



## 1. Project Data

<b>Project ID</b> P160758	<b>Project Name</b> Public Procurement Digitization Project		
<b>Country</b> Bangladesh	<b>Practice Area(Lead)</b> Governance		
<b>L/C/TF Number(s)</b> IDA-60770,IDA-68270	<b>Closing Date (Original)</b> 30-Jun-2022	<b>Total Project Cost (USD)</b> 76,030,011.16	
<b>Bank Approval Date</b> 28-Jul-2017	<b>Closing Date (Actual)</b> 31-Dec-2023		
	<b>IBRD/IDA (USD)</b>	<b>Grants (USD)</b>	
Original Commitment	55,000,000.00	0.00	
Revised Commitment	78,469,600.64	0.00	
Actual	76,430,818.69	0.00	
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## 2. Project Objectives and Components

### a. Objectives

According to the Financing Agreement (FA) dated August 29, 2017 (FA, p. 4) and the Project Appraisal Document (PAD, p. 4), the Project Development Objective (PDO) was:

To improve public procurement performance and enhance capacity for implementation monitoring of development programs/projects.



For the purposes of this review, the PDOs have been parsed as follows:

**PDO1:** Improve public procurement performance.

**PDO2:** Enhance capacity for implementation monitoring of development programs/projects.

The PDO remained unchanged during the project lifecycle and, although two outcome targets were revised and two new targets were added in 2021 with Additional Financing (AF), a split rating does not apply because the project became overall more ambitious. One target (PDO indicator 4) was revised downward, but the original and revised targets were exceeded; therefore, separate assessments against the original outcome targets and revised outcome targets are not required.

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

Yes

**Did the Board approve the revised objectives/key associated outcome targets?**

Yes

**Date of Board Approval**

05-Feb-2021

**c. Will a split evaluation be undertaken?**

No

**d. Components**

The PAD did not detail project activities. It described the intended and anticipated causal mechanisms of change in descriptive terms and key constraints for project implementation, from which IEG has inferred a list of activities under each component/ subcomponent.

**Component 1:** Restructuring the Central Procurement Technical Unit (CPTU) and Institutionalizing Electronic Government Procurement (e-GP) (Approved US\$9.0 million; Revised US\$11.5 million; Actual US\$6.2 million). This component aimed to restructure CPTU to enhance its regulatory power and institutionalize e-GP to function as a service provider with professional resources (PAD, Annex 1, p. 27). There were two sub-components:

1. Restructuring CPTU and furthering policy reform.
2. Institutionalizing e-GP.

Activities for restructuring CPTU included: design of advanced and innovative solutions in public procurement [1]; review of the legal framework and update of procurement manuals, including guidelines for disposal of public assets; and making all legislation and tender documents available in Bengali and all acts/ rules in English (PAD, Annex 1, p. 28). Activities for policy reform included: exploration of an integrated risk management system; capacity building on procurement monitoring; identification of risk factors for early intervention and focusing policy modifications; and enhancement of national risk management frameworks (PAD, Annex 1, p. 28). Activities for the institutionalization of e-GP included: making the e-GP operation self-sustainable by using a service provider model that could be a corporate structure or an outsourced third



party; and provision of legal and financial management support as needed to support and protect the operation of the service provider (PAD, Annex 1, pp. 11, 13).

**Component 2:** Enhancing Digitization of Public Procurement (Approved US\$28.0 million; Revised US\$63.0 million; Actual US\$54.3 million). This component aimed to enhance the scope of e-GP for all public entities in the country, including updating of e-GP modules with robust contract management processes, operationalizing two data centers, and business modeling (PAD, Annex 1, p. 32). Procurement performance was to be measured considering 32 Selected Public Sector Organizations (SPSOs), out of a total of about 1300 in the country that would use e-GP. The 32 SPSOs included 28 new SPSOs (NSPSOs) with the largest volume of procurement, covering about 900 key procuring organizations, and 4 previous SPSOs (PSPSOs). Over 85 percent of the national development program allocation was spent through these 32 SPSOs (PAD, p. 32). There were two sub-components:

1. Expansion of the e-GP system.
2. Implementation of contract management.

Activities for expansion of the e-GP system included: managing the e-GP expansion (bid invitation to contract award) for procuring organizations focusing on the 28 new SPSOs (NSPSOs) because the e-GP system was already functional in the previous 4 (PSPSOs); leveraging existing training and support infrastructure developed during the initial system implementation with four key agencies [2]; exploring options for the private sector to use the e-GP platform; and providing logistical, technical, and implementation support for the e-GP system (PAD, Annex 1, p. 32). Activities for the implementation of contract management (CM) included: upgrading the features of the existing CM module [3] focusing on the 4 previous SPSOs (PSPSOs); creating a citizen web portal; providing training; and developing a national contractor database with performance ratings by agencies, especially for civil construction works (PAD, Annex 1, p. 35).

The cost of Component 2 at appraisal was over 60 percent of total project cost (US\$85 million).

**Component 3:** Professionalizing Procurement and Citizen Engagement (Approved US\$18.0 million; Revised US\$22.5 million; Actual US\$18.6 million). This component aimed to improve procurement management capacity of the SPSOs, in terms of procurement practices and the use of e-GP (PAD, Annex 1, p. 36). There were five sub-components:

1. Improving procurement management of SPSOs, the Implementation Monitoring and Evaluation Division (IMED) and the CPTU.
2. Capacity building and professionalization of procurement.
3. Disclosure of public procurement information in open data format.
4. Citizen engagement.
5. Strategic communication.

Activities for improving procurement management included: creation and operationalization of a Procurement Unit/Cell in each SPSO and accreditation of about 200 officials by the standards of the Chartered Institute of Purchasing and Supply (United Kingdom); development and operationalization of a system of internal audit/review of procurement functions; raising awareness of the procurement process for around 500 key officials of SPSOs by highlighting their role and responsibilities in public procurement; and pairing with best-practice international institutions through training or visits.



Activities for capacity building and professionalization of procurement included: professionalizing public procurement officials through a four-tier accreditation program (4,000 expected to complete the basic procurement training), implementing a capacity development program for SPSOs and other agencies, and providing short procurement trainings (6,000 participants).

Activities for disclosure of public procurement information in open data format included: improving collection, maintenance, analysis and dissemination of public procurement data and information to all stakeholders; and basing the system expansion on the Open Contracting Data Standard.

Activities for citizen engagement included: capacity building for stakeholders from government, civil society, and the private sector to use and monitor contracting data; updating the Terms of Reference of the Public Private Stakeholder Committee Dialogue; strengthening the existing Government-Tenderers' Forum at the district level for dialogue between public procuring entities (PEs) and bidders; improving citizen monitoring at the local level using a Site for Specific Citizen Monitoring; organizing a Citizen Monitoring Forum at the regional level; and analyzing the effectiveness of the citizen engagement strategy to improve public works outcomes.

Activities for strategic communication included: communication support for the new public procurement authority, the expansion of e-GP, open contracting efforts, and citizen engagement; developing a communication strategy and action plan; tracking the perception of procurement reforms in the country; and introducing new technology tools to enhance the accessibility of public procurement systems and processes and to promote transparency and accountability in efficient public spending for better service delivery.

