



# Project Administration Manual

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Project Number: 35049

Loan and/or Grant Number(s): {LXXXX (OCR); LXXXX (ADF) – to be determined}

26 October 2010

People's Republic of Bangladesh: Padma  
Multipurpose Bridge Project

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### **Project Administration Manual Purpose and Process**

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with Government and Asian Development Bank (ADB) policies and procedures. The PAM includes references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The executing and implementing agencies are wholly responsible for the implementation of ADB financed projects, as agreed jointly between the borrower and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by executing and implementing agencies of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At Loan Negotiations the borrower and ADB shall agree to the PAM and ensure consistency with the Loan Agreements. Such agreement shall be reflected in the minutes of the Loan Negotiations. In the event of any discrepancy or contradiction between the PAM and the Loan Agreements, the provisions of the Loan Agreements shall prevail.

After ADB Board approval of the project's report and recommendations of the President changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval they will be subsequently incorporated in the PAM.

**Abbreviations**

ADB	=	Asian Development Bank
ADF	=	Asian Development Fund
BBA	=	Bangladesh Bridge Authority
EA	=	executing agency
EMP	=	environmental management plan
ERD	=	Economic Relations Division
ESD	=	Environmental and Social Division
GOB	=	Government of Bangladesh
IA	=	implementing agency
MOC	=	Ministry of Communications
MOF	=	Ministry of Finance
OCR	=	ordinary resource capital
PAM	=	project administration manual
RP	=	resettlement plan
SPS	=	Safeguard Policy Statement

## I. PROJECT DESCRIPTION

### A. Project Rationale, Location and Beneficiaries

1. The Padma River separates the southwest region of the country from the north-central region where the country's capital, Dhaka, is situated. The Padma River, about 5 km wide with braided, turbulent and shifting flows, has been a major transport barrier between the southwest and the rest of the country. At present, transportation of passengers and freight across the river is by ferries and to a lesser extent by launches and manually-operated boats, but their services are grossly inadequate in both capacity and service level. The existing ferry services involve long and unpredictable waiting time at terminals lacking basic service facilities. They are very prone to suspension or cancellation due to flood, fog and other weather conditions.

2. The proposed Padma Bridge is expected to make cross-Padma transport more reliable and drastically reduce the travel time and cost across the river. By filling a major missing link, it will significantly improve the capacity and performance of the country's surface transport systems. This will result in faster economic growth in the southwest region and contribute to integrated and inclusive economic growth of the country as a whole.

3. The Project supports the strategic objective established in ADB's Country Policy and Strategy (2009-2011): To improve transport system in Bangladesh, promoting regionally balanced and socially inclusive economic growth. The Project is included in the Country Operations Business Plan, Bangladesh (2010-2012).

### B. Impact and Outcome

4. The project will significantly improve the country's surface transport systems and, because of its size, lift the nation's economy. Specifically, the project will accelerate economic growth in the southwest zone of Bangladesh. The direct outcome of the project will be improved surface transport between Dhaka and the southwest zone. The project's institutional strengthening component will ensure the sustainability of the project and other BBA investment projects.

### C. Outputs

5. The key outputs will be (i) the first fixed crossing across the Padma River for road traffic comprising (a) a two-level steel truss bridge 6.15 km long, the top deck to accommodate a four-lane highway and the lower deck to accommodate a single-track railway to be added in the future; (b) 12.0 km of approach roads, 1.5 km on the Mawa side and 10.5 km on the Janjira side; (c) bridge-end facilities including toll plazas and service areas; and (d) river training with dredging and bank protection works, 1.5 km on the Mawa side and 12 km on the Janjira side, to regulate flow and prevent damage to the bridge structure; (ii) cost-recovery mechanisms to ensure investment sustainability; and (iii) institutional capacity building to ensure sustainable asset management.

## II. IMPLEMENTATION PLANS

### A. Project Readiness Activities

6. The project readiness activities, responsibilities, and estimated timeframe as follows:

Month	Project Processing Milestones	Advanced Procurement Activities			Other Readiness Activities
		Consultants		Civil Works*	
Responsible by:	ADB and GOB	BBA			BBA/District Administration
<b>2010</b>		MSC (WB-financed)	CSC (WB-financed)		
<b>June</b>	Loan factfinding	Shortlisting/ Draft RFP	Proposal submission by shortlisted consultants (by 30 Jun)		
<b>July</b>	EIA peer review and webposting/ ADB Management Review (16 Jul)		Technical evaluation	RTW: PQ invitation issued (24 Jul)	
<b>August</b>	Loan Appraisal (29 Aug-2 Sep)	Issue of RFP (10 Aug)			
<b>September</b>	2 <sup>nd</sup> Quality Assurance Meeting (21 Sep)				
<b>October</b>	Loan Negotiations		Submission of technical evaluation to WB (by 31 Oct)	RTW: PQ application received (by 7 Oct) and being evaluated	
<b>November</b>	Board Consideration (120 days after EIA webposting)				
<b>December</b>			Financial opening upon WB's no objection to technical evaluation Overall ranking Contract negotiation with the first-ranked firm	RTW: Issue Stage 1 bidding document	
<b>2011</b>	Loan Signing  Loan Effectiveness	Deadline for submission of proposals (20 Jan) Contract signing (expected in Apr)	Contract signing upon WB clearance of negotiated draft contract Commencement of services (expected in Feb)	RTW: Stage 1 bid submission and technical evaluation (Feb)  RTW: Stage 2 bid invitation	Land and rights in land to be free from any encumbrances before handing over to the civil works contractors

ADB = Asian Development Bank, CSRN = consulting services recruitment notice, EOI = expression of interest, GOB = Government of Bangladesh, MB= main bridge, PAM = project administration manual

\* Based on BBA's estimates. The timelines for other contract packages follow similar steps. BBA estimates that contract award of the main bridge and the RTW contracts will be by August 2011.

