

JAPAN FUND FOR POVERTY REDUCTION GRANT
Supporting Socially Inclusive Development for Better Livelihood through Rupsha Power Plant Project

I. INTRODUCTION

1. The project targets improving energy security in Bangladesh. The country faces major energy shortages in the short to medium term and must secure cost-effective, new, and diversified energy sources. The project will have four outputs: (i) efficient gas-fired power generation increased, (ii) energy transfer systems upgraded, (iii) institutional capacity of North-West Power Generation Company Limited (NWPGL) strengthened, and (iv) socially inclusive development of communities neighboring the project site pilot tested. The project involves construction of the Rupsha 800-megawatt (MW) combined cycle power plant. For gas supply to the Rupsha power plant, the project will construct a 10-kilometer (km), 24-inch, gas distribution pipeline to connect the Khulna city gas station to the Rupsha power plant.¹ The project will also finance the construction of a 230-kilovolt switchyard at the Rupsha power plant site and about 29-km of high-capacity 230-kilovolt double-circuit transmission lines to deliver the generated power to the national power grid.² The project is aligned with the following impact: energy security improved, and electricity supply increased. The project will have the following outcome: availability of efficient and cleaner energy increased. The grant will link to two of the four project outputs: (output 3) institutional capacity of NWPGL strengthened, and (output 4) socially inclusive development of communities neighboring the project site pilot tested. The Japan Fund for Poverty Reduction (JFPR) grant will support improvements in safe and inclusive education, training related to electricity at schools near the Rupsha power plant, technical and skills training and energy sector gender awareness raising.

II. THE GRANT

A. Rationale

2. The power sector in Bangladesh is characterized by recurring shortages of electricity generating capacity in the face of ever-rising demand in a growing economy. In June 2017, the installed generating capacity was 13,555 MW and the estimated peak demand was 10,400 MW, of which 9,479 MW was served. The remaining demand was met with inefficient customer-owned captive generation and selective load shedding.³ Given peak demand is forecast to exceed 13,300 MW by 2020 and 19,900 MW by 2025, older generators urgently require replacement, while new generators are also needed to serve the additional demand. Bangladesh's power system master plan describes the required generation capacity to meet this increasing demand at the lowest cost.⁴ The proposed project is an integral part of the government's strategic framework, and the project design involves constructing the Rupsha power plant and the gas distribution lines, as well as transmission lines for power evacuation. The environmental and resettlement impacts caused by the project are covered by the Safeguard Policy Statement (2009) of the Asian Development Bank (ADB) and mitigated through counterpart funds. The activities envisaged under the JFPR grant are for socially inclusive development, rather than mitigation or compensation.

¹ The project will also construct an additional 2 km, 20-inch gas pipeline (offtake) from the Rupsha power plant to NWPGL's existing 225 MW power plant in Khulna, which is currently operating on high-speed diesel.

² The double-circuit transmission lines will comprise 24.61 km of new transmission line and an additional 4.70 km of restrung transmission line.

³ Bangladesh Power Development Board. 2017. *Annual Report, 2016–2017*. Dhaka.

⁴ Government of Bangladesh; Ministry of Power, Energy and Mineral Resources; Power Division. 2016. *Power System Master Plan 2016*. Dhaka.

3. Bangladesh aims to transform into a developed economy by 2041. To achieve this goal, development impacts of projects should be spread out and shared with surrounding communities, and an inclusive, resilient, and sustainable development model for benefits sharing needs to be created. The project will introduce innovative practices to deliver socially inclusive and gender-sensitive benefits to the communities in the project area with JFPR support. The JFPR grant financing will focus on vulnerable households and women, with the view to improving living standards and the community's quality of life.⁵ It will strengthen the project's socioeconomic effectiveness and will build stakeholders' capacities. Further, the project will employ best practices, making it an exemplary model that can be replicated in other NWPGL projects. This will positively contribute to helping Bangladesh achieve its goal of becoming a developed economy by 2041.

4. The villagers around the project site are among the most marginalized and vulnerable groups in Bangladesh. The average monthly income per household in Khulna Division was estimated at Tk9,569, below the national average of Tk11,479 in 2010.⁶ In the project area, 28.5% of households earn less than Tk9,200 per month. In Bangladesh, there are 6 million people who have migrated due to climate impacts (e.g., flooding), and a particularly high proportion of these climate-affected migrants are found in the divisional capital of Khulna and Rajshahi.⁷ Thus, there is a significant need for poverty reduction in the surrounding communities, and vulnerable groups need to be targeted for socially inclusive development.

