**Type of Review: Annual Review**

**Project Title: Chars Livelihoods Programme Phase II (CLP-2)**

**Date started: 1 April 2010**

**Date review undertaken: 9 - 21 February 2014**

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| Instructions to help complete this template:Before commencing the annual review you should have to hand:* the Business Case or earlier project documentation.
* the Logframe
* the detailed guidance (How to Note)- Reviewing and Scoring Projects
* the most recent annual review (where appropriate) and other related monitoring reports
* key data from ARIES, including the risk rating
* the separate project scoring calculation sheet (pending access to ARIES)

You should assess and rate the individual outputs using the following rating scale and description. ARIES and the separate project scoring calculation sheet will calculate the overall output score taking account of the weightings and individual outputs scores:

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| **Description** | **Scale** |
| Outputs substantially exceeded expectation | A++ |
| Outputs moderately exceeded expectation | A+ |
| Outputs met expectation | A |
| Outputs moderately did not meet expectation | B |
| Outputs substantially did not meet expectation | C |

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## Introduction and Context

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| What support is the UK providing? |
| The UK is investing £70 million over 6 years (2010-16) in the second phase of the Chars Livelihoods Programme (CLP-2). This investment provides a comprehensive package of support to families and communities living on the remote *chars* (sandbank islands) in the Jamuna and Teesta river of north-western Bangladesh. This package helps these families and communities to lift themselves out of extreme poverty. Australia’s Department of Foreign Affairs and Trade (DFAT) provides an additional £9.1 million. A component to provide direct nutrition support to the programme’s beneficiaries (at a cost of £2.6 million) commenced in 2013.The package is provided over an 18 month period. Typically it includes: (i) raising homesteads onto plinths 2 feet above the high flood level and ensuring access to clean water and a hygienic toilet; (ii) financing a productive asset (people usually decide to buy livestock, particularly cattle) and a small cash stipend; (iii) training in health, household financial management and nutrition (complemented by a direct nutrition supplement); and (iv) ensuring access to basic health care and to markets for selling their produce. After 18 months, most participants are able to sustain and improve their livelihoods with limited further support. The programme then moves on to target other extremely poor households. |

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| **What are the expected results?** |
| CLP-2’s purpose is to improve the livelihoods, incomes and food security of up to one million extremely poor people (including the non-core participants) living on island *chars* in the north west of Bangladesh. In order to achieve the purpose, CLP-2 II will help lifting about 57,000 families (222,000 people) out of extreme poverty; protect 270,000 people from flooding by raising their homes on earth plinths; provide more than 450,000 people with access to a sanitary toilet; and improve incomes and assets for more than 221,000 people.The programme ensures all ‘core households’ (landless and assetless very poor families who receive a free productive asset) live on raised plinths and have access to a sanitary toilet and safe water if they do not already have access to these. The programme also allows for other households living close by to be included in some aspects of the programme, helping to spread benefits and build community support for the programme.CLP-2 improves the status of women and girls by targeting them specifically with the assets and training, and by helping them form community groups. CLP-2 also improves char dwellers’ access to health and education and to markets for their products. CLP-2 uses lessons from the programme to influence other national safety net programmes and food security policy. |

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| What is the context in which UK support is provided? |
| Almost 2.5 million people live on the remote and isolated island *chars* in the north-west of Bangladesh. These are some of the poorest people in the country, many living on less than 20 pence a day. Most are landless, with few possessions or opportunities to earn income. Poorly paid, irregular day labour offers the only income source for many. Char dwellers frequently go hungry and half of all children under the age of five are stunted - a sign of long-term undernutrition. Access to basic services - schools and clinics - as well as microfinance and markets is extremely limited because of the *chars*’ isolation from the mainland. The Bangladesh Government’s poverty reduction strategy and plan highlights the need to pay special attention to the “25-30 million people who live in chronic and extreme poverty.” It identifies the *chars* as special pockets of extreme poverty. The UK and Australia co-finance CLP-2 as part of their shared commitment to helping the Government of Bangladesh tackle extreme poverty. |

## Section A: Detailed Output Scoring

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| Output 1: Reduced environmental and economic risks for families and communities |
| **Output 1 score and performance description:** **A++ - substantially exceeded expectations** |
| **Progress against expected results:**

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| **Indicator 1.1:** |  |  |
|  | **Target (January 2014)** | **Actual result** |
| Number of households (hhs) raised on plinths 60 cm above highest recorded flood | 42,000 (benefiting 163,380 people - 81,641 male and 81,739 female) | **48,284** (benefitting 187,826 people - 93,856 male and 93,970 female) |
| **Score: A++** |

CLP-2 plinths so far provide shelter to 48,284 households against a cumulative target of 42,000. The increased construction is a pro-active response by the programme to the increased demand for labour this year (see Indicator 1.3) and the availability of additional funds to be targeted to plinth-raising. The benefits of plinths were clearly demonstrated under CLP-1 and have been discussed by previous Annual Reviews (AR) for their positive impact. During only moderate floods in 2013, CLP-2 plinths continued to be very effective, protecting CLP-2 beneficiaries and their assets and also providing shelter for neighbours and their assets - a social and communal good.

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| **Indicator 1.2:** |  |  |
|  | **Target (January 2014)** | **Actual result** |
| Number of persons accessing an improved water source and new/improved sanitation facilities | 233,400 people (60,000 hhs) with access to a sanitary latrine (116,630 male and 116,770 female)124,480 people (32,000 hhs) with access to an improved water source (62,203 male and 62,277 female) | 84,484 latrines benefiting **328,641** people (164,224 male and 164,417 female) constructed.49,376 hhs with access to an improved water source benefiting **192,075** people (95,980 male and 96,095 female). |
| **Score: A++** |

Targets have been substantially exceeded for both latrines and water sources. The CLP-2 has continued to promote the ‘low-cost’ latrine allowing the project to exceed targets substantially with a similar level of expenditure. Great progress is being made towards open-defecation free villages. The main issue with the low-cost latrines continues to be changing behaviour of the beneficiaries for maintaining a supply of water to keep them clean, sanitary and smell-free. Achievement of access to improved water sources have substantially exceeded targets through a policy of providing cleaner water to as many core beneficiary households as possible alongside non-core beneficiaries.

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| **Indicator 1.3:** |  |  |
|  | **Target (January 2014)** | **Actual result** |
| Number of Infrastructure Employment Project (IEP) person days during the lean season (Sep - Dec) | 1,300,000 person days (cumulative) - at least 15% for women  | **1,439,548** person days, 16% worked by women[[1]](#footnote-1) |
| **Score: A+** |

The IEP is the cash-for-work programme run by implementing NGOs and Union Parishads (elected local government body - the lowest administrative unit in Bangladesh). This provides the labour for plinth-raising (Indicator 1.1). CLP-2 has exceeded its cumulative targets by more than 10% but achieved only 1% over its 2013 IEP target - achieving 303,860 days’ work against the target of 300,000 days, hence the slightly lower score on this indicator. In 2013, almost continuous political strife meant that far fewer men migrated for work and so were available for IEP. This then reduced the number of women who were employed (about 7% of total in 2013 but still 16% of the total CLP-2 to date).**Recommendations:** 1. CLP should further reinforce messages to support habit changes required to maintain a supply of water to keep the latrine clean and sanitary, as well as hand-washing and other hygienic behaviour, through the social development groups.

L**og-frame recommendations:** 1. Reduce the impact weighting of Output 1 to 25% (to allow more focus on market linkages, partnership and nutrition) by June 30, 2014.
2. Long-term programme milestones should be aligned here and across the log-frame with annual targets by June 30, 2014.

