



Change in Implementation Arrangements

Project Number: 41657
Loan Number: 2409-BAN(SF)
February 2009

Bangladesh: Emergency Disaster Damage Rehabilitation (Sector) Project

ABBREVIATIONS

ADB	–	Asian Development Bank
SDR	–	special drawing rights

NOTE

In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. The Board of Directors of the Asian Development Bank (ADB) approved the Emergency Disaster Damage Rehabilitation (Sector) Project for SDR75,899,000 (\$120,000,000 equivalent) from ADB's Special Funds resources on 31 January 2008 to finance rehabilitation and restoration work from damage caused by the 2007 floods and cyclone.¹

II. BACKGROUND

2. During project preparation, several development partners expressed interest in providing cofinancing for the Project. In line with paragraphs 44 and 79 of the report and recommendation of the President (footnote 1), Board approval was sought and obtained for ADB to administer subsequent loans or grants provided by any cofinancier after the date of Board approval of the project loan, subject to Management confirmation and approval, and as long as additional cofinancing would not materially affect the objectives, purpose, or scope of the Project.

3. The Government of the Netherlands advised ADB of its approval of a grant for the equivalent of \$24.0 million for the water resources component (part E) of the Project, and requested ADB to administer the grant on its behalf in accordance with the agreement on cofinancing between ADB and the Government of the Netherlands signed on 7 December 2008.

4. To accommodate this cofinancing, ADB has reallocated its financing from the water resources component (part E) to the quick-disbursing component (part A) through a minor change in project implementation arrangements. The additional \$24.0 million supplementary cofinancing from the Government of the Netherlands will increase the project cost to \$251.0 million including proportionate counterpart financing by the Government.

III. CURRENT STATUS OF PROJECT IMPLEMENTATION

5. As of 31 December 2008, the overall implementation progress was estimated at 36% compared to a loan elapsed period of 29%.

Key Implementation Indicators	Progress (%)
Recruitment of consultants (weight 10%)	100.0
Award of civil works contracts (weight 20%)	89.8
Physical accomplishment (weight 70%)	12.0
Overall (weighted) implementation progress	36.4

IV. THE PRESIDENT'S DECISION

6. The President, acting under the authority delegated by the Board, has approved the administration by ADB of the grant not exceeding the equivalent of \$24,000,000 to the People's Republic of Bangladesh to be financed by the Government of the Netherlands for the Emergency Disaster Damage Rehabilitation (Sector) Project, and hereby reports this action to the Board.

¹ ADB. 2008. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan and Technical Assistance Grant to the People's Republic of Bangladesh for the Emergency Disaster Damage Rehabilitation (Sector) Project*. Manila.