



## Technical Assistance Report

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Project Number: 54047-002  
Transaction Technical Assistance (TRTA)  
August 2020

# People's Republic of Bangladesh: Preparing the Climate Resilient Livelihood Improvement and Watershed Management in Chittagong Hill Tracts Sector Project

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Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 14 July 2020)

Currency unit	–	Taka
Tk1.00	=	\$0.011798
\$1.00	=	Tk84.760

## ABBREVIATIONS

ADB	–	Asian Development Bank
CHT	–	Chittagong Hill Tracts
TASF	–	technical assistance special fund
TRTA	–	transaction technical assistance

## NOTE

In this report, "\$" refers to United States dollars.

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## TRANSACTION TECHNICAL ASSISTANCE AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number:</b> 54047-002	
<b>Project Name</b>	Preparing the Climate Resilient Livelihood Improvement and Watershed Management in Chittagong Hill Tracts Sector Project	<b>Department/Division</b>	SARD/SAER
<b>Nature of Activity Modality</b>	Project Preparation Regular	<b>Executing Agency</b>	Ministry of Chittagong Hill Tracts Affairs Banglad
<b>Country</b>	Bangladesh		
<b>2. Sector</b>		<b>Subsector(s)</b>	
✓ Agriculture, natural resources and rural development	Agricultural production	<b>ADB Financing (\$ million)</b>	
	Agro-industry, marketing, and trade		0.15
	Rural market infrastructure		0.20
			0.15
		<b>Total</b>	<b>0.50</b>
<b>3. Operational Priorities</b>		<b>Climate Change Information</b>	
✓ Addressing remaining poverty and reducing inequalities		GHG Reductions (tons per annum)	0
✓ Accelerating progress in gender equality		Climate Change impact on the Project	Medium
✓ Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability		<b>ADB Financing</b>	
✓ Promoting rural development and food security		Adaptation (\$ million)	0.00
✓ Strengthening governance and institutional capacity		Mitigation (\$ million)	0.00
		<b>Cofinancing</b>	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
<b>Sustainable Development Goals</b>		<b>Gender Equity and Mainstreaming</b>	
SDG 1.5		Gender Equity (GEN)	✓
SDG 2.3, 2.4			
SDG 5.1		<b>Poverty Targeting</b>	
SDG 9.1		Geographic Targeting	✓
SDG 10.2			
SDG 13.a			
<b>4. Risk Categorization</b> Complex			
<b>5. Safeguard Categorization</b> Safeguard Policy Statement does not apply			
<b>6. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>0.50</b>	
Transaction technical assistance: Technical Assistance Special Fund		0.50	
<b>Cofinancing</b>		<b>0.50</b>	
Water Financing Partnership Facility-NET TF (Full ADB Administration)		0.50	
<b>Counterpart</b>		<b>0.00</b>	
None		0.00	
<b>Total</b>		<b>1.00</b>	
<b>Currency of ADB Financing:</b> US Dollar			

## I. THE ENSUING PROJECT

1. The Chittagong Hill Tracts (CHT) is one of the poorest regions of Bangladesh. Poverty in the CHT stems from prolonged under-development in the five forms of capital which are necessary to sustain livelihoods and improve overall human well-being namely: (i) physical capital (i.e., the lack of roads and bridges, telecommunications, water supply, irrigation and agriculture facilities; (ii) human capital (i.e., the lack of access to education and vocational skills and health services; (iii) social capital (i.e., prevailing political tensions, fragmented local leadership, lack of governance and social exclusion; (iv) natural capital (i.e., unsustainable land uses as a result of uncertain tenurial rights, and increased climate vulnerability; and (v) financial capital (i.e., lack of personal savings and credit, limited inward remittances, and the limited flow of development funds from both the public and private sectors).