**Impact Weighting (%):** 30%**Revised since last Annual Review?** No**Risk:** Medium**Revised since last Annual Review?** Yes, following recommendations of the last AR the risk ratingfor this output was raised from Low to Mediumto reflect the shortage of soil and workers for plinth-raising in some working areasand increased *hartals* (strikes) and political unrest in the country. |

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| Output 2: Improved family assets (physical, productive, political and social) |
| **Output 2 score and performance description:** **A+ - moderately exceeded expectations** |
| **Progress against expected results:**

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| **Indicator 2.1:** |  |  |
|  | **Target (January 2014)** | **Actual result** |
| Number of households receiving productive assets | 52,000 (benefiting 202,280 people - 101,079 male and 101,201 female) | **57,209 (b**enefiting 222,543 people - 111,205 male and 111,338 female)  |
| **Score: A++** |

Since the last review, a further 16,384 core participant households (CPHHs) have received assets - nearly always cattle, reaching a cumulative total of 57,209. This has substantially exceeded the cumulative target of 52,000 hhs. The transfer process is by now fairly routine. However, there were significant disruptions to cattle markets this year caused by *hartals (strikes),* especially during the dry season (Oct - Dec) when assets are transferred. Good levels of activity were achieved again in January 2014.

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| **Indicator 2.2:** |  |  |
|  | **Target (January 2014)** | **Actual result** |
| Number of core participants enrolled in social development groups | 61,594 (85% of these core participants are members of at least one other group e.g. Village Savings and Loan group) | **64,560** women - anyone ever enrolled in the programme since the start of CLP-2 (95% are members of at least one other group).  |
| **Score: A+** |

This is really an indicator of the size and roll-out of cohorts as well as of the formation of Social Development Groups (SDGs) as the core member from every household is automatically enrolled. An extra 3,000 hhs were added beyond the target (achieving 5% above target) - a moderate overachievement. There is a tendency for the SDGs to convert into Village Savings and Loan Groups (VSLGs). This evolution may be a better indicator of socio-economic development activities than SDG participation. The number of VSLGs formed during the AR period is high (1,144). Forced movement (often caused by river erosion) has an impact on the continuity of SDG (and VSLG) membership.

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| **Indicator 2.3:** |  |  |
|  | **Target (January 2014)** | **Actual result** |
| Number of households receiving homestead gardening inputs and advice |  47,000 | **50,487**  |
| **Score: A+** |

Nearly all members of all cohorts have received homestead gardening inputs and training and they have been counted in this indicator after receiving all training (except the later refresher training). Training in compost production was delayed in late 2013 due to the number and durations of *hartals* but made up in January 2014.

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| **Indicator 2.4:** |  |  |
|  | **Target (January 2014)** | **Actual result** |
| Number of Village Development Committees (VDCs) established and operational | 350 | **394** |
| **Score: A++** |

Support to VDCs was introduced to the CLP-2 in 2010 as a means of broadening the outreach of the programme to a greater number of non-core *char* dwellers and to support the sustainability of investments in social capital at the village level. This was prompted by the realisation that WASH initiatives, for example, needed blanket coverage of an area and in particular to obtain open-defecation free areas. However the remit of the VDCs is now much wider than WASH and encompasses many social development issues. CLP-2 has recently reviewed VDCs and made several recommendations to improve their sustainability (which is more challenging for the VDCs established earlier).**Recommendations:**2. CLP should monitor carefully progress with the implementation of the VDC review recommendations, ensuring that a structured phase-out plan is developed with the SDGs, VSLGs and VDCs (and including long-term vision, management/staffing and mechanisms for self-funding), by December 2014. **Log-frame recommendations:** 3. Reduce the impact weighting to 20% (to allow more focus on market linkages, partnership and nutrition) by June 30, 2014. **Impact Weighting (%):** 30%**Revised since last Annual Review?** No**Risk:** Medium **Revised since last Annual Review?** Yes, to reflect increased *hartals* and political unrest in the country which cause operational difficulty in procuring/transporting goods/services (e.g. cattle purchase) and providing certain training on time.  |
| **Output 3: Market systems offering greater opportunities and benefits and increased access to poor char communities** |
| **Output 3 score and performance description: A+ - moderately exceeded expectations** |
| **Progress against expected results:** CLP-2 has exceeded all logframe milestones for the year and in some cases exceeded targets substantially. Activities in the beef fattening and fodder sectors are further advanced than in milk although milk has made sound progress. But more needs to be done to translate outputs (especially for milk) into sustainable outcomes (e.g. improving production levels and access to market).

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| **Indicator 3.1:** |  |  |
|  | **Target (January 2014)** | **Actual result** |
| Improved knowledge among farmers and other market actors within common interest business groups (milk, meat and fodder) | 282 business groups formed and 59 char business centres established Training begins (no numeric target) | **312** business groups (meat: 96, fodder: 96 and milk: 120) and **65** char business centres established. Training is underway: 10,725 farmers (Milk: 5050, Meat: 3,566, Fodder: 2,109) and 493 Service Providers are trained. |
| **Score: A+** |

CLP-2 and its partners have established business groups, so that char dwellers can better link with private companies as producers. So far 312 livestock-related business groups covering meat, fodder and milk have been established and training provided. Training has also been provided to the Service Providers including Livestock Service Providers, Artificial Inseminators, *Goalas* (milk-collectors), Processors and *Paikers* (cattle-buyers). The training provided has not yet translated into sufficient action to improve market linkages, hence the slightly lower score on this indicator. Additional technical support (in the areas of yield, breed, cattle feed, financial management) and monitoring will be needed to ensure the effectiveness of the business groups.

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| **Indicator 3.2:** |  |  |
|  | **Target (January 2014)** | **Actual result** |
| Increased access to relevant financial services for households investing in animal health, productivity and production quality | 400 households in business groups have loans for milk, meat or fodder production | **487** loans |
| **Score: A++** |

CLP-2 is actively seeking partnerships to increase the availability of loans on the *chars*, especially following two microfinance workshops in the second half of 2013. By the end of 2013, three partner NGOs (MMS, NDP and especially GUK) have broadened credit for business group members, who are either core beneficiaries who have completed the CLP2 cycle or non-core participants. Their presence and the keenness of other partner NGOs to follow them should now result in a rapid increase in the availability of credit for *char* dwellers. United Leasing, a private company also continues to provide credit facilities for business groups members. There is the further possibility of linking the business groups with another DFID-funded project (PROSPER-PRIME, if extended) for partnership in microfinance and training. Given the level of demand, support provided to date and evidence of the emergence of specific micro-finance products, risks are not considered high. Nonetheless it will be important for CLP-2 to continue to monitor carefully the uptake of micro-finance by business group members and issues arising.

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|  **Indicator 3.3:** |  |  |
|  | **Target (January 2014)** | **Actual result** |
| Relationships established between business groups, buyers (meat & milk products) and input suppliers | 80% of char business centre committee members meet on a regular basis. 573 linkage meetings carried out between business groups and buyers | **90%** of committee members meet on a regular monthly basis. **994** linkage meetings. |
| **Score: A++** |

Char Business Centres (CBC) provided a functional platform for discussing problems and resolving them in a group. CBC has also been working as guarantor to loans from the United Leasing Company. This is a useful platform for sharing and learning experiences across Meat, Milk and Fodder sectors. CBC can act as a catalyst for private sector companies willing to step into the *chars* with new business products and services.

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| **Indicator 3.4:** |  |  |
|  | **Target (January 2014)** | **Actual result** |
| Linkages to public and private basic services provision | 61,594 core participating households are informed about the type & location of basic services and other safety nets | **64,560** core participants (enrolled in social development groups) are informed about the type and location of basic services and other safety nets.  |
| **Score: A+** |

To expand the private and public service provisioning in the *chars*, CLP-2 has informed the core participant households on availability of different services as part of the Social Development curriculum. This is considered as part of demand stimulation, so that the households continue to seek services from a range of public and private service providers. CLP-2 has exceeded by some 5% the log-frame milestone of informing its core beneficiaries about the available services on the *chars*. However, this indicator will best fit with Output 5.**Recommendations:**3. CLP-2 should focus on improving production levels through further technical support and monitoring especially for milk.4. CLP-2 should explore opportunities for more value added milk-based products in partnership with private sector companies.5. CLP-2 should train its implementing partner NGO/IMO staff on market development in the context of *chars* (with a view encouraging IMOs to engage more private sector partners like IDE in the facilitation and gradually withdrawing from the provider role) by Sep 2014.6. CLP-2 should facilitate further technical support and training to business groups on financial management.7. CLP-2 to continue to monitor carefully the uptake of micro-finance by core beneficiaries and others and issues arising. **Log-frame recommendations:** 4. Increase the impact weighting to 15% to reflect the increasing importance of this component in sustaining programme gains - by June 30, 2014.5. Move indicator 3.4 to Output 5 (as indicator 5.4) by June 30, 2014. **Impact Weighting (%):** 10%**Revised since last Annual Review?** No**Risk:** Medium**Revised since last Annual Review?** No |
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| Output 4: Enhanced status women and girls |
| **Output 4 score and performance description: A++ - Substantially exceeded expectation** |
| **Progress against expected results:**

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| **Indicator 4.1:** |  |  |
|  | **Target (January 2014)** | **Actual result** |
| Increase in % of women and girls expressing self confidence | 10% increase in the proportion of core participating households completing CLP-2 cycle reporting selected household decisions are made jointly  | **24%**  |
| **Score: A++** |

In 2013, more than 24,333 core participating hhs who completed the CLP-2 cycle now make joint decisions in over half (5 out of the 9) of the decision making areas, compared to 19,529 hhs in 2012, a 24%% increase. Results have been seen to sustain - 78% of CLP-1 core participants (women) report that they are making joint decisions in over half of the decision making areas. However, progress is difficult to measure - the indicator should not contain “increase” and, more importantly the target is not specific.

