

BANGLADESH CAS COMPLETION REPORT REVIEW

The 2001-2004 CAS focused on five objectives: accelerating broad-based growth; consolidating gains in human development; formulating and implementing an integrated approach to rural development; building stronger institutions and improving governance; and addressing environmental management and gender disparities. IDA moved from low case lending of \$250-300 million per annum at the outset to base case lending of \$450-500 million p.a. by the middle of the CAS period. This was done by meeting the triggers set for economic reform, which in turn enabled the resumption of policy-based lending.

IEG rates the outcome of IDA's assistance program as moderately satisfactory. Four of the five CAS objectives were partially achieved, but a key one—governance—was not achieved. To increase effectiveness, IDA should have realistic lending objectives and a greater strategic program of non-lending that is well integrated with lending.

The CAS Completion Report (CASCR) comprehensively analyzes the effectiveness of IDA's program. The CASCR is candid on the strengths and weaknesses of the program and its outcomes. The FY01 CAS was not a results-based document, although the CASCR attempted to provide progress on several "retrofitted" CAS outcomes. It should also be noted that the CASCR was completed in October 2004, thus only covering until end-FY04. Further progress on governance, and support under the recently approved Development Support Credit III was not reflected in the CASCR.

CAS Objectives, Overview of Implementation¹

1. The CAS was built around five objectives: (i) accelerating broad-based growth; (ii) consolidating gains in human development and addressing emerging challenges including HIV/AIDS and arsenic contamination; (iii) formulating and implementing an integrated approach to rural development; (iv) building stronger institutions and improving governance; and (v) addressing environmental management and gender disparities. These objectives were confirmed in the FY03 CAS Progress Report. The renewed attention on areas critical to growth—infrastructure, power and ports—was seen as fundamental. The CAS was designed to support the goals of the I-PRSP.²

Lending

2. According to the CASCR, actual commitments totaled about \$1.7 billion between FY01 and FY04. The planned lending was about \$2 billion (see Annex Table 2A). During the CAS period, IDA approved 21 projects, against 23 planned. A low case scenario prevailed during FY01 and FY02, with average lending volume of \$300 million per annum, as projected in the 2001 CAS, given that little progress on reforms or improvements in portfolio management occurred before the elections, and macroeconomic performance slipped. Decisive actions by the new Government that took office in October 2001 helped to improve the fragile economic

¹ The last Country Assistance Evaluation for Bangladesh was carried out by IEG in 1998, see *Bangladesh-Country Assistance Review*, OED, 1998.

² Interim Poverty Reduction Paper, March, 2003.

situation. Satisfactory progress in the CAS triggers including implementation of public procurement reform, strengthening banking regulation and improving macroeconomic performance justified shifting IDA lending assistance to the base case in FY03. Following the CAS Progress Report, the Bank revamped the pipeline away from smaller projects to large policy-based operations that had the potential to achieve greater impact. IDA commitments were concentrated on supporting growth, social and human development, rural development, and the environment. Annex Table 2C links the actual IDA commitments to program objectives.

3. As the CASCR notes, the lending strategy distinguished the key economic and infrastructure sectors from the social sectors. Assistance to the former required up-front demonstration of reforms, while assistance to the latter could proceed alongside parallel reforms. Thus, Bank involvement in sectors such as public administration, banking, and energy were linked to CAS triggers that required a roadmap for reform. There was an understanding that governance and structural issues would be tackled in all of the major reform areas. However, lending in health and education could be provided without waiting (as a pre-condition) for reforms, due to the Bank's commitment to help meet critical poverty reduction needs. This was a good specification of a two-track approach, and justified given the lack of full government commitment to reform across all sectors and perseverance of social issues.

4. Out of 23 projects that closed/exited between FY99-05, 87 percent had satisfactory outcomes, above the regional average of 77 percent. As of December 2004, 17 percent of the portfolio consisted of problem projects, consistent with the exit pattern.

AAA Program

5. The Quality Assurance Group (QAG) recently completed a full assessment of the non-lending program (December 2004) and found the impact of the AAA program on government policy, public opinion, and donor views to be considerable. Some 22 reports were issued and a dozen policy notes prepared. QAG found the quality of all tasks to be consistently good, with all sampled tasks rated satisfactory and two highly satisfactory, with many reports singled out for good dissemination, e.g., the 2002 Poverty Assessment. Yet QAG pointed out: "the AAA program as a whole did not fully succeed in providing a strategic view of past developments, future prospects, and above all of the major challenges facing Bangladesh in meeting its future poverty reduction goals. This was partly due to insufficient integration of agriculture into the rural development framework, inadequate attention to governance issues such as decentralization and public service reform, as well as inadequate analysis of the impact of the phase out of the multi-fibre arrangement on Bangladesh's major garment exports (see para.10), and on the dynamics of growth, poverty and income distribution."

Outcome by Objective

Objective One: Accelerating Broad-based Economic Growth

6. The CASCR list the following sub-objectives/components: macroeconomic management, banking and financial sector reform, trade liberalization, and infrastructure constraints. In recent years Bangladesh's economic growth has been quite robust (5.3 percent

annual GDP growth, and 3.5 percent per capita income growth). Power generation and transmission shortages and overcrowding ports have undermined the macroeconomic progress. Macroeconomic stability was maintained—the fiscal deficit fell from 5.1 percent of GDP in FY01 to 3.5 percent in FY03, and remained at that level in FY04 mainly due to improved revenue collection and reduced net losses of state-owned enterprises (SOEs). In order to accelerate economic growth, the CAS envisaged an improved regulation system for investors, as well as investments in energy, infrastructure, and services. The Government did increase the autonomy and regulatory capacity of the Bangladesh Central Bank and improved the management of Nationalized Commercial Banks (NCBs). This work was assisted through the Development Support Credit (DSC) I in FY03 and DSC II in FY05, both of which supported the strengthening of macroeconomic management, helped to establish a more efficient financial sector; furthered the agenda for trade liberalization and export growth diversification, and addressed infrastructure constraints through policy reform. Financial sector reform drew on the FSAP report. Arrears to the banking sector declined through reduction of non-performing loans. Both DSC I and II had moderately satisfactory outcomes.

