

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: PIDA7673

Project Name	Bangladesh Urban Resilience Project (P149493)
Region	SOUTH ASIA
Country	Bangladesh
Sector(s)	General public administration sector (100%)
Theme(s)	Natural disaster management (70%), Urban planning and housing policy (30%)
Lending Instrument	Investment Project Financing
Project ID	P149493
Borrower(s)	Government of Bangladesh
Implementing Agency	Project Coordinating Monitoring Unit, Programming Division, Planning Commission, Ministry of Plannin, Dhaka North City Corporation, Ministry of Local Government, Rural Development and Cooperatives, RAJUK (Capital Development Authority), Ministry of Housing and Public Works, Department of Disaster Management, Ministry of Disaster Management and Relief
Environmental Category	B-Partial Assessment
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Decision	

I. Project Context

Country Context

Bangladesh has maintained an impressive track record on extreme poverty reduction and shared prosperity since the country's independence in 1971. Sustaining economic growth at around 6 percent in the past decade, the country has witnessed a profound social transformation with an influx of girls into the education system and women into the labor force. During this time, poverty has dropped by nearly a third, and there have been material increases in life expectancy, literacy, and per capita food intake. More than 16 million Bangladeshis have moved out of poverty in the last 10 years.

The strong economic growth prospects have fueled a significant population shift to Bangladesh's urban areas. As a result, the contribution of agriculture to Gross Domestic Product (GDP) fell from 30 percent in 1990 to 20 percent in 2010, while the contribution of the urban sector to GDP

increased from 37 percent to an estimated 60 percent over the same period. The urban share of the total population of 150 million people amounted to approximately 29 percent in 2013, compared to 21 percent 20 years earlier. By 2050 the population is expected to grow to 200 million, and 52 percent are expected to live in urban areas. Not only is urbanization increasing, but the population density in major metropolitan areas is 1,900 people per sq. km. – among the highest in the world.

The sustained growth and rapid urbanization is exerting great pressure on urban development and the delivery of basic public services, and substantial efforts are needed to improve quality of life for all. Bangladesh's cities are characterized by an ever-widening infrastructure deficit, and more and more people are bound to living in sub-standard conditions. Sound planning and development are lacking, and new capital development is encroaching on already limited open space. Processes for quality control of construction and adherence to building code provisions as well as other standards are insufficient. Furthermore, the Government also lacks the capacity to tackle the threat of man-made and natural disasters, putting millions of people at risk. To sustain accelerated and inclusive growth, Bangladesh will need to manage the urbanization process more effectively.

Sectoral and institutional Context

Sectoral Context

Bangladesh is the most disaster prone country in the world , and is highly exposed to a variety of hazards such as floods, cyclones and earthquakes. The Government of Bangladesh (GoB) has instituted disaster risk reduction policies and invested in infrastructure along coastal areas to mitigate the risk from floods and cyclones, primarily after the catastrophic cyclones of 1970 and 1991. Over the years, the GoB has demonstrated that investments in flood management and cyclone preparedness saves lives, reduces economic losses, and protects development gains. As a result, the Government's actions are often cited in the argument for proactively investing in Disaster Risk Management (DRM) globally. Despite these tangible gains, the vulnerability of Bangladesh's urban areas is not as well understood, or addressed, in the country's policy framework. DRM solutions in an urban context also present greater challenges than in a coastal setting.

With seven million people living in Dhaka City, and 15 million people living in the wider metropolitan area, Dhaka is particularly at risk. Approximately 28 percent of the population is already classified as poor, and an estimated 300,000 to 400,000 poor migrants arrive in the city on a yearly basis. Land use planning regulations, and public service delivery in the urban areas of Bangladesh have failed to keep up with the pace of growth. The current regulatory environment is somewhat opaque and the enforcement mechanisms for urban development control do not address structural safety, creating an environment that lacks practical enforcement capability and accountability. In this context, physical and social vulnerabilities keep increasing and any hazards, such as floods, fires, building collapses, or earthquakes, present a formidable threat to life and prosperity.

