

Government of the People's Republic of Bangladesh  
Ministry of Finance  
Economic Relations Division  
ADB-1 Section  
Sher-e-Bangla Nagar, Dhaka  
[www.erd.gov.bd](http://www.erd.gov.bd)

**PRESS RELEASE (22 November 2017)**


Today 22 November 2017 two Loan Agreements of US\$300 million have been signed in Economic Relations Division between the Government of Bangladesh (GoB) and Asian Development Bank (ADB) to finance the **"South Asia Subregional Economic Cooperation Dhaka-Northwest Corridor Road Project - Phase 2 - Tranche 1"**. Mr. Kazi Shofiqul Azam, Secretary, Economic Relations Division, Ministry of Finance and Mr. Manmohan Parkash, Country Director, Bangladesh Resident Mission (BRM), ADB signed the Agreements on behalf of the People's Republic of Bangladesh and the ADB respectively. Senior officials of the Government of Bangladesh and ADB were present during the loan signing ceremony.

The **'SASEC Road Connectivity Project-II: Improvement of Elenga-Hatikamrul-Rangpur Road to a 4-Lane Highway'** will be implemented under the Multi-tranche Financing Facilities (MFF) of ADB. The project has already been approved on 6 September 2016 by the Executive Committee of the National Economic Council (ECNEC) for implementation over the period 01 September 2016 to 31 August 2021. The Project will be implemented by Roads & Highways Department under the overall supervision of Road Transport and Highways Division.

The main objectives of the project is to improve the subregional transport and trade and to upgrade the corridor (190.40km) to four lane standard with feature of slow moving vehicular traffic (SMVT) lane. The improvement includes gender responsiveness and major road safety features such as to built new pavement, 32 bridges of 1922 meter, 3 flyovers of 2635 meter, 39 underpasses, 01 Railway overpass of 411 meter and 01 Interchange of 1500 meter under this project. The project will also improve the institutional capacity of Roads and Highways Department (RHD). This project will be implemented in continuation of the "South Asia Subregional Economic Cooperation (SASEC) Road Connectivity Project: Improvement of Joydevpur-Chandra-Tangail-Elenga Road to a 4-lane Highway" project. It will also form part of the Asian High way-2, South Asia Subregional Economic Cooperation (SASEC) corridor-4 & 9, BIMSTEC 2 and SAARC Highway corridor-4, and will have a great impact on socio-economic development in the project area.

Out of total US\$1200.00 million, the estimated total cost of 'Tranche 1' is US\$471.40 million out of which ADB will provide US\$300.00 million [US\$250.00 million Ordinary Capital Resources (OCR) and US\$50.00 million Concessional OCR Lending (COL)]. Rest of the amount, US\$171.40 million will be borne by the Government of Bangladesh. OCR is London Interbank Offered Rate (LIBOR) based loan. It is repayable in 25 years including a 5 years grace period with an interest rate of LIBOR +0.5% and maturity premium of 0.1%. In addition to that a commitment charge of 0.15% applies on the undisbursed amount. COL of the ADB is a concessionary loan, repayable in 25 years including a 5 years grace period with interest rate of 2.0%.

ADB has been supportive of the development initiatives of Bangladesh since its joining to ADB in 1973. The cumulative ADB lending to different sectors of Bangladesh stands about US\$18.00 billion. The development assistance of ADB focuses primarily on Power, Energy, Local Government, Transport, Education, Agriculture, Water Resources, Good Governance and Finance sector of the country.

  
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