

**Bangladesh: Costal Towns Infrastructure Improvement Project [ADB]  
PPCR Sub Committee Comments and Response Matrix**

Comments	Action Taken/Response
<b>Juliet Field, UK</b>	
The UK welcomes this project and supports the allocation of PPCR funding to this initiative. We would like to thank the project team for responding to our earlier concerns. We are content to endorse this project on condition that the fiduciary risk concerns are addressed as outlined below:	Noted.
1) The following additional measures are applied: i) Internal audit outsourced to an A listed Chartered Accountant firm and carried out to international audit standards ii) All external audits of project accounts specify the audit standards and have clear TORs iii) Continuous internal audit (in addition to random checks) in the form of third party monitoring and validation iv) Post procurement audit checks.	ADB confirms all measures to be implemented. Specific responses to each point are as follows: i. Internal audits to be outsourced to an A listed Chartered Accountant firm recruited under the project (Appendix 3 of PAM includes outline TOR) to help manage fiduciary risk. The internal audits will be carried out to international audit standards, as defined in the TOR. Loan documents (PAM, procurement plan, costs, RRP, loan covenants, etc.) revised to reflect this additional mitigation measure. The firm is expected to be mobilized within Q4-2014. ii. The external audit of the project financial statements will be carried out by the Foreign-Aided Project Audit Directorate (FAPAD) within the Comptroller and Auditor General of Bangladesh (CAG) in accordance with the CAG's Audit Manual. The audit standards for CAG directorates are set out in an Audit Manual and are based on INTOSAI and Asian Organization of Supreme Audit Institutions standards as also outlined by ADB's Statement of Audit Needs which were shared with CAG (see Appendix 9 of PAM). iii. There will be continuous (annual) internal audits of the project accounts (in addition to random ADB checks) by an A listed Chartered Accountant firm throughout the project period (see Appendix 3 of PAM) iv. Post procurement audit checks to be conducted on all awarded contracts by the A listed Chartered Accountant firm as part of internal auditing of project (see Section X and Appendix 3 of PAM).
2) Implementation of AsDB safeguards is reported to donors and the PPCR sub-committee including the measures cited above and those already in place: (a) e-procurement (b) the operation of a system for handling complaints, (c) presentation of procurement and financial information at public meetings and how representative these are, (d) community participation, citizen monitoring and evaluation (e) separate accounting for each fund source (f) cost estimates continually updated at time of design to reflect market prices, (g) strict enforcement of the no sub-contracting policy (h) contracts include the requirement to post signs with contracting information	Confirmed. ADB will share with donors and PPCR sub-committee all auditing and progress reports related to implementation of all above points including those already in place (see Section IX of PAM)
<u>Fiduciary and corruption risks</u> A recent report published by Transparency International Bangladesh (TIB) identified serious fiduciary risk regarding LGED, the lead national implementing agency for this project. The Asian Development Bank have outlined the measures they propose to address these risks and to ensure robust and transparent project implementation. We welcome these but it will be important to ensure that they are properly	Noted. ADB is taking this matter very seriously and will monitor implementation closely. ADB is implementing in consultation with development partners, special assistance in the form of technical assistance (TA) to directly address governance, human resource, procurement, and fiduciary risks in support of LGED to prepare

implemented.	and assist in implementation a road map to strengthen governance issues raised in the TIB report.
