



# Bangladesh: COVID-19 Active Response and Expenditure Support Program

Project Name	COVID-19 Active Response and Expenditure Support Program	
Project Number	54180-001	
Country	Bangladesh	
Project Status	Approved	
Project Type / Modality of Assistance	Loan Technical Assistance	
Source of Funding / Amount	Loan 3919-BAN: COVID-19 Active Response and Expenditure Support Program	
	concessional ordinary capital resources lending / Asian Development Fund	US\$ 250.00 million
	Loan 3920-BAN: COVID-19 Active Response and Expenditure Support Program	
	Ordinary capital resources	US\$ 250.00 million
	Loan: COVID-19 Active Response and Expenditure Support Program	
	Asian Infrastructure Investment Bank	US\$ 250.00 million
	TA 9973-BAN: Supporting COVID-19 Active Response Program	
	Technical Assistance Special Fund	US\$ 1.00 million
Strategic Agendas	Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development Partnerships	
Sector / Subsector	Public sector management - Public expenditure and fiscal management - Social protection initiatives	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	The CARES program will provide the government with budget support to mitigate the severe social and economic impact of COVID-19 in Bangladesh. The program will fund government expenditures and programs in critical areas such as the expansion of social safety nets for vulnerable women and other groups and support critical labor-intensive industries, SMEs and microenterprises in order to preserve jobs. The government programs will assist the worst-hit industries such as the RMG and service industries.	
Project Rationale and Linkage to Country/Regional Strategy	<p>Coronavirus disease 2019 (COVID-19) has had a devastating health, social, and economic impact on Bangladesh. The economic downturn has seriously affected livelihoods, especially of the poor and vulnerable. Many informal workers (85.1% of the workforce) lost their livelihoods instantly after the nationwide lockdown. The lack of social safety net coverage will lead to dire consequences for the more than 20% of the population who live below the poverty line and the many newly jobless who will join them.</p> <p>The Government of Bangladesh acted quickly to mitigate the health, social, and economic impacts of the pandemic. It implemented aggressive containment measures and announced a countercyclical economic package amounting to \$11.2 billion (3.3% of GDP, which includes urgent expenditure to expand the social safety net and stimulate the economy to protect jobs. With rising expenditures and declining revenues, the government urgently needs external financing to support key pro-poor initiatives and to inject fresh liquidity into the economy to increase aggregate demand.</p> <p>The program will support the government to implement its pro-poor, gender and socially inclusive COVID-19 response plan which expands and strengthens social safety nets to address the needs of poor and vulnerable groups. The government program will also protect employment in the key industries, such as the labor-intensive RMG sector where the majority of the workers are vulnerable low-skilled female workers. The proposed program is aligned with Strategy 2030 (ADB), including operational priorities on addressing remaining poverty and reducing inequalities, accelerating progress in gender equality, and strengthening governance and institutional capacity.</p>	
Impact	Inequality and unemployment reduced (Seventh Five Year Plan FY2016 to FY2020 of Bangladesh) Adverse economic impact of the COVID-19 pandemic mitigated (Comprehensive Response to the COVID-19 Pandemic 2020 of ADB)	
<b>Project Outcome</b>		
Description of Outcome	Effect of the reform Adverse socioeconomic impact to vulnerable groups reduced	
<b>Progress Toward Outcome</b>		
<b>Implementation Progress</b>		
Description of Project Outputs	Social safety net to vulnerable groups expanded Employment opportunities protected Program implementation supported, and critical structural reforms identified	
Status of Implementation Progress (Outputs, Activities, and Issues)		
Geographical Location	Nation-wide	
<b>Safeguard Categories</b>		
Environment	C	

Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	

Business Opportunities	
Consulting Services	ADB will administer the TA. ADB's South Asia Department will select, supervise, and evaluate the consultants in consultation with the Finance Division of MOF. ADB will recruit a consulting firm with international and national consultants using the quality- and cost-based selection method with a quality cost ratio of 90:10 because of the highly specialized expertise needed. An output-based (lumpsum) contract will be used for the firm contract.
Procurement	n/a

Responsible ADB Officer	Zhang, Dongdong
Responsible ADB Department	South Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, SARD
Executing Agencies	Ministry of Finance Economic Relations Division (ERD), MOF Sher-e-Bangla Nagar, Dhaka_1207 Bangladesh People's Republic of Bangladesh *

Timetable	
Concept Clearance	-
Fact Finding	06 Apr 2020 to 12 Apr 2020
MRM	15 Apr 2020
Approval	07 May 2020
Last Review Mission	-
Last PDS Update	07 May 2020

## Loan 3919-BAN

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	500.00	Cumulative Contract Awards			
ADB	250.00	-	0.00	0.00	%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	250.00	-	0.00	0.00	%

## Loan 3920-BAN

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	250.00	Cumulative Contract Awards			
ADB	250.00	-	0.00	0.00	%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

## TA 9973-BAN

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
1,000,000.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	-	0.00

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Project Page	<a href="https://www.adb.org/projects/54180-001/main">https://www.adb.org/projects/54180-001/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=54180-001">http://www.adb.org/forms/request-information-form?subject=54180-001</a>
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