**Component 4:** Digitizing Project Implementation Monitoring (Approved US\$5.0 million; Revised US\$8.0 million; Actual US\$5.9 million). This component aimed to strengthen implementation monitoring of development programs/projects at the national level using digital technology (PAD, Annex 1, p. 50). There were two sub-components:

1. Enhancing project management information system (PMIS).
2. Reinforcing monitoring skills and data analytics.

Program/project implementation monitoring and evaluation was the responsibility of the IMED of the Ministry of Planning and was done mostly in a manual way. Activities for enhancing the PMIS included: streamlining the process and locating it online through a single web-based platform connecting all public sector organizations with state-of-the art technology. The PMIS captured only financial progress, and IMED was to expand it to capture real-time physical and financial implementation data. Activities for reinforcing monitoring and data analytics included: examining other M&E tools and techniques available to see how they may apply to some of the projects in Bangladesh; developing new guidelines for different types of projects and developing expert panels to support M&E; enhanced digitization of M&E processes; and implementing a skill development plan.

[1] Solutions such as sustainable procurement framework with rated criteria, most economic and advantageous tender, best and final offer, life cycle costs, disposal policy/mechanism, single-stage two envelop, small and medium enterprises, social, economic, and environmental criteria.



[2] The NSPSOs identified covered most Local Government Institutions (LGIs) with decentralized structure up to the sub-district level, beyond the four target agencies of the ongoing Public Procurement Reform Project II (PPRP II): Road and Highways Department (RHD), Local Government Engineering Department (LGED), Bangladesh Water Development Board (BWD), and Bangladesh Rural Electrification Board (BREB).

[3] To include supplier's database, supplier's performance rating system, geotagging, asset tracking, online payment, critical activity/path management, and upgradation of the system consistent with open contracting data standard.

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

**Project cost.** The estimated total project cost at appraisal was US\$60.0 million. The revised total cost was US\$105.0 million. The actual cost was US\$85.0 million. There are data discrepancies in the ICR. The revised amount on the Financing Table is US\$78.5 million and the actual amount is US\$76.4 million (ICR, p. 2) which are not correct. Table 2 (p. 10) and Annex 3 (p. 46) have the correct amounts, except that the column labeled "Amount at Approval" should be labeled "Revised Amount after AF" (TTL interview).

**Project Financing.** The project was initially financed by an International Development Association (IDA) Credit (IDA-60770) of US\$55 million and a government contribution of US\$5.0 million, bringing total planned financing to US\$60 million. AF of US\$40.0 million was approved during the first restructuring along with additional government financing of US\$5.0 million, bringing total financing to US\$105.0 million (IDA=US\$95 million, Counterpart=US\$10 million) (ICR, Table 2, p. 10). The actual amount disbursed by project closing was US\$85.0 million (Annex 3). Unspent money (SDR 12,317,000) was cancelled on December 27, 2023 (ICR, p.11), before project closing. This amount represented approximately US\$16.0 million, or 15 percent of the project's revised cost of US\$105.0 million (TTL interview).

**Borrower contribution.** The Republic of Bangladesh's expected contribution at appraisal was US\$5.0 million. This amount was revised to US\$10.0 million during the first restructuring. The actual amount disbursed by project closing was US\$8.57 million.

**Dates.** The project was approved on July 28, 2017, became effective on October 8, 2017, and had an original closing date of June 30, 2022. The project was extended to December 31, 2023 during the first restructuring to allow for the completion of project activities affected by the COVID-19 pandemic. The Mid-Term Review (MTR) did not occur as scheduled due to the COVID-19 and the timing coinciding with the AF. However, the project's TTL clarified that the August 4 - 24, 2020 identification mission practically served the purpose of the MTR, and all necessary adjustments related to the original project were identified and mentioned in the aide memoire.

**Restructurings.** The project underwent two level 2 restructurings, in January 2021 and December 2023. There were no changes in the PDO. In 2021, an AF was approved, two new PDO indicators were added (PDO indicators 5 and 6), the name of Component 1 was adjusted, two outcome targets were revised (PDO indicators 1 and 4), and new intermediate result indicators (IRIs) were added. In 2023, the return of unused funds to the WB was processed.

**Restructuring No. 1:** A (level 2) restructuring in January 2021, after three years of implementation, extended the project's closing date by 1.5 years from June 30, 2022, to December 31, 2023, to allow time to



complete pending project activities due to the COVID-19 pandemic. This made the total implementation period 6.5 years. An AF of US\$40.0 million was approved (IDA-68270). There were no changes to the PDO, but the results framework, components, and costs, reallocations between categories, and one legal covenant were revised. At the time of the first restructuring, US\$28.8 million (51 percent of IDA's original funding) had been disbursed (Report PAD, p. 3).

The AF aimed to expand the coverage and features of the e-GP (US\$17.0 million); cover a cost overrun (US\$16.0 million or 26 percent of original cost); and cover expenses related to the project extension (US\$12 million) (Report PAD, p. 10-11). The e-GP required new modules for international bidders that were facing difficulties due to travel bans and lockdowns during the pandemic and online features for contract management, payment, and supervision. Cost overruns resulted from higher procurement costs than originally estimated due to higher market prices and exponential growth of the procurement contracts in the e-GP, which reached 38 percent in Year 1 against a 2 percent target, and 58 percent in Year 2 against a 15 percent target. In addition, there were 22 contracts pending out of the 96 under the original project.

The amount of AF represented a 72.0 percent cost increase. The ICR does not discuss why this amount of AF was justified instead of initiating a new project (ICR, p. 11-12). The AF document shed some light, mentioning that AF was the most suitable option, instead of initiating a new project, because the project was not going to meet the PDO without implementing the 22 pending contracts, and the expanded coverage and new features for e-GP were of immediate need due to the COVID-19 pandemic (PAD, p. 11, p. 16).

According to the project's TTL, the justification proved to be right, as the expanded coverage of the e-GP system was crucial to adapting to the rapidly changing procurement landscape under the pandemic. Post-project assessment showed that the AF allowed the project to reach its objectives without the delays that would have come from starting a new project, justifying the decision. Currently, WB policy promotes AF rather than new projects. Undertaking an AF helped maintain momentum and consistency in the direction of the project, an important factor given the long-term nature of systems reforms such as this one (TTL interview).

Restructuring No. 1 entailed the following (PAD, p. 17):

- Funds were reallocated between categories, adding US\$0.88 million to Category-3 (e-GP operations and maintenance) equally from Category-1 (good and services) and Category-2 (operating expenditures) of the IDA finance to cover the higher cost (US\$7.2 million) of the e-GP Organization and Management (O&M) contracts than originally estimated (US\$5.0 million).
- The deadline for the enactment of the Bangladesh Public Procurement Authority (BPPA) Act was extended from being 24 months after the project's effective date to June 30, 2023, six months before the new closing date.
- The name of Component 1 was changed to "*Restructuring CPTU and Policy Reform*" to emphasize policy reform activities.
- The PDO indicators/ outcomes were revised as follows:
  - The target for PDO indicator 2 (*NSPSOs inviting bids in national competitive bidding [NCB] through the e-GP system*) increased from 75 percent to 100 percent to increase bidder access given COVID-19 lockdowns.
  - The target for PDO indicator 4 (*SPSOs' projects implementation monitored on-line by IMED*) decreased from 45 percent to 25 percent due to delays in the new system.





