

*National Policy Review Forum Task Force on*

**TRANSPORT AND INFRASTRUCTURE**

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## **Transport and Infrastructure: A Review of the Implementation Status of the Major Recommendations**

### **INTRODUCTION**

In Bangladesh, frequent power brown-outs or black outs and long hours of traffic congestion, high levels of air pollution in cities, poor traffic safety, the presence of non-motorized transport on major roads, long delays at major ports, inadequate telecommunication services, including a long waiting list for telephones, unplanned urbanization and sub-division of land around major urban centers, all bear witness to the inadequacy of the existing infrastructure facilities, inefficiency in the management of services, lack of enforcement of laws and regulations, as well as the provisions of forwarding policies, strategies and plans.

An analysis shows that although in most of the national five year plans, policies to address many of the deficiencies mentioned above were clearly identified, they tended to remain unimplemented. As a result, transport development in Bangladesh has been driven mostly by *ad hoc* considerations with no explicit focus on long term requirements or the means of meeting these requirements on a competitive as well as sustainable basis. Consequentially many serious deficiencies and imbalances in the system have emerged over the years. Some of the major deficiencies include sectoral bias, inappropriate modal mix, an unintegrated transport system, serious institutional weaknesses, a limited role for the private sector and lack of national and urban transport policies. The current deficiencies have produced an unsustainable trend of transport development, which is characterised by misallocation of resources, adverse impact on the environment and lack of competition.

The initiative taken by the Task Force on Transport and Infrastructure in 2001 was to develop a Policy Brief to address many of the deficiencies indicated above. Under the current exercise, initiated in January, 2003, each Task Force is revisiting its recommendations taking into account the changes that have taken place since the incumbent government assumed office. The Task Force has assessed the implementation status of the recommendations put forward during the earlier exercise through close scrutiny of the major policy documents of the government, and also through an indepth review of the new regulations, guidelines and decisions, as well as consultation with the senior officials concerned.

The Task Force identified factors inhibiting implementation of the recommendations and formulated a number of fresh recommendations including a roadmap for their implementation. The attached document has been prepared based on the outcome of discussions held with the concerned officials. The document highlights the implementation status of the major recommendations covering the following 11-crucial areas:

1. Policies for Integrated and Multimodal Transport Development
2. Bangladesh's Potential to be Transport Hub
3. Institutional Reform
4. Private Sector's Involvement
5. Urban Transport Problems and Air Pollution
6. Improving Traffic Safety
7. Sectoral Issues: Road Transport
8. Sectoral Issues: Rail Transport
9. Sectoral Issues: Inland Water Transport (IWT)
10. Sectoral Issues: Maritime Transport Including Port
11. Sectoral Issues: Air Transport

It would be appreciated if the distinguished participants review the implementation status and offer their valuable comments and contribute in further updating the position based on their own sources of information. The participants may wish to suggest, in particular, some ways and means of expediting the implementation of the recommendations.

**IMPLEMENTATION STATUS OF MAJOR RECOMMENDATIONS CONTAINED IN  
THE POLICY BRIEF ON TRANSPORT AND INFRASTRUCTURE**

SI No.	Recommended Action	Implementation Status (as of May 17, 2003)	Overall Remarks*
1.	<p><i>Policies for Integrated and Multimodal Transport Development</i></p> <p>i) To address the inappropriate modal mix which has led to the biased development of road transport in the country and to develop an integrated, efficient and affordable multimodal transport system which is sustainable from a social, economic and environmental point of view, the GOB needs to take immediate action to formulate and adopt a new vision which clearly spells out transport policies, involving all stakeholders. (Para 65, 66)</p> <p>ii) In this context, it was recommended that an inter-ministerial committee, supported by quality professionals of high standing, should be set up immediately to undertake an in-depth study of the full cost (economic costs) of each mode of transport together with the cost of externalities created by each mode.</p>	<p>⇒ The Planning Commission has already recognized the need for an integrated, efficient, sustainable and affordable multimodal transport system. The Planning Commission has already stressed the need for this concept to form a part of the next funding programme of the WB in connection with the Road Sector Reform. <b>“Land Transport policy”</b> which is currently under consideration has also supported this integrated concept which should be pursued in the future development of the national transport system. Ideally speaking, Bangladesh needs to have a “Vision” for transport sector development over a period of say 20 years, and all stakeholders should work towards that supported by appropriate policies, strategies, institutional framework, allocation of resources and effective implementation.</p> <p>⇒ One of the major reasons behind inappropriate modal mix which is inducing more traffic to road transport is the inappropriate allocation of resources to roads viz-a-viz other competing modes like railways and IWT. This has led to faster improvement of road infrastructure compared to railways and IWT where the infrastructures can not be properly maintained, due to lack of resource. As a result, railways and IWT are always at a disadvantage compared to road transport. Ideally speaking, Planning Commission should have taken the leadership to address the problem of inappropriate modal mix and promote integrated and multimodal transport system in the country. But the professional strength of the Planning Commission has reduced so much over the years (since the introduction of transferable cadre service), that it is difficult for them to undertake high quality professional work. Under the above circumstances, the only way to conduct a high quality in-depth study</p>	<p>UC</p> <p>NA</p>

\* IR – Implemented Recently

\* UC – Under Consideration.