Sources: BBA and ADB.

**B. Overall Project Implementation Plan**

Indicative Implementation Schedule

Item	2010				2011				2012				2013				2014				2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>A. Project Preparation</b>																												
1. Detailed Design																												
2. Site preparation (land acquisition, resettlement, construction yard, etc.)																												
<b>B. Consultant Recruitment</b>																												
1. Construction Supervision Consultant Selection																												
Implementation																												
2. Management Support Consultant Selection																												
Implementation																												
<b>C. Civil Works</b>																												
1. Main Bridge Procurement																												
Implementation																												
2. River Training Works Procurement																												
Implementation																												
3. Janjira Approach and Selected BEF Procurement																												
Implementation																												
4. Mawa Approach and Selected BEF Procurement																												
Implementation																												
5. Service Area 2 (Janjira) Procurement																												
Implementation																												

 Defect liability period
  Nominal Monsoon Period

ADB = Asian Development Bank.  
Source: Asian Development Bank

### III. PROJECT MANAGEMENT ARRANGEMENTS

#### A. Project Stakeholders – Roles and Responsibilities

Project Stakeholders	Management Roles and Responsibilities
Executing agency (EA)	<p data-bbox="690 436 1144 472">Bangladesh Bridge Authority (BBA)</p> <ul style="list-style-type: none"> <li data-bbox="690 478 1323 514">▪ overall coordination of project implementation</li> <li data-bbox="690 520 1055 556">▪ interagency coordination</li> <li data-bbox="690 562 1144 598">▪ day-to-day project management</li> <li data-bbox="690 604 1372 640">▪ consultant recruitment and procurement of works</li> <li data-bbox="690 646 1039 682">▪ withdrawal applications</li> <li data-bbox="690 688 1047 724">▪ project progress reports</li> <li data-bbox="690 730 1356 793">▪ maintaining project accounts and complete loan financial records</li> </ul>
<p data-bbox="284 804 665 1035">Coordination Committee chaired by Advisor to the Prime Minister on Economic Affairs, with representation of Office of the Prime Minister, ERD, MOF, MOC, Planning Commission; BBA;</p>	<ul style="list-style-type: none"> <li data-bbox="690 804 1409 867">▪ oversee and monitor project implementation as well as the adequacy of overall project funding</li> <li data-bbox="690 873 1409 1098">▪ hold meeting as required but at least quarterly to discuss overall status and project issues, and when and as necessary invite representatives from the Central Environmental Agency, Geological Survey and Mines Bureau, and utilities (electricity, telecommunications, gas, etc) for coordination purposes</li> </ul>
<p data-bbox="284 1108 592 1182">Cofinanciers Monitoring Committee</p>	<ul style="list-style-type: none"> <li data-bbox="690 1108 1409 1413">▪ Monitor and review overall implementation of the project in consultation with the EA including: the project implementation schedule; actions required in terms of poverty reduction, environmental impacts, and resettlement plans (RPs); if applicable; timeliness of budgetary allocations and counterpart funding; project expenditures; and the likelihood of attaining the project's immediate development objectives.</li> </ul>
<p data-bbox="284 1423 349 1459">ADB</p>	<ul style="list-style-type: none"> <li data-bbox="690 1423 1388 1623">▪ Monitor and review overall implementation of the project in consultation with the EA and other cofinanciers including: progress with procurement and disbursement; statement of expenditure when applicable; compliance with particular loan covenants;</li> </ul>