Dhaka is also highly exposed to recurrent emergency events. According to the Fire Service and Civil Defense (FSCD), there are about 20,000 fires on average each year in Dhaka. The lack of local capacity to conduct search and rescue, which requires heavy lifting equipment and specialized training, often leads to slow response processes that can have dramatic repercussions in an emergency context. Fundamental deficiencies are apparent in the emergency management system, which relies more on ad-hoc decisions than a structured response operation.

The city of Sylhet, located outside of Dhaka, is the third largest city in Bangladesh and, like many fast growing secondary cities in the region, suffers from a responsive rather than proactive approach to urban management and development. Sylhet's own five-year development plan acknowledges that "the shortage of administrative, technical and professional capacity is exacerbated by lack of coordination, an unwieldy bureaucracy and poor organization". In this context, and the city's proximity to a fault line that crosses the country, Sylhet is also the second most highly vulnerable city to a significant earthquake after Dhaka.

Recent events serve as grim indicators of the extreme vulnerability of the built environment and the defective emergency system in Dhaka. In November 2012, at least 117 were confirmed dead and around 200 injured at the Tazreen Fashion factory located in the outskirts of Dhaka. The collapse of the Rana Plaza building in Savar on April 24, 2013 resulted in the death of 1,127 people and was the latest and most deadly in a series of structural failures in the city that were combined with slow emergency response. A report commissioned by the Ministry of Home Affairs (MoHA) concluded that poor site location, sub-standard building materials, and illegal construction had contributed to the collapse. A separate study by the Bangladesh University of Engineering and Technology (BUET) assessed garment factories across the city and found that 60 percent were vulnerable to similar collapse. The tragedy in Savar has prompted the GoB to consider how to reduce disaster risks in urban areas and simultaneously increase its capacity to respond more effectively to both recurrent and large-scale emergencies events, including disasters.

Dhaka is also vulnerable to seismic risk, which is driven less by the high frequency of earthquakes than by the structural deficiencies of the city infrastructure, making it very vulnerable to shaking. The nearest major fault line is believed to run less than 60 km from Dhaka and, although there is some uncertainty, research suggests that an earthquake of up to magnitude 7.5 is possible. This would have a devastating impact on the city. Moreover, the city and its inhabitants are poorly prepared to respond to a crisis of this scale within the metropolitan area. A joint research project conducted by the University of Kansas and Dhaka University found that 83 percent of Dhaka's residents do not consider themselves prepared for an earthquake.

Finally, Dhaka has been identified as the most vulnerable city to climate change among Asian cities. This is due to the low lying nature of this delta country and the increasing pressures that sea-level rise will pose. The city experienced nine major floods in the past five decades and two major cyclones in less than a span of two years – Sidr in 2007 and Aila in 2009. These severe and extreme weather events have had the greatest impact on the poorest populations – particularly urban poor in high-risk areas – disrupting economic activities, livelihoods and national development. Long-term development gains can be safeguarded from natural hazards by increasing urban resilience.

Institutional Context

Government legislation, including the Standing Orders on Disaster (SOD) 2010, gives the mandate to City Corporations to lead emergency response within their jurisdictional boundaries. A City Corporation Disaster Management Committee (CCDMC) is mandated to coordinate all DRM and response activities within the city. The Mayor is the Chairperson of the CCDMC. The CCDMC covers the full spectrum of DRM responsibilities, from risk reduction to emergency management and recovery. Activities expected of the CCDMCs include risk analysis, contingency planning, rescue and relief operations, and allocation of resources for rehabilitation. The City Corporations sit

under the Ministry of Local Government, Rural Development and Cooperatives (MoLGRD&C).

Despite progress made on the decentralization reform agenda, City Corporations, similarly to all urban local bodies (ULBs), face constraints to function as strong, responsive, and inclusive local government institutions. In particular, they have limited fiscal autonomy and decision-making powers. In recognition of these urban governance challenges, Bangladesh's Sixth Five-Year Plan lays out the GoB's priorities to address service delivery deficiencies; for example to provide greater clarity in the roles and responsibilities of ULBs, and improve coordination among service agencies.