2. The proposed Climate Resilient Livelihood Improvement and Watershed Management in Chittagong Hill Tracts Sector Project will enhance sustainable livelihood opportunities and access to basic services for the rural population of the CHT. The project will be aligned with the following impact: enhanced human health and well-being, reduced vulnerability, and improved food security of the CHT people.<sup>1</sup> The project will adopt a holistic approach and address selected deficiencies in all five forms of capital that are lacking in the CHT. The project outputs will be: (i) rural roads rehabilitated; (ii) community infrastructure developed; (iii) watershed management strengthened; (iv) agriculture production, processing and marketing improved; and (v) rural non-farm skills related to agriculture value chains improved. A project of \$125 million for the Third Chittagong Hill Tracts Rural Development Project is included as a firm project in the 2021 lending pipeline of the Asian Development Bank's (ADB's) country operations business plan for Bangladesh, 2020–2022, and a transaction technical assistance (TRTA) of \$0.5 million to prepare it is included in the 2020 non-lending pipeline.<sup>2</sup>

## II. THE TECHNICAL ASSISTANCE

### A. Justification

3. The TRTA is required to support the government to prepare the ensuing sector loan.<sup>3</sup> The TRTA consultants will work closely with the assigned government counterpart staff to support preparation of: (i) feasibility studies, and bid documents (for the goods, works and services packages that must meet the readiness requirement); (ii) frameworks, procedures and templates for the remaining goods, works and services packages; (iii) required due diligence; and (iv) appropriate implementing arrangements. Adopting a fully consultative process, they will design outputs that meet the stated impact and outcome of the project. They will prepare all the project documents required to support processing and approval of the project by ADB. They will also provide start-up support to the government to mobilize implementation consultants and to take advance implementation actions.<sup>4</sup>

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<sup>1</sup> Government of Bangladesh, Ministry of Chittagong Hill Tracts Affairs. 2019. *Development Plan*. Bangladesh.

<sup>2</sup> The project title has been changed from Third Chittagong Rural Development Project to Climate Resilient Livelihood Improvement and Watershed Management in CHT Project, to better reflect its core focus. The transaction technical assistance has been increased by \$0.5 million through a contribution from the Netherlands Trust Fund of the Water Financing Partnership Facility.

<sup>3</sup> The technical assistance first appeared in the business opportunities section of ADB's website on 17 April 2020.

<sup>4</sup> The technical assistance consultants may be required to undertake the detailed engineering designs (DED) of 1-2 subprojects. This will be done through a variation of the contract, once the proposed financing for undertaking DED from the Project Readiness Improvement Trust Fund is secured.

## B. Outputs and Activities

4. Table 1 summarizes major outputs and activities.

**Table 1: Summary of Major Outputs and Activities**

<b>Major Outputs</b>	<b>Delivery Dates</b>	<b>Key Activities with Milestones</b>
1. Relevant policy and regulatory frameworks assessed, development partners consulted, and project inception report finalized.	September 2020	1.1 Review policy, regulatory frameworks, government's development plans and strategies related to the Chittagong Hill Tracts, and other development partner-led programs.
	September 2020	1.2 Review status of the selection of <i>paras</i> and subprojects for batch 1 (SPB1)
	October 2020	1.3 Complete inception report and workshop
2. Feasibility study reports of the first batch of subprojects (SPB1) prepared.	October-November 2020	2.1 Conduct field reconnaissance of the SPB1
	January 2021	2.2 Conduct feasibility studies of SPB1
	January 2021	2.3 Undertake due diligence of SPB1
	February 2021	2.4 Prepare bid documents of SPB1
3. Overall project implementing and financing arrangement and due diligence completed.	February 2021	3.1 Scope of overall project finalized
	February 2021	3.2 Implementing arrangements and implementation schedule of overall project finalized
	February 2021	3.3 Cost estimates and financing arrangements of overall project finalized
	February 2021	3.4 Institutional strengthening and capacity building interventions identified
	February 2021	3.5 Overall project design and monitoring framework finalized
	March 2021	3.6 Midterm report and workshop conducted
4. Draft loan documentation produced, and project implementation start-up facilitated	April 2021	4.1 Sector assessment, procurement capacity assessment, risk assessment, stakeholder communication strategy finalized
	April 2021	4.2 Financial and economic analysis finalized
	April 2021	4.3 Social and environmental due diligence completed, and documents finalized
	April 2021	4.4 Draft report and recommendations to the President and project administration manual finalized
	May 2021	4.5 Final workshop held
	May – June 2021	4.6 Start-up support to executing agency and implementing agencies provided

### C. Cost and Financing

5. The TRTA is estimated to cost \$1,000,000 of which (i) \$500,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-6) and (ii) \$500,000 will be financed on a grant basis by the Netherlands Trust Fund under the Water Financing Partnership Facility. The government will provide counterpart support in the form of counterpart staff, office accommodation and other in-kind contributions. The government was informed that approval of the TRTA does not commit ADB to finance any ensuing project. The key expenditure items are listed in Appendix 1.