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| **Indicator 4.2:** |  |  |
|  | **Target (January 2014)** | **Actual result** |
| Number of adolescent groups (male and female) and couples oriented on issues such as violence against women and girls and other illegal practices (dowry & early marriage) | 700 adolescent groups (6,300 male and 6,300 female) have been formed22,208 couples have received orientation | **779** groups formed (391 male groups with 7,612 members; and 388 female groups with 7,497 members).**41,511** |
| **Score: A++** |

The adolescent groups have been formed. The modules on social development are comprehensive enough to include a range of social as well as adolescent health issues. The review team visited one girls’ group from Cohort 2.4. The girls were outspoken on many issues including menstrual hygiene, under-18 marriage, domestic violence and family planning. However they were uncertain about their future in the *chars* beyond the schooling years with no further educational opportunities and pressure still on parents to get the girls married rapidly (below the legal age). There appears to be a thirst for more practical knowledge and skills through more frequent meetings. **Recommendations:** 1. CLP-2 should seek partnerships with other skills projects (e.g., UCEP) for a wider range of practical skills training for the adolescent groups e.g. pump, boat, bicycle or engine maintenance, wood- and metal-working skills and sewing) as well as business awareness.

**Log-frame recommendations:** 6. CLP-2 and DFID should review indicator 4.1 and revise the target milestones– by June 30, 2014.7. CLP-2 and DFID should also seek other ways of strengthening the log-frame in this area, identifying and inserting an appropriate outcome indicator for women and girls empowerment and considering an additional output indicator - by June 30, 2014. **Impact Weighting (%):** 10%**Revised since last Annual Review?** No**Risk:** Medium**Revised since last Annual Review?** No |
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| Output 5: Best practice is monitored & communicated at all levels, leading towards improvement in local delivery of national safety net and food security policy to the chars |
| **Output 5 score and performance description: A+ - moderately exceeded expectations** |
| **Progress against expected results:**

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| **Indicator 5.1:** |  |  |
|  | **Target (January 2014)** | **Actual result** |
| Monitoring, evaluation & communication leads to learning and knowledge of best practice amongst all stakeholders | CLP-2 represented at 6 regional or national conferences;Evidence that M&E feeds into operational improvement (no numeric targets). | **9** For example:a)Operational units required to follow-up on issues (e.g. corruption related to asset, selection) identified by verification process.b) Intensifying interventions in Water and Sanitation resulted from research. |
| **Score: A+** |

The independent verification process is a strong point of the project that creates confidence in reported data and in some of the processes where leakage or malpractice could creep in, such as corruption during selection and asset transactions. Field visits confirmed that the contractor (an independent consulting agency) has been following a clear and detailed method of verification. During January 2014 the IML presented research on Village Development Committees and began the process of discussing recommendations. These recommendations will result in operational improvements during the 2014 - 15. There is also evidence that CLP-2 best practice has influenced the design of other programmes including the GoB ‘One House-One Farm’ & a USAID livestock project.

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| **Indicator 5.2:** |  |  |
|  | **Target (January 2013)** | **Actual result** |
| Number of different organisations approached to provide or facilitate public rights, services and resources to *chars* | Five organisations approached across public, private and civic sectors | 10+ organisations approached so far for different services. |
| **Score: A++** |
| A full time Partnerships Director joined in July 2013 and since then the partnership approach has been strengthened. Different organisations and projects were approached for different services which have resulted or may result in benefits to people living on the *chars*. 26 *char*-dwellers have received operations to repair their cleft lip/palate through the SNAD Foundation. Discussion is ongoing with *Global Communications (a sister concern of Grameen*) to provide health services to Pabna, Tangail and Jamalpur Districts. Training for health service providers (paramedics) in family planning is provided by *Engender Health*, Increased access to microfinance for different business group members and other potential clients of *chars* has also been a focus*.* So far 610 business group members and 2450 other potential clients received loans from NGOs *(through partnerships with United Leasing Company and various NGOs with micro-credit programmes).* On non-formal primary education a total of 43 learning centres are currently operational with funds from *BRAC and Friendship International, Luxemburg.* On legal services 10 Land Support Officers have been trained on different legal aspects of khas land distribution through BNWLA, a partner of Community Legal Services - a DFID funded project. The partnership with ‘bKash’ to transfer stipends using mobile phones has continued successfully - currently 6,742 core participant hhs are receiving their stipends via bKash. |
| **Indicator 5.3:** |  |  |
|  | **Target (January 2013)** | **Actual result** |
| Access to facilitation and provision of public rights, services, and resources on the *chars* | Providers committed to delivering/facilitating health services or resources in 30 unionsProviders committed to delivering/facilitating education services or resources in 10 unionsFive IMOs (implementing partner NGOs) actively seeking land ownership for at least 300 *char* households with at least 150 CPHH  | BRAC is providing health services in 232 villages of **56** unions.A total of 44 former CLP-2 education centres are being operated by NGOs (one by the community) in **8** unions. Eight IMOs are now implementing the land tenure project. 146 hhs have received land title. 60 cases are in the final stage. The transfer of *khas* land has been slowed by *hartals*. Now the *hartals* have ceased, a further 900 applications submitted by Jan 2014 can be considered and progressed.  |
| **Score: A+** |

Access to basic education for *char* children remains a big concern. A total of 44 former CLP-2 education centres are being operated by NGOs (one by the community) in 8 unions. Discussion is underway with the corporate responsibility fund of Tesco PLC for funding for another 15 learning centres. Progress to influence the Government process for increasing the number of primary schools in the *chars* is slow for a number of reasons including that building schools in the *chars* is considered to be unsustainable (due to flood and river erosion). Transfer of land ownership has been slower than expected mainly because *upazila*-level meetings to recommend *khas* land transfer did not take place due to *hartals*. However, there has been good progress in January 2014 in identifying eligible households and *khas* land for distribution with 900 applications submitted to *upazila* land authority. CLP has already made partnerships with specialist organisations (like Uttaran) to share lessons on *khas* land issues.**Recommendations:** 9. CLP should ensure that all participating IMOs in CLP-2 receive training on obtaining land tenure of *khas* land for beneficiaries by September 20141. CLP should continue to explore options for providing education on the *chars* and in coordination with CLP, DFID B and DFAT should consider whether and how more could be done to stimulate primary education investment at the national policy level through the Education Sector Programme - the latter by July 31, 2014.

 1. Encourage bKash to offer a wider range of options to CLP-2 core and non-core households (following the recommendations of the February 2014 report on the use of mobile technology and its application in CLP-2), with dialogue to start by May 2014
2. CLP should continue to intensify work to leverage partnerships on health and legal services.

