



Bangladesh: MFF - Railway Sector Investment Program (Facility Concept)

Project Name	MFF - Railway Sector Investment Program (Facility Concept)
Project Number	32234-013
Country	Bangladesh
Project Status	Approved
Project Type / Modality of Assistance	Loan Technical Assistance
Source of Funding / Amount	MFF Facility Concept 0004-BAN: MFF - Railway Sector Investment Program (Facility Concept) Asian Development Fund US\$ 30.00 million Ordinary capital resources US\$ 400.00 million TA 4847-BAN: Institutional Support for Railway Reforms Technical Assistance Special Fund US\$ 2.00 million
Strategic Agendas	Inclusive economic growth
Drivers of Change	Governance and capacity development
Sector / Subsector	Transport - Rail transport (non-urban)
Gender Equity and Mainstreaming	No gender elements
Description	The objective of the Project is to promote economic growth by improving the performance of the railway sector. This will be done by (i) implementing a program of organizational and policy reforms to improve BR's commercial orientation; and (ii) financing priority investments to overcome capacity bottlenecks in sectors where such investments are both economically and financially viable e.g. the Dhaka-Chittagong corridor.
Project Rationale and Linkage to Country/Regional Strategy	Because of its location, Bangladesh is well placed to act as a hub for subregional transport linking together Bhutan, India, and Nepal more effectively, providing access to the ports in Mongla and in Chittagong and offering transit routes for India to its eastern states. While trade is expected to increase among these countries during the next decade, improved trade facilitation and expansion of transport infrastructure, specifically road and rail links, will be crucial to meet the expected increase in transport demand, particularly for freight. Rail traffic between Bangladesh and India is currently growing at 40% per year and now represents the largest traffic carried by Bangladesh Railway (BR) at about 65%. While there is large potential for further increase in international traffic, this traffic is, however placing considerable pressure on the existing rail network in Bangladesh, which has many limitations, specifically with respect to sidings and freight terminals, and is constrained by the meter-gauge track network on the eastern side of Jamuna river in Bangladesh and the use of broad-gauge track by Indian Railways. Another major constraint is the outdated operational procedures and cumbersome administrative arrangements at rail border crossings between Bangladesh and India.
Impact	Promote sustainable national economic growth and poverty reduction in Bangladesh. it will achieve this by improving rail transport efficiency and capacity.

Project Outcome

Description of Outcome	Improve the performance of the railways sector through enhanced efficiency
Progress Toward Outcome	Tranche 1 was approved on 13 Feb 2007, which includes the doubling of Tongi-Bhairab Bazar down line, and the BR Reform Program. Tranche 2 was approved on 22 December 2011. It will finance the funding gap in the Tongi Bhairab Bazar Double Track subproject; the rehabilitation of yards and extension of loops at different stations in the Darsana -Ishurdi- Sirajganj Bazar section; the upgrading of Signaling at 11 Stations between Ishurdi and Darsana; and construction supervision consulting services. Tranche 3 was approved on 9 December 2013. This will finance the cost of 50 Broad Gauge Passenger Coaches and 100 Meter Gauge passenger coaches for Bangladesh Railway's main line network.

