

Project Implementation Monitoring Report (#7)

Reporting Period From 2024/01 To 2024/06

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	Lead Co-financier (s):	
ES category:	A	Borrowing Entity:	Ministry of Finance, Bangladesh
Implementing Entity:	Roads and Highways Department, Government of Bangladesh		
Project Team Leader:	Jawad Bentabet		
Responsible DG:	Rajat Misra		
Responsible Department:	PSC1		
Project Team Members:	Jawad Bentabet, Team Member; Shonell Robinson, SFD - Financial Management Specialist; Ting Wang, Project Counsel; Guoping Yu, SFD - Procurement Specialist; Roberto Tordecilla, SFD - Social Development Specialist; Md Towshikur Rahman, Team Member; David Rollinson, SFD - Environment Specialist; Andres Pizarro, Back-up PTL; Chang Tian, Project admin		
Completed Site Visits by AIIB:	Nov, 2021 November 25th, 2021 (virtual) Jun, 2022 June 13-22, 2022 (13th-14th on site, 22nd virtual) Jan, 2023 January 23rd to February 8th, 2023 (January 23rd to 27th on site, February 8th virtual) Nov, 2023 November 2nd to 10th, 2023 (virtual and physical) Apr, 2024 April 21st to 25th, 2024		
Planned Site Visits by AIIB:	Nov, 2024 Regular site visit (physical mission)		
Current Red Flags Assigned:	1		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	1		
Previous Red Flags Assigned Date:	2023/12		
Brief justifications for assigned red flags:	Low disbursement due to slow progress on land acquisition		

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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;

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:	9.85	Latest disbursement (amount/date):	0.57/Dec. 15, 2023
Undisbursed:	394.15	Disbursement Ratio (%) ¹ :	2.44

5. Project Implementation Update

The project became effective in May 2021 and approximately 65% time has already elapsed. Despite some initial delays, the project is now gaining pace slowly; especially in procurement, the project has made notable progress. Key achievements in the last six months include: (a) both WP-02 and CSC contracts partially mobilized; (b) the PIU obtained no objection from AIIB on WP-01 and WP-03; (c) the project made its first disbursement last November 2023; (d) the updated Resettlement Plan (RP) has been approved on 25.04.2024 at the Ministry level (RTHD). This RP is an updated version of the initial RP prepared in 2019. The implementing NGO was appointed in early 2022, and has prepared the RP based on census, socioeconomic survey, and inventory of losses, from data collected between April 2022 and January 2023, and outcomes of the stakeholders consultations meetings and focus group discussions. It includes a revised RP implementation schedule and a livelihood restoration program. The development of an IT-based monitoring system to track the implementation of the RP is being discussed, with a first component (GRM mobile phone application) to be ready in the next few months. Despite the progress made, the project is still facing several issues. The key challenges remain in the following areas: (a) civil work is yet to begin

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

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although the WP-02 commenced its service five months back; (b) the WP-01 and WP-03 contracts still require government approval; (c) the project is yet to start compensation payment for any of the Land Acquisition (LA) cases, as such, the LA needs to be expedited to avoid potential claims by the Contractor; In last April 2024, the Bank team carried out a physical implementation support mission. The team had in-depth discussion with the PIU and INGO officials on all of the pertaining issues of the project including the LA, procurement, and financial management compliance. The team also met with the Secretary of the Road Transport and Highways Division (RTHD) and the Chief Engineer of the RHD, and discussed the above issues. The Team visited the site and met the Deputy Commissioner of Sylhet, communicating the Bank’s concern on the slow LA progress of the project. Commitment was given to start the land compensation payment in the next few months. The PIU remains committed to expedite the procurement and LA as much as possible within their capacity, and will prepare and share list of priority LA cases keeping it consistent with the requirement of works packages. Given the slow progress of land acquisition, the project objective is unlikely to be achieved by the project closure (November 2025). The Bank Team is closely following the progress of land acquisition, resettlement activities, mobilization of the contractors, and ongoing procurement through fortnightly meetings with the PIU in the presence of the INGO. The Team plans to carry out the next supervision mission in the fourth quarter of 2024 and plans to increase the number of on-site visits as the actual works are about to begin and two additional civil works contractors are expected to be mobilized in the next few months.

