



Report and Recommendation of the President to the Board of Directors

Project Number: 52174-001
June 2018

Proposed Grant and Technical Assistance Grant People's Republic of Bangladesh: 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
ADF	–	Asian Development Fund
EARF	–	environmental assessment and review framework
GESI	–	gender equality and social inclusion
ISCG	–	Inter Sector Coordination Group
JRP	–	Joint Response Plan
NGO	–	nongovernment organization
OCB	–	open competitive bidding
PAM	–	project administration manual
PIU	–	project implementation unit
RRRC	–	Refugee Relief and Repatriation Commission
TA	–	technical assistance
UN	–	United Nations
UNRC	–	United Nations Resident Coordinator

NOTES

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

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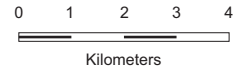
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PROJECT AT A GLANCE

1. Basic Data		Project Number: 52174-001	
Project Name	Emergency Assistance Project	Department /Division	SARD/BRM
Country Borrower	Bangladesh Bangladesh	Executing Agency	Bangladesh Rural Electrification Board, Department of Public Health Engineering, Local Government Engineering Department, Roads and Highways Department
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Water and other urban infrastructure and services	Urban flood protection		18.00
	Urban sanitation		8.00
	Urban solid waste management		12.86
	Urban water supply		25.00
Energy	Electricity transmission and distribution		5.00
Transport	Road transport (non-urban)		31.14
		Total	100.00
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	CO ₂ reduction (tons per annum)	81,228
Environmentally sustainable growth (ESG)	Disaster risk management Global and regional transboundary environmental concerns Natural resources conservation	Climate Change impact on the Project	Medium
		ADB Financing	
		Adaptation (\$ million)	11.20
		Mitigation (\$ million)	3.56
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Organizational development	Effective gender mainstreaming (EGM)	✓
5. Poverty and SDG Targeting		Location Impact	
Geographic Targeting	Yes	Rural	Medium
Household Targeting	No	Urban	Medium
SDG Targeting	Yes		
SDG Goals	SDG3, SDG6		
6. Risk Categorization:	Low		
7. Safeguard Categorization	Environment: B Involuntary Resettlement: B Indigenous Peoples: C		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		100.00	
Sovereign Special assistance grant: Asian Development Fund		100.00	
Cofinancing		0.00	
None		0.00	
Counterpart		20.00	
Government		20.00	
Total		120.00	
Note: An attached technical assistance will be financed on a grant basis by the Technical Assistance Special Fund (TASF-6) in the amount of \$3,000,000.			

BANGLADESH EMERGENCY ASSISTANCE PROJECT



- 21** Camp Name/Number
- Collective Site
- Collective Site with Host Community
- Dispersed Sites in Host Community
- National Highway
- Roads
- Union Boundary
- Subdistrict Boundary
- International Boundary
- Union** Smallest Rural Administrative Unit of Bangladesh
Boundaries are not necessarily authoritative.



This map was produced by the cartography unit of the Asian Development Bank. The boundaries, colors, denominations, and any other information shown on this map do not imply, on the part of the Asian Development Bank, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.

I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on a proposed grant to the People's Republic of Bangladesh for the Emergency Assistance Project.¹ The report also describes proposed technical assistance (TA) for Implementing the Emergency Assistance Project, and if the Board approves the proposed grant, I, acting under the authority delegated to me by the Board, approve the TA.

2. The project will support the Government of Bangladesh in addressing the immediate and 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).² The project will mainly support the improvement of water supply and sanitation, disaster risk management, sustainable energy supply, and access roads.³

II. THE PROJECT

A. Rationale

3. **Description of the emergency.** Since August 2017, Bangladesh has received more than 700,000 displaced persons. These displaced persons, which mostly reached Bangladesh by crossing the nearby border on foot, joined about 400,000 other displaced persons who had arrived in waves from Rahkine State earlier.⁴ The vast majority of displaced persons who have arrived in Bangladesh are living in 32 camps in Coxsbazar District, with more than 600,000 living in the Kutupalong–Balukhali mega camp. The large influx of displaced persons has caused a huge strain on the local infrastructure and economy. The 2:1 ratio of displaced persons to the local population poses significant challenges to the food supply, shelter, health, sanitation, water, and other essential services. Although UN agencies and other donors are providing humanitarian relief such as food, water, medical aid, and temporary shelter, the existing services are stretched, and large gaps remain.⁵

4. **Request for emergency assistance.** On 7 May 2018, the Government of Bangladesh requested the Asian Development Bank (ADB) for grant support to provide high-priority basic infrastructure and essential services to help address the humanitarian crisis caused by the arrival

¹ 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.

² 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).

³ The design and monitoring framework is in Appendix 1.

⁴ ADB. 2004. *Disaster and Emergency Assistance Policy*. Manila. Under the policy, in addition to natural events, disasters may be caused by conflict, including regional conflicts. The policy further provides that an emergency occurs after a disaster when unforeseen circumstances require immediate action; and that emergencies may involve, among other things, displacement of people, disease, food insecurity, and reduced public safety and security. All these circumstances and factors are present in this case.