<ul style="list-style-type: none"> <li>• There are also a few issues we would like clarified:</li> </ul>	
<ul style="list-style-type: none"> <li>➤ How the smaller local contractors will get access if the model of procurement that is used targets large businesses through e-procurement and business fairs?</li> </ul>	<p>Invitations for Bids will be published in both electronic and traditional forms (newspapers, etc.) to ensure access to all interested bidders (both local and non-local). E-procurement (eGP) and business fairs are open to all interested contractors. Internet is available at the upazilla (subdistrict) level. The e-procurement system is designed to make bid submission easier (e.g. through the one-time submission of documents that establish a bidder's qualifications, rather than repeated submissions in each bid), which benefits smaller contractors with fewer resources to prepare bids. The Central Procurement Technical Unit (CPTU) in the Implementation Monitoring and Evaluation Division of the Ministry of Planning is training contractors in e-procurement as well as conducting a Training of Trainers program. The LGED Training Unit and project management consultants under the project will also extend training to local contractors, along with the EA and local project officials.</p>
<ul style="list-style-type: none"> <li>➤ How will the AsDB manage the problem of lack of widespread access to web-based information, such as needed for web-based disclosure and e-procurement?</li> </ul>	<p>As stated above, bids will be published in both electronic and traditional forms (newspapers, etc.) to ensure access to all interested bidders (both local and non-local). Training to local contractors is planned by the CPTU, LGED Training Unit, and the project consultants to build capacity in e-procurement and facilitate its implementation.</p>
<ul style="list-style-type: none"> <li>➤ Can the non-compliant bids be disclosed as part of the web disclosure of contracts awarded? This would be preferable.</li> </ul>	<p>The e-procurement system discloses (i) the number of bidding documents sold, (ii) the number of bids received, and (iii) the number of responsive bids. The names of non-responsive bidders are not disclosed. However, given the measures in the e-procurement system to improve the quality of bidding (see below), the rejection of bids as non-responsive has been dramatically reduced.</p>
<ul style="list-style-type: none"> <li>➤ However if so then how will the AsDB manage the increased risk of bribery and corruption that can result from judging tenders as non-compliant?</li> </ul>	<p>Much of the procurement-related corruption in Bangladesh relates to (i) submission of false documents by bidders, (ii) bidders making deliberate arithmetical errors in their bids, potentially affecting the bidder's ranking and/or its contract price, (iii) consortiums of local bidders colluding to manipulate the award of contracts, and (iv) bidders being physically prevented from submitting their bids. The e-procurement system assists in preventing these practices by (i) requiring the Government's Central Procurement Technical Unit to authenticate the documents establishing a bidder's qualifications as a precondition for registering the bidder in the e-procurement system, (ii) ensuring that arithmetic errors virtually impossible to make, (iii) increasing the scope for contractors outside the local area to obtain bidding documents anonymously and subsequently submit bids, and (iv) ensuring that bidders are not restricted in submitting their bids. Also, ADB carefully reviews as part of its prior review process all reasons for potentially- successful bids being</p>

	<p>declared non-compliant and pays particular attention to evaluations and deviations from ADB's standard bidding documents. It's worth mentioning that eGP was introduced in 2013 for NCB procurement under the Primary Education Development Project (BAN), which was enthusiastically welcomed by all project donors as an important measure to deal with corruption issues that were identified in the first Annual Fiduciary Review of the project.</p>
<p>➤ How were Transparency International selected to help with the TA for the LGED to develop a 'Road Map to Good Governance', should this not be under open competition?</p>	<p>Transparency International Bangladesh conducted an initial study on LGED. Given their unique qualifications and experience, ADB identified them as the most appropriate agency to be directly contracted to undertake the assignment to develop the road map.</p>
<p>➤ Whilst the use of performance criteria is welcomed as an innovative funding mechanism and approach to incentivising reforms, it could potentially also increase the risk of corruption and patronage. Who will sit on the performance evaluation committee, and how will the AsDB make sure this committee is not vulnerable to corruption, given they are making the decisions about which projects and town progress to stage 2 funding? Are there any risks to raising expectations, or unfair confounding factors? As the project has good stakeholder and community involvement plans could they expand to include community monitoring of construction of this infrastructure as well? E.g. the 'integrity watch' model.</p>	<p>To ensure an impartial evaluation, the nine member performance evaluation committee includes a mix of government officials from various agencies and ministries, non-government officials (e.g., academics), and ADB staff. After the agreed deadline for fulfilling the criteria, the team leader of the capacity building consultants will submit a compliance report including all supporting documents to the committee, who will conduct the evaluation. This report will substantiate fulfillment of the performance criteria for each town. At the evaluation meeting, the mayors of each town, along with the project director, present separately to the committee on how the towns complied with each performance criterion. Both the membership composition and the transparent evaluation process are designed to mitigate partial views and any unfair evaluation.</p> <p>The committee members are as follows:</p> <ol style="list-style-type: none"> <li>1. secretary of LGD (chair),</li> <li>2. joint secretary of LGD (Urban Wing)*</li> <li>3. chief engineer of LGED,</li> <li>4. a representative from the Department of Public Health Engineering (DPHE)</li> <li>5. a representative of the Planning Commission and the Economic Relations Division (ERD) of the Ministry of Finance (MoF),</li> <li>6. a representative from the Implementation Monitoring and Evaluation Division (IMED) of the Planning Ministry,</li> <li>7. a renowned urban governance specialist (from academia) nominated by LGD</li> <li>8. an ADB representative,</li> <li>9. director of the Urban Management Support Unit in LGED as the member secretary,</li> </ol> <p>Under the project, community groups and town and ward-level committees will be trained in contractor and construction monitoring to ensure quality control and avoid corrupt practices. This is included in the TOR of the community capacity building consultants recruited under the project. Once trained, these groups</p>

	would have the right to inform local and project authorities of any issues in the works, and request appropriate actions to be taken.
