

Report on Quality at Entry and Next Steps to Complete Design for Chars Livelihood Program (CLP) Phase 2

A: AidWorks details <i>completed by Activity Manager</i>			
Initiative Name:	Chars Livelihood Program Phase 2		
AidWorks ID:	INJ103	Total Amount:	\$15.5 million
Start Date:	01 January 2010	End Date:	31 December 2016

B: Appraisal Peer Review meeting details <i>completed by Activity Manager</i>	
Initial ratings prepared by:	Shaheen Mahmud, Senior Program Manager, Bangladesh
Meeting date:	8 December 2009
Chair:	Octavia Borthwick, ADG ARB
Peer reviewers providing formal comment & ratings:	<ul style="list-style-type: none"> – Graham Rady, Quality Adviser – Bernie Wyler, Social Protection Adviser
Independent Appraiser:	– Michael Samson, AusAID Social Protection Expert Panel
Other peer review participants:	<ul style="list-style-type: none"> – Leda Tyrrel, Second Secretary Bangladesh – Rachel Payne, First Secretary Bangladesh – Mark Bailey, Regional Counsellor South Asia – Bronwyn Wiseman, Food Security and Rural Section – Mary James, Gender Policy and Coordination Section – Lorelle Bakker, South Asia Section

C: Quality Rating Assessment against indicators*completed by Activity Manager / Peer Reviewers / Independent Appraiser*