7. However, the progress in energy sector reforms was weak. The CASCR points out that financial restructuring of the power sector was not completed, operational restructuring of the petroleum and natural gas sectors slipped, and necessary adjustments in fuel prices were not adopted.³ An Energy Regulatory Commission (ERC) was established and an interim pricing framework for electricity, gas, and petroleum products was adopted. The CASCR points out that energy price adjustments did not advance beyond an initial increase in residential urban tariffs in September 2003, and an increase of kerosene prices to parity with diesel prices in May 2004. Due to concerns about inflation and its impact on the poor, the Government did not adjust national prices for gas and petroleum products, which as a result, did not reflect rising global petroleum prices.

8. Although, as the CASCR notes, improvements were made to system-wide power generation and transmission, and private sector participation in gas and electricity increased,⁴ continued power shortages and frequent outages imposed substantial costs on the economy, along with inadequate access, poor quality and high transaction cost of services.⁵ The CASCR notes that only 31 percent of the population had access to electricity. The outcome of one of the few IDA projects in the energy sector—the Gas Infrastructure Project—was unsatisfactory.

9. IDA's assistance could have more actively addressed the country's infrastructure constraints—the CAS included very few infrastructure operations, of which a Power Sector Reform Adaptable Program Lending and a Power Sector Technical Assistance Project were dropped, because policy makers did not take the necessary actions. As mentioned, there was

³ As a result of not adjusting fuel prices, the Bangladesh Petroleum Company lost \$300 million in FY05.

⁴ The Bank contributed to the establishment of Haripur (360 MW) and Meghnaghat (450 MW) independent power producers through a partial risk guarantee, and on-lending of IDA funds via IDCOL (a financial intermediary). IFC supported the first independent power producer in Bangladesh through a B loan syndication (\$19 million).

⁵ Investment climate surveys in Bangladesh have routinely showed infrastructure to be a leading impediment to business growth—with shortcomings in electricity service identified as the greatest obstacle to business operation.

an understanding that governance and structural issues would be tackled in all of the major reform areas, yet this was not the case in energy.

10. In addition, IDA should have carried out focused analytic work on trade issues, which are critically important, given the phase-out of the multi-fibre arrangement and the Doha Round. Although a Competitiveness Study planned for FY04 slipped to FY05, and this topic is not in any case identical to trade.⁶ Given the progress on macroeconomic issues and the financial sector with less progress in energy and infrastructure, IEG finds the growth objective partially achieved.

Objective Two: Supporting Human Development

11. At the outset of the CAS period, in 2001, new challenges had emerged, including preventing an HIV/AIDS epidemic and providing an effective response to arsenic groundwater contamination. In FY01-02, consistent with the low case scenario, the Bank focused its lending on health and education issues, and rural infrastructure and microfinance. This strong support to human development continued in FY03-04 when the Bank moved to base case lending.

12. Bangladesh made good progress in increasing access to education during the recent years. The gross primary enrollment rate reached to 96 percent in 2000 from 72 percent in 1990. The net primary enrollment rate reached to 85 percent in 2003. The primary school completion rate was 73 percent in 2003. The outcomes of the Primary Education Development Project and the Female Secondary School Assistance Project were moderately satisfactory, and progress in developing female access to schools has been good through tuition stipend programs. The ratio of girls to boys in primary and secondary schools reached 97 percent in 1997, which is an impressive achievement and has increased even further by 2003, to well over 100 percent (see Annex Table 7). IDA designed the second Primary Education Development Program (FY04) as a multi-donor SWAp that helped harmonization efforts in the country. Working with other donors in the education sector has helped lead to the development of a joint CAS (para. 31).

13. In the health sector, the record is mixed. Bangladesh has shown remarkable success in improving maternal and child health. The under-five mortality rate declined to 69 in 2003 from 82 in 2000 per thousand births. Infant mortality rate also declined significantly. Data on maternal mortality are scarce. However, planned reforms, notably the merger of the Health and Family Planning Directorates, did not take place, and a planned move to clinic-based services was unsuccessful and later reversed. Nonetheless, some key health outputs improved and child immunization against the basic childhood preventable diseases also increased. By 2004, the vaccination rates for measles, DPT and BCG were 77 percent, 93 percent and 94 percent, respectively. Thus, overall, health indicators have continued to improve, though less than targeted. The Health and Population Sector Program (supported by a SWAp) contributed to improving the health indicators, but, as noted above, its support to

⁶ Besides overall Competitiveness issues, a recent DEC paper on cross-border trade issues in the Indian and Bangladeshi cement industries shows good progress in achieving high efficiencies by India's cement producers over the past decade, but poor progress by Bangladeshi producers. Since this subsector is crucial to the construction sector, especially for emergency recovery operations, IDA could have carried out AAA work on the cement industry. The same can be said for the jute and cotton sector, because of its significant employment and export value.

organizational and management reform was not successful. Moreover, service quality and utilization of public health facilities at district and sub-district levels have deteriorated. Decline in utilization of government services is related to declining satisfaction with government-provided services. Changes in health provision only partly explain better health outcomes; there were other concurrent social investments in the country that have likely influenced these outcomes, including improved education for girls, greater access to safe water, improved agriculture production and rural electrification, as a recent IEG evaluation has shown.⁷

14. In order to address poor state of nutrition, with World Bank assistance, community-based nutrition programs were piloted (Integrated Nutrition Project), but suffered from weakness in project design and poor implementation, often ignoring the link with local district councils, and thus have had low impact on nutrition. Plans to scale up have faltered. Malnutrition rates have fallen from extremely high levels of 70 percent in the 1980s to still high levels of around 50 percent, though at best a small part of this can be attributed to the Bank's nutrition intervention.⁸ Slow progress was made in establishing the capacity to prevent HIV/AIDS and to respond to the arsenic contamination problem. IEG finds the human development objective, while showing some impressive progress in education and child health, as only partially achieved.