<p><u>Technical issues</u></p> <ul style="list-style-type: none"> <li>The documents supplied are clear, well-written and make linkages to almost all the existing policies and strategies and plans available in Bangladesh. The project preparation process followed in this project is good.</li> </ul>	Noted with thanks.
<ul style="list-style-type: none"> <li>This investment plan will help to make the coastal people more resilient and will reduce the risk of disaster. The project is designed targeting the poor and women along with limited livelihood options.</li> </ul>	Noted with thanks. The social development and gender experts on the consultant team will provide livelihood trainings targeted at poor and women. Livelihood programs will be developed in consultation with local communities to identify most suitable skills training.
<ul style="list-style-type: none"> <li>Selected locations (Upazilas) might fall under a polder implemented by Bangladesh Water Development Board (BWDB). Therefore it will be important to involve BWDB in order to deal with the drainage problem. It is not only maintenance, the operation of the polder infrastructure is vital to reduce drainage congestion. As we know due to heavy siltation in the existing rivers/canals drainage situation in the coastal zone is becoming critical day by day. Gravity drainage possibilities in the coastal zone of Bangladesh is gradually becoming more and more limited. The presence of BWDB in the Steering committee is not sufficient. They must have a greater presence at the implementation level, along with monitory allocation. Experience of constructing Box culvert to tackle drainage problem is very bad. It is very difficult to clean. It might be done only for road crossing purposes.</li> </ul>	In addition to the presence of BWDB in the Steering committee, the BWDB assigned a separate focal point to the project to coordinate field work within the polders and to identify future projects for BWDB embankment improvements in the project coastal towns. These measures will ensure maximum coordination with BWDB and to maximize the effectiveness of overall drainage investments under the project and those of BWDB. Where relevant, <i>pourashavas</i> are required to repair non-functional sluice gates and regulators as a condition of contract award in coordination with BWDB. The engineering options for drainage systems, including box culverts, will be assessed during the detailed design stage to ensure the most suitable approach. Capacity building in operation and maintenance of drainage facilities will be provided and is included in the TOR of the capacity support consultants (see Appendix 3 of PAM).
<ul style="list-style-type: none"> <li>No assessment of ground water aquifer has been done before choosing tube well option. In coastal zone utilisation ground water is not a suitable option. Situation will degrade further in time. Surface water utilisation possibilities need to be explored like excavation of ponds, construction surface water treatment plants. Rain water harvesting is also important.</li> </ul>	An assessment of groundwater aquifers was conducted during the PPTA and the findings were reported in the PPTA final report (available online). The study found that deep aquifers are reliable sources of drinking water supply in most areas of the project area, with the exception of Mathbaria and Pirojpur. Loan covenants require deep borehole tests to be conducted prior to detailed engineering design to determine most suitable source. As per the loan covenants of the project, the consultants will conduct deep borehole quality tests (for groundwater sources) and surface water quality tests (for surface water sources) and prepare the detailed designs for these subprojects based on the findings of these tests.
