

Ex-Ante Evaluation (for Japanese ODA Loan)

South Asia Division, South Asia Department 4

Japan International Cooperation Agency

1. Name of the Project

Country : The People's Republic of Bangladesh (Bangladesh)

Project : Southern Chattogram Regional Development Project

Loan Agreement : June 28, 2022

2. Background and Necessity of the Project

(1) Current State and Issues of the Rural Development Sector and the Priority of the Project in Bangladesh

Bangladesh has continued stable growth averaging around 6.0% per annum since 2000 (International Monetary Fund, 2020), and the poverty rate improved from 48.9% in 2000 to 24.3% in 2016 (World Bank, 2020). However, the poverty rate in rural areas, including Cox's Bazar district, remains higher at 26.4% (Bangladesh Bureau of Statistics, 2016), compared to the poverty rate of 18.9% in urban areas with steady economic growth. Rural development is a key policy issue for the Government of Bangladesh.

Currently, in southern Chattogram region including Cox's Bazar district, comprehensive development including key infrastructure projects such as the Matarbari Port Development Project (Japanese ODA loan, approved in 2018 and 2019) is going on under the Bay of Bengal Industrial Growth Belt (BIG-B) concept, and Cox's Bazar district is expected to become a driving force for the growth of Bangladesh. It is predicted that the number of people moving into Cox's Bazar district and the surrounding areas will be approximately 40,000 people by 2026 and approximately 110,000 people by 2041, due to the above comprehensive regional development (JICA, 2019). In addition, Cox's Bazar district which shares its borders with Myanmar has experienced a population increase due to the influx of approximately 900,000 displaced persons from Rakhine State, Myanmar since August 2017 (United Nations High Commissioner for Refugees, 2021). Due to the above population increase, the problems of local resources such as lack of drinking water, deforestation and reduced agricultural land, reduction income opportunities and lower wages for local residents are becoming apparent (United Nations, 2019). There are strong concerns that further population increase among other things in the region will exacerbate problems caused by the lack of public infrastructure, such as deteriorating road conditions as well as traffic congestion due to an increase of traffic volume, and degenerating social services for residents owing to water treatment/ supply shortages and waste increment, and so forth.

In Perspective Plan of Bangladesh 2021-2041 (Ministry of Planning, Bangladesh, 2020) which determines the long-term development agenda to be achieved by 2041,

the Government of Bangladesh aims to become an upper higher middle-income country by 2031, and a developed country with poverty eradication achieved by 2041, through inclusive economic growth based on four institutional pillars of governance, democracy, decentralization and capacity development. In addition, Eighth Five Year Plan (FY2021-FY2025) also emphasizes strategies on urban development and strengthening local government functions, from a perspective of the importance of rural development for the country's transformation into an upper middle-income country by 2031.

The Southern Chattogram Regional Development Project (hereinafter referred to as the “the Project”) aims to improve the living standard and the quality of life of local residents in the areas affected by population increase due to the comprehensive development in southern Chattogram region and the influx of displaced persons from Rakhine State, Myanmar by developing public infrastructure, thereby contributing to the economic development and redress of disparities. The Project is positioned as a high priority project in Bangladesh's development policy.

(2) Japan and JICA's Policy and Operations in the Urban Development Sector

The Country Development Cooperation Policy for the People's Republic of Bangladesh (February 2018) has set forth the priority area of “accelerating economic growth for the benefit of all citizens toward a middle-income country”, in which it is described that the acceleration of sustainable economic growth will be supported through cooperation based on the BIG-B concept, while giving due consideration to the poor. In Addition, in another priority area of “overcoming social vulnerabilities”, it is described that the support to improve living conditions and livelihoods in rural areas will be provided. Furthermore, the JICA Country Analysis Paper for the People's Republic of Bangladesh (March 2019) lists urban development, rural development and addressing host communities affected by the influx of displaced persons from Rakhine State, Myanmar, as key development issues, and the Project is consistent with these policies and analyses. Additionally, since it will help to improve the living standard and enhance the quality of life in the southern Chattogram region by development of public infrastructure, the Project will also contribute to the achievement of SDG Goals 1 (poverty eradication), 10 (reducing inequality) and 11 (urban development).