Components	Physical Progress	Environmental & Social Compliance	Procurement
<p>Component 1: Construction works, equipment installation and O&M works</p>	<p>No progress. WP02 contract was commenced on December 18, 2023. The progress in pre-construction activities is slow and behind schedule.</p>	<p>The project-level GRM is established and operational since September 2022. A grievance mobile phone application is being developed to enhance the effectiveness of the grievance mechanism. Moreover, a workers GRM is being established by RHD.</p> <p>The RP was approved at the Ministry level (RTHD) on April 25, 2024. RHD is now able to start the payment of compensation and deliver on other livelihood restoration measures as per the entitlement matrix of the RP to Project Affected people, including non-titleholders. The Deputy Commissioner is responsible for providing payments to the titleholders for loss of land, structures etc.</p> <p>WP02 contractor is in the process of being deployed to start civil works along the portion of an alignment where no land acquisition is required. Once PAPs are fully compensated for affected</p>	<p>WP02 contract was awarded and signed on August 17, 2023.</p> <p>The combined evaluation reports of WP01 and WP03 were given no objection from AIIB in March 2024, and the standstill period is over. There were no more complaints raised during the standstill period after the RHD responded to the complaints received prior to the standstill period. Both contracts are currently awaiting CCGP approval, expected to be obtained by June 2024. Subsequently, the two packages are planned to be signed by July 2024. On June 11, 2024 the Bank issued no objection to the RHD’s further request to extend the validity period to allow sufficient time for issuing contract awards and signing the contracts.</p>

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		<p>assets or livelihood, actual works would be allowed to commence.</p> <p>WP02 contractor will be required to undergo training on the Code of Conduct, Occupational Health and Safety (OHS) standards, and the GRM before commencing construction activities. The training is designed primarily for contractor's workers who will be mobilized under the project. They include all kinds of workers from construction workers to support staff and supervisors. Concerned staff of the PIU will also be invited to join. Training topics include Workers Code of Conduct, GRM for workers and project and site/works-specific OHS, including emergency preparedness and incident reporting. Gender-related matters will be discussed across these topics.</p> <p>The Gender Action Plan (GAP) is being developed and implemented.</p>	<p>The procurement process of this WP04 package (Establishment of O&M Plant at Sylhet Road Division) will commence once the CSC is engaged. CSC will finalize the detailed design, specification, estimation and preparation of the tendering for WP04.</p>
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	<p>The CSC contract (SP01) has been signed in September 2023 and is being mobilized.</p> <p>CEIU's investigation on the curriculum vitae CV appearing in the two proposals is currently under review. (Section 12 for details)</p>
Component 3: Project management support and capacity building	N/A	N/A	<p>These activities (O&M consultant, OPBRC training) have not been reflected in the procurement plan and have not started. The need of these activities will be further evaluated in the coming missions.</p>

Financial Management:

Financial Management:The original approved budget for FY2023-24 is BDT 1,040 M (approximately USD

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9.61 M), revised later to BDT 2,215 M (approximately USD 20.29 M). The total expenditure up to FY 2022-23 was BDT 56.45 M (approximately USD 0.61 M), and expenditures in FY 2023/24, as of April 2024, amounted to BDT 844.94 M (about USD 8.74 M). The Project did not prepare Interim Unaudited Financial Report (IUFR) for FY 2022-23 but commenced during the FY 2023 period. In the IUFR for the third quarter of FY 2023-24, the Bank made some comments and those need to be reflected in the IUFR for the fourth quarter which is yet to be received. As per the extension granted on June 19, 2023, the first audit report, covering the period from October 26, 2020, to June 30, 2023, was expected to be submitted by December 31, 2023. However, the report is still pending due to a delay in starting the audit by the Foreign Aided Projects Audit Directorate (FAPAD). As of April 25, 2024, the total AIB disbursement is USD 9.04 M, which is 2.24% of the loan amount (USD 404 M). The Project is paying commitment fees (on unused loan amount) and interest semi-annually, but so far, those have been paid by the GoB to AIB and have not been reported as disbursement under category 2 of this project. The project made its first disbursement last November 2023 (advance payment to WP-02). The PIU has a projection to disburse USD 8.31 M in the fourth quarter of FY 2023-24 and USD 20.16 M for FY 2024-25.