5. The Rupsha power plant will be located in ward 13 in Khalishpur *thana* (city-district), Khulna city. There are about 4,590 households in ward 13.⁸ In addition, the project site is bound by ward Senhati in Dighalia *upazila* (subdistrict). Adjacent to the power plant, across the Bhairab River is a fishing village named Chandoni. The unemployment rate of Khalishpur *thana* and Dighalia *upazila* is over 30%, and most of the households are dependent on small service work and fishing for their livelihoods. There are 120 households in Chandoni village dependent on fishing. The villagers are already experiencing the combined effects of increased industrialization along the river and increased river traffic. The villagers are very poor, marginalized, and only a handful of families own a fishing boat.

6. The project can be an effective channel for supporting vulnerable groups, as it will provide surrounding communities with improved access to electricity, livelihoods, and employment opportunities. The proposed grant will support villagers to avail themselves of job opportunities. Further, grant activities focused on empowerment of vulnerable groups, including women and children in rural Bangladesh, will provide additional and more sustainable livelihood measures (in addition to the vulnerable allowances provided under the project loan), and help prevent these groups from falling behind in sharing development benefits.

7. Another aspect of the JFPR grant support is to facilitate the introduction and implementation of innovative programs, such as solar rooftops for schools that could be replicated and scaled up once successfully established. The technical viability of solar rooftop systems in schools was studied under an ADB technical assistance (TA) project by the Human

⁵ Vulnerable households are (i) households headed by women, persons with disabilities, or the elderly; (ii) households falling under the generally accepted indicator for poverty; and (iii) households that are landless or without legal title to land, subject to results of social survey and assessment.

⁶ Bangladesh Bureau of Statistics. 2010. *Household Income and Expenditure Survey*. Bangladesh

⁷ GIZ. 2017. *Urban Management of Internal Migration Due to Climate Change: Bangladesh*. Bangladesh

⁸ As of 2011, the population of Khalishpur *thana* was 165,299 and the population of ward 13 was 19,278. This figure was calculated from the 2001 census, which gave a population of 19,959 in ward 13, factoring in the -3.41% population decrease from 2001 to 2011. The number of households was calculated using the 2011 average household size in Khulna District, which was 4.2 people.

and Social Development Division of ADB's South Asia Department with the participation of a renewable energy expert from the South Asia Department's Energy Division.⁹ However, no pilot was conducted under the TA, due to various implementation barriers; the schools proposed herein meet the technical and social requirements for piloting this innovative feature being in a marginalized area and appropriate from a seismic perspective. Information sharing with regards to the solar rooftop system installed under this grant, will be shared with the Ministry of Education by NWPGL and ADB. The grant will also support information technology (IT) labs, various models of these types of labs (and associated equipment) have been studied jointly by ADB, the World Bank, the Department for International Development of the United Kingdom, and the Korea International Cooperation Agency, and, to date, school IT lab initiatives have been mostly in central urban locations in Bangladesh (e.g. Dhaka). Support for IT labs in remote area schools, as included under this grant, can supplement the efforts made by the education units of the multilateral and bilateral agencies mentioned above.

B. Outputs and Key Activities

8. The grant will have four outputs (Table 1) and link to two of the four project outputs, outputs 3 and 4 (para. 1). The grant activities will focus on supporting (i) provision of a safe and inclusive educational environment, (ii) training on safe and efficient use of electricity and electronic equipment delivered, (iii) technical and skills training to expand livelihood and employment opportunities, and (iv) improved social and gender awareness in the energy sector.

9. **Output 1: Safe and inclusive educational environment provided.** The site for the Rupsha power plant is an abandoned newspaper mill complex that includes one active boys and one active girls' schools; the schools have not been repaired or maintained since 2002 when the mill ceased operations. The boys' and girls' schools are the only schools available for the surrounding communities, especially to the north of the newspaper mill; the schools have therefore continued running even after closure of the newspaper mill. Currently, about 300 students are studying in the dilapidated school buildings.¹⁰ Considering the status of the schools and potential environmental and social impacts from the Rupsha power plant, the schools require relocation. The relocation has been agreed between ADB and NWPGL, and the relocated schools will be within the mill complex grounds and have no adverse resettlement impacts. NWPGL will be undertaking the relocation, providing very basic facilities and services (i.e., building structure, toilets, and furniture). The schools are classified as semi-private and semi-public entities, as they receive an allowance as government facilities to provide teachers' salaries. A school committee is responsible for the ongoing functioning of the schools and will continue to do so after the relocation. The new school location has been decided in collaboration with the school committee, structural engineers, and environment specialists to determine a safe and accessible location.

