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Forum on Successful Project Design and Implementation

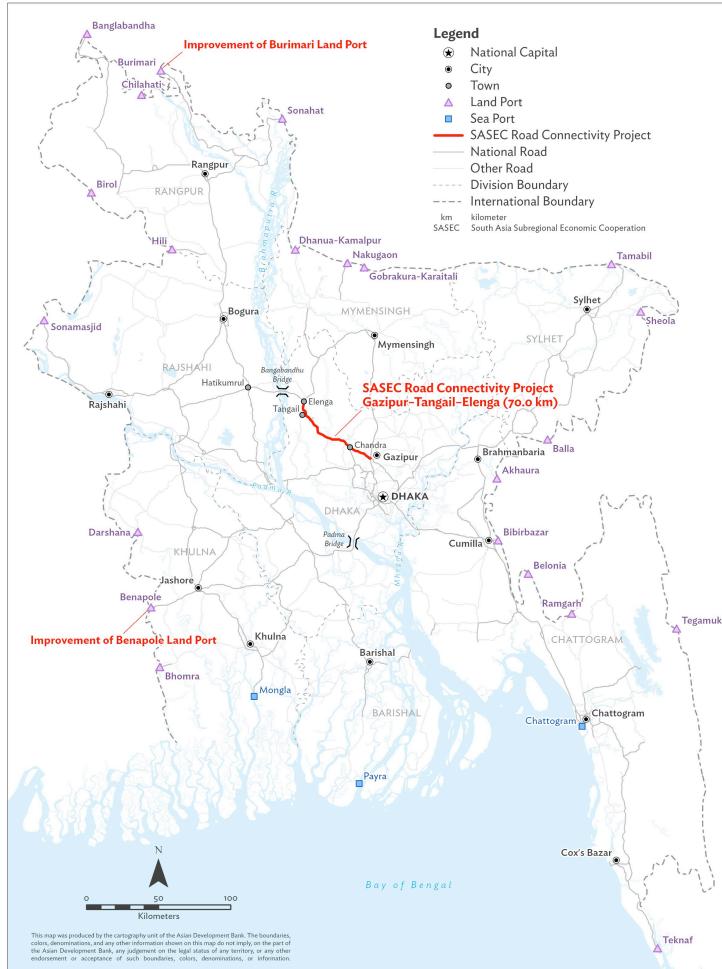
Risk Management in Action: Lessons from a Successful Project Implementation

Bangladesh Case Study



Bangladesh: South Asia Subregional Economic Cooperation Road Connectivity Project , Tranche 1

BANGLADESH
SOUTH ASIA SUBREGIONAL ECONOMIC COOPERATION
ROAD CONNECTIVITY PROJECT



- **Loan Numbers: 2949, 3592, and 8263**
- **Approval: 22 November 2012**
- **Signing: 5 June 2013, Effectivity: 28 February 2014**
- **Closing: 28 December 2021 (Original: 30 June 2018)**
- **Project Cost at appraisal: \$284.7 million**
 - ADB: \$198.0 million
 - Government: \$86.7 million
- **Project cost at completion: \$723.61 million**
- **Executing Agency:**
 - Bangladesh Land Port Authority (BLPA)
 - Roads and Highways Department (RHD)

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Impact: Increased domestic and regional trade through Bangladesh

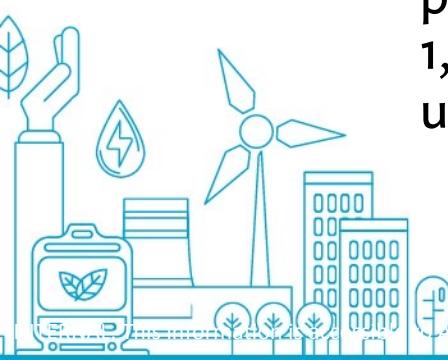
- The annual increase in traffic on the project road is 7.5%.
- The average cross boarded traffic growth in land port of Bangladesh excluding covid year 2019-2020 is 15.16% (as of 2022).
- Cross border trade through land ports of Bangladesh, increased to \$9 billion in 2021-22 which is 80% increase compared to the base value of \$5 billion.