<ul style="list-style-type: none"> <li>Regarding DPHE- Comprehensive Disaster Management Programme (CDMP) led by UNDP has an agreement with DPHE to implement a similar kind of intervention (water supply) in some locations of the coastal zone. Unfortunately DPHE have less control over the local elected representatives to select suitable or appropriate sites to installed water points and tube wells.</li> </ul>	Noted. DPHE is a co-executing agency of the project, and the project activities will be easily coordinated with the CDMP program to ensure no duplication of efforts and for sharing good practices. The Consultation and Participation Plan (Appendix 7 of PAM) includes coordination with CDMP.
<ul style="list-style-type: none"> <li>Good to have engineers involved in QAing design, however climate resilience aspect shouldn't be added afterwards but built into design from outset.</li> </ul>	All infrastructures under the project will be designed for enhanced resilience considering projected impacts of climate change.
<ul style="list-style-type: none"> <li>Approach with phasing the infrastructure to first prioritise emergency use and then markets/economic seems sensible.</li> </ul>	Noted.
<ul style="list-style-type: none"> <li>Over-reliance on consultants throughout? It says they are still be recruited – what will be the procurement process for this if so?</li> </ul>	Consultants required to provide assistance in implementation were identified in consultation with the government, and will be recruited as part of advanced actions. They will play an important role in

	<p>detailed engineering design, social and environmental safeguards management, project and financial management, construction supervision, quality control activities, and capacity building. Most consulting firms will be recruited using quality cost based selection (QCBS) with 90:10 ratio (quality:cost) for evaluation purposes, while the detailed engineering consultants are recruited using 80:20 ratio.</p>
<ul style="list-style-type: none"> <li>• Good that have considered a lot of aspects, e.g. financial planning, at subnational level as well.</li> </ul>	Noted.
<ul style="list-style-type: none"> <li>• Has the sustainability of the PMU arrangement been considered? How will ensure doesn't undermine government capacity?</li> </ul>	Counterpart staff identified for PMU and PIUs will work full-time on deputation, as agreed with the government. The government has sufficient staffing capacity to continue its regular program of activities.
<ul style="list-style-type: none"> <li>• The safeguards section is broadly good but light on what are the major environmental risks? Must be significant with this scale of infrastructure</li> </ul>	Initial environmental examinations were conducted for representative Batch I subprojects, and no significant environmental impacts are anticipated under the project. There are no sensitive or protected areas in an around the project sites, and construction impacts are considered temporary and small scale, and mitigated through implementation of Environmental Management Plans, which form part of the civil works contracts. Consultants will support safeguard monitoring. An Environmental Assessment Review Framework was also prepared to guide environmental assessments for preparation of subsequent subprojects during implementation. All project safeguard documents are available at: <a href="http://www.adb.org/projects/44212-013/main">http://www.adb.org/projects/44212-013/main</a>
<p><u>Lesson learning</u></p> <ul style="list-style-type: none"> <li>• Pleased to see that the team has thought about how to get lesson learning into wider policy, e.g. national building regulations and beyond. How will they ensure uptake, and involvement of these wider stakeholders from the outset? Will they link to research organisations as well?</li> </ul>	Several knowledge products will be generated under the project and disseminated widely through workshops and web disclosure. Web-based disclosure would be accessible to research organizations within an outside Bangladesh, with options for feedback, further development, and dissemination
<ul style="list-style-type: none"> <li>• Good quantitative RF well aligned with PPCR core RF. Better if 'number of people'/households numbers could be disaggregated by gender and possibly vulnerability. Other indicators look to be thoughtfully applied from the PPCR Results Framework and have baselines etc.</li> </ul>	All numbers will be disaggregated by gender and vulnerability where applicable. Special entitlements will be provided to vulnerable affected groups, which include female-headed households. Special efforts are planned to build capacity and ensure effective monitoring of core indicators at the project level, together with other PPCR funded projects, with additional funds being provided by under PPCR.
