

 Early Warning System

ADB-40540-020

Bangladesh : South Asia Subregional Economic Cooperation Dhaka–
Northwest Corridor Road Project, Phase 2 (Tranche 4)



Quick Facts

Countries	Bangladesh
Specific Location	Dhaka
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	A
Voting Date	2025-06-16
Borrower	Government of Bangladesh - Ministry of Road Transport and Bridges
Sectors	Transport
Investment Type(s)	Loan
Investment Amount (USD)	\$ 204.00 million
Project Cost (USD)	\$ 900.00 million



Project Description

According to the Bank's website, on 24 October 2017, the Asian Development Bank (ADB) Board of Directors approved a multitranche financing facility (MFF) of \$1,200 million to the People's Republic of Bangladesh for the South Asia Subregional Economic Cooperation (SASEC) Dhaka-Northwest Corridor Road Project, Phase 2. The executing agency is the Roads and Highways Department (RHD) of the Ministry of Road Transport and Bridges. The project improves the road connectivity of the Dhaka-Northwest international trade corridor. Three outputs will be delivered: (i) Elenga-Hatikamrul-Rangpur Road of the Dhaka-Northwest international trade corridor upgraded; (ii) RHD's institutional capacity in road operation and management enhanced; and (iii) road safety and gender-responsive features strengthened, and the cost overrun financed for the Joydeypur-Chandra-Tangail-Elenga Road of the Dhaka-Northwest international trade corridor under the SASEC Road Connectivity Project. The availability period of the MFF is up to 31 August 2027.



Early Warning System Project Analysis

Environmental Aspects (category B): The road operation units (ROUs) and the entire corridor of the Elenga-Hatikamrul-Rangpur Highway were visited by ADB staff during tranche 4 factfinding mission. Environment safeguards compliance is generally satisfactory. Gaps on manpower complement, occupational and community health and safety, compensatory afforestation, and grievance redressal and measures to address these concerns were agreed with RHD. Most major works are completed, except for the Hatikamrul Interchange and a few flyovers and bridges. Monitoring reports are regularly submitted. The IEEs and EARF prepared in previous tranches remain valid. Community consultations are also regularly conducted.

Involuntary Resettlement (category A): The MFF is categorized A for involuntary resettlement. The executing agency prepared six resettlement plans for the Elenga-Hatikamrul section, the Hatikamrul interchange, and the Hatikamrul-Rangpur section. Three resettlement plans are for land acquisition and titled impacts; three are to mitigate non-titled impacts. No displacement occurred until the compensation process was completed. The current scope, including the variations to be funded by tranche 4, are not anticipated to cause any additional involuntary resettlement impacts. All upgrades will involve completion of ongoing works contracts and capacity building. The remaining resettlement plan implementation works must comply with ADB requirements. ADB conducted due diligence for social safeguards, including review of semiannual monitoring reports. These assessments show slow progress in land acquisition during Tranche 1 and 2, because of the nationwide lockdown for COVID-19. With 99% of land already handed over to the contractors, RHD expects the remaining handover process to be completed by June 2025.

Indigenous Peoples (category C): The road alignment, including contract variations, does not affect customary lands. Socioeconomic survey and inventory of loss survey for preparation of resettlement plans confirmed that no indigenous peoples communities will be affected.



Investment Description

- Asian Development Bank (ADB)

ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of two hundred and four million Dollars (\$204,000,000), such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of the Loan Agreement. The Loan has a principal repayment period of 20 years.



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Project Phase 2 (Tranche 4)

Contact Information

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Bank Documents

- [Facility Administration Manual](#)
- [Gender Action Plan](#)
- [Loan Agreement \(Ordinary Operations\) for Loan 4604-BAN: South Asia Subregional Economic Cooperation](#)
- [Periodic Financing Request Report](#)
- [Procurement Plan](#)
- [Social Safeguards Due Diligence Report](#)
- [Tranche Report](#)



Other Related Projects

- ADB-40540-016 South Asia Subregional Economic Cooperation Dhaka-Northwest Corridor Road Project, Phase 2
- ADB-40540-017 South Asia Subregional Economic Cooperation Dhaka-Northwest Corridor Road Project, Phase 2 - Tranche
- ADB-40540-018 South Asia Subregional Economic Cooperation Dhaka-Northwest Corridor Road Project, Phase 2 (Tranche