

 Early Warning System

ADB-49258-001

Dhaka Metro Project



### Quick Facts

Countries	Bangladesh
Financial Institutions	Asian Development Bank (ADB)
Status	Active
Bank Risk Rating	A
Voting Date	2015-12-17
Sectors	Transport
Investment Type(s)	Grant
Investment Amount (USD)	\$ 1.30 million



## Project Description

### DESCRIPTION

The Dhaka Metro Project will finance the construction of a metro line in Dhaka as the backbone public transport system in an integrated urban transport system for the city.

The Dhaka Metro Project will improve the urban transport system by constructing a high-capacity metro line, which will be integrated with the Mass Rapid Transit (MRT) and Bus Rapid Transit (BRT) lines under construction. The development of the metro line as an environmentally friendly, safe and reliable mode of transport will be based on the findings of the Revised Strategic Transport Plan (RSTP) and coordinated with further investments by development partners. It will also be coordinated with the proposed urban development and land use strategies and will promote a high level of integration with other modes of public transport and road transport. The metro line will be integrated with the railway system to serve as an environmentally friendly, reliable and safe access to railway services. The tariff for the metro shall be integrated with other modes of public transport.

The project is in line with ADB's Country Partnership Strategy 2011-2015, as it supports easing congestion in Dhaka by improving public urban transport. The project is a large stand-alone project, which will be processed as a multitranche financing facility (MFF) to finance slices of long-term contract packages with a long-term implementation plan (time-slicing).

The RSTP will serve as the basis to finalize the road map and policy framework for the MFF during project preparation. Financing the Dhaka Metro Project as a time-sliced MFF is more suitable than other financing modalities, as the project requires an investment of at least \$2.5 billion with ADB's financing share amounting to \$1 billion. ADB financing is required over an implementation period of 7 to 8 years, hence time-slicing ADB's investments into three tranches accommodates the restrictions of ADB's financing envelope for Bangladesh, reduces commitment charges for the Borrower, and enables a continuous policy dialogue with the government.

The impact will be economic activities, the environment, and health of residents of Dhaka improved. The outcome will be improved efficiency of the public transport system in Dhaka. The outputs will be (i) metro infrastructure constructed and commissioned; and (ii) project implementation capacity strengthened.

### PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

Bangladesh is rapidly urbanizing. In 2011, 42 million people, or 28% of the population, lived in urban areas. Though urbanization is still relatively low, population growth in the urban areas has been more than double that of the national population growth rate of 1.1%. If this growth is sustained, the country's urban population will reach 63 million by 2025, or 36% of the total population. Rapid urbanization is placing severe strains on the natural environment and has fueled rapid growth in demand for urban transport.

The population of greater Dhaka was about 14.4 million in 2013 and is expected to grow to around 25 million in 2025. The population density of 19,500 people/km<sup>2</sup> is amongst the highest in metropolitan areas in Asia or Europe, compared with e.g. Metro Manila (18,500), Tokyo City (16,000), Singapore (7,600), Hong Kong (6,500) or Greater London (5,680). As of 2005, only 18% of trips were done by car, while 34% were done by bus and 36% by rickshaws. Currently, there are only 30 cars per 1,000 inhabitants, although ownership is rapidly rising amongst the growing middle-class, and cars are producing 70% of the pollution in Dhaka.

The development of urban infrastructure has not kept pace with rapid urbanization, causing acute shortages of urban services. The road network is underdeveloped and has insufficient capacity to meet growing traffic volume arising mostly from the increasing motorization rate. Poor traffic management, lack of transport demand management, weak public transport services, and the absence of a strategic vision for (i) land use planning integrated with urban development and transport planning; and



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### Investment Description

- Asian Development Bank (ADB)

TA 9052-BAN: Dhaka Metro Project

Technical Assistance Special Fund US\$ 1.30 million



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## 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 Nakai, Kanzo

Responsible ADB Department South Asia Department

Responsible ADB Division Transport and Communications Division, SARD

Executing Agencies

Dhaka Mass Transit Company Limited

Level 14, Probashi Kalyan Bhaban, 71-72, Old Elephant Road, Eskaton Garden, Dhaka



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### Bank Documents

- [Dhaka Metro Project: Initial Poverty and Social Analysis](#) [Original Source]
- [Dhaka Metro Project: Project Preparatory Technical Assistance](#) [Original Source]
- [Project Disclosure PDF](#)



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### Other Related Projects

- ADB-49258-003 Dhaka Metro Project
- ADB-49258-002 Dhaka Mass Rapid Transit Development Project Readiness Financing (Line 5, Southern Route)