- Two new PDO indicators were introduced: *SPSOs conduct contract management using e-GP system* (target of 50 percent) and *Invitation of International Competitive Bidding (ICB) through e-GP system* (target of 100).
- The components were revised as follows (Report PAD, Section II):
  - **Component 1.** New activities included development of a contract management manual including emergency cases and extension of services of the existing individual consultants (as required) of CPTU for the extended project period.
  - **Component 2.** New activities included expanding the e-GP to the Recipient's SPSOs, including, inter alia: (a) developing and rolling-out new features of the e-GP system for processing international bidding, single source/direct contracting, framework agreement, and data analytics; (b) rolling out the enhanced electronic contract management and payment system to all the SPSOs; (c) providing associated e-GP training and awareness programs to implement the new features of e-GP; (d) enhancing the capacity of the existing e-GP data center and conducting the assessment for a new data center; (e) enhancing cybersecurity protection and monitoring of e-GP systems through the procurement of the necessary hardware and software and related services; and (f) providing logistic, technical, and implementation support associated with the management, operation, and maintenance of e-GP. Activities included e-GP training and awareness programs to implement these new features; enhancing the capacity of the e-GP data center to meet the demand/system requirement for the new features; and an assessment to determine the requirement, cost, and timing for establishing a new data center.
  - **Component 3.** New activities included developing a smart phone application for the citizen portal; updating the citizen portal to receive citizens' feedback; restructuring the communication program mainly to include a feedback mechanism to improve procurement performance; and setting up a capacity development program on contract management with features for management of contracts in case of emergencies.
  - **Component 4.** No new activities were included, but AF was to cover the cost of the PMIS which could no longer be covered from original project funds.
- In line with the previous changes to the components, new IRIs were included (Report PAD, p. 36):
  - *Develop sustainable procurement policy and implementation roadmap (Yes/No).*
  - *Develop mechanism to identify and track procurement performance of women-led/owned enterprises (Yes/No).*
  - *Strengthen country's emergency procurement and contract management framework (Yes/No).*
  - *e-GP module for international procurement under development partner-funded projects developed (Yes/ No).*
  - *e-GP modules for direct procurement and framework agreement developed (Yes/ No).*
  - *Officials trained on contract management (Number).*
- Some IRIs were dropped (Report PAD, p. 37):
  - *Previously Selected Public Sector Organizations' (RHD, LGED, BWD, BREB) contract completion rate within the original time schedule (Percentage).* This IRI was marked for deletion as it was not possible to achieve the 50 percent target, as most of the contracts under the selected organizations were delayed due to the COVID-19 pandemic.
- Most of the remaining IRIs were revised (Report PAD, p. 35):

**Restructuring No. 2:** A (level 2) restructuring on December 23, 2023, close to project's end, returned unused funds equivalent to SDR12,317,000 to the WB (approximately US\$16.0 million), representing



around 15 percent of the project's revised cost of US\$105 million (TTL interview). An extension request from the government was not accepted. At the time of this restructuring, there was a marginal shortfall in the following PDO level indicators: (a) *NSPSOs invite bids in NCB through e-GP system*; and (b) *Invite ICB through e-GP system (Number) by project closure*. There was also expectation that IRIs were not going to be met: (a) *Government-approved organogram with staffing of the proposed Authority*; (b) *Authority's officials in place compared with the staffing plan*; (c) *Strengthen country's emergency procurement and contract management framework*; and (d) *Disposal policy drafted and issued*. The government agreed to attempt to achieve the PDO-level indicators and IRIs by June 2024 and progressively staff the BPPA by December 31, 2024, using the government's own funds.

At the time of the second restructuring, US\$76.4 million out of IDA's US\$95.0 million (83 percent) had been disbursed.

### 3. Relevance of Objectives

#### Rationale

**Country/ Economic Context:** At the time of project appraisal, despite economic achievements on export growth, higher remittances, agricultural productivity, and greater participation of manufacturing in the economy, which led to significant job growth as well as poverty reduction, Bangladesh was grappling with governance challenges. The Systematic Country Diagnostic (2015) identified the need to accelerate private sector-led growth with an improved investment climate and improved governance structure in spending public resources for better service delivery. In this context, the government favored the adoption of fast technology-based solutions for improving governance with greater efficiency, transparency, and accountability (PAD, p. 1).

**Sector/ Institutional Context:** At the time of appraisal, the annual expenditure on public procurement in the country was about 24.0 percent of the national budget and 70.0 percent of the annual development program (ADP) of the government. By FY19, this figure had increased to 45.2 percent of the annual budget and 85.0 percent of the ADP (ICR, p. 12). However, procurement delays and inadequate public confidence had been identified as major contributors to slow budget execution. Based on recommendations of the Country Procurement Assessment Report 2002 (CPAR 2002), the government implemented a series of reforms to change the public procurement environment, including a well-functioning nodal agency - the CPTU ([www.cptu.gov.bd](http://www.cptu.gov.bd)), a single electronic government procurement (e-GP) portal for the entire country ([www.eprocure.gov.bd](http://www.eprocure.gov.bd)), on-line performance measurement mechanisms, and a citizen engagement system. The CPTU was within the IMED of the Ministry of Planning (MOP).

However, the country needed to accelerate the shift from traditional procurement practices to international standards through digitization of systems in line with the Public Procurement Act 2006 and the vision for e-Government by 2021. The project aimed to address these issues by supporting improvement of public procurement performance and enhancement of capacity for implementation monitoring of development programs/projects.

**Previous sector experience.** Support from the WB had been continuous over two decades to bring about systemic change in the country's public procurement environment. Upon the recommendations of the CPAR 2002, the government had implemented a complete package of reforms, with the support of the WB -





Public Procurement Reform Project- PPRP (2002–2007), and PPRP II with its two AFs (2007–2017). The e-GP was one of the major project components in the PPRPII which closed in June 2017. About 90 percent of procurement in the four key sector agencies (roads, local government engineering, water, and rural electric) were going through the e-GP platform. The project aimed to enhance the scope of e-GP for all public entities in the country, covering system and technical requirements, among other objectives.

**Alignment with Country Partnership Framework (CPF).** The project was aligned with the CPF 2016–2020, which included enhancing growth and promoting inclusion as focus areas. Increasing effectiveness and efficiency in the use of public resources through good procurement practices were seen as important factors for improving the investment climate and accelerating the pace of poverty reduction and for reducing corruption. According to IEG’s Review on Bangladesh (2023), most of 97 incidents between FY16-21 reported with corruption allegations related to WB projects were related to procurement (ICR, p. 12).

At the time of closing, the project’s objectives were also aligned with the CPF FY23-27 that aimed to transform Bangladesh into a more competitive, resilient, inclusive, and greener economy. A more efficient, transparent, and accountable e-GP system supported by citizen participation and capable bidding community fully supported the new CPF’s objectives through improved governance, greater efficiency in public spending, and improved development outcomes over time (ICR, p. 13).

**Alignment with the Government of Bangladesh’s Strategy.** The project was fully aligned with the “*Perspective Plan of Bangladesh 2010-2021: Making Vision 2021 a Reality*,” which mentioned the need for public procurement to use the e-GP system. To materialize the vision, the government established a “*Bangladesh Digital Task Force*,” chaired by the Prime Minister, who declared that all public procurement should be conducted through the e-GP system by 2016 and monitored the progress of e-GP implementation in person with the Principal Secretary in Chair (PAD, p. 2). The project was also aligned with the country’s higher-level objectives of expediting poverty reduction, improving the investment climate, and accelerating private sector-led growth that were identified as priority objectives in the *Seventh Five Year Plan (FY16–FY20)—Accelerating Growth and Empowering Citizens* of the government (PAD, p. 8).

In summary, the project remained highly relevant during implementation and restructuring. The original objectives were highly relevant according to their alignment with the CPF for FY16-10 at appraisal, the CPF FY23-27 at project’s end, and Bangladesh’s *Vision 2021* and *Seventh Five Year Plan* for FY16-20. However, after two decades of continuous WB support, there had not been an assessment of the sustainability of the reforms implemented or time to strategize the implementation of the next reform generation. Overall, the relevance of objectives is rated as High.