⁵ UN, Strategic Executive Group. 2018. *2018 JRP for Rohingya Humanitarian Crisis, March–December 2018*. Cox's Bazar.

of the displaced persons. The project meets the requirements for emergency assistance financing.⁶

5. **Damage and needs assessment.** The international community, led by the UN, has engaged in multisector needs assessments, consultations, and strategic planning that culminated in a joint humanitarian response plan and the JRP.⁷ The JRP lays out a vision for a coordinated response to address the immediate needs of the displaced persons and mitigate the impact on the local communities. The cost to implement the JRP for March–December 2018 is about \$950 million, of which only 21% is funded. The JRP identifies the key needs related to (i) decongestion and relocation to protect more than 200,000 displaced persons currently vulnerable to floods and landslides in camp areas; (ii) the lack of sludge management facilities to process 420,000 kilograms of human waste generated per day in camps; (iii) the construction and maintenance of hand pumps and surface water treatment plants to provide 16 million liters of safe water; and (iv) food and cooking fuel; basic health care, obstetric and childcare, and disease prevention; education and skills; and ecosystem rehabilitation. In response to the government's request, ADB fielded a reconnaissance mission on 15–16 May 2018 to collect the most up-to-date information and consulted with government officials, development partners, and stakeholders. Accordingly, ADB identified a preliminary scope of the project, in coordination with development partners, in line with the JRP. A fact-finding mission during 3–7 June confirmed the high-priority needs.⁸

6. **Disaster risk.** The southeastern part of Bangladesh is highly susceptible to various types of natural hazards, and cyclone and monsoon seasons, which include flooding, landslides, windstorms, lightning, fires, heat waves, and cold spells.⁹ Climate change is expected to aggravate the intensity, frequency, and unpredictability of extreme weather events. Much of the land used for the camps is steep or low-lying and prone to flooding and landslides. This is further exacerbated by hill cutting and vegetation clearing on the mainly clay hills (footnote 5). The host population in the seven Upazilas (subdistricts) comprising Coxsbazar District is among Bangladesh's most vulnerable because of food insecurity, poor health conditions, and poverty rates that are well above Bangladesh's national average (footnote 5). Congested living conditions and poor sanitation in the camps create additional health risks, including fires and vector- and waterborne diseases. Women and children in these camps are among the most vulnerable population groups in disaster events.¹⁰

7. **Economic impacts.** There is no clear estimate of the economic and financial losses caused by the crisis emanating from the influx of displaced persons, according to the government's Office of the Refugee Relief and Repatriation Commission (RRRC). However, a wide range of sectors have been affected. After crossing the border, hundreds of thousands of displaced persons walked through paddy fields causing significant agricultural production losses. In addition to the camp areas, which occupy about 2,350 hectares of reserve forest land, the equivalent of about four football field-sized areas of forest is being cut down every day for fuel. The prices of necessary commodities have increased significantly because of rising demand. Overburdened infrastructure in the area is also causing social and economic losses.

⁶ The project meets the five eligibility criteria for an emergency assistance loan, as well as the six characteristics of an emergency assistance loan, as defined in ADB. 2015. Staff Instruction on Processing and Administration of Emergency Assistance Loans. *Compendium of Staff Instructions*. Manila.

⁷ The JRP targets 1.3 million people, including 336,000 host community members. Its four strategic objectives are to (i) provide timely lifesaving assistance and protection to and improve the living conditions of people; (ii) ensure the well-being and dignity of people; (iii) support environmentally sustainable solutions; and (iv) build the confidence and resilience of people.

⁸ Summary Assessment of Damage and Needs (accessible from the list of linked documents in Appendix 2).

⁹ Disaster risk is a function of hazards, exposure, and vulnerability.

¹⁰ UN, Inter Sector Coordination Group. *Situation Report: Rohingya Refugee Crisis—Cox's Bazar, 24 May 2018 (covering 8th May–21st May)*. Cox's Bazar.

8. **Poverty impacts.** Coxsbazar District, especially the Teknaf and Ukhia Upazilas (subdistricts), has high baseline levels of poverty, environmental vulnerability, underemployment, and underinvestment; and had poor access to services even before the 2017 influx.¹¹ The poor depend on daily labor as their main source of income. Most settlements are in rural villages and agricultural plots interspersed with government forest, plantations, and ecologically critical areas. The geographical location produces a multi-hazard environment where recurrent extreme weather events undermine households' resilience and livelihoods.

9. **Development partner coordination.** Twelve UN agencies, some 127 international and national nongovernment agencies, and several faith-based organizations and government interventions are providing humanitarian aid and relief.¹² The UN-led Inter Sector Coordination Group (ISCG) prepared the JRP in coordination with the government (para. 5). The World Bank is preparing its support in phases. The first phase would amount to \$240 million and include (i) a health, nutrition, and population service project to expand health service provisions; (ii) an education and skills training project that would target out-of-school children and expand basic numeracy and literacy programs and life skills training; and (iii) a multisector support project that would combine interventions in disaster risk management, water and sanitation, environmental protection, social protection, gender equality and social inclusion.

