



Technical Assistance Report

Project Number: 52174-001
Transaction Technical Assistance (TRTA)
June 2018

People's Republic of Bangladesh: Implementing the Emergency Assistance Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 27 June 2018)

Currency unit	–	taka (Tk)
Tk1.00	=	\$0.012
\$1.00	=	Tk84.612

ABBREVIATIONS

ADB	–	Asian Development Bank
RRRC	–	Refugee Relief and Repatriation Commission
TA	–	technical assistance
UN	–	United Nations

NOTE

In this report, “\$” refers to United States dollars.

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I. THE PROPOSED PROJECT

1. The proposed Emergency Assistance Project will support the Government of Bangladesh in addressing the urgent needs of the displaced persons from Myanmar in Coxsbazar District, as identified by the United Nations (UN) in its Joint Response Plan (JRP) (displaced persons).¹ The project is aligned with the following impact: social recovery of displaced persons in Teknaf and Ukhia camps accelerated.² The project will have the following outcome: living conditions and resilience of displaced persons improved. The project will improve water supply and sanitation, disaster risk management, sustainable energy supply, and access roads. The project is estimated to cost \$120 million (\$100 million through an Asian Development Fund grant and \$20 million from the Government of Bangladesh).³

II. THE TECHNICAL ASSISTANCE

A. Justification

2. The technical assistance (TA) will support government agencies,⁴ including the Refugee Relief and Repatriation Commission (RRRC)⁵ and implementing agencies,⁶ in (i) strengthening and sustaining institutional and technical capacities; (ii) planning, designing, and implementing the proposed subprojects; and (iii) establishing an effective monitoring and evaluation system.

3. The emergency assistance project will be implemented by multiple implementing agencies and the project is envisaged to substantially use the advance fund procedure. The risk due to weak capacity of accounting staff to adequately manage the internal controls and financial management is high. Financial management assessment of the implementing agencies has indicated that the consolidation of expenditures and their liquidation will be a challenge. Similarly, noncompliance with the financial management system can expose the project to fiduciary risks and audit objections.

4. The project follows the ADB Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time). The implementing agencies need support in familiarizing with the new ADB procurement policies.

¹ UN, Strategic Executive Group. 2018. *2018 JRP for Rohingya Humanitarian Crisis, March–December 2018*. Cox's Bazar. Various terminology is used in media, official and unofficial documents to describe the affected people. Terminology used herein is intended solely to identify such people for the purposes of this paper, and not to assert any view regarding the manner or circumstances of such persons' displacement. Such terminology may not reflect the terminology used or accepted by any government or any agency thereof. ADB expresses no view and takes no position herein regarding the legal rights or political assertions or the characterization of any such persons. The use of the term "displaced persons" in this paper is not intended to have the same meaning as the term "displaced persons" defined in ADB's Safeguard Policy Statement (2009).

² Defined by the project.

³ The provision of a grant to Bangladesh from the Asian Development Bank (ADB) Special Fund resources (Asian Development Fund [ADF]) for the project is subject to the Board's approval of a separate proposal (submitted in parallel to this paper) waiving provisions of applicable ADB policies that would otherwise prohibit such grant support. Prior to submission of this proposal to the Board, ADF donors endorsed the allocation of \$100 million in ADF resources to provide special grant support to Bangladesh for the project.

⁴ Government agencies include the divisions of the line ministries who are responsible for executing the projects, such as Local Government Division under the Ministry of Local Government, Rural Development and Co-operatives; Road Transport and Highways Division under the Ministry of Road Transport and Bridges; and Power Division under the Ministry of Power, Energy and Mineral Resources; and the Deputy Commissioner of Coxsbazar.

⁵ RRRC is a designated coordinating agency acting on behalf of the Ministry of Disaster Management and Relief for interagency coordination and support for displaced persons in Coxsbazar.

⁶ Implementing agencies include (i) Local Government Engineering Department; (ii) Department of Public Health Engineering; (iii) Roads and Highways Department and (iv) Bangladesh Rural Electrification Board.

Being an emergency project, procurement actions need to be fast-tracked using open competitive bidding with local advertisement, limited competitive bidding, request for quotation, or direct contracting, as appropriate. Fast-tracking procurement activities require additional procurement support to executing and implementing agencies. Lack of transparency, collusion among the contractors, and nontransparency in distribution of goods and equipment to beneficiaries are foreseen. Substantial monitoring, audit, reviews, and procurement support will be needed throughout project implementation.