## Rating

High

## 4. Achievement of Objectives (Efficacy)

### OBJECTIVE 1



## Objective

Improve public procurement performance.

## Rationale

**Theory of Change.** The PAD did not include an explicit theory of change, and although one was added in the ICR focusing on key project interventions and targeted outcomes, activities are not clearly listed (pp. 6-8). IEG inferred activities for each PDO indicator from the project's description in the PAD.

The theory of change held that restructuring the CPTU into the BPPA was the key reform to achieve this objective, which required passing the BPPA Act, approving the BPPA organogram and staffing the Authority, updating and approving the e-GP guidelines, and developing, approving, and publishing a sustainable public procurement policy (SPP). It also held that increasing efficiency in the use of e-GP systems through training of government officials and user stakeholders, including participants from local government institutions, in the use of e-GP functions would contribute to improved public procurement performance. It also held that extending the use of e-GP systems through the creation of a tenderer's database and implementation of nationwide training and workshops to implement the database; validating, authenticating, and uploading into the system all registered bidders with experience certificates; putting in place an e-alert system for delays in validating certificates; providing training and integrating the payments system Integrated Budget and Accounting System (iBAS++) into the e-GP to pay contractors; and developing the ICB module for goods and works for the government and development partners, would contribute to enhancing digitization of public procurement and achieve the objective of improving public procurement performance.

The causal links between project activities (inputs), outputs, and some intermediate outcomes were clear, except for a few shortcomings. For example, increasing the e-GP registration of procuring entities and creating a tenderer's database does not necessarily lead to increased efficiency; approving the BPPA Act and the organogram was out of the project's control; and likewise sending the bidding documents and invitations for ICB was the responsibility of the SPSOs, but project design should have included interventions to make sure incentives for SPSOs were in place.

## Outputs

The project delivered the following outputs by component. Most outputs are linked to an indicator (ICR, selected from Key Outputs by Component, pp. 40-41)

### Component 1: Restructuring CPTU and Policy Reform

- Bill establishing the proposed Authority and amending the PPA 2006 drafted and placed in Parliament (Target met IRI 1).
- Organogram of BPPA with staffing completed, but not approved (Target not met IRI 2).
- Sustainable procurement policy and implementation roadmap developed, approved, and published (Target met IRI 4).
- Mechanism to identify and track procurement performance of women-led/-owned enterprises developed (Target met IRI 4.1).



- 12,209 participants from 28 NSPSOs trained in the use of e-GP functions under DIMAPPP-AF (not disaggregated by gender), including one NSPSO LGI consisting of 893 public sector organizations covering municipalities, district councils, sub-district councils, and some city corporations.
- 96 percent of NCB bids in NSPSOs were invited through e-GP (target was 100 percent).
- 5,035 participants in training provided by CPTU on e-CMS under DIMAPPP and 1,863 under DIMAPPP-AF (a total of 6,898) compared to a target of 600.
- Payment's system iBAS++ integrated into the e-GP to pay contractors' bills from June 14, 2023.
- Draft Disposal Policy and relevant Standard Disposal Document (SDD) finalized with the draft policy sent to all the ministries/divisions and 32 SPSOs and shared on the website for stakeholder review (but not approved).

## Component 2: Enhancing Digitization of Public Procurement

- e-contract management module in e-GP system updated (Target met IRI 7).
- e-GP system-generated procurement performance reports of SPSOs published in CPTU/ Authority's website (Target met IRI 8).
- e-GP module for international procurement for goods and works (ICB) for the government and development partners developed on July 1, 2022 (Target met IRI 9).
- ICB module assessed by CPTU for its compliance with the requirements of ISO/IEC 27001:2013 for Information Security Systems Management for e-GP, information technology operations, and data centers.
- e-GP modules for direct procurement and framework agreement developed (Target met IRI 10).

## Intermediate Results Indicators (IRIs)

There were 11 IRIs that informed the achievement of PDO 1, four of which were introduced during AF (IRIs 4, 5, 9, 10) and one was dropped (IRI 11) during AF. Seven (7) IRIs achieved their end targets (IRI 4 and 4.1 counted as one) and three did not (IRI 2, IRI 3, IRI 5). IRIs are numbered in the order they are presented in Annex 1 of the ICR:

### Component 1: Restructuring CPTU and Policy Reform

- **IRI 1:** Draft bill establishing the proposed Authority and amending the PPA 2006 placed in Parliament (Yes/No). Baseline: No. Target: Yes. Actual: Yes. The project achieved the end target. The parliament passed the BPPA Act in September 2023, making the BPPA a legal entity as per the Financing Agreement, a key action delayed since 2021. **(IRI 1: Achieved).**
- **IRI 2:** Government approved organogram with staffing of the proposed Authority (Yes/No). Baseline: No. Target: Yes. Actual: No. The project did not achieve the end target. The BPPA completed and sent an organogram to its board of directors for approval, to send to the Ministry of Public Administration, but it was not approved by project close. The final WB mission agreed that the BPPA would follow up on the approval with staffing by June 30, 2024, and place BPPA officials according to the staffing plan by December 31, 2024. **(IRI 2: Not achieved).**
- **IRI 3:** Authority's officials in place compared with the staffing plan (percentage). Baseline: 0. Target: 70 percent. Actual: 0. The project did not achieve the end target. This IRI was conditioned to



achievement of IRI 2. The government agreed to progressively staff the BPPA by December 31, 2024, using the government's own funds (**IRI 3: Not achieved**).

- **IRI 4** (AF new): Develop SPP and implementation roadmap (Yes/No). Baseline: No. Target: Yes. Actual: Yes. The project achieved the end target. An SPP was developed, approved by the cabinet, and published through the gazette before project close (**IRI 4: Achieved**).
  - **IRI 4.1**: Develop mechanism to identify and track procurement performance of women-led/-owned enterprises (Yes/No). Baseline: No. Target: Yes. Actual: Yes. The project achieved the end target. (**IRI 4.1: Achieved**).
- **IRI 5** (AF new): Strengthen country's emergency procurement and contract management framework (Yes/No). Baseline: No. Target: Yes. Actual: No. The project did not achieve the end target, although the ICR noted that policies were drafted before project closing, they were not yet approved or implemented (ICR, para 44) (**IRI 5: Not achieved**).
- **IRI 6**: Disposal policy drafted and issued (Yes/No). Baseline: No. Target: Yes. Actual: No. The project did not achieve the end target although the policy was drafted and under processing for approval (ICR, p. 63). This IRI is listed twice in the ICR, under Components 1 and 2 (p. 40), and also as an Output under Component 2. The TTL explained the cross-cutting nature of the activity and agreed it should be under Component 1 (TTL interview) (**IRI 6: Not achieved**).

#### Component 2: Enhancing Digitization of Public Procurement

- **IRI 7**: e-contract management module in e-GP system updated (Yes/No). Baseline: No. Target: Yes. Actual: Yes. The project achieved the end target. (**IRI 7: Achieved**).
- **IRI 8**: e-GP system generated procurement performance reports of SPSOs published in CPTU/ Authority's website (percentage). Baseline: 0. Target: 100 percent. Actual: 100 percent. The project achieved the end target. (**IRI 8: Achieved**).
- **IRI 9** (AF new): e-GP module for international procurement under development partner-funded projects developed (Yes/No). Baseline: No. Target: Yes. Actual: Yes. The project achieved the end target (**IRI 9: Achieved**).
- **IRI 10** (AF new): e-GP modules for direct procurement and framework agreement developed (Yes/No). Baseline: No. Target: Yes. Actual: Yes. The project achieved the end target. (**IRI 10: Achieved**).
- **IRI 11** (dropped): PSPSOs' (RHD, LGED, BWD, BREB) contract completion rate within the original time schedule (percentage). Baseline: 0. Target: 50 percent. Actual: The result for this IRI is not reported in the ICR because the indicator was dropped in the AF, as most of the contracts under the selected organizations were delayed due to the COVID-19 pandemic (TTL interview). (**IRI 11: dropped**).

