Bangladesh: Rural Connectivity Improvement Project

Project Name: Rural Connectivity Improvement Project

Country: Bangladesh

Project Status: Active

Source of Funding / Amount:
- Loan 6007-BAN: Rural Infrastructure Maintenance Program (PDA)
  - $1.00 million
- Loan 47243-004
  - $100.00 million
- Loan 4732-BAN: Rural Connectivity Improvement Project
  - $2.00 million
- Loan 3731-BAN: Rural Connectivity Improvement Project
  - $100.00 million
- Loan 3732-BAN: Rural Connectivity Improvement Project
  - $100.00 million
- TA 9632-BAN: Institutional Strengthening of the Bangladesh Rural Road Sector for Sustainable Development
  - Technical Assistance Special Fund
  - $1.00 million

Strategic Agendas:
- Environmentally sustainable growth
- Inclusive economic growth

Drivers of Change:
- Governance and capacity development
- Private sector development

Sector / Subsector:
- Agriculture, natural resources and rural development - Rural market infrastructure

Gender Equity and Mainstreaming:
- Effective gender mainstreaming

Description:
The RCIP will improve the road network connecting the rural population to agriculture value chain development zones in Bangladesh. The project was prepared under the project design advance. Investments will be made to (i) upgrade about 1,700 kilometers of rural roads to all-weather standards in 34 districts located in five divisions; (ii) improve the capacity of the rural infrastructure agency to address institutional constraints relating to rural road development; and (iii) finance enhancements to the national rural road master plan to enable the selection of priority rural roads for improvement using a geographic information system covering the entire country.

Project Rationale and Linkage to Country/Regional Strategy:
Bangladesh, with a population of about 163 million in 2016, and a land area of 147,570 square kilometers, is among the most densely-populated countries in the world, and also one of the most vulnerable countries to climate risks. Two-thirds of the country is less than 5 meters above mean sea level and located in the world’s largest tropical river deltas of the Ganges, Brahmaputra, and Meghna. Bangladesh has made steady economic progress over the past six years, with annual gross domestic product (GDP) growth exceeding 6% on average. In a major leap forward, United Nations declared that Bangladesh has become eligible to graduate to a developing country from a least developed country by 2024. The government’s Seventh Five Year Plan, FY2016-2020 is shaped towards this end. The plan aims to achieve a growth rate of at least 7% on average over the plan period. It is on track to meet this target, having achieved an annual GDP growth rate of 7.1% in 2016, and 7.3% in 2017. Moving forward, the Asian Development Outlook report on global economic prospects forecasts that Bangladesh will grow at an average of 7.1% over fiscal years 2018 and 2019 with strong domestic demand and strengthening exports. The report projects that investments will benefit from low interest rates and improved infrastructure.

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Accordingly, the plan has put forward specific strategies to overcome these challenges and constraints. Rural connectivity underpins rural development in Bangladesh, and road transportation is the dominant mode of transportation, utilized by over 70% of passengers and 60% of freight traffic. Rural roads contribute significantly to generating increased agricultural incomes and employment opportunities while benefiting the entire rural population through access to economic and social services. Many of these rural roads were constructed during 1990-2010 on earthen embankments and are owned by Union Parishads (rural councils) or Zila Parishads (district councils). Since 1995, the government, with the support from the international development community, has continued to expand and improve the rural road network. However, rural connectivity in Bangladesh remains unfinished, impeding the physical and economic access. Only about 40% of the rural population has access to all-weather roads, and these roads make up only 28% of the total length of rural roads in the country.

Under the plan, the government has now embarked on a sustained effort to improve the country’s rural road network, using its own resources and with the assistance from its international development partners. The government has proposed to increase the percentage of rural roads classified as all-weather standards, serving the agriculture sector and 51.5 million rural people living in 34 districts in five divisions. These roads are critical in supporting the country’s agriculture value-chain development zones.

The project is consistent with the strategic objective set out in the government’s Seventh Five Year Plan, 2016-2020 to expand the rural road capacity to increase connectivity, provide greater access to social services and markets, and promote the agriculture sector. The project will also support the government’s agricultural strategy of increasing agricultural productivity, encouraging commercial agriculture and agribusiness development, increasing employment opportunities for rural poor people, and reducing the poverty level.

Impact:
Connectivity between rural communities, productive agricultural areas, and socio-economic centers in Bangladesh improved.
Project Outcome

Description of Outcome
Transport efficiency and related employment generated in target areas increased

Progress Toward Outcome

Implementation Progress

Description of Project Outputs
Rural road conditions between selected rural communities, productive agricultural areas, and socio-economic centers improved.

Status of Implementation Progress (Outputs, Activities, and Issues)
Forty-nine civil works packages for 1,165km length of roads have been awarded and have varying physical progress to-date. Average physical progress as of end-June 2020 is 16%. Recruitment of consultants is ongoing.

Geographical Location
Nation-wide, Barring city, Bogra, Chandpur, Chapi Nawabganj, Chittagong, Chuadanga, Comilla, Cox’s Bazar, Dinajpur, Faridpur, Feni, Gaibandha, Gopalganj, Jessore, Jhenaidah, Sardar UZ, Joypurhat, Kurigram, Kushtia, Lakshmipur, Lalmanirhat, Madaripur, Magura, Meherpur, Naogaon, Narail, Natore, Nilphamari, Noakhali, Nilpiamra, Panchagarh, Rajbari, Rajshahi, Rangpur, Shariatpur, Thakurgaon

Safeguard Categories

Environment
B
Involuntary Resettlement
C
Indigenous Peoples
C

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design
The project beneficiaries include the government, LGED, road users, transport owners and operators, traders, road construction companies and the impact zone people. The project will not have any negative effect on people. The beneficiaries will participate in consultation session during the design of the activities under investment component.

During Project Implementation
The primary stakeholders such as the Ministry of Finance and LGED are already involved in the design of the program and due attention is being paid to inclusiveness of poor, vulnerable and excluded groups. The poor and excluded will be involved in rural roads rehabilitation and maintenance, and employment during road upgrading, and information dissemination.

Business Opportunities

Consulting Services
All consultants will be recruited according to Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time). The project will engage (i) project implementation support consultant; (ii) capacity development consultant for GIS-based development of rural road masterplan; and (iii) consultant for project-associated transaction technical assistance.

Procurement
All procurement of goods and works will be undertaken in accordance with Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time). The procurement plan calls for 37 civil works to upgrade around 1,700 kilometers of rural roads in 34 districts; three vehicle contracts; and four equipment contracts using open competitive bidding.

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Executing Agencies
Local Government Engineering Department
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LGED Bhaban (Level 6), Agargaon
Sher-e-Bangla Nagar,
Dhaka 1207, Bangladesh

Timetable

Concept Clearance
27 Jul 2015
Fact Finding
01 Apr 2018 to 12 Apr 2018
MRM
05 Jul 2018
Approval
07 Jun 2016
Last Review Mission
-
Last PDS Update
29 Sep 2020

Loan 3731-BAN

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