



Report and Recommendation of the President to the Board of Directors

INTERNAL

Project Number: 52174-002
June 2022

Proposed Loan and Grant for Additional Financing People's Republic of Bangladesh: Emergency Assistance Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 18 May 2022)

| | | | | |
|---------------|---|-----------|----|---------|
| Currency unit | – | taka (Tk) | | |
| Tk1.00 | = | SDR0.0085 | Or | \$0.011 |
| \$1.00 | = | Tk87.45 | Or | SDR0.75 |
| SDR1.00 | = | Tk117.095 | Or | \$1.34 |

ABBREVIATIONS

| | | |
|----------|---|---|
| ADB | – | Asian Development Bank |
| ADF | – | Asian Development Fund |
| COL | – | concessional ordinary capital resources lending |
| COVID-19 | – | coronavirus disease |
| DMC | – | developing member country |
| DPHE | – | Department of Public Health Engineering |
| DRF+ | – | Expanded Disaster and Pandemic Response Facility |
| EARF | – | environmental assessment and review framework |
| FCAS | – | fragile and conflict-affected situations |
| GESI | – | gender equality and social inclusion |
| IOM | – | International Organization for Migration |
| ISCG | – | Inter Sector Coordination Group |
| JRP | – | joint response plan |
| km | – | kilometer |
| LGED | – | Local Government Engineering Department |
| O&M | – | operation and maintenance |
| OCR | – | ordinary capital resources |
| OP | – | operational priority |
| PAM | – | project administration manual |
| PIU | – | project implementation unit |
| RHD | – | Roads and Highways Department |
| SARI-ITC | – | severe acute respiratory infection isolation and treatment center |
| UN | – | United Nations |
| UNFPA | – | United Nations Population Fund |
| UNHCR | – | United Nations High Commissioner for Refugees |
| WHO | – | World Health Organization |

NOTE

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

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CONTENTS

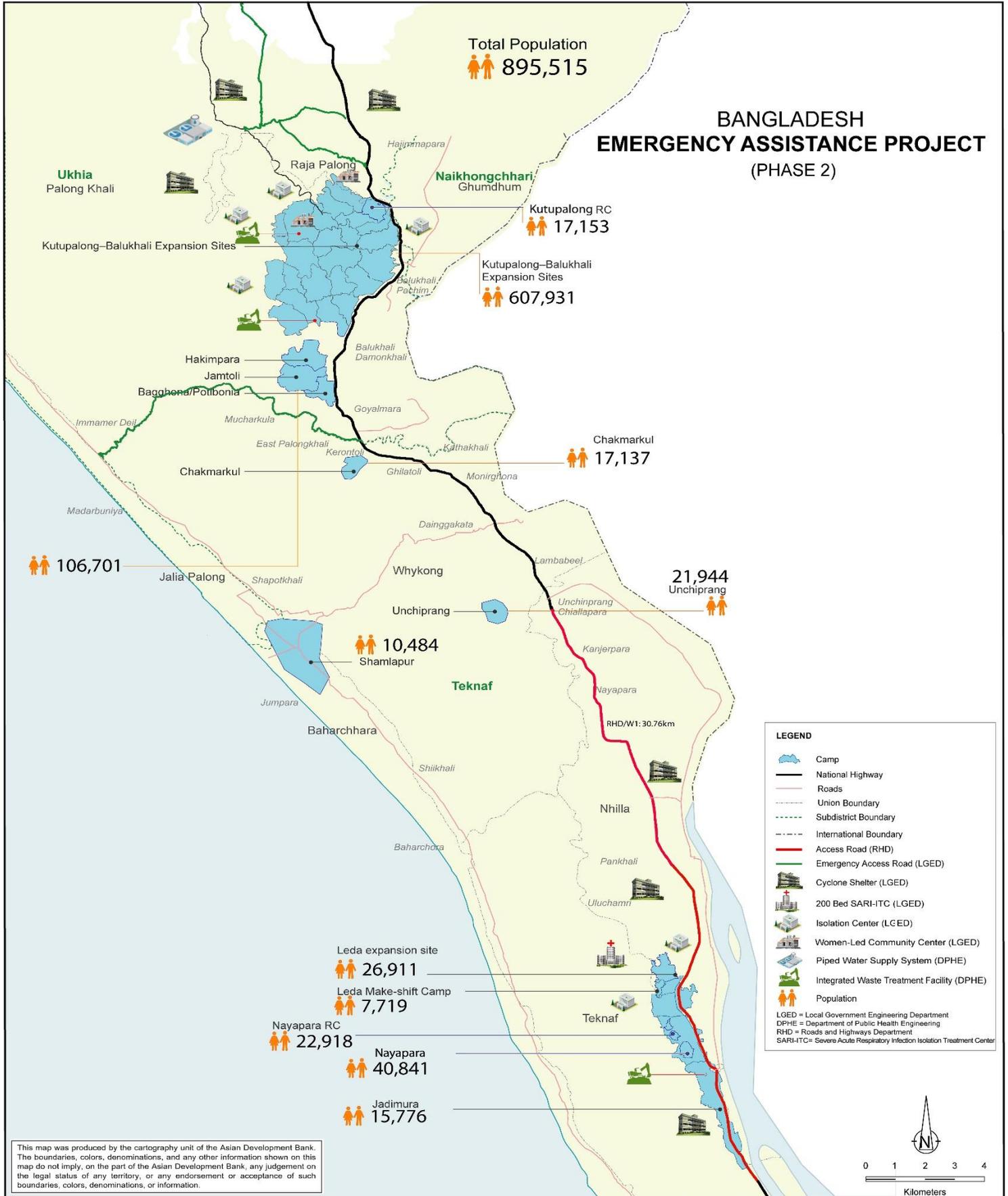
| | Page |
|--|-------------|
| PROJECT AT A GLANCE | |
| MAP | |
| I. THE PROPOSAL | 1 |
| II. THE PROJECT | 1 |
| A. Rationale | 1 |
| B. Project Description | 5 |
| C. Value Addition by ADB | 6 |
| D. Summary Cost Estimates and Financing Plan | 7 |
| E. Implementation Arrangements | 9 |
| III. DUE DILIGENCE | 10 |
| A. Technical | 10 |
| B. Economic and Financial Viability | 11 |
| C. Sustainability | 11 |
| D. Governance | 11 |
| E. Poverty, Social, and Gender | 12 |
| F. Safeguards | 12 |
| G. Summary of Risk Assessment and Risk Management Plan | 13 |
| IV. ASSURANCES | 14 |
| V. RECOMMENDATION | 14 |
| APPENDIXSES | |
| 1. Revised Design and Monitoring Framework | 15 |
| 2. List of Linked Documents | 19 |

PROJECT AT A GLANCE

| | | | |
|--|--|--|---|
| 1. Basic Data | | Project Number: 52174-002 | |
| Project Name | Emergency Assistance Project – Additional Financing | Department/Division | SARD/BRM |
| Country Borrower | Bangladesh People's Republic of Bangladesh | Executing Agency | Department of Public Health Engineering, Local Government Engineering Department, Roads and Highways Department |
| Country Economic Indicators Portfolio at a Glance | https://www.adb.org/Documents/LinkedDocs/?id=52174-002-CEI https://www.adb.org/Documents/LinkedDocs/?id=52174-002-PortAtaGlance | | |
| 2. Sector | | ADB Financing (\$ million) | |
| ✓ Water and other urban infrastructure and services | Subsector(s) Urban flood protection Urban sanitation Urban solid waste management Urban water supply | | 10.910 3.080 6.280 10.540 |
| Health | Disease control of communicable disease | | 10.590 |
| Transport | Urban roads and traffic management | | 30.000 |
| | | Total | 71.400 |
| 3. Operational Priorities | | Climate Change Information | |
| ✓ OP1: Addressing remaining poverty and reducing inequalities | | GHG reductions (tons per annum) | 0 |
| ✓ OP2: Accelerating progress in gender equality | | Climate Change impact on the Project | High |
| ✓ OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability | | | |
| ✓ OP4: Making cities more livable | | | |
| | | ADB Financing | |
| | | Adaptation (\$ million) | 12.820 |
| | | Mitigation (\$ million) | 4.600 |
| | | Cofinancing | |
| | | Adaptation (\$ million) | 0.000 |
| | | Mitigation (\$ million) | 0.000 |
| Sustainable Development Goals | | Gender Equity and Mainstreaming | |
| SDG 1.5 | | Effective gender mainstreaming (EGM) | ✓ |
| SDG 3.8 | | | |
| SDG 5.5 | | | |
| SDG 6.2, 6.3 | | | |
| SDG 10.2 | | | |
| SDG 11.2, 11.b | | | |
| SDG 13.a | | | |
| | | Poverty Targeting | |
| | | Geographic Targeting | ✓ |
| 4. Risk Categorization: | Complex | | |
| 5. Safeguard Categorization | Environment: B | Involuntary Resettlement: B | Indigenous Peoples: C |
| 6. Financing | | | |
| Modality and Sources | | Amount (\$ million) | |
| ADB | | 71.400 | |
| Sovereign Special assistance grant: Asian Development Fund | | 41.400 | |
| Sovereign Special assistance (Concessional Loan): Ordinary capital resources | | 30.000 | |
| Cofinancing | | 0.000 | |
| None | | 0.000 | |
| Counterpart | | 12.490 | |
| Government | | 12.490 | |
| Total | | 83.890 | |
| Currency of ADB Financing: US Dollar | | | |

