

 Early Warning System

ADB-40540-017

South Asia Subregional Economic Cooperation Dhaka-Northwest
Corridor Road Project, Phase 2 - Tranche



Quick Facts

Countries	Bangladesh
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	A
Voting Date	2017-11-16
Borrower	Government of Bangladesh
Sectors	Transport
Investment Type(s)	Loan
Loan Amount (USD)	\$ 250.00 million
Project Cost (USD)	\$ 663.92 million



Project 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.

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.



Investment Description

Loan 3592-BAN: South Asia Subregional Economic Cooperation Dhaka-Northwest Corridor Road Project, Phase 2 - Tranche 1
Ordinary capital resources

US\$ 250.00 million

Loan 3593-BAN: South Asia Subregional Economic Cooperation Dhaka-Northwest Corridor Road Project, Phase 2 - Tranche 1
concessional ordinary capital resources lending / Asian Development Fund

US\$ 50.00 million

Loan: South Asia Subregional Economic Cooperation Dhaka-Northwest Corridor Road Project, Phase 2 - Tranche 1

Japan International Cooperation Agency

US\$ 242.52 million

- Asian Development Bank (ADB)



Contact Information

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>



Bank Documents

- [Project Disclosure PDF](#) [\[Original Source\]](#)



Other Related Projects

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