(3) Other Donors' Activity

The United Nations Development Programme is currently providing support to local governments for formulating comprehensive, effective and transparent plan and improving their governance capacities for public service delivery. The World Bank (WB) and the Asian Development Bank (ADB) are implementing projects on urban capacity building and infrastructure development. In addition, a number of NGOs and donors including the United Nations, WB and ADB, are providing assistance such as infrastructure development to displaced persons from Myanmar and host

communities.

3. Project Description

(1) Project Objective

The objective of the Project is to improve the living standard and the quality of life of local residents in the southern Chattogram region by developing public infrastructure, thereby contributing to the economic development and redress of disparities.

(2) Project Site/Target Area

3 Paurashavas (Chakaria, Mohenshkhaki, Teknaf) and 4 Upazilas (Chakaria, Mohenshkhali, Teknaf, Ukhiya) in Cox's Bazar district

(3) Project Component(s)

The Project is a sector loan consisting of the civil engineering works and equipment/materials procurement related to infrastructure development described in item 1) below (hereinafter referred to as "subprojects") and consulting services described in item 2).

For selecting the target areas, municipalities with particularly higher needs for public infrastructure development, which are affected by population increase associated with the development of the hinterland of Mohenshkhali-Matarbari Integrated Infrastructure Development Initiative and the influx of displaced persons from Rakhine State, Myanmar, were selected.

Subprojects will be selected based on selection criteria such as consistency with the development plans of each municipality, project objectives, urgency and necessity, project effectiveness and feasibility and implemented in three batches. Although the selection criteria for subprojects and the list of candidate subprojects based on the selection criteria have already been agreed during JICA's appraisal, the subprojects will be finalized during the project implementation period after the approval by the Project Implementation Committee, which will be set up at the headquarters of Local Government Engineering Department, Local Government Division, Ministry of Local Government, Rural Development and Cooperatives (LGED).

- 1) Civil engineering works and equipment/materials procurement (roads and bridges, drainage and flood protection facilities, water supply facilities, waste management facilities, other public facilities, etc.)
- 2) Consulting services (assistance for detail design, tender, supervision of infrastructure development, environmental and social considerations, project management, capacity development related to local government (administrations, infrastructure development and maintenance), etc.)

(4) Estimated Project Cost

55,953 million Yen (Loan Amount : 32,462 million Yen)

(5) Schedule

June 2022 (Loan Agreement) - October 2028 (77 months in total)

Project Completion was defined as all subprojects are placed in service (April

2028).

(6) Project Implementation Structure

- 1) Borrower: The Government of the People's Republic of Bangladesh
- 2) Guarantor: N/A
- 3) Executing Agency: LGED
- 4) Operation and Maintenance System: LGED and all target municipalities

(7) Cooperation and Sharing of Roles with Other Donors

1) Japan's Activity: In Cox's Bazar district, JICA is supporting the technical cooperation, "Upazila Integrated Capacity Development Project" (FY 2017-2022) for the capacity development of upazilas to formulate and implement development plans, and the technical cooperation, "the Project for Capacity Enhancement on Formulation and Implementation of Local Disaster Risk Reduction Plan" (FY 2020-2024) for capacity development of staff of relevant institutions and formulating and implementing local disaster management plans. Some of the personnel whose capacities have been enhanced through these technical cooperation projects will be involved in the implementation of the Project. In addition, JICA provided loans for "Upazila Governance Development Project" (approved in 2015, UGDP) to support capacity development and infrastructure development for improving the capacities of 500 upazilas in Bangladesh. UGDP also targets Ukhia and Teknaf upazila in Cox's Bazar district, and some of the personnel whose capacities have been improved under the UGDP will be involved in the implementation of the Project. It has been confirmed that there is no duplication in infrastructure development with the subproject under the Project. "Urban Development and City Governance Project" (approved in FY 2020, UDCG) funded by JICA, is supporting the strengthening of administrative and financial capacity of local governments for urban development and infrastructure development in the southern Chattogram region. UDCG is targeting four cities, including Cox's Bazar paurashava, which is a larger city than the paurashava targeted in the Project. The Project aims to provide support for smaller paurashavas and upazilas compared to the UDCG.