10. ADB would ensure that there is no duplication with other development partners through its Bangladesh Resident Mission, which is coordinating closely with the Local Consultative Group, UN agencies, and the World Bank. The Strategy Executive Group—led by the UN High Commissioner for Refugees, the UN Resident Coordinator (UNRC), and the International Organization for Migration—in Dhaka and the ISCG and RRRC in Coxsbazar are coordinating with the donors. The National Task Force is the government's highest coordination body constituted by a cabinet comprising of 37 ministries and agencies, with the secretariat in Ministry of Foreign Affairs.

11. At the Donors' Consultation Meeting organized by ADB on 6 June 2018, development partners agreed to collaborate closely to avoid duplication and to take up the prioritized projects.¹³ ADB has held detailed consultations through bilateral meetings with the World Bank, the World Food Programme, the UN Development Programme, the UNRC, and other development partners; and regularly briefs the Local Consultative Group, which coordinates donors in Bangladesh. ADB will continue to participate in the Strategy Executive Group's fortnightly meetings and will also join the site-level coordination group in Coxsbazar to avoid duplicating activities and to maintain quality and speed during implementation.

¹¹ According to the UN Development Assistance Framework, Coxsbazar is one of the 20 (out of 64) lagging districts in Bangladesh based on poverty, literacy, and nutrition indicators; and environmental degradation risks. Further, according to the pockets of social deprivation evaluation of the UN Children's Fund (UNICEF), Teknaf and Ukhia are among the 50 most socially deprived subdistricts of Bangladesh, based on indicators of literacy, child labor, access to sanitary toilets, and connection to electricity. On average, 33% of the population in these two subdistricts lives below the poverty line (17% live below the extreme poverty line), and 38% is vulnerable to food insecurity (12.5% is considered highly vulnerable). Food production in the district is scarce, leading to increased household expenditures on food and economic vulnerability overall.

¹² Emergency Assistance Coordination (accessible from the list of linked documents in Appendix 2).

¹³ Participants included Australia, Canada, Danida, European Civil Protection and Humanitarian Aid Operations, the European Union, the Food and Agriculture Organization of the UN, the International Organization for Migration, Japan International Cooperation Agency, the Netherlands, the Swedish International Development Cooperation Agency, UNICEF, the UN Development Programme, the UN High Commissioner for Refugees, the UN Population Fund, UNRC, the United States, the United States Agency for International Development, the World Bank, and the World Food Programme.

12. **Lessons in disaster response.** The government is successfully coping with cyclone risk and has a track record of emergency preparedness and community-based disaster risk reduction. Emergency preparedness and community-based disaster risk management in the project area will build on past and ongoing government efforts and will complement the JRP. In addition to ensuring that new infrastructure will factor in the risks of natural hazards and climate change, the project will support awareness raising, capacity development, and risk management action planning in the camps and local communities. To promote transparency, reduce the administrative burden, and ensure sound management, ADB will provide a TA grant to set up results-based monitoring and evaluation systems. ADB will also coordinate closely with donors while selecting and designing the individual subproject activities to identify synergies and avoid duplication.

13. **Proposed ADB support.** Given the urgent need to provide basic infrastructure services to the displaced persons, ADB proposes grant financing of \$100 million for investments that will help with the immediate needs of the displaced persons, with the possibility of additional financing of up to \$100 million in a second phase. The scope and timing of the second phase of support would be subject to the progress of the first phase, an assessment of needs, and the availability of additional grant funds, among other factors. ADB support will be within the framework of the JRP in the following areas: (i) water and sanitation, (ii) disaster risk management, (iii) energy supply, and (iv) road access to and within camps.

B. Impact and Outcome

14. The project is aligned with the following impact: social recovery of displaced persons in Teknaf and Ukhia camps accelerated. The project will have the following outcome: living conditions and the resilience of displaced persons improved (footnote 3). The project will directly benefit the lives of people in camps while indirectly co-benefitting host communities in some instances. ADB is cognizant of sensitivities and potential conflicts among and within affected communities. These will be addressed through a gender- and socially-inclusive approach, among others.

C. Outputs

15. **Output 1: Water supply and sanitation improved.** This consists of providing the camp areas with (i) mobile water carriers for the distribution of treated water; (ii) community bathing facilities for women; (iii) mini piped water supply systems with a production tube well, distribution pipe network, and standpipe water distribution points; (iv) an integrated waste management facility with collection system; and (v) small surface water treatment plants.

16. **Output 2: Disaster risk management strengthened.** This includes constructing in and around the camp areas (i) multipurpose cyclone shelters with emergency access roads, (ii) food distribution centers, (iii) hill slope protection and/or toe walls to resist landslides, and (iv) storm water drainage networks. The project will also provide lightning arresters and support the preparation of gender-sensitive disaster risk management plans with community-based disaster risk reduction approach.

17. **Output 3: Energy sources provided.** This includes providing the camp areas with (i) retained heat cookers; (ii) stand-alone solar powered street lights with solar photovoltaic panels, battery boxes, and mini grid-connected street lights; and (iii) access to electricity by augmenting substations, distribution lines, and transformers.

