



Technical Assistance Report

Project Number: 53260-002
Transaction Technical Assistance (TRTA)
November 2019

People's Republic of Bangladesh: Preparing the South Asia Subregional Economic Cooperation Integrated Trade Facilitation Sector Development Program

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 12 November 2019)

Currency unit	–	taka (Tk)
Tk1.00	=	\$0.11782
\$1.00	=	Tk84.875

ABBREVIATIONS

ADB	–	Asian Development Bank
LCS	–	land customs station
TA	–	technical assistance

NOTES

- (i) The fiscal year (FY) of the Government of Bangladesh and its agencies ends on June. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2019 ended on 30 June 2019.
- (ii) In this report, “\$” refers to United States dollars.

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CONTENTS

	Page
TRANSACTION TECHNICAL ASSISTANCE AT A GLANCE	
I. THE ENSUING PROGRAM	1
II. THE TECHNICAL ASSISTANCE	1
A. Justification	1
B. Outputs and Activities	1
C. Cost and Financing	2
D. Implementation Arrangements	2
E. Governance	3
APPENDIXES	
1. Cost Estimates and Financing Plan	4
2. List of Linked Documents	5

TRANSACTION TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 53260-002	
Project Name	Preparing the South Asia Subregional Economic Cooperation Integrated Trade Facilitation Sector Development Program	Department/Division	SARD/SARC
Nature of Activity	Project Preparation	Executing Agency	Asian Development Bank
Modality	Regular		
Country	Bangladesh		
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Industry and trade	Industry and trade sector development		1.50
		Total	1.50
3. Operational Priorities		Climate Change Information	
✓ Accelerating progress in gender equality		Climate Change impact on the Project	Medium
✓ Strengthening governance and institutional capacity			
✓ Fostering regional cooperation and integration			
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 1.a		Some gender elements (SGE)	✓
SDG 5.c			
SDG 9.4			
		Poverty Targeting	
		General Intervention on Poverty	✓
4. Risk Categorization Complex			
5. Safeguard Categorization Safeguard Policy Statement does not apply			
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		1.50	
Transaction technical assistance: Technical Assistance Special Fund		1.50	
Cofinancing		0.00	
None		0.00	
Counterpart		0.00	
None		0.00	
Total		1.50	
Currency of ADB Financing: US Dollar			

I. THE ENSUING PROGRAM

1. The ensuing South Asia Subregional Economic Cooperation (SASEC) Integrated Trade Facilitation Sector Development Program of the Asian Development Bank (ADB) will help improve Bangladesh's border infrastructure and trade facilitation environment, thereby contributing to the national goals of promoting a favorable industrialization and trade policy regime. The policy reform part of the program will help speed up clearances, improve customs compliance, focus essential resources on higher-risk cargo, and lead to better administration of customs laws and regulations. The investment part of the program will (i) develop modern land customs stations (LCSs), expand the capacity of land ports, and improve 2–5 kilometers of roads as well as railway cargo handling facilities at selected border-crossing points; and (ii) construct a central customs laboratory and regional training center in Dhaka. Electronic cargo-tracking systems will be introduced at the LCSs to register and monitor international transit cargoes. These solutions will result in the following outcome: faster, cheaper, more predictable, and more secure cross-border trade in Bangladesh achieved. The program will be aligned with the following impact: region's trade and commerce expanded. The indicative loan amounts are \$50 million from ADB's concessional ordinary capital resources lending for the policy reform part and \$100 million from its ordinary capital resources for the investment part of the program. The ensuing loans and this transaction technical assistance (TA) are listed in the country operations business plan, 2020–2022.

II. THE TECHNICAL ASSISTANCE

A. Justification

2. The TA will help the government prepare the investment part of the ensuing program, and coordinate the development and modernization of customs facilities at the LCSs with the countries adjacent to Bangladesh.

B. Outputs and Activities

3. The major outputs and activities of the TA are summarized in Table 1. The consulting services will be implemented over 5 calendar months from the commencement date.

