



## Bangladesh: South Asia Subregional Economic Cooperation Dhaka-Northwest Corridor Road Project, Phase 2

Project Name	South Asia Subregional Economic Cooperation Dhaka-Northwest Corridor Road Project, Phase 2	
Project Number	40540-016	
Country / Economy	Bangladesh	
Project Status	Active	
Project Type / Modality of Assistance	Loan Technical Assistance	
	<b>MFF Facility Concept 0103-BAN: South Asia Subregional Economic Cooperation Dhaka-Northwest Corridor Road Project, Phase 2</b>	
	Ordinary capital resources	US\$ 1,150.00 million
	Concessional ordinary capital resources lending	US\$ 50.00 million
	<b>MFF Facility Concept: South Asia Subregional Economic Cooperation Dhaka-Northwest Corridor Road Project, Phase 2</b>	
Source of Funding / Amount	Japan International Cooperation Agency	US\$ 242.52 million
	<b>TA 9408-BAN: Updating the Road Master Plan</b>	
	Technical Assistance Special Fund	US\$ 2.00 million
	<b>TA 9408-BAN: Updating the Road Master Plan</b>	
	Technical Assistance Special Fund	US\$ 200,000.00
	<b>TA 9408-BAN: Updating the Road Master Plan</b>	
	Technical Assistance Special Fund	US\$ 800,000.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration	
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Partnerships	
Sector / Subsector	<b>Transport</b> / Road transport (non-urban)	
Gender	Effective gender mainstreaming	

## Description

The project will improve the road connectivity and efficiency of Dhaka-Northwest international trade corridor. To ensure the sustainability of the outcome, an associated technical assistance is proposed to assist the government in updating its master plan for roads and improving its planning capacity.

Bangladesh reached lower middle-income status in July 2015. With its young and rapidly growing population, Bangladesh has the potential to become a major exporter of labor-intensive products. Its location between South and Southeast Asia provides the country good prospects of becoming a regional trading hub. But the country's transport infrastructure is inadequate, which raises costs, reduces competitiveness, and impedes intra-regional trade. As such, Bangladesh's successive 5-year development plans embed regional cooperation and integration, which the Asian Development Bank (ADB) supports through its projects in Bangladesh.

Transport infrastructure is the centerpiece of the ADB-supported South Asia Subregional Economic Cooperation (SASEC) program, which promotes regional prosperity. Since 2001, SASEC member countries have invested over \$9.17 billion in projects with a regional dimension, including 31 transport projects worth \$7.30 billion. SASEC transport investments in Bangladesh and neighboring member countries focus on developing South Asian Association of Regional Cooperation highway corridors. The SASEC Operational Plan, 2016-2025 identified 128 priority regional cooperation and integration transport projects worth about \$63 billion - of which 35 are in Bangladesh.

Project Rationale and Linkage to Country/Regional Strategy

Among the subregional corridors, the government considers the Dhaka-Northwest international trade corridor on South Asian Association of Regional Cooperation highways 4 and 8 as top priorities. The corridor is the second busiest artery in Bangladesh after the Dhaka-Chittagong road. At the northwestern end of the corridor is the Burimari Land Port, which is managed by the Bangladesh Land Port Authority and provides a gateway to Bhutan through India. Improving the transport infrastructure is expected to significantly increase trade in the land port. ADB has been a partner of the government in improving the Dhaka-Northwest international trade corridor since 1994.

In 2012, ADB approved a \$198 million loan for the SASEC Road Connectivity Project, which is considered phase 1 of the proposed project, since there is strong correlation between the phase 1 and phase 2 segments of the Dhaka-Northwest international trade corridor. Phase 1 (i) increased road capacity on 70 kilometers (km) of the Joydeypur-Elenga section of the international trade corridor, (ii) improved operational efficiency of the Benapole and Burimari land ports, and (iii) enhanced the institutional capacity of the RHD.

