Early Warning System

ADB-47243-004

Rural Infrastructure Maintenance Program

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Quick Facts

Countries	Bangladesh
Financial Institutions	Asian Development Bank (ADB)
Status	Proposed
Bank Risk Rating	B
Sectors	Infrastructure, Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 194.00 million

Project Description

DESCRIPTION

The proposed Rural Connectivity Program (RCP) will focus on improving rural road rehabilitation and maintenance in Bangladesh. ADB will assist the government in preparing a rehabilitation and maintenance program for rural roads under the project design advance (PDA). The RCP will support the sector program which the PDA has helped to design.

During the past decades, rural infrastructure in Bangladesh significantly improved. Despite progress, rural connectivity remains weak, impeding the physical and economic access. Only 40% rural population has access to all-weather roads. About 33% of upazila and union roads and 84% of village roads are still unpaved. A steep rise in road-based cargo transport in rural areas, driven by rising economic growth, has aggravated rural road conditions. Over 40% of the rural roads network needs to be rehabilitated as these are in an unmaintainable condition. Insufficient rehabilitation and maintenance budgets, covering only 35% of needs, destabilized rural road networks. Weak construction and maintenance skills, plying of overloaded vehicles, and extreme climate events caused a huge rehabilitation backlog. The rural road network, even under present climate conditions, is seriously damaged during flooding and intense rainfalls. Given the high vulnerability to climate change, rural infrastructure in the country must be climate-resilient to manage the long-term costs of investments, and to ensure that such investments deliver their intended benefits.

The impact will be connectivity between lagging and better-off regions improved. The outcome will be mobility of rural residents increased. The key outputs are (i) rural road infrastructure rehabilitated and maintained; and (ii) institutional arrangement for road maintenance strengthened. The program beneficiaries include the government, LGED, road users, transport owners and operators, traders, road construction companies, and the impact zone people.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

Bangladesh has a well-developed medium term budgetary framework (MTBF) with program for major sectors. It aims to link annual budget allocation, including revenue and development budgets, to policy priorities to ensure continuing of budgetary allocation over a three-year period. In 2014, the maintenance budget for rural roads amounted to $143 million, a rise of 79% compared with 2011. In 2014, revenue budget financed 75% of maintenance budget and remaining 25% by annual development program (largely funded by the development partners). The rising trend of allocation under the MTBF provides a good opportunity to take a programmatic and results-oriented approach to the maintenance of rural roads.

The Cabinet in 2013 approved a rural road and bridge maintenance policy. The goal of the policy is to keep all rural roads accessible year round in a sustainable manner. The thrust is on (i) reducing backlog in road maintenance; (ii) rehabilitating the roads to climate-resilient standard; (iii) improving maintenance skills and institutional capacity; (iv) establishing a comprehensive and reliable inventory for roads and bridges/culverts; (v) establishing a linkage between the inventory and geographical information system spatial database; and (vi) upgrading the road and bridge maintenance standards.

Results-based lending (RBL) is a suitable modality for improving the effectiveness of rural infrastructure programs because (i) it provides a holistic approach to road rehabilitation and maintenance with an institutional development plan for better alignment with government's rural road and bridge maintenance policy; (ii) it provides greater flexibility and leeway to prioritize investment; (iii) the government considers RBL, particularly the use of country systems, as a useful instrument for better efficiency in public spending for road maintenance; (iv) it fosters development coordination and harmonization for programmatic and results-based approach to road maintenance program; (v) it increases the predictability and amount of maintenance financing whereby other development partners can participate with a harmonized approach; (vi) it lowers the transaction cost by saving staff time in project implementation; and (vii) it supports improving the government's systems and processes. RBL is also justified based on ADB's previous and ongoing experiences in rural infrastructure projects in Bangladesh which indicated that implementation delays are often caused by inefficient and ineffective government's processes. The

Investment Description

- Asian Development Bank (ADB)

Loan: Rural Infrastructure Maintenance Program
Concessional ordinary capital resources / Asian Development Fund US$ 64.00 million
Ordinary capital resources US$ 130.00 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

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Bank Documents

- graamiinn abkaatthaamo rkssnnaabekssnn krmsuuci : prklp tthyptr [Original Source]
- Project Disclosure PDF
- Rural Connectivity Program: Initial Poverty and Social Analysis [Original Source]

Other Related Projects

- ADB-47243-003 Rural Infrastructure Maintenance Program (PDA)
- ADB-47243-005 Rural Connectivity Improvement Project-Additional Financing
- ADB-47243-006 Rural Connectivity Improvement Project-Second Additional Financing