# Bangladesh: South Asia Subregional Economic Cooperation Road Connectivity Project

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<tr>
<th><strong>Project Name</strong></th>
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<tbody>
<tr>
<td><strong>Project Number</strong></td>
<td>40540-014</td>
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<tr>
<td><strong>Country</strong></td>
<td>Bangladesh</td>
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<tr>
<td><strong>Project Status</strong></td>
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<tr>
<td><strong>Project Type / Modality of Assistance</strong></td>
<td>Loan, Technical Assistance</td>
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| **Source of Funding / Amount** | Loan 2949-BAN: South Asia Subregional Economic Cooperation Road Connectivity Project - concessional ordinary capital resources lending / Asian Development Fund - US$ 198.00 million  
Loan 8263-BAN: South Asia Subregional Economic Cooperation Road Connectivity Project - OPEC Fund for International Development - US$ 30.00 million  
Loan: South Asia Subregional Economic Cooperation Road Connectivity Project - Abu Dhabi Fund - US$ 30.00 million  
TA 8221-BAN: Institutional Strengthening of the Roads and Highways Department - Japan Fund for Poverty Reduction - US$ 1.50 million |
| **Strategic Agendas** | Environmentally sustainable growth  
Inclusive economic growth  
Regional integration |
| **Drivers of Change** | Governance and capacity development  
Partnerships |
| **Sector / Subsector** | Transport - Road transport (non-urban) |
| **Gender Equity and Mainstreaming** | Some gender elements |
| **Description** | The proposed project will (i) upgrade about 110 kilometers (km) of Dhaka-Northwest corridor by 4-laning of the Joydebpur-Chandra-Tangail-Hatirkamrul Road and (ii) improve 2 land ports at Benapole and Burimari. This trunk road section forms part of a major international road corridor. The project will also strengthen the capacity of the road sector. By increasing road capacity of a major international trade corridor and enhancing land port capacity, the project will not only boost the national economy but also facilitate subregional cooperation and increase trades. |
The SAARC Thimphu Summit in 2010 recognized the importance of developing transport infrastructure and transit facilities, especially for the landlocked countries to promote intra-SAARC trade. Agreements between Bangladesh and India in 2010 for regional connectivity is a critical stepping stone for opening Bangladesh and India's road and rail networks not only between Bangladesh and India, but also with Bhutan and Nepal, diversifying regional and international transport routes. This will enhance markets and opportunities of development in South Asia, leading to balanced regional growth and poverty reduction.

Bangladesh has the potential to become a transport and transshipment center for the subregion. It borders India and Myanmar and is close to the landlocked countries of Bhutan and Nepal, and Kunning, the key transportation hub in Southwest China. With the opening of the Bhangabandhu Bridge over River Jamuna (the Jamuna Multipurpose Bridge) and the provision of access to ports, e.g., Chittagong and Mongla, for these countries, the Northwest-Dhaka-Chittagong strategic transport corridor and other strategic transport routes between Bangladesh and the northeastern states of India, the Indian state of West Bengal, Bhutan, and Nepal and thereby attract more foreign and domestic investment to the country. Bangladesh has major international and subregional trade corridors as identified in SAARC Regional Multimodal Transport Study and the Asian Highways network.

A study on transit traffic through Bangladesh estimates that the improvement of Bangladeshi sections of priority regional transport corridors could facilitate the movement of about 18 million tons of freight in Bangladesh, India, and Nepal. A World Bank study shows that the impact of raising South Asia’s trade facilitation performance toward international levels would result in large gains for both intra and inter-regional trade, e.g., intra-regional trade within South Asia would increase by almost 60% and trade with the rest of the world would increase by over 30%.

Throughout South Asia, trucks carry a substantial majority of inland freight. The road sector is central to the competitiveness of supply chains. An expansion in rail freight is both desirable and possible, but the absolute importance of road transport is unlikely to diminish, especially as the markets for higher value and higher volume goods increase with per capita incomes. Therefore, among these international trade corridors, the highest priority is SAARC Highway Corridors (SHC) 4 and 8, which provide Bhutan and Nepal with the access to Bangladesh ports (Chittagong and Mongla), including land ports. For trades between Bangladesh and India, the Benapole land port (BLP) is the priority to be improved as it is the busiest crossing, providing transshipment services for around 80% of the annual trades between the two countries, e.g., 450 trucks a day carrying in total an estimated 1.4 billion tones valued at $4 billion passed BLP in 2010/11.

