ADB ASIAN DEVELOPMENT BANK

Bangladesh: Coastal Towns Environmental Infrastructure Project

Project Name	Coastal Towns Environmental Infrastructure Project
Project Number	44212-013
Country	Bangladesh
Project Status	Approved
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	**Grant 0394-BAN: Coastal Towns Environmental Infrastructure Project** Strategic Climate Fund — US$ 10.40 million **Grant 0395-BAN: Coastal Towns Environmental Infrastructure Project** Bill and Melinda Gates Foundation — US$ 1.60 million **Loan 3133-BAN: Coastal Towns Environmental Infrastructure Project** Asian Development Fund — US$ 52.00 million **Loan 8284-BAN: Coastal Towns Infrastructure Improvement** Strategic Climate Fund — US$ 30.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships
Sector / Subsector	Transport - Urban roads and traffic management Water and other urban infrastructure and services - Other urban services - Urban flood protection - Urban policy, institutional and capacity development - Urban sanitation - Urban solid waste management - Urban water supply
Gender Equity and Mainstreaming	Gender equity
Description	The project will strengthen climate resilience and disaster preparedness in eight vulnerable coastal pourashavas (secondary towns) of Bangladesh. The project takes a holistic and integrated approach to urban development and will (i) provide climate-resilient municipal infrastructure; and (ii) strengthen institutional capacity, local governance, and public awareness for improved urban planning and service delivery considering climate change and disaster risks. Key infrastructure investments include (i) drainage; (ii) water supply; (iii) sanitation; (iv) cyclone shelters; and (v) other municipal infrastructure including emergency access roads and bridges, solid waste management, bus terminals, slum improvements, boat landings, and markets. Investments will benefit the poor and women.

Project Rationale and Linkage to Country/Regional Strategy	The project is prioritized in the government's Strategic Program for Climate Resilience (2010) under the Pilot Program for Climate Resilience, and will demonstrate new approaches for integrating climate resilience into urban development in coastal pourashavas (with a population of 15,000 to 60,000). The government's Sixth Five-Year Plan, 2011 2015 targets assistance to vulnerable coastal populations requiring investments in climate-resilient infrastructure and urban planning. The project is consistent with the Bangladesh country partnership strategy, which targets assistance to vulnerable coastal areas in adapting to the risks of climate change, and is consistent with the ADB Urban Operational Plan to promote climate-change-resilient cities. Climate change is a critical development issue for Bangladesh. The country's low-lying coastal zone (consisting of 19 districts with an estimated population of 38.1 million, of which 8.6 million is urban) is highly vulnerable to cyclones, storm surges, sea level rise, and salinity intrusion. A 1.5 C increase in temperature and 4% increase in precipitation (the median projections for Bangladesh from general circulation models) would potentially result in sea levels in the Bay of Bengal rising by 27 centimeters or more by 2050. Warmer temperatures would result in more frequent and intense cyclones and storm surges, damaging roads and bridges and rendering existing drainage, water supply, and sanitation systems ineffective, as well as threatening public health and safety. The central and southwestern regions of the country are particularly vulnerable. Cyclone Sidr in 2007 (a Category 5 storm with wind speed of 260 kilometers per hour) resulted in economic losses of $1.7 billion (2.6% of gross domestic product). The poor and women are disproportionately affected and have the lowest capacity to cope with losses. There is a high demand for climate-resilient infrastructure and disaster preparedness to improve the wellbeing of residents and reduce migration to larger cities. Coastal towns suffer from large infrastructure deficits and natural resource constraints that exacerbate sensitivity to climate change. A shortage of drains and severe siltation and solid waste build up result in severe flooding and extended water logging (lasting up to 7 days during monsoon rains). Water supply suffers from (i) low access to piped water, (ii) salinity contamination of shallow and middle aquifers, and (iii) unsustainable groundwater extraction. Feasibility study surveys found that residents without piped water supplies who rely on community pond sand filter systems pay as much as 2 4 times more for water of inferior quality compared to similar towns with piped supplies. There is a high willingness to pay (up to 50%more) for improved services. While there is generally high coverage of household sanitation (up to 94% of households have toilets), there is no septage management or treatment systems, resulting in polluted waterways and a high incidence of waterborne diseases, with large outbreaks occurring after disasters. Emergency access roads are in poor condition, and most cyclone shelters are structurally unsafe as a result of extensive exposure to cyclones and poor maintenance. There is an acute need for new, higher-capacity multi-use cyclone shelters located in core urban areas accessible to poorer populations. It is critical that new investments are designed that consider climate change to manage the long-term costs of natural disasters and ensure investments deliver intended benefits. The high vulnerability of coastal towns is also linked to poor governance and low adaptive capacity. Urban planning is in its infancy and development controls are only now emerging. Many pourashavas lack established mechanisms for public participation, particularly in the allocation of municipal budgets. Low tax collection efficiency (on average 57% in coastal towns) reflects outdated financial management practices, including limited computerization of accounts and billing systems, and irregular tax assessments. There is an urgent need to strengthen institutional capacity, public awareness, and knowledge management to complement physical investments as part of an integrated approach for building climate change resilience.
Impact	Improved well-being in coastal towns.

