

## Bangladesh: Sylhet to Tamabil Road Upgrade Project

### 1. Project Information

Project ID:	P000153	Instrument ID:	L0153A
Member:	Bangladesh	Region:	Southern Asia
Sector:	Transport	Sub-sector:	Roads
Instrument type:	<input checked="" type="checkbox"/> Loan:404.00 US Dollar million <input type="checkbox"/> Guarantee	Co-financier(s):	
ES category:	A	Borrowing Entity:	Ministry of Finance, Bangladesh
Implementing Entity:	Roads and Highway Department (RHD)		
Project Team Leader:	Andres Pizarro		
Responsible DG:	Rajat Misra		
Responsible Department:	INF1		
Project Team Members:	Shonell Robinson, OSD - Financial Management Specialist; Sheikh Naveed Ahmed, OSD - Social Development Specialist; Zhixi Zhu, OSD - Environment Specialist; Ting Wang, Project Counsel; Bernadette Ndeda, OSD - Procurement Specialist; Chang Tian, Project admin		
Completed Site Visits by AIIB:	NONE Jun, 2022 Regular		
Planned Site Visits by AIIB:	NONE Nov, 2022 Regular		
Current Red Flags Assigned:	1		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2021/12		

### 2. Project Summary and Objectives

The project's 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.

The project will upgrade National Highway N2 between the city of Sylhet to the Tamabil border point from a two-lane single carriageway to a two-lane dual carriageway highway. The project will finance; COMPONENT 1) Road construction and operation and maintenance works: 1.1) Civil works for road widening and new lanes for slow-moving vehicles; 1.2) Traffic surveillance and traffic management equipment; 1.3) Operation and maintenance; 1.4) Building workshops of bitumen emulsion processing; COMPONENT 2) Consulting services; 2.1) Construction supervision consulting services; 2.2) Feasibility studies, environmental and social safeguards and preliminary designs for selected priority roads of the RHD (Road and Highway Department) network;

COMPONENT 3) Project management and capacity building; 3.1) Provision to the PIU of project management support; 3.2) Provision of training, capacity building and institutional development for operating and maintaining the RHD road network.

Passengers and freight transportation to and from Tamabil City and crossing the Tamabil border from both the India and Bangladesh borders will benefit from the project. Moreover, tourists to the Tamabil area, individuals, households, and small shop owners are also expected to benefit from the project. Indirectly, 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.

### 3. Key Dates

Approval:	Apr. 03, 2020	Signing:	Oct. 26, 2020
Effective:	May. 26, 2021	Restructured (if any):	
Orig. Closing:	Nov. 15, 2025	Rev. Closing (if any):	

### 4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	1.01	Most recent disbursement (amount/date):	1.01/May. 26, 2021
Undisbursed:	402.99	Disbursement Ratio (%) <sup>1</sup> :	0.25

### 5. Project Implementation Update

A site visit of the project was carried out in June within the framework of the second supervision mission of the project. The work of the RP implementation NGO (INGO) was reviewed and GRM. It was found that the GRM establishment had not been completed and that the consultation process conducted by the INGO was not to standard. An action plan to correct these aspects was established and agreed upon with the PIU and set-out in the Aide Memoire. It was agreed that the INGO will meet weekly with the Project team, so it can review the improvements in the public consultation process and the GRM would be fully operational by end of July 2022.

Regarding land acquisition the INGO has begun the socioeconomic surveys necessary for the preparation of the Resettlement Plan. The survey and RP is projected to be finalized in August 2022. The GOB internal administrative process has progressed; 13 land acquisition proposals have been approved by the District Commissioners office, the remaining 12 were submitted very recently. The PIU expects the DC approval in 8 months. Only after DC approval can the land acquisition process begin.

In this period progress has been made in the procurement. The WP2 and the CSC offers have been received and are under evaluation. The PD expects both contracts to be awarded around January 2023. The remaining WP are on stand-by as the GOB now wishes to widen the SMVT lanes from 3.7 m to 5.5 m. This modification means a project cost increase of 50 MUSD which requires a revision of the DPP. Without the revision of the DPP the PIU does not want to proceed with the procurement process, which will add additional delays. The Project Team has insisted to the PIU to proceed with the process on an ad-referendum basis, with the necessary caveats in the tender

<sup>1</sup> Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

documents.