2) Other Donors' Activity: N/A

(8) Environmental and Social Consideration/Cross-Sectoral Issues/Gender Category

1) Environmental and Social Consideration

- ① Category : B
- ② Reason for Categorization: The Project is not considered to be a large-scale infrastructure development project, nor located in a sensitive area, and has none of the sensitive characteristics under the JICA Guidelines for Environmental and Social Considerations (dated in April 2010).
- ③ Environmental Permit: Executing Agency have to obtain approval of the Initial Environmental Examination (IEE)/ the Environmental Impact Assessment (EIA) by the Government of Bangladesh and an Environmental Clearance Certificate

for the subprojects in accordance with Bangladesh's Environmental Protection Regulations. The IEE for the subprojects under the first batch has already been prepared in August 2021 and will be refined during the detailed design phase and approved before the start of construction of each subproject. Environmental and Social Management Framework has already been prepared in October 2021 for the subprojects under the second and third batches, and IEE/EIAs for such subprojects will be prepared in line with this Environmental and Social Management Framework before the implementation and will be approved by the start of construction works.

- ④ Anti-Pollution Measures: Mitigation measures for the subprojects under the first batch have been developed in accordance with Environmental Management Plan of the IEE. Mitigation measures for the subprojects under the second and third batches will be developed in Environmental Management Plan in accordance with the Environmental and Social Management Framework. Under the IEE and the Environmental and Social Management Framework, measures during construction will be taken for air pollution, water pollution, noise and vibration, waste and other impacts, such as water spraying, regular inspections of construction equipment, and appropriate treatment of pollutants and wastewater discharged. Measures during operation will also be taken for regular inspections, monitoring and appropriate treatment of waste, etc. against the effects of wastewater from drainage facilities, soil pollution and odors from waste management facilities, etc.
- ⑤ Natural Environment: The sites of subprojects under the first batch is not located in or around national parks or other vulnerable areas. It has also been agreed with LGED that subprojects under the second and third batches will not be selected if the project site is located in or around national parks and other vulnerable areas.
- ⑥ Social Environment: For subprojects under the first batch that require socio-environmental countermeasures, Abbreviated Resettlement Action Plan was prepared in August 2021 in line with the national procedures in Bangladesh and JICA Guidelines for Environmental and Social Considerations (dated in April 2010), and is scheduled for approval around July 2022. For implementing the subprojects under the first batch, it is envisaged that about 3.3 ha of land acquisition, but no involuntary resettlement will happen and no specific objections to the subprojects have been raised by the project affected persons. In the implementation phase of the second and third batches, Abbreviated Resettlement Action Plans will be prepared by the Executing Agency for each batch in accordance with the Resettlement Policy Framework, which was prepared in October 2021 based on the JICA Guidelines for Environmental and Social Considerations (dated in April 2010), and land

acquisition and resettlement will be carried out accordingly.

- ⑦ Other/Monitoring: Under the Project, monitoring of air quality, water quality, soil contamination and waste during construction will be carried out by the contractor under the responsibility and supervision of the Project Management Unit to be established at the LGED headquarters, and under the local government when the subprojects are in service. Resettlement and land acquisition will be monitored by the local government unit in charge, and for upazilas, the LGED's District Engineer's Office will also be responsible for monitoring. It has been agreed with LGED that no Category A projects will be included in the subprojects.

2) Cross-Cutting Issues

The subprojects in drainage sector are intended to take flood protection measures in areas prone to flooding due to the effects of climate change. Additionally construction of a school and clinic with disaster prevention facilities in the other public facilities subprojects will contribute to climate change adaptation by providing cyclone shelter function, thus contributing to climate change adaptation. The project will also contribute to improving the convenience and quality of life of local people by supporting the development of public infrastructure in host communities, where the influx of displaced persons from Myanmar has caused a shortage of drinking water, deforestation, a decrease in farmland and other local resources, as well as reduced income opportunities and wages for local people. Furthermore, with regard to infection prevention measures for contractors in the Project, infection prevention measures such as the wearing of masks by workers etc. at construction sites and thorough disinfection and hand washing are planned to be implemented with reference to local laws and WHO guidance on measures against novel coronavirus infection, while paying attention to the local infection situation. In addition, barrier-free measures (e.g. installation of ramps and handrails) in accordance with Bangladesh national law will be considered during the detailed design phase of the Project.