Objective Three: Formulating and Implementing an Integrated Approach to Rural Development

15. A national Rural Development Strategy was finalized in 2001, but the CASCR notes that it was not made operational through specific projects; FY03 analytical work on the agriculture sector was not sufficiently disseminated; and work on rural non-farm growth was completed only in FY04, a year later than planned. A study on agribusiness sponsored jointly by IDA and DFID did not help to identify a concrete intervention, and a proposed Agribusiness Development Project was dropped. The CASCR notes that IDA support for agricultural diversification had minimal impact, as did efforts to expand horticulture exports.

16. Although the analytic work was not well sequenced with lending, four projects nevertheless achieved satisfactory outcomes (Agricultural Research Management Project, Second Rural Roads, River Bank Protection, Silk Development), two were moderately satisfactory (Coastal Embankment and Forest Resources Management), and one (Agricultural Services Innovation Reform) was unsatisfactory.

17. Access to rural infrastructure continued to expand during the CAS period through investments (financed by IDA and other donors) in rural roads, rural markets, electrification, and community-driven approaches to deliver infrastructure and social services to the poor. The Second Road Rehabilitation and Maintenance Project included the setting up of a Road Fund, which helped to sustain budgetary allocations for maintaining rural roads. Surveys carried out in

⁷ "Maintaining Momentum to 2015? An Impact Evaluation of Interventions to Improve Maternal and Child Health and Nutrition in Bangladesh." OED. 2005.

⁸ The Integrated Nutrition Project covered approximately 12 percent of the country's population and reduced malnutrition rates by at best 2 percent in those areas. IEG's Impact Study (OED, 2005) argues that increased rice yields are the most likely explanation of improved nutrition.

conjunction with the rural roads program showed a direct link to increased marketing by farmers due to improved access, increased revenues, and employment through the use of labor-intensive construction methods. The CASCR notes that one million new customers were served by rural electricity cooperatives.

18. Bangladesh's ability to withstand natural disasters was strengthened through the expansion and rehabilitation of river bank protection works and coastal embankments, as well as through implementation of cyclone mitigation measures. The CASCR notes that the plan to continue improving water resource management capacity suffered delays, as Bank financial support to the water sector was put on hold in FY02 by regional management due to governance concerns. Nevertheless, progress was made soon after in building capacity in the Water Resource Planning Organization and in restructuring the Bangladesh Water Development Board, two key sector agencies. IEG finds this objective as only partially achieved, as the approach and implementation was piecemeal rather than integrated rural development strategy.

Objective Four: Strengthening Institutions and Improving Governance

19. Every CAS since the early 1990s has pointed to the need to improve governance, but there has been deterioration. In 2004, Bangladesh placed between the 10th and 30th percentile rankings for all six indicators tracked by WBI: voice and accountability, political stability, government effectiveness, regulatory quality, rule of law, and control of corruption. Moreover, the trend has been downward in the past four years, 2000-2004, with the sharpest declines in regulatory quality (40 percentile to 13 percentile) and control of corruption (33 percentile to 10 percentile), in spite of the country's well-developed democracy, vocal civil society, and relatively free press (see Annex Table 8 for the WBI indicators). According to the most recent 'Cost of Doing Business Report' Bangladesh ranks 65 overall out of 145 countries, and it takes 35 days to set up a business (reasonable), but 363 days to register a property (unreasonable).

20. The CAS placed governance issues at the center, yet IDA's assistance has not yet shown clear results, although it was a major theme of DSC I and II. At the sector level, IDA promoted the establishment of regulatory entities in energy and telecommunications, while promoting institutional reforms in banking and the water sector. Several anti-corruption measures were initiated, but as the CASCR notes, the impact of these measures can only be felt in the medium and long-term. Although legislation to establish the Anti-Corruption Commission was approved by Parliament in February 2004, implementation of the Commission's work has been slow, which has weakened the anti-corruption efforts. The CASCR notes that the process of developing an independent judiciary has advanced slowly and attributes it to the complexity of the task. In addition, the Government was failing to take politically risky decisions needed to fight corruption.

21. After several years in preparation, a public sector modernization program was dropped from the pipeline in FY02. In FY03, actions included in DSC I to change staff promotion rules and install a hiring freeze were implemented. However, at the end of the CAS period, public administration was still rigid and inefficient, constrained by civil service rules, politicization of the bureaucracy, and the short tenure of most senior officials. The Government paid little attention to public administration reforms, except for public financial

management and the strengthening of procurement in the public sector agencies. Modest steps were also made to improve the civil judicial system and increase access to justice. Implementation of the judicial reform program supported by IDA and other donors helped to initiate reforms in the Supreme Court and selected district courts. But efforts to promote decentralization did not produce any concrete results, despite the Government's intention of establishing strong local government at various levels. A pilot effort to test decentralization models did not materialize.

22. On public services, the outcome of the Fourth Dhaka Water Supply Project was unsatisfactory. IDA did not use the mechanisms available in a parallel policy adjustment loan (PAL) to push through necessary policy changes that could have introduced tariff reform, and the project's mid-term review failed to scale back what had become unrealistic expectations. Given the above considerations, IEG finds the governance objective not achieved (unsatisfactory).

Objective Five: Environmental Management and Gender

23. Environmental management capacity did not improve. IDA has been ineffective in assisting the Government to cope with arsenic contamination under the original planned timetable. The objective of the Arsenic Mitigation Water Supply Project (FY99, ongoing) was to reduce mortality and morbidity in rural and urban populations caused by arsenic contamination of groundwater, but the project has had four extensions, has failed to obtain a clean audit, and has suffered from weak project management and slow disbursements. Consequently, the planned Arsenic Public Health Project was dropped from the lending program. More positively, as noted in the CASCR, a Country Environmental Analysis was initiated in FY04, with Bank and other development partners' support, to improve the environmental foundation of the PRSP.

