 17.6 million (US\$25 million equivalent).

3. Relevance of Objectives

Rationale

The objective to establish an accurate, secure and reliable NID system was to be accomplished by the production, personalization, and distribution of smart NID cards to Bangladeshi citizens. By this statement, the Project Appraisal Document (PAD) equated the smart NID card system with an “accurate, secure, and reliable” means of identification of citizens for public and private purposes, in contrast with the previous paper ID card system which would be considered as not “accurate, secure, and reliable”. The PAD, however, did not associate these attributes to elements of the smart NID card system (e.g. an accurate database, a secure card, a reliable ICT network), or define metrics to measure the level of, or degree of, “accuracy”, “security”, and “reliability” of the smart NID card system. The same shortcoming applies to the equation by the PAD of the use of the smart NID card system by Government agencies with a “more efficient and transparent delivery” of public services to citizens.



These shortcomings do not undermine the basic premise that smart NID cards provide for an “accurate, secure and reliable” NID system, but an association of the terms with elements of the NID system, as well as metrics to measure levels or degrees of these attributes, would have made for a more robust formulation of the project objective, reporting of the project results, and evaluation of the project outcome.

Notwithstanding the foregoing shortcoming, this ICR Review considers the project to be highly relevant to the development priorities of Bangladesh and to the assistance strategy of the World Bank Group in the country, both at project appraisal and at project closing.

The project was relevant to the development priorities of the country at project closing. The "Seventh Five Year Plan (FY2016-2020)" aimed to accelerate inclusive growth, reduce poverty, empower citizens, and promote sustainable development. The plan expected Bangladesh to achieve these objectives by improving the investment climate, raising investments in infrastructure and manufacturing, addressing skills challenges in industry, leveraging the advantages of information and communications technology, and enhancing the efficiency of the financial sector. The plan would equally empower citizens to contribute to these development priorities by striving for universal primary and secondary education, increasing access to improved public health care, strengthening social protection systems, and promoting gender equality in education and employment. By integrating the new NID system into the range of public services that it provided, the Government would more effectively and efficiently achieve the objectives of the development plan, and with the active participation of its citizens.

The project was aligned with the assistance strategy of the Bank Group in Bangladesh at project closing. The "Country Partnership Framework for Bangladesh for the Period FY16-FY20" called for the Bank Group to engage the Government in "three foundational priorities" for promoting sustainable growth and creating jobs --- maintaining macroeconomic stability, promoting human development, and strengthening institutions and the business environment --- and in "five transformational priorities" where country performance has lagged --- energy, inland connectivity, regional and global integration, urbanization, and adaptive delta management. The NID system would continue to support the efforts of the Government to efficiently and transparently provide public services to its citizens along these priorities.

Rating

High

4. Achievement of Objectives (Efficacy)



Objective 1

Objective

To assist Bangladesh to establish an accurate, secure, and reliable national identification system.

Rationale

The project only modestly achieved the objective of establishing an accurate, secure and reliable NID system, as the project delivered smart NID cards for only half the number of Bangladeshi citizens that the Government targeted.

- A total of 40.39 million citizens had access to secure and reliable means of identification, with their NID cards personalized by the project closing date, representing only 50.5 percent of the target of 80 million citizens. The implementation of the project and the initiation of the procurement process for the NID cards were much delayed, in large part because the Government could not finalize the rules and regulations to implement the National Identity Registration Act (NIRA) of 2010 --- a condition to the disbursement of the project funds --- without a Parliamentary amendment to the NIRA. The NID card contract was not signed until January 2015, roughly three and a half years after the project effectivity date. Thereafter, there were be problems with contract implementation, with only half the target of smart NID cards personalized, and the contract was not renewed after it expired in June 2017. Meanwhile, the authorities issued 91 million paper-laminated NID cards by end-fiscal year 2015, which were accepted as valid identity tokens, but which lacked security features. The paper-laminated NID cards met the criterion for "reliability" of an NID system, but failed to meet the criterion on "security". The ICR (page 20) estimates that the project, the financing of which the Government had assumed after the project closing date in February 2018, should be able to complete the personalization of the remaining 38.81 million smart NID cards by end-December 2018, using the remaining blank NID cards supplied by the contractor. The ICR team has since reported that the Government has further extended its schedule for completing the project on its own account to end-June 2019.