## B. Key Persons Involved in Implementation

### Executing Agency

#### Bangladesh Bridge Authority (BBA)

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Dhaka 1213, Bangladesh

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and Executive Director, BBA

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### ADB

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Mission Leader

Hideaki Iwasaki

Principal Transport Specialist, SATC

Telephone No.: +63 (2) 632 5413/6442

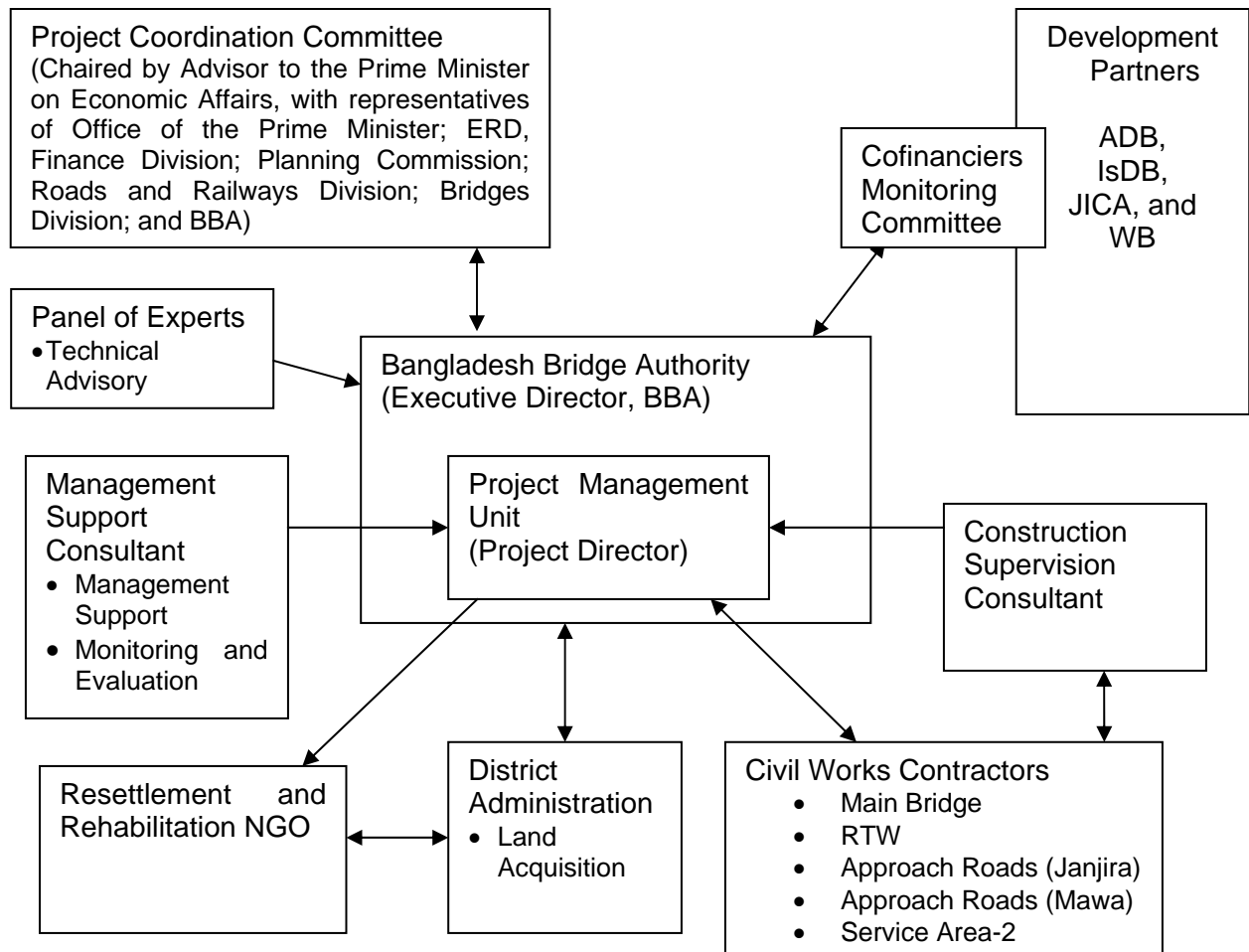
Email Address: hiwasaki@adb.org

Note: Update as changes occur

### C. Project Organization Structure

7. The chart below shows the essential internal structures of key organizations involved in implementation, including the national project coordination committee, executing agency, project implementation unit, and concerned development partners.

**Figure : Project Organizational Structure**



#### IV. COSTS AND FINANCING

##### A. Detailed Cost Estimates by Expenditure Category

8. Detailed cost estimates are in Table 1.

**Table 1: Detailed Cost Estimate of the Project (\$ million)**

	Base Cost and Contingencies	Total Contingencies Incl.
<b>A. Main Bridge</b>		
A1. Main Bridge and Viaducts		
A1.1 Main Bridge and Viaducts	1,204.5	1,339.8
A1.2 Construction Yards	52.8	57.5
A2. Approach Roads and Bridge End Facilities		
A2.1 Mawa Side	31.5	35.0
A2.2 Janjira Side	174.3	193.9
Sub-total A	1,463.1	1,626.2
<b>B. River Training Works</b>	685.4	799.9
<b>C. Implementation of SAP and EMP</b>		
C1. Social Action Plan (SAP)	230.0	273.2
C2. Environmental Management Plan (EMP)	15.8	18.7
Sub-Total C	245.8	291.9
<b>D. Consultancies for Supervision</b>		
D1. Construction supervision and PM support	60.0	65.0
D2. M&E and supervision of EMP and SAP	6.0	7.0
Sub-total D	66.0	72.0
<b>E. Project Management, TA, Training</b>		
E1. PM support and audits	7.0	7.0
E2. BBA strengthening, TA, POE, training	14.0	14.0
E3. Strategic studies	5.0	5.0
Sub-total E	26.0	26.0
<b>Base Cost</b>	2,486.2	2,816.0
Physical Contingencies	155.5	0.0
Price Contingencies	174.3	0.0
Financing Costs	96.0	96.0
Refinancing of PPF Advance	3.0	3.0
<b>Total Project Cost</b>	<b>2,915.0</b>	<b>2,915.0</b>

Sources: ADB, BBA and World Bank estimates.

9. Detailed cost estimates by expenditure category are in Table 2.

**Table 2: Detailed Cost Estimates by Expenditure Category (\$ million)**

	Works	Goods	Consulting Services	Incremental Operating Costs	Training	Property and Benefits	Total
<b>A. Main Bridge</b>							
A1.1 Main Bridge Facilities and Viaducts	1,339.8						1,339.8
A1.2 Construction Yards	57.5						57.5
A2. Approach roads and facilities	228.9						228.9
<b>Subtotal A</b>	<b>1,626.4</b>						<b>1,626.4</b>
<b>B. River Training Works</b>	799.9						799.9
<b>C. Resettlement Cost</b>							
C1. Social Action Plan	30.0		10.0			233.2	273.2
C2. Environmental Management Plan	13.0	2.0	2.0	1.0	0.7		18.7
<b>Subtotal C</b>	<b>43.0</b>	<b>2.0</b>	<b>12.0</b>	<b>1.0</b>	<b>0.7</b>	<b>233.2</b>	<b>291.9</b>
<b>D. Consultancies for supervision</b>							
D1. Construction supervision and PM support			65.0				65.0
D2. M&E and supervision of EMP and SAP			7.0				7.0
<b>Subtotal D</b>			<b>72.0</b>				<b>72.0</b>
<b>E. Project Management, TA, training</b>							
E1. Project Management Support and audits		1.0	1.5	4.5			7.0
E2. TA, POE, training		1.0	5.0	5.0	3.0		14.0
E3. Strategic studies			4.0	1.0			5.0
<b>Subtotal E</b>		<b>2.0</b>	<b>10.5</b>	<b>10.5</b>	<b>3.0</b>		<b>26.0</b>
<b>Sub-Total</b>	<b>2,469.1</b>	<b>4.0</b>	<b>94.5</b>	<b>11.5</b>	<b>3.7</b>	<b>233.2</b>	<b>2,816.0</b>
Financing Charges during Implementation							96.0
Refinancing of PPF Advance							3.0
<b>Total</b>							<b>2,915.0</b>

Sources: ADB, BBA and World Bank estimates.