<p><u>Stakeholder engagement</u></p> <ul style="list-style-type: none"> <li>• We would like to see a strategy or narrative relating to how to engage private sector in fecal sludge management sustainably.</li> </ul>	There is an ad hoc private market of septic tank cleaners in most project coastal towns The TOR of sanitation experts recruited under the project includes exploring the potential for developing a business strategy for fecal sludge management and will assess the potential to engage private operators. Specifically, the experts will: (i) explore private sector participation in fecal sludge collection, management and treatment, with special attention to incentives and performance contracting to ensure septage is properly disposed, (ii) review and evaluate the regulatory environment, institutional requirements and capacity building requirements for both government oversight agencies and private sector companies

	<p>in septage collection and/or treatment, (iii) assess existing private operations in sanitation, and explore opportunities for private sector participation including possible incentives and contract structures, and (iv) recommend methods that can help guarantee that collected septage is disposed of properly at the new septage treatment facilities constructed under the project. This work may result in possible results-based contracting where the load is paid for upon arrival at the facility; private sector collection with build/operate contracts; public management with private sector collection on a for-fee basis by performance-based contracting; and private sector disposal/use of the septage solids. ADB also mobilized a sanitation expert under a separate technical assistance to conduct advanced assessments and awareness building in sanitation planning in the project towns. ADB will closely monitor this work to ensure sustainability of sanitation investments and environmental sustainability.</p>
<ul style="list-style-type: none"> <li>• Involvement of local government ministries good, seems to be meaningful and integrated throughout</li> </ul>	<p>Noted.</p>
<ul style="list-style-type: none"> <li>• There seem to be tentative plans for private sector involvement in some aspects, would be good to build on these further if possible.</li> </ul>	<p>Under the sanitation related components (see above response), private sector participation will be further explored and supported. Outline TORs of institutional capacity building consultants (Appendix 3 of PAM) include sanitation experts who will explore and identify options for private sector participation in fecal sludge management.</p>
<p><b>Anna Bobin, UK</b></p>	
<p>The risks identified include:</p> <ul style="list-style-type: none"> <li>• Irregularities in human resource management;</li> <li>• Irregularities and limitations in project planning processes;</li> <li>• Corruption in project implementation;</li> <li>• Limitations in project monitoring and evaluation.</li> </ul> <p>We are worried (particularly given the large proportion of UK funds in this project) that the documentation does not appear to address these concerns and will not be able to endorse the project unless we are convinced that appropriate safeguards have been put in place. We understand that this is likely to cause delays but would appreciate it if you would request that the AsDB and GoB provide us with a response setting out (i) how they are addressing these concerns, and (ii) how they are coordinating with the other IFIs in doing this - as this issue with this agency has come up in other fora such as the IFAD ASAP Board.</p>	<p>ADB response sent separately on 22 November 2013 and posted on CIF website.</p>
<p><b>Catherine Berg, US Treasury Department</b></p>	
<p>1. The project should coordinate with related activities already underway. USAID's Feed the Future program is providing funds to Bangladesh's Local Government Engineering Department (LGED) through a government-to-government award for infrastructure rehabilitation and construction of market centers, roads, etc. USAID has also been investing in cyclone shelters, as is the Bangladesh Climate Change Resilience Fund (BCCRF), funded by a number of donors including USAID. Although there is a Local Consultative Group (LCG) with relevant working groups on climate change and disaster and emergency response, we recommend that the project actively reach out to USAID and other donors working in this space, in order to ensure that it is up to date on all the climate change and disaster-related infrastructure projects currently being undertaken in Bangladesh.</p>	<p>Noted. The project team met USAID staff in Dhaka on 27 March 2014 (Mr. Nathan Sage, Environmental Officer, USAID, Dhaka Office as well as Mr. Melbourne J. Arledge Jr. Project Manager, US Army Corps of Engineers) to exchange knowledge on cyclone shelter design and best practices. ADB staff is also actively participating in the <i>LCG Working Group on Climate Change and Environment</i>, and will continue to be active members to ensure close donor coordination. The Consultation and Participation Plan (Appendix 7 of PAM) includes participation in the LCG.</p>