- A total of 19.15 million women had access to secure and reliable means of identification, with their NID cards personalized, representing only 47.9 percent of the target of 40 million women. The authorities issued 45 million paper-laminated NID cards to women by end-fiscal year 2015. The ICR (page 20) similarly estimates that the project, under financing by the Government, should meet this target by end-December 2018. The ICR team has since reported that the Government has further extended its schedule for completing the project on its own account to end-June 2019.

The project had a better record completing the outputs defined under the three components of the project to support the first objective. However, the inability of the project to provide smart NID cards to roughly half the number of citizens in the target population means that the other half of the target --- some 39.6 million



citizens --- still did not have access to an accurate, secure and reliable NID system by the project closing date.

- The operational procedures for the management of the NIDW at the BEC were introduced, as planned.
- The regulatory and operational guidelines for the NIDW and NID verification service were issued, as planned.
- The data center and the disaster recovery center of the NIDW at the BEC were established, as planned. (A data center is a facility that houses computer systems and associated components, including telecommunications and storage systems. A disaster recovery center enables the recovery or continuation of vital technology infrastructure and systems following a natural or human-induced disaster).
- One personalization center for smart NID cards was established, meeting the target.
- A total of 516 *upazila* server stations capable of NID registration and updating of information were connected through the virtual private network (VPN), exceeding the target of 230 *upazilla* server stations. (A server station is a computer that handles data requests from other computers. A virtual private network extends a private network across a public network, creating a safe and encrypted connection over a less secure network.)
- Some 43 staff were recruited to the NIDW, short of the target to recruit 71 staff members.
- Some 4,261 staff members were trained in the operation of the NID and management of the NIDW, exceeding the target to train 2,240 staff members.
- No orientation session was organized for the *upazila*-level staff of the NIDW for community mobilization for the NID system, compared to the target to organize 60 orientation sessions. The consulting firm hired for this purpose failed to deliver the orientation sessions.

Rating
Modest

Objective 2

Objective

To use the accurate, secure and reliable national identification system as a basis for a more efficient and transparent delivery of public services.

Rationale

The project substantially achieved the objective for Government agencies to use the NID system as a basis for a more efficient and transparent delivery of public services to Bangladeshi citizens. The number of agencies and the number of citizens using the smart NID card system for identity verification exceeded the targets by wide margins.



- A total of 17 public and 68 private agencies used the NID system to verify the identification of their clients and service beneficiaries, exceeding the target that at least two public and two private agencies use the system for client and service beneficiary identification. The ICR (pages 21-23) profiles five public and two private agencies that use the NID services, including the Ministry of Finance (some 800,000 "ghost" employees and pensioners were found), the National Board of Revenue (some 1.2 million false or duplicate taxpayer accounts were identified), the Department of Immigration and Passports (which reported an easier verification of identity and hence more timely issuance of passports), the Office of the Registrar General (which uses the NID number of a parent to issue a birth certificate to a child), and the Government Exchequer (which was able to collect US\$17 million for the NID services).
- There was no progress with the target to have five public and private agencies use the NID system for offline identity verification using smart NID cards. The ICR (page 19) reports that the project could not gather data on the number of agencies doing offline identity verification, using either smart or paper-laminated NID cards, citing this as a shortcoming of the M&E system rather than a failure to achieve the outcome target.
- A total of 70 million citizens had their identity electronically verified, exceeding the target of 7 million citizens.

The project also substantially delivered on the outputs defined under the three components of the project to support the second objective.

- Three social protection programs utilized the NID to verify the identity of their beneficiaries, short of the target that five social protection programs use the NID.
- Some 71 percent of agencies surveyed expressed satisfaction with the NID verification services, according to a survey conducted over the period November-December 2017, exceeding the target that 70 percent of agencies be satisfied using the NID verification services.
- Some 93 percent of citizens surveyed expressed satisfaction with the use of NID smart cards, according to a survey conducted over November-December 2017, exceeding the target that 70 percent of citizens be satisfied with using NID smart cards.

Rating
Substantial



Rationale

This ICR Review weighs the first objective more heavily than the second because establishing an accurate, secure and reliable NID system would form the basis for achieving an efficient and transparent delivery of public services. For this reason, this ICR Review considers the composite rating for the overall efficacy of the project to be modest.

Overall Efficacy Rating
Modest

Primary reason
Low achievement

5. Efficiency

The efficiency of the project is assessed as modest.