## B. Allocation and Withdrawal of Loan Proceeds

10. Allocation and withdrawal of loan proceeds under the ADB loans will be as follows:

**Table 3: Allocation of Loan Proceeds (\$ million)**

Expenditure Category	Total Amount	ADB Financing Total	OCR Loan Amount	ADF Loan Amount	Financing Percentage
<b>1. Works</b>					
(a) for Main Bridge, component A1 of the project	1,339.8	300.0	250.0	50.0	a/
(b) for river training works, component B of the project	799.9	248.0	224.5	23.5	b/
<b>Sub-total</b>	2,139.7	548.0	474.5	73.5	
<b>2. Unallocated</b> (Financing Charges during Implementation)	96.0	67.0	64.5	2.5	
Financed by the Government or by other development partners without any financing from ADB	679.3				
<b>Total</b>	2,915.0	615.0	539.0	76.0	

a/ The main bridge works contracted through a single ICB contract will be financed by ADB, JICA, World Bank and GOB. ADB will finance 100% of the expenditure claimed up to the amounts indicated for different expenditure categories.

b/ The river training works contracted through a single ICB contract will be financed by ADB, World Bank and GOB. ADB will finance 100% of the expenditure claimed up to the amounts indicated for different expenditure categories.

Sources: ADB estimates.

## C. Detailed Cost Estimates by Financier

11. Table 4 shows expenditure accounts by different financiers based on the current shared understanding among the cofinanciers on financing arrangements of various project components.

## D. Expenditure Accounts by Years

12. An indicative projection of expenditure accounts by year is in Table 5.

**Table 4: Indicative Expenditure Accounts by Financiers (\$ million)**

<b>Component</b>	<b>WB</b>	<b>ADB</b>	<b>JICA</b>	<b>IDB</b>	<b>GoB</b>	<b>Total</b>
<b>A. Main Bridge</b>						
A1. Main Bridge and Viaducts						
A1.1 Main Bridge and Viaducts	500.0	300.0	300.0		239.8	1,339.8
A1.2 Construction Yards					57.5	57.5
A2. Approach Roads & Bridge end facilities						
A2.1 Mawa Side	35.0					35.0
A2.2 Janjira Side	35.0			140.0	18.9	193.9
Sub-total A	570.0	300.0	300.0	140.0	316.2	1,626.2
<b>B. River Training Works</b>	275.0	248.0			276.9	799.9
<b>C. Implementation of SAP &amp;EMP</b>						
C1. Social Action Plan (SAP)	206.3				66.9	273.2
C2. Environmental Management Plan	18.7					18.7
Sub-Total C	225.0	0.0	0.0	0.0	66.0	291.9
<b>D. Consultancies for Supervision</b>						
D1. Const. Supervision & PM support	65.0					65.0
D2. M&E and supervision of EMP and SAP	7.0					7.0
Sub-total D	72.0	0.0	0.0	0.0	0.0	72.0
<b>E. Project Management, TA, Training</b>						
E1. PM support and audits	7.0					7.0
E2. BBA strength, TA, POE, training	14.0					14.0
E3. Strategic studies	5.0					5.0
Sub-total E	26.0	0.0	0.0	0.0	0.0	26.0
<b>Total Project Cost</b>	<b>1,168.0</b>	<b>548.0</b>	<b>300.0</b>	<b>140.0</b>	<b>660.0</b>	<b>2,816.0</b>
<b>Financing Charges during Implementation</b>	29.0	67.0				96.0
<b>Refinancing of PPF Advance</b>	3.0					3.0
<b>Total Project Cost</b>	<b>1,200.0</b>	<b>615.0</b>	<b>300.0</b>	<b>140.0</b>	<b>660.0</b>	<b>2,915.0</b>

Sources: ADB, BBA and World Bank estimates.

Table 5: Indicative Expenditure Accounts by Years (\$ million)

Component	2011	2012	2013	2014	2015	Total
<b>A. Main Bridge</b>						
A1. Main Bridge and Viaducts						
A1.1 Main Bridge and Viaducts	200.0	401.9	335.0	268.0	134.0	1,339.8
A1.2 Construction Yards	57.5					57.5
A2. Approach Roads & Bridge end facilities						
A2.1 Mawa Side		7.0	10.5	10.5	7.0	35.0
A2.2 Janjira Side	29.0	58.2	48.5	38.8	19.4	193.9
Sub-total A	287.6	467.1	393.9	317.2	160.4	1,626.2
<b>B. River Training Works</b>	120.0	160.0	200.0	160.0	160.0	799.9
<b>C. Implementation of SAP &amp;EMP</b>						
C1. Social Action Plan (SAP)	245.9	6.8	6.8	6.8	6.8	273.2
C2. Environmental Management Plan	16.8	0.5	0.5	0.5	0.5	18.7
Sub-Total C	262.7	7.3	7.3	7.3	7.3	291.9
<b>D. Consultancies for Supervision</b>						
D1. Const. Supervision & PM support	13.0	13.0	13.0	13.0	13.0	65.0
D2. M&E and supervision of EMP and SAP	1.4	1.4	1.4	1.4	1.4	7.0
Sub-total D	14.4	14.4	14.4	14.4	14.4	72.0
<b>E. Project Management, TA, Training</b>						
E1. PM support and audits	1.4	1.4	1.4	1.4	1.4	7.0
E2. BBA strength, TA, POE, training	2.8	2.8	2.8	2.8	2.8	14.0
E3. Strategic studies	1.0	1.0	1.0	1.0	1.0	5.0
Sub-total E	5.2	5.2	5.2	5.2	5.2	26.0
<b>Total Project Cost</b>	1,168.0	548.0	300.0	140.0	660.0	2,816.0
<b>Financing Costs</b>	29.0	67.0				96.0
<b>Refinancing of PPF Advance</b>	3.0					3.0
<b>Total Project Cost</b>	<b>1,200.0</b>	<b>615.0</b>	<b>300.0</b>	<b>140.0</b>	<b>660.0</b>	<b>2,915.0</b>

Source: ADB estimates.