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Outputs:

- Increased capacity of Joydeypur–Chandra–Tangail–Elenga section.
 - The 70 km section was upgraded to a four-lane highway with safety features, including a separate lane for slow-moving traffic, 5 high-level overpasses (flyovers), 13 underpasses, 12 pedestrian overpasses, 23 bridges, Culvert extensions spanning 427.24 meters.
- Improved operational efficiency of land ports (Benapole and Burimari)
 - At Benapole, 103,000m² of goods handling areas were paved with concrete, 3,000 meters of drainage were improved, 3 transshipment sheds with an area of 4,425 m² were constructed, Two warehouses were built with an area of 4,100 m², and a pilot warehouse with mechanized material handling was developed.
 - At Burimari, 1,587 m of drainage structure was improved, a 12,765 m² handling and parking area was improved, and two transshipment sheds were constructed with an area of 1,905 m². An operational manual for material handling was developed and is now being used by BLPA for land port operations.



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Outputs:

- Enhanced institutional capacity of the Roads and Highway Department in developing and maintaining roads and bridges.
 - RHD headquarters in Dhaka, which covers 31,000 m². Equipment was procured to improve asset management, including weighbridges, laboratory equipment, and Highway Development and Management circle equipment. A road map for road sector institutional changes was developed under the attached technical assistance (TA).



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Risk Identification at appraisal

- Governance
 - Financial Management: Provide training in ADB procedures and one accountant for each project manager.
 - Procurement: RHD and BLPA published all the information regarding procurement, project implementation, and recruited consultant for supervision.
- Project implementation delay
 - The start-up delay has substantially reduced by 2 years by the recruitment of NGO for supporting LAR activities.
 - Contract packaging was made large enough to attract qualified contractors.



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Risk Identification at appraisal

- Safeguard compliance
 - Land acquisition, social, and environmental impacts have been minimized through engineering and institutional measures.
 - Works contracts were awarded only after completing safeguard requirements.
- Institutional development actions delay
 - The institutional development action plan was agreed with ADB.
 - JICA has provided an in-house advisor RHD to provide hands-on support in implementing the action plan, especially on bridge to management.



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Risk Identified during implementation

- Substantial changes in Project Scope
 - Slow-moving vehicle lanes on only one side during appraisal. It was revised to include on both sides of the improved four-lane highway.
 - Construction of new flyovers that replaced pedestrian footbridges.
 - In the absence of Design Consultant, PIU and Project Implementation Consultant revised the design.
- Cost Overrun- Loan Financing
 - The project encountered substantial cost overruns due to inadequate detailed design. Road construction cost increased from \$234 million to \$655.70.
 - ADB provided Additional Financing.



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Risk Identified during implementation

- Time Overrun
 - 2 years delay in finalizing the design and the impacts of the global COVID-19 pandemic.
 - An extension of contracts by ADB and followed by extension of DPP was provided.
- Managing COVID 19 Pandemic and other Environmental challenges
 - A training was organized on COVID-19 occupational health and safety for contractors for 2,230 workers and laborers.
 - The contractors recruited environmental monitoring officers in January 2020, which enhanced EMP implementation.
- Implementing Supplementary Resettlement Plan (SRP) due to change in scope
 - Due to changes in the project scope, an SRP was prepared to mitigate any additional impacts from the scope changes in January 2019.



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- **Lessons for Future Projects of similar Nature**

- The feasibility study and detailed engineering design process should be robust, adequate, and completed during project appraisal;
- Appropriate scope and design and number of lanes, overpasses, and underpasses should be finalized through extensive stakeholders consultation and careful review.
- Multi-agency projects should establish separate PICs for smooth implementation
- Adequate project readiness and accurate designs are critical for large infrastructure projects.



Thank you