The early approval of this project combined with the protracted administrative processes on the GOB side will make it impossible to complete this project in the stipulated timeline. The Department is fully aware of the systemic processing issues mentioned, that affect all the Bangladesh portfolio, and has been conducting a continuous dialogue with the GOB to address them.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Construction works, equipment installation and O&M works	No progress	<p>GRM in place with many deficiencies. An action plan has been adopted to bring the GRM up to AIIB standard. The Team emphasized that the GRM needs to be established at the PIU and local level to ensure compliance with AIIB requirements. RHD agreed to establish GRM both at the PIU and local level by the middle of July.</p> <p>The RP implementing NGO (INGO) is in place and has begun the socioeconomic census and public consultations to prepare the Resettlement Plan. However, the Team has not been informed of these activities and, according to the site visit, they do not meet with our standards. AIIB team informed the INGO that Consultation and communications sessions need to be meaningful i.e., PAP need to know about the project and its alignment, impacts, mitigation measures, cut off dates, GRM etc. Moreover, the opinions should be utilized to design the mitigation measures. INGO needs to explain the notion of cut-off date to PAPs (title and non-titleholders) through consultations and communication materials. Adequate time needs to be given to the PAPs before the inception of physical and economic displacement. It was agreed that the INGO would meet on a weekly basis with the Team's SD specialist to remedy the situation.</p> <p>The Team was informed that 13 of the 25 land acquisition proposals were approved by the District Commissioners Office. These 13 proposals can now be subject to land acquisition prior to which the</p>	<p>WP-02 offers have been received and are under evaluation. The PIU expects to award this contract by January 2023. The cost estimate for WP-03 and WP-01 has increased due to the wider SMVT lanes. RHD, however, will not approve continuing the procurement process of these packages until the adjustment in the DPP is achieved. The Project Team insisted that the PIU revisited this decision and conducted the procurement process with the necessary caveats in the tender documents.</p>

		INGO has to conduct the socioeconomic survey and updating of the RP (scheduled for end of August 2022). According to the PIU the corresponding land acquisition for these proposals is not likely to be concluded before mid-2023. At the same time, the remaining 12 proposals recently submitted to the DC office are not likely to be approved before January 2023.	
Component 2: Consulting services (i) Construction supervision for the works; and (ii) Feasibility studies, environmental and social safeguard studies, and preliminary designs for selected priority road network links	N/A	N/A	The CSC offers have been received and are under evaluation. The PIU expects to award this contract by January 2023.
Component 3: Project management support and capacity building	N/A	N/A	Bidding documents not finalized

**Financial Management:**

Since there will be no land acquisition and civil work to be commenced before Q4-2022 due to the internal lengthy procedure, no disbursement will be made before that. The recruitment of the financial team of the PIU, as scheduled by the counterpart, will be appointed in Q2-2022. The project team does not foresee any issue related to this recruitment timeline.

However, due to the protracted processing times within the Government of Bangladesh, the project team feels the loan closing date extension will be needed.

**6. Status of the Grievance Redress Mechanism (GRM)**

There is a GRM at the Roads and Highways Department (RHD) that will handle this and the other AIIB financed RHD projects, which will be started to function once the project is officially approved by the Government.

Given the land acquisition and civil work have not been commenced, there are no grievances and complaints received.

**7. Results Monitoring**

The M&E will be carried out by the Monitoring and Evaluation Circle of the Bangladesh Road Research Laboratory (BRRL) and the Implementation Monitoring and Evaluation Division (IMED) of the Planning Commission. The PIU team will provide the indicators for the Results Monitoring Framework.