Economic Efficiency: The ICR (pages 23-24) calculated the net present value (NPV) of the project, from the perspective of the NID services provider, the Government's BEC. The NPV was positive at US\$36.1 million, on an initial investment of US\$113.2 million. Revenues consisted of receipts from public agencies using the NID services, at Bangladesh Taka (BDT) 1.16 (US\$0.014 equivalent at BDT84.75 = US\$1.00) per hit, and from private entities, at BDT 2.30 (US\$0.027 equivalent) per hit. Revenues and operating costs were assumed to increase at 10 percent per year. The NPV was computed over a 10-year period and with a discount rate of 10 percent. The positive NPV signifies that the operation was efficient in economic terms. The Project Appraisal Document (page 57) previously estimated a positive NPV for the services provider, at US\$69 million, over a ten-year period and using a discount rate of 7 percent.

Operational Efficiency: The implementation of the project was delayed considerably. Progress with the project was limited in the first three years, as the finalization of the rules and regulations to implement the NIRA of 2010 required an amendment to the NIRA law itself. The amendment to install data privacy and security clauses was passed by Parliament only in October 2013, roughly two years after the effectivity of the project. The closing of the project was deferred twice, by a combined one year and eight months after the original project completion date. The project funds were not fully disbursed. Fourteen percent of the SDR 123 million IDA financing was cancelled at the fourth restructuring.

Efficiency Rating
Modest



a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	13.00	0 <input checked="" type="checkbox"/> Not Applicable
ICR Estimate		0	0 <input type="checkbox"/> Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The outcome of the project is rated as moderately unsatisfactory. The project was highly relevant to the development priorities of the Government and aligned with the assistance strategies of the World Bank Group in Bangladesh. The efficacy of the project was modest. Although the project substantially achieved the second objective for Government agencies to use the smart NID card system as a basis for efficient and transparent delivery of public services, the project only modestly achieved the first objective to establish an accurate, secure and reliable NID system, with only half the target of 80 million Bangladeshi citizens having access to the new NID system with smart NID cards. The efficiency of the project was modest overall. The NPV of the project was positive for the NID services provider, signifying economic efficiency. However, the project suffered operational inefficiencies. Project completion was delayed by almost two years, and some 14 percent of the project funds were cancelled even after a sharp depreciation of the SDR against the U.S. dollar reduced the U.S. dollar value of the IDA financing from US\$195 million to US\$171 million. The Government did not deliver on counterpart financing for the project.

a. Outcome Rating

Moderately Unsatisfactory

7. Risk to Development Outcome

There are four risks to the sustainability of the development outcome of the project.

Political risk: According to the ICR (page 33), all major political groups in Bangladesh recognize the authenticity of the NID database, as the NID data emanated from the electoral roll. Thus, the risk that political commitment to the NID may waver is low.



Institutional risk: The NIDW is an operational institution. It is headed by a Director General, has a workforce skilled in information technology, and should be able to attract more staff if its operations expand.

Financial risk: The NIDW generates its own revenue from the provision of NID services. The revenue base is expected to grow as the number of users of the system increases. Moreover, the Government has taken over ownership of the project and is committed to providing financial resources to the BEC when needed to sustain the NID services. However, there is a contractual dispute between the BEC and the supplier of the NID cards. According to the ICR (page 34), the BEC has yet to settle payment to its international supplier for some 77.3 million blank NID cards. As the project funds are no longer available to the Government following the closing of the project in February 2018, the Government will have to bear the costs of settling this dispute including the costs of litigation. The ICR team has since reported that the Government and the supplier have reached agreement on the payment for the 77.3 million NID cards delivered and on the delivery of the remaining 13.7 million NID cards, with all payments due to the supplier after the project closing date to be made by the Government.

Technical risk: It is expected that the BEC will be able to technically maintain and provide support services to the information technology systems established by the project for the NID system. The BEC is also anticipated to increase the storage capacity of the data center and the disaster recovery site going forward. For this purpose, a five-year plan is currently being developed, including for retaining skilled staff, to ensure the ability of the NIDW to sustain the outcome of the project and mitigate any technical risks that may emerge. Meanwhile, the NIDW is providing an Application Programming Interface (API) to its users to help them authenticate data in the system. The initiative was beyond the original scope of the project. The system is yet to become interoperable, however. (Interoperability is the ability of computer systems to exchange information, in this case between the NIDW computer system and those of other public and private organizations.) The lack of interoperability would pose future risks to advancing the development outcome of the NID system as the system matures.