PROJECT MAP

BANGLADESH EMERGENCY ASSISTANCE PROJECT (PHASE 2)



I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on (i) a proposed loan, and (ii) a proposed grant, both to the People's Republic of Bangladesh for the additional financing of the ongoing Emergency Assistance Project.¹

2. The project is the second phase of the ongoing Emergency Assistance Project for the displaced persons from Myanmar in Cox's Bazar District, Bangladesh.² It will scale up the ongoing project by addressing the unmet basic and urgent needs identified for Asian Development Bank (ADB) assistance in 2018 but which remained unfunded due to grant funding constraints. The project will support the coronavirus disease (COVID-19) response; and water supply and sanitation that are also needed to contain COVID-19, disaster risk management, and access roads that are critical to maintaining the livelihoods of the displaced persons and affected population. In addition, the project will finance the cost overrun of the two contracts for the integrated waste management and resource recovery, and surface water supply subprojects under the ongoing project.

II. THE PROJECT

A. Rationale

3. **Description of emergency.** Since August 2017, Bangladesh has received about 886,000 displaced persons from Myanmar in Cox's Bazar District.³ The influx has caused a huge strain on the local economy, environment, and infrastructure; and brought substantial challenges to food supply, shelter, health, sanitation, water supply, and other essential services to the communities. It has also caused significant environmental stress since the area is in the most vulnerable part of the country highly prone to disasters triggered by natural hazards (cyclones, floods, and chronic droughts), which are exacerbated by the impact of climate change. Despite international support provided for basic services over the years, the pressure on the environment in the camps and the adjacent communities remains very high. On the other hand, the Government of Bangladesh, with the support of development partners and United Nations (UN) agencies, has managed the COVID-19 response effectively and has contained its spread in the camps and surrounding areas. However, as the trajectory of COVID-19 is unpredictable, the risk of outbreak at any point of time remains high because of overcrowding and unhygienic conditions in the camps. Containing the COVID-19 outbreak and providing basic water supply and sanitation for health and hygiene within the most densely populated camps in the world continue to be the

¹ Asian Development Bank (ADB). 2018. [*Report and Recommendation of the President to the Board of Directors: Proposed Grant and Technical Assistance Grant to the People's Republic of Bangladesh for the Emergency Assistance Project*](#). Manila (Grant 0582).

² The terminology used here 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 here 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 figure includes more than 115,000 babies born since the influx, but it does not include 35,519 previously registered displaced persons from Myanmar sheltering in Kutupalong and Nayapara registered camps. As of 31 March 2022, 926,561 displaced persons from Myanmar are registered in Bangladesh, more than 75% of them are women, girls, and children. Source: [UNHCR Operational Data Portal \(accessed 31 March 2022\)](#).

challenges. Sustaining the measures to address public health emergencies in the camps is urgent. Hence, the proposed scope of the project remains emergency assistance.

4. **Response to COVID-19 pandemic.** On 14 May 2020, the first case of COVID-19 was detected in the camps. As of 8 May 2022, 5,923 persons have tested positive, and 42 deaths have been reported in the camps. Recognizing the threat of the pandemic to the population in the camps, the government quickly included the displaced persons in its national deployment and vaccination plan. The vaccination campaign, assisted by the UN agencies, targeting 389,369 displaced persons aged 18 years and above, was rolled out in two phases: phase 1 during August 2021–September 2021 and phase 2 during December 2021–February 2022. Of the target, 342,377 (88%) have received the first dose and 280,334 (72%) have received the second dose. Efforts are being made to cover the remaining population including the third dose. However, the risk of COVID-19 in the camps continues to remain high. Some 194,091 families live in 33 extremely congested camps, with four to six members living in a single room—making physical distancing and self-isolation a challenge. Hence, urgent action is needed to address the risk of overcrowding; lack of access to clean water, sanitation, and hygiene; and inadequacy of facilities for public health services in the camps that are not covered under the ongoing project.

5. **Request for emergency assistance.** The scope of the ongoing project identified in 2018 for ADB assistance was estimated at \$200 million. This includes basic and urgent needs for water supply and sanitation, disaster risk management, energy sources, and access road improvement. However, due to grant funding constraints, ADB approved phase 1 for \$100 million on 6 July 2018 from its Asian Development Fund (ADF), with the possibility of additional grant financing of up to \$100 million for the second phase (phase 2), subject to the progress of the first phase, an assessment of needs, and the availability of additional grant funds.⁴ Among the identified needs, the unfunded needs for water supply and sanitation, disaster risk management, and access roads remain high priorities for the living conditions of the displaced persons in the camps. Further, the government has requested ADB to provide grant funding for the COVID-19 response, which includes support for strengthening emergency operations centers, bolstering diagnostic capabilities, training health workers on case detection and management, and improving the clinical management and health care services.

6. **Progress of the ongoing project.** Phase 1 was signed on 9 August 2018 and declared effective on 1 October 2018. It has helped improve the safety of the camps; and provided clean drinking water, community bathing facilities, solar streetlights, multipurpose cyclone shelters, food distribution centers, better roads, drainage, bridges, walkways, and hill retention. Women and vulnerable people have benefitted from the ongoing project.⁵ As of 18 May 2022, physical progress is more than 95%. The project implementation involved 50 packages for civil works, goods, and consulting services. All procurement packages were awarded by 31 December 2020. As of 18 May 2022, the contract amount has reached \$99.28 million (99.3%) of the grant amount, while disbursement has reached \$86.31 million (86.3%). COVID-19 adversely affected the implementation, so the grant closing date was extended to 5 January 2023. Safeguard policy

⁴ The report and recommendation of the President (footnote 1) provides that “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” (para. 13).

⁵ Women and girls benefitted from better safety and security through the provision of streetlights and nano-grids, and better health and hygiene facilities through community bathing facilities and clean water supplies. Women also gained income from labor employment (13% women employed) and other income-generating activities in the camps.

requirements have been complied with by selecting the subprojects without significant adverse environmental and social impacts, following the selection criteria developed for the ongoing project. The project has successfully managed the risks identified in the risk assessment and risk management plan.⁶ The project is rated *on track* as of first quarter 2022.

7. **Assessment of needs.** The funding requirement under the 2021 Joint Response Plan (JRP) prepared by the Inter Sector Coordination Group (ISCG) of the government and development partners, including the COVID-19 response in the camps, was \$943.10 million.⁷ At the end of the 2021 JRP cycle (January 2021–December 2021), only \$678.6 million (71.9%) of the 2021 JRP funding needs had been met. By major cluster, the funding fell far short of needs—only \$42.10 million (31.2%) for health facilities, \$11.08 million (9.9%) for disaster risk management, and \$25.48 million (23.2%) for water supply and sanitation were met. The funding gaps of these items remain high.⁸ The ISCG’s Joint Multi-Sector Needs Assessment in 2020 indicated that about 88% of people in the camps have access to clean drinking water, but many wells are facing groundwater drawdown; only 62% have access to bathing facilities at home and 31% use community bathing facilities; and just 42% of households have adequate lighting.⁹ As the JRP is prepared for humanitarian response, the government requested ADB and the World Bank for grant funding to meet the urgent basic needs for infrastructure and services.

8. **Request for additional grant.** The government requested ADB to provide the remaining \$100 million in grant funding for phase 2 of the ongoing project (footnote 11). However, based on the immediate available grant fund, the proposed additional grant is limited to \$41.40 million. This amount comprises \$37.00 million to be sought from the Expanded Disaster and Pandemic Response Facility (DRF+) and \$4.40 million from ADF savings and cancellations. Including the proposed additional financing, the ADB grant funding for the overall project will total \$141.40 million compared with the identified needs of \$200 million (para. 5).