\* NA – No Action

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	<p>iii) To assist the Ministry of Transport in setting coordinated policies and ensure integrated development of the transport system, there should be a high profile <b>Policy Research Unit</b> (PRU) headed by a professional of high standing, directly reporting to the Principal Secretary of the Ministry. (Para 95).</p> <p>iv) Bangladesh also needs an independent in-house transport research and analytical capability. It is therefore recommended that an autonomous <b>National Transport Research Centre</b> (NTRC) be established. The Planning Commission, the Transport Ministry and other government agencies could use research findings from the NTRC in the allocation of resources for the development of different modes, and in setting appropriate policies to further improve the transport situation. (Para 96, 97)</p> <p>v) In order to ensure sustainability and continuity, the national experts of Bangladesh should be given more opportunities to become involved in planning, development and in solving transport problems including those of urban transport. (Para 100)</p> <p>vi) More and more short training programmes should be organized on MMT to promote the concept, in practice among transport operators/freight forwarders, for encouraging more efficient movement of international trade. (Para 199 (i)).</p>	<p>circumstances, the only way to conduct a high quality in-depth study would be for the newly proposed secretariat of the NTCC (please also see item 3(ii)), to undertake the work.</p> <p>⇒ Although there is a general awareness about the need for such a “Policy Research Unit” to facilitate sound professional decisions based on reliable data and analysis, the issue has not received the attention yet of Policy makers at the Ministry level.</p> <p>⇒ Towards implementation of the National Road Safety Strategic Action Plan (2002 – 2004), an Accident analysis and Research Centre has been established at BUET, to enhance road safety. Based on the experience of this collaborative effort, further initiative could be taken to look into the possibility of establishing a “National Transport Research Centre” in cooperation with BUET.</p> <p>⇒ Generally speaking more efforts are being made to offer opportunities to local experts. Certain quarters have already started pressing for it officially and it is being adopted as a regular practice.</p> <p>⇒ Considering that in the future, international trade will move more and more under the Multimodal Transport documentation, it is essential to train up the freight forwarders to take that new role of Multimodal Transport Operators. DG (Shipping) in close cooperation with the Freight Forwarders Associations, and with the collaboration of Bangladesh Shippers Council should organize some training programmes for the Freight Forwarders to become Multimodal Transport operators.</p> <p>⇒ Almost seven (7) private sector ICDs have started functioning in and around Chittagong port area (within 21 km range). This situation may become a matter of concern for the GOB, as many of these ICDs may not</p>	<p>NA</p> <p>NA</p> <p>UC</p> <p>NA</p>

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	vii) Inland Container Depots (ICD) should be established according to demand, at strategic locations, to enable multimodal operation of containers from the premises of the shippers to the premises of the consignees without stuffing and de-stuffing of containers at the ports. ICDs should be well-equipped with appropriate container handling equipments. (Para 199 (iii))	be fully equipped to handle containers with efficiency. GOB should have allowed one or two ICDs to grow initially. The concerned government department should, therefore, monitor the growth of these ICDs closely and guide their development.	IR
2.	<p><b>Bangladesh's Potential to be Transport Hub</b></p> <p>i) In view of its unique geographical location, Bangladesh could become the “transport hub” to serve the entire hinterland comprising Nepal, Bhutan and North-East India. Bangladesh should try to provide transport services to the sub-region as a “trade in services” and as a potentially important source of foreign exchange earning. Accordingly, future development strategies should include a regional role for the national transport system. Future actions concerning the appropriate modal mix and integration of different modes should also reflect this regional role of the transport system. (Para 84)</p> <p>ii) To promote Bangladesh as the transport hub for the sub-region, it shall have to modernize and expand its port capacity, where the private sector should be encouraged to invest. (Para 190 (x))</p> <p>iii) A feasibility study should also be undertaken to explore the possibility of establishing a new sea port/deep sea port in Bangladesh to serve the longer term requirements of the country. (Para 190 (xi))</p>	<p>⇒ The potential of Bangladesh to become “transport hub” of the sub-region is generally well recognized among the professionals and the civil society. Shipping Ministry has a positive view about the potential role of Bangladesh Ports for regional traffic. The issue that Bangladesh has the potential to become transport hub for the subregion which is in the hinter land, is being widely discussed at various sub-regional forums, where recommendations are all in favour of opening up Bangladesh to regional traffic using roads, railways and IWT networks to facilitate “trade in services”. But political support for the use of this potential has not been clearly indicated as yet. Meanwhile India has already signed an MOU to develop the Sittwi port of Myanmar for an exit of North East India to the Bay of Bengal. Therefore, the time is running out fast for Bangladesh to capture regional traffic.</p> <p>⇒ In principle, the MOS has a positive view to open up Bangladesh ports to regional traffic. Initiatives are underway to construct the <u>New Mooring Container Terminal</u> and to further modernize the ports. GOB need to take a clear decision to open up its port facilities and transport system for regional traffic. This would greatly enhance opportunities to attract FDI for further improvement of transport infrastructure.</p> <p>⇒ GOB has decided to look into the feasibility of establishing a deep-sea port in Sonadia (Maheshkhali Island) or Akram point in Passur River, to serve the longer term requirements of the country as well as to capture regional traffic.</p>	<p>UC</p> <p>UC</p>