#### Outcomes

The achievement of the PDO was assessed using the indicators listed below (ICR, Annex 1). These indicators were adequate, as reducing procurement lead time by about one-third and inviting 100 percent of bids in NCB through the e-GP system would represent a significant efficiency gain translated into cost and time savings from faster procurement review processes and implementation of new contracts. Likewise, conducting half of all contract management using the e-GP by automatically routing all signed contracts from the e-GP into the e-contract management system (e-CMS) would improve procurement performance. Last, inviting all international bids through the e-GP, which was crucial to capturing high-value procurements, would also increase efficiency of the procurement process and coverage of the electronic procurement system,



improving public procurement performance. However, indicators such as passing the BPPA bill by the Parliament, approving the BPPA organogram by the BPPA Board and the Ministry of Planning, and approving the disposal policy, while necessary legal framework outputs, were out of the project's control. In addition, sending the international bidding documents and invitations for ICB was the responsibility of the SPSOs, but the project should have put incentives in place to make sure this indicator would be achieved.

**PDO Indicator 1.** NSPSOs procurement lead time reduced in NCB using e-GP system (invitation to contract award) (days for the invitation to contract). Baseline: 100 days. Target: 70 days. Actual: 54 days. The project exceeded the end target (**PDO Indicator 1: Exceeded**)

**PDO Indicator 2.** NSPSOs invite bids in NCB through e-GP system (percentage of invite bids). Baseline: 2 percent. Target: 100 percent. Actual: 96 percent. The project almost fully achieved the end target. The use of this indicator was to assure technical quality of the system to ensure that there were no loopholes that might undermine the intention of improving accountability and public use of monies (**PDO Indicator 2: Almost fully achieved**)

**PDO Indicator 5 (AF new).** SPSOs conduct contract management using e-GP system (percentage of contracts) Baseline: 0. Target: 50 percent. Actual: 12 percent. The project did not achieve the end target. The e-CMS module was operationalized in October 2022 and automatically routed all signed contracts from the e-GP into the e-CMS module. The payment system was integrated from June 14, 2023. By project's end, SPSOs had 8,530 contracts in the e-CMS and used e-CMS for 12 percent of them (1,024), probably due to insufficient focus of SPSOs in the final months of the project to push procurement entities to use the system, not enough training for stakeholders on how to use the system, or natural resistance to change to a new more rigorous and demanding system. There were also questions on inherent disincentives to implement the e-CMS because of rent-seeking interests (ICR, p. 16). (**PDO Indicator 5: Not Achieved**)

**PDO Indicator 6 (AF new).** Invitation of ICB through e-GP system (number of invitations). Baseline: 0. Target: 100. Actual: 167. The indicator was met and surpassed after project closing. By May 14, 2024, 167 ICB bid packages were sent. However, at project closing, only 57 ICB bids had been sent. Delays were due to more additional security measures than originally anticipated and delays in preparation of bidding documents by the SPSOs with CPTU/ BPPA support, which fell outside of the project's control. (**PDO Indicator 6: Exceeded**).

IEG observed shortcomings with PDO Indicator 6. A more adequate indicator would be the share of invitations (percent) issued through the system, as was the case for PDO Indicator 2 (percentage of invite bids).

The project achieved or was likely to achieve three of its four PDO indicators (PDO Indicators 1, 2 and 6) under this objective. PDO Indicator 6 was achieved after project closure, and PDO Indicator 5 was not achieved. In case of the IRIs, the operation achieved or was likely to achieve six (6) IRIs out of 10, as IRI 11 was dropped during AF. The project exceeded the end target on reducing procurement lead time, which was the main indicator for procurement performance improvement. However, electronic contract management was practically not being used (12 percent of contracts were using e-CMS), and no procurement officials were in place at the BPPA (compared to the 70 percent target). These were major drawbacks in the achievement of improved procurement performance. Indicators met, such as drafting the BPPA bill, developing its organogram, and drafting the sustainable procurement policy, are necessary to the legal framework, but far from sufficient to achieve the project's objective.





The efficacy of PDO1 is rated as Substantial.

Rating  
Substantial

## OBJECTIVE 2

### Objective

Enhance capacity for implementation monitoring of development programs/projects.

### Rationale

**Theory of Change.** The PAD did not include an explicit theory of change, and although one was added in the ICR focusing on key project interventions and targeted outcomes, activities are not clearly listed (pp. 6-8). IEG inferred activities for each PDO indicator from the project's description.

The ToC held that implementing a series of activities focused on professionalizing procurement and citizen engagement and digitizing project implementation monitoring were key to increasing capacity for implementation monitoring of development programs/projects. It held that developing a four-tier procurement competency program; accreditation of procurement professionals; selection of officials through high performance to participate in an international procurement accreditation program; and finalizing the Draft Disposal Policy and relevant SDD, sending it to all the ministries/divisions and 32 SPSOs, and sharing it on the website for stakeholder review would contribute to achieving this objective. It also held that implementing a multifaceted communications and citizen's engagement program that would include promotion of e-GP awareness through the production of promotional materials and videos, mobilizing citizens reporting through an online portal, and piloting in-person monitoring in a select 48 *upazilas* would contribute to the achievement of this objective. The causal links between project activities (inputs), outputs and some intermediate outcomes were clear.

### Outputs

The project delivered the following outputs by component (ICR, selected from Key Outputs by Component, pp. 40-41):

Component 3: Professionalizing Procurement and Citizen Engagement.

- 75 percent of procuring entities of NSPSOs have at least one trained/certified procurement professional (Target 80 percent, IRI 12).
- 87 percent of SPSOs have a core procurement unit operationalized (Target 80 percent, IRI 13).
- 1,079 procurement professionalization/accreditation certificates issued (number) (Target 1,000, IRI 14).
- Open contracting module developed and made functional (Target achieved, IRI 15).
- Citizen portal developed and made functional with new features (*citizen.cptu.gov.bd*), including site analytics, space for complaints and feedback, and a mobile app with photo capture including geotagging (Target achieved, IRI 16).



- 80 percent of officials trained in procurement reference to the training plan (24.92 percent female) (Target 75 percent and 20 percent for females, IRI 17).
- 2,617 officials trained on contract management (Target 600, IRI 18).
- Three firms hired to promote e-GP awareness through the production of promotional materials and videos

#### Component 4: Digitizing Project Implementation Monitoring

- IMED's on-line project implementation monitoring module developed (Target achieved, IRI 19).

#### Intermediate Results Indicators (IRIs)

There were eight (8) IRIs that informed the achievement of PDO 2, with one (IRI 18) introduced during AF. Seven IRIs achieved their end targets, and one practically did (IRIs are numbered in the order they are presented in Annex 1). The IRI on disposal policy drafted and issued is listed in Component 1, as it deals with policy reform.