9. **Request for a concessional loan.** The rehabilitation of 80.76 kilometers (km) of road from Cox’s Bazar to Teknaf was one of the major components of the original needs assessment. Of this, a 50.00 km section of the road—from Cox’s Bazar to Unchiprang (where the main Kutupalong camp is located)—was rehabilitated under the ongoing project. Rehabilitating the remaining Unchiprang–Teknaf section (30.76 km) remains urgent, since the road is the main artery connecting all the camps including in Teknaf subdistrict. Given the limited availability of grant fund under the additional financing, and still large unmet basic needs of the displaced people that are expected to be further assisted by ADB, the government has requested a \$30 million concessional ordinary capital resources (OCR) loan to rehabilitate this section.

10. **Eligibility for additional financing.** The additional financing will fund the COVID-19 response and the most urgent among the scopes of the project identified in 2018 that were not funded during phase 1. It will also fund the cost overruns of two ongoing subprojects (para. 2).¹⁰

⁶ Details are in Summary of Project Performance (accessible from the list of linked documents in [Appendix 2](#)).

⁷ UN Office for the Coordination of Humanitarian Affairs. Financial Tracking Service. [Bangladesh: 2021 Joint Response Plan for Rohingya Humanitarian Crisis \(January–December\)](#).

⁸ The JRP is a year-to-year needs assessment for humanitarian response. The unfunded needs of JRP 2021 was rolled over to 2022 JRP which was launched on 29 March 2022. The funding needed is \$881 million, including \$99.71 million for Bhasan Char. However, only \$108.50 million or 12.3% of the 2022 JRP needs have been met as of 20 May 2022. UN Office for the Coordination of Humanitarian Affairs. Financial Tracking Service. [Bangladesh: Rohingya Refugee Crisis Joint Response Plan 2022](#).

⁹ [ISCG, Joint Multi-Sector Needs Assessment \(J-MSNA\): Bangladesh Rohingya Refugees - May 2021](#).

¹⁰ Cost overruns of approximately \$2 million–\$3 million from two ongoing contracts are expected because of increased costs stemming from delays caused by the COVID-19 lockdown, and the time taken for land compensation negotiations and environmental clearances.

Financing the cost overruns will ensure the completion of these two subprojects, which are critical to achieve the project outcome for reducing the cases of waterborne diseases in the camps hosting more than 200,000 displaced persons (or 25% of the population of the total camps). The project funded by the additional grant and loan (i) remains technically feasible, economically viable, and financially sound (paras. 31–32); (ii) is accorded high priority by the government, as confirmed by the ISCG; (iii) is consistent with the project’s development objectives; and (iv) is aligned with ADB’s country partnership strategy for Bangladesh, 2021–2025 (para. 13). The ongoing project is performing well, and the use of the additional financing modality is appropriate given the strong linkages with the ongoing project in design and implementation arrangements. The project will be completed within 3 years of the closing date of the ongoing project.

11. ADB’s Disaster and Emergency Assistance Policy (2004) applies to the proposed additional financing, which requires the project to be processed within 12 weeks of receipt of the government’s request.¹¹ However, processing the additional financing has exceeded 12 weeks because of (i) the consultation process with ADF donors to secure grant financing for the project prior to processing; (ii) the government’s internal consultation process to finalize the project’s administrative arrangements; and (iii) the impact of the COVID-19 pandemic and several local security incidents, which restricted fielding of due diligence missions and meetings.

12. **Emergency assistance coordination.** In addition to aligning with the 2021 JRP and the local area development plan, the proposed scope of the additional financing complements the assistance of the World Bank and other development partners in the camps and affected host communities. The COVID-19 response component addresses the public health service gaps identified based on consultations with the Department of Public Health Engineering (DPHE), ISCG, and UN partner agencies working on health and COVID-19 response in the camps. The project scope has been coordinated with the following UN partner agencies: the International Organization for Migration (IOM), the United Nations Children’s Fund (UNICEF), the United Nations Population Fund (UNFPA), and the World Health Organization (WHO). ADB’s Bangladesh Resident Mission regularly coordinates with the Office of the Refugee Relief and Repatriation Commissioner, ISCG, its sector level coordination groups, the World Bank, and other development partners during project implementation. The ISCG’s inter-sector coordination process has ensured complementarity of the World Bank and ADB projects.¹²

13. **Alignment with country and ADB priorities.** The proposed project aligns with the priorities of ADB’s country partnership strategy, 2021–2025 for promoting green growth and climate resilience (pillar 2) and strengthening human capital and social protection (pillar 3).¹³ It also contributes to four operational priorities (OPs) of ADB’s Strategy 2030: OP1: addressing remaining poverty and reducing inequalities; OP2: accelerating progress in gender equality; OP3: tackling climate change, building climate and disaster resilience, and enhancing environmental

¹¹ ADB received the government’s request for additional financing on 11 May 2021. The Revised Emergency Assistance Loan Policy (ADB. 2021. [Revised Emergency Assistance Loan Policy](#). Manila. para. 55) requires that the additional financing of the ongoing projects processed under the Disaster and Emergency Assistance Policy 2004 (DEAP 2004) should also be processed under the same policy, that is, DEAP 2004.

¹² The World Bank is providing grant for \$590 million in two phases for six projects. The first phase of \$240 million, approved on 7 March 2019, includes \$165 million for a multisector project, \$50 million additional financing for the health sector, and \$25 million additional financing for the education sector. The second phase of \$350 million, approved on 31 March 2020, includes \$150 million for health and gender support, \$100 million in additional financing for the multisector project, and \$100 million in additional financing for an ongoing social protection and safety project. Details are in Emergency Assistance Coordination (accessible from the list of linked documents in [Appendix 2](#)).

¹³ ADB. 2021. [Country Partnership Strategy: Bangladesh, 2021–2025—Sustain Growth, Build Resilience, and Foster Inclusiveness](#). Manila.

sustainability; and OP4: making cities more livable.¹⁴ It is aligned with the government's priority under the 8th five-year plan (2021–2025) for promoting social welfare measures such as health care and sanitation.¹⁵ The project is expected to (i) ease the basic infrastructure and social service constraints affecting the displaced persons in Teknaf and Ukhiya camps, (ii) introduce gender-responsive and disaster and climate resilience measures in the project design, (iii) improve the mobility to facilitate access to essential goods and livelihoods of displaced persons in the camps and host community, and (iv) develop the capacity of health care workers in Cox's Bazar District.

B. Project Description

14. The project is aligned with the following impact: social recovery of displaced persons in Teknaf and Ukhiya camps accelerated (unchanged). The project will have the following outcome: living and health conditions, safety, and resilience of displaced persons improved (revised).¹⁶ It will benefit about 1,210,000 people in the camps and the affected host communities.

15. The scope of the overall project will be expanded to include COVID-19 response in the camps, and urgent remaining gaps in infrastructure and associated services—as indicated in the 2018 assessment—for water supply and sanitation that will help contain COVID-19; disaster risk management; and access roads in the camps and affected host communities.

16. **Output 1: Water supply and sanitation, and coronavirus disease response improved.** The project will support the improvement of infrastructure and services to meet the basic human needs of clean water supply and sanitation that build community resilience against COVID-19, including (i) 200 water, sanitation, and hygiene facilities, integrated with solar-powered running water supply;¹⁷ (ii) three solid waste management facilities, and the cost overrun of two ongoing contracts under phase 1 (para. 2 and footnote 10); and (iii) a surface water-based piped water supply system at Ukhiya. For the COVID-19 response, the project will support (i) upgrading and operationalization of four healthcare facilities (1 in Teknaf, 1 in Leda or Cox's bazar, 1 in camp 2W, and 1 in camp 2E) for severe acute respiratory infection isolation and treatment center (SARI-ITC) with segregated spaces for women patients; (ii) upgrading and expansion of six primary healthcare centers and/or diagnostic centers in Teknaf;¹⁸ (iii) procurement and distribution of 1,000 sets of gender-responsive personal protective equipment to women and girls; (iv) operations and logistics, and expansion of the diagnostic facility of four healthcare centers to improve diagnosis, infection prevention and control, and surveillance at points of entry; (v) skills improvement in diagnosis, infection prevention and control, and surveillance of at least 250 health care workers (including 30% women) in Cox's Bazar District; and (vi) construction of one multipurpose disaster resilient isolation center at ICDDR,B (SARI-ITC) in Teknaf.¹⁹ The project will also support the construction of two women-led semipermanent community centers which will train women and girls in the camps on health and hygiene, including the COVID-19 response, and provide shelter to victims of domestic violence. The project will implement the COVID-19 response activities in partnership with UN agencies (para. 29, footnote 28).

¹⁴ ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

¹⁵ Government of Bangladesh, General Economics Division, Bangladesh Planning Commission. 2020. [8th Five-Year Plan, July 2020–June 2025\): Promoting Prosperity and Fostering Inclusiveness](#). Dhaka.