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3.	<p><b><i>Institutional reform</i></b></p> <p>i) At present 3 ministries and a large number of parastatals are involved in planning, development, operation and management of the transport sector, without much coordination and adequate assessment as to whether another mode of transport could undertake a particular task more economically and with much less damage to the environment. (Para 90, 91)</p> <p>ii) For effective coordination and development of an integrated transportation system in the country, all transport related ministries and their parastatals should be brought under one broad based “<b>Ministry of Transport</b>”. The Cabinet Minister in charge of the Ministry could be assisted by several State Ministers, one each for Roads, Railways, Ports, Shipping and inland waterways, and Civil Aviation cum Tourism. There could be several Divisions in the Ministry, one for each sub-sector of transport but coordinated by an official of the rank of Principal Secretary. The Ministry of Transport should set the policies and regulation for the sector, leaving the implementation of those policies to the parastatals and the private sector. (Para 92)</p>	<p>⇒ At the “round table”, organised by the Ministry of Communications (MOC) in 2002, to review its first year’s achievements, the need for <b>one Ministry of Transport</b> was recognised and recommendation made for it by the round table participants. But due to its political sensitivity, the issue was not pursued by the Ministry of Communications. In late 1980’s there used to be a “<b>Transport Coordination Committee</b>” at the Ministerial level for ensuring coordinated development and operation of the entire transport system of the country. But no mechanism exists at this moment for coordination between three (3) Ministries dealing with major modes of transport.</p> <p>⇒ Realizing that under the present political system, the implementation of the above recommendation to go for <b>One Ministry of Transport</b> would be difficult, the Task Force was of the opinion that for effective coordination and for integrated planning and development of the transport system as a whole, government should consider establishing a “<b>National Transport Coordination Council (NTCC)</b>”. The Council should, among others, ensure formulation and implementation of integrated transport policy with emphasis on promotion of multimodal transport system, keeping in view the relative economic and environmental costs of different modes; and involvement of private sector for development, operation and management of infrastructure.</p> <p>⇒ The Council could be headed by the Hon’ble Minister for Finance and Planning, and involve other concerned Ministers as members. Private sector should be appropriately represented in the council with a well defined role so that their dynamism could be used in implementing the policies. It should be served by a secretariat manned by professionals of high standing. The secretariat should be headed by a senior Secretary of the government, and supported by donors, as in the case of Infrastructure Development Company Ltd. (IDCOL) and Infrastructure Investment Facilitation Centre (IIFC), which are fully owned government companies.</p>	<p>NA</p> <p>NA</p>

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4.	<p><b><i>Private Sector's Involvement</i></b></p> <p>i) To promote the private sector's involvement in transport infrastructure development and management, Government's function as a provider should be reduced while its function as a facilitating regulator should be increased. To this end, the government needs to develop an institutional framework to create a favourable operating environment for the private sector and at the same time to protect social and environmental interests. (Para 108)</p> <p>ii) To strengthen Public-Private Partnership (PPP) in the transport infrastructure development and management, further improvements are required in a number of areas to create a more conducive environment. These include:</p> <ul style="list-style-type: none"> <li>○ Improving the legislative and regulatory environment, including the formulation of a BOT law;</li> <li>○ Strengthening the capabilities of civil servants;</li> <li>○ Eliminating unnecessary bureaucratic procedures and practices;</li> <li>○ Marketing the potential of Bangladesh to the international investor community. (Para 109)</li> </ul> <p>iii) BIWTC and BSC need to be privatised with a clear understanding that some of the public service obligations (PSO), which are still considered essential could be paid for by the privatised organizations with the required compensation to be provided by the government.</p>	<p>⇒ At the initiative of IIFC (Infrastructure Investment Facilitation Centre), a Private Sector First Policy (PSFP) is already under active consideration of the GOB. Within the framework of PSFP, the ADP 2003 – 2004 is going to include, for the first time, a list of projects for private sector investment in infrastructure, as ADP list II, side by side with ADP list I, for public sector infrastructure projects.</p> <p>⇒ Besides the initiative to adopt PSFP, favourable regulatory environment is also being created by the GOB. Bangladesh Telecom Regulatory Commission (BTRC) was established in January, 2002, and an Energy Regulatory Commission is in the process of being established.</p> <p>⇒ Once the PSFP is adopted, emphasis will be laid on strengthening capabilities of civil servants, through specialized training programmes.</p> <p>⇒ (c) In order to reduce the bureaucratic procedures, some guidelines have already been drafted for processing private sector projects. Once the PSFP is adopted, the above mentioned procedures will be presented to the GOB and other stakeholders for consideration.</p> <p>⇒ IIFC has identified certain components of B.S.C, which could be privatised. Although the matter has been lying with the GOB for quite sometime, no decision has been taken yet. Meanwhile some of the senior officials of B.S.C are leaving on a voluntary basis with golden handshakes. With regard to BRTC, its role should be to set standards for</p>	<p>UC</p> <p>IR</p> <p>IR (partly)</p>