24. Gender equity issues remain prominent, even though there was good progress in girls' education (see para. 12), microfinance, and income generation opportunities for women. Gender-targeted public expenditure enabled gender gaps in primary and secondary school enrolment to be narrowed, but the CASCR notes that this progress needs to be consolidated. IEG finds this objective (environment and gender) partially achieved.

Overall IEG Assessment

25. Progress was moderately satisfactory in achieving the first program objective, accelerating broad-based growth. While economic growth was quite robust (5.3 percent annual GDP growth, and 3.5 percent per capita income growth), infrastructure constraints prevented growth from further accelerating. Bangladesh made good progress in increasing access to education during the recent years, especially in female education. This enabled steady improvements in the country's social indicators in education and gender. In the health sector the record is mixed. The country has shown remarkable success in improving maternal and child health. The under-five mortality rate declined to 69 in 2003 from 82 in 2000 per thousand births. Infant mortality rate also declined significantly. However, only limited progress was made in improving quality of health services and malnutrition. Malnutrition rates are still high at around 50 percent.

26. Progress was also moderately satisfactory on rural development and environmental management. Governance improvement was at the core of the Bank strategy, but progress was weak in helping the government to combat corruption and improve governance. The indicators of perceptions of regulatory quality and control of corruption in particular deteriorated in 2004, and IEG finds that this objective was not achieved. Thus, IEG rates the overall outcome of IDA assistance as **moderately satisfactory**.

27. IDA would have had greater impact if the work on governance had received stronger support from the Government, and if the policy dialogue in this area had been closer and more consistent.⁹ The uncertainty of the political outlook kept decision-makers from making bold decisions that were required in the area of governance, and IDA itself became overly cautious in both its policy-based lending and in the AAA work.

Assessment of Completion Report

28. The CASCR has a thorough and candid assessment of the effectiveness of IDA's assistance program in FY2001-04. Weaknesses are discussed and the reasons explained. The FY01 CAS was prepared before the adoption of results-based CASs in the Bank and therefore lacks benchmarks and outcome indicators. One issue highlighted in the CASCR is the negative light in which IDA assistance was seen in the client survey, although IDA had been a significant player in the country, maintained a substantial resident mission presence, had reached out to civil society in a variety of ways, and forged partnerships with well-regarded programs in the NGO sector (in gender and micro-credit). One explanation could be the weak progress on governance and corruption.

Findings

29. IDA carried out a modest sized country assistance program in the initial years and after economic management and public administration reform triggers were met, the program grew larger. The decision to resume policy-based lending was appropriate. However, as discussed, governance issues will need to be mainstreamed as the indicators show a downward trend in recent years.

30. This was a very difficult period in Bangladesh, with much political uncertainty and governmental change. IDA found a way to operate in this environment and to expand its lending from a low case to the base case. However, in many projects outcomes were not well defined and indicators were inadequately specified. This should be addressed in future lending with better specifications of outcomes and indicators.

31. Aid effectiveness was reduced during the CAS implementation by the country's lack of institutional capacity, a lack of government ownership of development programs, and weak project implementation capacity in line agencies. The major donors (IDA, AsDB, and Japan) tried, with mixed success, to coordinate their programs, and they resolved to coordinate much more closely through a joint CAS.

⁹ The client survey conducted in late 2004 as part of the CASCR revealed that the Bank is seen in a negative light in Bangladesh. It is perceived to be ineffective in addressing the number one problem perceived by civil society—weak governance and high corruption in the public sector.

Annex Table 1: Macroeconomic and Social Indicators, Bangladesh, 2000-2004

Series Name	AVERAGE (2000-2004)										
	2000	2001	2002	2003	2004	Bangladesh	South Asia	Pakistan	Bolivia	Philippines	Uganda
GDP growth (annual %)	5.9	5.3	4.4	5.3	5.5	5.3	5.5	3.6	2.3	4.5	5.8
GNI per capita, Atlas method (current US\$)	380	380	380	400	440	394	492	493	943	1043	253
GNI per capita, PPP (current US\$)	1,610	1,700	1,770	1,870	1,980	1,786	2,498	1,943	2,408	4,380	1,333
GDP per capita growth (annual %)	4.1	3.5	2.6	3.4	3.7	3.5	3.7	1.2	0.3	2.3	2.8
Agriculture, value added (% of GDP)	25.5	24.1	22.7	21.8	20.5	22.9	23.5	24.6	14.9	15.0	34.3
Industry, value added (% of GDP)	25.3	25.9	26.4	26.3	26.7	26.1	25.9	23.2	29.7	32.4	20.8
Services, etc., value added (% of GDP)	49.2	50.0	50.9	52.0	52.8	51.0	50.6	52.2	55.5	52.7	44.9
Exports of goods and services (% of GDP)	14.0	15.4	14.3	14.2	14.0	14.4	15.7	18.4	20.8	50.3	11.9
Imports of goods and services (% of GDP)	19.2	21.5	19.0	20.0	20.6	20.1	17.5	19.2	26.2	51.3	25.1
Current account balance (% of GDP)	-0.6	-1.1	1.6	0.4	..	0.0	..	3.1	-3.2	5.0	-5.7
Total Debt Service (% of exports of goods and services)	8.6	7.5	7.4	6.0	..	7.4	13.6	20.9	29.2	20.5	6.5
External debt (% of GNI)	32.1	31.4	34.3	34.3	..	33.0	25.0	46.4	68.0	74.8	67.9
Gross domestic savings (% of GDP)	17.8	17.0	18.4	17.6	17.0	17.6	20.6	14.7	9.2	18.9	6.5
Total reserves in months of imports	1.8	1.6	2.2	2.8	3.0	2.3	9.3	5.1	5.5	4.6	6.5
Current revenue, excluding current grants (% of GDP)	8.4	9.0	10.1	10.3	10.1	9.6	13.1	13.8	17.3	15.3	11.1
Expenditure, total (% of GDP)	13.2	14.8	14.3	13.7	13.3	13.9	17.5	18.7	25.2	19.3	20.8
Overall budget balance, excluding grants (% of GDP)	-5.1	-5.1	-4.7	-3.5	-3.2	-4.3	..	-4.1	-6.3	-4.0	-8.6
Inflation, consumer prices (annual %)	2.2	2.0	3.3	5.7	3.2	3.3	..	3.4	2.6	4.1	3.1
Immunization, DPT (% of children ages 12-23 months)	83.0	83.0	85.0	85.0	..	84.0	68.1	64.8	80.8	79.8	68.0
Improved sanitation facilities (% of population with access)	..	..	48.0	..	..	48.0	34.6	54.0	45.0	73.0	41.0
Improved water source (% of population with access)	..	..	75.0	..	..	75.0	83.7	90.0	85.0	85.0	56.0
Life expectancy at birth, total (years)	..	..	62.1	62.4	..	62.3	63.5	64.0	64.0	69.9	43.2
Mortality rate, infant (per 1,000 live births)	54.0	..	..	46.0	..	50.0	66.0	77.5	56.0	28.5	83.0
School enrollment, primary (% gross)	23.8	19.2	20.6	..	..	21.2	30.3	51.0	46.7	31.7	4.2
School enrollment, primary (% net)	98.9	97.5	95.9	..	..	97.4	97.4	70.9	114.6	112.3	138.6
School enrollment, secondary (% gross)	46.1	46.9	47.5	..	..	46.8	47.3	23.2	83.1	79.5	14.3
Population, total (in million)	131.05	133.35	135.68	138.07	140.49	135.7	1401.2	143.2	8.6	79.1	24.3
Population growth (annual %)	1.7	1.7	1.7	1.7	1.7	1.7	1.7	2.4	1.9	2.1	2.8
Urban population (% of total)	25.0	25.6	26.2	26.8	24.6	23.9	27.8	33.6	63.2	59.8	14.7