18. **Output 4: Access roads improved.** This consists of rehabilitating (i) rural roads to connect to food storage and distribution centers, field hospitals, primary health care centers, and primary education centers; (ii) emergency access roads to the camp areas; and (iii) existing access roads to and within the camps and drainage systems. The project also supports resurfacing the road from Coxsbazar to Teknaf, which is the main supply line.

19. **Subprojects.** ADB will apply a sector lending approach in selecting an investment under each of the outputs.¹⁴ Within the JRP framework, ADB will prioritize subprojects for development and implementation to optimize the available resources in close coordination with the government and development partners. Each subproject will be subject to ADB's prior approval based on the following selection criteria:

- (i) direct impact on the lives of the international displaced persons in the camp areas,
- (ii) no or minimal land acquisition or acquisition of government land,
- (iii) compliance with ADB's safeguards requirements and no activities inside critical habitats and protected areas,
- (iv) no duplication of activities funded by other donors,
- (v) implementation period not extending beyond the project closing date, and
- (vi) inclusion of feedback from a beneficiary consultation process.

D. Summary Cost Estimates and Financing Plan

20. The project is estimated to cost \$120 million (Table 1). Detailed cost estimates by expenditure category and by financier are included in the project administration manual (PAM).¹⁵

Table 1: Summary Cost Estimates
(\$ million)

Item	Amount ^a
A. Base Cost	
1. Water supply and sanitation	43.0
2. Disaster risk management	21.0
3. Energy sources	9.0
4. Access roads	37.0
Subtotal (A)	110.0
B. Contingencies^b	10.0
Total (A+B)	120.0

^a Tentative estimate and allocation, including taxes and duties, any land acquisition, and in-kind support to be financed by the government.

^b Physical contingencies computed at 6%–10%. Price contingencies computed at an average of 1.5% on foreign exchange costs and 6.3% on local currency costs; includes a provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

Source: Asian Development Bank.

21. The government has requested a special grant equivalent to \$100 million to help finance the project.¹⁶ The grant will finance (i) civil works, equipment, and consulting services; and (ii) capacity building. The government will provide \$20 million equivalent to cover (i) taxes and duties, (ii) any land acquisition, and (iii) project management and/or counterpart staff. The financing plan is in Table 2.

¹⁴ An indicative list of potential subprojects is set out in the Project Administration Manual (accessible from the list of linked documents in Appendix 2). To be financed under the project, these potential subprojects will need to comply with the applicable selection criteria.

¹⁵ Project Administration Manual (accessible from the list of linked documents in Appendix 2).

¹⁶ ADB proposes to use ADF resources to finance the grant, as detailed in footnote 1.

22. The proportion of the cost attributable to climate mitigation is estimated to be \$4.27 million, while it is \$13.44 million for climate adaptation. ADB will finance 83.3% (\$3.56 million) of mitigation costs and 83.3% (\$11.2 million) of adaptation costs. Details are in the Climate Risk Assessment and Management Report.¹⁷

Table 2: Summary Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank		
Special Funds resources (Asian Development Fund grant)	100.0	83.3
Government of Bangladesh ^a	20.0	16.7
Total	120.0	100.0

^a Government contribution is toward taxes and duties, any land acquisition, and in-kind support.
Source: Asian Development Bank.

E. Implementation Arrangements

23. The project will be implemented over 2.5 years, and the grant will close by 30 June 2021. As a condition for being selected, each subproject must have an implementation period that can be completed prior to the project closing date (para. 19).

24. To provide the necessary guidance to expedite subproject development and implementation, ADB proposed that the Ministry of Disaster Management and Relief form a central committee comprising senior officials from the ministries involved.

25. Based on the guidance of the central committee, RRRC will coordinate the proposed interventions of ADB and other development partners in Coxsbazar on behalf of the Ministry of Disaster Management and Relief. RRRC and ADB will conduct regular coordination meetings involving all executing and implementing agencies; stakeholders, including the deputy commissioner of Coxsbazar; and other development partners and agencies. ADB plans to establish a liaison office in Coxsbazar to facilitate coordination with RRRC, the ISCG, and other development partners; and expedite subproject development and implementation.

26. The Local Government Engineering Department, the Department of Public Health Engineering, the Roads and Highways Department, and the Bangladesh Rural Electrification Board will each be concurrent executing and implementing agencies for project activities in their respective areas of responsibility.¹⁸ Dedicated project implementation units (PIUs) will be established in each implementing agency, as needed, and will be headed by experienced project directors to manage day-to-day implementation activities, project management, and reporting.

27. The implementation arrangements are summarized in Table 3 and described in detail in the PAM (footnote 15).

28. **Procurement.** Executing and implementing agencies will carry out the procurement of goods, works, and consulting services in a manner consistent with the simplified and expedient procedures in ADB Disaster and Emergency Assistance Policy (2004), the ADB Procurement Policy (2017, as amended from time to time), and Procurement Regulations for ADB Borrowers

¹⁷ Climate Risk Assessment and Management Report (accessible from the list of linked documents in Appendix 2).