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	<p>Similar action could also be taken with respect to BRTC, for which an appropriate and conducive environment should be created for the private sector to come up with comparable services. (Para 113)</p> <p>iv) In the context of a private sector container terminal which has been proposed to be built at Patenga, inspite of several studies already undertaken, there is a need to undertake further necessary studies, such as physical and mathematical model studies, as well as an economic feasibility study for examining the feasibility of the establishment of the proposed terminal.(Para 185)</p>	<p>private sector operation.</p> <p>⇒ Since GOB has lost the case in the High Court, in connection with the private sector port which was to be built at Patenga by SSA (Bangladesh), it has had great adverse impact on possibilities of getting other private sector investment in ports. It will take Bangladesh some time to overcome this situation. Meanwhile GOB need to process expeditiously the bids revised for the construction of New Mooring Container Terminal. This container handling facility is essential to handle increasing container traffic which has already over stressed the present capacity to its limit.</p>	NA
5.	<p><b>Urban Transport Problems and Air Pollution</b></p> <p>i) To strictly enforce traffic rules and regulations, improve on existing traffic legislation, and achieve effective traffic management, through improvement in manpower and equipment. To this end, recognize urban traffic management as a separate discipline and develop manpower accordingly. Traffic police should be primarily responsible for enforcement of traffic rules, and the traffic management responsibilities should be left to traffic management specialists. Traffic control centers should also be established manned by trained manpower for efficient management of traffic. (Para 147 (iv))</p> <p>ii) To clearly define the role of non-motorized transport (NMT), and to this end –</p> <p>(a) to restrict NMT on some main roads;</p> <p>(b) to restrict NMT on some main roads during peak hours;</p> <p>(c) to make all efforts to complete development of a network of secondary roads for NMT to ply, when their entry to main roads are restricted; and</p>	<p>⇒ Urban traffic management has improved considerably in the recent months. Enforcement of traffic rules is much more strict. Although there is still a lack of recognition of the role of urban traffic management, viz-a-viz the role of traffic police, there is a general awareness about the importance of trained manpower, and acute shortage of these people. Special training programmes have been introduced for traffic police at the Traffic Police Training School at Postagola, under DUTP (Dhaka Urban Transport Project).</p> <p>⇒ (a-d) Efforts are already underway under the Dhaka Transport Coordination Board (DTCB) to define the role of NMT as a feeder transport to the main line haulage. To this end, it would be necessary to identify certain networks of secondary roads, and where necessary complete the missing links, so that NMT can operate within that network without going to the major roads. Meanwhile five major roads have been</p>	<p>UC</p> <p>UC</p>

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	<p>(d) to segregate NMT from motorized transport in other roads where they are sharing road space, but proper road maintenance and enforcement should be ensured.</p> <p>(e) to impart “drivers training” to rickshaw and rickshaw van pullers to enhance traffic safety and discipline. (Para 147 (iii))</p> <p>iii) To develop off-street multi-storied parking facilities, together with a clear policy for on street parking and enforcement of rules regarding use of earmarked spaces for parking of various types of vehicles. (Para 147 (ix))</p> <p>iv) To organize strict land use coordination by introducing restrictions on approval of new construction of buildings without taking into consideration the impact of the proposed construction on the traffic situation in adjacent areas. (Para 147 (vi))</p> <p>v) to reduce traffic congestion, and increase speed on all major roads, by rationalization of routes i.e. through identification of trunk routes for buses, feeder routes for paratransits on an area basis. (Para 147 (i))</p>	<p>without going to the major roads. Meanwhile five major roads have been identified in Dhaka which would be made rickshaw free, to offer priority to motorized public transport for faster movement over longer distances. Gabtali to Kalabagan being one such a road, it has already been made rickshaw free. Kalabagan to New Market section will also be made rickshaw free within a short time.</p> <p>⇒ (e) As a follow to the earlier initiative taken by the UN-ESCAP under which 1200 rickshaw drivers were successfully trained, some NGOs are taking initiative to pursue the programme of training rickshaw drivers to enhance traffic safety and to bring in certain discipline on the roads.</p> <p>⇒ A parking policy is under formulation by DTCB (Dhaka Transport Coordination Board) under DUTP, funded by the WB. The draft policy is putting considerable emphasis on off-street parking and private sector involvement in provision and management of parking spaces.</p> <p>⇒ Implementation of this recommendation will perhaps need some changes in the current procedure. The issue has not received the attention of the city Development Authorities (RAJUK, CDA, RDA, KDA, etc.) as yet. The Planning Commission shall have to emphasize the need for implementation of this recommendation.</p> <p>⇒ Partial implementation has already started, as some of the main arteries are being made rickshaw free, thereby providing priority to public transport such as buses to move faster. These rickshaws are now moving into residential areas and providing feeder services. Due to ineffective regulation of route permits, there is continuous influx of mini buses into the urban roads. They are coming from all over the country. Congestions in urban centres could have been reduced considerably, if urban roads and bus terminals are not used for parking of buses. Major bus terminals should be used for only loading and unloading of passengers. Private bus companies should have their off-street parking spaces in other locations, and never use urban road spaces for parking.</p> <p>⇒ GOB has already introduced large number of Volvo double decker buses, and new buses for premium services. Proposal for rail based mass rapid transit (MRT) in the form of “Metro rail” was being looked into earlier</p>	<p>UC</p> <p>UC</p> <p>NA</p> <p>IR</p>