Implementation Progress

Description of Project Outputs	BR becomes a commercially focused rail service provider BR corporate governance is improved BR safety record is improved
Status of Implementation Progress (Outputs, Activities, and Issues)	<p>Tranches 1, 2 and 3 have been approved on 13 Feb 2007, 22 December 2011, and 9 December 2013, respectively, and are now ongoing.</p> <p>Tranche 1 has two components, i) investment component (L 2316) and ii) reform component (L 2317)</p> <p>Loan 2316: The contract for "Construction Of Double Line Track From Tongi To Bhairab Bazar including Signalling on Dhaka-Chittagong" was awarded on 27 July 2011. Construction of the Tongi-Bhairab Bazar Double Track (64 km) is under implementation and expected to be completed by June 2015. The physical progress of the project is 85% as of 31 December 2014. All procurements have been completed.</p> <p>Loan 2317: The software for enterprise resource planning and safety equipment have been procured, and requisite training was completed in 2014. Installation and commissioning of various computer, hardware and networking equipment were completed in December 2014. Procurement of videoconferencing equipment and recruitment of the consultants for Enterprise Resource Planning (ERP) software implementation are ongoing. Ministry of Railways (MoR) approved the "Recommendation on Tariff Structure of Bangladesh" report on 9 December 2014. Activities on implementation of Tariff Structure (Tariff Reform) are ongoing. MoR has given in-principle approval for the corporatization of container services on 16 April 2014. The proposal was brought up at the Cabinet Division but has been returned to MoR with the advice of getting comments from the Ministry of Public Administration and Finance. The proposal is being reviewed by both Ministries.</p> <p>Tranche 2</p> <p>All contracts under Tranche 2 have been awarded, including two in 2014.</p> <p>The overall progress accomplishment of the contractor of signaling contract is 22%. The contractor has started construction of equipment, battery and generator rooms at 3 stations--Paksey, Chuadanga and Munshigonj through engagement of local sub-contractors.</p> <p>The overall progress of the loop lines contract is 38.5%. Almost all the test issues including dynamic load test and pulsating test issues for steel sleepers are resolved and the contractor has started procuring at the site.</p> <p>Major part of Loan 2845 (\$150 million) is being used for additional financing as part of the investment component subproject (TBDLP) of Tranche 1.</p> <p>Tranche 3</p> <p>As of 31 December 2014, the procurement of 100 meter gauge railway and of 50 broad gauge railway passenger carriages have been completed. Contract signing was done on 27 November 2014 and ADB received the copies on 8 December 2014.</p>
Geographical Location	

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design
During Project Implementation

Business Opportunities

Consulting Services	<p>International and domestic consulting services will assist the Bangladesh Railway (BR) to implement the reform and investment components. It is estimated that under the sample subproject, a total of 1,090 person-months (260 international and 830 domestic) will be recruited for the following consulting services: (i) preparation of non-core subprojects, except the Chinkiasana-Laksam section which will be prepared by BR itself, (ii) detailed design and construction supervision of the sample subproject, and (iii) the re-rating study of the Jamuna Multipurpose Bridge to recommend measures to increase the rail loading capacity of the bridge.</p> <p>Another three consultancy contracts financed under this loan will be necessary to help implement the reform program, i.e. (i) implementation of the operational effectiveness improvement component, (ii) preparation of BR asset register, implementation of financial and accounting system as well as human resources planning component; and (iii) legal consultant. All consultants financed under the loan will be selected and engaged using ADB's quality and cost-based selection (QCBS) procedures for recruiting firms under the full technical proposal (FTP) and ADB's procedures for recruiting individual consultants in accordance with ADB's Guidelines on the Use of Consultants and other arrangements satisfactory to ADB on the engagement of domestic consultants.</p>
Procurement	<p>All contracts will be International Competitive Bidding (ICB) and will be procured in accordance with ADB's Guidelines for Procurement and Government Public Procurement Regulations 2003, provided that in the event of any inconsistencies, ADB's Guidelines for Procurement shall prevail. For the sample subproject, two contracts (tracks and signaling) of civil works, supply and installation of equipment will be procured through the ICB procedure. Contract packages for additional non-core subprojects will be decided during project implementation, based on the approach used for the sample subproject.</p>

Responsible ADB Officer	Markus Roesner
Responsible ADB Department	South Asia Department
Responsible ADB Division	Bangladesh Resident Mission
Executing Agencies	<i>Bangladesh Railway (BR)Project DirectorRailway Div., Ministry of Communication Rail Bhavan, Abdul Gani Road Dhaka, Bangladesh</i>

Timetable	
Concept Clearance	06 Jun 2000
Fact Finding	30 May 2004 to 10 Jun 2004
MRM	15 Jul 2004
Approval	10 Oct 2006
Last Review Mission	-
PDS Creation Date	28 Feb 2006
Last PDS Update	31 Mar 2015

MFF Facility Concept

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	0.00	Cumulative Contract Awards			
ADB	0.00	-	0.00	0.00	%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

MFF Facility Concept 0004-BAN

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	537.50	Cumulative Contract Awards			
ADB	430.00	-	0.00	0.00	%
Counterpart	107.50	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

TA 4847-BAN

Financing Plan/TA Utilization						Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others		
2,000,000.00	0.00	0.00	0.00	0.00	0.00	-	0.00

Project Page	http://www.adb.org/projects/32234-013/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=32234-013
Date Generated	22 August 2015

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.