



## Bangladesh: South Asia Subregional Economic Cooperation Chittagong-Cox's Bazar Railway Project, Phase 1 - Tranche 2

Project Name	South Asia Subregional Economic Cooperation Chittagong-Cox's Bazar Railway Project, Phase 1 - Tranche 2		
Project Number	46452-004		
Country	Bangladesh		
Project Status	Proposed		
Project Type / Modality of Assistance	Loan		
Source of Funding / Amount	Loan: South Asia Subregional Economic Cooperation Chittagong-Cox's Bazar Railway Connectivity Project, Phase 1 - Tranche 2		
	Ordinary capital resources	US\$ 400.00 million	
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration		
Drivers of Change	Governance and capacity development		
Sector / Subsector	Transport - Rail transport (non-urban)		
Gender Equity and Mainstreaming	Effective gender mainstreaming		
Description	The SASEC Chittagong -Cox's Bazar Railway Project, Phase 1 (the Project) will support the government of Bangladesh in constructing the new, 102 kilometers (km) Dohazari Cox's Bazar section of the Chittagong Cox's Bazar railway corridor in southeastern Bangladesh. The government is upgrading the 47 km section Chittagong Dohazari with its own funds. The project will also strengthen the capacity of the railway sector in project management and implementation. By connecting the Cox's Bazar district to Bangladesh's railway network, the project will not only boost the national economy through further development of Cox's Bazar into a major tourist destination, but also facilitate access for the population and products to subregional markets and trade. The Chittagong Cox's Bazar railway corridor is part of the Trans-Asia Railway network. The project has been endorsed by the SASEC trade facilitation and transport working group meeting held in Tokyo on 26 November 2015.		

Project Rationale and  
Linkage to  
Country/Regional Strategy

Cox's Bazar is developing towards becoming a major domestic and regional tourist destination. To date, tourists can travel to Cox's Bazar only by car and bus using the two-lane national highway or in a very limited scale by air. More than 9 million annual bus trips from Chittagong to Cox's Bazar are made and around 1.875 million incoming tourists are visiting Cox's Bazar city annually, which stay in the more than 200 Hotels and numerous guesthouses and dormitories in Cox's Bazar. Tourism in Cox's Bazar is expected to grow by at least 5% annually and the government of Bangladesh intends to develop Cox's Bazar to a regional tourist hub and seaside resort benefiting from its more than 120 km of sandy beaches, while it intends to develop other areas of the district and the Chittagong Hill Tracts into eco-tourist destinations.

The development of tourism in Cox's Bazar district is expected to contribute significantly to the economic growth in the district and generate employment in the tourist sector and supporting sectors. As tourists are visiting Cox's Bazar mainly from the urban centers in Bangladesh, such as Dhaka, which is located 470 km north of Cox's Bazar or Comilla and Chittagong, it is expected that the market share of the railway for the tourist traffic will be high at around 50% of incoming trips currently using buses; the project will hence help to reduce greenhouse gas emissions and improve road safety by the expected modal shift of tourists from road to rail. Special tourist trains will be operated to accommodate the demand.

In addition, a significant local demand from the around 2.2 million population of the Cox's Bazar district is expected from trips related to work, education or for social, medical and administrative reasons. To accommodate this local demand, all stations will be equipped with multimodal facilities and local as well as mail trains will operate on the line. Demand from freight is expected inbound and outbound. Inbound will be mainly supplies for the district and the tourist sector in Cox's Bazar, while outbound freight will cover goods from the district, such as salt, fish products and timber. Facilities for cargo handling for freight trains will be integrated in the Ramu Station, around 12 km outside of the Cox's Bazar terminal and at the national highway N1 Chittagong Cox's Bazar Teknaf, which is located at the border to Myanmar. The Project is part of the Trans-Asia Railway network and by constructing the line in dual gauge, it will also provide future direct connectivity by railway towards northeastern India and to Bhutan and Nepal through the Indian railway network, which is constructed mostly in broad gauge.

Road map. The government's Vision 2021 intends to reach middle-income status by the 50th anniversary of the nation in 2021. To achieve this, the Seventh Five Year Plan (SFYP, 2015-2020) aims to accelerate economic growth, employment generation and rapid poverty reduction and therefore aims to raise the annual average growth rate to 7.4%. The Project is part of the government's strategy to connect more districts of the country to the railway network. It will further support the objectives to (i) generate employment through development of the tourist sector in Cox's Bazar, (ii) improve the subregional connectivity and trade, (iii) increase the market share of the railway system especially for long-distance passenger and freight traffic and (iv) improve the multimodal integration of different modes of transport.

Strategic Context. The SFYP includes the improvement of railways as energy efficient multimodal transport systems to reduce carbon emissions. It also refers to the establishment of proper regional rail connectivity as a major investment priority. The government's strategy in the SFYP intends to increase Bangladesh Railway's market share from 4% to 15% in freight transport, and 4% to 10% in passenger transport. The railway shall focus

Impact	Improved domestic and subregional trade-flow in Bangladesh
Outcome	Improved railway transport system in Bangladesh
Outputs	1. Constructed and improved railway infrastructure 2. Improved rolling stock maintenance system in place 3. Improved capacity of BR in project management and implementation
Geographical Location	Nation-wide