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	<p>vi) To increase capacity of public transport, through introduction of large size/double-decker buses, and improve services by introducing more premium quality air conditioned buses, by encouraging use of CNG buses, as well as to go for a rail based mass rapid transit (MRT) system. (Para 147 (ii))</p> <p>vii) To reduce the level of air pollution contributed by the transport sector in the major cities, actions should be taken to secure the replacement of two-stroke by 4-stroke engines, despite the fact that the economic costs of this are substantial and that the four-stroke option has only recently become available for three wheelers. (Para 125)</p> <p>viii) To reduce the level of air pollution contributed by the transport sector in the major cities, actions should be taken to further encourage the use of compressed Natural Gas (CNG) in transport vehicles of all types. In this context it is crucial to note that it CNG is to be popularised in the country, the pump price difference would need to be about 50 percent of the production cost of liquid fuels. Hence use of natural gas would appear to require strong fiscal encouragement if it is to be more than a niche fuel. (Para 129, 135).</p> <p>ix) Government should workout a long term plan to develop a large capacity rail based mass transit system along high density corridors in major urban areas. (Para 175)</p>	<p>transit (MRT) in the form of “Mono rail” was being looked into earlier by MOC as a BOT project. But lately GOB lost interest in the project due to some political reason. At some point, GOB was seeking private sector proposal for an underground rail based MRT. But response has been very poor, and the conditions offered by the interested party were not found attractive by the government.</p> <p>⇒ GOB has already removed, w.e.f 31 December, 2002, 2 – stroke baby taxis from Dhaka city and the vacuum is gradually being filled in by 4 – stroke CNG auto rickshaws, taxi cabs and buses. In this context, it is highly important to ensure that the 2 – stroke polluting baby taxis driven out from Dhaka do not end up in other metropolitan cities like Chittagong and Khulna.</p> <p>⇒ Considerable emphasis is being laid to encourage more and more use of CNG. Petrol vehicles are gradually getting converted to CNG vehicles keeping dual fuel arrangement. Rate of conversion could have been much faster if number of CNG pumps were increased, particularly because the price of liquid fuel particularly, petrol was increased by more than 17%, a few months back. Vehicles already converted to CNG are recently facing considerable hardship due to long hours taken to fill the gas cylinder, due to low pressure, and limited number of gas filling stations. There is a comprehensive solution required on this issue. To this end, it is necessary to establish many more CNG pumps on an urgent basis and strengthen the gas pipe lines, which is the basic infrastructure for the supply of gas at high pressure. Allocation of land for the gas pumps should be made more transparent, and political pressure should not be allowed to influence the decisions.</p> <p>⇒ No initiative has been taken by RAJUK. However, proposal for rail based mass rapid transit (MRT) in the form of “Mono rail” was being looked into earlier by MOC as a BOT project. But lately GOB lost interest in the project due to some political reason. At some point, GOB was seeking private sector proposal for an underground rail based MRT. But response has been very poor, and the conditions offered by the interested party were not found attractive by the government.</p>	<p>UC</p> <p>IR</p> <p>UC</p> <p>NA</p>

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6.	<b>Improving Traffic Safety</b>		
	i) To improve traffic safety, the current <i>Motor Vehicles Act</i> needs to be replaced by a new legislation, at the earliest, together with appropriate levels of fines for violation of rules, a penalty point system, and a driving license disqualifications system.	⇒ To replace the current “Motor Vehicles Ordinance 1983” by a new legislation, a draft for “The Road Transport and Traffic Act 2001” was prepared under IDC – 3. The draft is presently being reviewed and modified by BRTA, before it is put upto the Government and later to the parliament for consideration.	UC
	ii) All schools in Bangladesh need to teach road safety to their students in an effective and appropriate way for which relevant materials need to be produced. Teachers’ training programmes should also include lectures on road traffic safety. (Para 165)	⇒ The National Road Safety Council headed by the Minister for Communications has already adopted a “National Road Safety Strategic Action Plan (2002 – 2004)”. Under this strategy, considerable emphasis has been laid on the inclusion of appropriate materials on road safety education, into the primary and secondary school curriculum. The Ministry of Education has agreed to include the materials into the curriculum from next year (2004).	UC
	iii) In order to enable BRTA to perform its role effectively, its professional capability needs to be strengthened. With 30% of the sanctioned posts remaining vacant, it is becoming very difficult for BRTA to provide satisfactory services to the people, as vehicle ownership has increased three folds over the last 12 years, since the time BRTA was established. GOB should strengthen BRTA both professionally and resource wise.		
	iv) Strict enforcement of the vehicle fitness standard would be crucial to improve the overall vehicle condition on the street. (Para 162).	⇒ Efforts are underway to commission all the machineries brought under ADB funding for 5- Vehicle Inspection Centres located in Dhaka, Chittagong, Khulna and Rajshahi, through private sector involvement in O & M. In addition, present inspection system which is partly visual and partly physical and practical is being made stricter. Every year 10% of the vehicles which are in real poor condition are being subjected to rigorous inspection, with a view to eliminate them or improve them through major repairs.	IR
	v) To arrange training programmes for the fake driving license holders		