## IV. FINANCIAL MANAGEMENT

### A. Financial Management Assessment

13. Key findings of the qualitative financial management assessment undertaken for BBA are as follows:

<b>A. Funds Flow Arrangements</b>	The coursing of the loan funds will be undertaken through payment of contracts for civil works as packaged for the Project through direct payment method to the contractors in accordance with, ADB's <i>Loan Disbursement Handbook</i> (2007, as amended from time to time) and the EA will accordingly prepare the withdrawal application for direct payment. Funds flow arrangements are reliable and adequate. PMU has sufficient experience and enough capability to smoothly work under the Project.
<b>B. Staffing</b>	<p>BBA's Financial Management infrastructure will be adequate to provide the requisite financial management arrangements for the project as the regular/contractual staff will be employed for the management of the project. The PD for the project has been assigned and he will be responsible for the overall supervision of the works of the Project. The responsibilities of the accounting and financial management will be lying with the office of the Finance director, BBA and would include overseeing the budgeting, accounting, and reporting of all financial transactions related to the implementation of the Project. The Director, finance will be assisted by other staff working with him (i.e. Additional Director, and Deputy/ Assistant director and would be responsible for the reporting of all financial transactions, budgeting and preparation and auditing of financial statements. However, the Executive Director of BBA will be responsible for overall accountability of the function.</p> <p>Though the strengthened capacity of BBA from the experience of successful implementation of the Jamuna Multipurpose Bridge and in handling the multi-donor funded project is there but BBA's financial management capacity needs to be further strengthened and requires some organizational restructuring.</p>
<b>C. Accounting Policies and Procedures</b>	<p>1. Accounting System: The BBA will maintain separate project accounts and records by funding source for all expenditures incurred on the Project (including separate accounts for OCR and ADF loan. Project accounts will follow international accounting principles and practices.</p> <p>2. Accounts Manual and Procedure Manual: BBA needs to incorporate financial management manual, policies, required human resources, outsourcing and training, skills upgrading of accounts and setting up of internal audit department.</p>
<b>D. Internal and External Audits</b>	<p>Internal Audit: There is currently no internal audit unit within BBA. It is planned to set up an Internal Audit department and appointment of a consultant/consulting firm would be considered to strengthen the function.</p> <p>Account Audit: The BBA Accounts are audited by the Controller and Auditor General of Bangladesh on a biannual basis. Accounts up to fiscal year (FY) 06-07 have been also been audited by an external auditor. Accounts for FY 07-08 and 08-09 are currently being audited.</p>



<b>E. Reporting and Monitoring</b>	Accounting and Financial Reporting. Timely reporting and quality information is essential for the smooth monitoring of the project. The reporting requirements mentioned in the Project performance monitoring paragraph of the PAM for the Project on quarterly basis are to be followed by BBA.
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14. Actions required to be taken by the BBA are as follows:

1.	Set up the project coordination committee and ensure that adequate financial management arrangements are in place	Within one month after loan effectiveness.
2.	Adopt and implement Asian Development Bank's accounting policies and procedures for the Project.	By effectiveness.
3.	BBA must pursue strengthening of the Finance and Accounts staff; particularly a financial management specialist to be appointed with a view to develop an appropriate financial management and accounting strategy.	Before effectiveness.
4.	A complete accounting policy and financial management manual for BBA should be established.	Immediately.
5.	BBA should maintain separate accounts for the Project and have such accounts audited annually, in accordance with appropriate auditing standards consistently applied by independent auditors whose qualifications, experience, and terms of reference are acceptable to ADB.	Ongoing.
6.	BBA should set up an Internal Audit Department/ unit	Within 3 months of loan effectiveness.
7.	Updated Financial Statements need to be audited by external auditors.	Before the loan effectiveness.
8.	BBA financial staff must undergo trainings on ADB financial management procedures to further strengthen its capacity;	As per agreed timetable.

## **B. Disbursement**

15. The Loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2007, as amended from time to time),<sup>1</sup> and detailed arrangements agreed upon between the Government and ADB.

16. Pursuant to ADB's Safeguard Policy Statement (2009) (SPS),<sup>2</sup> ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS. All financial institutions will ensure that their investments are in compliance with applicable national laws and regulations and will apply the prohibited investment activities list (Appendix 5 of the SPS) to subprojects financed by ADB.

17. Direct payment procedure by ADB will be utilized for progress payments on civil works (above \$100,000).

<sup>1</sup> Available at: [http://www.adb.org/Documents/Handbooks/Loan\\_Disbursement/loan-disbursement-final.pdf](http://www.adb.org/Documents/Handbooks/Loan_Disbursement/loan-disbursement-final.pdf)

<sup>2</sup> Available at: <http://www.adb.org/Documents/Policies/Safeguards/Safeguard-Policy-Statement-June2009.pdf>

18. Before the submission of the first withdrawal application, the borrower should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is US\$100,000, unless otherwise approved by ADB. The borrower is to consolidate claims to meet this limit for reimbursement and imprest account claims. Withdrawal applications and supporting documents will demonstrate, among other things that the goods, and/or services were produced in or from ADB members, and are eligible for ADB financing.