Source: WB SIMA database, October 24, 2005, and IMF, 2005 Article IV Consultation Report, July 2005.

Annex Table 2A: Bangladesh – Planned Lending Program and Actual Deliveries (FY01-04)

FY01 CAS Plans (November 17, 2000) a/				Status – FY03 Progress Report (May 23, 2003)			
FY	Projects	Type b/	IDA \$M	Status c/	Type	IDA \$M	
2001	Air Quality Management	LIL	4.7	Actual		4.7	
	HIV/AIDS Prevention	Inv	40.0	Actual		40.0	
	Legal & Judicial Capacity Building	Inv	30.6	Actual		30.6	
	Microfinance II	Inv	151.0	Actual		151.0	
	Post-Literacy & Continuing Education	Inv	53.3	Actual		53.3	
	Subtotal			279.6	Subtotal		279.6
2002	Female Secondary School Assistance	Inv	100.0	Actual		120.9	
	Rural Electrification	Inv	175.0	Actual		190.9	
	Social Investment Program	Inv	50.0	Forwarded to FY03			
	Water Management Improvement	Inv	55.0	Forwarded to FY04			
	Public Sector Modernization	Inv	40.0	Dropped			
	Rural Credit	LIL	5.0	Dropped			
	Subtotal			425.0	Subtotal		321.4
2003	Rural Transport Improvement		150.0	Actual		190.0	
	Water & Sanitation Sector Improvement		75.0	Forwarded to FY04			
	Coastal Zone Development Program		200.0	Forwarded to FY06			
	Early Childhood Development		50.0	Dropped			
	Gorai River Restoration		180.0	Dropped			
	Khulna Urban Services Project		60.0	Dropped			
	Subtotal			715.0	Subtotal		554.4
	Planned Total FY01-03			1,419.6	Actual Total FY01-03		1,155.4
	FY03 CAS Progress Report Plans (May 23, 2003) a/				Status – CAS Completion Report (Final Date of Current Completion Report)		
	2004	Water Management Improvement	Inv	80.0	Forwarded to FY05		
Economic Management		TA	20.0	Actual (*)		20.0	
Enterprise Growth & Bank Modernization d/		Inv	180.0	Actual		250.0	
Education Sector Dev Support Credit		Adj	100.0	Forwarded to FY05			
Development Support Credit II		Adj	150.0	Forwarded to FY05			
Export Development & Competitiveness		Inv	20.0	Dropped			
Subtotal				550.0	Subtotal		526.5
Planned Total FY01-04				1,969.6	Actual Total FY01-04		1,681.9

a/ Date of actual completion of the document. Final version of the CAS was printed on February 18, 2001; and of the CAS Progress Report on June 30, 2003.

b/ Inv (Investment); TA (Technical Assistance); Adj (Adjustment Lending); SWAp (Sector Wide Approach); and LIL (Learning & Innovation Loan or Credit)

c/ Three categories used: Actual, Dropped, or Forwarded to a different FY.

d/ This project appear in CAS Progress Report as "SOE & Banking Reform."

e/ This project listed in CAS Progress Report as Reserve.

(*) These projects were financed with IDA 13 Grants.

(**) This project includes IDA Credit (\$7.1 million) and Grant (\$8.4 million).

Annex Table 2B: Bangladesh: Non-lending Services: Planned vs. Actual Deliveries (FY01-04)