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	<p>in employment. This could perhaps be done at the BRTC driver's training institute in Joydepur, where, one-weeks training could be given to 100 drivers in a batch. BRTA need to look into this proposal together with owners of smaller commercial vehicles, to work out a funding mechanism for this short-training programme. (Para 160).</p>	<p>⇒ Upto December 2001, a large number of fake license holders with a few years of driving experience were issued genuine driving licenses. Subsequently MOC issued a notice to other fake license holders to go for one week training at BRTC training schools at a cost of Tk. 1000/- to get a genuine driving license, but response has been very poor.</p>	
7.	<p><b>Sectoral Issues: Road Transport</b></p> <p>i) To avoid misuse of land, it is essential to develop a land management regime in order to regulate the physical framework in which the transport infrastructure, particularly future road development/improvement can take place. (Para 177).</p> <p>ii) To overcome funding problems in the road sector, the private sector should be encouraged to build "toll roads" along new alignments. Additionally the concept of "shadow tolling" could also be adopted by the government. (Para 177 (iv)).</p> <p>iii) The private sector should be encouraged to build a high capacity Dhaka-Chattagong express way and inland container depots (ICD) on BOT basis. (Para 190 (ix)).</p> <p>iv) Bangladesh should urgently consider setting up a "road fund" for financing road management. Without creation of such a fund, effective maintenance of the existing network, on a sustainable basis, would prove to be difficult (Para 177 (v)).</p>	<p>⇒ A "land policy" is already under formulation at the Ministry of Land which will adequately take care of the concern of losing large acres of productive land all over the country for the purpose of building roads and other infrastructure.</p> <p>⇒ Initiatives are underway to encourage private sector to build toll roads. As part of the PSFP, which is under consideration with the GOB, the planning commission is trying to include in the ADP 2003 – 4, a list of private sector infrastructure projects as ADP, list – 2. The list may include, among others, some of the recently completed major bridges for capitalization and road projects which could be Tolloed.</p> <p>⇒ A high capacity Dhaka-Chittagong highway could have become an attractive private sector project for investment. But instead of offering it for private sector, RHD has already taken the initiative to build a 4-lane divided highway as a public sector project to be built in stages. Funds are being sought from the government to build the first section from Dhaka to Daudkandi. GOB has however, decided to seek private sector investment for making a high capacity Dhaka – Chittagong Expressway. The road improvement needs to be accompanied by establishment of "service centres" alongside as in Europe and USA for the benefit of road users.</p> <p>⇒ GOB has taken a decision, in principle, to establish a "road fund". Detailed studies are being initiated under IDC – 3 (revised) where funds are available. Selection of consulting firm is currently underway, and should be over soon. Work is expected to start soonest. Is in the final stage.</p>	<p>UC</p> <p>UC</p> <p>NA</p>

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	v) Meanwhile the maintenance budget both of the RHD and the rural road network should be increased and effectively utilised for maintenance and preservation of the system. (Para 177 (vi))	Both the Ministry of Communications and the Ministry of LGRD, GOB are pursuing the matter and are keeping their pressure on to the Ministry of Finance to enhance maintenance budget.	UC  NA
8.	<p><b>Sectoral Issues: Rail Transport</b></p> <p>i) Bangladesh Railway should commercialise some of its service operations and introduce a new market-based pricing system. Its routes and services need to be integrated with other surface modes to make the railway more attractive to the users. (Para 178 (i))</p> <p>ii) The on-going reforms and reorganization of BR should be completed for transforming the organization into a corporate entity. Its infrastructure and operations need to be segregated and both operated on commercial principles. Whatever reform has been achieved so far should be consolidated by bringing the changes under legal coverage. (Para 178 (v))</p>	<p>⇒ The problem has to be addressed at a higher level of the Government in order to utilize the full potential of rail system. Commercialization of BR should be given priority over the institutional issues. BR management should be given full commercial freedom including authorities for hiring and firing, and at the same time made answerable for agreed performance targets. In order to be competitive, with road sector, officials must change their mind-set and operate like a private sector.</p> <p>⇒ The officials need to be more dynamic to solve problems, and think of providing door to door services in close cooperation with the truck operators. BR is also suffering from lack of investment for proper maintenance of tracks. Recently, derailment has become very common. This has adverse impact on efficiency and reliability of services.</p> <p>⇒ The reform and reorganization issue of BR seems to have lost its priority. MOC has, however, drafted a legislation for creation of a corporate authority for BR with necessary commercial freedom. An ADB financed study [Organizational Reform of BR: Phase-III], to be implemented soon, will encompass, in addition to organizational issues, introduction of business units for different core and non-core activities starting with pilot projects, with emphasis on Public Private Partnership (PSP). The institutional changes will be brought about gradually as the business units grow. A modern costing system will be introduced to help taking judicious commercial decisions.</p> <p>⇒ The BR Corporate Authority, if created through legislation as proposed, is likely to be more stable compared to the last organizational arrangement introduced through executive orders.</p>	NA          UC