19. To facilitate efficient utilization of funds from various co-financiers so as to ensure cost effectiveness to the Borrower, (i) WB, ADB and JICA agree in case of the Main Bridge component, which is being procured as a single contract with total cost to be shared in an amongst them, and (ii) WB and ADB agree in case of RTW, which is also being procured as a single contract with the total cost to be shared between them, that the Borrower may approach any of them to disburse the entire amount of any disbursement application. The co-financiers agree to disburse the full amount requested in such disbursement requests (and shall not require prorated disbursements) until their total financing amount is exhausted, subject to any retention conditions. Each co-financier financing the Main Bridge and RTW components shall require the Borrower to provide a copy of each disbursement request under those components to all co-financiers financing those components for their records and reference (and to avoid any double counting) even if only one of the co-financiers is requested to disburse under a disbursement request.

### **C. Accounting**

20. The BBA will maintain separate project accounts and records by funding source for all expenditures incurred on the Project. Project accounts will follow international accounting principles and practices.

### **D. Auditing**

21. The BBA will cause the detailed consolidated project accounts to be audited in accordance with International Standards on Auditing and in accordance with the Government's audit regulations by an auditor acceptable to ADB. The audited accounts will be submitted in the English language to ADB within 6 months of the end of the fiscal year by the executing agency. The annual audit report will include a separate audit opinion on the use of the Imprest Accounts, and the SOE procedures (as applicable). The Government and BBA have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures. For revenue generating projects only, ADB requires audited financial statements (AFS) for each executing and/or implementation agency associated with the project.

## **V. PROCUREMENT AND CONSULTING SERVICES**

### **A. Advance Contracting and Retroactive Financing**

22. All advance contracting will be undertaken in accordance with ADB's Procurement Guidelines (2010, as amended from time to time) with such modifications and waivers as ADB will have agreed to be necessary for the purposes of the Project, specifically to allow joint financing with JICA and the World Bank (in the case of the main bridge contract) and with the

World Bank (in the case of the RTW contract). The issuance of invitations to bid under advance contracting will be subject to ADB approval. The Government and BBA have been advised that approval of advance contracting does not commit ADB to finance the ensuing Project. Withdrawals from the ADB loan accounts may be made for reimbursement of eligible expenditures incurred under the Project before the effective date of the loan agreements, but not earlier than twelve (12) months before the date of the loan agreements in connection with works, subject to a maximum amount equivalent to 20% of the respective loan amounts.

## **B. Procurement of Goods, Works and Consulting Services**

23. All procurement of works under ADB financing will be carried out in accordance with ADB's Procurement Guidelines (2010, as amended from time to time) with such modifications and waivers as ADB will have agreed to be necessary for the purposes of the Project, specifically to allow joint financing with JICA and the World Bank (in the case of the main bridge contract) and with the World Bank (in the case of the RTW contract).

24. The government will inform ADB on the changes made to the national procurement regulations if any and carry out a joint review of the NCB Annex, if necessary. The procurement plan should be updated whenever change in the procurement arrangements and/or the NCB Annex is required and agreed.

25. All consultants will be financed by the World Bank and recruited according to the World Bank's Guidelines: Selection and Employment of Consultants by World Bank Borrowers.

## **C. Procurement Plan**

26. The procurement plan is in Attachment A.

## **VI. SAFEGUARDS**

27. To meet different requirements of the cofinanciers' safeguard policies, the harmonization of safeguard policies was carried out through a gap analysis involving the Bangladesh's policies and acts, and cofinanciers' safeguard policies as well as identification of gap-filling measures. The harmonization has also benefited from the good practices in resettlement of affected persons and environment mitigation impacts in Jamuna Multipurpose Bridge Project. The harmonized policy forms the basis for the preparation of EIA, IEE, RF, and RAPs for various project components. The EA will implement all the safeguard planning documents prepared from cofinanciers harmonized safeguard policies.

28. **Social Safeguard.** To meet different requirements of the potential cofinanciers, socio-economic profiling, social impact assessment, and planning of impact mitigation measures of the investment project have been refined under the design project and have developed a comprehensive social action plan (SAP) consisting of the following documents:

- Vol. 1 Executive Summary (Technical summary of all SAP documents)
- Vol. 2 Socio-economic Profiles and Analysis (for Southwest, including project boundary)
- Vol. 3 RAP-I for the Resettlement sites
- Vol. 4 RAP-II (Main Bridge and Approach Roads)
- Vol. 5 RAP-III (RTW) including (i) Physical Cultural Resource Plan and (ii) Income and Livelihood Development Plan

- Vol. 6 Resettlement Framework
- Vol. 7 Public Consultation and Participation Plan
- Vol. 8 Gender Action Plan
- Vol. 9 Public Health Action Plan
- Vol. 10 Charland Management Plan (Profile, Impacts, Monitoring)
- Vol. 11 Institutional and Implementation Arrangements (for non-RAP documents)

29. **Environmental Safeguard.** Similar to the way social safeguards have been dealt with, a comprehensive environmental action plan (EAP) has been developed as follows:

- Executive Summary (Technical summary of all EAP documents)
- Vol. 1 Initial Environmental Examination of the Resettlement Sites
- Vol 2 Environmental Impact Assessment Report (including all relevant Environmental Management and Monitoring Plan)
- Vol. 3 Environmental Quality Baseline Monitoring Survey
- Vol. 4 Ecological Report
- Vol. 5 Factoring of Climate Change in the Design of the Project

30. **Gender and Social Dimensions.** As part of the SAP, a gender action plan has been developed.