Quality	Rating (1-6) *	Comments to support rating	Required Action (if needed)
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1. Clear objectives	6	<p>The Chars Livelihoods Program Phase II (CLP2) is consistent with the third pillar of Australia's food security initiative (social protection to build community resilience) to address the long term impact of the global food crisis in developing countries. The proposed activity is consistent with Australia's draft South Asia Framework (2009-2015) which promotes sustainable social and economic development and adaptation of communities affected by climate change. (AusAID is in the process of developing the first stand alone Country Strategy for Bangladesh which will consolidate Australia's focus on health, education, and provision of social protection to the extreme poor.)</p> <p>Provision of social protection to the extreme poor and vulnerable groups including <i>char</i> (river island) communities is a priority of the Government of Bangladesh's (GoB) Poverty Reduction Strategy Paper (2009-11). CLP2 forms part of the government's Annual Development Plan (ADP). GoB also takes ownership over CLP through chairing the National Steering Committee for CLP.</p> <p>The program targets some of the very poorest people in the world who are increasingly vulnerable to shocks exacerbated by climate change.</p> <p>The logframe represents a focused and manageable set of essential outputs and indicators that address the fundamental vulnerabilities affecting chars residents, and balances facilitating delivery of services and access to services. The annual milestones are useful for tracking how the program will achieve its ambitious targets.</p> <p>A minor question relates to Output 5 and influencing government policy. While GoB views CLP as central to its safety net, it's not clear what the expectation for CLP2 will be at its conclusion, i.e. advocating for GoB adoption or indefinite donor support? CLP has been filling the gap in the chars area where there has been a significant absence of both government and NGO services (which GoB acknowledges). To modify the assumption in the logframe, there would need to be a CLP-like program in the GoB safety net framework to appropriately respond to the chars situation and capture the remaining households not targeted by CLP2 and supporting those that are. CLP2 stops short of setting an objective related to this, and given there's something of a policy vacuum on dealing with extreme poverty in the chars areas there's a question over what comes next. The experience of CLP itself would seem to suggest that mere extension of government services and safety nets to char areas—as the program aims for—is neither enough nor appropriate for the chars.</p> <p>There is also a somewhat larger unaddressed question on whether CLP is building sustainable long-term communities on the chars, or helping people to get off them? Although there are long-term residents on the chars descended from earlier migrants, as well as newer migrants, many would argue that the chars are not appropriate places for human habitation. CLP sensibly addresses the current problem of hardship on the chars from both safety net and developmental approaches, but is there any thinking about creating opportunities or incentives for households to relocate to the mainland? The desire of char-dwellers is often to be able to buy land on the mainland, and under CLP1 some households achieved this with the income they accumulated under the program. The independent impact evaluation will provide more information on this and this issue may fit into policy</p>	<p>Questions around the longer term strategy and policy implications of CLP2 can be better addressed through the independent impact evaluation and MTR.</p> <p>It is recommended that we consider two distinct dimensions of the objectives:</p> <ol style="list-style-type: none"> 1. Will the long term impacts be better served by a component that strengthens the participants' access to justice, particularly in terms of land tenure? (This element is not recommended for action in the second phase, but rather as a theme for consideration as the program evolves into a permanent institutional program.) 2. While recognising the challenging political environment for these types of initiatives, a more explicit strategy for building government support to sustain the program would strengthen the longer term viability of the model. Nearly all major definitions of social protection focus on "public actions". An explicit "transfer strategy" to build greater government involvement would constitute a valuable first step.
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2. Monitoring and Evaluation	5	<p>The program's provision for M&E is strong, utilising a range of methods and sources. The logframe provides a good basis for evaluating progress, informed by the empirical evidence collected from CLP1 and other studies. Height/weight indicators necessary for evaluating nutrition interventions also provide alternative impact data (in addition to income/expenditure/assets). Partnering with different agencies that specialise in specific program aspects e.g. HKI for nutritional M&E strengthens the evidence that can be collected.</p> <p>The case for an independent impact assessment of CLP1 supported through AusAID funding with technical guidance by AusAID's social protection expert panel demonstrates the added value of Australia's contribution. It would be ideal if the results were available during the inception phase to feed into any design modifications, but that does not appear likely from logframe. AusAID's participation in key M&E stages and events strengthens program oversight and lesson-learning.</p> <p>Key M&E events including an independent assessment in 2010, six-monthly Steering Committee meetings, annual reviews, mid-term review and the end project evaluation. AusAID will be actively involved in these events as a responsible and active partner for agency learning. The inclusion of experimental evaluation methods with matched control groups will produce a powerful set of evidence for policy dialogue.</p> <p>Given that CLP2 aims to influence GoB policy and programs, it would be interesting to see if there's scope for working through GoB M&E systems. This is not specifically mentioned in the program document under institutional appraisal, but may be part of the design. Otherwise the M&E system looks like best practice, albeit for a completely parallel system.</p> <p>The monitoring system focuses on most of the priority information needs, with the exception of a clearly documented process for monitoring and evaluating the impact of exclusion error. This requires a different approach from the beneficiary tracking systems that constitute the backbone of most social policy monitoring systems.</p> <p>The Program Memorandum and its M&E annex document an effective monitoring system (with the exception of the critical targeting exclusion issue), but the references to the impact assessment ("3.6.4. Towards the end of year one an independent impact assessment of CLP1 will be carried out." and "3.6.6 On completion of the program, a further independent evaluation will assess the impact of the program...") do not communicate the need for an integrated impact assessment commencing with the program roll-out which is required for the most rigorous and credible evidence building.</p>	<p>Clarify whether the nation-wide studies that are referred to as the sources of the high-level data are adequately financed, conducted frequently enough and will study the chars in adequate detail to provide the required data. If not, do we plan to supplement those resources?</p> <p>Clarify with DFID the approximate break up of the M&E budget line, the adequacy of funding for the various key nation-wide studies and where all of the sources of data (in the logframe) are budgeted for.</p> <p>Clarify how the M&E arrangements contribute to strengthening local monitoring and evaluation capacity (including use of local monitoring systems).</p> <p>Clarify whether DFID's policy is to now systematically undertake studies of the impact of activities 3 and 7 years after completion or is this more a commendable but idealistic wish?</p> <p>Exclusion error constitutes one of the greatest risks for many social protection interventions, and a recent review of BRAC's Challenging the Frontiers of Poverty Reduction highlighted this concern. Effective monitoring of exclusion requires an independent representative survey of entire communities to identify how many of the very poorest are excluded from the program.</p> <p>While considerable evidence of impact exists, in order to most credibly document this global good practice model it is necessary to test the impacts with a rigorous and independent impact assessment (evaluation). The design documents refer to plans for this, but do not clearly map out the importance of implementing the impact assessment hand-in-hand with the expansion of the second phase. Also, the document does not document a strategy for an independent impact assessment (contracted independently of the program) or the</p>