¹⁸ The Local Government Engineering Department is expected to implement subprojects under outputs 2, and 4 within its areas of responsibility. Depending on the nature of the activity, subprojects will be implemented by the Department of Public Health Engineering (output 1), the Bangladesh Rural Electrification Board (output 3), and the Roads and Highways Department (output 4).

(2017, as amended from time to time). Most civil works and goods contracts will be awarded through open competitive bidding (OCB) and the national advertisement method. To ensure efficiency, special procedures for emergency lending will be used, including reducing the bidding period to 14 days when appropriate; using single-stage one-envelope bidding procedures; developing a master bid document for each implementing agency; and developing a time-bound action plan to award contracts, including a contract management plan. Some civil works and goods contracts may be procured using direct contracting, where appropriate, following procedures acceptable to ADB. Small and simple works and goods up to \$100,000 may be procured using international and/or national request for quotations. ADB encourages community participation in the procurement of small works of a simple nature. Subject to bidding documents being modified to comply with ADB requirements, the national electronic government procurement system will be used for OCB to award most civil and supply contracts, although manual or off-line bidding may be used where appropriate.

Table 3: Implementation Arrangements

Aspects	Arrangements		
Implementation period	July 2018–December 2020		
Estimated completion date	31 December 2020		
Estimated grant closing date	30 June 2021		
Management			
(i) Oversight body	Central Committee Office of the Refugee Relief and Repatriation Commission in Coxsbazar		
(ii) Executing agency	LGED, DPHE, RHD, BREB		
(iii) Implementing agencies	LGED, DPHE, RHD, BREB		
(iv) Implementation unit	Dedicated PIU of each implementing agency		
Procurement	OCB (national advertisement)	55 contracts	\$99.1 million
	Direct contracting		
	LCB		
	Request for quotation		
Consulting services	QCBS and CQS, OCB, international and/or national advertisement, or LCB	266 person-months	\$2.9 million
	Single source selection		
	Individual consultant international advertisement/national advertisement		
Retroactive financing and advance contracting	Advance and retroactive financing will apply for the procurement of civil works, goods, and consulting services; and for project administration. The amount to be retroactively financed will be up to 30% of the grant amount and may finance costs incurred after 7 May 2018 (date of receipt of the government request) but not earlier than 12 months before the date of the grant agreement.		
Disbursement	The grant proceeds will be disbursed following ADB's <i>Loan Disbursement Handbook</i> (2017, as amended from time to time) and detailed arrangements agreed between the government and ADB.		

ADB = Asian Development Bank, BREB = Bangladesh Rural Electrification Board, CQS = consultants' qualifications selection, DPHE = Department of Public Health and Engineering, LCB = limited competitive bidding, LGED = Local Government Engineering Department, OCB = open competitive bidding, PIU = project implementation unit, QCBS = quality- and cost-based selection, RHD = Road and Highways Department.

Source: Asian Development Bank.

29. To support project implementation, consulting firms will be recruited through OCB procedures, local advertisements, and/or limited competitive bidding using a quality- and cost-based selection procedure, a simplified technical proposal, or a biodata technical proposal. Other methods, such as the consultants' qualifications selection, may also be used where appropriate. Individual consultants will be recruited using the individual selection method with international and/or local advertisements, based on the project's requirements. Consultants who are already engaged in ADB-financed projects and provide similar services as those required for the project may be recruited directly, subject to their satisfactory performance. This arrangement will provide

an efficient way to recruit consultants under the circumstances. Local nongovernment organizations (NGOs) may provide some social and gender studies and/or support. The option to have a direct contract or a memorandum of understanding with NGOs and/or UN agencies already engaged in the project area may also be explored where appropriate.

30. Goods, works, and consulting services will be procured based on the detailed arrangements in the project's procurement plan, including the procurement and selection methods, the type of bidding documents, and ADB's review requirements. ADB will review two similar contracts for each respective agency prior to tendering, and the rest of the contracts will be post reviewed (sampling). All executing and implementing agencies will be required to (i) use the Procurement Activity Monitoring Tool, a web-based database, to record and monitor the time taken for each step of the procurement process and track any delays; and (ii) take appropriate actions for all prior and post-review packages of goods and works under the project.¹⁹

III. ATTACHED TECHNICAL ASSISTANCE

31. To strengthen and sustain the institutional and technical capacities of the executing and implementing agencies for the timely and efficient delivery of the project outputs, the government has requested ADB to provide TA grant support for the project. ADB, through its Bangladesh Resident Mission, will administer the TA to support the project activities being carried out by the executing and implementing agencies within their respective areas of responsibility. The TA will have three outputs: (i) institutional and technical capacity strengthened; (ii) planning, designing, and implementing the proposed subprojects supported; and (iii) an effective monitoring and evaluation system established. The first output will provide capacity building support to the executing and implementing agencies and RRRRC, including the liaison office, for procurement, contract management, quality control, and disbursement. The second output will support executing and implementing agencies with capacity constraints and low readiness of subproject selected, technical and safeguards due diligence, design, procurement, and contract management. The third output will help establish monitoring and evaluating systems for the executing and implementing agencies, RRRRC, and the liaison office. The TA is estimated to cost \$3,100,000, of which \$3,000,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF 6).²⁰ 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.