¹⁶ The revised design and monitoring framework is in Appendix 1.

¹⁷ The solar power component is only about 0.15% of the project cost and is assessed in minor and noncore category.

¹⁸ The six primary health care centers comprise two basic emergency obstetric and newborn care health facilities at Ukhiya and Teknaf *upazila* (sub-district) and four primary health care centers.

¹⁹ The three health care facilities for SARI-ITCs are in Leda, camp 2W, and camp 20E.

17. **Output 2: Disaster risk management strengthened.** The camps and surrounding areas are highly vulnerable to seasonal cyclones, monsoon flooding, landslides, and lightning strikes. The local roads connecting to strategic facilities are poor and vulnerable to such disasters. The additional financing will strengthen disaster risk mitigation by (i) constructing six school-cum-cyclone shelters in local primary schools, and (ii) upgrading 12.7 km of rural access roads leading to the camp areas with climate change adaptation and climate-induced disaster-resilient design.

18. **Output 3: Energy sources provided.** This output has not changed under the project.

19. **Output 4: Access roads improved.** The project will rehabilitate a 30.76 km section of National Highway 1 (N1) from Unchiprang to Teknaf, including culverts and bridges, with climate change adaptation and climate induced disaster-resilient design. The dilapidated road is an artery for the supply of essential goods and the transport of camp and host communities in Teknaf to Cox's Bazar. The road improvement will halve the travel time by 1.5 hours. The construction and rehabilitation of the roads will accelerate the relief distribution, improve mobility in the camps and host communities, and facilitate the economic activities and income generation.

C. Value Addition by ADB

20. **Complementing the humanitarian response.** The funding committed by various development partners, other than the World Bank and ADB, is mostly for recurrent humanitarian support. Substantial gaps remain in infrastructure and related services to meet the basic human needs of the camp populations. Phase 2 will finance these gaps and complement the World Bank projects. It will also support the ongoing COVID-19 response, which remains pertinent given the repeated waves and continued threat of COVID-19. Further, the project is building surface water reservoirs as a sustainable water supply solution, and an innovative energy-neutral integrated waste management and resource recovery facility for solid waste management. These facilities will help build community resilience against COVID-19 and future pandemics.

21. **Consideration for future engagements.** The government has maintained its position for a dignified and peaceful early repatriation of the displaced persons from Myanmar. The displaced persons continue to express their strong desire for repatriation, with safety, security, and recognition of their identity. However, political developments in Myanmar since February 2021 have made the outlook for immediate repatriation uncertain. ADB assistance has focused on infrastructure and associated services, which have helped meet the basic needs of the displaced persons and contain the recurrent cost of humanitarian support. However, the recent needs assessment (para. 7) indicates that significant gaps remain to meet the basic needs and maintain the minimum livelihoods for the displaced persons. Moreover, the unprecedented scale of the displaced population temporarily settling into a highly fragile natural environment has caused high population pressures which have resulted in serious environmental stress in a district most prone to water scarcity and the impacts of climate change, through depleting groundwater levels and forest degradation. In terms of social development, the government has begun to facilitate skills development and capacity building of the displaced persons that are commensurate with their eventual repatriation and reintegration. The programs for providing education to Grade 1–9 pupils with the Myanmar curriculum are gradually being extended through UNICEF and other nongovernment organizations.²⁰ In line with the ongoing ADB project and the proposed additional

²⁰ To ease crowding, the government has expanded the existing camps and built living quarters and other infrastructure on Bhasan Char Island to accommodate up to 100,000 displaced persons. On 9 October 2021, the government and the United Nations High Commissioner for Refugees (UNHCR) signed a memorandum of understanding on Bhasan Char to permit livelihood activities, and skills and vocational training for the displaced persons.

financing, which focus on critical infrastructure and related services to meet the basic human needs for the camp populations and the affected host communities, ADB will continue its close consultations with the government, UN agencies, and other development partners on the possible scope of future engagements for meeting the government’s remaining financing request—by exploring the resource availability, including the possibility of further ADF grant resources and cofinancing. A preliminary assessment of infrastructure and service gaps in the project area that may be further developed to discuss the possibility of future ADB assistance has been prepared by ADB’s Bangladesh Resident Mission and included in the link document.²¹

22. **A differentiated approach.** While Bangladesh is not classified as one of the countries with fragile and conflict-affected situations (FCAS), the large influx of displaced persons from Myanmar in 2017 has created a humanitarian emergency that has put Cox’s Bazar District, which is already a disadvantaged and vulnerable area, under unprecedented stress. Following Strategy 2030, ADB is adopting a differentiated approach in prioritizing its intervention to address poverty and fragility in the non-FCAS member countries too,²² which was also applied in preparing the additional financing with close consultations with the camp and host communities and reinforcing institutional coordination to address vulnerabilities. ADB’s further engagements (para. 21) will also be prepared to reinforce and support both emergency needs identified by the humanitarian community for the displaced persons and the government’s national development goals for the host communities—by applying a differentiated, *context-specific*, and risk-based approach in planning, designing, and implementing any future interventions in Cox’s Bazar District.

D. Summary Cost Estimates and Financing Plan

23. The overall project is estimated to cost \$203.89 million (Table 1), inclusive of the additional financing of \$83.89 million. Detailed cost estimates by expenditure category and by financier are included in the project administration manual (PAM).²³

Table 1: Summary Cost Estimates
(\$ million)

| Item | Current Amount ^a | Additional Financing ^b | Total |
|---|-----------------------------|-----------------------------------|---------------|
| A. Base Cost^c | | | |
| 1. Water supply and sanitation, and COVID-19 response | | | |
| a. Water supply and sanitation | 42.31 | 21.34 | 63.65 |
| b. COVID-19 response | - | 15.99 | 15.99 |
| 2. Disaster risk management strengthened | 20.94 | 8.63 | 29.57 |
| 3. Energy sources provided | 7.85 | - | 7.85 |
| 4. Access roads improved | 34.16 | 22.76 | 56.92 |
| 5. Project management | 1.45 | 0.73 | 2.18 |
| Subtotal (A) | 106.71 | 69.45 | 176.16 |
| B. Contingencies^d | 13.29 | 13.79 | 27.08 |
| C. Financing Charges During Implementation^e | 0.00 | 0.65 | 0.65 |
| Total (A+B+C) | 120.00 | 83.89 | 203.89 |

COVID-19 = coronavirus disease.

Note: The cost estimates include the government contribution.

^a Refers to the original amount.

^b Includes taxes and duties of \$11.79 million (grant part: \$7.90 million; loan part: \$3.89 million), which the government will finance through cash contribution. Such amount does not represent an excessive share of the project cost.

²¹ Infrastructure and Services Gaps in the Project Area (accessible from the list of linked documents in [Appendix 2](#)).

²² In April 2021, ADB adopted an FCAS and small island developing states approach to operationalize Strategy 2030. The approach applies risk-informed decision-making in project development and implementation.

²³ Project Administration Manual (accessible from the list of linked documents in [Appendix 2](#)).

^c In mid-2021 prices as of 20 December 2021.

^d Physical and price contingencies, and a provision for exchange rate fluctuation, are included. Extra unallocated amount from the loan funding has been provisioned for the additional civil works under preparation in Output 4.

^e Concessional ordinary capital resources lending part will incur interest during construction.

Source: Asian Development Bank estimates.

24. The government has requested (i) a grant not exceeding \$41.40 million from ADB's Special Funds resources (ADF) to help finance the improvement of water supply and sanitation and COVID-19 response (output 1) and strengthening of disaster risk management (output 2), and (ii) a concessional loan of \$30.00 million from ADB's ordinary capital resources to finance the improvement of access roads (output 4). The loan will have an interest charge at the rate of 1.0% per year; a term of 40 years, including a grace period of 10 years; repayment of principal at 2% per year for the first 10 years after the grace period and 4% per year thereafter; and such other terms and conditions set forth in the draft loan agreement. Of the total grant amount, \$37.00 million will be allocated from the DRF+ and \$4.40 million from savings and cancellations from previous ADF cycles.

