



Independent  
Commission  
for Aid Impact

## DFID's Climate Change Programme in Bangladesh

### Terms of Reference

#### 1. Introduction

1.1 The Independent Commission for Aid Impact (ICAI) is the independent body responsible for scrutinising UK aid. We focus on maximising the effectiveness of the UK aid budget for intended beneficiaries and on delivering value for money for UK taxpayers. We carry out independent reviews of aid programmes and of issues affecting the delivery of UK aid. We publish transparent, impartial and objective reports to provide evidence and clear recommendations to support UK Government decision-making and to strengthen the accountability of the aid programme. Our reports are written to be accessible to a general readership and we use a simple 'traffic light' system to report our judgement on each programme or topic we review.

1.2 We wish to assess UK-funded support for the response to climate change in Bangladesh. These Terms of Reference outline the purpose and nature of the evaluation and identify the main themes that it will investigate. A detailed methodology will be developed during an inception phase.

#### 2. Background

2.1 Bangladesh is similar in area to England and Wales with almost triple the population. 84% of the 162 million inhabitants survive on less than US\$2 (around £1.30) a day. Bangladesh is scheduled to receive £1 billion of UK assistance between 2011 and 2015. Most of this expenditure is designed to improve livelihoods, health and education.

2.2 Of this, the Department for International Development (DFID) has allocated £123 million to funding Bangladesh's response to climate change. Bangladesh is one of the most vulnerable countries in the world to climate shocks and is particularly at risk from sea level rise. DFID's objective for this finance is that the 'number of people with increased resilience to climate change and improved ability to respond to and recover from natural disasters' directly attributable to UK funding will be 'at least 15 million by 2015'.<sup>1</sup>

2.3 £75 million of the climate change funding comprises the DFID Bangladesh Climate Change Programme approved in 2008, on which this evaluation will focus. Spending within the programme is split into several elements, with the majority (£60 million) allocated to a multi-donor trust fund administered by the World Bank and overseen by the Government of Bangladesh. Most of the remaining funds are channelled through the UNDP-administered Comprehensive Disaster Management Programme.

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<sup>1</sup> *DFID Bangladesh Operational Plan 2011-2015*, DFID, April 2011, [www.dfid.gov.uk/Documents/publications1/op/Bangladesh-2011.pdf](http://www.dfid.gov.uk/Documents/publications1/op/Bangladesh-2011.pdf).

2.4 The Humanitarian Emergency Response Review (HERR) set out the importance of building resilience to sudden and slow-onset disasters.<sup>2</sup> It specifically recommended the need to ‘develop a more anticipatory approach’ and that DFID should place the creation of resilience at the heart of the UK’s approach to aid. In its response to the HERR, DFID noted among other things that: ‘We must create social and economic opportunities that enable people and communities to build their own resilience. All of this and more will be needed to put resilience at the heart of our development work.’<sup>3</sup>

2.5 Helping developing countries respond to the impact of climate change will be a key part of UK assistance in the future. Climate change risks undermining many of the development gains made to date. In 2009, Lord Nicholas Stern estimated that adaptation to climate change would cost the world \$75 billion a year.<sup>4</sup> In our public consultation, climate change (including adaptation and low-carbon growth) was seen as an important issue for respondents. Although recognising that this is still a relatively new element in the UK portfolio, we believe that it is important to assess whether DFID is responding effectively to the challenge of climate change.

### **3. Purpose of this evaluation**

3.1 To assess whether the DFID Bangladesh Climate Change Programme is effectively and efficiently responding to the needs of the people of Bangladesh.

### **4. Relationships to other evaluations/studies**

4.1 In March 2010, the International Development Committee (IDC) published a report on Bangladesh, which noted that:

‘The challenge presented by current and future climate change impacts on Bangladesh is immense. We believe that the poorest sectors of the population, who have the least ability to cope, should be the primary beneficiaries of any new UK-funded programmes helping Bangladesh to adapt to climate change.’<sup>5</sup>

4.2 IDC also noted governance weaknesses in Bangladesh and the challenges these pose for effective delivery of UK assistance.

4.3 The Environmental Audit Committee (EAC) of the House of Commons published a review of *The Impact of UK Overseas Aid on Environmental*

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<sup>2</sup> *Humanitarian Emergency Response Review*, March 2011, [www.dfid.gov.uk/Documents/publications1/HERR.pdf](http://www.dfid.gov.uk/Documents/publications1/HERR.pdf).

<sup>3</sup> *Humanitarian Emergency Response Review: UK Government Response*, DFID, June 2011, [www.dfid.gov.uk/Documents/publications1/hum-emer-resp-rev-uk-gvmt-resp.pdf](http://www.dfid.gov.uk/Documents/publications1/hum-emer-resp-rev-uk-gvmt-resp.pdf).

<sup>4</sup> N. Stern, *A Blueprint for a Safer Planet*, 2009, New York, Random House.

<sup>5</sup> *DFID’s Programme In Bangladesh*, International Development committee, HC 95-I, March 2010, [www.publications.parliament.uk/pa/cm200910/cmselect/cmintdev/95/95i.pdf](http://www.publications.parliament.uk/pa/cm200910/cmselect/cmintdev/95/95i.pdf).

*Protection and Climate Change Adaptation and Mitigation* in June 2011.<sup>6</sup> It specifically recommended that ‘the World Bank is not the most appropriate channel for future UK climate finance’ globally, since it undermined the UK’s low-carbon objectives through its broader funding decisions to support fossil fuel-powered energy. EAC also recommended that ‘DFID funds should only be channelled through multilateral institutions where they are assessed to be the most advantageous and effective option, not as the default’.