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	<p>iii) Bangladesh railway should provide the backbone of inter-city, intra-city passenger transit and commuter services. Further areas of railway operations should be opened up to private sector involvement. (Para 178 (vi))</p> <p>iv) Towards rationalisation of gauges in Bangladesh, the on-going programme of dualisation from Parbatipur to Dhaka, should be extended upto Chittagong, to facilitate regional integration, and provide uninterrupted broad gauge rail services from neighbouring countries, to sea ports in Bangladesh. In addition, there is a need to standardize the coupling and braking system, as these restrict operating speeds for Indian trains hauling Bangladeshi wagons. )Para 178 (vii))</p> <p>v) The ICD at Kamalapur is not being used optimally. Bangladesh Railway should create facilities to carry more containers between Chittagong and Dhaka. (Para 190 (ix))</p> <p>vi) To increase efficiency in handling container traffic, Bangladesh Railway may like to establish a separate self-sustaining organization such as CONCOR (Container Corporation of Indian Railways). (Para 199 (iv)).</p>	<p>⇒ BR has continued to open up opportunities to private sector for operation and management of various components and services. BR should consider leasing out rolling stock for private sector operation, using the landlord concept. Maintenance of the lease out rolling stocks could also be provided by BR on payment of charges. BR is, however, currently trying to get private sector investment in rolling stock. Introduction of commuter service including investment on infrastructure and rolling stock will be one of the candidates for pilot projects referred to above.</p> <p>⇒ Under another ADB financed study [Regional Rail Traffic Enhancement Project], to be implemented soon will focus on infrastructure improvement so far as it is pertinent to regional traffic enhancement. The issue of gauge rationalization will be a major area of study. In case regional traffic opens up quickly, BR plans to buy compatible BG wagons for the purpose, instead of changing all its assets to Indian standard.</p> <p>⇒ BR is carrying only 10 – 12% of the containers which are destined for Dhaka, the rest are currently de-stuffed and carried by road. BR has already acquired 100 flat cars capable of carrying 200 TEU containers. But the level of service provided by BR is not very attractive, as container trains very often get delayed. BR staffs responsible for container services need to be more aggressive to match the road transport/ trucking industry lobby and marketing efforts. Greater cooperation and understanding between Chittagong Port Authority and BR is needed to overcome some of the problems being faced. Length of the railway track being laid within the port area is not long enough to accommodate one full train rack, as a result it will have adverse impact on the efficiency of container train operation</p> <p>⇒ The handling of containers by BR could have improved a great deal, if a separate self-sustaining organisation (like “CONCOR” under the Indian Railways) could be established, to handle these containers. At the moment, the handling of containers at the ICDs and the management of</p>	<p>UC</p> <p>UC</p> <p>IR</p>

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		container trains are in two different hands, which give rise to coordination problem and sometime required cooperation is also not available.	NA
9.	<p><b><i>Sectoral Issues: Inland Water Transport (IWT)</i></b></p> <p>i) The most crucial problem being faced by IWT is the continuous siltation, for which there is urgent need for dredging to keep the rivers navigable. In fact IWT is losing its competitiveness due to high rate of siltation and loss of navigability. GOB need to provide adequate funding for effective dredging of these silted rivers. This would have tremendous impact also on flood control, irrigation, drainage, fishing, etc.. If rivers are not maintained, the future of IWT is indeed bleak. With a meagre allocation ranging between 1 – 4% of entire transport sector allocation, where road sector gets about 75%, there is hardly any scope to maintain the navigability of major rivers in Bangladesh.</p> <p>ii) IWT should be integrated with other surface modes roads, railway and seaports, and efficient logistics support should be provided, to make it attractive to the users. (Para 179 (i))</p> <p>iii) Problems in the mechanisation of country boats should be addressed urgently and provision should be made for building a modest infrastructure for ensuring their safe operation. Private sector involvement in the development of river ports, terminals and provision of cargo handling facilities should be encouraged. (Para 179 (v))</p>	<p>⇒ With the development of Khanpur Jetty in Narayanganj by private sector (for which proposals have been invited,), container movement between the feeder ship and origin/destination within Bangladesh will be provided by the operator. Based on its success further initiative to integrate IWT with other modes is expected to start. Planning Commission need to emphasize the need for such integrated and multimodal transport system to encourage use of environment friendly transport modes.</p> <p>⇒ Under the changed legislation, DG (Shipping) can now register mechanized country boats of all engine sizes. The office of DG, (Shipping) is however having tremendous problem in coping with the increased work load of registration and surveying, as he has only four (4) surveyors for the entire job.</p> <p>⇒ Present mechanisation of country boats with multi-purpose tractor engines are creating some safety problems, as these do not have reverse gear. Regular engines with reverse gear are quite expensive and are not affordable. This issue has remained unresolved.</p>	<p>UC</p> <p>UC</p>