The road network in Bangladesh is very poor in terms of capacity and conditions, and the demand for road transport is rapidly increasing. Insufficient funding and inefficient implementation of road maintenance have increased the number of roads that are beyond maintainable condition, and the backlog of deferred maintenance. A mix of motorized and non-motorized traffic, and encroachment onto roads, results in higher accident rates. The large number of rivers that are still crossed by ferries hampers smooth movement of traffic. To address these constraints, the Government of Bangladesh (GOB) developed and has been implementing the Road Master Plan (2007/2012). The road sector development strategy under Bangladesh's 6th Five-Year Plan (FY2011-2015) highlights (i) prioritized undertaking of development projects, (ii) cost recovery from users, (iii) streamlining procedures of pre-construction activities, (iv) private sector financing, and (v) road sector institutional strengthening, as provided in the Road Master Plan. One of the major tasks is the improvement of the regional road connectivity to boost trade and commerce, pursuing the policy of road based road development with a view to accommodate regional as well as international traffic in the country. GOB plans to upgrade the Asian Highway Network in Bangladesh into 4 lanes, with special emphasis on 3 arterial corridors: Dhaka-Chittagong, Dhaka-Northwest, and Khulna-Northwest. The road sector strategy in the 6th Five-Year Plan includes institutional changes, and capacity development in maintaining existing road network, addressing road safety issues, controlling traffic violations, and improving the competitiveness of supply chains. An expansion in rail freight is both desirable and possible, but the absolute importance of road transport is unlikely to diminish, especially as the markets for higher value and higher volume goods increase with per capita incomes.

The Land Port Authority (LPA) currently administers 16 land ports. As development and operations are mainly outsourced to private sector, LPA is a lean organization and financially self-sustained for the current level of operational efficiency and volumes. However, taking into account expected increases to trades among SASEC countries through land ports based on recent dialogue, it is urgently required to improve facilities for operational efficiency.

The approved budget for 2012/13 demonstrated the GOB's policy emphasis on the maintenance, e.g., increase by 20% for the revenue budget from 2011/12 while reduction for the development budget. PPP cell has been established in RHD and Pilot PPP road projects have been identified. The project will be reforming the road sector institutional capacity, as agreed in the Institutional Development Action Plan (Supplementary Appendix A).

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The project is supported by a blend of grants and loans from ADB, World Bank, DFID, and GOB.

Implementation Progress

Description of Project Outputs

1. Increased capacity of key section of an international trade corridor: Jodeypur-Chandra-Tangail-Elenga section
2. Improved operational efficiency of land ports (Benapole and Burimari)
3. Enhanced institutional capacity of RHD in developing and maintaining roads and bridges

Status of Implementation Progress (Outputs, Activities, and Issues)

ADB financed civil works comprising of 3 contracts (60 km), awarded in 15 September 2015 and work in progress. Till March 2019, progress for WP-1 is 84%, WP-2 is 91% and WP-3 is 90% of the revised scope of works. Abu Dhabi Fund for Development(ADFD) financed other contract (10 km) also awarded in 17 December 2015 and work in progress. Till 31 December 2018, progress for WP-4 is 82.00.%

Technical assistance completed in June, 2015. But the recommendations are yet to be implemented. This will be achieved at the end of project period.

Geographical Location

Nation-wide, Benapul, Burimari, Chandra, Dinajpur District, Elenga, Gaibandha District, Hatikumri, Joydebpur, Sirajganj District, Tangail, Tangail District

Safeguard Categories

Environment: B

Involuntary Resettlement: A

Indigenous Peoples: C
Summary of Environmental and Social Aspects

Environmental Aspects

Environment-related activities include enhancement of hygienic conditions in the land ports, construction of an environmentally-friendly office building for RHD and expansion of the Joydeypur-Chandra-Tangail-Elenga Road. All three components fall under environment category _B_. Environmental impacts in the land ports and RHD office building are largely positive and include establishment of structures and mechanisms for managing waste, drainage and occupational health and safety. Negative impacts related to construction waste; air, noise and water pollution; occupational health and safety; tree removal; and erosion are expected for all project components. However, these are mainly confined to the construction period and mitigation measures have been proposed in the Environmental Management Plan (EMP) which will be included in the agreement with the contractor. Initial Environmental Examination (IEE) reports have been prepared for each component and are disclosed on the ADB website as required by ADB's Safeguard Policy Statement, 2009 (SPS). Local communities were consulted while preparing the IEE reports. Details of consultations, feedback received and grievance redress mechanism are included in the IEE reports.

While RHD has a Social and Environmental Unit to address safeguard concerns, the LPA does not have such a unit. Safeguards focal persons will be appointed in LPA headquarters and at sites. They will be supported by the PIC’s environmental specialist. Safeguard training workshops will be conducted during pre-construction and construction, as necessary. Capacity development for LPA will also be provided under the loan. Annual environmental monitoring reports will be submitted by the respective executing agencies to ADB.

