Early Warning System

AIIB-000153

Bangladesh: Sylhet to Tamabil Road Upgrade Project

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Quick Facts

Countries	Bangladesh
Specific Location	Sylhet, Tamabil
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	A
Voting Date	2020-04-03
Borrower	Ministry of Roads, Transport and Bridges, Government of the People's Republic of Bangladesh
Sectors	Transport
Potential Rights Impacts	Housing & Property, Labor & Livelihood
Investment Type(s)	Grant, Loan
Investment Amount (USD)	$ 404.80 million
Loan Amount (USD)	$ 404.00 million
Grant Amount (USD)	$ 0.80 million
Project Cost (USD)	$ 585.30 million

Project Description

The project objective is to improve intercity connectivity in Bangladesh and cross-border connectivity between Bangladesh and India by upgrading Bangladesh National Highway N2 between Sylhet and Tamabil. More than 2.5 million tons of stone and two million tons of coal enter Bangladesh through the border post at Tamabil. Main import items are coal, limestone, boulder, stone, glass sand, fruits and raw hides. Export items include food and beverage items, plastic goods and bricks.

The financial support will be used to finance for upgrading the Sylhet- Tamabil Road (56.95 km) from an existing 2-lane highway to a 4-lane Highway with the provision of slow moving vehicular traffic (SMVT) lane on both sides. It would serve as an important part of the Asian Highway (AH1 & AH2), BIMSTEC Corridor (Corridor 3) and the SAARC Highway Corridor (SHC 5). The development of the road will enhance the facilitation of faster and safer movements of passenger and cargo. The project will finance: (a) road construction and operation and maintenance works, (b) consulting services; and (c) institutional development and project management support

The project will significantly upgrade critical infrastructure to improve connectivity between Tamabil and Sylhet and even Dhaka. It will play a large role in unlocking the potential to increase cross-border trade between Bangladesh and India, Bhutan and even the southwestern part of China. The road project will primarily facilitate economic connectivity from the border to important economic hubs in the country, particularly, Dhaka and Sylhet. The road is particularly important in reducing logistical costs of construction materials (the country is one of the major exporters of cement and glass in the region). Additionally, the upgraded road will help develop tourism potential in the Sylhet Division, thus generating economic opportunities for the local population.

AIIB’s involvement in the project would help the client strengthen its capacity in addressing transport challenges including improving technical solutions on road capacity and safety and managing fiduciary, social and environmental risks in line with international good practice. Specifically, the introduction of new processing technologies of bitumen material and cold mix practices will potentially allow more private sector participation and community involvement in road maintenance. Moreover, AIIB’s sizable financial support fills the crucial financing gap that the GoB faces in developing its road infrastructure.The project, as the first AIIB stand-alone transport project in Bangladesh, will open AIIB’s business in the transport sector and provide an opportunity for the Bank to gain experience in cross-border connectivity within the South Asian region.

Expected Beneficiaries:

i) Passengers and freight transportation to and from Tamabil City and crossing the Tamabil border from both the India and Bangladesh borders

ii) Tourists to the Tamabil area, individuals, households and small shop owners

iii) The cement and garment and other industries in Bangladesh as well as the mining industry in India are expected to benefit from the improved road services

ENVIRONMENTAL AND SOCIAL INFORMATION

The AIIB’s Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESS) and Environmental and Social Exclusion List (ESEL) are applicable for the proposed project. The Project has been assigned Category A in accordance with the ESP due to the scale and complexity of the involuntary resettlement (approximately 620 residential units, 914 commercial units and 170 units having both residence and shops) involved.

An Environmental and Social Assessment (ESIA) including the management plan (ESMP) has been prepared, which details mitigation measures to address various environmental and social impacts due to the project. Furthermore, a climate risk

Investment Description

- Asian Infrastructure Investment Bank (AIIB)

Contact Information

PROJECT TEAM LEADER

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.aiib.org/en/contact/information-request/index.html

ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIBÕs failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes.Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html

Bank Documents

- Draft Environment and Social Impact Assessment [Original Source]
- General Procurement [Original Source]
- Project Document (March 13, 2020) [Original Source]
- Project Summary (April 3,2020) [Original Source]
- Resettlement Action Plan [Original Source]
- Resettlement Planning Framework [Original Source]
- Resettlement Planning Framework (Bangla)

Other Related Projects

- ADB-53382-002 South Asia Subregional Economic Cooperation Dhaka-Sylhet Corridor Road Investment Project-Tranche 1