In 2017, the government plans to start phase 2, which is to improve the 190 km section from Elenga through Hatikumrul to Rangpur. The proposed project will continue ADB support to the corridor. To manage the issues faced during phase 1, RHD has (i) set up a project implementation committee to review engineering designs; (ii) obtained government approval for the project proposal in advance to set up project implementation units (PIUs), prepare procurement documents, and initiate safeguard actions; and (iii) requested ADB support to update its Road Master Plan.

Impact

An efficient and modern road transport system in Bangladesh achieved.  
Subregional connectivity and trade improved.

## Project Outcome

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Description of Outcome	Road connectivity of the Dhaka-Northwest international trade corridor improved.
Progress Toward Outcome	Procurement process has been completed and civil works has just started.

## Implementation Progress

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Description of Project Outputs	<p>Phase 2 of the Dhaka-Northwest international trade corridor (Elenga-Hatikumrul-Rangpur section) upgraded RHD's institutional capacity in road operation and management enhanced stronger road safety and gender-responsive features, and cost overrun for phase 1 of the Dhaka-Northwest international trade corridor (Joydeypur-Chandra-Tangail-Elenga) financed and completed.</p> <p>At present, Improvements are ongoing for 176.8 KM of existing road under seven work packages. Seven contracts (WP-06 to WP-12) have been awarded and contractors have already mobilized. As of 31 August 2021, the total Physical progress of these seven packages were 38.7%, 27.8%, 23.50%,25.80%, 35.5%,34.20%, 33.50%. The Achieved Progress of SASEC-2 (awarded contracts) up to August 2021 was 35% which is far behind compared with Targeted Progress 66.87%. This delayed progress has been occurred due to less intension of the Contractors, small scaled construction, less procurement of the materials, LA issues, delayed shifting of U/G Utilities, un-demolished obstacles and COVID-19 etc.</p>
Status of Implementation Progress (Outputs, Activities, and Issues)	<p>Bidding for remaining 2 packages under Tranche 2 (L3883) for road improvement is Completed .Recently, WP-05: Elenga Intersection to East Roundabout of Bangabandhu Bridge (13.6 km) and WP-13: Construction of Hatikamrul Interchange have been awarded and both contracts were signed on 22 August 2021.</p> <p>The TA consultant has been engaged under the associated TRTA since September 2019. Progress of the consulting services has been delayed due to COVID-19 outbreak in Bangladesh. The contract completion was extended to 31 December 2021. Contract: WP-14 Construction of road research and training center has been awarded and signed on 9 September 2021 under L0an 3883. Procurement for WP-15 Construction of Road Operation Units (ROU) including related infrastructures, three axle load control stations and Intelligent Transport System (ITS) is ongoing and it is expected to be awarded by December 2021 under Loan 3883.</p>
Geographical Location	Chandra, Elenga, Hatikumrul, Jaydebpur, Rangpur, Tangail Sadar

## Summary of Environmental and Social Aspects

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## Environmental Aspects

The project is categorized 'B' as per ADB's Safeguards Policy Statement (SPS) 2009. An initial environmental examination (IEE) report, including an environmental management plan (EMP) for the Elenga-Hatikumrul-Rangpur Road, has been prepared. The other two components of the investment project (i) enhancement of the institutional capacity of the Roads and Highways Department in road operation and management, (ii) and financing of the cost overrun of the project (Phase 1: Joydeypur-Chandra-Tangail-Elenga) did not require the preparation of environmental assessment reports as there are no physical works involved in the first component. For the second component, an IEE report was already prepared during the processing of the Phase 1 project (Loan 2949). The semi-annual environmental monitoring report for January - June 2020 reporting period has been prepared, submitted and disclosed. The contractors environmental management plan (CEMP) for all civil works contracts, WP-06 to WP-12, under the project were submitted, reviewed and finalized for implementation RHD has also appointed one Project Manager, as an environmental focal for the project. The contractors are complying with the regulations of Bangladesh National Building Code (BNBC) regarding safe scaffolding, ladders, working platforms, gangway, stairwells and safe means of entry and egress; and have established firefighting and safety facilities in the camp. RHD informed that all the contractors have taken measures to reduce noise level and they are regularly monitoring the noise level and checking the source for generation of noise by construction activities, and there is no complaints lodged by Department of Environment of the government and by local government authorities. Truck carrying construction materials are being covered as a control to dust. Tree plantations are ongoing at camp sites. Measuring device has been installed in the base camp of WP12 for time to time monitoring of the quality of air. The PIC confirmed that air and water quality parameters in all contracts sites are within prescribed limits. Three contracts of the project (WP-10, WP-11 and WP-12) have received the International Safety Awards by British Safety Council for demonstrating a strong commitment to good health and safety management during 2019.

