



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

Project Name	South Asia Subregional Economic Cooperation Dhaka-Northwest Corridor Road Project, Phase 2 (Tranche 2)	
Project Number	40540-018	
Country	Bangladesh	
Project Status	Proposed	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan: South Asia Subregional Economic Cooperation Dhaka-Northwest Corridor Road Project, Phase 2 (Tranche 2)	
	Ordinary capital resources	US\$ 400.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development Partnerships	
Sector / Subsector	Transport - Road transport (non-urban)	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>The project will improve the road connectivity of the Dhaka Northwest international trade corridor. The project will deliver three outputs: (i) Output 1: Elenga Hatikamrul Rangpur Road of the Dhaka Northwest international trade corridor upgraded; (ii) Output 2: RHD's institutional capacity in road operation and management enhanced; and (iii) Output 3: road safety and gender-responsive features strengthened, and the cost overrun financed for Joydeypur Chandra Tangail Elenga Road of the Dhaka Northwest international trade corridor under ADB-funded SASEC Road Connectivity Project. Since time-slicing MFF is arranged for the project, the project outputs will be achieved only when all of the phased tranches have been completed. Tranche 2 will finance the below works and services in relation to Outputs 1 and 2, and will not finance Output 3.</p> <p>(i) Output 1: Elenga Hatikamrul Rangpur Road upgraded. Tranche 2 will finance the second slice of the expenditures related to works for upgrading of the Elenga Hatikamrul Rangpur Road (190 km) of the Dhaka Northwest international trade corridor from 2-lane carriageways to 4-lane carriageways and 2 slow-moving vehicular traffic (SMVT) lanes, and finance the first slice of the expenditures in relation to works for construction of Hatikamrul Interchange.</p> <p>(ii) Output 2: RHD's institutional capacity in road operation and management enhanced. Tranche 2 will finance the first slice of the expenditures related to works for (a) construction of road research and training center (RRTC) to enhance institutional capacity of RHD, and (b) establishment of road operation units (ROU) for road operation and management, and finance consulting services for traffic data collection and transport model development to update the Road Master Plan in connection with the attached TA.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>The government has three main policy documents for the road subsector: (i) the Seventh Five Year Plan, FY2016 FY2020, (ii) the Road Master Plan, and (iii) the National Integrated Multimodal Transport Policy. Guided by these policies, the government is gradually upgrading the main corridors to facilitate international trade with and between Bhutan, India, Myanmar, and Nepal. However, human, technical, and financial resource limitations of road agencies have hindered progress in eliminating the issues caused by limited road capacity, deteriorated conditions, and the mixture of slow- and fast-moving traffic. The Seventh Five Year Plan aims for a well-maintained, cost-effective, durable, and safe road network. Among the SASEC corridors, the government considers the Dhaka Northwest international trade corridor as a priority. The northwestern end of the corridor is the Burimari Land Port which provides a gateway to Bhutan through India. The trade volume at the land port was 0.25 1.0 million tons in FY2013/2016, 4.5 million tons in FY2017, and 7.4 million tons in FY2018. Improving the transport infrastructure of the corridor is required to support significantly increasing trade at the land port.</p> <p>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.</p>	
Impact	An efficient and modern road transport system in Bangladesh achieved Subregional connectivity and trade improved	
Outcome	Road connectivity of the Dhaka Northwest international trade corridor improved	
Outputs	Dhaka Northwest international trade corridor (Elenga Hatikumrul Rangpur section) upgraded RHD's institutional capacity in road operation and management enhanced.	
Geographical Location		
Safeguard Categories		
Environment	B	
Involuntary Resettlement	A	
Indigenous Peoples	C	
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	An estimated 129 person months (54 international, 75 national) of consulting services are required for traffic data collection and transport model development to update the Road Master Plan. An international consulting firm is engaged using the quality- and cost-based selection method with a quality cost ratio of 90:10, following ADB's Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time). A higher quality ratio is adopted because the task involves a higher level of innovativeness to develop computer-based transport models with RHD Bangladesh Road Research Laboratory.
Procurement	All procurement of goods and works is undertaken in accordance with ADB's Procurement Guidelines (2015). Contracts for civil works for Tranche 2 comprise 3 packages including (i) Construction of Hatikamrul Interchange, (ii) Construction of RRTC, and (iii) establishment of ROU.

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Responsible ADB Division	Transport and Communications Division, SARD
Executing Agencies	Roads and Highways Department Sarak Bhaban Tejgaon, Dhaka-1208 Bangladesh

Timetable	
Concept Clearance	-
Fact Finding	-
MRM	19 Sep 2019
Approval	-
Last Review Mission	-
Last PDS Update	13 Sep 2019

Project Page	https://www.adb.org/projects/40540-018/main
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