Table 1: Summary of Major Outputs and Activities

Major Outputs and Activities	Delivery Dates	Key Activities with Milestones
1. Feasibility study of the ensuing program prepared	Q1 2020	1.1 Trade and transport demand analysis (1 month) 1.2 Trade economic analysis (3 months) 1.3 Transport economic and financial analysis (3 months)
2. Engineering design and cost estimate prepared	Q1 2020	2.1 Inventory, condition, and traffic survey (1 month) 2.2 Engineering study and design for customs areas and buildings (2 months) 2.3 Engineering study and design for roads and land ports (2 months) 2.4 Engineering study and design for railway cargo handling facilities (2 months)

3. Safeguard and gender documents prepared	Q2 2020	3.1 Environmental assessment (4 months) 3.2 Climate change risk and vulnerability assessment (3 months) 3.3 Poverty and social assessment (3 months) 3.4 Resettlement and indigenous peoples planning (4 months) 3.5 Gender and social inclusion planning (3 months)
4. Procurement plan and bidding documents prepared	Q2 2020	4.1 Program procurement risk assessment (2 months) 4.2 Procurement plan (3 months) 4.3 Master bidding documents (4 months)
5. Coordination with the adjacent countries	As necessary	5.1 Bilateral coordination meetings for development and modernization of the custom facilities at land custom stations

Source: Asian Development Bank.

C. Cost and Financing

4. The TA is estimated to cost \$1,650,000, of which \$1,500,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF 6). The key expenditure items are in Appendix 1.

5. The government will provide counterpart support in the form of counterpart staff, office and housing accommodation, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions. The government was informed that approval of the TA does not commit ADB to finance any ensuing program.

D. Implementation Arrangements

6. ADB will administer the TA. Its South Asia Department will select, supervise, and evaluate the consultants. The implementation arrangements are summarized in Table 2.

Table 2: Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	November 2019–September 2022		
Executing agency	ADB		
Consultants	To be selected and engaged by ADB		
	Firm: QCBS	Program preparatory consulting services	\$1,350,000
Disbursement	The TA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time).		

ADB = Asian Development Bank, QCBS = quality- and cost-based selection.

Source: Asian Development Bank

7. **Consulting services.** ADB will engage an international consulting firm following its Procurement Policy (2017, as amended from time to time) and associated project administration

instructions and/or staff instructions. The consulting services will be implemented over 5 months by a team of international and national experts.¹ The required consulting inputs are in Table 3.

Table 3: Person-Months of Consulting Inputs

International Experts	Person	Months	National Experts	Person	Months
Customs specialist and team leader	1	5	Customs specialist and government coordinator	1	5
Architect	1	3	Architect	3	6
Highway engineer	1	3	Highway engineer	3	9
Railway engineer	1	2	Railway engineer	1	2
Trade economist	1	3	Trade economist	1	3
Transport economist	1	3	Transport economist	1	3
Financial specialist	1	2	Financial specialist	1	2
Environmental specialist	1	3	Environmental specialist	3	9
Climate change specialist	1	2	Climate change specialist	1	2
Social specialist	1	3	Social specialist	3	9
Gender specialist	1	2	Gender specialist	1	2
Procurement specialist	1	3	Procurement specialist	2	6
IT specialist	1	2	IT specialist	1	2
Electrical engineer	1	2	Electrical engineer	1	2
Total	14	38	Total	23	62

IT = information technology.

Source: Asian Development Bank

8. **Conferences.** ADB will invite government officials from Bangladesh and its adjacent countries to participate in the meetings on border infrastructure development and cross-border operation improvement.

E. Governance

9. The National Board of Revenue has no experience in procurement under an ADB-funded project. This TA will (i) assess the strength and weaknesses in, and the capacity for, project procurement practices of the National Board of Revenue from the perspective of (a) organizational and staff capacity; (b) information management; (c) procurement practices (goods and works, consulting services, and payment practices); (d) effectiveness; and (e) accountability measures; (ii) identify and evaluate procurement risks at the project level; and (iii) propose risk mitigation and management strategies and activities.

¹ Terms of reference for consulting services (accessible from the list of linked documents in Appendix 2).

COST ESTIMATES AND FINANCING PLAN

(\$'000)

Item	Amount
1. Consultants	
a. Remuneration and per diem	
i. International consultants	689.0
ii. National consultants	315.0
b. Out-of-pocket expenditures	
i. International and local travel	73.0
ii. Office space rental and related facilities	25.0
iii. Goods (rental)	6.0
iv. Reports and communications	5.0
2. Surveys	50.0
3. Conferences	
a. Facilitators	20.0
b. Travel cost of ADB staff acting as resource persons	10.0
c. Venue rental and related facilities	45.0
d. Participants	70.0
e. Representation	5.0
4. Contingencies	187.0
Total	1,500.0

ADB = Asian Development Bank.

Note: The technical assistance is estimated to cost \$1,650,000, of which contributions from ADB are presented in the table. The government will provide support in the form of counterpart staff, office and housing accommodation, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions. The value of the government contribution is estimated to account for 9% of the total technical assistance cost.

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=53260-002-TARreport>

1. Terms of Reference for Consulting Services