#### Component 3: Professionalizing Procurement and Citizen Engagement

1. **IRI 12:** Procuring entities of NSPSOs have at least one trained/certified procurement professional (percentage) Baseline: 5.0 percent. Target: 80.0 percent. Actual: 75.0 percent. The project almost achieved the end-target (**IRI 12: Almost fully Achieved**).
2. **IRI 13:** Core procurement unit operationalized in each of the SPSOs (Percentage). Baseline: 0. Target: 80.0 percent. Actual: 87.0 percent. The project exceeded the end target (**IRI 13: Exceeded**).
3. **IRI 14:** Procurement professionalization/accreditation certificates issued (Number). Baseline: 0 Target: 1,000 (Original target was 70.0 percent, see PAD, p. 21, but AF changed it to a number). Actual: 1,079. The project exceeded the end target. The ICR indicated a target of certification of 800 by mistake (TTL interview) (ICR, p. 17). 1,079 participants were issued Tier-1 certificates, and 75 were selected to participate in an international procurement accreditation program (**IRI 14: Exceeded**).
4. **IRI 15:** Open contracting module developed and made functional (Yes/No). Baseline: No. Target: Yes. Actual: Yes. The project achieved the end target (**IRI 15: Achieved**).
5. **IRI 16:** Citizen portal developed and made functional (Yes/No). Baseline: No. Target: Yes. Actual: Yes. The project achieved the end target. The online citizen portal was updated with new features (*citizen.cptu.gov.bd*), including site analytics, the ability to leave complaints and feedback, and a mobile app with photo capture including geotagging. As of December 2023, the site had been visited by over 80,776 visitors, and the app had been downloaded more than 100,000 times (**IRI 16: Achieved**).
6. **IRI 17:** Officials trained in reference to the training plan (Percentage). Baseline: 0. Target: 75.0 percent. Actual: 80.0 percent. The project exceeded the end target. (**IRI 17: Exceeded**)
  - a. IRI 17.1: Female officials' level of participation in training (Percentage). Baseline: 0. Target: 20.0 percent. Actual: 24.9 percent. The project exceeded the end target (**IRI 17.1: Exceeded**).
7. **IRI 18** (AF new): Officials trained on contract management (Number). Baseline: 0. Target: 600. Actual: 2,617. The project exceeded the end target. However, e-CMS training continued until project closure. By December 2023, CPTU had provided e-CMS training to 5,035 participants under DIMAPPP and



1,863 under DIMAPP-AF (a total of 6,898), compared to the initial target of 600. This substantial achievement was not reflected in the final ISR (Implementation Status and Results Report) (TTL interview) (**IRI 18: Exceeded**).

#### Component 4: Digitizing Project Implementation Monitoring

1. **IRI 19:** IMED's on-line project implementation monitoring module developed (Yes/No). Baseline: No. Target: Yes. Actual: Yes. The project achieved the end target. The fully functional e-Project Management Information System (e-PMIS) was completed on December 18, 2022, and was fully functional for Project Directors, agencies, ministries, and IMED. There were 576 projects under SPSOs in the ADP 2023–24 (397 with Project Director assigned, and 179 with no Project Director assigned), and all project information was inserted into the e-PMIS by June 2023 (**IRI 19: Achieved**).

#### Outcomes

The achievement of the PDO was assessed using the indicators listed below (ICR, Annex 1). These indicators were adequate but had shortcomings. Engaging citizen monitoring in contract implementation captured an important aspect of capacity to monitor programs. Likewise, monitoring project implementation on-line by IMED enhanced monitoring capacity of programs and aimed to complete the end-to-end system from procurement itself to the monitoring of projects once contracts were awarded, all the way through payment, which is why an e-PMIS was envisioned. Finally, conducting contract management using the electronic procurement systems module of the e-GP system was crucial to enhance implementation monitoring, as it was an indicator tracking contract management where rent-seeking interests were particularly high.

The shortcomings included the extent to which the information of the e-PMIS would be used for active project management, which was not measured by the indicator. In addition, other indicators, such as core procurement unit operationalized and citizen portal developed and made functional, were technical achievements but did not secure improved implementation monitoring of projects/ programs.

**PDO Indicator 3.** Selected sub-districts engage citizen monitoring in contract implementation (Number). Baseline: 4. Target: 45. Actual: 48 sub-districts. The project exceeded the end target (**PDO Indicator 3: Exceeded**).

**PDO Indicator 4.** SPSOs' projects implementation monitored on-line by IMED (Percentage). Baseline: 0. Target: 25 percent. Actual: 100 percent. The project exceeded the end target. The indicator target was exceeded, but the extent to which it was being used to fully manage projects could not be verified (ICR, p. 18) (**PDO Indicator 4: Exceeded**).

**PDO Indicator 5 (AF new).** SPSOs conduct contract management using e-GP system (Percentage). Baseline: 0. Target: 50 percent. Actual: 12 percent. The project did not achieve the end target. IEG believes this indicator also contributed to achievement of PDO 1 (Improve public procurement performance), because the e-CMS module automatically routed all signed contracts from the e-GP into the e-CMS module, contributing to both PDO 1 and PDO 2 (**PDO Indicator 5: Not Achieved**).



The project achieved or exceeded two of its three PDO indicators under this objective. The operation achieved seven (7) IRIs out of 8, but achieved 94 percent of the target for IRI 12. Although project implementation monitored on-line by IMED greatly surpassed the target, it is questionable whether the e-PMIS was being fully used to manage projects. Other indicators achieved, such as the core procurement unit operationalized, the open contracting module, and the citizen's portal, were technical achievements, but the extent to which these tools were being used to fully monitor project implementation could not be verified. On the other hand, results on professionalization were impressive, both in reference to the training plan and on contract management.

**The efficacy of PDO 2 is rated as Substantial.**

**Rating**  
Substantial

## **OVERALL EFFICACY**

### **Rationale**

The project achieved five of its six PDO indicators. PDO Indicator 6 was surpassed after project closure, and is therefore considered achieved. Indicator 5 greatly missed the target. Most of the 18 IRIs (excluding IRI 11 dropped) supporting the two PDOs were achieved or exceeded.

Improved procurement performance was to be indicated through a measure of increased efficiency (Indicator 1) and the extent of use of e-GP systems (Indicators 2, 5, and 6). Institutionalization of the BPPA was a condition of finance. Capacity for implementation monitoring was indicated in part through citizen participation (PDO Indicator 3) and systems such as e-PMIS (Indicator 4) and electronic contract management system (e-CMS, Indicator 5). According to the ICR, the efficacy of the systems approach was underpinned by the adherence of the updated project design, as amended in the 2021 AF, to international best practice in procurement systems design following the Organization for Economic Co-operation and Development's International Standard Methodology for Assessing Procurement Systems framework (ICR, p. 18).

### **Overall Efficacy Rating**

Substantial

## **5. Efficiency**

**Economic Efficiency:** An economic and financial analysis was not prepared at the time of appraisal, but one was performed at the time of AF. The direct benefits envisaged under the project included faster and more efficient use of public resources with increased transparency, contributing to fewer delays and lower costs with improved contract management. The e-GP aimed to be self-sustainable with revenues from three sources: a one-time US\$60.0 registration fee for a firm, about US\$20.0 registration renewal fee per firm, and about



US\$20.0 per bidder per procurement package sold. Selling of bidding documents was the main source, as it generated 95.0 percent of income during FY18-FY20 (PAD, p. 19).

The analysis assumed US\$333.5 million in earnings of the e-GP system by project closing (US\$12.4 million from registration and renewal fees), of which US\$40.9 million were from AF-related activities. The analysis assumed a total economic benefit of US\$9,347.8 million, of which US\$1,204.3 million was from AF. The future values of revenue generation and economic benefits from the e-GP system were estimated at US\$426.57 million and US\$ 11,820.77 million, respectively, by project closure (PAD, Annex A).

For the estimation of savings, the Assessment of Bangladesh Public Project System Report (June 2020) was used, which estimated a net cost savings for e-GP during FY19 of about US\$1.1 billion. Using the same methodology, US\$8 billion savings were estimated for the entire project, of which US\$1,204 million were to be from AF (PAD, pp. 19-20).

