DEVELOPMENT PROJECT PROPOSAL (DPP)  
4-LANING OF DHAKA-CHITTAGONG HIGHWAY PROJECT

PART - A

1. Project Title : 4-Laning of Dhaka Chittagong National Highway Project,

2. a) Sponsoring Ministry/Division : Ministry of Communications
   b) Executing Agency : Roads & Highways Department.

3. Objectives of the Project :
   The main objective of this project is to reduce constraints and increase efficiency of road transport through upgrading of Dhaka-Chittagong Highway (Daudkandi-Chittagong Section) from 2-lane to 4-lane. It includes; a) to optimize the utilization of Chittagong Port; b) to develop an adequate and efficient transport system between capital Dhaka and Commercial Port City Chittagong; (c) to enhance economic development for expansion and integration of markets and growth of international trade; (d) to assist sustainable economic development through enhancement of transportation between agricultural centers as well as industrials areas; and (e) to enhance road safety measures. The improvement of this strategic corridor is envisaged to provide substantial economic and social benefits to south-eastern region in particular through generation of employment, creation of improved facilities for trade and commerce, promotion of social integration and development of tourism and thus assists economic development and reduction of poverty in the country.

4. Location of the Project

<table>
<thead>
<tr>
<th>Place</th>
<th>Upazilla</th>
<th>District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daudkandi</td>
<td>Daudkandi, Muradnagar, Chandina, Burichong, Comilla Sadar, Chauddagram</td>
<td>Comilla</td>
</tr>
<tr>
<td>Dhaka – Chittagong Highway</td>
<td>Fen Sadar, Sonagazi, Chagálnaiya, Mirersaraj, Sitakunda, Chittagong Sadar</td>
<td>Feni</td>
</tr>
<tr>
<td>(Daudkandi-Chittagong Section)</td>
<td></td>
<td>Chittagong</td>
</tr>
</tbody>
</table>

5. a) Estimated Cost of the Project (in Lac Taka) :
   I) Total Tk. 216,838.41
   II) GOB (F.E.) Tk. 216,838.41 (0.00) (Japan Debt Cancellation Fund)
   III) P.A. (RPA) Tk. Nil

   (Location wise cost break-down attached as Annexure-1)

5 b) Exchange rate with date : Not Applicable.

7. Mode of Financing with Source (in Lac Taka)

<table>
<thead>
<tr>
<th>Mode of Financing</th>
<th>GOB (F.E)</th>
<th>PA (RPA)</th>
<th>PA Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan /Credit</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grant (JDCF)</td>
<td>216,838.41</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Others (Specify)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

8. Project Implementation Period:

   i) Date of commencement : January 2006
   ii) Date of completion : June 2012

9. Components and Cost Summary:

<table>
<thead>
<tr>
<th>Economic Code</th>
<th>Code Description</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GOB</td>
<td>RPA</td>
</tr>
<tr>
<td></td>
<td>Through GOB</td>
<td>Special Account</td>
</tr>
<tr>
<td>(a) Revenue Components</td>
<td>GOB Establishment</td>
<td>271.07</td>
</tr>
<tr>
<td>4500</td>
<td>Pay of Officers</td>
<td>97.38</td>
</tr>
<tr>
<td>4600</td>
<td>Pay of Establishment</td>
<td>195.00</td>
</tr>
<tr>
<td>4700</td>
<td>Allowances</td>
<td>296.53</td>
</tr>
<tr>
<td>4800</td>
<td>Supplies and Services</td>
<td>4603.03</td>
</tr>
<tr>
<td>4900</td>
<td>Repair, Maintenance &amp; Rehabilitation</td>
<td>230.00</td>
</tr>
<tr>
<td></td>
<td><strong>Sub Total (Revenue Components)</strong></td>
<td><strong>5693.01</strong></td>
</tr>
<tr>
<td>(b) Capital Components</td>
<td>Land Acquisition &amp; Resettlement</td>
<td>7000.00</td>
</tr>
<tr>
<td>6800</td>
<td>Procurement of Assets (Vehicles)</td>
<td>199917.42</td>
</tr>
<tr>
<td>7980</td>
<td>Other costs (Day works, unforeseen expenditure, shifting of Utilities etc.)</td>
<td>3200.00</td>
</tr>
<tr>
<td></td>
<td><strong>Sub Total (Capital Components)</strong></td>
<td><strong>211145.40</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Grand Total (a+b)</strong></td>
<td><strong>216838.41</strong></td>
</tr>
</tbody>
</table>