25. The grant resource allocation framework established as part of the 12th replenishment of the ADF (ADF 13)²⁴ comprises country- and theme-based components. The DRF+ was established under the ADF 13 as one of the theme-based components and offers grant assistance to ADB developing member countries (DMCs) classified as group A or B under ADB's Graduation Policy²⁵ when they are affected by a severe disaster involving significant cross-border inflows of displaced people. Bangladesh is classified as group B DMC, and phase 2 meets the criteria for allocation from the DRF+ up to the proposed amount of \$37.00 million, as explained in the eligibility assessment of the funding to additional financing from the DRF+.²⁶

26. Savings and cancellations of grant resources from previous cycles of the ADF are typically carried over to the next cycle (currently the ADF 13). Unless otherwise agreed with ADF donors, these grant resources would be made available as additional resources to group A countries as part of the country-based component of the ADF 13 grant allocation framework, as set out in ADB's Concessional Assistance Policy. As noted in para. 25, Bangladesh is classified as group B DMC for the purposes of ADB's Graduation Policy, so it is not eligible to receive ADF grant resources under the country-based component of the ADF 13 grant allocation framework. Accordingly, waivers of the eligibility criteria set out under the Graduation Policy and the grant allocation criteria specified in the Concessional Assistance Policy are required for the proposed allocation of \$4.40 million in ADF grant resources from savings and cancellations from prior ADF cycles for phase 2. The ADF donors have been consulted on this proposal and have provided their endorsement based on waivers of the applicable policies.

27. The summary financing plan is in Table 2. ADB will finance the expenditures in relation to works, equipment, and consulting services, exclusive of taxes and duties. The government will provide \$12.49 million equivalent to cover (i) taxes and duties, (ii) any land acquisition and resettlement, and (iii) project management and/or counterpart staff. The government will make

²⁴ ADB. 2020. [Concessional Assistance Policy for the ADF 13 Period](#). Manila.

²⁵ ADB's graduation policy is presented in two documents: ADB. 1998. [A Graduation Policy for the Bank's DMCs](#). Manila; and ADB. 2008. [Review of the 1998 Graduation Policy of the Asian Development Bank](#). Manila. Under the policy, group A DMCs are eligible for concessional ordinary capital resources lending (COL) and ADF grants; group B DMCs (also called OCR blend countries) are eligible for COL and have access to regular OCR lending, but generally do not have access to ADF grants; and group C DMCs have access to regular OCR lending but not to ADF grants or COL. Under the Concessional Assistance Policy for the ADF 13 period (footnote 24), group B DMCs are eligible for ADF grant allocations for certain theme-based components (including the DRF+) under limited circumstances.

²⁶ Eligibility Note for Expanded Disaster and Pandemic Response Facility Financing (accessible from the list of linked documents in [Appendix 2](#)).

available all counterpart funds required for the timely and effective implementation of phase 2, including to meet any additional costs arising from the design changes, price escalation, and other unforeseen circumstances.

Table 2: Summary Financing Plan

| Source | Current ^a | | Additional Financing | | Total | |
|-------------------------------------|------------------------|--------------------------|------------------------|-----------------------|------------------------|--------------------------|
| | Amount (\$ million) | Share of Total (%) | Amount (\$ million) | Share of Total (%) | Amount (\$ million) | Share of Total (%) |
| Asian Development Bank | | | | | | |
| Special Funds resources (ADF grant) | 100.00 | 83.33 | 41.40 | 49.35 | 141.40 | 69.35 |
| OCR (concessional loan) | - | - | 30.00 | 35.76 | 30.00 | 14.71 |
| Government of Bangladesh | 20.00 | 16.67 | 12.49 | 14.89 | 32.49 | 15.94 |
| Total | 120.00 | 100.00 | 83.89 | 100.00 | 203.89 | 100.00 |

ADF = Asian Development Fund, OCR = ordinal capital resources.

^a Refers to the original amount.

Source: Asian Development Bank estimates.

28. For the proposed additional financing, climate mitigation is estimated to cost \$5.38 million and climate adaptation is estimated to cost \$15.00 million. ADB will finance 85.5% of eligible mitigation costs and 85.5% of eligible adaptation costs.²⁷

E. Implementation Arrangements

29. The implementation arrangements will remain unchanged for the additional financing. The DPHE will implement most of output 1, the Local Government Engineering Department (LGED) will implement output 2 and part of output 1, and the Roads and Highways Department (RHD) will implement output 4. There are concurrent executing and implementing agencies for project activities in their respective areas of responsibilities. The dedicated project implementation units established under phase 1 are operational and headed by experienced project directors to manage day-to-day implementation activities, project management and reporting. DPHE will implement the COVID-19 response component by engaging IOM, UNFPA, UNICEF, and WHO through direct contracting. The resources, experience, and establishment of these UN agencies for COVID-19 response in the camps make their engagement economical and effective. Their engagement will ensure the compatibility of the results and quality of the works. The UN agencies will act as service providers, following their own procedures.²⁸ The procurement due diligence of these UN agencies has assessed them to be acceptable. A waiver of the procurement eligibility restrictions set out in the ADB Procurement Policy (2017, as amended from time to time) and ADF regulations is proposed to permit the procurement of goods, works, and services from ADB member and nonmember countries using grant proceeds, including through the UN agencies.²⁹

²⁷ Details are in Climate Change Assessment (accessible from the list of linked documents in [Appendix 2](#)).

²⁸ These four UN agencies will be responsible for the operations of the SARI-ITC in Teknaf, including the personal protective equipment and consumables; operations of the basic emergency obstetric and newborn care facilities at Ukhiya and Teknaf *upazila* health centers, and four primary health care centers, distribution of hygiene kits to women and girls in camps, and operations of women-led community centers. They will also be responsible for operational and logistics support to upgrade and modernize diagnostic facilities and laboratories in the four health care facilities on case detection, surveillance of and communication on infection prevention, control at points of entry, and training of at least 250 health workers; and upgrade and operationalize four healthcare facilities for SARI-ITC in and around the camps, including their regular operation and maintenance.

²⁹ The Board of Directors must approve the waiver by a vote representing not less than two-thirds of the total voting power of the members of the Board.

30. The implementation arrangements are summarized in Table 3 and described in detail in the PAM (footnote 23). The implementation will also be regularly coordinated with ISCG and its sector level sub-groups including the World Bank. The implementation period of the ongoing project has been extended to 31 July 2022 because of the impact of COVID-19 and remains within the maximum implementation period of 5 years for post-conflict situations under the Disaster and Emergency Assistance Policy 2004. The additional financing will be implemented over 30 months, with an expected completion date of 31 December 2024, which will be less than the permitted 3 years for post-conflict situations under the Disaster and Emergency Assistance Policy 2004.

Table 3: Implementation Arrangements

| Aspects | Arrangements | | |
|---|---|-------------------|-----------------|
| Implementation period | July 2022–December 2024 | | |
| Estimated completion date | 31 December 2024 | | |
| Estimated loan and grant closing date | 30 June 2025 | | |
| Management | | | |
| (i) Oversight body | Chair: Refugee Relief and Repatriation Commissioner in Cox’s Bazar ^a Member: DPHE (water supply and sanitation, and COVID-19 response) Member: LGED (disaster risk management and COVID-19 response) | | |
| (a) Water supply and sanitation, and COVID-19 response, and disaster risk management components | | | |
| (b) Access road component | Chair: Ministry of Road Transport and Bridges | | |
| (ii) Executing agency | DPHE, LGED, and RHD | | |
| (iii) Key implementing agencies | DPHE, LGED, and RHD | | |
| (iv) Implementation unit | Cox’s Bazar, about 10 staff in each implementing agency | | |
| Procurement | Open competitive bidding (nationally advertised) | 18 contracts | \$52.46 million |
| | Direct contracting with United Nations agencies | 4 contracts | \$9.75 million |
| Consulting services | Quality- and cost-based selection | 124 person-months | \$2.31 million |
| Retroactive financing and/or 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 and loan amounts and may finance costs incurred not earlier than 12 months before the signing date of the loan and grant agreements. | | |
| Disbursement | The loan and 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, COVID-19 = coronavirus disease, DPHE = Department of Public Health and Engineering, LGED = Local Government Engineering Department, RHD = Roads and Highways Department.

^a The implementation will also be regularly coordinated with the Inter Sector Coordination Group and its sector level subgroups, including the World Bank.

Source: Asian Development Bank.

III. DUE DILIGENCE

A. Technical

31. All new infrastructure will be resilient to climate-induced disaster, and gender equality and social inclusion (GESI)-responsive. The design and materials to be used will be based on the results of the various assessments covering climate and disaster risks, poverty, and GESI. The selection of subprojects will follow the selection criteria stipulated in the PAM, including the adherence to the safeguard requirements, and technical and economic viabilities. Duplication of subprojects will be avoided by screening the subprojects in close coordination with other development partners.