The economic rate of return (ERR) of the original project and AF combined was estimated as 44 percent excluding economic benefits and 180 percent with economic benefits (PAD, p. 20). This is an extremely high ERR, and IEG observes that assumptions were not discussed in the AF document. For example, economic cost savings due to higher rebate rates were estimated at 87 percent of total economic benefits without an explanation.

The ICR does not replicate the ERR's calculation but notes that the estimate of e-GP income (US\$333 million) was substantially higher (22 percent) than actual income (US\$261 million) and that the project used 81 percent of its available resources by closure. The ICR concluded that economic efficiency of the Bangladesh procurement system was believed to have been significantly improved through the project, for a relatively small investment.

**Operational Efficiency:** The project failed to achieve its goals within the established time frame and had to return almost 20 percent of funds at closure. Two challenging factors during implementation were identified in the ICR: the government's commitment was strong at the start of the project, but there was a slowdown in progress towards the two new PDO indicators in the last six months of the project; and the COVID-19 pandemic reduced the implementation efficiency of the project and directly led to the AF restructuring in 2021. In addition, there were delays implementing the system security upgrade that was needed for the ICB module and institutionalizing the CPTU into the BPPA, as well as uncertainty regarding a project extension in the last year that was proposed by the government.

Overall, the project contributed to a comprehensively improved public procurement system, but at a much higher cost than originally estimated and with inefficiencies in using additional resources to achieve the new PDO indicators. The AF expanded the coverage and features of the e-GP (US\$17.0 million), but also covered a cost overrun (US\$16.0 million or 26 percent of original project cost) and covered expenses related to the project extension (US\$12 million) (Report PAD, p. 10-11). The project was closed on schedule, with some remaining unspent funds and certain targets not fully met. There was no indication that activities were ramped up in the final year of implementation to try to meet those targets or utilize and spend available resources (ICR, p. 19).

Project management costs are not listed in the ICR to analyze whether they were deemed reasonable/unreasonable when compared to country and regional averages. The project's TTL explained that these costs are listed as part of the standardized reporting in Annex 2, part B (p. 44); however, they were not explicitly broken out in the ICR beyond this. These costs comprised at least most of the overall project support costs and were deemed reasonable based on regional averages, with average staff costs at around US\$120,000 per year





(\$960,000 for 8 years approximately). On the Borrower side, the project’s cost was US\$5.9 million over a period of eight years, which was reasonable, according to the TTL (TTL interview).

### Efficiency Rating

Substantial

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

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

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

### 6. Outcome

The PDO was highly relevant. PDO1 and PDO2 are rated as Substantially achieved, with the caveat that there are shortcomings in the achievement of PDO1. Efficiency is rated Substantial. The overall outcome rating of the project is however is rated Moderately Satisfactory due to shortcomings in the achievement of outcomes in PDO1.

a. **Outcome Rating**  
Moderately Satisfactory

### 7. Risk to Development Outcome

The risk to development includes political, technical, and financial factors.

**Political.** Continuation of supportive government commitment, policies, and budgetary provisions is likely to be somewhat difficult, despite the recent reelection of the Prime Minister for a fourth term and her support of a digital agenda for the country. The remaining PDO indicator on e-CMS requires that 100 percent of contracts be managed electronically, which will require strong government support and regulation enforcement, as there will always be strong incentives for rent-seeking individuals to benefit from the manual system. This risk will be mitigated by making the e-CMS system mandatory and irreversible.

**Technical.** Adequate staffing levels to support users, PEs, and other stakeholders will be an ongoing need. The project did not meet its indicator for adequate staffing of the BPPA, which is required to manage the increasing volume of procurement contracts through the system, systems maintenance, helpdesk



assistance, and other services. This risk could be mitigated by requiring that a portion of surplus revenues that the BPPA earns from e-GP service fees goes to the increasing staff cost. Adequate and regular staff training will also be an ongoing need as pending reforms are implemented.

**Financial.** There is a low risk that the deterioration of the fiscal situation since the COVID-19 pandemic could undermine future procurement reform plans. However, there is a risk of market price increases due to the wars in Ukraine and Gaza which could negatively affect international bidders for high-value procurements.

## 8. Assessment of Bank Performance

### a. Quality-at-Entry

The original project's design benefitted from a long-standing WB engagement on procurement reform in Bangladesh and the government's initial commitment. However, the 2021 Assessment of Bangladesh's Procurement System found that assessments of the Bangladeshi procurement system had been either out of date (the WB's CPAR of 2002) or not comprehensive enough (PEFA of 2010 and 2016; e-GP assessment of 2017) by not comparing the public procurement system with international practice and standards. This suggested a deficiency of technical studies to inform the original project design.

There were also shortcomings in the AF regarding project design. On one hand, the AF introduced a PDO indicator to measure invitation of ICBs to the e-GP system. The ICR noted this was not under the project's control, as bidding documents were prepared by the SPSOs. However, IEG observes if achievement of the objectives was dependent on the SPSOs being able and willing to use the new system, then project design should have included interventions making sure that was the case.

On another hand, the AF failed to consider political economy factors that could have affected implementation of the e-CMS, such as lack of incentives to implement the system as it acted against rent-seeking opportunities. Training should also have been considered to support this new PDO target.

Finally, the EFA did not make explicit assumptions for estimated project cost savings, and ERR estimates did not include the e-CMS in the calculation (ICR, p. 24).

IEG would also add that some IRIs introduced during the AF measured reforms were not necessary to achieve the PDO (e.g., green procurement, women's participation and business development opportunities, and e-GP framework assessment for emergencies). Furthermore, the AF expanded the project scope without evaluating key implementation challenges and shifted the project's focus from the original PDO towards new activities that could not be implemented by project's end.

### Quality-at-Entry Rating

Moderately Satisfactory

### b. Quality of supervision



Supervision benefitted from the WB team's high capacity, long-experience in e-GP systems, and location in Dhaka. This helped oversee and support the project in real time, helped the CPTU, and resolved issues as they arose. On the other hand, supervision was challenged in the last year of implementation by a high turnover of Task Team Leaders, reduced government commitment, and a lack of candor in reporting. The high-quality supervision in the early stages of the project was offset by the weaker reporting at the end (ICR, pp. 24-25), hindering timely decision-making and leading to inaction from managers to push for the completion of PDO indicators 5 and 6, as well as the IRIs that were off track. Likewise, the timing of communications between the WB and the government was not efficient, possibly due to the TTL changes. The government was not informed with enough lead time that the project was not going to be extended (as the government had formerly requested), so it failed to push for project results in the last months of the project. A few actions that could have helped achieve better results were additional training in e-CMS to NSPOs, a requirement from government management for staff to use the e-CMS module (indicator 5), and additional support given to contracting agencies to expedite the preparation of ICB packages (indicator 6).

Another key factor that hindered the government's ability to push for results may have been that right until the last quarter, the Parliament had not institutionalized the BPPA, a key condition of effectiveness that was originally due in 2021.