31. The EA will provide all sufficient funds in timely manner for implementation of safeguards and all SAP.

## **VII. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION**

### **A. Project Design and Monitoring Framework**

32. The Project's design and monitoring framework is in Attachment B.

### **B. Monitoring**

33. **Project performance monitoring:** The achievement of the project performance targets will be assessed following the design and monitoring framework. BBA, assisted by the project management consultant, will establish a project performance management system. Indicators to be monitored include (i) traffic volume; (ii) bus and freight transport fares; (iii) average time for crossing; (iv) vehicle-operating costs; and (v) road accidents. In addition, socioeconomic secondary data will be obtained, including (i) number of businesses; (ii) household income; (iii) vehicle ownership; (iv) unemployment rate; (v) land value, (vi) affordability for the poor as road users (vii) average travel time to schools, and (vii) average travel time to hospitals. These indicators will be monitored before and after construction, both on the project roads and on some control roads. In addition, every year during the project period, BBA will also monitor the (i) toll revenue; and (ii) maintenance budget. Achievement of the institutional development program will also be monitored. For civil works, progress will be monitored and reported monthly by the construction supervision consultant. The project beneficiaries' satisfaction will be surveyed during and after project implementation. Disaggregated baseline data for output and outcome indicators gathered during project processing will be updated and reported quarterly through the quarterly progress reports from BBA and after each ADB review mission. These

quarterly reports will provide information necessary to update ADB's project performance reporting system.<sup>3</sup>

34. **Compliance monitoring:** Compliance with covenants will be monitored through ADB's Project Administration Missions – including project inception mission to discuss and confirm the timetable for compliance with the loan covenants; project review missions to review the borrower's compliance with particular loan covenants and, where there is any noncompliance or delay, discuss proposed remedial measures with the Government; and mid-term review mission if necessary to review covenants to assess whether they are still relevant or need to be changed, or waived due to changing circumstances.

35. **Safeguards monitoring:** Each of the SAP and EAP documents specifies the institutional arrangements for monitoring of actions mandated by those documents.

### C. Evaluation

36. A project inception mission will be fielded soon after the legal agreements for the Project are declared effective; thereafter, regular reviews will follow at least annually. As necessary, special loan administration missions and a midterm review mission will be fielded, under which any changes in scope or implementation arrangement may be required to ensure achievement of project objectives. BBA will monitor project implementation in accordance with the schedule and time-bound milestones, and keep ADB informed of any significant deviations that may result in the milestones not being met. Within 6 months of physical completion of the Project, BBA will submit a project completion report to ADB.<sup>4</sup>

### D. Reporting

37. BBA will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions; (c) updated procurement plan and (d) updated implementation plan for next 12 months; and (iii) a project completion report within 6 months of physical completion of the Project. To ensure the Project continue to be both viable and sustainable, project accounts and the executing agency audited financial statements, together with the associated auditor's report, should be adequately reviewed.

### E. Stakeholder Communication Strategy

38. Various information regarding the Project, including scope, general progress status, beneficiaries, invitation for bid, and consultant recruitment notices, will be provided to the general public. The information will be made available and updated through the official websites of BBA.

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<sup>3</sup> ADB's project performance reporting system is available at:

<http://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool>

<sup>4</sup> Project completion report format available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

### **VIII. ANTICORRUPTION POLICY**

39. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the Project.<sup>5</sup> All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all Project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the Project.<sup>6</sup> To support these efforts, relevant provisions are included in the loan agreements, regulations and the bidding documents for the Project.

### **IX. ACCOUNTABILITY MECHANISM**

40. People who are, or may in the future be, adversely affected by the project may address complaints to ADB, or request the review of ADB's compliance under the Accountability Mechanism.<sup>7</sup>

### **X. RECORD OF PAM CHANGES**

41. All revisions/updates during course of implementation should be recorded and retained under this Section to provide a chronological history of changes to implemented arrangements recorded in this PAM.

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<sup>5</sup> Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

<sup>6</sup> ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

<sup>7</sup> For further information see: <http://compliance.adb.org/>.

## PROCUREMENT PLAN

### Basic Data

<b>Project Name:</b> Padma Multipurpose Bridge Project		<b>Executing Agency:</b> Bangladesh Bridge Authority	
<b>Country:</b> Bangladesh		<b>Loan Number:</b> BAN 35049	
<b>Loan Amount:</b> \$539 m OCR, \$76 m ADF		<b>Date of this Procurement Plan:</b> 26 October 2010	
<b>Date of First Procurement Plan:</b> 26 October 2010			

### a. Process Thresholds, Review and 18-Month Procurement Plan

#### 1. Project Procurement Thresholds

1. Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works	
Method	Threshold
International Competitive Bidding (ICB) for Works	\$2,000,000

#### 2. ADB Prior or Post Review

2. Except as ADB may otherwise agree, the following prior or post review requirements apply to the various procurement and consultant recruitment methods used for the project.

Procurement Method	Prior or Post	Comments
<b>Procurement of Goods and Works</b>		
ICB Works	Prior	

#### 3. Goods and Works Contracts Estimated to Cost More Than \$1 Million

3. The following table lists goods and works contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

General Description	Contract Value	Procurement Method	Prequalification of Bidders (y/n)	Advertisement Date (quarter/year)	Comments
Main Bridge	\$1.2-1.3 billion	ICB	Y	Dec 2009	
River Training Works	\$700-800 million	ICB	Y	Dec 2009	

### DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b> Accelerated economic growth in the southwest zone of Bangladesh</p>	<p>Narrowed income-growth gap between the southwest zone and the rest of the country</p>	<p>Annual national statistical report</p>	<p><b>Assumption</b> Complementary investments are made in the southwest zone and along the project corridor.</p>
<p><b>Outcome</b> Improved surface transport between Dhaka and the southwest zone of Bangladesh</p>	<p>By project completion in 2015, travel time between Dhaka and Khulna to be reduced from the current 8 hours to 3.5 hours</p> <p>Traffic volume across the Padma River to increase by 100% in the first 5 years</p>	<p>Project performance monitoring surveys by management support consultants</p> <p>Ex-post evaluation by management support consultants or through separate technical assistance</p>	<p><b>Assumption</b> Transport service providers will extend their services between Dhaka and the southwest zone.</p>
<p><b>Outputs</b></p> <ol style="list-style-type: none"> <li>1. First fixed crossing across the Padma River for road traffic</li> <li>2. Cost recovery mechanisms to ensure investment sustainability</li> <li>3. Institutional capacity for asset management</li> </ol>	<p>Main bridge, approach roads, and bridge-end facilities completed by 2014</p> <p>River training works completed by the monsoon in 2015</p> <p>Tolling strategy approved by the government with properly adjusted toll rates for Padma bridge by June 2013</p> <p>Strengthening of BBA by December 2012 in preparation for Padma bridge opening</p>	<p>Monthly and quarterly progress reports by BBA</p> <p>Regular review missions by ADB and other cofinanciers</p>	<p><b>Assumptions</b> Other cofinanciers provide financing as envisaged.</p> <p>The government adopts a comprehensive tolling strategy without delay.</p> <p><b>Risks</b> Land acquisition and resettlement are delayed and hamper the performance of civil works contractors.</p> <p>The recruitment of supervision consultants and civil works contractors is delayed.</p> <p>Construction is delayed by flooding and other weather conditions.</p>



<b>Activities with Milestones</b>	<b>Inputs</b>												
<b>1. Project Readiness Enhancement</b>	<b>Loan</b>												
1.1 Design consultants to provide continued services to enhance readiness until the first quarter of 2011	<b>ADB: \$539 million from OCR and \$76 million from ADF</b>												
1.2 Land acquisition, resettlement and rehabilitation, environmental mitigation, and utility shifting to be completed prior to the award of the civil works contract (expected in early 2011)	<table border="1"> <thead> <tr> <th><b>Item</b></th> <th><b>Amount (\$ million)</b></th> </tr> </thead> <tbody> <tr> <td>Civil works</td> <td>548.0 (ADF 73.5 and OCR 474.5)</td> </tr> <tr> <td>Financing charges during implementation</td> <td>67.0 (ADF 2.5 and OCR 64.5)</td> </tr> </tbody> </table>	<b>Item</b>	<b>Amount (\$ million)</b>	Civil works	548.0 (ADF 73.5 and OCR 474.5)	Financing charges during implementation	67.0 (ADF 2.5 and OCR 64.5)						
<b>Item</b>	<b>Amount (\$ million)</b>												
Civil works	548.0 (ADF 73.5 and OCR 474.5)												
Financing charges during implementation	67.0 (ADF 2.5 and OCR 64.5)												
<b>2. Bridge Construction</b>	<b>Government \$660 million</b>												
2.1 Recruitment of construction supervision consultant completed by December 2010	<table border="1"> <thead> <tr> <th><b>Item</b></th> <th><b>Amount (\$ million)</b></th> </tr> </thead> <tbody> <tr> <td>Civil works</td> <td>593.1</td> </tr> <tr> <td>Implementation of social action and environmental management plans</td> <td>66.9</td> </tr> </tbody> </table>	<b>Item</b>	<b>Amount (\$ million)</b>	Civil works	593.1	Implementation of social action and environmental management plans	66.9						
<b>Item</b>	<b>Amount (\$ million)</b>												
Civil works	593.1												
Implementation of social action and environmental management plans	66.9												
2.2 Award of all civil works contracts by the second quarter of 2011													
2.3 Construction of all civil works completed by 2014 for main bridge, approach roads, and bridge-end facilities													
2.4 Construction of all civil works for river training completed by the monsoon of 2015													
<b>3. Financing Arrangements</b>	<b>Loans and Credits</b>												
3.1 A tolling strategy adopted and toll rationalization done by award of civil works contracts for main bridge and river training works	<b>Cofinanciers: \$1,640 million</b>												
3.2 A comprehensive tolling strategy for the Padma bridge developed and adopted by the government by 2013	<b>Islamic Development Bank: \$140 million</b>												
	<b>Japan International Cooperation Agency: \$300 million</b>												
	<b>World Bank: \$1,200 million</b>												
	(The amounts above are only indicative)												
<b>4. Institutional Strengthening</b>	<table border="1"> <thead> <tr> <th><b>Item</b></th> <th><b>Amount (\$ million)</b></th> </tr> </thead> <tbody> <tr> <td>Civil works</td> <td>1,285.0</td> </tr> <tr> <td>Implementation of social action and environmental management plans</td> <td>225.0</td> </tr> <tr> <td>Consulting services for supervision</td> <td>72.0</td> </tr> <tr> <td>Project management, technical assistance, and training</td> <td>26.0</td> </tr> <tr> <td>Financing charges during implementation and refinancing of PPF</td> <td>32.0</td> </tr> </tbody> </table>	<b>Item</b>	<b>Amount (\$ million)</b>	Civil works	1,285.0	Implementation of social action and environmental management plans	225.0	Consulting services for supervision	72.0	Project management, technical assistance, and training	26.0	Financing charges during implementation and refinancing of PPF	32.0
<b>Item</b>	<b>Amount (\$ million)</b>												
Civil works	1,285.0												
Implementation of social action and environmental management plans	225.0												
Consulting services for supervision	72.0												
Project management, technical assistance, and training	26.0												
Financing charges during implementation and refinancing of PPF	32.0												
4.1 Seven staff positions identified under the institutional study for the purpose of project implementation filled by loan appraisal in the third quarter of 2010													
4.2 Key positions of the remaining 14 positions identified under the same study for strengthening BBA's capacity to be filled by the end of 2010													
4.3 Strengthening of BBA in preparation for Padma bridge opening by the end of 2012													

ADB = Asian Development Bank, ADF = Asian Development Fund, BBA = Bangladesh Bridge Authority, OCR = ordinary capital resources, PPF = project preparatory facility.

Source: Asian Development Bank.