**Project Objective Indicators #1**

1. Reduced Journey Time on Sylhet - Tamabil Road a) Average journey time for (HGV) trucks (hours)

Year	Target	Actual	Comments, if any
Jan. 01, 2021	3 hours	3 hours	
Jan. 01, 2026	2.5 hours	N/A	

**Project Objective Indicators #2**

1. Reduced Journey Time on Sylhet - Tamabil Road b) Average journey time for passenger cars (hours)

Year	Target	Actual	Comments, if any
Jan. 01, 2021	2 hours	2 hours	
Jan. 01, 2026	1 hour	N/A	

**Project Objective Indicators #3**

1. Reduced Journey Time on Sylhet - Tamabil Road c) Average journey time for buses (hours)

Year	Target	Actual	Comments, if any
Jan. 01, 2021	2.5 hours	2.5 hours	
Jan. 01, 2026	1 hour	N/A	

**Project Objective Indicators #4**

2. Road Safety a) Safety rating: Number of hazardous locations (number of points)

Year	Target	Actual	Comments, if any
Jan. 01, 2021	3	3	
Jan. 01, 2026	0	N/A	

**Intermediate Result Indicators #1**

1. Road surface quality

Year	Target	Actual	Comments, if any
Jan. 01, 2022	FAIR	FAIR	
Jan. 01, 2023	BAD	N/A	
Jan. 01, 2024	BAD	N/A	
Jan. 01, 2025	GOOD	N/A	
Jan. 01, 2026	GOOD	N/A	

**Intermediate Result Indicators #2**

2. Domestic Employment created directly from civil works (number of jobs)

Year	Target	Actual	Comments, if any
Jan. 01, 2022	1,620	0	

Jan. 01, 2023	3,210	N/A	
Jan. 01, 2024	4,360	N/A	
Jan. 01, 2025	1,620	N/A	
Jan. 01, 2026	70	N/A	

**Intermediate Result Indicators #3**

3. Accounted works completion rate (accumulated rates) (Percent)

Year	Target	Actual	Comments, if any
Jan. 01, 2022	15	0	
Jan. 01, 2023	45	N/A	
Jan. 01, 2024	85	N/A	
Jan. 01, 2025	90	N/A	
Jan. 01, 2026	100	N/A	

**Intermediate Result Indicators #4**

3. Accounted works completion rate (accumulated rates) (Percent) a) Earthwork completion rate (Percent)

Year	Target	Actual	Comments, if any
Jan. 01, 2022	40	0	
Jan. 01, 2023	90	N/A	
Jan. 01, 2024	98	N/A	
Jan. 01, 2025	100	N/A	
Jan. 01, 2026	100	N/A	

**Intermediate Result Indicators #5**

3. Accounted works completion rate (accumulated rates) (Percent) b) Pavement completion rate (Percent)

Year	Target	Actual	Comments, if any
Jan. 01, 2022	5	0	
Jan. 01, 2023	20	N/A	
Jan. 01, 2024	80	N/A	
Jan. 01, 2025	100	N/A	
Jan. 01, 2026	100	N/A	

**Intermediate Result Indicators #6**

4. Technical standards for maintenance inspection

Year	Target	Actual	Comments, if any
Jan. 01, 2022	N	N	
Jan. 01, 2023	Y	N/A	

Jan. 01, 2024	Y	N/A	
Jan. 01, 2025	Y	N/A	
Jan. 01, 2026	Y	N/A	

**Intermediate Result Indicators #7**

5. GRM operational with registry of complaints and record of response times

Year	Target	Actual	Comments, if any
Jan. 01, 2022	Y	Y	
Jan. 01, 2023	Y	N/A	
Jan. 01, 2024	Y	N/A	
Jan. 01, 2025	Y	N/A	
Jan. 01, 2026	Y	N/A	

**Intermediate Result Indicators #8**

6. Number of public consultations organized (accumulated)

Year	Target	Actual	Comments, if any
Jan. 01, 2022	3	0	
Jan. 01, 2023	5	N/A	
Jan. 01, 2024	7	N/A	
Jan. 01, 2025	9	N/A	
Jan. 01, 2026	10	N/A	

**Intermediate Result Indicators #9**

7. Number of staff trained for O&M contract management (Accumulated)

Year	Target	Actual	Comments, if any
Jan. 01, 2022	0	0	
Jan. 01, 2023	0	N/A	
Jan. 01, 2024	5	N/A	
Jan. 01, 2025	15	N/A	
Jan. 01, 2026	15	N/A	

**Remarks:**

As this is a mid-year review there are no new indicators.