**Impact Weighting (%):** 15%**Revised since last Annual Review?** Yes (revised up from 10%)**Risk:** Medium**Revised since last Annual Review?** No |
| **Output 6: Improved knowledge and nutrition practices among targeted mothers and adolescent girls** |
| **Output 6 score and performance description: B - Moderately did not meet expectation**The roll out of the direct nutrition intervention in CLP-2 was delayed due to a number of management and implementation challenges across the 3-programme intervention (CLP, EEP and UPPR), including technical and managerial issues with the nutrition impact evaluation. Nutrition output targets are monitored quarterly. **Progress against expected results:**

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| **Indicator 6.1:** |  |  |
|  | **Target (Dec 2013)** | **Actual result** |
| % of targeted lactating mothers of children 0 - 6 months exclusively breastfeeding (as per WHO definition). | 66% of targeted lactating mothers practicing Exclusive Breastfeeding. | **62.2%** (target 3005; achieved 1868)  |
| **Score: B** |

CLP passed through a significant period of disruption during the last quarter of 2013 with multiple *hartals* (strikes). Therefore, the Dec 2013 target moderatelydid not meet expectation. Good progress was made in January 2014 after the political situation has improved. Practicing exclusive breast feeding could be considered as an outcome as it refers to change in behaviour and practices. In the context of CLP-2 it is not easy to achieve such a change. This requires close monitoring and door to door visits by skilled women staff for counselling lactating mothers and demonstrating breast feeding practices. Despite these challenges, based on January achievement, CLP-2 is confident (on-track) to achieve their annual target (June 2014).

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| **Indicator 6.2:** |  |  |
|  | **Target (Dec 2013)** | **Actual result** |
| % of targeted lactating mothers of children of 7 - 23 months practicing appropriate complementary feeding (as per WHO definition). | 23% of targeted lactating mothers provide appropriate complementary feeding. | **80.35%** (target 7851; achieved 6308)  |
| **Score: A++** |

CLP advice on complementary feeding for children 7 - 23 months has been well accepted by mothers on the *chars*; therefore the complementary feeding practice target has been substantially exceeded. CLP is well on track to achieve their annual target (June 2014).

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| **Indicator 6.3:** |  |  |
|  | **Target (Dec 2013)** | **Actual result** |
| % of targeted children (7 - 24 months) consuming Micro-Nutrient Powders (MNP) | 73% of targeted children consuming MNPs | **0%** (not Started yet) |
| **Score: C** |

The decision to provide MNPs to the children of 7 - 24 months had been pending because of ambiguity around its effectiveness (research cited in the Lancet and considered globally). After a recent positive decision from DFID HQ, CLP has placed a procurement request for MNP with a supplier. The intervention will start immediately after the MNPs are available. Future target milestones may require adjustment.

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| **Indicator 6.4:** |  |  |
|  | **Target (Dec 2013)** | **Actual result** |
| % of targeted mothers and adolescent girls consuming iron and folic acid (IFA) | 73% of targeted mothers and adolescent girls consuming iron and folic acid (IFA) | **63%** consumed IFA(comprising109.83% pregnant women - target 1679; achieved 1844, 50.65% breastfeeding women - target 3005; achieved 1522 - and 59.66% adolescent girls - target 12,785; achieved 7627)  |
| **Score: B** |

Responses from pregnant mothers are high for consuming IFA. But the target for breastfeeding women and adolescent girls may need further effort on the one hand and possibly some adjustment as there is a degree of resistance.

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| **Indicator 6.5:** |  |  |
|  | **Target (Dec 2013)** | **Actual result** |
| % of targeted members consuming anthelmintic (de-worming tablet) | 73% of targeted members consuming anthelmintic | **53%** (comprising 66.96% children of 12 - 59 - target 19,432; achieved 13,011 - 46.30% adolescent girls (target 12,785; achieved 5,919 and 50.94% other family members (target 142,388; achieved 72530). |
| **Score: B** |

The main reason for under achievement here was that some people were covered by the GoB national de-worming programme specially targeting the CLP operational areas (5 districts). CLP helped the GoB campaign by relaying the message as widely as possible for de-worming tablet consumption. Therefore, whilst the full CLP-2 target was not achieved, many others in those 5 Districts did receive them - hence the slightly generous score on this indicator.**Recommendations :** 1. CLP should monitor the progress on breast feeding practices closely and continue regular home visits by char nutrition workers for promoting exclusive breast feeding practices and increasing consumption of IFA tablet.

**Log-frame recommendations:** 8. DFID and CLP-2 should confirm future milestones, particularly for the MNP consumption and by group (pregnant women, breast feeding women, children, adolescents) - by June 2014. 9. DFID and CLP-2 should agree and consider a more modest set of output indicators - by June 30, 2014. 10. Given the relatively limited progress on nutrition the impact weighting for CLP’s nutrition work should be enhanced to 10% for the final two years - by June 30, 2014. **Impact Weighting (%): 5%****Revised since last Annual Review?** Yes - thedirect nutrition intervention output is now integrated into the overall CLP monitoring framework and log-frame as per its design. **Risk: Medium** **Revised since last Annual Review? No** |

## Section B: Results and Value for Money.

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| 1. Progress and results |
| * 1. **Has the Logframe been updated since last review?** Yes, the logframe was updated. Key changes included:
* revised all male/female figures with the new male/female ratio of 49.97 : 50.03;
* revised the standard household size to 3.89 to reflect latest CLP survey data;
* added cohort breakdowns of key indicators;
* markets indicators 3.1 and 3.2 consolidated into one indicator; and
* the direct nutrition intervention is included as Output 6 with indicators.

**1.2 Overall Output Score and Description: A+** **- Outputs moderately exceeded expectation****1.3 Direct feedback from beneficiaries**CLP-2 creates the opportunity for both core and non-core households to provide feedback to IMO, District and headquarter staff via a number of channels:* *Regular ‘customer satisfaction surveys’*: during peak periods of activity (IEP and asset transfer) the CLP-2 commissions customer satisfaction surveys which seek information/ opinions from beneficiaries on a range of issues including potential misconduct, staff behaviour etc.
* *Regular output verification*: the CLP-2 commissions an independent contractor to ‘verify’ a sample of reported IMO outputs through visits to CPHHs. The contractor samples between 5% and 10% of reported outputs each month.
* *Regular interaction with IMO staff during the 18 months ‘cycle of support’*: the CLP-2 has a presence in a village (in terms of professional staff) for at least 18 months. Community Development Organisers, their supervisors as well as district and headquarters staff make regular visits to *char* communities. Both core and non-core households therefore have an opportunity to provide feedback, seek clarifications, raise concerns etc.
* *Signboards*: during and after plinth construction, signboards display key information including the contact details of district staff. Members of the community therefore have the opportunity to seek clarifications, complain, report inconsistencies etc. to CLP-2 staff.
* *Ad hoc studies/ surveys*: IML regularly commissions ad hoc studies which often seek the views of core and non-core participant households.