Project Outcome	
Description of Outcome	Increased climate and disaster resiliency in coastal towns benefiting the poor and women.
Progress Toward Outcome	Loan was made effective on 23 September 2014. Through Project Design Advance (PDA) consultants for detailed design were recruited in Loan was made effective on 23 September 2014. Through Project Design Advance (PDA) consultants for detailed design were recruited in the project design state. As a result Project Management Unit (PMU) has already awarded contract related to construction of roars, drains ansd cyclone shelters. Bidding for water supply packages will begin in Q3 of 2015. Climate resilient measures have been incorporated in the detailed design of all the works packages.
Implementation Progress	
Description of Project Outputs	1. Improved climate-resilient municipal infrastructure 2. Strengthened institutional capacity, governance, and awareness 3. Project management and administration supported
Status of Implementation Progress (Outputs, Activities, and Issues)	Procurement and implementation of civil works are in progress. Consultants have been mobilized for monitoring and supervision of civil works and strengthening the institutional capacity of project municipalities, LGED and DPHE.
Geographical Location	

Safeguard Categories	
Environment	B

Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects	
Environmental Aspects	No significant environmental impacts. IEEs and EARF prepared. EA is providing update in the quarterly progress reports and due to submit semi-annual reports starting from June 2015. For all works packages, IEEs and EMPs are prepared as part of the bidding document.
Involuntary Resettlement	No significant environmental impacts. RPs and RF prepared. EA is provising update in the quarterly progress reports and due to submit semi-annual reports starting from June 2015. For all works packages, resettlement plans (RPs) or Due diligence reports as appropriate are prepared as part of the bidding document.
Indigenous Peoples	No impacts anticipated.
Stakeholder Communication, Participation, and Consultation	
During Project Design	A consultation and participation plan prepared.
During Project Implementation	A consultation and participation plan prepared.

Business Opportunities	
Consulting Services	All consultants will be recruited according to ADB's Guidelines on the Use of Consultants (March 2013 as amended from time to time). An estimated 1,413 person-months (110 international and 1,303 national) of consulting services are required. There are two major packages: (i) project management and supervision consultancies, and (ii) institutional capacity and community development consultant will be recruited following the quality- and cost-based selection (QCBS) or quality-based selection (QBS) with a 90:10 ratio.
Procurement	All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines (March 2013, as amended from time to time). Since this project involves both ADB-administered cofinancing resources and ADF resources, universal procurement will apply.

Responsible ADB Officer	Elma Morsheda
Responsible ADB Department	South Asia Department
Responsible ADB Division	Bangladesh Resident Mission
Executing Agencies	*Ministry of Local Gov't,Rural Dev't,&Co-operativesRural Development and Cooperatives* *Room 632, Bldg 7* *Block-B, Dhaka-1207, Bangladesh* *Local Government Engineering DepartmentSSWRDSP@LGED.ORGLGED Bhaban (Level 6), Agargaon* *Sher-e-Bangla Nagar,* *Dhaka 1207, Bangladesh* *Department of Public Health EngineeringDPHE Bhaban, 14 Shaheed Captain Mansur* *Ali Sarani, Kakrail* *Dhaka, Bangladesh*

Timetable	
Concept Clearance	31 Jul 2012
Fact Finding	01 Sep 2013 to 16 Sep 2013
MRM	28 Oct 2013
Approval	27 Jun 2014
Last Review Mission	-
Last PDS Update	31 Mar 2015

Grant 0394-BAN

Milestones					
Approval	**Signing Date**	**Effectivity Date**	**Closing**		
			Original	**Revised**	**Actual**
27 Jun 2014	29 Jun 2014	19 Sep 2014	31 Dec 2020	-	-

Financing Plan	**Grant Utilization**

	Total (Amount in US$ million)	Date	ADB	Others	Net Percentage
Project Cost	33.50	Cumulative Contract Awards			
ADB	0.00	27 Jun 2014	0.00	1.45	14%
Counterpart	23.10	Cumulative Disbursements			
Cofinancing	10.40	27 Jun 2014	0.00	0.60	6%

Grant 0395-BAN

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
27 Jun 2014	29 Jun 2014	19 Sep 2014	31 Dec 2020	-	-

Financing Plan		Grant Utilization			
	Total (Amount in US$ million)	Date	ADB	Others	Net Percentage
Project Cost	1.60	Cumulative Contract Awards			
ADB	0.00	27 Jun 2014	0.00	0.00	0%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	1.60	27 Jun 2014	0.00	0.00	0%

Loan 3133-BAN

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
27 Jun 2014	29 Jun 2014	19 Sep 2014	31 Dec 2020	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US$ million)	Date	ADB	Others	Net Percentage
Project Cost	52.00	Cumulative Contract Awards			
ADB	52.00	27 Jun 2014	10.55	0.00	22%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	27 Jun 2014	4.33	0.00	9%

Loan 8284-BAN

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
27 Jun 2014	29 Jun 2014	19 Sep 2014	31 Dec 2020	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US$ million)	Date	ADB	Others	Net Percentage
Project Cost	30.00	Cumulative Contract Awards			
ADB	0.00	27 Jun 2014	0.00	4.24	14%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	30.00	27 Jun 2014	0.00	1.86	6%

Request for Information	http://www.adb.org/forms/request-information-form?subject=44212-013
Date Generated	23 August 2015