10. There is no electricity connection in the current school buildings, which is essential to providing an adequate educational environment for students. New school buildings will be constructed along with resettlement activities required by ADB's Safeguard Policy Statement. The new schools are expected to have a grid connection, but a renewable energy system (e.g., solar panels) is also proposed to guarantee long-term, sustainable, and reliable energy supply, considering the electricity shortages in Bangladesh. This will enable the schools to have an improved learning environment and contribute to carbon emissions reduction. This innovative

⁹ ADB. 2015. *Draft Technical Report (14–25 April 2015) under Tranche 2 of Loan 3047-BAN: Secondary Education Sector Investment Program*. Manila.

¹⁰ In 2017, 250 boys and 150 girls registered, and 212 boys and 97 girls attended. Indicators and targets are based on the number of students in attendance.

initiative can be replicated and applied to other schools and support the stimulation of sustainable development in Bangladesh. Thus, the grant will support a renewable energy system with efficient electrical appliances, and IT and science laboratories. The grant will support the appropriate procurements and operations of a renewable energy system, and equipment such as lights, ceiling fans, and computers. The maintenance requirements will be included in contracts, and the suppliers will be responsible to provide operation and maintenance services for the solar system and IT laboratories for the equipment life cycle.

11. During consultations with teachers, parents, and students, priorities were identified for the new school facilities. The JFPR grant will support procuring inclusive facilities and equipment equally for boys and girls, including (i) facilities for reading, art, and physical education; and (ii) libraries and multipurpose halls with necessary equipment. Among other investments, is a common emergency clinic for the schools. Funding and resources for the ongoing clinic operation and maintenance will be managed by NWPGL. Subject to a needs assessment and funds availability, school buses and the other educational materials may be supported under the grant. The equipment will be procured following the ADB's Procurement Guidelines (2015, as amended from time to time). At the boys' and girls' schools, 300 students and 20 teachers are anticipated to directly benefit from output 1. The school's facilities can also be used as a community training hub, especially for output 3 of the grant (para. 14). The key activities under this output are as follows:

- (i) Providing a 10-kilowatt solar system with energy-efficient appliances (e.g., lights and ceiling fans) and installing two IT and science labs for the boys' and girls' schools. For the renewable energy system, battery storage, power distribution lines, and a charge controller will be procured.
- (ii) Supporting inclusive educational facilities such as libraries, a multifunction hall, a playground, and an emergency clinic. In Bangladesh, an emergency clinic is not generally provided to schools because of a lack of medical resources as well as maintenance issues; NWPGL will be supporting the ongoing funding for operations, maintenance and staffing of the clinic which will be available for the students and teachers.
- (iii) Supporting school buses and other educational materials, subject to a needs assessment and fund availability. The needs assessment will be based on students' travel distance and time (the students generally walk 20 or 30 minutes to get to school). There are severe safety issues en route, as Bangladesh has a very high road accident fatality rate with more than 60 deaths per 10,000 motor vehicles per year and 43% of accidents involving pedestrians.¹¹ Considering the risk, and based on the results of the needs assessment, the procurement of school buses will be further justified.

12. **Output 2: Training on safe and efficient use of electricity and electronic equipment delivered.** Most of the students attending the schools in the project area are poor, with socially and culturally restricted access to information that is also linked to livelihood opportunities. Providing electricity will enhance students' access to necessary information and livelihood opportunities in the future. IT laboratories can be used to enhance the curriculum, thus strengthening academic outcomes. Computers can be used to develop new quantitative and analytical skills, which will allow girls and boys to access previously restricted areas of the job market. For example, the IT laboratories could be used for young girls to fill out skills training or job applications. Also, currently, English-language education is textbook based, and once IT laboratories are provided, there is an opportunity to improve these classes as well.

¹¹ K. Maniruzzaman and R. Mitra. 2005. Road Accidents in Bangladesh. *IATSS Research*. 29 (2). pp. 71–73.