Interviews conducted during field visits confirmed that both the core and non-core beneficiaries were positive about most aspects of the CLP-2. Many have used income from the cattle to obtain land, usually under local lease or mortgage arrangements. Many female participants (all names have been changed to protect identity) reported that they are now confident about their future and valued by their husbands and neighbours after participating the programme. Razia Khanom, Mahuri Ghat Village, Gaibandha, from CLP-2 Cohort 2.1, said: *“A lot has changed since I have been participating in the Village Savings and Loan group. Initially my husband did not allow me to sit here. It took lot of persuasion to get him to approve my participation. At that time I could never argue with him or freely talk to any other senior male in the village. Now I plan for things in the house, make decisions on what assets to buy, and my husband asks for my opinion. I do not feel hesitant anymore to approach any important man in the village.”*Sanjeeta, from Megarpotol village in Tangail, is well over 70 years old, was selected as one of the CLP-2 cohort 2.5 households. In the six months that she has been on the program she has received an asset (a heifer), a monthly stipend to buy fodder, garden tools etc. She is currently living on a nearly-completed raised plinth which will also house her raised water pump, homestead garden and a new latrine. More importantly, with CLP-2’s support she has managed to obtain an old age allowance from the government and through interventions by CLP-2’s health worker and paramedic doctor, necessary treatment for her partial blindness. CLP-2 is literally lifting her and her son’s family out of destitution. With another 12 months of participation in the program to go there is every chance that a once-dependant elderly woman will become a dignified, central figure in her family.Pashma, from Char Jatrapur, Kurigram, is a single mother whose husband went to work in a brick factory and started a new life, leaving Pashma and her daughter totally dependent upon her elderly parents for support. In August 2012 Pashma was given a heifer and her monthly stipend could buy 6 hens and a cockerel. She now regularly sells eggs and at least a litre of milk per day (collected by the local *goala*), but more importantly to her she is able to include fresh milk, eggs and vegetables in both her own and her daughters daily diet. She is now planning to buy a sewing machine with a loan from the VSL group. Pashma and her daughter now live independently on their raised plinth.Maheen, from Majerchar in Kurigram, was selected as part of the cohort 2.4 intake and chose a bull at a purchase price of Tk 15,500 for her asset. With the help of the IMO, Maheen’s family recently became one of the first CLP-2 households to gain entitlement to land on 99 year lease. Maheen’s business plans are not restricted to agriculture. When they sell the next bull, the couple plan to set up a small shop managed by her husband. When questioned about the reliability of handing money over to husbands, she replied “*my husband is different, especially since I brought a cow into the family!*”Finally, during a meeting with an adolescent girls’ group in Pashchim Kalachar Village, Kurigram, (CLP-2 Cohort 2.4) a member of the group, Mukta, said: *“CLP-2 has taught us many things that our textbooks or parents do not tell, for example how to maintain personal hygiene or health implications of early marriage and childbirth. I try to teach others these things who cannot attend these group meetings. My parents understand what I am trying to say, but people from the society keep bringing in marriage proposals. We do not have any college in the char, so I cannot insist on continuing education and avoid getting married before I am 18.”*This demonstrates good achievement so far but also underscores the importance of more direct intervention in this area to sustain the achievement as well as stopping some of the constraining traditional practices such as early marriage.  |
| **1.4 Summary of overall progress**Actual achievement has exceeded targets for all milestones except one - nutrition. The overall achievement is particularly commendable given that the last few months of the period under consideration have suffered severe disruption as a result of *hartals* and civil unrest (which is particularly rife in CLP-2 areas). Infrastructure works, asset transfers and social development have continued at a steady pace and are well on track. Partnerships, an increasingly important aspect in ensuring sustainability as the programme intervention enters its last two years, have generally been positive. The disappointing exception to this is in the area of education where government expansion of primary schools has been far slower than expected. In general the market development component, which previous ARs had highlighted as an area of concern, has made strong progress over the past 12 months, especially in the meat and fodder markets, led by a specialist organisation IDE. CLP-2 has also managed a high turnover of senior staff very effectively, much of it through internal promotion rather than outside recruitment - there is now an excellent team spirit among staff at all levels. |
| **1.5 Key challenges**The departure of the Team Leader, who has been with the project for most of its existence, will need to be handled with care. However, his ongoing oversight as Technical Director and the internal promotion of the current IML Director to the Team Leader post should maintain continuity of leadership (if not of management style). The likely return of the previous IML Director to the same post should further smooth the transition.As the Programme moves towards likely closure in April 2016, there will be a number of challenges: * to develop and implement a coherent exit strategy;
* to take all possible steps to ensure the sustainability of gains - especially with regard to community institutions and access to health and education services;
* to accelerate progress in the nutrition intervention; and
* to accelerate progress with market development - especially in the area of milk marketing.

**1.6 Annual Outcome Assessment** |
| **Specific outcome milestones (by January 2014):**Two logframe indicators at outcome level have milestones for 2014. These are the following:

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| **Outcome** | **Milestone** | **Actual** |
| **Outcome 1** - number of households meeting CLP-2 graduation criteria | 29,289 households (85%) graduate, who meet at least 6 out of 10 success criteria.[[2]](#footnote-2)  | **20,007** HHs out of 34,548 in Cohorts 2.1 to 2.3 have graduated - **57.9%**.  |
| **Outcome 5** - number of business group members with increased profit from livestock/ livestock products | Average profits of : * Milk Group members Tk 2,737 per cow per month)
* Meat Group members Tk 1,664 per cow per month)
* Fodder Group members Tk 117 per decimal of land per month)

30% of group members showing a minimum 20% profit increase | Average profits of: * Milk Group members Tk 598 per cow per month
* Meat Group members Tk 1,894 per cow per month
* Fodder Group members Tk 75 per decimal of land per month

2% of milk business group members showing a minimum 20% profit increase, 47% of meat business group members showing a minimum 20% increase, 6% of fodder business group members showing a minimum 20% increase |

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| On the face of it, both these outcome indicators suggest some cause for concern. While there are explanations, which to some extent justify the shortfall, they will need to continue to be carefully monitored over the coming year.On Outcome 1, there has been difficulty and ongoing debate over the method of measuring “graduation”. As proposed by the 2012 Annual Review cited below, it has recently been agreed to establish two sets of criteria for two different purposes:* For regular reporting requirements to DFID and AusAID, CLP-2 “could continue to apply its simpler criteria at the end of each project cycle, but this should be done in full recognition of the fact that this is more a measure of whether the Programme has successfully delivered its outputs than of whether those outputs have contributed to the desired lasting impact of enabling households to graduate successfully”; and
* CLP-2 should develop a more sophisticated system to measure resilience and the deepening of “development impact” over time, to assess whether households retain their gains and intensify their performance even in the years after the programme’s provision of direct benefits ends.

The exact indicators to be used continue to be debated triggered by the latest survey on graduation rates in Oct-Nov 2013 - the expectation is that they will be finalised as a result of this annual review. The actual figures presented above are based on the existing set of criteria, and on the current “graduation” status of households that have benefited from CLP-2: in other words, at a point in time which may be months or even years after programme support has stopped. This is clearly setting the bar at a much higher level than the measure of programme graduation which has now been agreed. From the evidence that is currently available (and considering the initiatives under way to improve access to sanitary latrines and improved water sources), it is likely that the real programme graduation percentages are much higher - and probably approaching the required 85%.For Outcome 5, the shortfall in profitability of business group members is worrying, but not disastrous. There are four mitigating considerations: * the whole market development component has taken significant time to become operational and is generally running behind schedule - expectations should be revised accordingly;
* the milestone targets were based on a different method of calculation (including the present value of calves and own-consumption of milk) from the method used for the milestone achievements - if the original method was used the profit would be Tk 100 higher per cow per month;
* the baseline and 2013 surveys occurred at different stages in the production cycle: at baseline, 63% of cattle were at the peak of lactation, so with higher yields, whereas in the 2013 survey only 40% were; and
* fodder producers are keeping a much higher proportion of fodder for their own use, rather than selling it (only 24% of fodder producers sold any at all) - and own-consumption again is not included in the calculation of profitability.

What is important is that profits have increased across the board, even if slowly for milk and fodder; and they are likely to increase further in the coming months as the component picks up speed. Indeed, if one looks at the increase in profits of all three types of business group together (rather than of each one individually), the percentage of members achieving a 20% increase in profit is 23%, not as far short of the 30% target as the individual figures for milk and fodder would suggest.Nonetheless, the 2015 Annual Review should revisit the two outcomes: both indicators already have similarly-phrased milestones for 2015. **Recommendations:** 14. DFID B and CLP 2 should finalise the selection of indicators of programme graduation by June 30, 2014.Once the indicators of programme graduation have been agreed, they should be used as the basis for measuring graduation of cohorts 2.4, 2.5 and 2.6. IML should also look at the feasibility of using historical data to retrospectively estimate the graduation percentages based on end-of-cycle status for cohorts 2.1 to 2.3. This should then be used for revising the graduation figures for the outcome indicator 1. 15. CLP-2 should develop its exit strategy in detail by component over the next year, with a draft for DFID by September 30, 2014 (so that it can be reviewed at the next AR, 2015). **Log-frame recommendations:** 11. Milestones of the profitability of milk and fodder groups should be revised downward in the light of evidence on more realistic expectations and based on the new method of calculating profitability - by June 30, 2014. |

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| 2. Costs and timescale |
| **2.1 Is the project on-track against financial forecasts?** **Yes.** CLP-2 has consistently achieved its in-year financial targets and annual forecasting against actual expenditure has been within 5% accuracy. Spend to the end of January 2014 is £13.68 million which represents more than 85% of overall FY 13/14 (April-March) forecast of £15.99 million. Based on the trend it is expected that final spend against forecast for FY 13/14 will be between 98-99%. * 1. **Key cost drivers**

Cost drivers used to help assess costs when the project was approved continue - as follows:* Infrastructure development activities (plinth raising, toilets, tube wells and tube well platforms);
* Livelihoods development activities (asset purchase, homestead gardening);
* Human development activities (couples’ orientation, operation of satellite clinics, various forms of training); and
* Staff costs.