FY01 CAS Plans (November 17, 2000) a/		Status – FY03 Progress Report (May 23, 2003)		
FY	Product	Type	Status b/	Type c/
2001	Institutional & Governance Review Financial Accountability Assessment Climate Change Study Health Financing Study Fiscal Strategy for Parastatals Labor Issues Periodic Economic Updates Safety Nets Policy Briefs for New Government Citizen Report Cards Communication for Change Program	Rpt Rpt Rpt Rpt PN PN PN PN PN PN PN Other	Actual Actual Actual Actual Actual Actual Actual Actual Actual Actual Actual Actual	
2002	Country Procurement Assessment Public Expenditure Review Poverty Assessment CFR: Private Provision of Infrastructure Governance & Inst. Quality Survey Development Forum Update Periodic Economic Updates	Rpt Rpt Rpt Rpt PN PN PN	Actual Actual Actual Completed in FY03 Actual Actual Actual Actual <i>Additional Actual Products</i> Review of Public Enterprise Performance Energy Pricing Study Improving Textbook Quality	 PN PN PN
2003	Promoting Rural Non-Farm Growth Periodic Economic Updates Access of Poor to Education Export Development Urban Governance Poverty Assessment Workshop PER Workshop	Rpt PN PN PN PN Other Other	Completed in FY04 Actual Actual Actual Dropped Actual Actual <i>Actual from FY02</i> CFR: Private Provision of Infrastructure <i>Additional Actual Products</i> Private Sector Assessment of HNP Sector Investment Climate Assessment Financial Sector Assessment Paper Development Policy Review Agricultural Growth and Rural Poverty	 Rpt Rpt Rpt Rpt PN
FY03 CAS Progress Report Plans (May 23, 2003)			Status – CAS Completion Report (Final Date of Current Completion Rep)	
2004	Competitiveness Study MDG Assessment ROSC: Creditors' Rights/Insolvency Country Environmental Assessment Teacher Absenteeism Evaluation of NGO Contracting Agricultural Technology Review	Rpt Rpt Rpt PN PN PN PN	Forwarded to FY05 Forwarded to FY05 Forwarded to FY05 Forwarded to FY05 Forwarded to FY05 Forwarded to FY05 Forwarded to FY05 <i>Actual from FY03</i> Promoting Rural Non-Farm Growth <i>Additional Actual Products</i> Rail / Ports / Inland Water Transport Scaling Up Microfinance	 Rpt PN PN

a/ Date of actual completion of the document. Final version of the CAS was printed on February 18, 2001; and of the CAS Progress Report on June 30, 2003.

b/ The following categories are used: Actual, Dropped, Completed in a Different FY; and Forwarded to a different FY.

c/ AAA Type: Rpt (Report); PN (Policy Note); and Other (workshops, dissemination, non-lending TA).

Annex Table 2C: Bangladesh - Actual Lending Program by Objective

<i>Pillars</i>	<i>Lending</i>	<i>FY</i>	<i>Amount (\$m)</i>
1. Growth	Financial Services for the Poorest LIL	2002	5.0
	Development Support Credit	2003	300.0
	Economic Management	2004	20.0
	Entreprise Growth & Bank Modernization	2004	250.0
	Power Sector Development	2004	15.5
	Total		590.5
2. Human Development	HIV/AIDS Prevention	2001	40.0
	Post-Literacy & Continuing Education	2001	53.3
	Female Secondary School Assistance	2002	120.9
	Social Investment Program	2003	18.4
	Primary Education Development	2004	150.0
	Reaching Out of School Children	2004	51.0
	Total		433.6
3. Rural Development	Microfinance II	2001	151.0
	Rural Electrification	2002	190.9
	Rural Transport Improvement	2003	190.0
	Total		531.9
4. Governance and Institutions	Legal & Judicial Capacity Building	2001	30.6
	Public Procurement Reform	2002	4.5
	Central Bank Strengthening	2003	37.0
	Telecommunications	2003	9.1
	Total		81.2
5. Environmental Management & Gender	Air Quality Management	2001	4.7
	Water Supply Program	2004	40.0
	Total		44.7
	Grand Total		1681.9

Source: Bangladesh 2001 CAS and CAS Progress Report 2003.

Annex Table 3: Bangladesh – OED Project Ratings, FY1999-2005

Project ID	Exit FY	Total Evaluated (\$M)	OED Outcome	OED Sustainability	OED ID Impact
Technical Assistance 6	FY99	25.4	Moderately Satisfactory	Likely	Modest
Jamuna Bridge	FY00	204.1	Highly Satisfactory	Highly Likely	Modest
Gas Infrastructure Development	FY00	67.9	Unsatisfactory	Unlikely	Negligible
Third Inland Water Transport	FY00	47.4	Satisfactory	Unlikely	Modest
Third Rural Electrification	FY00	110.7	Highly Satisfactory	Highly Likely	High
Emergency Flood Recovery Project	FY00	199.4	Highly Satisfactory	Likely	Substantial
Second Road Rehabilitation & Maintenance	FY01	218.9	Satisfactory	Likely	Substantial
Female Secondary School Assistance	FY01	63.7	Moderately Satisfactory	Likely	Modest
Non-Formal Education	FY01	7.9	Satisfactory	Likely	Substantial
Poverty Alleviation (Microcredit I)	FY01	99.1	Satisfactory	Likely	Substantial
Forest Resources Management	FY02	46.6	Moderately Satisfactory	Non-evaluable	Modest
Fourth Dhaka Water Supply	FY02	46.7	Moderately Unsatisfactory	Unlikely	Modest
Agriculture Research Management	FY02	42.9	Satisfactory	Unlikely	Modest
Bangladesh Integrated Nutrition	FY02	51.6	Satisfactory	Likely	Modest
River Bank Protection	FY02	148.4	Satisfactory	Likely	Modest
Second Rural Roads & Markets Improvement	FY03	140.3	Satisfactory	Likely	Substantial
Coastal Embankment Rehabilitation	FY03	59.6	Moderately Satisfactory	Unlikely	Modest
Silk Development Pilot Project	FY03	6.0	Satisfactory	Unlikely	Modest
Agricultural Serv. Innovation & Reform	FY03	4.0	Unsatisfactory	Non-evaluable	Modest
Development Support Credit	FY03	NE - Non-evaluable	Moderately Satisfactory	Non-evaluable	Modest
Primary Education Development	FY04	91.0	Moderately Satisfactory	Likely	Modest
Export Diversification	FY04	29.6	Moderately Satisfactory	Non-evaluable	Modest
Development Support Credit II	FY05	201.1	Moderately Satisfactory	Likely	Modest