13. Even after the electricity connection and equipment support, it will be still hard to utilize electronics safely and efficiently. Furthermore, ongoing management of the IT and science laboratories requires specialized knowledge and training. The equipment support should therefore include directions and instructions on how to utilize the electronic facilities and equipment safely and effectively. Thus, the grant will support training for the teachers and students on safe use of the equipment and facilities. Training materials and programs on safe and efficient use of electricity and electronic equipment will be developed. One international firm will be retained for outputs 2, 3, and 4, and recruited in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). At least 200 persons among the 300 students and 20 teachers at the boys' and girls' schools are anticipated to directly benefit from this output. The key activities under this output are as follows:

- (i) Training on safe and efficient use of electricity and electronic equipment (provided to both students and teachers with at least 30% women's participation),
- (ii) Training on how to use and manage IT and science laboratories (provided to both students and teachers with at least 30% women's participation), and
- (iii) Training on how to utilize IT technology to improve education and information access (provided to teachers only).

14. **Output 3: Technical and skills training to expand employment and livelihood opportunities provided.** Villagers in the communities around the project area are very poor and marginalized. During consultations, the villagers (including women) expressed concerns about the lack of livelihood measures and requested support for employment opportunities (including project employment). However, most are unskilled and lack qualifications, and need support to improve their livelihood status. Thus, the grant will provide technical and skills training for villagers, especially members of vulnerable households who need additional livelihood and employment opportunity support. A needs assessment will be undertaken to determine the most appropriate training program design and materials based on villagers' interests and needs. In addition, the JFPR grant will provide support for continuous monitoring and management of biodiversity and ecology around the project area in collaboration with the Chandoni villagers to help them sustain their fishing livelihood activities. The output will target at least 200 participants from 90% of the project area's vulnerable households, including at least 30% women. One international firm will be retained for outputs 2, 3, and 4 and will provide relevant training and support in the purchasing of equipment, if necessary. In addition, a national firm can be retained for activity (ii), as it requires local and regional understanding. Recruitment of consultants will be in accordance with ADB's Guidelines on the Use of Consultants. Any equipment will be procured following ADB's Procurement Guidelines (2015, as amended from time to time). The school facilities in output 1 can be used as a community training hub. The key activities under this output are as follows:

- (i) Training to (a) promote energy-based livelihood activities through access to electrical appliances and (b) increase employment opportunities for technical and administrative works (e.g accounting, constructing and plumbing).
- (ii) Biodiversity, ecology, and livelihood participatory training and monitoring, subject to a needs assessment. A pre-needs assessment has been undertaken through several focus group discussions at the Chandoni village. The over-50 age group would like to maintain their current livelihoods, which are related to fishing, whilst other age groups were more open to alternative livelihood opportunities. Thus, the project will support monitoring of ecological abundance and preparation of mitigation measures and provide necessary training to preserve biodiversity.

15. **Output 4: Social and gender awareness in the energy sector improved.** While the energy sector can provide employment opportunities for women and men, persistent gender

inequalities in secondary and higher education, as well as gender stereotypes in the labor market, restrict women's participation in the sector. Undertaking activities to educate students about future career paths, particularly in technical, professional, and management positions in the energy sector, will be important in achieving long-term gender equity.

16. Thus, the grant will support opportunities for improving social inclusiveness and gender awareness with NWPGL and students in the communities around the project area. Training materials and programs will be developed for the activities under this output. An international firm will be retained for outputs 2, 3, and 4 and will prepare training materials, models, and guidance notes, as well as facilitate workshops and outreach events. The beneficiaries are NWPGL staff and students reached through school outreach events. The key activities under this output are as follows:

- (i) A series of gender and energy workshops will be held for NWPGL at its headquarters and regional hubs.¹²
- (ii) A school outreach event series (twice per year in 2019, 2020, and 2021) will be held to encourage male and female students to consider a career in the energy sector. Information on vocational and higher education pathways will be provided, and NWPGL staff will participate (at least 30% of support will be directed toward female participants in the event series).
- (iii) A socially and gender-inclusive community development strategy for NWPGL will be prepared and included in a final grant report.

C. Cost Estimates and Financing Plan

17. The grant is estimated to cost \$1.5 million (Table 1). Taxes and duties under the JFPR grant will be financed by the JFPR.

Table 1: Cost Estimates
(\$'000)

Item	Amount ^a	Share of Total (%)
A. Base Cost		
1 Output 1: Safe and inclusive educational environment provided	900	60
2 Output 2: Training on safe and efficient use of electricity and electronic equipment delivered	50	3
3 Output 3: Technical and skills training to expand employment and livelihood opportunities provided	270	18
4 Output 4: Social and gender awareness in the energy sector improved	180	12
Subtotal (A)	1,400	93
B. Contingencies ^b	100	7
Subtotal (B)	100	7
Total Cost (A+B)	1,500	100

^a In October 2017 prices. Includes taxes and duties for equipment and consulting services.