IV. DUE DILIGENCE

A. Technical

32. All new infrastructure will be disaster-resilient and climate-smart and will be based on hazard, climate, and risk analyses; modified design criteria; and the careful selection of materials and monitoring of field practices. The final selection of subprojects will follow the subproject selection criteria included in the PAM (footnote 15). These include adherence to safeguard requirements and technical and economic viability. The implementing agencies and ADB will lead the screening process of priority projects, in coordination with other development partners to avoid duplication.

¹⁹ ADB developed the Procurement Activity Monitoring Tool under TA (ADB, 2013. *Technical Assistance to the People's Republic of Bangladesh for Capacity Building for Portfolio Management*. Manila). Procurement Activity Monitoring Tool. <http://www.bdpamt.org>.

²⁰ Attached Technical Assistance Report (accessible from the list of linked documents in Appendix 2).

B. Economic and Financial

33. The project is likely to generate significant social benefits to the displaced persons through improved water supply and sanitation, disaster risk management, energy supply, and access to roads. However, because of the short processing time available for the emergency response, it was not possible to collect data and undertake full economic due diligence prior to seeking Board approval. Therefore, economic due diligence will be conducted on all selected subprojects during project implementation following ADB guidelines on economic analysis to ensure that the selected subprojects are economically viable. The TA for project implementation will include resources to undertake the necessary subproject economic analysis in compliance with ADB requirements.

34. Project outputs are public service goods with no opportunity for cost recovery, so no financial viability assessment is required. Water supply and sanitation systems, buildings and structures, energy supply systems, and roads constructed under the project will be maintained using the relevant ministries' ongoing recurrent budget. While this will be assessed during project implementation, government commitment has also been obtained as a grant assurance.

C. Governance

35. ADB conducted an updated financial management assessment of the executing and implementing agencies for the project.²¹ The review is based on existing financial management assessment of the same executing and implementing agencies taking into consideration the lessons learned during implementation of past and existing projects, various sector level governance assessments, and interviews with project management units and other relevant government staff.²² All four executing and implementing agencies have experience implementing ADB-funded projects. The overall financial management risk is *substantial*, but it can be managed by implementing the mitigation measures agreed with the executing and implementing agencies, including (i) deploying PIU staff with prior ADB project experience, and (ii) strengthening internal controls and financial reporting based on detailed assessments. Financial management experts funded by the TA grant will be engaged to provide capacity building support and fiduciary risk monitoring, including compliance with audited project financial statement requirements.

36. A procurement assessment of the executing and implementing agencies revealed that procurement and contract management risk is manageable through the implementation of mitigation measures agreed with the executing and implementing agencies, including (i) deploying PIU staff with prior ADB project experience, and (ii) introducing an efficient contract award and contract implementation management plan. Procurement experts funded by the TA grant will be engaged to provide capacity building support to ensure compliance with agreed procurement procedures.

37. ADB's Anticorruption Policy (1998, as amended to date) was explained to and discussed with the government and the executing and implementing agencies. The specific policy requirements and supplementary measures are described in the PAM (footnote 15).

²¹ Financial Management Assessment (accessible from the list of linked documents in Appendix 2).

²² LGED is currently implementing loans 2462, 3142, 2695, 3550 and 2542; DPHE is currently implementing loans 3133 and 3550; RHD is currently implementing loans 2949 and 3592; and BREB is currently implementing loans 3522 and 3350.

D. Poverty, Social, and Gender

38. The project is expected to ease basic infrastructure and social service constraints in the Tekhnaf and Ukhia camps. The settlements are in rural villages and agricultural plots interspersed with government forest, plantations, and ecologically critical areas. Providing clean water and access to sanitation and latrines in and around the camps will improve the health conditions of the communities and prevent waterborne diseases. Better lighting will make it safer for women and children to move and will help bridge the supply and demand gap for fuel and energy in households. The construction and rehabilitation of roads will accelerate relief distribution, improve mobility in the camps, and facilitate economic activities and income generation.

39. The project is classified *effective gender mainstreaming*, and ADB has prepared a gender equality and social inclusion (GESI) action plan in consultation with the ISCG and its Gender in Humanitarian Assistance platform. To ensure the effective implementation of the GESI action plan, the project team will hire social development experts based in Coxsbazar and a national NGO for effective social mobilization services. This will ensure the effective participation of women and disadvantaged groups in project-supported activities, in line with the commitments set out in the action plan, including labor opportunities, decision-making processes, and access to basic services. ADB will collect sex-disaggregated data to report GESI-related results.

