

Yen Loans for Constructing Access Roads to the Jamuna Bridge

OECF (The Overseas Economic Cooperation Fund of Japan: President, Chairman of the Board, Mr. Akira Nishigaki) will provide the People's Republic of Bangladesh with loans for Jamuna Bridge Access Roads Project and two other projects amounting to 15,252 million yen. The Loan Agreements were signed today by Mr. Masihur Rahman, Secretary of the Economic Relations Division, Ministry of Finance and Mr. Akira Nishigaki, OECF's President, Chairman of the Board.

As a result, the cumulative total of OECF loan commitments to the People's Republic of Bangladesh now stands at 516,366 million yen (62 commitments).

1. Loan amount and conditions

Project	Amount (Million Yen)	Interest Rate (%)	Repayment Period (years)	Tying Status
Jamuna Bridge Access Roads Project	6,206	1.0	30/ 10	General-Untied
Paksey Bridge Construction Project (I)	8,707	1.0	30/ 10	General-Untied
Narayanganj-Narsingdi Flood Protection and Irrigation Project (Engineering Services)	339	1.0	30/ 10	General-Untied
Total: 3 Loans	15,252			

2. Project Description

(1) Jamuna Bridge Access Roads Project

Bangladesh is divided geographically by three major rivers, namely the Ganges, the Jamuna and the Meghna. Currently, the Jamuna Multipurpose Bridge, which will link western Bangladesh with the capital city of Dhaka situated in the central part of the country, is under construction financed by OECF, the World Bank and the Asian Development Bank. Completion of the Jamuna Bridge is expected in mid-1998, which will finalize the road link from Dhaka to the western side of the Jamuna River.

However, the road network from the country's second largest city Chittagong to the Jamuna Bridge is narrow in many places, which does not meet the country's road standard width of 7.3m, and low-speed vehicles obstruct smooth automobile traffic. In addition, many small bridges of the road network are one-laned, while some bridges are heavily damaged where passengers are forced to drive on temporary detour bypasses. With the expectation that traffic will be three times as that of today by the year 2010, it is necessary to improve the conditions of these roads in order to achieve full merits of the anticipated opening of the Jamuna Bridge.

The scope of the project is construction of road improvement works between Joydevpur (near Dhaka) and Tangail (near the Jamuna Bridge site) for a total of approximately 67km, including the construction and rehabilitation of bridges. Furthermore, where the road runs through villages and marketplaces, construction of bypasses are planned so as to avoid congestions in the future when the traffic is expected to increase.

Completion of this project will enable smooth traffic from Dhaka to the Jamuna Bridge, and will contribute to stimulating the economic activities between the east and the west of Bangladesh.

Asian Development Bank is the co-financier of the Jamuna Access Roads Project, who will finance approximately US\$72 million for road improvement works on four selected routes between Chittagong and Dhaka.

The loan will be utilized for procurement of materials and equipment, civil works and consulting services.

The executing agency is the Roads and Highways Department, Ministry of Communications (address: Sarak Bhaban, Dhaka, Bangladesh, Tel/Fax: 880-2-9556268).

(2) Paksey Bridge Construction Project (I)

Although Bangladesh is divided geographically by three major rivers, namely the Ganges, the Jamuna and the Meghna, two bridges crossing the Meghna river (the Meghna Bridge and the Meghna-Gumuti Bridge) which were built by Japanese grants, link Dhaka, the capital city in the central part of the country, and Chittagong, the industrial city in the east. However, at present, there exists no complete link between Dhaka and the western part of the country, which is an important agricultural area with main products such as rice, wheat, and bananas. In addition, the north western part is especially isolated from the road network because the Ganges river disturbs the direct link to the international port of Mongla located in the south west. Under these circumstances, under-development of western Bangladesh is one of the major concerns of the country.

For the socio-economic development of western Bangladesh, it is necessary to establish a link from the Mongla port in the southwest to the northwest through Khulna, the major city of the southwest. Along with the expected completion of the Jamuna Bridge in 1998, construction of Paksey Bridge over the Ganges river is significant as it will complete the road network linking the country's three largest cities- Dhaka, Chittagong and Khulna.

The project scope is to build a two-lane bridge for total length of 1,786m, width of 17.57m and the objective is to establish a stable and economical transportation facility crossing the Ganges River to enable smooth transport of cargo as well as passengers. In addition, the bridge will enable transport of agricultural products from the west, which in effect will stimulate agricultural activities for farmers in the area, thus helping to enhance their life standards.

During 1993-94, OECF conducted a Special Assistance for Project Formation Study for the Paksey Bridge, and in 1995 a yen loan was granted by OECF for the purpose of preparing the detailed design under engineering services.

Loan proceeds for Paksey Construction Project (I) will be utilized for civil works and consulting services for the construction of the highway bridge and the approaching roads.

The executing agency is the Roads and Highways Department, Ministry of Communications (address: Sarak Bhaban, Dhaka, Bangladesh, Tel: 880-2-9556268).

(3) Engineering Services for Narayanganj-Narsingdi Flood Protection and Irrigation Project

The Bangladesh economy is largely dependent on the agricultural sector which accounts for 35% of its Gross Domestic Product and 66% of employed labor force. Grain production which accounts for 80% of total agricultural production, has been seriously affected by floods in the monsoon season and droughts during the dry season, which has forced Bangladesh to import food products whenever natural calamities hit the nation. As the government is concerned about deterioration of the national budget due to excessive food import, it puts high priority on the increase of food production and on implementing flood control, drainage and irrigation projects all over the country.

The project areas of Narayanganj and Narsingdi districts are located in the suburbs of the capital city of Dhaka and the major activity in these districts is agriculture. However, productivity is low because of the effect of floods in most of the area during the rainy season and the difficulties in cultivation during the dry season excluding limited swamp lands. Construction of flood protection embankment and irrigation and drainage facilities will largely contribute to improvement of agricultural productivity and to the increase of food production in accordance with the country's development target. In addition to these effects, stimulation of the regional economy is expected to contribute to alleviation of poverty in the area. In 1977, Japan International Cooperation Agency (JICA) implemented a feasibility study in Narayanganj and Narsingdi districts. Following JICA's study, a portion of the area was developed under two Japanese grants in the 1980's.

The scope of this project is consulting services for construction of flood protection embankment utilizing the existing bankings of roads and railways, irrigation and drainage facilities in the undeveloped areas of Narayanganj and Narsingdi districts, and for environmental assessment study, detailed design and technical assistance to the executing agency.

The loan will be utilized for consulting services.

The executing agency is Bangladesh Water Development Board (BWDB) (address: Wapda Building (2nd floor), Motijheel C/A, Dhaka-1000, Bangladesh, Tel: 880-2-9560957, Fax: 880-2-9564763).