B. Economic and Financial Viability

32. The project is likely to generate significant economic benefits for the displaced persons through improved water supply and sanitation, disaster risk management, energy supply, COVID-19 response, and access roads. The economic due diligence following ADB's *Guidelines for the Economic Analysis of Projects 2017* was conducted for the entire project.³⁰ The calculated economic internal rate of return of the overall project (excluding COVID-19 response and road component funded by loan) is 16.9%; and 19.3% for the loan-funded road component against the threshold of 9.0%. This indicates the project is economically viable. The project outputs are public service goods with no opportunity for cost recovery, hence financial analysis was not conducted.³¹

C. Sustainability

33. The Cox's Bazar–Teknaf highway, electricity substation, access roads, and cyclone shelters (all outside the camps) will be maintained under the relevant ministries' recurrent budgets. Overall sustainability risk is rated *moderate* as necessary measures have been agreed and will be implemented during the project period to ensure the maintenance of the assets. Water supply and sanitation, e-voucher centers, energy supply systems, and internal roads constructed within the camps are semipermanent, and the related contracts have a provision for 2-year operation and maintenance (O&M) responsibility. For the sustainability of these assets inside the camps, a memorandum of understanding for handover to the government's camp administrators for oversight, and O&M by the site management units under IOM and the United Nations High Commissioner for Refugees (UNHCR), will be developed. Their O&M will come under the JRP.³²

D. Governance

34. **Financial management.** The assessed pre-mitigation financial management risk of DPHE, LGED, and the RHD is *substantial*, mainly because of the weak financial control systems. Their audited project financial statements have indicated few qualified audit opinions. While these agencies have implemented most of the financial management actions agreed for the ongoing project, the financial management risk remains unchanged. However, the financial management risk is manageable through implementing agreed mitigation measures, including (i) deploying project implementation unit (PIU) staff with prior ADB project experience, (ii) strengthening the internal control systems of PIUs for project transactions, and (iii) deploying the accounting software. A financial management consultant engaged through a technical assistance attached to the ongoing project will help implement the risk mitigation measures.

35. **Procurement.** A procurement assessment of the DPHE, the LGED, and the RHD has rated the procurement and contract management risk as *medium* and manageable through implementing mitigation measures agreed with these agencies, including (i) deploying PIU staff with prior ADB project experience, and (ii) introducing an efficient procurement and contract management plan. Procurement consultants will support the capacity building to ensure compliance with the agreed procurement procedures. The project has incorporated value-for-money considerations using only the tested and successful procurement methods and bidding procedures. The project will use the national system for electronic government purchase (e-GP) and will engage UN agencies working in the project area for the COVID-19 response component.

³⁰ ADB. 2017. [Guidelines for the Economic Analysis of Projects](#). Manila.

³¹ Economic Analysis (accessible from the list of linked documents in [Appendix 2](#)).

³² ADB, the Office of the Refugee Relief and Repatriation Commissioner, and the UN agencies have agreed in principle on the proposed arrangement at a half-day seminar held on 3 April 2022.

36. **Integrity.** Integrity due diligence was conducted. No significant integrity risks were identified. ADB's Anticorruption Policy (1998, as amended to date) was explained to and discussed with the government, the DPHE, the LGED, and the RHD. The specific policy requirements and supplementary measures are described in the PAM (footnote 23).

E. Poverty, Social, and Gender

37. **Poverty and social.** The project is expected to ease the basic infrastructure and social service constraints in Teknaf and Ukhiya camps, including the host communities. The settlements of displaced persons are in rural villages and agricultural plots scattered over government forest and ecologically critical areas.³³ The provision of clean water, access to sanitation and latrines, and improved public health services in and around the camps will prevent waterborne diseases, and improve the health and hygiene and COVID-19 response. The road construction and rehabilitation are expected to improve the mobility, accelerate the relief distribution and disaster risk management in the camps, and facilitate economic activities and income generation.

38. **Gender.** The project is classified *effective gender mainstreaming*, and a GESI action plan has been prepared. The ongoing project has achieved key GESI-related indicators,³⁴ and a new GESI action plan will expand to include gender-related COVID-19 activities such as providing segregated beds for women patients, and training women health workers on COVID-19 response. The project will engage a social development expert for effective social mobilization to ensure the participation of women and vulnerable groups in project-supported activities, in line with the GESI action plan, including the job opportunities, decision-making processes, and access to basic services. The project will collect the sex-disaggregated data for GESI-related results.

F. Safeguards

39. The safeguard categories of the additional financing remain unchanged.³⁵ In compliance with ADB's Safeguard Policy Statement (2009), the project's safeguard categories are B for environment and involuntary resettlement, and C for indigenous peoples. The subproject selection criteria for the ongoing project will be applied to avoid selecting subprojects with significant adverse environment, land acquisition, involuntary resettlement, and social risks. The environmental assessment and review framework (EARF) and resettlement framework prepared for the ongoing project have been updated following ADB's Safeguard Policy Statement (2009) and will guide the subproject planning and designs for additional financing.³⁶ Implementing agencies will provide the safeguard implementation reports to ADB semiannually for the construction period and annually for the operational period.

40. **Environment (category B).** The additional financing will support new interventions under outputs 1 and 2. The EARF has been updated to provide guidance and structure (para. 39) so that environmental impacts from new and expanded subprojects can be assessed and mitigated

³³ While the camps are located in rural areas, the population is now akin to small towns which would require urban planning for infrastructure and services.

³⁴ The key results achieved include women's increased decision-making power through participation in consultations (70% women's participation) for site selection of gender-responsive infrastructure such as bathing facilities and multipurpose cyclone shelters. The project also supported economic gains for women through wage employment (13% women laborers employed) in different types of infrastructure constructed and recruitment of female operators.

³⁵ ADB. [Safeguard Categories](#).

³⁶ Updated Environmental Assessment and Review Framework and Updated Resettlement Framework (accessible from the list of linked documents in [Appendix 2](#)).

proposed subprojects are site-specific and short-term, and mitigation measures are readily available. Three initial environmental examinations and environmental management plans have been prepared based on the preliminary design and will be updated once the designs are finalized for (i) the small surface water treatment plant at Ukhiya, (ii) the school-cum-cyclone shelter at Ukhiya, and (iii) Unchiprang–Teknaf highway.³⁷ Initial environmental examinations and environmental management plans for other subprojects will be prepared following the updated EARF and will be incorporated in the bidding documents to be implemented by the contractors and monitored by the implementing agencies. Implementation arrangements have been developed based on the experience from the ongoing and other ADB-financed projects. The project will provide consultant support to the implementing agencies. It will comply with COVID-19 Occupational Health and Safety Guidance and other environmental measures. The project is fully compliant with ADB's requirement for consultation and information disclosure.

41. **Involuntary resettlement (category B).** Subproject screening for all proposed subprojects has been completed, and a detailed due diligence report has been prepared. For the surface water treatment plant at Ukhiya, the DPHE plans to lease 20 hectares of land through negotiated settlement in line with the Safeguard Policy Statement 2009. The original resettlement framework and resettlement plan for the rehabilitation of national highway have been updated to reflect the changes in project outputs and scope, and the revised impacts have been reflected in the updated resettlement plan.³⁸ The original resettlement plan for 80.76 km of national highway had identified the impacts to 80 vendors, and 8 of them belong to 30.76 km section for additional financing. The resettlement plan has been updated to include the impacts. However, impacts are limited to temporary disruption and business loss during construction. No land acquisition or physical displacements are anticipated. The implementing agencies have allocated adequate resources to implement and monitor the resettlement plans. The project will provide capacity support to all three implementing agencies during the implementation, following the resettlement framework guidance. The implementing agencies have submitted the monitoring reports for the ongoing project in a timely manner, and there are no unresolved grievances on social safeguards.

42. **Indigenous peoples (category C).** The subproject selection criteria developed under the project will be applied to ensure that the additional financing will not finance the subprojects with negative impacts on tribes, minor races, ethnic sects, and communities.³⁹

G. Summary of Risk Assessment and Risk Management Plan

43. Significant risks and mitigating measures are summarized in Table 4 and described in detail in the risk assessment and risk management plan.⁴⁰

Table 4: Summary of Risks and Mitigating Measures

| Risks | Mitigation Measures |
|--|---|
| Weak financial management of implementing agencies | Project monitoring and MIS for implementation, fund flows, accounting, audit, and reporting will be strengthened. ADB staff and fulltime TA consultant will provide capacity support. PIU staff with prior ADB experience will be deployed. |
| Extreme climate events disrupt or delay the works | Implementation schedule will factor in the seasonal weather conditions. Construction activities will be planned to optimize the working season. |

³⁷ Initial Environmental Examinations (accessible from the list of linked documents in [Appendix 2](#)).

³⁸ Resettlement Plan: Access Road–RHD Component (accessible from the list of linked documents in [Appendix 2](#)).

³⁹ The term 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 (at the request of the Government of Bangladesh).