4.4 The HERR will provide a key reference point. Other recent evaluations and reviews with a bearing on this evaluation include those on climate change financing in Bangladesh<sup>7</sup> funded by the United Nations Development Programme (UNDP) and the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee and similar work supported by the European Union.

4.5 The evaluation will assess whether lessons from previous evaluations and studies of UK support for climate change adaptation and disaster risk reduction have informed DFID’s current assistance in Bangladesh.

## **5. Analytical Approach**

5.1 Since the programme is still underway, this review will be an interim evaluation, designed to assist DFID in the delivery of its programme in the future. It will assess whether there have been early achievements and assess whether the current approaches are likely to deliver the intended outcomes.

5.2 The evaluation will assess the performance to date of the programme, in terms of direct benefits to communities, its contribution to achieving changes in government policies and practice and its ability to leverage funding from other sources. The review will assess the likelihood of success, given current activities. It will consider whether the programme reflects lessons learned and experience from other country contexts.

5.3 Given that the majority of funds are administered by third parties (the World Bank and UNDP), we will wish to identify whether such mechanisms can clearly demonstrate value and impact. It will be particularly important to assess the World Bank and UNDP’s systems and mechanisms to ensure this is the case and to consider the evidence provided by them.

5.4 We are particularly keen to see the mechanisms for assurance that are used by DFID internally, especially in relation to reporting on delivery and controlling finance.

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<sup>6</sup> *The Impact of UK Overseas Aid on Environmental Protection and Climate Change Adaptation and Mitigation*, Environmental Audit Committee, HC 710, June 2011, [www.publications.parliament.uk/pa/cm201012/cmselect/cmenvaud/710/710.pdf](http://www.publications.parliament.uk/pa/cm201012/cmselect/cmenvaud/710/710.pdf).

<sup>7</sup> Such as: C. Polycarp, *Governing CC Finance in Bangladesh*, 2010; and M. Hedger, *Climate Finance in Bangladesh: Lessons for Development Cooperation and Climate Finance at National Level*, 2011.

5.5 We are sensitive to the political and developmental context in Bangladesh and in particular the potential and real constraints that aspects of governance may have had on the choices made by DFID on how it can deliver its programmes (not least corruption, as noted by IDC). An analysis of the context will be undertaken and an assessment made of how well the design and implementation of the programme fits to it. In particular, we are keen to see whether this assistance was demand-led (from both intended beneficiaries and key partners, specifically the Government of Bangladesh) and how the principles of local ownership of development have been balanced with the need to assure effective spending and value for money.

5.6 The evaluation will compile evidence to answer questions set out in an evaluation framework, which will be developed during an inception phase. Indicative evaluation questions are set out below.

## **6. Indicative Questions**

6.1 The following indicative evaluation questions will be elaborated in the inception report:

### **6.2 Delivery**

- 6.2.1 Are intended beneficiaries involved in the development, roll-out and evaluation of the programme? If so, how? If not, why not?
- 6.2.2 Is DFID's programme complementary with that of other organisations (locally, nationally, internationally)?
- 6.2.3 Are resources being leveraged to maximise impact and provide value for money?
- 6.2.4 How is sound financial management maintained?
- 6.2.5 Has the intervention been managed in the most cost-effective way?
- 6.2.6 Is there good governance and what are the steps being taken to avoid corruption?
- 6.2.7 Is the programme delivering against its objectives? Have amendments been made if required?
- 6.2.8 What is the cost of delivery at each stage of the delivery process?
- 6.2.9 What is the level of local ownership?
- 6.2.10 How are risks managed and mitigated?

### **6.3 Impact**

- 6.3.1 How is the impact being measured?
- 6.3.2 Has there been sustainable policy change on the part of the Bangladeshi government?
- 6.3.3 Are there identifiable impacts on recipient communities?
- 6.3.4 How have funds invested through this programme reduced costs and impacts that would otherwise have been incurred (such as those from providing a humanitarian response) and increased benefits (such as improving productivity and economic growth)?
- 6.3.5 How will the long-term and sustainable impact of the programme be assured (in the context of global targets on development and aid effectiveness)?

6.3.6 Is there transparency and accountability to intended recipients?

#### **6.4 Other**

6.4.1 Is this assistance demand-driven? If so, whose demand?

6.4.2 What is unique about this context that affects value for money?

6.4.3 What evaluations have been done in the past six years and what have their key recommendations been?

6.4.4 What are the lessons learned to date from this programme?

6.4.5 How is DFID sharing lessons from/into this programme across its activities globally?

6.4.6 How is DFID applying international lessons in its delivery?

6.4.7 Are there actions that will improve the effectiveness and value for money of the programme?

### **7. Outline Methodology**

7.1 The review will have a number of elements. These will include:

- a literature review , focussing on best practice internationally;
- a review of evidence from DFID's files and information systems, including financial information;
- interviews with UK-based and international experts in climate change and disaster risk reduction;
- interviews with intended beneficiaries in Bangladesh (both direct and representative);
- interviews with Bangladesh-based respondents from government, DFID, civil society and peer organisations; and
- an assessment of the systems employed by DFID's implementation partners, notably the World Bank and UNDP.

### **8. Timing and Deliverables**

8.1 The review will be overseen by Commissioners and implemented by a small team from ICAI's consortium. The review will take place during the third quarter of 2011, with a final report available by the end of November 2011.