^b Maximum of 10% of the total cost.

Source: Asian Development Bank estimates.

18. The JFPR will provide grant cofinancing equivalent to \$1.5 million to be administered by ADB.

¹² These workshops will also cover safeguards and climate change issues.

19. The financing plan is in Table 2. The executing agency and other partners will provide in-kind counterpart support in the form of full-time employees that will support the grant implementation and training activities.

Table 2: Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Japan Fund for Poverty Reduction ^a	1.5	100.0
Total	1.5	100.0

^a Administered by the Asian Development Bank. Includes taxes and duties for equipment and consulting services. Source: Asian Development Bank estimates.

D. Implementation Arrangements

20. The indicative implementation arrangements are provided in Table 3. Implementation arrangement details are described in detail in the project administration manual. International and national firms with implementation experience in Bangladesh will be recruited to support implementation. This will follow ADB's Procurement Guidelines (2015, as amended from time to time) and the Guidelines on the Use of Consultants (2013, as amended from time to time).

Table 3: Implementation Arrangements

Aspects	Arrangements
Implementation period	September 2018 to December 2021
Estimated completion date	31 December 2021
Management	
(i) Oversight body	ADB will administer the Japan Fund for Poverty Reduction grant
(ii) Executing agency	NWPGCL
(iv) Implementation unit	Project management unit established in NWPGCL (with support from consultants under the contract)
Procurement	NCB and shopping 8 contracts \$900,000
Consulting services	QCBS (international) 1 firm \$450,000
	QCBS (national) 1 firm ^a \$50,000
Advance contracting	Eligible contract packages and eligible expenditures agreed between ADB and the borrower may be considered for advance contracting subject to management clearances.
Disbursement	The grant proceeds will be disbursed in accordance with ADB's <i>Loan Disbursement Handbook</i> (2017, as amended from time to time) and detailed arrangements agreed upon between the government and ADB.

ADB = Asian Development Bank, NCB = national competitive bidding, NWPGCL = North-West Power Generation Company Limited, QCBS = quality- and cost-based selection.

^a A national firm will be hired if biodiversity- and ecology-related monitoring and training for livelihood improvement is necessary based on the final report for the biodiversity assessment being conducted by International Union for Conservation of Nature.

Source: Asian Development Bank estimates.

III. DUE DILIGENCE

21. ADB staff and consultants specializing in gender and social aspects undertook consultations and conducted discussions with the executing agency for the grant. Project due diligence is provided in the project report and recommendation to the President and the linked documents.

A. Technical

22. The grant interventions proposed are focused on inclusive education and poverty reduction to improve living standards and educational opportunities, with special attention on vulnerable households, women, and girls. A socioeconomic evaluation of the project and grant has been conducted, focusing on gender and social inclusion. The results and findings will be assessed, published and disseminated as knowledge products. The technical viability of the solar rooftop system for the schools has been studied. The proposed project is anticipated to complement the school solar rooftop study conducted in April 2015, and will act a pilot for this type of initiative by ADB, the JFPR and the other multilateral and bilateral financial institutions.¹³

B. Economic and Other Impacts, Financial Viability, and Sustainability

23. Financial viability was assessed by comparing the incremental costs and revenues of the project over its lifetime. The financial internal rate of return for the Rupsha power plant was calculated in real terms on an after-tax basis using 2017 constant prices. Results (confirmed through sensitivity analysis) show a rate of return of 6.0%, which is above the weighted average cost of capital of 1.8%; therefore, the project is deemed financially viable. The economic internal rate of return was calculated as 17.8%, which is above the minimum required rate of 9.0%; therefore, the project is deemed economically viable. The grant components will be targeted at the school students and teachers of the relocated schools in the newspaper mill complex and the vulnerable households living in nearby villages adjacent to the project area. The facility IT and science laboratory improvements will be accompanied by necessary training and capacity building to support their continued maintenance and use. The cost for grant components has been estimated in consultation with the executing agency and NWPGL's feasibility study consultant based on current market rates and was reviewed during ADB's project preparatory due diligence.

