Bangladesh: Dhaka Mass Rapid Transit Development Project (Line 5, Southern Route)

Project Name: Dhaka Mass Rapid Transit Development Project (Line 5, Southern Route)
Project Number: 49258-003
Country / Economy: Bangladesh
Project Status: Proposed
Project Type / Modality of Assistance: Loan
Source of Funding / Amount: MFF Facility Concept: Dhaka Metro Project - MFF

<table>
<thead>
<tr>
<th>Source of Funding / Amount</th>
<th>Ordinary capital resources</th>
<th>US $ 2,352.99 million</th>
</tr>
</thead>
</table>

Operational Priorities: OP4: Making cities more livable
Sector / Subsector: Transport / Urban public transport
Gender: Some gender elements

Description: The Dhaka Metro Project will finance the construction of a metro line in Dhaka as the backbone public transport system in an integrated urban transport system for the city. The Dhaka Metro Project will improve the urban transport system by constructing a high-capacity metro line, which will be integrated with the Mass Rapid Transit (MRT) and Bus Rapid Transit (BRT) lines under construction. The development of the metro line as an environmentally friendly, safe and reliable mode of transport will be based on the findings of the Revised Strategic Transport Plan (RSTP) and coordinated with further investments by development partners. It will also be coordinated with the proposed urban development and land use strategies and will promote a high level of integration with other modes of public transport and road transport. The metro line will be integrated with the railway system to serve as an environmentally friendly, reliable and safe access to railway services. The tariff for the metro will be integrated with other modes of public transport.

The project is in line with ADB's Country Partnership Strategy 2016-2020, as it supports easing congestion in Dhaka by improving public urban transport. The project is a large stand-alone project, which will be processed as a multitranche financing facility (MFF) to finance slices of long-term contract packages with a long-term implementation plan (time-slicing). The RSTP will serve as the basis to finalize the road map and policy framework for the MFF during project preparation. Financing the Dhaka Metro Project as a time-sliced MFF is more suitable than other financing modalities, as the project requires an investment of at least $2.5 billion with ADB's financing share amounting to $1 billion. ADB financing is required over an implementation period of 7 to 8 years, hence time-slicing ADB's investments into three tranches accommodates the restrictions of ADB's financing envelope for Bangladesh, reduces commitment charges for the Borrower, and enables a continuous policy dialogue with the government.

The impact will be economic activities, the environment, and health of residents of Dhaka improved. The outcome will be improved efficiency of the public transport system in Dhaka. The outputs will be (i) metro infrastructure constructed and commissioned; and (ii) project implementation capacity strengthened.

Project Rationale and Linkage to Country/Regional Strategy: Bangladesh is rapidly urbanizing. In 2011, 42 million people, or 28% of the population, lived in urban areas. Though urbanization is still relatively low, population growth in the urban areas has been more than double that of the national population growth rate of 1.1%. If this growth is sustained, the country's urban population will reach 63 million by 2025, or 36% of the total population. Rapid urbanization is placing severe strains on the natural environment and has fueled rapid growth in demand for urban transport.

The population of greater Dhaka was about 14.4 million in 2013 and is expected to grow to around 25 million in 2025. The population density in Bangladesh is amongst the highest in metropolitan areas in Asia or Europe, compared with e.g. Metro Manila (18,500), Tokyo City (16,000), Singapore (7,600), Hong Kong (6,500) or Greater London (5,680). As of 2005, only 18% of trips were done by car, while 34% were done by bus and 36% by rickshaws. Currently, there are only 30 cars per 1,000 inhabitants, although ownership is rapidly rising amongst the growing middle-class, and cars are producing 70% of the pollution in Dhaka.

The development of urban infrastructure has not kept pace with rapid urbanization, causing acute shortages of urban services. The road network is underdeveloped and has insufficient capacity to meet growing traffic volume arising mostly from the increasing motorization rate. Poor traffic management, lack of transport demand management, weak public transport services, and the absence of a strategic vision for (i) land use planning integrated with urban development and transport planning; and (ii) effective coordination among the transport and urban development agencies cause massive traffic jams, which add to pollution, high transport and logistics costs and limit access to economic opportunities and social services.

The Seventh Five-Year Plan (2016-2020) recognizes the urban challenges to growth particularly those linked to the Dhaka city transport system; the vision is to develop a multi-modal integrated and safe transportation system in Dhaka. Policy improvements, better traffic management measures and increased public transport including metro-rail are part of that strategy outlined in the Strategic Transport Plan (STP) for Dhaka of 2005. The government has updated the STP to the RSTP with the support from Japan International Cooperation Agency (JICA). The RSTP recommends, in addition to the measure proposed by STP and considering the higher than expected growth of population and traffic in Dhaka, construction of selected arterial and ring roads and improvement of the public transport system. While in the short term the construction of MRT-Line 6 financed by JICA and BRT-Line 3 (North), financed by ADB will be completed, more high-capacity urban transport is required in the medium and long-term to keep pace with the rapidly growing demand for transport services in Dhaka. A close coordination with other development partners will be sought to meet the huge investment demand. Pre-FS for MRT-Line 5 (South) was conducted under the PPTA, and Project Readiness Financing (PRF) for the line was proposed for the line. MFF will be considered when the PRF to support engineering design is completed.

Impact: Economic activities, the environment, and health of residents of Dhaka improved.
Outcome: Efficiency of public transport system in Dhaka improved.
Outputs: Infrastructure constructed and commissioned; Project implementation capacity strengthened.
Geographical Location: Dhaka

Summary of Environmental and Social Aspects

Environmental Aspects
Indirect resettlement
Indigenous Peoples
Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services
A consulting firm will be recruited for the project preparatory technical assistance (PPTA) using the quality and cost-based selection method with full technical proposal and a quality to cost ratio of 90:10 due to the specialized technical requirements and the nature of this project as a multidisciplinary metro project. Individual consultants will be recruited to support project management and safeguards implementation capacity. All consultants will be selected in accordance with ADB’s Guidelines on the Use of Consultants (2013, as amended from time to time). To avoid start-up delays, the government has requested that ADB select consultants on its behalf. The government will negotiate and enter into agreements while ADB will play an active facilitation role. An individual consultant will be recruited to develop a communication strategy for the project.

Procurement
Procurement to be financed from the loan will be carried out in accordance with ADB’s Procurement Guidelines (2015, as amended from time to time). The contracts for civil works and supply of goods estimated at more than $15 million and $2 million respectively, will be procured through international competitive bidding procedures. ADB’s standard bidding documents for large works with post qualification under the single-stage, two-envelope system will be adopted. Advance procurement action and retroactive financing for works, goods and consulting services is proposed to enhance project readiness.

Responsible ADB Officer
Sakaguchi, Satomi
Responsible ADB Department
South Asia Department
Responsible ADB Division
Transport and Communications Division, SARD

Timetable

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
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<tbody>
<tr>
<td>Concept Clearance</td>
<td>17 Dec 2015</td>
</tr>
<tr>
<td>Fact Finding</td>
<td>27 Sep 2023 to 05 Oct 2023</td>
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<tr>
<td>MRM</td>
<td>-</td>
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<tr>
<td>Approval</td>
<td>-</td>
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<tr>
<td>Last Review Mission</td>
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<tr>
<td>Last PDS Update</td>
<td>30 Sep 2022</td>
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30 September 2023

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