3) Gender Category: [Gender Project] GI (S) (Gender Activities Integration Project) Activity Component(s)/Reason for Categorization:

The Project is planned to implement some initiatives from a gender perspective, for example; for the construction works implemented under the project, wages of workers will be set at the same level for men and women; quotas for female employment will be set; public facilities to be developed under the Project will be designed to reflect gender-wise needs (e.g. separate toilets and rest areas for men and women, nursing spaces, better lighting to ensure safety); women will also be actively hired for the Project Management Unit, to be established in Executing Agency.

(9) Other Important Issues: N/A

4. Targeted Outcomes

(1) Quantitative Effects

Performance Indicators (Operation and Effect Indicator)

Sector	Indicators	Baseline	Target(2029) 【Expected value 2 years after project completion】
Road and Bridges	Annual Average daily traffic volume (pcu ¹ /day)	—	Increasing
	Traveling Time (minutes/10km)	—	Decreasing
Drainage and Flood Protection	Area affected by flood and inundation(m ²)	—	Decreasing
	Number of affected households	—	Decreasing
	Frequency of flood and inundation (time/year)	—	Decreasing
Water Supply Facilities	Water supply quantity (m ³ /day)	—	Increasing
	Coverage ratio (%)	—	Increasing
Waste Management Facilities	<Transfer station>Collection quantity (ton/year)	—	Increasing
	<Transfer station>Waste collection rate (%)	—	Increasing
	<Landfill site>Sanitary landfill quantity (ton/year)	—	Increasing
	<Landfill site>Sanitary landfilling rate (%)	—	Increasing
Other Public facilities	<Market>Number of stores (store)	—	Increasing
	<Market>Trade amount (BDT/year)	—	Increasing
	<Clinic>Number of outpatient (person/year)	—	Increasing
	<Clinic>Time to clinic by residents in targeted area (minutes)	—	Decreasing
	<School>Number of pupils (disaggregated by gender) (person/year)	—	Increasing
	<School>Gross enrollment ratio (%)	—	Increasing
	<Cyclone shelter>Capacity of the facilities per total population in the target area (%)	—	Increasing
	<Training center/Park>Average Number of users (person/day)	—	Increasing

(2) Qualitative Effects

Enhancement the quality of life of the local people in the southern Chattogram

¹ passenger car unit: Traffic volume is determined by the number of vehicles passing through an observation point in a given unit of time, but as large vehicles in particular have long vehicle lengths and influence traffic conditions, traffic volume (pcu) which expresses the number of large vehicles in terms of the number of passenger cars, is used as an indicator.

region, economic development and redress of disparities.

(3) Internal Rate of Return

The IRR is not calculated because the subprojects cannot be identified in advance.

5. External Factors and Risk Control

(1) Preconditions: N/A

(2) External Conditions: N/A

6. Lessons Learned from Past Projects

According to the ex-post evaluation of "Rural Areas Infrastructure Development Project (III)" (evaluated in 2007), an ODA Loan Project for Indonesia, it was learned that it is important for small-scale, decentralized projects to create a systematic management system and to operate it properly, especially in terms of clarifying the hierarchical relationship of responsibility from the field level to central level.

In light of these lessons above, the Project is intended to clarify the roles and responsibilities of relevant agencies at each stage (e.g. high-level development plans in target cities, budget approval/execution of individual projects, and project implementation supervision). And a Project Management Unit in the LGED headquarters to oversee project implementation and project implementation units/offices in each target municipality will be established. The ex-post evaluation also indicated that coordination between the agencies concerned is important. Based on the lessons learnt, a Project Implementation Committee with the participation of all relevant agencies will be established within the LGED headquarters as a higher-level organization of the Project Management Unit to discuss cross-sectoral matters for subprojects and to manage and monitor the progress of the overall project.

7. Evaluation Results

The project is consistent with the development issues and development policies of Bangladesh, as well as the cooperation policies and analyses of the Government of Japan and JICA, improving the living standard and enhance the quality of life in the southern Chattogram region by development of public infrastructure, thereby contributing to the achievement of SDG Goals 1 (poverty eradication), 10 (reducing inequality) and 11 (urban development). Therefore, the necessity of providing assistance for implementation of this project is high.

8. Plan for Future Evaluation

(1) Indicators to be Used: As indicated in sections 4. (1) to (2).

(2) Future Evaluation Schedule: Ex-post evaluation: Two years after the project completion

END