5. Risk assessment during project due diligence has indicated that the likelihood of weak capacity and the lack of dedicated key staff will hamper subproject selection, fast-tracked implementation, and the timely completion of due diligence. Subproject selection, preparation and approval of development project proforma and technical assistance project proforma, and project implementation are challenging under capacity constraints and low subprojects' readiness. The implementing agencies are not prepared to deal with the scale of the emergency project at short notice. The project will need strong support in subproject selection, project planning, design, packaging, and procurement (including contract management).

6. Because of the influx of new population into the communities, the risk of increased human trafficking, drug trafficking, and sexually transmitted infections (including HIV) is high. Awareness-raising programs on the gender equity and social inclusion action plan will need to be conducted in all campsites throughout the project period. Some project areas may fall under the protected forest and critical natural habitat, which will need a high level of safeguard due diligence during subproject selection and implementation.

B. Outputs and Activities

7. **Output 1: Institutional capacity strengthened.** The TA will focus on enhancing the project implementation capacity of government and implementing agencies by providing capacity building and resource support in (i) procurement; (ii) financial management and audit; (iii) project management; (iv) environmental and social safeguards, (v) disaster risk management and climate resilience; and (vi) gender empowerment and social inclusion. In addition to a full-time financial management consultant, ADB staff will provide capacity support to project implementation unit staff on ADB's financial management requirements and disbursement guidelines to ensure robustness and transparency. A project liaison office in Coxsbazar will be established to coordinate and facilitate subproject development, implementation, and monitoring. The TA will support the government's RRRC and the liaison office on logistics including vehicles, office equipment, and capacity building.

8. **Output 2: Planning, design, and implementation of the proposed subprojects supported.** The TA will mobilize adequate national consultants to help implementing agencies overcome their capacity constraints and low readiness on subproject selection, technical and safeguard due diligence, design, procurement, and contract management. TA consultants for each sector will support (i) the preparation of development project proforma, technical assistance project proforma including technical and economic due diligence and bid documents; and (ii) bid evaluation. Similarly, project implementation units will be reinforced with consultants to help with construction supervision, safeguard application, sound application of communication strategy, gender equity and social inclusion action plan, and reporting. In addition, pilot testing of project approach will be supported.

9. **Output 3: Effective monitoring and evaluation established.** A well-functioning project monitoring and management information system will be established in four project implementation

units and their district counterparts to monitor progress on procurement, quality of equipment and civil works, contract management, implementation, fund flows, accounting, audit, and reporting functions. TA consultants will operationalize the system through a project liaison office in Coxsbazar. Quarterly coordination meetings among ADB, RRRC, the local deputy commissioner, UN agencies, and development partners will be held at the liaison office.

C. Cost and Financing

10. The TA is estimated to cost \$3,100,000, of which \$3,000,000 will be financed on a grant basis by the Technical Assistance Special Fund (TASF 6) of ADB. The key expenditure items are listed in Appendix 1. The government will provide counterpart support in the form of counterpart staff, office accommodation, office supplies, secretarial assistance, local transportation, and other in-kind contributions.

D. Implementation Arrangements

11. ADB will administer the TA. The Bangladesh Resident Mission will select, supervise, and evaluate consultants; and procure goods under the TA. The overall consultants' inputs will be finalized in consultation with the implementing agencies. The TA will be implemented over 36 months from July 2018 to June 2021.

12. The implementation arrangements are summarized in Table 1.

Table 1: Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	July 2018–June 2021		
Executing agency	ADB		
Implementing agency	ADB		
Consultants	To be selected and engaged by ADB		
	Firm: Not applicable	-	-
	Individual: individual selection	National (249 person-months)	\$900,000
Procurement	To be procured by ADB using requests for quotation (RFQ) method in accordance with the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.		
	Procurement of Goods by RFQ method	6 contracts	\$500,000
	Procurement of works for pilot study (i) development of thunder and lightning alert system at campsite by establishing weather station and developing a mobile application and (ii) biomass waste to energy production).	2 contracts	\$150,000
Advance contracting and retroactive financing	Advance contracting – Yes, specific consultants to be determined during project inception mission; Retroactive Financing – Not applicable		
Disbursement	The TA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time).		
Asset turnover or disposal arrangement upon TA completion	Fixed assets purchased from TA resources will be turned over to government agencies and RRRC upon TA completion.		

ADB = Asian Development Bank; RFQ = request for quotation; RRRRC = Refugee Relief and Repatriation Commission; TA = technical assistance.

