

Bangladesh**Bangladesh Regional Waterway Transport Project 1****Chair's Summary****June 16, 2016**

Executive Directors approved a credit in the amount of SDR 254 million (US\$ 360 million equivalent) to the People's Republic of Bangladesh for the Bangladesh Regional Waterway Transport Project 1 on the terms and conditions set out in the President's Memorandum.

Directors expressed broad support for the operation, which aims to improve Inland Water Transport (IWT) efficiency and safety for passengers and cargo along the Chittagong-Dhaka-Ashuganj Regional Corridor and to enhance sector sustainability. They supported its contribution to the South Asia Region's Strategic Plan to support regional connectivity and integration, and welcomed the series of interventions under South Asia's Regional Connectivity Program aimed at facilitating regional cooperation.

Directors noted the significant challenge of finding more and better jobs in the quest to eliminate poverty and boost shared prosperity in Bangladesh, commenting on the critical need to remove infrastructure bottlenecks. They appreciated the operation's transformational impact, with benefits for regional integration, trade, and livelihoods of poor households, many of whom do not have access to other modes of transport. Directors welcomed the operation's alignment with the World Bank Group strategic goals and the strategy for Bangladesh, noting the benefits for women and other vulnerable and less abled users of the transport system, efforts to mainstream climate resilience into investments, employment, trade, social inclusion, and access for less economically integrated regions. They highlighted the role of private sector participation to enhance the project's impact on regional markets, trade integration, and sustainability, in particular through potential investments by IFC and MIGA. Directors also noted the importance of long-term financial sustainability of the IWT investments.

Directors acknowledged the implementation risks stemming from the governance environment and weak capacity at the implementation agency level. They expressed support for the mitigation measures embedded in the project design which include the use of performance-based contracting, extensive monitoring and evaluation arrangements, and significant capacity development. Directors noted the importance of high quality consultant services for implementation support, Bank supervision of procurement activities, and compliance with environmental and social safeguards of the WBG. They underscored the importance of careful monitoring of risks and oversight and sustained efforts to build capacity and capture lessons learned during implementation.

*This summary is not an approved record.