#### Safeguard Categories

Environment	A
Involuntary Resettlement	A
Indigenous Peoples	C

#### Summary of Environmental and Social Aspects

Environmental Aspects	<p>Studies to prepare this investment program will be undertaken by the TA loan and PPTA. The tasks include (i) assessing the environmental and social safeguard impact of the project, and (ii) preparing safeguard documentation for the project and review the safeguard categorization for the project.</p> <p>Estimates of emission reduction as a result of the investment program will be calculated and the potential for carbon-funding of subprojects under the Investment Program will be explored.</p> <p>The Environment Expert will update and prepare (i) environmental categorization form and rapid environmental assessment checklist; and (ii) an environmental impact assessment (EIA) or initial environmental examination (IEE) in accordance with ADB's Safeguard Policy Statement (2009). The environmental considerations will require assessment of environmental improvement and/or emission reduction due to diversion of passenger and cargo traffic from roads to rail. The environmental analysis shall also include analysis of options for carbon financing for the subprojects.</p>
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Involuntary Resettlement	<p>A resettlement framework, resettlement plans, an environmental assessment framework, an indigenous people framework and indigenous peoples plans, if required, will be prepared in accordance with the ADB's Safeguard Policy Statement (2009), government guidelines, regulations and policies.</p> <p>The Resettlement Expert will prepare or update (i) involuntary resettlement (IR) screening and impact categorization checklists, (ii) indigenous peoples (IP) screening and categorization checklists, (iii) resettlement and indigenous peoples frameworks (iv) propose/design a mechanism for grievance redress in these frameworks as well as in safeguard plans, (v) undertake audit(s) of existing facilities, (vi) prepare resettlement plans (RP); and (vii) prepare indigenous peoples plans, if required, in accordance with ADB's Safeguard Policy Statement (2009), Government rules, regulations and policies and other related policies such as ADB's Public Communications Policy (2012). The scope shall include, but not be limited to, the following: (i) how the projects could avoid or reduce involuntary resettlement, (ii) the extent of physical and economic displacement expected, if any, by carrying 100% census of the displaced persons and preparing inventory of losses, (iii) whether indigenous peoples are present within or nearby the project areas, and if they will benefit from or be affected by the project, (iv) carry out meaningful consultations with all the stakeholders including displaced persons, and (v) recommend measures and organizational improvements in BR for implementation of the land acquisitions and RP and how to organize the monitoring and documentation of actions taken.</p>
Indigenous Peoples	<p>A poverty and social assessment will be prepared to assist in developing pro-poor design features, including issues related to participation, gender, labor, affordability, sexually transmitted diseases including HIV and other social risks. A mitigation plan will be prepared to address risks, if any, in compliance with ADB's Guidelines for Incorporation of Social Dimensions in Bank Operations (1994) and Handbook on Social Analysis (2007). The initial poverty and social assessment is in Appendix 4.</p> <p>The Social Development Expert will prepare Poverty and Social Analysis (PSA) report in accordance with ADB's Handbook on Social Analysis (2007) and ADB's Poverty Handbook (2006). The scope shall include an in-depth social, poverty and gender analysis by providing a socioeconomic profile of the project influenced areas to assess local demand for the proposed investments, employment opportunities, child labor, gender specific capacity to take advantage of the likely socioeconomic opportunities that would result from the Project, HIV transmission and/or other health and safety risks, and to collect baseline data for monitoring social impacts.</p>

#### Stakeholder Communication, Participation, and Consultation

During Project Design	<p>Bangladesh Railway, various line departments, project beneficiaries, local communities in the project influence area, among others. The Projects will benefit the poor and the vulnerable by providing increased employment and market opportunities, improved means of transport and better access to social service facilities. In case any involuntary resettlement impacts are identified during the planning stage, these will also be mitigated through provisions in the Safeguard Policy Statement, national laws and policies. Most of the beneficiaries, especially the vulnerable and the women headed households, will be consulted during the resettlement planning stage and while conducting the poverty and social assessment.</p> <p>The project will help improve people's access to and use of opportunities, services, resources and assets which will further empower them. Throughout the project cycle meaningful consultations will be held with the project beneficiaries providing them information regarding the project design and implementation. This will further empower the communities. The project will benefit all socio economic categories as they can easily commute from one place to another.</p> <p>There are civil society organizations working in the area of health, microfinance, social welfare in the project influence area. The civil society organizations will be consulted while preparing the resettlement planning documents and poverty and social assessment.</p> <p>People from all the socio economic strata are meaningfully consulted during the preparatory phase. Community meetings and focus group discussions will be organized as part of the poverty and social analysis. The local consultative meetings will involve all relevant stakeholders including representatives of the poor and other socially excluded groups ( e.g., women, indigenous people, etc) to disseminate the information as well as to get the feedback about the project design and its potential impacts. Other key stakeholders such as the relevant line departments, local Government representatives and NGOs will also be consulted. Consultations will also be undertaken with the affected households and communities during the course of the census survey and socioeconomic survey for the preparation of the safeguards planning documents.</p>
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During Project Implementation	-
Responsible ADB Officer	Kasahara, Kaoru
Responsible ADB Department	South Asia Department
Responsible ADB Division	Transport and Communications Division, SARD
Executing Agencies	<i>Bangladesh Railway 16 Abdul Gani Road Bangladesh Railway, Rail Bhaban, Dhaka, Bangladesh</i>

#### Timetable

Concept Clearance	-
Fact Finding	-
MRM	22 Nov 2018

Approval	-
Last Review Mission	-
Last PDS Update	20 Nov 2018

Project Page	<a href="https://www.adb.org/projects/46452-004/main">https://www.adb.org/projects/46452-004/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=46452-004">http://www.adb.org/forms/request-information-form?subject=46452-004</a>
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