



## Bangladesh: South Asia Subregional Economic Cooperation Chittagong Port Enhancement Project, Phase 1

Project Name	South Asia Subregional Economic Cooperation Chittagong Port Enhancement Project, Phase 1	
Project Number	50293-002	
Country	Bangladesh	
Project Status	Proposed	
Project Type / Modality of Assistance	Loan Technical Assistance	
Source of Funding / Amount	<b>Loan: South Asia Subregional Economic Cooperation Chittagong Port Enhancement Project, Phase 1</b>	
	Ordinary capital resources	US\$ 73.00 million
	concessional ordinary capital resources lending / Asian Development Fund	US\$ 3.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration	
Drivers of Change	Knowledge solutions Partnerships	
Sector / Subsector	<b>Transport</b> - Water transport (non-urban)	
Gender Equity and Mainstreaming	No gender elements	
Description	The Project will support the government of Bangladesh to expand the capacity of Chittagong Port to meet the growing transport demand and also support preparation of subsequent port development projects. The Project will increase export and import activities in the country and contribute to the economic growth of Bangladesh. The Project will also integrate projects related to the SASEC corridors, and Chittagong Port will serve as a _regional gateway port_ providing sea access to the SASEC landlocked countries as well as to the proximate region.	
Project Rationale and Linkage to Country/Regional Strategy	Labor-intensive industries have evolved in Bangladesh due to its comparative advantage in labor cost. The garment sector is particularly successful as it accounts for 85% of the country's exports. Bangladesh is the second largest exporter of garment in value in the world. Reliable and low-cost logistics network is a fundamental infrastructure to maintain the competitiveness of Bangladesh products in the global market. Chittagong Port is the national gateway port handling 95% of the country's international cargo. The port is the busiest container port in the Bay of Bengal, with handled container volume about 2.3 million twenty-foot equivalent units (TEU) in 2016. The port is already operating beyond its nominal capacity of container cargo handling at 1.7 million TEU per year, and it is forecast that total container cargo volume of the country will reach 6.1 million TEU in 2030. Chittagong Port has distinct geographic and economic advantages, and will remain as a major gateway port, regardless of any other potential developments in the region. Thus, strengthening of port capacity is imperative. Unless such expansion and efficiency improvement are carried out, the port is likely to become a bottleneck to the international trade and economic growth of Bangladesh.	
Impact	Regional connectivity and trade improved	
Outcome	Efficiency of the container yard operation improved	
Outputs	Vehicle-type equipment for cargo handling and IT system installed Operation and management capacity of the Chittagong Port strengthened Detailed design and other preparatory works for the Bay Terminal development prepared	
Geographical Location	Nation-wide	
<b>Safeguard Categories</b>		
Environment		C
Involuntary Resettlement		C
Indigenous Peoples		C

## Summary of Environmental and Social Aspects

Environmental Aspects	The Project will only involve the procurement of vehicle type equipment for cargo handling; information technology (IT) system; and consulting services, which includes preparation of detailed design of Bay Terminal and detailed hydrologic and hydraulic studies along Karnaphuli river. These activities will not have any direct or induced impacts on the environment and hence, the Project has been categorized as C for environmental safeguards in accordance with ADB Safeguard Policy Statement (SPS). No environmental assessment is required for the Project.
Involuntary Resettlement	The Project is classified as category C for both involuntary resettlement and indigenous peoples in accordance with ADB's Safeguard Policy Statement. Project outputs involve procurement of cargo handling equipment, strengthening of CPA operations and management capacity, and design of future port components. The project outputs will not result in physical and economic displacement. There are no indigenous peoples residing around the port. The PIU under the Project Director will be responsible for ensuring compliance of the Project with the ADB SPS and relevant government regulations.
Indigenous Peoples	(Combined with Involuntary Resettlement)

## Stakeholder Communication, Participation, and Consultation

During Project Design	(to be detailed later)
During Project Implementation	(to be detailed later)

## Business Opportunities

Consulting Services	A consulting firm will be recruited for the implementation of TRTA.
Procurement	Procurement of goods and works will be finalized during due diligence, in accordance with ADB's policies and regulations. To expedite project implementation, advance contracting and retroactive financing are proposed.

Responsible ADB Officer	Kasahara, Kaoru
Responsible ADB Department	South Asia Department
Responsible ADB Division	Transport and Communications Division, SARD
Executing Agencies	<i>Chittagong Port Authority Chittagong Bangladesh Ministry of Shipping Bldg #6, Bangladesh Secretariat Dhaka 1000, Bangladesh</i>

## Timetable

Concept Clearance	10 Apr 2017
Fact Finding	14 May 2017 to 25 May 2017
MRM	28 Feb 2018
Approval	-
Last Review Mission	-
Last PDS Update	24 Sep 2018

Project Page	<a href="https://www.adb.org/projects/50293-002/main">https://www.adb.org/projects/50293-002/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=50293-002">http://www.adb.org/forms/request-information-form?subject=50293-002</a>
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