

# Bangladesh and Nepal Country Partnership and Strategy

**Sungsup Ra**

Senior Advisor to the Managing Director General  
Office of the President

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**ADB**

# What is CPS?

- The Country Partnership and Strategy (CPS) is the primary guiding tool for ADB operations at the country level
- The CPS provides a plan of how ADB's assistance will effectively contribute to the DMC's development and poverty reduction goals as well as country specific Millennium Development Goals (MDGs)

# NEPAL CPS



# Nepal: Development Context

- Insurgency grown into serious **conflict & political instability** continues
- Geographic, economic, social, gender, and ethnic **inequalities** exposed.
- Substantially deteriorated portfolio performance starting from 2001.

# Nepal: ADB's Strategic Response

- Prepared the ADB's first pilot results based CSP for Nepal (October 2004)
- Theme: Development in Conflict
- Strategic Focus: Inclusive Development

# Nepal CPS

- Prepared a results framework based on extensive consultation with various stakeholders (e.g. local consultations)
- Internalized the key development risks (the conflict and the political instability)
- Extensive efforts to harmonize aid with other development partners
- Substantial restructure of the country program to align with the new strategy

# Nepal: CPS

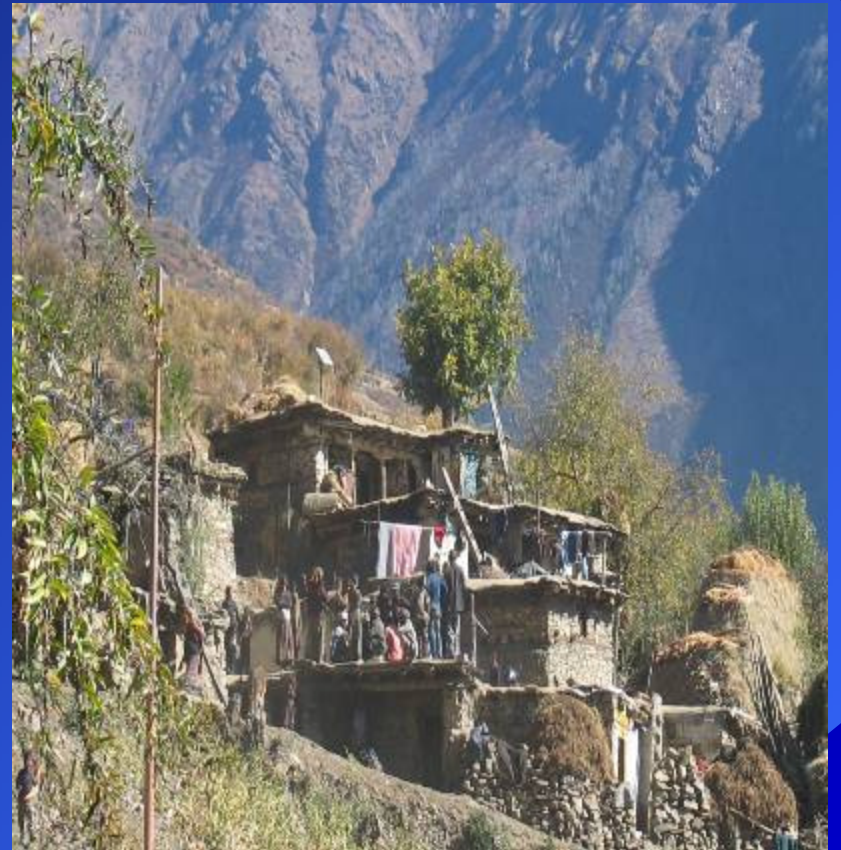
## Implementation Strategy

- Implementation strategy was developed in the CSP
- Focus on fewer sectors to secure results
- Foster government's commitment
- Sector approach
- Project design simple and realistic

# Nepal: IMPLEMENTATION

**CPS guides ADB to prepare projects based on the following 4 principles**

- Conflict assessment
- Participatory processes
- Mainstreaming inclusion
- Transparency and Accountability



# Implementation

## Introduction of Project Readiness Filter

- **Design stage**
  - Action plan for land acquisition and resettlement discussed
  - Focal point for the loan appointed by the EA
- **Fact-finding**
  - Action plan for land acquisition and resettlement agreed
  - Action plan for environmental impact assessment and social impact assessment agreed

# Implementation

## Introduction of Project Readiness Filter

- **Appraisal stage**
  - Budget and funding for the 1<sup>st</sup> year of project implementation agreed
  - Prepared procurement and disbursement plan
  - Bid document for the first year of the project prepared
  - EOI for consultant recruitment and shortlist ready
- **Loan negotiation stage**
  - Land acquisition committee established
  - Project implementation unit established
  - Project steering and coordination committee established
  - Draft bidding documents submitted to ADB (civil works/goods)