**2.3 Is the project on-track against original timescale?** **Yes.** The project and expenditure is on track against the approved timescale in the Programme Memorandum. CLP-2 started off strongly with an approximate project spend of £10 million in the first financial year (2010-11), achieved 98% of the forecast in the previous year (2012-13) and the current financial year (2013-14) is on-track too (so far 98 %+). This indicates CLP-2’s strength in timely delivery of expected outputs. |

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| 3. Evidence and Evaluation |
| **3.1 Assess any changes in evidence and implications for the project**CLP Innovation, Monitoring and Learning Unit (IML) conduct demand-driven research that has informed different aspects of the programme. The IML Communications Unit has substantially increased its activities, sharing a wide range of new and historic CLP-2 research and learning, as well as increasing the range and extent of its activities.Changes to the WASH policy came about as a direct result of IML work. The previous CLP WASH policy was community-wide, with no specific focus on CPHHs. However, as a result of graduation studies, as well as an analysis of the impact of various indicators on the graduation results, IML was able to show that the lack of focus on CPHHs for improved water was significantly affecting graduation results. The WASH policy was therefore modified during 2013 to focus on CPHHs in the future, as well as ‘filling-in’ by re-visiting previous cohorts and either installing an improved water point or upgrading existing points. During January 2014 the IML also presented research on Village Development Committees and began the process of discussing recommendations. These recommendations will result in operational improvements during the Jan 2014 to Jan 2015 reporting period. .A study on the impact of CLP on the disaster resilience of *chars* communities was published, with recommendations that will be implemented. In addition, a study into the use of mobile technology was published, again with recommendations that will be taken up and implemented during 2014/15. Moreover, operational units required to follow-up on issues (e.g. corruption related to asset, selection) identified by verification process.**3.2 Where an evaluation is planned what progress has been made?**A draft impact assessment plan is currently being considered by DFID and DFAT. The proposal consists of three approaches to impact assessment, of increasing sophistication and cost: a self-assessed operational review; a longitudinal monitoring of a multi-dimensional index of development impact; and a full non-experimental impact evaluation based on propensity score matching between Cohorts 2.3 and 2.5 (or 2.6 depending on start-date). Meanwhile, the CLP-2 Innovation, Monitoring and Learning (IML) Division continues with the rolling baseline approach but has also incorporated an additional counterfactual group to act as a comparison group for Cohort 2.3. This counterfactual will be drawn from villages in which no CLP-2 activities will take place for two years. After 2 years this counterfactual group will receive CLP-2 support in late 2014, as cohort 2.6**Recommendations:** 16. ToRs for the first operational review component of the proposed impact evaluation should be completed by DFID by June 30, 2014.17. Plans (including financing) for the other two components of the impact evaluation should also be agreed so that contractual arrangements are in place by August 30, 2014. |

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| 4. Risk |
| **4.1 Output Risk Rating:** **Medium.** The period since the national elections has so far been marked by relative stability and continuity of usual business across the country. However, there is still significant threat of future disruptions, and politically sensitive CLP working areas in the north-west are particularly prone to such disruptions. Considering this and operational risks associated with outputs 1, 2, 3, and 5 (e.g. shortage of soil and workers for plinth-raising and cash for work activities; and impediments to effective partnerships and market development) the review recommends the overall output risk rating should be kept at its current level of medium risk. The logframe assumption for Output 4 around rising conservatism in the area remains contextually relevant. However the review did not find any imminent threat to programme activities arising out of this, which, coupled with a favourable policy environment towards women’s empowerment in the country supports a low risk rating for this output.**4.2 Assessment of the risk level**The management changes described above (section 1.5) seem to mitigate the performance risks under new leadership to a great extent. CLP-2 will need to actively manage the gap at the IML division’s leadership while the new Director is being contracted. Recent political unrest, particularly in the period from November 2013 to early January 2014, had some impact on programme delivery and operation. CLP-2 has adopted flexible and pragmatic responses such as weekend working and housing staff at the RDA campus so that the level of disruption on fund disbursements and other project activities are minimized. DFID has received weekly operational updates from the project during the period of continued blockade during the national election. |
| * 1. **Risk of funds not being used as intended**

The largest amount of CLP-2 disbursements (90% by value) are made through accountable grants to the Implementing Organizations (IMOs), who are responsible for providing the specified products/services to the intended beneficiaries. The CLP-2 Programme Memorandum notes the main fiduciary risks for CLP-2 arise from the use of multiple implementing partners to deliver the programme, and their ability to control and account for funds received. In addition, owing to the nature of these projects, the number of suitable NGOs with the chosen area may be severely limited. In this context, the Programme continues to develop and enforce strong systems to reduce leakage and ensure funds are used for their intended purpose. A system of registration, evaluation and selection of IMOs is in place and had been approved by DFID in 2005 (Procedures and Guidelines for Selection of IMOs). The review confirms evidence of the following measures being applied to reduce leakage and improve financial capacity of the downstream partners:* Training (including six monthly refresher) of the finance staff of the IMOs on financial management and reporting
* Independent external audits
* Customer satisfaction surveys (for Infrastructure Employment Work)
* Verification by an independent company of a sample (between 5-10%) of IMO declared outputs. The company has been selected through a competitive process.
* IMOs are required to maintain separate bank account for each individual contract ensuring that DFID funds are tracked easily and used for the intended purpose.
* Financial oversight is further strengthened by the use of computerized accounts at IMOs and CLP-2 Headquarter level allow for financial management control on a real time basis.

CLP-2 has recently developed its own programme specific Risk Management Framework. The risk framework has particular relevance against the backdrop of recent political unrest in the country particularly including the CLP-2 working areas of Bogra and other North West districts. The framework is fairly comprehensive in its definition of risk categories, delineation of escalation process, appropriate risk ownership and suggested mitigation measures. This Risk Management Framework provides an overall guide and structure to the Directors and Unit Managers on the approach to risk management in order to provide consistency in output achievements.During this review it was apparent that the Service Provider has clearly undertaken appropriate due diligence measures to manage financial performance of its IMOs. In addition to independent audit, CLP-2 uses balanced scorecard for monitoring the performance and capability of IMOs’ financial teams. The mechanism has been proving to be further inducement to improve financial performance and capability of the implementing NGO partners. The district level set up of CLP-2 allows for closer supervision of IMO activities.CLP-2 maintains a Risk Incident Register, so far one fraud case has been reported and now under investigation. The Register is used effectively to record and respond to any instances of possible corruption. ***Recommendations*** 18. CLP-2 should ensure that staff outside its Finance Team has adequate orientation to the use of the risk framework as well as working with the IMOs to improve their risk management capability (not just finance staff, programme mangers as well) by June 2014. 19. CLP-2 should complete the process of finalizing a simple scorecard format and schedule for internal reporting of indicators (by IMOs and by output) by April 5, 2014 (so that the process is enacted in April 2014 and is used throughout the remaining period of CLP-2).**4.4 Climate and Environment Risk**There is no evidence to indicate CLP-2 activities have had, or are having, a negative impact on carbon emissions or the wider environment. Programme activities that are likely to have a positive impact including asset transfer and the resultant production of manure. This can be used for soil improvement and composting and the planting of fruit trees through the homestead gardening project.Risks associated with climate change are linked to, but far less significant than, the annual climate variability and environmental hazards (flood, river erosion) which affect all *char* households, and which CLP-2 is specifically battling to reduce. CLP-2 attempts to mitigate these shocks on a priority basis through diversifying livelihoods and providing infrastructure support (raised plinths). Recent evidence from some severe floods in 2012 suggests that such support has been highly effective: in the affected areas only 3% of CLP-2 plinths were lost to floodwaters; only 10% of latrines were weakened and 4% destroyed; and fully 84% of tube-wells survived the floods intact.**Recommendations**20. CLP partnerships should encourage stakeholders working in the *chars* to perform risk assessments (hazards and vulnerabilities) ideally through the VDCs. |