Involuntary Resettlement

Two resettlement plans (RPs) have been prepared based on ADB’s SPS and the Acquisition and Requisition of Immovable Property Ordinance II of Bangladesh (1982). Affected communities were extensively consulted to understand their views. There will be significant impact with approximately 18.9 hectares of land acquired with commercial tenants experiencing the majority of impact. 2,394 households comprising 9,885 persons will be affected. The RP will be updated based on detailed design and will be implemented by an experienced NGO with the PIC providing external monitoring. For the RHD institutional development component, 11 non-titleholder households consisting of 38 persons will be impacted. RHD has over 18 years of experience in managing social safeguard risks, including in projects funded by multilateral donors. The land port component does not require land acquisition and resettlement. The project will comply with ADB’s information disclosure requirements.

Indigenous Peoples

The project is not expected to have impacts on Indigenous Peoples.

Stakeholder Communication, Participation, and Consultation

During Project Design

Workshops, community mobilization, and consultation conducted for discussion on the potential needs of the community, social related issues such as gender, HIV/AIDS, human trafficking, child labor, environment and social safeguard issues. Community meetings and focus group discussions are organized as part of the poverty and social analysis. The local consultative meetings involve all relevant stakeholders including representatives of the poor and other socially excluded groups (e.g., women, scheduled tribes, etc.) to disseminate the information as well as to get the feedback about the project design and its potential impacts. Other key stakeholders such as the relevant line departments, local government representatives and NGOs are also be consulted. Consultations were undertaken with the affected households and communities during the course of the census survey and socioeconomic survey along the project roads for the preparation of the safeguard plans. In the Resettlement Plans, a C&P plan is included for project implementation phase.

During Project Implementation

Business Opportunities

Consulting Services

An estimated 2,710 person-months (249 international, 2,461 national) of consulting services are required to (i) facilitate project management and implementation for LPA and RHD, and (ii) enhance operational efficiency of LPA. Consulting firms will be engaged using the quality- and cost-based selection (QCBS) method with a quality:cost ratio of 90:10. A higher quality ratio is adopted because the task involves a certain level of innovativeness to coordinate with LPA and RHD, and to mobilize and manage several teams at the same time. To engage quality consultants in a timely manner, ADB and the government have agreed that ADB carry out consultant selection on behalf of the government. The government will retain its authority for contract negotiation and contract signing.

The proposed TA will undertake 3 major components: (i) maintenance scheme for roads and bridges, (ii) overloading control scheme, and (iii) RHD modernization, covering institutional changes and streamlining business processes. As part of the capacity development for procurement processes, the TA will also provide for a procurement review to be undertaken for the proposed project. It is proposed that ADB will finance $1,500,000 equivalent, on a grant basis from a trust fund.

Procurement

Procurement activities will be the responsibility of the Project Directors, who will be supported by the consultants under TA loan 2688 and the PIC. ADB will engage an international consultant during procurement processes for probity. ADB will closely monitor all procurement and implementation activities. Contracts for civil works and goods will comprise about 7 international competitive bidding (ICB) packages. Contract packages for equipment under RHD institutional development will be based on required technical features and timing of procurement. Packages will be identified during implementation by consultants engaged under technical assistance.

Responsible ADB Officer

Md. Saidur Rahman

Responsible ADB Department

South Asia Department

Responsible ADB Division

Bangladesh Resident Mission

Executing Agencies

Bangladesh Land Port Authority

YHCOWDHURY@YAHOO.COM

Bangladesh Shaila Bandar Kalripaksha TCB Building, 1 Karwan Bazar

Roads and Highways Department

Sarak Bhaban

Tejgaon, Dhaka-1208 Bangladesh

Timetable

Concept Clearance

02 Jul 2012

Fact Finding

01 Jul 2012 to 16 Jul 2012

MRM

15 Aug 2012

Approval

22 Nov 2012

Last Review Mission

-

Last PDS Update

31 Mar 2019

Loan 2949-BAN

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<td>28 Feb 2014</td>
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Financing Plan

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<th>Others</th>
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Cumulative Contract Awards

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Status of Covenants

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Loan 8263-BAN

Milestones

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Financing Plan

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Cofinancing

Cumulative Disbursements

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TA 8221-BAN

Milestones

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Project Page  https://www.adb.org/projects/40540-014/main
Request for Information  http://www.adb.org/forms/request-information-form?subject=40540-014
Date Generated  07 December 2019

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