### D. Implementation Arrangements

6. ADB will administer the TRTA. ADB will select, supervise and evaluate consultants, and procure goods. The implementation arrangements are summarized in Table 2.

**Table 2: Implementation Arrangements**

Aspects	Arrangements		
Indicative implementation period	September 2020 – December 2021		
Executing agency	Ministry of Chittagong Hill Tracts Affairs		
Implementing agencies	ADB through the South Asia Department		
Consultants	To be selected and engaged by ADB		
	QCBS with quality– cost ratio of 90:10	International: 19 person-months	\$595,300
		National: 56 person-months	\$325,150
Procurement	To be procured by the consultants		
	Request for quotations	Multiple contracts	\$10,000
Advance contracting	Advance contracting will be undertaken for recruitment of the TA consultant firm.		
Disbursement	The TA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time).		
Asset turnover or disposal arrangement upon TA completion	Equipment purchased with ADB financing will be handed over to the government upon completion of the TA.		

ADB = Asian Development Bank; ICS = individual consultant selection; QCBS = quality- and cost-based selection; TA = technical assistance.

Source: Asian Development Bank estimates.

7. **Consulting services.** The TRTA will support a team of 19 person-months international and 56 person-months national consultants engaged through a firm. ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.<sup>5</sup> The consultants will procure: (i) computers, printers, and other office equipment; (ii) participatory rural appraisal surveys; and (iii) social mobilization nongovernment organizations.

<sup>5</sup> Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 2).

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

Item	ADB <sup>a</sup>	Amount	
		External Source <sup>b</sup>	Government <sup>c</sup>
A. Consultants			
1. Remuneration and per diem			
a. International consultants	287.0	258.3	0.0
b. National consultants	114.6	106.7	0.0
2. Out-of-pocket expenditures			
a. International travel	20.0	30.0	0.0
b. Local travel <sup>d</sup>	39.6	39.5	0.0
c. Surveys and studies <sup>e</sup>	5.0	20.0	0.0
d. Workshops, seminars, and meetings <sup>f</sup>	5.0	10.0	0.0
e. Equipment	5.0	5.0	0.0
f. Reports and communications	7.5	7.5	0.0
g. Miscellaneous administration and support <sup>g</sup> costs	5.0	5.0	0.0
B. Contingencies	11.3	18.0	0.0
<b>Total</b>	<b>500.0</b>	<b>500.0</b>	<b>0.0</b>

ADB = Asian Development Bank.

Note: The transaction technical assistance (TRTA) is estimated to cost \$1 million, of which contributions from ADB and the Water Financing Partnership Facility are presented in the table. Disbursement will be on a cost-sharing basis. The government will provide counterpart support in the form of: counterpart staff, office and housing accommodation, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions. The value of the government contribution is estimated to account for 20% of the total TRTA cost.

<sup>a</sup> Financed by ADB's Technical Assistance Special Fund (TASF-6).

<sup>b</sup> Financed by the Netherlands Trust Fund under the Water Financing Partnership Facility and administered by ADB. Funds will be disbursed on a pro-rata basis.

<sup>c</sup> The government will provide counterpart support in the form of counterpart staff, office accommodations, and other in-kind non-cash contributions.

<sup>d</sup> Includes local airfares and vehicle rental and operation.

<sup>e</sup> Includes baseline and other surveys which may be subcontracted by the TRTA consultant.

<sup>f</sup> Includes workshops on inception, interim, and draft final reports.

<sup>g</sup> Includes computers, printers, and other office equipment. Equipment purchased with ADB financing will be handed over to the government upon completion of the technical assistance.

Source: Asian Development Bank estimates.



## LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=54047-002-TARreport>

1. Terms of Reference for Consultants