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| 5. Value for Money |
| **5.1 Performance on VfM measures**Overall,CLP understands the importance of achieving VFM and has put considerable effort into doing so. They have taken steps to better manage VFM and have made credible progress in all three aspects - economy, efficiency and effectiveness - particularly in the context of working in the hard-to-reach riverine char islands that are exceptionally difficult to access.This project is unique and differs substantially from projects in other areas of the country. Inhabitants of these Chars are vulnerable in ways that are not common in mainland areas and the percentage of the extremely poor population is much higher here than elsewhere. Access challenges mean that transaction costs to reach targeted households are unusually high - transportation, communication and (at times) labour costs are all high.A recent Cost-Benefit exercise (draft, Dec 2013) of CLP concluded with a very positive assessment, suggesting that CLP offers good value for money. The unit cost seems high as reported in the CLP VfM Study (May 2013) compared with a number of safety nets projects around the globe. However, in reality these are not very similar in terms of operating context and the complexity of interventions. Most of the projects with which CLP is compared are more conventional social transfer programmes targeting ‘poor people’ irrespective of location. CLP on the other hand operates in one of the most difficult environments, have significant investment in raising homesteads on plinths and thus is inherently prone to higher costs. CLP also targets only the ‘extreme poor’ and as a consequence the value of a meaningful transfer package might be expected to be higher than programmes that are less particular. The VfM study mentioned above recognises these - and other - limitations of any cost comparison.Despite this, considering the importance of VfM and the apparent high unit costs in CLP the study recommended developing a VfM strategy and work plan for CLP. The recommendation to include a VFM indicator in the log-frame seems unnecessary as a VfM analysis is done annually as part of the AR.**Log-frame recommendation:**12. VfM should not have a specific log-frame indicator (contrary to the recommendations of the AR, 2013). **5.2 Commercial Improvement and Value for Money**CLP-2 is managed by Maxwell Stamp Plc, which was awarded the contract after a competitive tender process using full ‘Official Journal of the European Union (OJEU)’ procurement process. The DFID contract with Maxwell Stamp was rigorously negotiated to ensure it is clear what is required in terms of outputs and results, reflected in a detailed terms of reference. Maxwell Stamp delivers the programme through sub-contracts with implementing NGOs (IMOs).For large scale procurements (over £10,000), CLP-2 uses the professional services of DFID’s Bangladesh core country Procurement Agent, the Crown Agents. CLP-2 uses a procurement manual (updated recently) which reflects credible international good practice and it was apparent that this guidance is being followed and used to drive down costs at vendor level for all items procured.CLP-2, as part of its overall commitment to delivering on the VfM work plan, has updated its procurement manual in the review period with updated expenditure thresholds observing EU directives and with sufficient provision of mandatory DFID approval on waiver of competition and selection process of IMOs. CLP-2 continues to maintain and update a price tracking database that includes details of quotation and procurement prices, dates, suppliers, quantity, quality etc. as a basis for price negotiations. The formal VfM register maintained by the procurement team was found to be updated on a regular basis to include all significant examples of cost savings including price reductions secured. For the Financial Year to date it has made £30,638 of cashable efficiency savings in procurement of goods and services.Quarterly procurement audits of the IMOs, a useful initiative by the Procurement Team, were not found to have been undertaken in the last two quarters of the review period. The team has attributed this to restricted movements that prevailed in the blockade period before the national election. However, the 2013 Annual Review reported similar findings. CLP-2 procurement team should maintain its schedule of visits to IMOs at least once per quarter, and within one week of each visit provide the IMO with a formal report highlighting areas of strength and weakness. Appropriate recommendations should be included and followed up on the subsequent visit.**5.3 Role of project partners**The CLP-2 funds IMOs to deliver services to the *chars* through the use of annual accountable grant mechanisms supported by formal performance plans for various work streams. To further improve performance and achieve VfM the CLP-2 has a number of systems and processes in place:* Regular financial and procurement audits of IMOs, supported by use of a balanced scorecard process covering both financial and procurement functions;
* Monthly progress and financial reporting by IMOs;
* Independent verification of a sample of outputs to assess quality and quantity by a private sector monitoring company;
* The development of Unit Costs by Accountable Grant and by IMO for items such as plinths, toilets and other commonly procured/constructed items; and
* Close supervision / monitoring by CLP-2 District and Headquarters staff.

**5.4 Does the project still represent Value for Money?** **Yes.** CLP has developed an enhanced VfM monitoring protocol that addresses all the three stages of VfM: economy, efficiency and effectiveness. The VfM register for FY13-14 reveals cost savings disaggregated by goods and services. For the first six months about £30,000 has been saved in both these categories. Infrastructure cost, which is a major cost driver, is reduced through introducing cost-effective solutions; high-cost deluxe latrine is been replaced by low-cost latrines that still are hygienic. These latrines combine a concrete pit with a bamboo bucket. Collaboration with UNICEF and Practical Action is sought to develop this model further and also to improve hygiene behaviour.High administrative costs are addressed through introducing innovative methods of recruitment; relying more on progression within the organisation as opposed to lateral recruitment from outside.A mid-term cost-benefit study is close to completion (“Chars Livelihood Programme, Bangladesh: developing measures of cost-effectiveness”, Philip White, December 2013). The study estimates a benefit-cost ratio (BCR) of 1.77 on a full cost basis as recommended by UK NAO. This is a positive assessment, suggesting that CLP offers a good value for money. An ex-ante cost benefit study however had estimated a BCR of 4.02 (DFID, 2009). The discrepancy appears mainly due to the fact that the 2009 study contained some unrealistic assumptions - for example, daily milk yield of 7.5 litres for CLP-provided cows which in reality turned out to be closer to 2.5 litres. The 2009 study also ignored the opportunity costs and actual costs incurred by the government.**Recommendation:** 21. DFID and DFAT should commission a study to develop a comparative CBA of various livelihood programmes targeting the extreme poor in Bangladesh, ToR by June 2014. 22. CLP-2 HQ’s Finance team should carry out a full internal audit as part of its annual due diligence exercise, a progress report to DFID by June 2014. 23. CLP-2 should implement the following recommendation from last year’s AR - ‘’CLP-2 HQ’s Finance Team should, within one week of each quarterly visit, provide the IMO with a formal report highlighting areas of strength and weakness, with appropriate recommendations included and followed up on the subsequent visit.’’24. CLP-2 procurement team should maintain its schedule of visits to IMOs at least once per quarter, and within one week of each visit provide the IMO with a formal report highlighting areas of strength and weakness and setting out appropriate recommendations to be followed up on the subsequent visit. 25. CLP-2 should more actively plan and manage its annual procurement requirement as DFID-B is no longer encouraging the use of Crown Agents unless the total order value is equal to or exceeds £10,000.  |

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| 6. Conditionality |
| **6.1 Update on specific conditions -** not applicable |

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| 7. Conclusions and actions |
| CLP-2 has again successfully delivered on its outputs during the year and deservedly receives a score of A+. It is important to note that this substantial delivery has been achieved despite significant disruption in field movements due to blockades and *hartals (*strikes*)*. The bulk of CLP work is now quite routine and the staff and IMOs are well capable of achieving targets in infrastructure and livelihoods activities.However, the current gap in achieving two outcome indicators (graduation and market) for 2014 underlines the importance of continued effort and vigilance over the remaining two years of the Programme. Whilst the underachievement of these milestones can be partially explained (both by technical issues discussed in section 1.6 above and by the difficulties caused by *hartals* during 2013), they nonetheless point to a number of areas that CLP-2 needs to prioritise:1. The market development component (which was a main focus of this Annual Review) has been slow to mobilise, and still manifests a number of weaknesses, especially in the area of milk marketing.
2. The sustainability of “soft” activities (e.g. community/social development) and of the institutions on which they rely in the longer term needs to be significantly consolidated over the remaining two years.