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3. Sustainability	4	<p>CLP aims to ensure sustainability through reducing environmental and economic vulnerability and enhancing the institutional support base for the chars communities. CLP1 reduced environmental economic vulnerabilities significantly. Fewer than 2% of plinths were damaged during flooding in 2007 and almost no cattle were lost. However, these people are living in the most fragile of environments and so are extremely vulnerable to external shocks. It follows that we need to know what sustainability can realistically look like in this environment (i.e., does it mean full reinvestment every 10 years and is the suggested definition acceptable?). For example, what % of plinths and cattle exist after 5 and 10 years?</p> <p>The building of capacity of local NGOs and beneficiary groups to raise status and self-image are important building blocks of a more resilient society.</p> <p>Essentially this activity is probably doing wonderful things for very poor people. But is the model resulting in long-term sustainable benefits/outcomes or is it essentially a humanitarian program that transfers wealth to no doubt desperately deserving people and it requires periodically repeating the wealth transfer to significant numbers of beneficiaries due to sustainability issues.</p> <p>It is apparent from the 2008 Annual Review that there are already concerns about services for graduated beneficiaries which threaten sustainability, e.g., access to cattle vaccines and drugs and the establishment of the associated market for livestock services.</p> <p>Sustainability (a standard DAC criterion) is not explicitly and separately discussed. This is of concern and should be given a higher profile. Note that sustainability is discussed in the Annual Review Report.</p> <p>GoB has strong ownership over CLP and considers CLP as a key element of its strategy to address extreme poverty in the chars. However, ensuring increased GOB ownership in the longer term is critical for sustainability. The design of CLP2 has a strong focus on influencing GoB policies toward a comprehensive social protection framework. This will be achieved by communicating best practice knowledge and lessons including from the independent impact assessment. Australia and the UK will actively engage in policy dialogue with GoB through the CLP Steering Committee..</p>	<p>Explain whether and how beneficiaries graduate into ongoing programs like microfinance groups in the BRAC model that are key to sustaining the benefits of the asset transfer approach, and what happens when CLP phases out.</p> <p>Clarify what sustainability means or should be defined as in this very fragile environment.</p> <p>Seek explicit discussion of the main sustainability issues and the strategy for addressing these issues.</p> <p>What evidence do we have of sustainable growth in the local NGO community and beneficiary groups or is this unrealistic for the immediate future? Has there been further progress with the "market for livestock services" or does this remain a work-in-progress issue?</p> <p>While the long term sustainability of the initiative mostly depends on the transition to government ownership (as discussed in the required actions section of 'clear objectives', a medium term plan to further accelerate the involvement of national stakeholders in the management and implementation of the program may provide a transitional step towards greater government ownership, and support long-term cost effectiveness and sustainability.</p>
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4. Implementation & Risk Management	5	<p>Implementation based on the proven approach of CLP1 and related to BRAC's successful experience with a similar approach. CLP1 was highly successful in achieving its objectives in 5 districts which were difficult operating environments. There's a reasonable expectation that CLP2 will be able to deliver since the program area is of similar size and character and targets are of an order of magnitude that reflect the program's ability to get a running start. Presumably CLP2 will use many if not most of CLP1's implementing NGOs, and these will be experienced and well-trained on the CLP implementation modalities. The same holds true for the managing contractor, which brings its experience of CLP1 to the second phase implementation but also to the design.</p> <p>The program team mobilised an impressive group of experts for the re-design of CLP and thoroughly interrogated the implementation arrangements. In addition, the close link and continuity between CLP1 and CLP2 substantially increases the likelihood of successful implementation of the second phase, based on CLP's proven model.</p> <p>CLP1 had an unfulfilled aim to engage in policy dialogue with the GoB. The program memo lays out a more comprehensive strategy and more specific objectives and targets around this aim for CLP2. A communication strategy should help.</p> <p>CLP1 did not offer a strong incentive to the managing contractor to work with government, and they found it much easier to work with and through NGOs rather than local government. Over time the managing contractor reduced the number of projects implemented through local government to the point where nearly all of the work was being implemented (successfully) through NGOs towards the end of CLP1. More specific targets around government involvement and service outreach will compel the managing contractor to make greater efforts to work with government and facilitate these linkages.</p> <p>An issue raised under CLP1 was that the program might encourage migration to the chars by extending benefits and services (albeit targeted to established residents). Is there any evidence that this occurred under CLP1, and is it a significant risk in CLP2?</p> <p>CLP1 will phase out of its first 5 districts but how this will be implemented is not described. Some description of the phase-out process may help explain the question above about sustainability in the CLP1 areas. It would also be good to know more about what CLP's "partnership approach" will include.</p> <p>The Program Memorandum includes a fiduciary appraisal and identifies three other main risks including political unrest, low capacity of the partner NGOs and environmental. The document provides adequate analysis of risks and measures to mitigate risks. Fiduciary risks will be mitigated through ensuring that a robust financial management system is in place that will include 'real time' accounting software, regular spot checks, internal audits and a hotline for reporting misuse of funds. DFID will also undertake independent audits. Political risk will be managed through a strong engagement strategy with a range of different Government and non-Government partners. Inherent in the program design is the mitigation of environmental risks posed by working with communities living in the highly flood prone area.</p>	<p>Explain how CLP2 will counteract incentives to avoid partnership with government, particularly local government, and focus on the relatively easier approach of working through NGOs.</p> <p>Address whether there's a risk the CLP2 will encourage a crowding-in of migrants from under-served neighbouring areas.</p> <p>Clarify with DFID the phasing-out strategy.</p> <p>Clarify the general picture of IMO performance.</p> <p>DFID has undertaken a fiduciary review of its overall program in Bangladesh. DFID and AusAID will consider a CLP2 specific fiduciary review after assessing needs; particularly depending on the size of transfer through the Government.</p>
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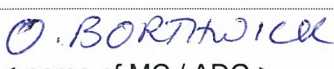
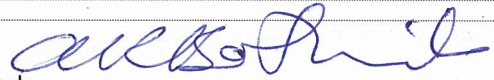
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5. Analysis and lessons	5	<p>The program's design documents adequately analyse institutional and economic issues with specific appraisals. The resource analysis – financial, organisational and human – is more than adequate.</p> <p>The program design includes an environmental appraisal. The excellent mechanisms for accountability provide effective anti-corruption measures.</p> <p>The design does not explicitly address child protection. However, DFID is not expected to comply with all elements of AusAID's child protection policy but to act in accordance with its basic principles. AusAID has shared the its child protection policy with DFID.</p> <p>The fundamental land issue gets short treatment in the design document. DFID explained that a separate rights based program will deal with the land issue. Based on the experience of resistance from the local government and local elites this has been excluded from the CLP2 interventions. More discussion of the lessons learned under CLP1 was expected in the design document. It is clear that conceptually the activity has taken onboard big-picture lessons such as the importance of transfers and supplementary training and market support. However, the more detailed fine-tuning of the phase 2 model based on what was learned from phase 1 is glossed over. It would be interesting to know what modifications were made to the CLP approach and "package" as a result of implementation experience. Arguably AusAID itself would benefit from a communication strategy around its social protection engagement in Bangladesh to capitalise on the strategic partnership with CLP (and CFPR).</p> <p>The cursory treatment of gender is surprising, especially in explaining the strategy for enhancing gender equality. This might be because it is considered that the vast majority of beneficiaries are women and girls. However, the point then becomes: what is the strategy for ensuring men also contribute to the success of this program? The Annual Review also provided only one disaggregated piece of evidence (50% each boys and girls enrolled). However, it is clear that women and girls are intended to be significant beneficiaries. It is also clear that the social education program is being broadened to include men and adolescent boys.</p> <p>It has been clarified by CLP2 social appraisal discussions with DFID that CLP2 takes a comprehensive approach to issues of social inclusion including gender, age, disability and household composition (e.g. female headed households will receive priority). It will also engage men in the program. CLP2 includes a specific output on the enhanced status of women and girls. CLP2 monitoring will gather and analyse gender disaggregated data on health, nutrition, food security and income.</p>	<p>We should encourage DFID/CLP to increase its reporting of gender disaggregated data.</p> <p>Include some of the key lessons from CLP1 and how this has informed the design of CLP2, including a description of modifications.</p> <p>The FSR section can work with the Bangladesh program to disseminate lessons internally and externally.</p> <p>A standard clause of child protection will be included in the delegated cooperation arrangement.</p>
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* Definitions of the Rating Scale:			
Satisfactory (4, 5 and 6)		Less than satisfactory (1, 2 and 3)	
6	Very high quality; needs ongoing management & monitoring only	3	Less than adequate quality; needs to be improved in core areas
5	Good quality; needs minor work to improve in some areas	2	Poor quality; needs major work to improve
4	Adequate quality; needs some work to improve	1	Very poor quality; needs major overhaul