## Involuntary Resettlement

Given the significant resettlement impacts, the project is categorized 'A' for involuntary resettlement. The same categorization is expected for the subsequent tranches given that this is a time-slice approach and all activities have been appraised upfront. The Project is Category A for land acquisition and resettlement. The updating of the Resettlement Plan (RP) has been divided into three sections: (i) Elenga-Hatikamrul, (ii) Hatikamrul-Rangpur, and (iii) Hatikamrul Interchange, which has been further split into title-holder and non-title holder, hence the project will have a total of six updated RPs (two RPs, one for title holder and one for non-title holder, for each of the three sections). The RP updating process has been completed for two out of three sections: (i) Elenga-Hatikamrul, and (ii) Hatikamrul-Rangpur, where contract had been awarded and they are now under compliance with ADB requirements. The third section is Hatikamrul Interchange, where contract has not been awarded and updating the RPs is under process. RHD shall not award the works contract for the interchange until the final RP is cleared by ADB. The satisfactory implementation of the RPs is a prerequisite of any civil works in the relevant road section. The project has been submitting monitoring reports on a regular basis.

Indigenous Peoples The project is categorized as C as per ADB's Safeguard Policy Statement (2009). The alignment does not affect tribal lands, and the survey confirms that no indigenous person is affected. The same categorization is expected for the subsequent tranches given that this is an MFF with a time-slice approach and all activities have been appraised upfront.

### Stakeholder Communication, Participation, and Consultation

During Project Design These included 30 public consultation meetings, 15 focus groups discussions, and special consultations in sensitive areas. Moreover, close to 7,000 households were individually surveyed and informed about project impacts. The participatory process helped inform directly affected people and the residents at large about the project, its benefits, and impacts; also allowed for extensive feedback; and ensured that concerns were taken into account in the final design. Overall, people in the project area demonstrated a high level of support for the project.

During Project Implementation The NGO implementing the land acquisition and resettlement has conducted 20 consultation meetings with a total of 1,860 affected persons as of March 2019.

### Business Opportunities

Consulting Services A project implementation consultant has been engaged for construction supervision and capacity development.

Procurement RHD has completed procurement for the major civil works packages, and plans to start procurement for Hatikamrul Interchange, Road Research and Training Center, Road Operation Units in December 2019.

Responsible ADB Officer Tanaka, Yasushi

Responsible ADB Department Sectors Group

Responsible ADB Division Transport Sector Office (SG-TRA)

### Timetable

Concept Clearance 30 Mar 2017

Fact Finding 16 Apr 2017 to 27 Apr 2017

MRM 30 May 2017

Approval 24 Oct 2017

Last Review Mission -

Last PDS Update 29 Sep 2021

### MFF Facility Concept 0103-BAN

#### Financing Plan

#### Loan Utilization

Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost		1,672.60	Cumulative Contract Awards	
ADB		1,200.00	-	0.00 0.00 %

Counterpart	472.60	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

## TA 9408-BAN

### Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
24 Oct 2017	15 Nov 2018	15 Nov 2018	31 Dec 2023	31 Dec 2025	-

Financing Plan/TA Utilization								Cumulative Disbursements	
ADB	Cofinancing	Counterpart		Project Sponsor	Others	Total	Date	Amount	
		Gov	Beneficiaries						
3,000,000.00	0.00	0.00	0.00	0.00	0.00	3,000,000.00	13 Mar 2024	1,986,761.55	

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