C. Governance

24. NWPGL, an enterprise of Bangladesh Power Development Board, is one of five power generation utilities in the country. NWPGL was created in 2007 under the provision of the Companies Act, 1994 and the framework of the government power sector reforms policy supported by ADB's sector development program loan.¹⁴ NWPGL has significant capability in public procurement, as well as extensive knowledge of ADB's procurement processes and regulations. Procurement capacity risk is rated *low*. The financial management assessment of NWPGL carried out by ADB showed that the financial management risk is moderate. NWPGL has the capacity and knowledge to properly manage the project, and the financial management ability to handle its current level of operations is adequate. However, the assessment noted that NWPGL needs to strengthen its overall financial management capacity considering its future aggressive project development agenda. NWPGL currently uses a manual information reporting system and accounting; financing and fixed asset recordings are done manually using spreadsheets. Under the loan, ADB will help NWPGL build the additional financial management capacity needed to efficiently undertake future development projects. NWPGL has sufficient capacity to implement the grant components and is responsible for procuring and installing the necessary equipment and facilities. An international firm will be

¹³ ADB. 2015. *Draft Technical Report (14–25 April 2015) under Tranche 2 of Loan 3047-BAN: Secondary Education Sector Investment Program*. Manila.

¹⁴ ADB. 2007. *Report and Recommendation of the President to the Board of Directors: Proposed Sector Development Program Loan to the People's Republic of Bangladesh for the Sustainable Power Sector Development Program*. Manila.

recruited to provide consulting services related to livelihood, employment, and gender equity. A national firm will be engaged for biodiversity, ecology, and livelihood participatory training and monitoring, if necessary.

D. Poverty and Social Impacts

25. The project outputs are designed to deliver tangible benefits by increasing power supply to the national grid, thereby supporting about 1.36 million households with electricity supply. The major benefits of the project are enhanced energy security and additional electricity supply that will promote business expansion and create employment opportunities for local communities, including poor and socially disadvantaged people, during the implementation phase. The project will also contribute to poverty reduction by bringing economic activities and livelihood opportunities around the project site and by providing electricity in the area. The grant components will be used to support livelihood opportunity development, poverty reduction, and social inclusion, especially targeting vulnerable households in the communities. Particular attention will be paid to a fishing village on the left side of the Bhairab River with 120 households. The grant will also support improved inclusive education facilities for the boys' and girls' schools near the Rupsha power plant. Direct beneficiaries include 300 students and 20 teachers. Further, support under the grant will contribute to improving gender equity by enhancing gender awareness of NWGPCL staff and students in the communities.

E. Participatory Approach

26. During preparation, ADB consultants and staff specializing in gender and social aspects visited the communities and consulted with all related stakeholders, including executing agency staff; the result of this consultation has been reflected in output preparation. In particular, students' and teachers' inputs on the school facility needs were prioritized, with girls noting the lack of play, music, and recreational facilities, as well as how the lack of sanitary facilities influenced their school attendance. Detailed design and the setting of baselines will be undertaken prior to implementation of the grant interventions. This will assist in monitoring improvements in school attendance and completion, as well as livelihood improvements. The consultation will continue, and a necessary needs assessment will be undertaken.

F. Development Coordination

27. ADB's project mission in October 2017 met with officials of the Embassy of Japan in Dhaka on the 17 October and the Japan International Cooperation Agency on 24 October, during which there were discussions of the rational, current status, and implementation arrangements of the project and grant. Details of the discussions are included in Supplementary Document 2.

G. Safeguards

28. The activities under the JFPR grant are not expected to cause any environmental, involuntary resettlement, and indigenous peoples impacts, as they comprise training, equipment procurement, and facility improvement within the possession of the executing agency and/or other government agencies. No indigenous peoples reside in and around the project area, and positive or adverse impacts on indigenous peoples are not anticipated. The school relocation will take place within the existing newsprint mill complex and will not involve any displacement. The loan project is categorized as environment category A, involuntary resettlement category B,

and indigenous peoples category C. The draft environmental impact assessment report and resettlement plan have been prepared and uploaded on the ADB website.

H. Risks and Mitigating Measures

29. Risks and mitigating measures are summarized in Table 4.

Table 4: Summary of Risks and Mitigating Measures

Risks	Mitigating Measures
Increases in prices of commodities and raw materials in the international market above projections and contingencies could result in cost overrun and delay project completion.	The capital expenditure estimates are benchmarked to recent similar projects in Bangladesh. Additionally, adequate physical and price contingencies have been provisioned in the project cost.

NWPGCL = North-West Power Generation Company Limited.

Source: Asian Development Bank assessment.

IV. ASSURANCE

30. The government and NWPGCL have assured ADB that implementation of the JFPR grant shall conform to all applicable ADB policies including those concerning anticorruption measures, safeguards, gender, procurement, consulting services, and disbursement as described in detail in the project administration manual and the grant agreement.¹⁵

¹⁵ Legal document to be signed by the government and ADB.