

Project Brief

Bangladesh

Dhaka Clean Fuel Project



Eric Sales

Air pollution is a serious public health problem in urban Bangladesh. Air pollution is a cross-sector issue involving the transport, energy, industry, commercial, and the domestic sectors. In Dhaka, vehicles represent the dominant source of air pollution.

In November 2002, the Asian Development Bank (ADB) approved the Dhaka Clean Fuel Project. The project advanced the use of domestic resources for the transport sector

by creating the initial infrastructure for the supply of compressed natural gas (CNG) fuel in Dhaka, established the initial critical number of CNG-fueled vehicles, and contributed to the improvement of Dhaka's air quality. The project is in line with the strategic directions of ADB's South Asia Department, which focuses on sustainable infrastructure, climate change mitigation and adaptation, human development, regional cooperation and integration, public-private partnership, and good governance.

Project Results

New transmission pipelines and CNG filling stations. To ensure a proper supply and balance in the gas distribution system, a 60-kilometer, 20-inch transmission pipeline was constructed between Dhanua and Aminbazar via Ashulia and two city gate stations at Ashulia and Aminbazar. To improve and secure a reliable supply of gas to the CNG filling stations in Dhaka without stressing the supply network, a distribution pipeline infrastructure was put in place through the construction of 94 kilometers of pipelines.

Critical to the sustainable development of CNG for automotive use was a minimum number of CNG filling stations distributed all over Dhaka, which will encourage consumers to convert their petrol-fueled vehicles. To address this, the project established 23 CNG filling stations through the private sector along the Dhaka–Chittagong, Dhaka–Sylhet, Dhaka–Mymensingh, Dhaka–Aricha, and Dhaka–Bogra highways.

Foundation for private sector participation in CNG-fueled transport. A total of 149 CNG-fueled buses and/or chassis were purchased by the private sector for intracity and intercity transport to replace the same number of existing diesel-fueled buses in Dhaka; and conversion kits for 5,000 petrol cars owned by the government, semi-government agencies, and private owners.

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The project established the foundation for private sector participation in the future development of CNG-fueled transport

Project Results

(continued)

To implement the projected increase in the number of conversions and future maintenance, one new workshop has been established at Dhania and another existing workshop at Joarsahara has been modernized.

Capacity building and training, as well as consulting services for areas, such as development of technology for conversion of non-CNG-fueled vehicles, and repair and maintenance of CNG-fueled vehicles; implementing new safety codes and environmental management; and awareness campaigns on the health benefits of using CNG, were conducted.

The economic benefits associated with the reduced health problems will be reaped mostly by the urban poor, such as street vendors, cyclists, rickshaw pullers, and passengers



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Using CNG in transport improved air quality



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The project has had a significant poverty reduction impact by improving the living standards of the poor, who are more vulnerable to air pollution

The Project at a Glance

Cost and financing: Asian Development Fund, \$15.74 million; ADB ordinary capital resources, \$30 million; Government of Bangladesh, \$23.70 million

Project approval date: 26 November 2002

Project themes: Economic growth, environment

Status of project implementation: Closed

Loan closing date: 31 December 2010

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Sources: Project information document, available at <http://pid.adb.org/pid/LoanView.htm?projNo=35466&seqNo=01&typeCd=3>; ADB, 2002. Report and recommendation of the President, available at http://adb.org/Documents/RRPs/BAN/rrp_ban_35466.pdf

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