8. Assessment of Bank Performance

a. Quality-at-Entry

The Bank defined a clear results chain for the project. An NID system, supported by an appropriate regulatory framework, efficient information and communication technology (ICT) infrastructure, and strong technical and managerial capacity, should provide Bangladeshi citizens with access to an accurate, secure and reliable identification system, and public and private institutions with access to accurate identity verification services. When integrated with the provision by government agencies of various public services, the NID system should enable the efficient and transparent delivery of public services to citizens.



The Bank laid out detailed institutional and operational arrangements to implement the project, a useful blueprint considering the technical nature of the operation. The NIDW at the BEC would implement the NID system in technical partnership with the Local Government Division and the Bangladesh Bureau of Statistics. An NID Steering Committee, including public and private agencies, an expert group, and citizens' representatives, would provide strategic policy guidance.

The Bank identified five operational risks that could potentially derail the implementation of the project and outlined mitigation measures that would address these risks. The technical complexity of the project was cited as a high-likelihood high-impact project risk, to which the Bank proposed developing a detailed project operations manual, pilot testing key activities including NID card distribution, mobilizing an implementation support consultancy, and launching a massive communication strategy.

There was a significant shortcoming with the quality at entry, however. The Bank does not appear to have anticipated that the issuance of the rules and regulations to implement the NIRA, principally those on data privacy and information security, would have required an amendment by Parliament of the original NIRA legislation. The Financing Agreement (page 13) required the issuance of the NIRA implementing rules and regulations as a condition for project disbursement. However, the Appraisal Document (page 25) did not previously cite any need for an amendment to the NIRA, when discussing the NIRA implementing rules and regulations. The amendment would not be passed by Parliament until October 2013, roughly two years after the effectivity of the project.

There was another minor shortcoming with the quality at entry. The quality at entry was less robust for the PAD not having defined metrics covering “accurate, secure and reliable” in reference to the smart NID card system, and “efficient and transparent” in reference to the use of the smart NID card system by Government public service agencies. The PAD also did not associate these attributes to elements of the smart NID card system, where applicable (see Section 3).

Quality-at-Entry Rating Moderately Unsatisfactory

b. Quality of supervision

The Bank organized a complete team of technical experts, procurement specialists, financial management specialists, and consultants who closely engaged with the NID Steering Committee, the highest body providing strategic policy guidance over the project, and the BEC Secretariat, the implementing agency of the project, during project implementation. The Bank fielded 14 supervision missions over the six and half-year life of the project, roughly two missions a year. The supervision missions prepared 14 Implementation and Results Reports (ISRs) and Aide-Memoires, which were comprehensive, detailed, and



candid. According to the ICR (page 32), both technical and fiduciary teams worked to maximize the development impact of the project. Their work resulted in several adjustments to the project during implementation, as reflected in the restructuring documents.

However, there was a moderate shortcoming with the quality of supervision. Four Bank task team leaders (TTLs) managed the project at different times. The ICR (page 32) suggests that the TTL changes might have affected the Bank's engagement with the Government, but does not cite specific evidence that it adversely did.

Quality of Supervision Rating

Moderately Satisfactory

Overall Bank Performance Rating

Moderately Unsatisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The Project Appraisal Document (pages 20-21) defined two outcome indicators and seven output indicators to measure the degree of achievement of the project development objective. At the restructuring of the project in June 2015, the first PDO-level outcome indicator "the number of citizens having access to secure and reliable means of identification, of which the percentage of women" was de-coupled to consist of two indicators. A fourth indicator was also added. The final outcome indicators were:

- "the number of citizens having access to secure and reliable means of identification";
- "the number of women citizens among the number of citizens having access to secure and reliable means of identification";
- "the number of public and private institutions using electronic identity verification for their service delivery";
- and
- "the number of public and private institutions using off-line identity verification for their service delivery using smart NID cards".

