

Early Warning System

ADB-44142-015

Subregional Transport Project Preparatory Facility - Additional Financing

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Quick Facts

Countries	Bangladesh
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2015-09-28
Sectors	Finance, Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 30.00 million

Project Description

DESCRIPTION

The Government of Bangladesh has requested additional financing from the Asian Development Bank (ADB) to scale up the Subregional Transport Project Preparatory Facility, which is funded by an ADB technical assistance (TA) loan approved in 2010. The additional financing will provide further support in preparing high-priority transport projects that will enhance subregional trade. The new loan will be used to prepare railway and road projects in Bangladesh that are part of the Trans-Asia Railway network and the Asian Highway network. It will also support the executing agencies during initial project implementation. The additional financing is being processed based on the government's request, as it is not included in ADB's country operations business plan for Bangladesh, 2015 2017.

The impact will be increased subregional connectivity and trade, aligned with the Sixth Five-Year Plan (2011 2015). The outcome will be improved efficiency in implementing regional cooperation and integration (RCI) transport projects and facilitating cross-border traffic in Bangladesh.

The outputs will be (i) feasibility studies and detailed design of RCI transport projects; and (ii) implementation support for RCI transport projects to facilitate government approvals, safeguard implementation, and procurement.

The additional financing will enhance capacity to prepare RCI transport projects and improve project readiness through the provision of feasibility studies, detailed designs, and implementation support for regional transport projects. The focus will be on priority transport corridors identified in the SRMTS, Asian Highway network, Trans-Asia Railway network, and those projects linking South Asia with Southeast Asia. At a meeting in Kathmandu, Nepal on 4 November 2014, the SASEC Transport and Trade Facilitation Working Group endorsed the preparation of these priority subregional transport projects. A list of the transport projects to be prepared under this loan is in attachment B of the project administration manual (PAM). Any additional transport projects to be financed under additional financing will be selected based on the criteria described in attachment B of the PAM.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

Bangladesh has the potential to become a transport and transshipment center for the subregion. It borders India and Myanmar, and is close to the landlocked countries of Bhutan and Nepal. Bangladesh has taken many steps to strengthen its regional and international transport connectivity. With the Bhangabandhu Bridge over River Jamuna (the Jamuna Multipurpose Bridge) and the provision of access to Mongla and Chittagong ports for Bhutan, India, and Nepal, the main transport corridors in Bangladesh, such as the Dhaka Chittagong corridor, can facilitate trade between Bangladesh and the northeastern states of India, the Indian state of West Bengal, Bhutan, and Nepal. This increases the potential to attract more foreign and domestic investments. Bangladesh is located on major international trade corridors, as identified in the South Asia Association for Regional Cooperation (SAARC) Regional Multimodal Transport Study (SRMTS) and those projects linking South Asia with Southeast Asian countries, the Asia Highway network, and the Trans-Asian Railway network. However, the amount of regional trade within South Asia is much smaller than in other similar regions. One of the main reasons for the limited cross-border traffic are missing links and congestion in main domestic corridors, which do not allow operating additional domestic and international traffic. Addressing the capacity deficiencies in the domestic transport network and constructing missing links will enable Bangladesh to benefit more from international trade and will support the country's economic development.

The current TA loan was approved on 3 November 2010 and became effective on 21 July 2011. It has demonstrated that the project readiness of follow-on road and railway projects in Bangladesh has improved. The preparation of projects under the current TA loan has also helped to attract financing for follow-on transport projects by other development partners. The current TA loan has been used to prepare design for two loans approved by ADB in 2012 and 2014. The design prepared under the current TA Loan has generated interest from the governments of the People's Republic of China and Japan to finance two

Investment Description

- Asian Development Bank (ADB)

Loan 3295-BAN: Subregional Transport Project Preparatory Facility - Additional Financing
Asian Development Fund US$ 30.00 million

Contact Information

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

CONTACTS

Responsible ADB Officer Markus Roesner
Responsible ADB Department South Asia Department
Responsible ADB Division Transport and Communications Division, SARD
Executing Agencies
Roads and Highways Department
Block A, Room 122, Sarak Bhaban
Ramna, Dhaka
Bangladesh
Bangladesh Railway (BR)
JBRLPCON@CITECHCO.NET
Railway Div., Ministry of Communication
Rail Bhavan, Abdul Gani Road
Dhaka, Bangladesh

Bank Documents

- Project Disclosure PDF