E. Safeguards

40. In compliance with ADB's Safeguard Policy Statement (2009), the project's safeguard categories are as follows.²³

41. **Environment (category B).** ADB formed subproject selection criteria to avoid significant adverse environmental impacts. An environmental assessment and review framework (EARF) has been prepared following ADB's Safeguards Policy Statement (2009) and government laws and regulations. ADB has disclosed the EARF on its website. Implementation arrangements build on the implementing agencies' experience from other ADB-financed projects, and the project team will help the implementing agencies gain adequate capacity to manage environmental impacts through consultant support. Initial environmental examinations and environmental management plans will be prepared consistent with the EARF and will be incorporated in bidding documents and contract documents to be implemented by contractors and monitored by the implementing agencies. Executing and/or implementing agencies will provide environmental report to the Bangladesh Resident Mission on a semiannual basis.

42. **Involuntary resettlement (category B).** ADB formed subproject selection criteria to avoid land acquisition and involuntary resettlement impacts and social risks. A resettlement framework has been prepared and disclosed, following ADB's Safeguards Policy Statement and government laws and regulations, to guide planning studies and detailed designs of subprojects. The project team will help the implementing agencies gain adequate capacity to prepare resettlement plans, if required, through consultant support. Consultations will be undertaken with stakeholders in project areas during implementation. Executing and/or implementing agencies will provide resettlement implementation report to the Bangladesh Resident Mission on a semiannual basis.

²³ ADB. Safeguard Categories. <https://www.adb.org/site/safeguards/safeguard-categories>.

43. **Tribes, minor races, ethnic sects and communities²⁴ (category C).** ADB formed subproject selection criteria so that the project will not finance subprojects with impacts on tribes, minor races, ethnic sects and communities.

F. Summary of Risk Assessment and Risk Management Plan

44. Significant risks and mitigating measures are summarized in Table 4 and described in detail in the risk assessment and risk management plan.²⁵

Table 4: Summary of Risks and Mitigating Measures

Risks	Mitigation Measures
Extreme climate events disrupt or delay execution of works	The implementation schedule will factor in seasonal weather conditions, including the monsoon season, and expected rainfall. Project construction activities will be scheduled in such a way that the available working season is efficiently utilized.
Low implementation capacity	Extensive support from Asian Development Bank-financed consultants will be provided for procurement, financial management, disbursement, monitoring and safeguard policies, and procedures.
Governance risks related to financial management	Financial management consultant will be engaged to provide capacity development support. Other measures include (i) deployment of project implementing unit staff with prior ADB experience and training provided on ADB procedures; (ii) assignment of adequate internal audit staff for each implementing agency; and (iii) development of project monitoring and management information system.
Crisis and influx of displaced persons extend beyond the project life and exceed projected demand for services	No mitigating measures

Source: Asian Development Bank.

V. ASSURANCES

45. The government and the executing agencies have assured ADB that the implementation of the project will conform to all applicable ADB policies, including those concerning anticorruption measures, safeguards, gender, procurement, consulting services, and disbursement (as described in detail in the PAM and grant documents).

46. The government and the executing agencies have agreed with ADB on certain covenants for the project, which are set forth in the draft grant agreement.

VI. RECOMMENDATION

47. I am satisfied that the proposed grant would comply with the Articles of Agreement of the Asian Development Bank (ADB) and recommend that the Board approve the grant not exceeding \$100,000,000 to the People's Republic of Bangladesh from ADB's Special Funds resources (Asian Development Fund) for the Emergency Assistance Project, on terms and conditions that are substantially in accordance with those set forth in the draft grant agreement presented to the Board.

Takehiko Nakao
President

28 June 2018

²⁴ Groups or population identified as Indigenous Peoples within the context of ADB's Safeguard Policy Statement will be referred to in this document as *tribes, minor races, ethnic sects and communities* (following the request of the Government of Bangladesh).

²⁵ Risk Assessment and Risk Management Plan (accessible from the list of linked documents in Appendix 2).

DESIGN AND MONITORING FRAMEWORK

Impact the Project is Aligned with Social recovery of displaced persons in Teknaf and Ukhaia camps accelerated (Defined by the project)			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Living conditions and resilience of displaced persons improved	By 2021 a. Reported cases of waterborne diseases decreased by 20%. ^a b. Occurrence of landslides and flooding in project area during average monsoon months reduced by 50%. ^a c. At least 90% of households in project area connected to electricity. ^a d. Average travel time to transport relief goods and services to campsites reduced by 50%. ^a	a. Project beneficiary survey, executing agency reports	Crisis and influx of displaced persons extend beyond the project life and exceed projected demand for services.
Outputs 1. Water supply and sanitation improved 2. Disaster risk management strengthened	By 2020 1a. 5 mobile water carriers for the distribution of potable water to the camps provided (2018 baseline: 0) 1b. 600 community bathing facilities for women constructed and maintained, of which 10%–20% of women are employed and involved (2018 baseline: 0) ^b 1c. 40 mini piped water supply systems with production tube wells constructed (2018 baseline: 0) 1d. 5 integrated waste management facilities constructed, and a collection system established (2018 baseline: 0) 1e. 2 small surface water treatment plants constructed or expanded (2018 baseline: 0) 2a. 10 multipurpose cyclone shelters constructed with sex-disaggregated toilets and designated space for women, including pregnant women and lactating mothers (2018 baseline: 0) 2b. 20 semipermanent food distribution centers constructed and employed 10%–20% of women in the community (2018 baseline: 0) ^b 2c. 5 km of hill slope protection and/or toe walls constructed (2018 baseline: 0)	1a–e. Periodic project progress reports prepared by the executing agency 2a–f. Periodic project progress reports prepared by the executing agency	Extreme climate events disrupt or delay execution of works.