10. Institutional arrangements for implementation and operation:

   a) Whether the Project Director will be a Departmental officer or to be recruited:
      Departmental [✓]
      Recruited [✓]
b) Whether the Project Director will be full time or part time:
- Full time [✓]
- Part Time


c) Attach proposed project management set-up (Annexure-11):
Attached in Annexure-11.

d) Log frame (Annexure 111):
Attached in Annexure-111.

11 Procurement Plan: Attached in Annexure-1IV.

12, Year wise Financial and Physical Target Plan: Attached in Annexure -V.

13. After completion, whether the Project needs to be transferred to the Revenue budget:

a) If yes, briefly narrate the institutional arrangement and financial requirement for operation and maintenance:
The Project will be transferred to Revenue Budget for maintenance after the completion.

b) If not, briefly narrate the Institutional arrangement for Financial requirement for Operation and maintenance:
Does not arise.

√
4. Background, Objectives, Rationale, Linkages, Targets and Outputs/Outcomes of the Project including findings of feasibility study/survey.

**Background of the Project:** On Dhaka-Chittagong Highway the traffic has increased at much higher rate and already exceeded 40,000 PCU/day at many locations. This is beyond saturation capacity of a 2-lane road and the situation has resulted heavy congestion, abnormal delay and accidents.

Government of Bangladesh has decided to make better road communication between the capital city Dhaka and commercial port city Chittagong and to reduce travel time and to improve road safety. To meet the above requirement, it has been decided by the Government to upgrade this National Highway N-1 into 4-Lane divided Highway.

Widening the road at least in Four lanes is therefore a bare necessity and is very urgent. To make a beginning, Roads and Highways Department has already completed four Laning of the road with GOB funding for a 28 km section from Dhaka to Daudkandi. The advantage to the road users with four lane divided carriage way is obvious. Journey time and congestion has also been reduced over this length. The number of accidents, which occur mostly on two lane undivided highways are more and always fatal. The condition has now improved and the road safety has been improved on this 4 lane section of the road since it has been opened to traffic.

It is thus now necessary that the four Lanning work, as taken up and successfully completed for the first 28 km of the road, proceeds in subsequent sections (194 km) to create the basic 4-Lane divided carriageway road facility.

**Objective of the Project and its contribution to Poverty Reduction:** The objective of the project would be to cater to the current and projected traffic on this commercial lifeline of the country and to provide a safe and efficient connection between Dhaka and Chittagong.

As a major road communication project, this would generate employment in construction and transport sectors. It will improve distribution of farm product and will improve accessibility to urban markets for poor farmers. It will also generate more opportunities in the market centers for rural poor and will improve the livelihood of the day-labour and will thus be supportive of PRSP.
**Brief Description of the Project** : This 4-Laning of Dhaka - Chittagong Highway (Daudkandi - Chittagong Section) comprises of road construction from Daudkandi to Chittagong including construction of embankment, pavement, culverts & bridges. It also includes railway over bridge at Comilla, Feni and Fakirhat near Chittagong. Provision of bridge including river protection works at the 3 long bridges (viz, Kalidash, Mulnun and Fent) are also included.

A separate 2-lanes will be constructed along the existing 2 lane highway separated by a raised median.

The whole project length from Dauckandi to Chittagong has been divided into 10 Roadwork packages and 2 Bridgework packages. The packages are as below:

**Contract-1** : Daudkandi Toll Plaza to Kutumbpur (Km 39+267.00 to km 61+267.00)

**Contract-2** : Kutumbpur to Start of Comilla Bypass (Km 61+267.00 to km 84+267.00)

**Contract-3** : Start of Comilla Bypass to End of Comilla Bypass (km 84+267.00 to km 105+267.00)

**Contract-4** : End of Comilla Bypass to Batisha (km 105+267.00 to km 125+267.00)

**Contract-5** : Batisha to Mohipal (km 125+267.00 to km 145+267.00)

**Contract-6** : Mohipal to Start of Dhum Ghat Bridge (km 145+267.00 to km 165+183.00)

**Contract-7** : Start of Dhum Ghat Bridge to Mirersarai Bazar (km 165+183.00 to km 180+850.00)

**Contract-8** : Mirersarai Bazar to Panchashila Bazar (km 180+850.00 to km 198+850.00)

**Contract-9** : Panchashila Bazar to End of Kumira Bypass (km 198+850.00 to km 216+850.00)

**Contract-10** : End of Kumira Bypass to Alanker Cinema Hall (Chittagong) (km 216+850.00 to km 233+290.00)

**Contract-B-1** : Bridge Package No-B-1 consists of construction of Bridge at Eliotgonj (Chainage 56+148), Flyover at Railway...
Crossing no.1 (Chainage 91+815), Bridge at Mian Bazar (Chainage 106+784) and Flyover at Railway Crossing No.2 (Chainage 141+975).

Contract-B-2: Bridge Package No-0-2 consists of Construction of Bridge at Latpur, (Chainage 150+466) Lemua (Chainage 156+200), Muhuri (Chainage 162+800), Dhurrighat (Chainage 165+300) and Flyover at Railway Crossing No.3 (Chainage 229+800).

On 30.06.2005 a meeting was held under the chairmanship of Member, Infrastructure, Planning Commission. in the meeting a decision was taken to send the DPP to the Cost Rationalization Committee of the Planning Commission for review.

Subsequently on the 13th July 2005 a meeting was held under the chairmanship of Joint Chief, Road Transport Wing, where the DPP was scrutinized in depth.

The DPP was then forwarded to the Planning Commission. The ECNEC approved the DPP in Principle on 26.12.2005 with a condition to resubmit the same on the basis of technical & financial study conducted by the Consultant appointed by the project.

The minutes of the aforesaid meeting has been appended at the end as Appendix-E along with the minutes of other meetings. A checklist has been prepared on the discussions and decisions of ECNEC's Meeting held on 26.12,2005. Based on the decisions of the meeting this recast DPP has been prepared with updated information and price.

15. Whether any Pre-appraisal / pre-investment study was done before Formulation of this Project? If so, attach Summary of Findings & Recommendations in terms of a) Net Present Value (NPV) 
   (i) Financial : Not done.
   (ii) Economic : T1k. 154,340.52 Lac

   b Benefit-Cost Ratio (BCR)
   (i) Financial : Not done.
   (jj) Economic : 2.26

   c) Internal Rate of Return (IRR)
   (i) Financial : Not done.
   (ii) Economic : 25.73%

Project Appraisal Report attached in Appendix - D.
16. Whether projects of similar nature has/have been Implemented earlier and/or under Implementation? If so, mention the name, date and major findings.

Yes, 4-Laning of Kanchpur to Daudkandi section of Dhaka Chittagong Highway has been implemented by GOB financing. (Evaluation has not yet been done). From the previous similar Projects it is experienced that the land acquisition and shifting of utilities could not be done in due time as different organizations are involved in the procedure which is also lengthy. However special care will be taken to solve such problems if arises in case of this project.

17. Indicate the basis of total and item-wise cost estimate:

The Design & Supervision Consultant of the Project originally prepared the Cost-Estimate separately for 10(ten) roadwork packages & 2(two) bridge packages. Originally the cost estimates for different packages were prepared taking into account 4.5 m raised median in between the dual carriageways proposed by the consultant. But the Technical Committee formed by the Chief Engineer, RHD for checking the design of roadwork recommended 3.00 m raised median instead of 4.5m, 1.5m verge (soft shoulder) in place of 1.0m and extension of lower sub-base up to the end of embankment slope for drainage purpose. The changes suggested and recommended by the Technical Committee have been considered by the Local Associates of the Consultant who ascertained the revised quantity of the respective items, which have been incorporated in the DPP. The cost estimates shown in this DPP have been prepared using the rates of items available in RHD Rate Schedule for 2006. **The rates recommended by the Consultants** have been used in case of identical items which are not found in the RHD Schedule of rates. In addition to the above 5% Physical Contingency and 5% Price Contingency have been added.