	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % a/	Satisfactory Outcome % b/	Inst Dev Impact % Subst (No)	Sustainability % Likely (No)
Bangladesh	1,912	23	87.0	52.2	26.1	68.4
South East Asia	20,298	192	77.1	-	43.2	69.1
World Bank	145,331	1,942	74.5	-	46.5	67.3

a/ This shows the percentage of projects with a rating of moderately satisfactory or above 20 such projects

b/ This lower percentage is due to the inclusion of projects only with satisfactory and above ratings 12 such projects

Highly Satisfactory (3) Sat. - Satisfactory (9) Mod. Sat - Moderately Satisfactory (8) Moderately Unsatisfactory (1) Unsat. - Unsatisfactory (2) NE - Non-evaluable

Annex Table 4: Analytical and Advisory Work on Bangladesh, 1999-2005

Country Assistance Strategy Documents	Delivery Date	Report No.
Bangladesh - Country assistance strategy progress report	6/30/2003	25886
Bangladesh - Country assistance strategy (Vol 1) Bangladesh - Country assistance strategy	2/8/2001	21326
Bangladesh - Country assistance strategy : progress report (Vol 1)	7/20/1999	19629
Country Procurement Assessment Report		
Bangladesh - Country procurement assessment report	5/11/2002	24144
Country Financial Accountability Assessment		
Bangladesh - Country Financial Accountability Assessment (Vol 1)	2/28/2001	25686
Poverty Reduction Strategy Paper		
Bangladesh - PRSP Preparation Status Report and Joint IDA-IMF Staff Assessment	6/28/2004	29456
Bangladesh - Interim Poverty Reduction Strategy Paper	5/29/2003	25888
Economic Reports		
Bangladesh - Development forum economic update	5/26/2004	29118
Bangladesh - Public expenditure review (Vol 1) Bangladesh - Public expenditure review	5/25/2003	24370
Bangladesh - Trade liberalization : its pace and impacts	11/23/1999	19591
Sector Reports		
Housing finance reforms in Bangladesh - unleashing supply to meet growing demand	11/1/2004	32119
Bangladesh - Promoting the rural non-farm sector in Bangladesh	10/7/2004	29719
Bangladesh - Development policy review : impressive achievements but continuing challenges	12/14/2003	29154
Bangladesh - Private sector assessment for health, nutrition and population (HNP) in Bangladesh	11/18/2003	27005
Bangladesh - Poverty in Bangladesh : Building on Progress (Vol 1)	12/31/2002	24299
Bangladesh - Climate change and sustainable development (Vol 1)	12/19/2000	21104
Financial Sector Assessment Paper	4/1/2003	SECM2003-0440
ESMAP Papers		
Integrating gender in energy provision case study of Bangladesh	7/1/2004	30214
Bangladesh : reducing emissions from baby-taxis in Dhaka	1/1/2002	ESM253
Workshop on Bangladesh power sector reform (Vol 1)	12/31/2001	23876
Operations Evaluation Studies		
Education in Bangladesh - a country sector review	6/30/1999	19548
The gender dimension of Bank assistance : an evaluation of results	1/17/2001	23119
Taming Leviathan : reforming governance in Bangladesh - an institutional review	3/1/2002	26661

Source: WB Imagebank as of May 17, 2005.

Annex Table 5: Portfolio Status Indicators by Year, 1998-2005
(in US\$ million)

Country		1998	1999	2000	2001	2002	2003	2004	2005
Bangladesh									
	# Proj	20	25	24	25	24	24	28	26
	# Proj At Risk	3	4	4	5	4	6	5	3
	% At Risk	15.0	16.0	16.7	20.0	16.7	25.0	17.9	11.5
	Net Comm Amt	2,016.8	3,012.5	2,504.3	2,361.6	2,266.1	2,142.5	2,530.5	2,318.1
	Comm At Risk	140.8	291.7	439.4	168.5	354.7	710.4	597.7	325.3
	% Commit at Risk	7.0	9.7	17.5	7.1	15.7	33.2	23.6	14.0
Comparator Countries									
Pakistan									
	# Proj	29	24	15	14	10	13	16	14
	# Proj At Risk	15	4	3	1	-	1	1	1
	% At Risk	51.7	16.7	20.0	7.1	-	7.7	6.3	7.1
	Net Comm Amt	2,879.3	2,290.2	1,556.0	1,201.9	1,144.0	1,203.8	1,426.4	966.8
	Comm At Risk	1,539.8	927.2	306.8	250.0	-	284.8	284.8	61.1
	% Commit at Risk	53.5	40.5	19.7	20.8	-	23.7	20.0	6.3
India									
	# Proj	74	70	75	74	67	68	60	61
	# Pot Proj	11.0	8.0	20.0	6.0	5.0	8.0	10.0	9.0
	% At Risk	14.9	11.4	26.7	8.1	7.5	11.8	16.7	14.8
	Net Comm Amt	13,279.9	12,265.8	13,075.3	13,304.7	12,832.0	12,854.3	11,911.1	12,638.7
	Comm At Risk	1,339.5	1,887.5	3,724.9	1,020.0	943.5	1,154.7	2,621.2	1,102.0
	% Commit at Risk	10.1	15.4	28.5	7.7	7.4	9.0	22.0	8.7

Source: Business Warehouse table 3a.4 as of September 12, 2005.

Annex Table 6: IBRD/IDA Net Disbursements and Charges Summary Report for Bangladesh, FY1997-2005
(in US\$ million)

FY	Gross Disb	Repay	Net Disbursement	Interest	Fees	Net Transfer
1997	314.6	56.7	257.9	44.8	-	213.1
1998	331.5	62.6	268.9	44.7	-	224.2
1999	472.0	70.8	401.1	46.8	-	354.3
2000	350.7	81.6	269.1	48.8	-	220.3
2001	298.2	94.5	203.7	49.0	-	154.7
2002	320.7	103.8	217.0	49.1	-	167.8
2003	560.3	122.9	437.3	52.4	-	384.9
2004	228.3	137.2	91.1	60.1	3.6	27.5
2005	619.5	153.8	465.7	51.3	4.3	410.0
Total	3,495.8	884.0	2,611.8	447.1	7.9	2,156.8

Source: Controller's website as of May 17, 2005.