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
3. Energy sources provided	<p>2d. 5 km storm water drainage network constructed (2018 baseline: 0)</p> <p>2e. 200 lightning arresters installed (2018 baseline: 0)</p> <p>2f. Gender-sensitive disaster risk management plans, adopting community-based disaster risk reduction approach, prepared and implemented (2018 baseline: not applicable)</p> <p>3a. A 33/11 kV, 10 MVA substation constructed; and Coxsbazar-Teknaf grid augmented^a</p> <p>3b. A 50 km, ≤11 kV new distribution line constructed with 5 MVA distribution transformers installed (2018 baseline: 0)</p> <p>3c. 2,000 new mini grid-connected street lights and 4,000 new stand-alone solar LED lights with built-in solar PV panels and battery banks installed (2018 baseline: 62 grid-connected street lights and 2,495 solar PV street lights inside the camps)</p> <p>3d. 70,000 retained heat cookers provided (2018 baseline: 0)</p> <p>3e. 50 solar PV micro-grid systems installed at Balukhali, Kutupalong, Noyapara, Leda, and Shamlapur camps (2018 baseline: 0)</p>	3a–e. Periodic project progress reports prepared by the executing agency	
4. Access roads improved	<p>4a. 30 km of internal roads and stairs (where required) with drainage facilities constructed (2018 baseline: 0)</p> <p>4b. 30 km of rural roads to connect to food storage centers, food distribution centers, field hospitals, primary health care centers, cyclone shelters, and primary education centers reconstructed and rehabilitated (2018 baseline: 0)</p> <p>4c. 50 km of the road from Coxsbazar to Teknaf resurfaced, including the improvement of critical sections (market areas and culverts) (2018 baseline: 0)</p>	4a–d. Periodic project progress reports prepared by the executing agency	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	4d. 10%–20% of women employment in the construction and rehabilitation of access roads achieved (2018 baseline: 0) ^b		
Key Activities with Milestones <ol style="list-style-type: none"> 1. Water supply and sanitation improved <ol style="list-style-type: none"> 1.1 Identify and appraise subprojects, as required (by Q3 2018) 1.2 Recruit consultants (by Q3 2018) 1.3 Prepare bid documents and commence bidding (by Q3 2018) 2. Disaster risk management strengthened <ol style="list-style-type: none"> 2.1 Identify and appraise subprojects, as required (by Q3 2018) 2.2 Recruit consultants (by Q3 2018) 2.3 Prepare bid documents and commence bidding (by Q3 2018) 2.4 Complete disaster risk capacity building for implementing agencies and key stakeholders (Q4 2018) 3. Energy sources provided <ol style="list-style-type: none"> 3.1 Identify and appraise subprojects, as required (by Q3 2018) 3.2 Recruit consultants (by Q3 2018) 3.3 Prepare bid documents and commence bidding (by Q3 2018) 4. Access roads improved <ol style="list-style-type: none"> 4.1 Identify and appraise subprojects, as required (by Q3 2018) 4.2 Recruit consultants (by Q4 2018) 4.3 Prepare bid documents and commence bidding (by Q3 2018) 			
Project Management Activities Recruit design, monitoring and supervision consultants (by Q4 2018) Establish PIUs (by Q3 2018) Establish monitoring and evaluation system Carry out quality reviews			
Inputs ADB: \$100 million grant Technical Assistance Special Fund (TASF 6): \$3 million (grant) Government: \$20 million			
Assumptions for Partner Financing Not Applicable			

ADB = Asian Development Bank, km = kilometer, kV = kilovolt, LED = light-emitting diode, MVA = megavolt-ampere, PIU = project implementation unit, PV = photovoltaic, Q = quarter.

^a Baseline data will be finalized during the inception mission, along with the subproject selection and design details.

^b Gender-related targets have been set within the 10%–20% range to account for different sociocultural contexts and practices of displaced persons in the project area, which may affect women's ability to participate in project-financed activities, especially employment opportunities. These estimates are based on (i) consultations with the Roads and Highways Department and the Local Government Engineering Department, and (ii) 2018 data available for ADB-financed projects in the project area.

Source: Asian Development Bank.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/RRPs/?id=52174-001-2>

1. Grant Agreement
2. Summary Assessment of Damage and Needs
3. Project Administration Manual
4. Contribution to the ADB Results Framework
5. Emergency Assistance Coordination
6. Country Economic Indicators
7. Summary Poverty Reduction and Social Strategy
8. Risk Assessment and Risk Management Plan
9. Attached Technical Assistance Report
10. Environmental Assessment and Review Framework
11. Resettlement Framework

Supplementary Documents

12. Subproject Selection Criteria and Approval Procedures
13. Gender Equality and Social Inclusion Action Plan
14. Climate Risk Assessment and Management Report
15. Financial Management Assessment