The restructuring of June 2015 also revised the output indicators to consist of a final set of eleven:

- that "operational procedures for the management of the NIDW are introduced" --- this was added as a new output indicator;
- that "the regulatory and operational guidelines for the NID department and verification services are issued";



- that "the BEC data center and disaster recovery center are established";
- "the number of *upazila* server stations that are capable of NID registration and updating of information" --- this revised the original wording of "the number of *upazila* server stations that are capable of NID registration and update";
- that "the necessary information systems are in place to design and implement the cost recovery mechanism";
- "the number of social protection programs using the NID system to improve the targeting of beneficiaries" with a target of 5 programs --- this revised the original indicator "the percent of social protection programs using the NID system to improve targeting of beneficiaries";
- "the number of staff recruited to the NIDW" --- this was added as a new output indicator;
- "the number of staff trained in the operation and management of the NIDW";
- "that a comprehensive nationwide communication strategy is implemented" --- this output indicator was dropped;
- "that orientation sessions are organized the for the *upazila*-level staff of the BEC for community mobilization for the NID system", with a target of 60 sessions --- this was added as a new output indicator;
- "the user perception of the quality of the ID system targeted by the project" --- this output indicator was dropped;
- "agencies are satisfied using the NID verification services", with a target of 70 percent of agencies surveyed --- this was added as a new output indicator;
- "citizens satisfied using NID smart cards", with a target of 70 percent of citizens surveyed --- this was added as a new output indicator;

The M&E plan called for the implementing agency, the NIDW of the BEC, to conduct the M&E of the project. The plan also called for the hiring of a project management consultancy firm to support the NIDW on M&E, among other project activities.

There was a minor shortcoming with M&E design, however. The M&E design was less robust for the PAD not having defined metrics to measure the level of, or degree of, "accuracy, security, and reliability" of the smart NID card system (see Section 3).

b. M&E Implementation

The NIDW created the reporting formats for the project, issued the guidelines for data collection and report preparation, regularly collected M&E data, and reported on the progress with the project, both against the baseline values and the targets for the results indicators.

However, the NIDW was not able to report on the fourth outcome indicator added during the restructuring of June 2015 --- "the number of public and private institutions using off-line identity verification for their service delivery using smart NID cards". The ICR (page 37) explains that data was not available for this indicator.



c. M&E Utilization

The M&E data was used to inform the decisions made by the Bank and the Government to restructure the project in 2012, 2013, 2015 and 2017, including to reallocate the project funds among various components and cost categories, as well as to extend the project closing date twice.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

Environmental Safeguards: The project was classified as an environmental category "C" at appraisal. The project did not trigger any Bank environmental safeguards policies. No physical construction activities were included in the project design, other than the refurbishment of the project office.

Social Safeguards: The project did not raise any issue with Bank social safeguards policies. Rather, the project was expected to have a potentially significant social impact by creating and operating an accurate, reliable, and secure national ID system for many public and private purposes.

b. Fiduciary Compliance

Procurement: As the BEC did not have sufficient experience with large-scale ICT procurement (procurement for a preceding United National Development Programme project was implemented by the donor agency), the Bank required the BEC to undertake several risk mitigation and institutional capacity building measures: (a) hire an implementation support consultancy firm to handle the complete contract management cycle, including the tendering of bids and the quality control of goods and services received from vendors; (b) appoint procurement personnel dedicated to handle the procurement activities for the agency; (c) establish a system to credibly address any complaint related to procurement; and (d) provide a semi-annual report on a procurement risk mitigation plan covering, among others, bid openings, publication of awards, internal controls, coercive practices, and record keeping. The ICR (pages 31-32) reports that all procurement tendering packages were completed following the approved project procurement plan and that the procurement performance of the project was rated as moderately satisfactory.

Financial Management: A financial management assessment was conducted in March 2010 to determine whether the financial management practices of the NIDW of the BEC were acceptable regarding: the use of funds for their intended purposes; the preparation of accurate, reliable and timely financial reports; and



the safekeeping of agency assets. The assessment generally found the financial management risk of the project to be moderate. However, to address certain weaknesses, the Bank required that: (a) an implementation support consultant would be retained, and (b) a project financial management action plan would be prepared. The ICR (page 31) reports that action plan was followed and that the financial management performance of the project was rated as moderately satisfactory throughout project implementation. The unaudited interim financial reports were submitted to the Bank in a timely manner and found to be acceptable. The annual financial statements were audited, and the auditors submitted unqualified audit opinions in all cases.

c. Unintended impacts (Positive or Negative)

None reported.

d. Other

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Unsatisfactory	Moderately Unsatisfactory	---
Bank Performance	Moderately Satisfactory	Moderately Unsatisfactory	The Bank does not appear to have anticipated that the issuance of the rules and regulations to implement the NIRA, principally those on data privacy and information security, would have required an amendment by Parliament of the original NIRA legislation. As a result, there was a two-year delay in effectiveness.
Quality of M&E	Substantial	Substantial	---
Quality of ICR		Substantial	---

12. Lessons

Three lessons are drawn from the ICR (pages 34-35), with adaptation.