# Nepal: Key Results

<b>Indicators</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>ADB-wide</b>
Contract Awards Ratio	7.0	15.2	22.1	29.3
Disbursement Ratio	4.4	7.7	20.0	23.4
Net Resource Transfer (\$ m)	20.3	44.9	36.5	21.0
Project at Risk (%)	26.0	30.4	17.4	10
Average Time: Approval to Effectiveness	9.0	10.3	11.1	8.4

# BANGLADESH CPS



# Development Context

- Robust economic performance
- Poverty reduction of nine percentage points through the nineties
- Good progress towards Millennium Development Goals (MDGs)

## But success offset by...

- Confrontational politics
- Weak governance
- Infrastructure shortages

# Bangladesh Joint-CPS

- A joint-CPS prepared by four development partners: ADB, DFID, Japan and the World Bank in October 2005
- Includes a joint-results framework to enhance
  - Selectivity: based on comparative advantage
  - Relevance: based on discussions and alignment with Government
  - Responsiveness

# Joint-CPS Strategic Focus

Four joint partners will contribute to the achievement of Government's National Poverty Reduction Strategy (NPRS) for:

- Growth
- Human development
- Good governance

This will be achieved through:

- Improving the investment climate
- Empowering the poor
- Strengthening governance across sectors

# ADB Strategic Focus

## Major role

- Power/Gas
- Transport
- Education
- Integrated Urban Development (health, water supply/sanitation, and infrastructure)

## Catalytic role

Core Governance Support

## Supporting role

Agribusiness, Irrigation and Finance

**What we have  
achieved so far**

# Joint Strategy Partners Ongoing Collaboration

- Joint Portfolio Review
- Joint Programming Review
- Sector wide approach in primary education (PEDP II, 11 DPs support incl. JSP)
- Railways
- City Water Supply and Sanitation
- Power Sector Reforms
- Governance Instruments

## On-going Collaboration (cont'd) Joint Strategy Sector Matrix

Agriculture	WB
Civil service reform	WB
Energy	ADB / WB
Legal & judicial reform	WB
Urban infrastructure	ADB / WB
Rural infrastructure	Japan / WB
Local governance	WB
Police reform	Japan
Private sector development/SME	DFID / WB
Rural non-farm sector	WB
Procurement	WB
Financial Management	DFID / WB
Transport (incl. ports and rail)	ADB / WB
Tax administration	WB
Education	ADB / WB
Health	WB / ADB

## Bangladesh Railway Reform and Investment Program

- Clear outcome resulting from a coordinated joint country strategy
- Table shows how the donor programs fit together to support the Government's reform and investment program

	<b>ADB</b>	<b>Japan</b>	<b>World Bank</b>	<b>DFID</b>
FY06/07	<ul style="list-style-type: none"> <li>•Reform TA</li> <li>•Multi-tranche investment loan approved</li> <li>•First Tranche Loan released</li> </ul>	<ul style="list-style-type: none"> <li>•Debt cancellation (ongoing)</li> <li>•Investment loan including Capacity Building component (requested)</li> </ul>	<ul style="list-style-type: none"> <li>•First Development Policy Credit (DPC)</li> </ul>	<ul style="list-style-type: none"> <li>•Multimodal Transport Policy</li> <li>•Railway Development Master Plan (ongoing)</li> </ul>
FY07/08	<ul style="list-style-type: none"> <li>•Second Tranche Loan released</li> </ul>	<ul style="list-style-type: none"> <li>•Investment loan disbursed</li> </ul>	<ul style="list-style-type: none"> <li>•Investment Project preparation started</li> </ul>	---
FY08/09	<ul style="list-style-type: none"> <li>•Third Tranche Loan released</li> </ul>	---	<ul style="list-style-type: none"> <li>•Second DPC</li> <li>•Investment project</li> </ul>	---
FY09/10	<ul style="list-style-type: none"> <li>•Fourth Tranche Loan released</li> </ul>	---	---	---

# Bangladesh Results

<b>Indicator</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>ADB wide</b>
Contract Ratio	10.6	18.8	22.0	29.3
Disbursement Ratio	10.7	13.3	16.0	23.4
Net Resource Transfer (\$ m)	(3)	68.6	127.6	21.0
Project at Risk (%)	15.3	9.2	11.1	10

# Lessons Learned

Based on ADB's experience, a few suggestions for DMCs in preparing CPSs:

- Good diagnosis
- Extensive consultations (including local stakeholders)
- Tailored to country context
- Coordinated
- Country ownership
  - Government should “own” the process so that CPS does not end up a donor-prescribed document

# Thank you