⁴⁰ Risk Assessment and Risk Management Plan (accessible from the list of linked documents in [Appendix 2](#)).

^a \$4.00 million provided, of which \$1.18 million committed and \$1.03 million disbursed as of 22 May 2022.

| Risks | Mitigation Measures |
|---|---|
| Weak or lack of dedicated PIU staff during implementation | TA consultants attached to the ongoing project ^a will continue supporting the implementing agencies on procurement, contract management, monitoring, and reporting. ADB’s extended mission will provide support on technical, financial, and coordination aspects. |

ADB = Asian Development Bank, MIS = management information system, PIU = project implementation unit, TA = technical assistance.

Source: Asian Development Bank.

IV. ASSURANCES

44. The government has assured ADB that project implementation shall conform to all applicable ADB requirements, including those concerning anticorruption measures, safeguards, gender, procurement, consulting services, financial management, and disbursement, as described in detail in the PAM (footnote 23) and loan documents.

45. The government has agreed with ADB on certain covenants for the project, which are set forth in the draft loan agreement and grant agreement.

V. RECOMMENDATION

46. I am satisfied that the proposed loan and grant would comply with the Articles of Agreement of the Asian Development Bank (ADB) and recommend that the Board approve

- (i) the loan of \$30,000,000 to the People’s Republic of Bangladesh for the additional financing of the Emergency Assistance Project, from ADB’s ordinary capital resources, in concessional terms, with an interest charge at the rate of 1.0% per year; for a term of 40 years, including a grace period of 10 years; with repayment of principal at 2% per year for the first 10 years after the grace period and 4% per year thereafter; and such other terms and conditions as are substantially in accordance with those set forth in the draft loan agreement presented to the Board;
- (ii) the grant not exceeding \$41,400,000 to the People’s Republic of Bangladesh from ADB’s Special Funds resources (ADF) for the additional financing of 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;
- (iii) in respect of the grant amount described in item (ii), (a) the allocation for such purpose of \$4,400,000 from savings and cancellations from previous cycles of the ADF and (b) waivers of the Graduation Policy and Concessional Assistance Policy to enable such allocation, in each case as described in para. 26 of this report;
- (iv) in respect of the grant amount described in item (ii), the proposal in para. 29 of this report to permit procurement (a) in countries that are not (1) developing member countries of ADB or (2) developed member countries of ADB that have contributed to the ADF; and (b) of goods, works, and services produced in such countries; and
- (v) the processing time frame of the project, which exceeds the 12 weeks period specified in the Disaster and Emergency Assistance Policy (2004), as described in para. 11 of this report.

Masatsugu Asakawa
President

REVISED DESIGN AND MONITORING FRAMEWORK

The revised design and monitoring framework strikes out content for deletion and underlines content to be added.

| Impact the Project is Aligned with Social recovery of displaced persons in Teknaf and Ukhiya camps accelerated (defined by the project) | | | |
|---|--|--|---|
| Results Chain | Performance Indicators | Data Sources and Reporting Mechanisms | Risks and Critical Assumptions |
| Outcome Living <u>and health</u> conditions, <u>safety</u> , and resilience of displaced persons improved ^a | <p>By 2021</p> <p>a. <u>By 2025</u>, reported cases of waterborne diseases decreased by 20% (2018 baseline: <u>192,560 cases</u>)^b</p> <p>b. <u>By 2025</u>, occurrence 400 ha of landslides and flooding in project area protected from flood during <u>average</u> monsoon months reduced by 50% (2018 baseline: <u>4,800 0 ha</u>)^c (OP3.2.1)</p> <p>c. <u>By 2021</u>, at least 90% of households in project area connected to <u>solar</u> electricity (2018 baseline: 70% households with <u>solar</u>-powered light) (OP1.3)</p> <p>d. <u>By 2021</u>, average travel time to transport relief goods and services to campsites reduced by 50% (2018 baseline: <u>2.5 hours</u>)</p> <p>e. <u>By 2025</u>, at least 90% of suspected COVID-19 cases in <u>the camps reported, investigated, and treated in the camps' facilities</u> (2022 baseline: 0%) (OP1.1)</p> | <p>a.–e. Project beneficiary survey Executing agency reports, <u>evaluation reports, UN agencies' situation reports, and other evaluation reports</u></p> | <p>R: Crisis and influx of displaced persons extend beyond the project life and exceed projected demand for services.</p> <p>R: <u>Unpredictable trajectory of COVID-19 constrains capacity of health system in the camps and host community.</u></p> |
| Outputs 1. Water supply and sanitation, <u>and COVID-19 response improved</u> | <p>By 2020</p> <p>1a. <u>By 2021</u>, 5-7 mobile water carriers for the distribution of potable water to the camps provided (2018 baseline: 0)</p> <p>1b. <u>By 2024</u>, 500 <u>700</u> community bathing facilities (<u>200 with solar-powered running water</u>) for women constructed and maintained, of which 10%–20% of total construction workers employed are women (2018 baseline: 0) (<u>OP1.2; OP2.1; OP1.3.1</u>)</p> <p>1c. <u>By 2021</u>, 40 mini piped water supply systems with production tube wells constructed (2018 baseline: 0) (<u>OP1.3.1</u>)</p> <p>1d. <u>By 2024</u>, 5 <u>8</u> integrated solid waste management facilities constructed, and a collection system established (2018 baseline: 0) (<u>OP1.3.1; OP 3.3.1</u>)</p> <p>1e. <u>By 2024</u>, 2 <u>4</u> small surface water treatment plants constructed or expanded (2018 baseline: 0) (<u>OP1.3.1</u>)</p> <p>1f. <u>By 2024</u>, <u>4</u> health care facilities for SARI-ITC (1 in Teknaf, 1 in Leda or Cox's Bazar, 1 in camp 2W, and 1 in camp 2E) upgraded and operationalized, with segregated spaces for women patients (2022 baseline: 0) (<u>OP1.1.2; OP2.2.2</u>)^d</p> | <p>1a.–1e. Periodic project progress reports prepared by the executing agency</p> <p>1f.–1i., 1k-1l <u>Periodic project progress reports prepared by the executing</u></p> | <p>A: <u>UN agencies and government complete implementation of COVID-19 response activities on time.</u></p> <p>R: Extreme climate events disrupt or delay execution of works.</p> |

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| | <p><u>1g. By 2024, 6 primary health care centers and/or diagnostic facilities in 2 upazilas upgraded or expanded (2020 baseline: 0 health care centers with semipermanent structures) (OP1.1.2) ^e</u></p> <p><u>1h. By 2024, 1,000 gender-responsive PPE sets procured and distributed to women and girls (2020 baseline: 0)</u></p> <p><u>1i. By 2024, operational and logistics support, and facilities for diagnosis, infection prevention and control, and surveillance at points of entry in at least 4 selected health care facilities upgraded or expanded (2022 baseline: 0 health centers with diagnostic facilities) (OP1.1.2; OP2.2)</u></p> <p><u>1j. By 2024, at least 250 health care workers (30% women) in Cox's Bazar District increased skills on conducting proper diagnosis, infection prevention and control, and surveillance at points of entry to health facilities (2022 baseline: 0) (OP1.1.1; OP2.2)</u></p> <p><u>1k. By 2024, 2 semipermanent community centers led by women established (2021 baseline: 0) (OP2.5.1)</u></p> <p><u>1l. By 2024, 1 multipurpose disaster-resilient isolation center constructed at ICDDR, B (SARI-ITC) in Teknaf (2021 baseline: 0) (OP1.1.2; OP3.2.5)</u></p> | <p><u>agency, monitoring report from IOM, UNFPA, UNHCR, UNICEF, and WHO.</u></p> <p><u>1j. Pre- and post-training assessment</u></p> | |
| 2. Disaster risk management strengthened | <p><u>2a. By 2024, 40 16 multipurpose cyclone shelters constructed with sex-disaggregated and persons with disability-friendly toilets and designated space for women, including pregnant women and lactating mothers (2018 baseline: 0) (OP2.5.2; OP4.3) ^f</u></p> <p><u>2b. By 2021, 20 semipermanent 4 large e-voucher shops for food distribution constructed, and employed of which 10%–20% of total construction workers employed in the community are women (2018 baseline: 0) (OP1.2; OP2.1; OP2.5.1; OP4.3) ^f</u></p> <p><u>2c. 5 km of hill slope protection and/or toe walls constructed by 2020 (2018 baseline: 0)</u></p> <p><u>2c. By 2021, 5 11 km stormwater drainage network constructed (2018 baseline: 0) (OP3.2.5; OP4.3) ^f</u></p> <p><u>2d. By 2020, 200 lightning arresters installed (2018 baseline: 0) (OP3.2.5; OP4.3) ^f</u></p> <p><u>2e. By 2024, 12.7 km rural access roads rehabilitated to climate induced disaster-resilient design (2018 baseline: earthen road) (OP3.2.5; OP4.1.2) ^f</u></p> <p><u>2f. Gender sensitive disaster risk management plans, adopting community based disaster risk reduction approach, prepared and implemented (2018 baseline: not applicable)</u></p> | <p><u>2a.–2f. Periodic project progress reports prepared by the executing agency</u></p> | |
| 3. Energy sources provided | <p><u>3a. By 2021, a 33/11 kV, 10 MVA substation constructed; and Cox's Bazar Teknaf grid augmented (2018 baseline: 0) (OP4.1.2) ^f</u></p> | <p><u>3a.–3e. Periodic project progress reports</u></p> | |