<p>2. An integrated/"packaged" approach to infrastructure projects should be emphasized in the management of the project and in coordination with other GOB and donor activities. For example, construction of cyclone shelters should also consider access roads and related infrastructure. (As background, USAID &amp; the US Army Corps of Engineers are building in very rural areas brick paved paths to assist in getting agriculture products to market. Although not as smooth as asphalt, they are cheaper to build and maintain.)</p>	<p>Noted. Project infrastructure planning emphasized a holistic and integrated approach, e.g., the project prioritizes roads linking to cyclone shelter. The project designs will consider practical solutions to enhance climate resilience in project towns, particularly in engineering design and material selection (part of Output 1 [see PAM para 3]). The project met USAID to exchange best practices and will continue to work closely with other donors working in the coastal zone to ensure synergies, share best practices, and avoid duplication of efforts. Contract packaging (see Procurement Plan Appendix 2 PAM) was also integrated to the extent feasible to encourage an integrated and efficient procurement system. A market survey confirmed the suitability and capacity of contractors. The packaging can be further assessed during implementation.</p>
<p>3. The issue of long-term maintenance of the infrastructure is critical. It will be important to ensure that capacity/skills and funds exist to maintain this new infrastructure.</p>	<p>Noted. Capacity building for O&amp;M of new infrastructure is a critical activity of the consultant services under the project. Detailed TORs include capacity building of local counterparts to maintain new infrastructure. This will be closely monitored during implementation. see Appendix 3 of PAM)</p>
<p>4. We are encouraged that the project is giving significant attention to gender issues. We recommend that gender consideration be strengthened. We will provide additional comments on the Project Administration Manual (PAM) submitted with the approval package, but highlight a few points here:</p>	<p>Noted.</p>
<p>(a) It would be desirable to have gender-focused indicators and/or sub-indicators clearly identified at the project outset, rather than developed during the project, to ensure that an appropriate baseline is established and that gender considerations remain a core focus of the project through all stages of design, implementation and evaluation. We would encourage the ADB to consider developing indicators for women's empowerment and changes in status.</p>	<p>The baseline data corresponding to indicators and targets set out in the DMF and project performance monitoring system (PPMS) were collected by the project preparatory TA team in 2013 (the PPTA report is available online: <a href="http://www.adb.org/projects/44212-013/documents">http://www.adb.org/projects/44212-013/documents</a>). They form the baseline against which all progress in achieving gender-related targets will be measured, reflected in quarterly Progress Reports on GAP implementation to be submitted by the EA to ADB, and reflected in the PPMS. Moreover, gender targets and indicators are included for every output of the project and at the outcome level, found in both the DMF and GAP. These will be closely monitored during implementation.</p>
<p>(b) We encourage the ADB to consider special training for LCG and their partner organizations on this issue to help women engage in dialogue and participate. Beyond numeric targets for women's "participation" in meetings, women should feel encouraged to speak up. An active approach should be employed to ensure full participation. A plan for overcoming barriers to women's participation should ideally be included in the project design.</p>	<p>The PMU -in collaboration with the ADB gender team at BRM- conducts regular review missions for the review of all elements related to GAP implementation with emphasis on achievement of both quantitative and qualitative targets in all decision-making processes and structures (including the quality of women's 'participation'). Special training of relevant project stakeholders including LCG and their partner organizations on enhancing women's participation will be carried out through the PMU - there is a PMU based social-gender development specialist - in partnership with BRM Gender team (see GAP [Table 11] in PAM). LGED has strong precedence for encouraging 'quality' participation of women through its urban sector projects, namely in its UGIIP projects. This bodes well for the implementation of this coastal project. Moreover, the project will go beyond participation of women in meetings and encourage leadership roles for women in all planning and decision</p>

	making bodies.