### **Quality of Supervision Rating**

Moderately Unsatisfactory

### **Overall Bank Performance Rating**

Moderately Satisfactory

## **9. M&E Design, Implementation, & Utilization**

### **a. M&E Design**

M&E design did not provide a theory of change at appraisal because it was not required, but the PAD described the causal mechanisms of change in descriptive terms. Nevertheless, while the links between project activities, outputs, and some intermediate outcomes were clear, there were a few shortcomings in the choice of indicators and reliance on output indicators as most indicators were output-based. For instance, PDO indicator 6 on ICB through e-GP system (Number) was a crucially important indicator to capture high-value procurements that invite international bidders, but the target was not met because the bidding documents were the responsibility of the SPSOs, and therefore achieving the target, according to the ICR, was out of the project's control. Nonetheless, good political economy analysis prior to the project should have foreseen any reluctance, and the project could have incorporated related demand-side interventions. In other words, SPSOs should have been incentivized by the project to make sure this indicator would be achieved. Another case of indicators arguably not under the project's control were the adoption of the BPPA Act which was responsibility of the Parliament, and the staffing the BPPA which would have been possible only after the BPPA organogram was approved; therefore, both targets were conditioned by outputs out of the project's control.



Additionally, the number of IRIs (19) was too large, making project supervision challenging, and the relevance of some indicators introduced at AF/ restructuring was limited and/or achievement was out of the project's control.

For M&E, the CPTU was to use the technical support of a team of consultants (firm). A substantial part of the data was to be obtained from the e-GP system, but data concerning professionalization, capacity development, and citizen engagement was to be collected from the field. The consultant firm was to prepare semi-annual reports on overall project M&E, including progress on the results indicators for review by the WB. Results monitoring in the project covered: procurement performance by the SPSOs, capacity development by the NSPSOs, e-contract management by the SPSOs, project implementation monitoring by IMED, and citizens' monitoring of public procurement, all as designated areas (PAD, pp.11-12). The MTR would have been an opportunity to provide recommendations related to M&E design and implementation, but the planned MTR did not occur, as the timing coincided with the date of the AF. However, the August 4 - 24, 2020 identification mission practically served the purpose of the MTR, and all necessary adjustments related to the original project were identified and mentioned in the aide memoire (TTL interview).

## **b. M&E Implementation**

Baseline data were compiled at the start of the project and during implementation. A large amount of data was collected using the e-GP system itself by the CPTU and implementing agencies. According to the ICR (p. 23), data were adequate to report in semi-annual ISRs. Training data were for the most part output-based and provided by training organizations. According to the ICR, M&E processes (system registration, time taken for procurements, numbers of helpdesk assistance calls, and other data) were integrated into the e-GP systems and highly likely to be sustained after project closing.

On the other hand, M&E implementation was affected by poor indicator design, weak monitoring of project indicators in the last months of the project, three changes in TTL in the last year of the project, the onset of the COVID-19 pandemic, and lack of proactivity on the government's part to meet indicator targets towards the end of the project. The ICR also mentioned that it was discovered, or realized, that a significant upgrade to system security would be needed for developing the ICB module (ICR, p. 22). The delay in institutionalizing the CPTU to the BPPA by the National Parliament also affected M&E implementation.

The WB lacked proactivity in addressing off-track indicators. This may have been a result of the many changes in TTLs. During its lifetime, the project had five TTLs. This turnover was not high, except in the last year when there were three changes (TTL interview).

## **c. M&E Utilization**

There were moderate shortcomings in M&E utilization. In the last months of implementation, targets and IRIs that were off track were not reported as being deficient. The AF was flexible in amending targets to take account of implementation progress considering COVID-19 conditions, but there were several out-type indicators making it hard to know the internal quality of their implementation, such as the quality of staff training, the knowledge of staff accredited in procurement processes, and the quality of systems



being used. Scope and usage of systems were the common indicator design, rather than performance-based indicators.

## **M&E Quality Rating**

Substantial

## **10. Other Issues**

### **a. Safeguards**

**Environmental/ Social Safeguards:** The project was assessed to have no environmental impact and assigned “Category C” at appraisal and with additional financing. In the original project, as part of a precautionary approach, an environmental code of practice including an e-waste disposal plan and occupational health and safety issues related to e-waste handling was followed. On October 2020, management approved a waiver to the use of the Environmental and Social Framework (ESF), the Environmental and Social Directive for Investment Project Financing, and the Directive on Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups for the Additional Financing. The AF continued to follow the WB’s safeguard policies instead of the ESF as, similar to the original project, AF activities were mainly for technical assistance and included policy support, capacity development, citizen engagement, implementation of electronic procurement, information technology system upgrading, and maintenance activities. The project and the AF did not involve any land acquisition or civil construction. As such, there was no issue with construction-related environmental impact, displacement of people from public or private lands, or impact on livelihoods on people or communities (PAD, pp. 21-22). Neither OP 4.12 Involuntary Resettlement nor OP 4.10 Indigenous People were triggered, as the project was not to have any direct impact on small ethnic groups (PAD, p. 16).

A robust social safeguard policy was introduced within the project for grievances and workplace non-discrimination. The social risk was low for the project.

### **b. Fiduciary Compliance**

At project appraisal, financial management risk was rated “substantial” mainly because of decentralized operations and inadequacy in accounting and financial reporting of CPTU. The Enterprise Resource Planning system was to be introduced to automate most of the financial management functions under the project.

A designated account was set up and managed by the CPTU for the project and, under that account, an operational account was also opened and managed by LGED to pay for expenditures at the LGED level (that is, procurement for all local government institutions – 900 procuring entities). The project was to follow report-based disbursements in the form of interim unaudited financial reports that consolidated all expenditures, including LGED. The external audit of the project was to continue to be done by the Foreign Aided Project Audit Directorate under C&AG of Bangladesh. The Government Financial rules were to be applied (PAD, p. 15).





The ICR noted that no fiduciary issues were recorded during project implementation. The CPTU carried out stakeholder consultations, including the implementation of the specific subcomponent on citizen engagement in public procurement and contract implementation monitoring. The Bangladesh Citizen Portal for Procurement had forms for citizens to provide feedback, and the CPTU conducted an awareness program on behavioral change and communication with the assistance of a firm. A mobile phone app was also developed. An annual audit was a requirement, and there were no unresolved audit issues at project end.

However, the ICR failed to report on the timeliness of project external audits and whether the external auditors' opinions were qualified or on the nature of the qualifications.

**c. Unintended impacts (Positive or Negative)**

An unintended impact was an improvement in the bidding environment compared to the manual, paper-based tender process, and a reported decrease in violence among individuals submitting bids during the local procurement process. Previously, injuries were common, often due to threats from groups aiming to limit competition and intimidate procurement officials. The project facilitated entry for women-owned businesses by making the overall process of procurement more accessible to a wider cross section of bidders through being online, less costly, and more flexible. The project also contributed to institutional strengthening of the public procurement entities (BPPA, SPSOs), civil society, and bidder community organizations through the extensive training provided and piloting of community engagement approaches to involve community feedback into the procurement process.

**d. Other**

None

**11. Ratings**

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

**12. Lessons**

The following lesson is IEG's contribution to the analysis.



**Key success factors include incorporating interventions that establish incentives for meeting project targets.** In this project, the attitudes and actions of SPSOs should have been more effectively managed within the project's scope. The project should have implemented incentives to ensure that SPSOs would achieve the specified indicators.

### 13. Assessment Recommended?

No

### 14. Comments on Quality of ICR

The ICR presented a clear, coherent, and well-organized overview of the project. Its analysis provided sufficient evidence for assessing project performance. The report is concise, follows most of the guidelines, and is focused on results. The ICR lessons are particularly useful and logically flow from the data and analysis provided in the ICR.

The evidence provided is aligned with the messages outlined in the ICR, although there were some shortcomings. There were data discrepancies on project costs, although they were clarified by the TTL, but there was a missing ex-post economic and financial analysis. The ICR could also have more effectively captured and described the direct impact of the government's lack of commitment and the WB's weaker supervision towards the end of the project.

#### a. Quality of ICR Rating

Substantial