Source: Asian Development Bank.

13. **Consulting services.** Consultant recruitment will follow the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions. TA implementation will be carried out through national individual consultants (279 person-months). Consulting firms, if required, will be recruited through open competitive bidding procedures, local advertisement, and/or limited competitive bidding using quality- and cost-based selection method, simplified technical proposal, or biodata technical proposal. Other selection methods such as consultants' qualification-based selection is also envisaged. Individual consultants will be recruited following individual selection method, international or local advertisement, based on project requirements. Consultants engaged in ADB-financed projects for similar services may either be extended or selected through single-source selection, subject to the satisfactory performance of the consultant. This arrangement will provide an efficient way to recruit consultants under the circumstances. Some social and gender studies and support may be provided using local nongovernment organizations. The option to have a direct contract or memorandum of understanding with nongovernment organizations and/or UN agencies already engaged in the project area will also be explored, as appropriate.

14. Consulting services will commence in July 2018, to be rendered full time and/or intermittently until June 2021.⁷

15. The consultants will support the preparation of engineering designs for the typical subproject such as (i) mini piped water supply systems with production tube wells (chlorinated, solar-powered, groundwater-based); (ii) integrated waste management (both fecal and solid waste) and resource recovery facilities (with collection system) at the outskirts of the camps; (iii) construction of surface water treatment plants for supporting water supply at Coxsbazar District and surrounding areas, with a capacity of 350 m³ per hour water intake from Bankhali river; (iv) surface water reservoirs and associated facility to expand the existing surface water treatment system from 300 m³ to 450 m³ per day; (v) construction of 33/11 kilovolt (10 megavolt-ampere) substation at Palongkhali (Ukhiya); and (vi) installation of mini-grid solar system for household electricity use within the camp (150 households per cluster). The consultants will also support in finalizing design scheme tender packages for all other subprojects.

16. **Pilot testing.** The TA will support the pilot testing of (i) a thunder and lightning alert system at the campsite by establishing a weather station and a mobile application, and (ii) a biomass waste-to-energy production. The scope, sites, permits and clearances, and treatment of assets of the pilot test will be finalized in consultation with RRRRC and implementing agencies during the inception mission. The activities will not result in any potential adverse environmental and/or social impact. The procurement plan will be prepared and updated once the scope of the pilot test is finalized.

E. Governance

17. Governance with respect to procurement, recruitment, and financial management will be as stated in the report and recommendation of the President.

⁷ Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 2).

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. National consultants	900.0
b. Out-of-pocket expenditures	
i. International and local travel	200.0
ii. Office space rental and related facilities	100.0
iii. Goods (rental and/or purchase) through consultants	60.0
iv. Surveys through consultants including baseline surveys	30.0
v. Training, seminars, and conferences	30.0
vi. Reports and communications for 3 years	50.0
vii. Printed external publications	25.0
viii. Miscellaneous administration and support costs	100.0
ix. Others (e.g., awareness campaign, communication)	100.0
2. Contributions to knowledge partner (other stakeholders)	50.0
3. Printed external publications	50.0
4. Surveys for preparation of main project	100.0
5. Goods (rental or purchase) of equipment including liaison office, vehicle hire, software, computer and accessories for RRRC, liaison office for coordination and monitoring purpose	400.0
6. Training, seminars, and conferences	
a. Facilitators	40.0
b. Travel cost of ADB staff acting as a resource person	20.0
c. Venue rental and related facilities	75.0
d. Participants' refreshment, miscellaneous travel expense, etc.	75.0
e. Representation	45.0
7. Pilot testing of (i) thunder and lightning protection alerts by establishing weather station and mobile application and (ii) biomass energy	
a. Goods (rental or purchase)	50.0
b. Works	150.0
c. Block or performance grants or seed funding	50.0
8. Contingencies	300.0
Total	3,000.0

ADB = Asian Development Bank; RRRC = Refugee Relief and Repatriation Commission, TA = technical assistance.
Notes:

- The TA is estimated to cost \$3,000,000, of which contributions from ADB are presented in the table above. The government will provide counterpart support in the form of data, staff time, meeting and event venues, review of recommendations and tools provided by the consultants, and participation in training, workshops, and knowledge sessions. The value of government contribution is estimated to account for 3.33% of the total TA cost.
- Cost estimates are tentative and will be updated during inception mission and/or when subprojects are confirmed and selected.

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF 6).

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=52174-001-TARreport>

1. Terms of Reference for Consultants