Bangladesh: Dhaka Metro Project

Project Name: Dhaka Metro Project
Project Number: 49258-001
Country / Economy: Bangladesh
Project Status: Closed
Project Type / Modality of Assistance: Technical Assistance
Source of Funding / Amount: TA 9052-BAN: Dhaka Metro Project
Technical Assistance Special Fund: US$ 1.30 million

Strategic Agendas: Inclusive economic growth
Drivers of Change: Gender Equity and Mainstreaming, Knowledge solutions, Private sector development
Sector / Subsector: Transport / Transport policies and institutional development - 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 shall be integrated with other modes of public transport.

The project is in line with ADB’s Country Partnership Strategy 2011-2015, 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 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 of 19,500 people per square kilometer 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 is currently updating 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.

Impact

Project Outcome

Description of Outcome

Progress Toward Outcome

Implementation Progress

Description of Project Outputs

Geographical Location: Dhaka

Summary of Environmental and Social Aspects
Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

### Stakeholder Communication, Participation, and Consultation

**During Project Design**  
The Government, relevant agencies, and stakeholders including donors, particularly JICA, were consulted to discuss potential issues and ensure smooth implementation of the PPTA and processing of the facility.

**During Project Implementation**  
Due diligence was undertaken by consultants.

### Business Opportunities

**Consulting Services**  
An international consulting firm was recruited by ADB 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. The consultants were selected in accordance with ADB’ Guidelines on the Use of Consultants (2013, as amended from time to time). The consulting contract is an output-based contract with lump-sum out-of-pocket expenses.

The PPTA has been carried out in two phases: (i) in the first phase, the consultant will select the most appropriate corridor for metro development by ADB based on the findings of the RSTP and consultations with stakeholders and the government; (ii) in the second phase, the PPTA will prepare the pre-feasibility study for the selected corridor, carry out the related surveys and studies and define the scope for the detailed design to be carried out under the proposed TA loan.

**Procurement**  
No procurement activities will be administered in the PPTA.

### Responsible ADB Officer

Sakaguchi, Satomi

### Responsible ADB Department

South Asia Department

### Responsible ADB Division

Transport and Communications Division, SARD

### Executing Agencies

Dhaka Transport Coordination Authority

### Timetable

- **Concept Clearance**
- **Fact Finding**
- **MRM**
- **Approval**: 17 Dec 2015
- **Last Review Mission**
- **Last PDS Update**: 24 Nov 2020

### TA 9052-BAN

#### Milestones

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### Request for Information


### Date Generated

29 September 2023

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