CLP-2 has been a successful and innovative programme to date. There are many lessons to inform the design and implementation of future interventions in Bangladesh and elsewhere. In its remaining two years, it needs both to ensure that the gains it has made are sustainable and that the lessons it has learned are effectively captured through a comprehensive impact assessment.**Recommendations:** 1. CLP should further reinforce messages to support habit changes required to maintain a supply of water to keep the latrine clean and sanitary, as well as hand-washing and other hygienic behaviour, through the social development groups.
2. CLP should monitor carefully progress with the implementation of the VDC (Village Development Committees) review recommendations, ensuring that a structured phase-out plan is developed with the SDGs, VSLGs and VDCs (and including long-term vision, management/staffing and mechanisms for self-funding) by Dec 2014.
3. CLP-2 should focus on improving production levels through further technical support and monitoring especially for milk.
4. CLP-2 should explore opportunities for more value added milk-based products in partnership with private sector companies.
5. CLP-2 should train its implementing partner NGO/IMO staff on market development in the context of *chars* (with a view encouraging IMOs to engage more private sector partners like IDE in the facilitation and gradually withdrawing from the provider role) by September 2014.
6. CLP-2 should facilitate further technical support and training to business groups on financial management.
7. CLP-2 to continue to monitor carefully the uptake of micro-finance by core beneficiaries and others and issues arising
8. CLP-2 should seek partnerships with other skills projects ( e.g. UCEP) for a wider range of practical skills training for the adolescent groups e.g. pump, boat, bicycle or engine maintenance, wood- and metal-working skills and sewing) as well as business awareness.
9. CLP should ensure that all participating IMOs in CLP-2 receive training on obtaining land tenure of *khas* land for beneficiaries by Sep 2014.
10. CLP should continue to explore options for providing education on the *chars* and in coordination with CLP, DFID B and DFAT should consider whether and how more could be done to stimulate primary education investment at the national policy level through the Education Sector Programme - the latter by July 31, 2014.
11. Encourage bKash to offer a wider range of options to CLP-2 core and non-core households (following the recommendations of the February 2014 report on the use of mobile technology and its application in CLP-2), dialogue started by May 2014.
12. CLP should continue to intensify work to leverage partnerships on health and legal services.
13. CLP should monitor the progress on breast feeding practices closely and continue regular home visits by char nutrition workers for promoting exclusive breast feeding practices and increasing consumption of IFA tablets.
14. DFID B and CLP 2 should finalise the selection of indicators of programme graduation and the rate by June 30, 2014. Once the indicators of programme graduation have been agreed, they should be used as the basis for measuring graduation of cohorts 2.4, 2.5 and 2.6. IML should also look at the feasibility of using historical data to retrospectively estimate the graduation percentages based on end-of-cycle status for cohorts 2.1 to 2.3. This should then be used for revising the graduation figures for the outcome indicator 1.
15. CLP-2 should develop its exit strategy in detail by component over the next year, with a draft for DFID by September 30, 2014 (so that it can be reviewed at the next AR, 2015).
16. ToRs for the first operational review component of the proposed impact evaluation should be completed by DFID by June 30, 2014.
17. Plans (including financing) for the other two components of the impact evaluation should also be agreed so that contractual arrangements are in place by August 30, 2014.
18. CLP-2 should ensure that staff outside its Finance Team has adequate orientation to the use of the risk framework as well as working with the IMOs to improve their risk management capability (not just finance staff, programme mangers as well) by June 2014.
19. CLP-2 should complete the process of finalizing a simple scorecard format and schedule for internal reporting of indicators (by IMOs and by output) by April 5, 2014 (so that the process is enacted in April 2014 and is used throughout the remaining period of CLP-2).
20. CLP partnerships should encourage stakeholders working in the *chars* to perform risk assessments (hazards and vulnerabilities) ideally through the VDCs.
21. DFID and DFAT should commission a study to develop a comparative CBA of various livelihood programmes targeting the extreme poor in Bangladesh, ToR by June 2014.
22. CLP-2 HQ’s Finance team should carry out a full internal audit as part of its annual due diligence exercise, a progress report to DFID by June 2014.
23. CLP-2 should implement the following recommendation from last year’s AR - ‘’CLP-2 HQ’s Finance Team should, within one week of each quarterly visit, provide the IMO with a formal report highlighting areas of strength and weakness, with appropriate recommendations included and followed up on the subsequent visit.’
24. CLP-2 procurement team should maintain its schedule of visits to IMOs at least once per quarter, and within one week of each visit provide the IMO with a formal report highlighting areas of strength and weakness and setting out appropriate recommendations to be followed up on the subsequent visit.
25. CLP-2 should more actively plan and manage its annual procurement requirement as DFID-B is no longer encouraging the use of Crown Agents unless the total order value is equal to or exceeds £10,000.

**Log-frame recommendations:** 1. Reduce the impact weighting of Output 1 to 25% (to allow more focus on market linkages, partnership and nutrition) by June 30, 2014.
2. Long-term programme milestones should be aligned here and across the log-frame with annual targets by June 30, 2014.
3. Reduce the impact of output 2 weighting to 20% (to allow more focus on market linkages, partnership and nutrition) by June 30, 2014.
4. Increase the impact weighting of output 3 to 15% to reflect the increasing importance of this component in sustaining programme gains - by June 30, 2014.
5. Move indicator 3.4 to Output 5 (as indicator 5.4) by June 30, 2014.
6. CLP-2 and DFID should review indicator 4.1 and revise the target milestones–– by June 30, 2014.
7. CLP-2 and DFID should also seek other ways of strengthening the log-frame in this area, identifying and inserting an appropriate outcome indicator for women and girls empowerment and considering an additional output indicator - by June 30, 2014.
8. DFID and CLP-2 should confirm future milestones, particularly for the MNP consumption and by group (pregnant women, breast feeding women, children, adolescents) by June 2014.
9. DFID and CLP-2 should agree and consider a more modest set of output indicators - by June 2014.
10. Given the relatively limited progress on nutrition the impact weighting for CLP’s nutrition work should be enhanced to 10% for the final two years - by June 30, 2014.
11. Milestones of the profitability of milk and fodder groups should be revised downward in the light of evidence on more realistic expectations and based on the new method of calculating profitability - by June 30, 2014.
12. VfM should not have a specific log-frame indicator (contrary to the recommendations of the AR, 2013).
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| 8. Review Process |
| The review was undertaken between 9 and 21 February 2014 by a team led by an experienced independent evaluation consultant commissioned by DFID Bangladesh. Team members included two Dhaka-based DFID staff (Economist and Programme Manager) and a national consultant specialising in market development. 3 representatives of the Government of Bangladesh joined for some of the field work. The team divided its time between the CLP-2 Secretariat offices in Bogra, field sites and Dhaka. The review process included reviewing a wide range of programme documents, field visits, observations and discussions with stakeholders including:* a wide selection of core participant households and other members of *char* communities in Bogra, Rangpur, Kurigram and Tangail districts
* staff and management of IMOs in the visited districts
* existing and potential partners relating to health, education, marketing, bKash and agricultural activities
* Government of Bangladesh, represented by representatives from the Rural Development and Cooperatives Division (RDCD) of the Ministry of Rural Development, the Implementation Monitoring and Evaluation Division (IMED) of the Ministry of Planning, and the Director General of the Rural Development Academy (who is also the CLP-2 Project Director)
* the Deputy Commissioner of Kurigram
* DFID-B and DFAT personnel
* CLP-2 management team and staff

The main source of information for the review was CLP-2 documentation and reports, and information from key stakeholders including participants. Feedback was collected on overall progress and benefits to the *char* dwellers and is integrated throughout this review report. CLP-2 did an initial self-assessment of progress during the year, which was reviewed by the Annual Review team and then finalised and quality assured by DFID-B staff. |

1. The IEP Cash for work is self-selection basis and payment is based on piece-rate system. Therefore if the core participant (CLP provides asset through the women in the HH) has a husband, he participates in the cash for work to earn more than his wife. The other reasons for low female participation in IEP are: social conservatism and husband’s control, which bar women to work outside the home as a labourer (alongside men). [↑](#footnote-ref-1)
2. Graduation criteria include : multiple income sources; acceptable food consumption; cash savings more than Taka 3,000; protected from flood and river erosion through raised plinths; access to clean water and sanitation; productive assets worth more than Taka 30,000; member of social development group; joint decision making by husband and wife regarding sale/purchase of large investments ( e.g., assets) etc. [↑](#footnote-ref-2)