(c) Gender considerations should be woven into decisions that will be made over the course of the project. This is not evident in the existing PAM. For example, it will be important to ensure that the sub-project technical selection criteria (as included in Appendix 4 of the PAM) specify that gender issues must be addressed. Similarly, it will be important for the scoring matrix for prioritization of sub-projects to give weight to appropriately addressing gender issues. In addition, the Activities and Performance Indicators listed in Appendix 5 should optimally include gender-related elements to ensure that towns and implementing partners give appropriate weight to these issues in developing applications.	The GAP highlights gender considerations for all outputs which will be implemented and monitored throughout the project's life. The subproject technical selection criteria (Appendix 4 of PAM) identifies priority infrastructure, while the GAP addresses gender issues in project design and women's participation. Performance indicators (Appendix 5) include gender and poverty targets as key performance indicators including preparation of town specific GAPs and numerical targets for TLCC meetings. Gender-related elements are therefore given equal weight in the <i>pourashava</i> performance criteria.
5. We found project materials confusing at times with respect to indicators and targets. For example, Table 11 ("Gender Action Plan") on p. 33 of the Project Administration Manual includes a column called "Indicators and Targets," but the elements listed in the column are targets, not indicators. The ADB should review project materials to ensure that indicators and targets are included appropriately.	Noted. Indicators and targets in the GAP were reviewed and clarified and the document appropriately revised
6. We appreciate the additional information provided by the ADB on procedures to ensure transparent and efficient implementation of the project. Implementation of appropriate financial management, performance and accounting controls and procurement procedures throughout the project will be important to its success. Additional information on the TA to be provided separately would be welcome.	Noted. Additional information on the TA will be shared with all donors.
<b>Dr. Annette Windmeisser, (Joint Spanish/German Comments)</b>	
Bangladesh's low lying coastal zone is highly vulnerable to cyclones, storm surges, sea level rise, and salinity intrusion. Simultaneously, coastal towns suffer from large infrastructure deficits as a result of low capital investment, poor operation and maintenance (O&M), and natural resource constraints which exacerbate their sensitivity to climate change. The project proposal to improve well-being in coastal towns by strengthening climate resilience and disaster preparedness, in our view, addresses these issues very well.	Noted with thanks.
We have no major objections to the implementation of the project. We however would like to see our recommendations (see <b>bold</b> highlights below) incorporated during project implementation.	Noted.
<b>INDIVIDUAL COMMENTS ON THE PROPOSED PROJECT</b>	
The proposed project aims at strengthening climate resilience and disaster preparedness in eight vulnerable secondary towns ( <i>pourashavas</i> ) in coastal areas of Bangladesh. These secondary towns will also be the implementation agencies. The proposal builds on the logic that the high vulnerability of coastal towns is also linked to low adaptive capacities. In this regard, we would like to draw attention to the question of sustainability. Past experiences have shown that considerable capacities are needed in order to guarantee that investments will be financially and technically sound. But existing capacities are often not strong enough, even in big towns. The planning and, in particular, the enforcement capacity regarding town planning and building standards is currently rather weak. <b>We therefore recommend building up capacities – at least in parallel with the infrastructure investments, better before.</b> For instance, while strengthening the financial management of municipalities as foreseen in the project proposal, consider which technical and administrative capacity the secondary towns have to build up in order to ensure operation and maintenance, which are the minimum organograms and the correspondent staffing, etc. <b>We further suggest to also reflecting the importance of capacity building in the project's budget.</b>	Noted. ADB, with its own TA resources (PPTA 8128), already mobilized a large capacity building team to strengthen governance and capacity of <i>pourashava</i> counterparts in the areas of financial management, administrative effectiveness, social development, and technical capacity. This capacity building work will be continued under the project in parallel with infrastructure investments to foster sustainable O&M. This capacity building work is budgeted as part of the consultant packages. These aspects will be closely monitored during implementation. (for more details see consultant outline TORs in Appendix 3 of PAM)
With regard to the technical aspects of some of the proposed measures, we would like to <b>suggest searching for a sustainable concept on how to manage surface water effectively.</b> For example, pumping water out of deeper seams will not hinder salt- and brackish water to infiltrate.	Noted. The TOR of the capacity building consultants includes technical training on surface water management for those towns accessing surface water. Technical experts recruited under the project will also explore climate resilient designs and management plans for water supply systems. These aspects will be closely monitored during implementation.