In this context, the roles and responsibilities of city authorities in disaster management services suffer limitations common to other city services; responsibilities are not well understood or executed, current structures are inappropriate, and resource allocations are insufficient. Importantly, responsibilities tend to be structured around institutions rather than functions. The resulting multitude of coordination committees is highly ineffective in the context of a sudden crisis when quick decision-making is critical.

At the national level, the Ministry of Disaster Management and Relief (MoDMR) is the coordinating national agency for disaster risk and emergency management at a policy level. The MoDMR is mandated to coordinate with operational agencies at different levels. At the highest level, the National Disaster Management Council (NDMC), headed by the Prime Minister, formulates and reviews disaster management policies. The Inter-Ministerial Disaster Management Coordination Committee (IMDMCC), headed by the Minister MoDMR, implements disaster management policies and decisions of the NDMC. The National Disaster Management Advisory Committee assists the Committee in this effort. The MoDMR, which houses a central Department of Disaster Management (DDM), coordinates national disaster management interventions across all agencies. DDM was set up in November 2012 following the enactment of the Disaster Management Act 2012. The Department has the mandate to implement the objectives of the Disaster Management Act by reducing the overall vulnerability from different impacts of disaster, conducting humanitarian assistance programs, as well as strengthening and coordinating programs undertaken by various government and non-government organizations related to disaster risk reduction and emergency response. This newly constituted department, however, lacks the institutional foundation and staff training to effectively perform its role and functions.

At the city level, with regards to construction, RAJUK was established in 1987 under the Ministry of Housing and Public Works (MoHPW) to lead planning and development in Dhaka City and peripheral areas. This is done in coordination with City Corporations, pourushavas and union parishads. RAJUK's jurisdiction extends beyond the administrative boundaries of the Dhaka City Corporations (DCCs) to adjoining secondary cities. Among its responsibilities, the Building Construction Rules (2008) provide authority to RAJUK to enforce the national building code in addition to the Construction Rules themselves. Under this broad mandate, RAJUK plays an important role in steering the development of Dhaka and overseeing the implementation of construction codes and standards. The Local Government Act (2009) does not mention responsibility for enforcement of building codes, but assigns broad authority to local governments on health and safety matters. In practice, this creates ambiguity on responsibility for building safety.

To better understand the physical risk, as well as the institutional and legal structures in place to manage the risk, the GoB has been working with the Bank since 2012 in preparation for the proposed Project. This collaboration has been supported by the Global Facility for Disaster

Reduction and Recovery (GFDRR) to address seismic risk and the structural vulnerability of urban buildings and infrastructure. GFDRR has provided US\$1.5 million of grant support for technical assistance (TA) through the Bangladesh Urban Earthquake Resilience Program (BUERP). This support convenes government officials across ministries and agencies to: i) reach consensus on the level of seismic risk in Dhaka and hazards in other parts of Bangladesh; ii) increase the understanding of legal and institutional arrangements and “on-the-ground” practices related to urban DRM; iii) define parameters to make development plans and land use processes risk sensitive; and iv) establish a data sharing platform.

In addition to this targeted TA, the preparation for the proposed Project engaged with cross-sector stakeholders, taking into account lessons learned from the Comprehensive Disaster Management Program (CDMP) and partnering with the International Finance Corporation (IFC) and the Japan International Cooperation Agency (JICA). The result of JICA’s TA is the development of a US\$100 million Urban Building Safety Project (UBSP). This investment was taken into consideration during the URP project design to ensure that it is complementary towards improving urban resilience.

II. Proposed Development Objectives

The objective is to strengthen the capacity of GoB agencies to respond to emergency events, and to improve construction permitting and audit processes in Dhaka and Sylhet.

III. Project Description

Component Name

Component A: Reinforcing the Country’s Emergency Management Response Capacity

Comments (optional)

This component, implemented by DNCC and DDM, will increase disaster/emergency management capacity at the national and local levels in Bangladesh. An emergency management system will be put in place that will mobilize the resources at all levels and assign roles and responsibilities more efficiently. The system will be guided by international standards and principles of emergency management.

Component Name

Component B: Vulnerability Assessment of Critical and Essential Facilities

Comments (optional)

The objective of this component, implemented by RAJUK, is to develop the consensus-driven analytical foundation required for longer-term investments to reduce risk in the built environment of Dhaka and other cities in Bangladesh.