New legislation, or amendments to existing legislation, that are needed for an operation should be planned for well in advance of project approval or effectivity. The inclusion of data privacy and security clauses in the implementing rules and regulations to the NIRA apparently required a Parliamentary amendment to the NIRA, which was not anticipated at project preparation, and effectively delayed the implementation of the project by about two years. This ICR Review does not agree with the assessment of the ICR (page 34) that "complying with a legal framework is not a suitable condition for disbursement ... because the executive does not have control over the actions of the parliament" and that "an investment project would benefit from not including a politically-linked condition outside the control of the project and its implementing agency". This ICR Review considers the amendment to have been inevitable, given the requirement for data privacy and security in the NID system, and deems that the appropriate lesson should be that legislative actions must be planned for deep in advance of project approval or effectivity.

For technology-heavy operations, it is vital that borrower governments be competently supported by suitable technical assistance, including possibly beyond the project completion date, to ensure the sustainability of the project outcomes. The project benefitted from having an implementation support consultancy firm handle the contract management for the project, considering that the NIDW and the BEC did not have the technical capacity and the operational experience for a large-scale ICT procurement. Going forward, there remain considerable technological challenges for the Government and the NIDW: (a) the inter-operability of the NID system relative to the computer systems of various public and private sector clients will be an issue as the NID system matures; (b) the National Enterprise Architecture (NEA) bus launched by the Bangladesh Computer Council will have to be implemented to enable the provision by the Government of electronic services (e-services); and, (c) procurement and staffing related to these activities will continue to be challenging. Hence, continuing technical assistance to the Government and the NIDW would be necessary going forward.

A national identification initiative requires an effective communications strategy. According to the ICR, the strategic communications program for the project, delivered by a professional communications firm, was instrumental and effective in building demand for the NID services. The communications effort also collected feedback information on the NID from both citizens and NID service users. It will be incumbent on the Government to strengthen the communications strategy for the NID well beyond the project closing date.

13. Assessment Recommended?

No

14. Comments on Quality of ICR



The ICR provides a comprehensive record of the project, beginning with the context of the operation at appraisal (pages 8-9), the theory of change underlying the project (pages 9-11), and the design of the project components and sub-components (pages 11-13). The document provides an informative tally of the changes to the project's costs, financing plan, timetable, and results indicators made over four restructuring episodes. The Government's Project Completion Report, attached as Appendix 1 to the ICR (pages 60-124), offers even more detailed information on various aspects of project implementation, including the procurement of goods, works and consultancy services, the installation of ICT equipment for the NIDW, the use of foreign and local consultants, and the provision of training related to the implementation of the NIDW.

The assessment of the program's results is evidence-based. The ICR provides a useful summary and narrative of the operation's performance, set within the results framework for the project (pages 18-20 and pages 36-42). Details on the project outputs are supplied in a useful annex (pages 43-45).

The analysis of the program outputs and outcomes is candid. The ICR cites how the project only partly met the objective to assist Bangladesh to establish a secure, accurate, and reliable national ID system for a more efficient and transparent service delivery because the project delivered personalized NID smart cards to only half the number of citizens and women citizens it targeted (pages 18-21). It also cites a significant deficiency with quality at entry (page 32), citing the failure of the Bank preparation team to identify the finalization of the NIRA implementing rules and regulations as a readiness condition for the project. However, the ICR also acknowledges that the NID drew significantly more users than the project expected, and together with the positive impact of the NID on its users, would have set the foundation for achieving the project objective in the long run.

There are minor shortcomings with the ICR, however, perhaps owing to poor editing of the document.

- The ICR (page 15) appears to confuse the two figures for borrower contribution, citing the Government contribution to the project as US\$24 million at appraisal and US\$2.01 million as the "revised" figure at restructuring.
- The ICR (page 2) lists only three restructuring episodes. The ICR missed the first one, of March 2012, covered by a Restructuring Paper (Report No. 67650v1) and an Amendment to the Financing Agreement dated March 27, 2012.
- The ICR, which puts forward a split rating for the project, cites the efficacy of the project after restructuring as "Modest" in one part of the report (page 25) and "Substantial" in another part (page 23).

a. Quality of ICR Rating



Substantial