<p>We appreciate that the project aims at implementing a holistic and integrated approach to urban development. However, we <b>recommend closely monitoring the actual implementation of urban development, land use and land development plans</b>, because even if such plans are holistic and of high quality, implementation gaps may remain, and priority may be given to the real estate and building sectors at the expense of other objectives.</p>	<p>Noted. The TOR of the capacity building consultants includes training in urban master planning, development controls, building codes, and regulation of land use and building construction. These aspects will be closely monitored during implementation.</p>
<p><b>COMMENTS ON CROSS-CUTTING ISSUES</b>  <b>A. Participation</b>  The project concept foresees various mechanisms for participation of citizens, particularly under output 2 "<i>Strengthened institutional capacity, governance, and awareness</i>", like enhancing citizen participation in secondary towns (<i>pourashava</i>) planning and decision making, or establishing disaster management standing committees in each secondary town and delivering appropriate technical training for the members of such committees. Such disaster management committees have proven to be very effective e.g. in Mozambique, where they are an integral part of the community-based early warning system. However, these community based organisations in most cases will need to be built up first, and establishing them for a specific purpose only could pose a challenge for their sustainability. Also, <b>attention would need to be paid to not limiting the sphere of influence of civil society</b>, as experience shows that in those cases, where town and ward-level committees have already been formed, the civil society members have often been nominated by the mayors.</p>	<p>Noted. The establishment of disaster management standing committees is embedded into the government's Pourashava Act (2009), and the project is supporting the eight coastal towns in establishing these committees with clear TORs in consultation with local officials and the public. The role of civil society will be closely monitored to ensure their spheres of influence are not limited at the local institutional level.</p>
<p><b>B. Gender</b>  Women have been identified as particularly vulnerable to the negative impacts of climate change and natural disasters in the coastal areas of Bangladesh. The project will significantly benefit women by (i) improving access and quality of cyclone shelters considering separate spaces for women, (ii) encouraging leadership roles of women in community based organisations and town and ward level committees, (iii) targeting women in outreach programs for disaster preparedness and awareness raising, and (iv) providing targeted livelihood training programs for women. We appreciate that gender aspects have been taken into account in the project proposal and we particularly appreciate that this is also reflected in the output indicators of the results framework. In this context, we suggest to also <b>include gender with regard to the indicators related to the outcome "<i>Increased climate and disaster resiliency in coastal towns benefiting the poor and women</i>"</b>, e.g. by stating the percentage/ number of female headed households (FHH).</p>	<p>Noted. FHHs are added to selected outcome level indicators, specifically water supply schemes, to further strengthen gender aspects of the results framework.</p>
<p><b>SYNERGIES WITH OTHER DONORS – IN PARTICULAR GERMAN – CLIMATE CHANGE RELATED ENGAGEMENT IN THE COUNTRY / REGION</b>  The development partners and the Government of Bangladesh have established the <i>Local Consultative Group</i> (LCG) as a joint platform for communication and coordination in the focus areas of Bangladesh's development agenda. The <i>LCG Working Group on Climate Change and Environment</i> is co-chaired by the <i>Ministry of Environment and Forests</i> (MoEF) and a representative of the group of development partners, currently the <i>UK Department for International Development</i> (DFID). Since the proposed project will be implemented under the overall responsibility of the <i>Ministry of Local Government, Rural Development and Cooperatives</i> (MLGRDC), <b>we recommend active participation in the above mentioned LCG working group close interaction between the Ministry of Environment and Forests (MoEF) and the Ministry of Local Government, Rural Development and Cooperatives (MLGRDC) as e.g. proposed via the inter-ministerial project steering committee.</b></p>	<p>Noted. ADB staff is actively participating in the <i>LCG Working Group on Climate Change and Environment</i> and will continue to do so to ensure donor coordination. The Ministry of Environment and Forests (Climate Change Unit) is also a member of the inter-ministerial project steering committee, which will facilitate coordination between MOEF and MLGRDC. The Consultation and Participation Plan (Appendix 7 of PAM) includes participation in the LCG.</p>