D: Next Steps <i>completed by Activity Manager after agreement at the Appraisal Peer Review meeting</i>		
Provide information on all steps required to finalise the design based on <i>Required Actions</i> in "C" above, and additional actions identified in the peer review meeting	Who is responsible	Date to be done
1. Proceed with financial approval processes	Activity Manager	End Jan 2010
2. Provide detailed information on gender to the Gender Unit representative	Activity Manager	Was done immediately
3. Follow up with DFID on the issues raised and suggestions made.	Activity Manager	On-going during implementation

E: Other comments or issues <i>completed by Activity Manager after agreement at the APR meeting</i>
<ul style="list-style-type: none">

F: Approval <i>completed by ADG or Minister-Counsellor who chaired the peer review meeting</i>		
On the basis of the final agreed Quality Rating assessment (C) and Next Steps (D) above:		
<input checked="" type="checkbox"/> QAE REPORT IS APPROVED , and authorization given to proceed to:		
<input checked="" type="radio"/> FINALISE the design incorporating actions above, and proceed to implementation		
or: <input type="radio"/> REDESIGN and resubmit for appraisal peer review		
<input type="checkbox"/> NOT APPROVED for the following reason(s):		
<hr/> <hr/> <hr/>		
 < name of MC / ADG >	 signed:	19/1/10 < date >

When complete:

- Copy and paste the approved ratings, explanation and actions (table C) into AidWorks
- The original signed report must be placed on a registered file