6. Status of the Grievance Redress Mechanism (GRM)

The GRM is functional and established in line with AIB requirements. A Grievance Redress Committee (GRC) has been created each at field level and PIU level. Grievance Redress Procedures and GRC contact details are published on RHD website ([http://rhd.portal.gov.bd/site/page/5be085b2-4bee-4f19-b6fc-8a03dea47a67/Grievance--Redress-Mechanism-\(GRM\)](http://rhd.portal.gov.bd/site/page/5be085b2-4bee-4f19-b6fc-8a03dea47a67/Grievance--Redress-Mechanism-(GRM))). The GRM is disclosed to PAPs and various stakeholders through a variety of communication channels including Focus Group Discussions and public consultations. Considering the project implementation progress, complaints received have so far been land acquisition and resettlement related. The implementing NGO partner serves as the main GRM focal point at the field level and has been doing a good job of immediately addressing complaints. The Team has discussed and following the implementation of the GRM for workers.

7. Results Monitoring (please refer to the full RMF, which can be found on the last page of this PIMR)

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 data for the Results Monitoring Framework as substantive progress will be made.

Remarks:

Project Objective Indicators	Indicator level	Unit of Measure	Cumulative Target Values																	Frequency	Responsibility	Comments
			Baseline		2020		2021		2022		2023		2024		2025		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year			
Average travel time for (HGV) trucks on Sylhet Tamabil Road	Project	Hours	2020	3	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	2.5		2025	2.5		Before/ After	RHD	
Average travel time for passenger vehicles	Project	Hours	2020	2	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1		2025	1		Before/ After	RHD	
Average travel time for buses	Project	Hours	2020	2.5	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1		2025	1		Before/ After	RHD	
Safety Rating: Number of Hazardous locations	Project	Nos.	2020	3	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0		2025	0		Before/ After	RHD	

Project Intermediate Indicators	Indicator level	Unit of Measure	Cumulative Target Values																	Frequency	Responsibility	Comments
			Baseline		2020		2021		2022		2023		2024		2025		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year			
Road riding quality	Project	Text	2020	Fair	Fair	Fair	Fair	Fair	Bad	Fair	Bad	Fair	Good		Good		2025	Good		Yearly	RHD	Physical works not started

Domestic employment created directly from the civil works	Project	Labor Year	2020	0	0	0	1620	0	3210	0	4360	0	1620	70		2025	NA		Yearly	RHD	Physical works not started
Accounted works completion rate (accumulated rates)	Project	Percent	2020	0	0	0	15	0	45	0	85	0	90	100		2025	100		Yearly	RHD	Physical works not started
Accounted works completion rate (accumulated rates), including a. Earthwork completion rate	Project	Percent	2020	0	0	0	40	0	90	0	98	0	100	100		2025	100		Yearly	RHD	Physical works not started
Accounted works completion rate (accumulated rates), including b. Pavement completion rate	Project	Percent	2020	0	0	0	5	0	20	0	80	0	100	100		2025	100		Yearly	RHD	Physical works not started
Technical standards for maintenance inspection	Project	Y/N	2020	N	N	N	N	N	Y	N	Y	N	Y	Y		2025	Y		Yearly	RHD	
GRM operational with registry of complaints and record of response times	Project	Y/N	2020	N	N	N	Y	N	Y	Y	Y	Y	Y	Y		2025	Y		Yearly	RHD	The GRM was established and disclosed in September 2022. Information about GRM was disseminated through consultation and communication with PAPs and stakeholders. 35 cases have been formally received so far, all resolved within 21 days.
No. of public consultations organized	Project	Number	2020	2-3	2-3	0	3	0	2	35	2	10	2	1		2025	9		Yearly	RHD	Along with 2 public consultations, 8 Focus Group Discussions were carried out in the year of 2023 (up until November).

No. of public consultations organized a. Number of women only consultations	Project	Number	2020	0	0	0	1	0	1	0	1	0	1	0	2025	4		Yearly	RHD	
No. of Staff trained for O&M contract management	Project	Number	2020	0	0	0	0	0	0	5	0	15	15	2025	>=15		Yearly	RHD		