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| | <p>3b. <u>By 2021</u>, a 50 km, ≤11 kV new distribution line constructed with 5 MVA distribution transformers installed (2018 baseline: 0) <u>(OP4.1.2)</u>^f</p> <p>3c. <u>By 2021</u>, <u>2,000</u> new mini grid-connected streetlights and <u>4,000</u> <u>2,000</u> new stand-alone solar LED lights with built-in solar photovoltaic panels and battery banks installed (2018 baseline: 62 grid-connected streetlights and 2,495 solar photovoltaic streetlights inside the camps) <u>(OP3.1.3; OP4.1.2)</u>^f</p> <p>3d. 70,000 retained heat cookers provided (2018 baseline: 0)</p> <p>3d. <u>By 2021</u>, <u>50-100</u> solar photovoltaic micro grid systems installed at Balukhali, Kutupalong, Noyapara, Leda, and Shamlapur camps (2018 baseline: 0) <u>(OP3.1.3; OP4.1.2)</u>^f</p> | prepared by the executing agency | |
| 4. Access roads improved | <p>4a. <u>By 2022</u>, 30 <u>25</u> km of internal roads and stairs (where required) with drainage facilities constructed (2018 baseline: 0) <u>(OP4.1.2)</u>^f</p> <p>4b. <u>By 2024</u>, 30-35 km of rural roads connecting 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) <u>(OP4.1.2)</u>^f</p> <p>4c. <u>By 2024</u> 2024, 50 <u>80.76</u> km of the road from Cox's Bazar to Teknaf resurfaced, including the improvement of critical sections (market areas and culverts) (2018 baseline: 0) <u>(OP4.1.2)</u>^{f, 9}</p> <p>4d. 10%–20% of women employment in the construction and rehabilitation of access roads achieved (2018 baseline: 0)</p> | 4a.–c. Periodic project progress reports prepared by the executing agency | |
| <p>Key Activities with Milestones</p> <p>1. Water supply and sanitation, and COVID-19 response improved</p> <p>1.1 Identify and appraise subprojects, as required (by Q3-2018) <u>(completed)</u></p> <p>1.2 Recruit consultants (by Q3-2018) <u>(by Q3 2022)</u></p> <p>1.3 Prepare bid documents and commence bidding (by Q3-2018) <u>(by Q2 2022)</u></p> <p>2. Disaster risk management strengthened</p> <p>2.1 Identify and appraise subprojects, as required (by Q3-2018) <u>(completed)</u></p> <p>2.2 Recruit consultants (by Q3-2018) <u>(Q3/2022)</u></p> <p>2.3 Prepare bid documents and commence bidding (by Q3-2018) <u>(by Q2 2022)</u></p> <p>2.4 Complete disaster risk capacity building for implementing agencies /and key stakeholders (Q4 2018)</p> <p>3. Energy sources provided</p> <p>3.1 Identify and appraise subprojects, as required (by Q3-2018) <u>(completed)</u></p> <p>3.2 Recruit consultants (by Q3-2018) <u>(completed)</u></p> <p>3.3 Prepare bid documents and commence bidding (by Q3-2018) <u>completed</u></p> <p>4. Access roads improved</p> <p>4.1 Identify and appraise subprojects, as required (by Q3-2018) <u>(completed)</u></p> <p>4.2 Recruit consultants (by Q3-2018) <u>(Q3 2022)</u></p> <p>4.3 Prepare bid documents and commence bidding (by Q3-2018) <u>(Q2/2022)</u></p> | | | |
| <p>Project Management Activities</p> <p>Recruit design, monitoring, and supervision consultants (by Q4-2018) <u>(completed)</u></p> <p>Establish project implementation units (by Q3-2018) <u>(completed)</u></p> <p>Establish monitoring and evaluation system <u>(completed)</u></p> <p>Carry out quality reviews <u>(ongoing)</u></p> <p><u>Establish coordination mechanism with UN agencies and other development partners (ongoing)</u></p> <p><u>Design and initiate training and capacity-building programs for public health and medical staff (by Q3 2022)</u></p> | | | |

Inputs

Asian Development Bank:

Asian Development Fund grant: \$141.40 million (\$41.40 additional financing)

Concessional ordinary capital resources loan: \$30.00 million

Technical Assistance Special Fund (TASF 6): ~~\$3~~ \$4.00 million (grant)

Government of Bangladesh: ~~\$20.0 million~~ \$32.49 million (\$12.49 million additional financing)

A = assumption; COVID-19 = coronavirus disease; ha = hectare; ICDDR,B = International Centre for Diarrhoeal Disease Research, Bangladesh; IOM = International Organization for Migration; km = kilometer; kV = kilovolt; LED = light-emitting diode; MVA = megavolt-ampere; OP = operational priority; PPE = personal protective equipment; Q = quarter; R = risk; SARI-ITC = severe acute respiratory infection isolation treatment center; UN = United Nations; UNFPA = United Nations Population Fund; UNHCR = United Nations High Commissioner for Refugees; UNICEF = United Nations Children's Fund; WHO = World Health Organization.

^a People directly benefited: 886,000 displaced persons and 324,000 persons from host communities.

^b Periodic situation reports of UN agencies (UNHCR, IOM, UNICEF, and WHO) in Cox's Bazar.

^c Camp numbers 9, 11, 12, 18, and 21 are identified as most vulnerable to floods and landslides during the monsoon months (May–August). Source: Inter Sector Coordination Group Report. 12 August 2018; [Relocation Update, 12 August 2018 - Bangladesh | ReliefWeb](#) In the absence of a system to monitor flood events, the indicator was changed to protected area from flooding. This is aligned with OP 3.2.1.

^d For the SARI-ITC in Teknaf, upgrading includes building disaster-resilient semipermanent structures for the SARI-ITC and cyclone shelter, with bed capacity of up to 200 beds, allocating segregated spaces for women patients, and providing operational support for recurrent costs, medicines, and PPE. For the other three SARI-ITCs, upgrading includes allocating segregated spaces for women patients, and providing operational support for recurrent costs, medicines, and PPE.

^e The six primary healthcare centers comprise two basic emergency obstetric and newborn care health facilities and four primary healthcare centers at Ukhiya and Teknaf upazila (sub-district).

^f While the camps are located in rural areas, the population is now akin to small towns which would require urban planning for infrastructure and services. Hence, the indicators are tagged to OP 4 (making cities more livable).

^g Financed under the \$30 million concessional ordinary resources loan.

Contribution to Strategy 2030 Operational Priorities:

The expected values and methodological details for all OP indicators to which this operation will contribute results are detailed in Contribution to Strategy 2030 Operational Priorities (accessible from the list of linked documents in Appendix 2).

Source: Asian Development Bank.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/RRPs/?id=52174-002-2>

1. Grant Agreement
2. Loan Agreement
3. Project Administration Manual
4. Summary of Project Performance
5. Emergency Assistance Coordination
6. Economic Analysis
7. Summary Poverty Reduction and Social Strategy
8. Risk Assessment and Risk Management Plan
9. Climate Change Assessment
10. Gender Equality and Social Inclusion Action Plan
11. Environmental Assessment and Review Framework
12. Initial Environmental Examination: Disaster Risk Management–Cyclone Shelter
13. Initial Environmental Examination: Water Supply–Surface Water Treatment Plant, Ukhiya
14. Initial Environmental Examination: Access Road–Roads and Highways Department Component
15. Resettlement Framework
16. Resettlement Plan: Access Road–Roads and Highways Department Component
17. Contribution to Strategy 2030 Operational Priorities
18. Financial Management Assessment

Supplementary Documents

19. Strategic Procurement Planning Assessment Report
20. Eligibility Note for Expanded Disaster and Pandemic Response Facility Financing
21. Infrastructure and Services Gaps in the Project Area
22. Economic Analysis of Road Component (Loan Funded)