Component Name

Component C: Improved Construction, Urban Planning and Development

Comments (optional)

The objective of this component, implemented by RAJUK, is to put in place the institutional infrastructure and competency to reduce long-term disaster vulnerability in Dhaka. It will address both the existing built environment as well as future development.

Component Name

Component D: Project Coordination, Monitoring and Evaluation

Comments (optional)

The objective of this component is to ensure effective implementation of the Project activities. The Project will have a complex implementation structure that engages several ministries focused on disaster preparedness and emergency response.

Component Name

Component E: Contingent Emergency Response

Comments (optional)

Following an adverse natural or man-made event or that causes a major disaster, the Government may request the Bank to re-allocate project funds to this component (which presently carries a zero allocation) to support response and reconstruction.

IV. Financing (in USD Million)

Total Project Cost:	182.00	Total Bank Financing:	173.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
BORROWER/RECIPIENT			9.00
International Development Association (IDA)			173.00
Total			182.00

V. Implementation

The GoB has the overall responsibility for project management and coordination through the Ministry of Planning (MoP), and the following ministries: MoLGRD&C, MoHA, MoDMR, and MoHPW. A Project Steering Committee (PSC) will be established and chaired by the Secretary of the MoP and membership will include high-level representatives from concerned ministries. The PSC will oversee the Project, provide overall policy guidance, and facilitate broad communication and coordination across the GoB.

A Project Implementation Unit (PIU) will oversee efficient and effective implementation and regular monitoring of activities with respect to relevant components. Each PIU will be under the supervision of a Project Director (PD), a mid- or senior-level official of the concerned Implementing Agencies (IAs) having at least 10 years of work experience in the relevant field/ area.

The three components (A, B & C) of the Project shall be implemented by three IAs, namely DNCC (for DNCC itself, DSCC and SCC within the MoLGRDC and FSCD within the MoHA); RAJUK within the MoHPW, and DDM within the MoDMR. Component D will be implemented by the PCMU of the Programming Division, Planning Commission of the MoP.

DDM will implement subcomponents A1 and A5, while DNCC will implement subcomponents A2, A3 and A4. Components B and C will be fully implemented by RAJUK, while Components D and E will be implemented by the PCMU.

The four IAs have been assessed by the Bank fiduciary specialists as having the capacity to manage projects similar to the proposed URP. Three of the four IAs are implementing ongoing Bank-financed projects, which are detailed as follows. The DCCs have implemented Bank-supported projects, including a component of the ongoing Clean Air and Sustainable Environment (CASE) Project and the closed Dhaka Urban Transport Project (DUTP). The DCCs were split into two in

December 2011 and, since then, DNCC and DSCC have coordinated in implementing CASE, with the CASE PIU located within DSCC. DDM is currently implementing one of the components of the ECRRP and a component of the Safety Net Systems for the Poorest Project. Only RAJUK has not implemented a Bank-supported project and has limited experience implementing other donor-funded projects. The already established ECRRP PCMU, under the guidance of a PSC, and with oversight from the MoP, will be responsible for overall project coordination, management, monitoring, evaluation and overseeing strategic studies and training.

While most IAs have an understanding of Bank fiduciary processes, it will nonetheless be necessary to strengthen the IAs with a PIU housing professional, technical, procurement, financial management, social, and environment staff that would use appropriate procurement and financial management systems and procedures with adequate internal control arrangements. These would be complemented by a GAAP as described in Annex 7.

Though the Project's implementation structure is highly complex, the procurement process has been streamlined to ensure the smooth running of project implementation and a feasible timeline for procurement in line with project goals. To this end, procurement has been organized in a manageable number of packages for goods, works and services.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	x	
Natural Habitats OP/BP 4.04		x
Forests OP/BP 4.36		x
Pest Management OP 4.09		x
Physical Cultural Resources OP/BP 4.11		x
Indigenous Peoples OP/BP 4.10	x	
Involuntary Resettlement OP/BP 4.12	x	
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50		x
Projects in Disputed Areas OP/BP 7.60		x

Comments (optional)

VII. Contact point

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VIII. For more information contact:

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