



Project Summary Information (PSI)

Project Name	Sylhet to Tamabil Road Upgradation Project
Country	People's Republic of Bangladesh
Sector	Transport
Project No.	0000153
Borrower	People's Republic of Bangladesh
Implementation Agency	Ministry of Road Transport and Bridges
Environmental and Social	Category A
Date of PSI prepared or updated	Sep. 5, 2018
Date of Concept Decision	Approved on Sep. 4, 2018
Estimated Date of Board Consideration	May 31, 2019

I. Introduction

Sylhet-Tamabil road (about 58.4 km in length) is part of the Dhaka-Narsingdi-Sylhet-Tamabil (DNST) National Highway 2 (N2) corridor with a total length of 286 km. DNST is one of the most important corridors in the country connecting the entire north-eastern districts with Sylhet and Sylhet Division and Dhaka and with Tamabil on the northern border with India. Currently, the corridor mainly serves the domestic economy connecting Sylhet Division with the rest of the country. Sylhet is the fifth largest city in Bangladesh in terms of population (reaching 500,000). The Sylhet Division is important for tea production (producing 80 percent of tea in the country), gas and mineral reserves (largest natural gas reserves) and is the center of electric power generation and construction materials.

The DNST corridor is strategically important for sub-regional connectivity with seven northeastern states of India, Bhutan, Myanmar and China. The road is part of route 1 of the Asian Highway Network connecting South Asian countries with Kunming, Yunnan Province of China and the Association of Southeast Asian Nations. Currently, the Sylhet-Tamabil road is already an important trade route for bilateral trade between Bangladesh and Meghalaya and Assam states of India. The border post at Tamabil is one of the most important land ports in Bangladesh. More than 2.5 million tons of stone and two million tons of coal enter Bangladesh through this border post. Main import items are coal, lime stone, boulder, stone, glass sand, fruits and raw hides. Export items include food and beverage items, plastic goods and bricks. The abrupt deterioration rates of the road condition are attributed to the substantial increased traffic flows, especially the significant amount of heavy commercial vehicle flows importing boulders and cobble stones and exporting crushed stone back.

II. Project Objectives and Expected Results

The objective of the proposed project is to improve cross-border connectivity between Bangladesh and India via a safe and efficient road link between Sylhet and Tamabil.

Indicative result indicators of the proposed project will result in: (a) reduced travel time for through traffic users (b) reduced number of traffic accidents and (c) increased number of populations with access to paved roads. Other intermediate indicators and the results monitoring framework to monitor the project progress and outcomes will be developed and finalized during appraisal.

III. Project Description

The proposed project consists of four components as described below.

Component 1. Construction works. The project will support construction of road works, traffic engineering works and tolling facilities, e.g., installation of traffic management equipment and traffic surveillance, roadside service facilities, tolling and communication systems.

Component 2. Consulting services. This component is comprised of two subcomponents, (a) for the project road, detailed design enhancements and construction supervision of the project and (b) for selected priority roads of Roads and Highways Department (RHD) network, feasibility studies (FS), environmental and social safeguards and preliminary designs.

Component 3. Operation and Maintenance. This component will support the purchase essential equipment for RHD to introduce new technologies to improve O&M supply chain for Sylhet Division area. This essential equipment will also support private sector contractors and local communities to improve the efficiency and quality of maintenance works.

Component 4. Project management supports and capacity building. This component is comprised of the project management costs of the project implementation unit. The project will also support the training, capacity building and institutional development of RHD for operating, managing and maintaining the RHD networks of the project division areas

IV. Environmental and Social Category

AIIB's Environmental and Social Policy (ESP) has been applied in screening and categorizing the Project, and the Environment and Social Standards (ESSs) will be applicable for due diligence with respect to the specific context of the project. As per the ESP, the project is proposed as Category A given the alignment of the road through several markets, which will require relocation of businesses. As part of project preparation, instruments such as the Environmental and Social Impact Assessment (ESIA), the Environmental and Social Management Plan (ESMP), and Resettlement Action Plan (RAP) will be prepared in parallel with other project documents, in compliance with Bank's ESP and ESSs.

V. Estimated Project Cost and Financing Source

The project preliminary cost is estimated to be USD435 million, of which USD268 million is covered by the AIIB sovereign backed loan. The government covers the land acquisition which is about USD167 million.

The financing sources are as follows:

For Loans/Credits/Others	Amount (USD million)
AIIB Loan	268.0
Government of Bangladesh	167.0
Total	435.0

VI. Implementation

The project will be implemented by the Ministry of Road Transport and Bridges, Government of Bangladesh.

All procurement under the project will be carried out in accordance with AIIB's Procurement Policy dated Jan. 2016 and Interim Operational Directive on Procurement Instructions for Recipients dated June 2, 2016.

The proposed project implementation period is from April 2019 to April 2024.

Contact Points

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