Annex Table 7: Millennium Development Goals

	1990	1994	1997	2000	2003
Goal 1: Eradicate extreme poverty and hunger					
Percentage share of income or consumption held by poorest 20%	..	..	..	9	..
Population below \$1 a day (%)	35.9	28.6	26.7	36	..
Population below minimum level of dietary energy consumption (%)	..	..	40	..	30
Poverty gap ratio at \$1 a day (incidence x depth of poverty)	8.8	6	5.1	8.1	..
Poverty headcount, national (% of population)	..	..	51	49.8	..
Prevalence of underweight in children (under five years of age)	65.8	..	56.3	47.7	..
Goal 2: Achieve universal primary education					
Net primary enrollment ratio (% of relevant age group)	71.2	..	93.6	87.7	85.1
Primary completion rate, total (% of relevant age group)	46	..	82	77	73
Proportion of pupils starting grade 1 who reach grade 5	..	..	54.7	65.5	..
Youth literacy rate (% ages 15-24)	42	44.5	46.5	48.4	49.7
Goal 3: Promote gender equality and empower women					
Proportion of seats held by women in national parliament (%)	10	..	9	9	2
Ratio of girls to boys in primary and secondary education (%)	77.1	..	96.5	102.3	106.8
Ratio of young literate females to males (% ages 15-24)	65.5	67.3	68.7	70	71.1
Share of women employed in the nonagricultural sector (%)	17.6	20.5	22.2	22.9	25
Goal 4: Reduce child mortality					
Immunization, measles (% of children ages 12-23 months)	65	78	72	76	77
Infant mortality rate (per 1,000 live births)	96	75	..	54	46
Under 5 mortality rate (per 1,000)	144	116	..	82	69
Goal 5: Improve maternal health					
Births attended by skilled health staff (% of total)	..	9.5	8	12.1	14
Maternal mortality ratio (modeled estimate, per 100,000 live births)	..	..	..	380	..
Goal 6: Combat HIV/AIDS, malaria, and other diseases					
Contraceptive prevalence rate (% of women ages 15-49)	39.9	44.9	49.2	53.8	..
Incidence of tuberculosis (per 100,000 people)	246.1	246	246	245.9	245.9
Number of children orphaned by HIV/AIDS	..	..	..	..	..
Prevalence of HIV, total (% of population aged 15-49)	..	..	..	..	..
Tuberculosis cases detected under DOTS (%)	..	6.7	18.1	23.5	33
Goal 7: Ensure environmental sustainability					
Access to an improved water source (% of population)	71	..	..	..	75
Access to improved sanitation (% of population)	23	..	..	..	48
Access to secure tenure (% of population)	..	..	..	..	..
CO2 emissions (metric tons per capita)	0.1	0.2	0.2	0.2	..
Forest area (% of total land area)	9	..	..	10.2	..
GDP per unit of energy use (2000 PPP \$ per kg oil equivalent)	10.1	10.3	10.4	10.9	10.5
Nationally protected areas (% of total land area)	..	..	..	..	0.8
Goal 8: Develop a global partnership for development					
Aid per capita (current US\$)	19	14.8	8.1	8.9	10.1
Debt service (% of exports)	35	15	12	11	8
Fixed line and mobile phone subscribers (per 1,000 people)	2	2.2	3.2	5.8	15.6
Internet users (per 1,000 people)	..	..	0	0.8	1.8
Personal computers (per 1,000 people)	..	..	0.2	1.5	7.8
Unemployment, youth female (% of female labor force ages 15-24)	2.3	..	5.7	10.3	..
Unemployment, youth male (% of male labor force ages 15-24)	2.8	..	8	11	..
Unemployment, youth total (% of total labor force ages 15-24)	2.5	..	7	10.7	..
Other					
Fertility rate, total (births per woman)	4.1	..	3.3	..	2.9
GNI per capita, Atlas method (current US\$)	280	310	350	380	400
GNI, Atlas method (current US\$) (billions)	31	36.6	44.1	49.9	55
Gross capital formation (% of GDP)	17.1	18.4	20.7	23	23.4
Life expectancy at birth, total (years)	54.8	..	59.8	..	62.4
Literacy rate, adult total (% of people ages 15 and above)	34.2	36.5	38.3	40	41.1
Population, total (millions)	110	118	124.4	131.1	138.1
Trade (% of GDP)	19.7	22.9	30	33.2	34.2

Source: World Development indicators database, April 2005

Note: In some cases the data are for earlier or later years than those stated.

Goal 1 targets: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day. Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

Goal 2 target: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

Goal 3 target: Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015.

Goal 4 target: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate.

Goal 5 target: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio.

Goal 6 targets: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS. Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases.

Goal 7 targets: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources. Halve, by 2015, the proportion of people without sustainable access to safe drinking water. By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers.

Goal 8 targets: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system. Address the Special Needs of the Least Developed Countries. Address the Special Needs of landlocked countries and small island developing states. Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term. In cooperation with developing countries, develop and implement strategies

for decent and productive work for youth. In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries. In cooperation with the private sector, make available the benefits of new technologies, especially information and communications.

Annex Table 8: Governance Indicators for Bangladesh Percentile Rank (0-100)

<i>Indicators (Percentile Rank)</i>	<i>2000</i>		<i>2002</i>		<i>2004</i>	
	<i>Bangladesh</i>	<i>South Asia</i>	<i>Bangladesh</i>	<i>South Asia</i>	<i>Bangladesh</i>	<i>South Asia</i>
Voice and Accountability	38.7	27.2	28.8	29.5	28.6	25.4
Political Stability	28.5	25.8	26.5	31.9	11.7	26.4
Government Effectiveness	35.5	44.9	31.8	45.6	26.4	38.5
Regulatory Quality	40.1	37.5	14.8	36.4	13.3	30.8
Rule of Law	29.9	37.6	27.6	42.0	22.2	34.2
Control of Corruption	33.9	39.4	16.8	40.1	10.3	37.9