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	<p>iv) IWT routes used for both inter-country and Indian transit traffic are facing certain problems such as lack of year round navigation, lack of night navigation, the limited number of ports of call, etc. This problem needs to be addressed on an urgent basis. (Para 179 (iv)).</p> <p>Development, dredging and maintenance of inland waterways for navigation all the year round, should be conceived as an integrated project for land development, flood control, irrigation, aquaculture etc. Both conventional and low cost techniques should be used for dredging. Special emphasis may be given to dredge navigable small rivers and canals. Navigation aids should be improved. The private sector should be encouraged to participate. (Para 179 (ii))</p>	<p>⇒ In view of its slow speed, IWT is no longer attractive to India to carry transit traffic, the tonnage which has come down to 2000 tons per year. The problems associated with IWT transit route need to be looked into jointly by both Bangladesh and India, in the light of competition from other modes, and reduced traffic demand.</p> <p>⇒ This issue being multidimensional, interministerial involvement will be required, for which Planning Commission need to take initiative to get the concerned ministries and agencies together to discuss the issue and take appropriate measures.</p>	<p>NA</p> <p>NA</p>
10.	<p><b>Sectoral Issues: Maritime Transport Including Ports</b></p> <p>i) An awareness campaign among the stakeholders, including the labour unions, should be undertaken with a view to highlight the precarious situation of the ports, and the various implications to the economy associated with the quality of Port operations (Para 190 (iii))</p> <p>ii) Container terminals need to be developed both at existing ports and at new sites, participation of the private sector, both national and foreign, encouraged in their development together with back up facilities, handling equipments and support services. (Para 193 (iii a))</p>	<p>⇒ All stakeholders including labour unions are more or less aware about the critical situations of the ports in Bangladesh. As a result no specific initiative was taken to create further awareness. For quite sometime, port users have been demanding immediate dissolution of the “Dock Workers Management Board; and introduction of merchant workers booking system, which is already in use in Chittagong. Under this system stevedores are allowed to hire port labours directly from the market. In this context, it would however, be useful to investigate into the hidden cost involved in port payment.</p> <p>⇒ Since GOB has lost the case in the High Court, in connection with the private sector port which was to be built at Patenga by SSA (Bangladesh), it has had great adverse impact on possibilities of getting other private sector investment in ports. It will take Bangladesh some time to overcome this situation. Meanwhile GOB need to process expeditiously the bids received for the construction of 1000 meter long New Mooring Container Terminal, to increase port capacity to handle increasing container traffic which has already over stressed the present capacity to its limit. According to present schedule, work order will be issued to the contractors of the New Mooring Container Terminal by August, 2003, and the terminal is expected to be ready by 2005.</p>	<p>UC</p> <p>UC</p>

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	<p>iii) Shipping should be declared as an Export Services Industry giving tax and other benefits, as enjoyed by the entrepreneurs in other such Industries. (Para 193 (i))</p> <p>iv) Since freight forwarders play a major role in a multimodal transport system, there is a need to review the operation of freight forwarders and to strengthen arrangements for their registration and regulation, along with their further development and training. (Para 193 (vii))</p> <p>v) To recapture the lost market for Bangladesh seamen, the seamen's training curriculum, should be standardize training facilities modernized and examinations conducted under government supervision. The private sector should be encouraged to take over training activities, for which government should provide regulatory support including opportunities for finding jobs for the seamen. (Para 193 (viii))</p>	<p>⇒ To encourage physical development on the other side of Karnaphuli river, there is a need to build the Third Karnaphuli bridge, as both the first and the second bridges have developed structural weakness, which have put restriction on heavy vehicles movement on these bridges.</p> <p>⇒ Shipping has already been declared as an "Export Services Industry", but facilities like other industries are not available to shipping sub-sector. For example, there is no scope to get Bank loan for purchasing ships, but concessionary loans are generally available for setting other major industries. The Capital Market needs to be made vibrant to encourage private sector investment, Particularly the small investors, otherwise they will get marginalized.</p> <p>⇒ The Freight Forwarders are still facing problems. Their immediate problem of registration has however, been resolved, as the Board of Revenue is now providing them with registration. GOB should recognize that Freight Forwarders need to get further training to elevate them to the level of Multimodal Transport operators. This is crucial, as in the near future most international trade will move under MMT documentation. DG (Shipping) in close cooperation with the Freight Forwarders Associations, and with the collaboration of Bangladesh Shippers Council should organize training programmes for the Freight Forwarders to become Multimodal Transport operators.</p> <p>Bangladesh is one of the 92 countries included in the IMO white list, which is allowed to conduct "Training and Certification of Seafarers". DG (Shipping) directly controls 2 – Institutions, both in Chittagong (one for officers training i.e., the Marine Academy, and the other for seamen training). In addition, 3 other Institutions in Dhaka and Chittagong, in the private sector have been allowed to conduct training (short courses and participatory courses for certificate competency). These institutions are modernizing their training facilities through acquisition of latest technologies including simulators. DG (Shipping) is trying his best to recapture the lost market of seamen, through involvement of private manning agents (Recruiting Agents), and working</p>	<p>UC</p> <p>UC</p> <p>UC</p>

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		closely with the Ministry of Foreign Affairs of Bangladesh. In most cases, the public sector allocation provided to DG (Shipping) for the above purposes are really meagre, compared to the level of revenue earning by DG (Shipping). The earning of DG (Shipping) could also be increased, if some additional staff could be recruited at appropriate position.	
11.	<p><b>Sectoral Issues: Air Transport</b></p> <p>i) The <i>Civil Aviation Authority of Bangladesh</i> (CAAB) needs to prepare a plan to install CNS/ATM systems, as part of its air traffic management modernization programme (Para 198 (i))</p> <p>ii) In order to arrest the constant drain on the national economy, management of Bangladesh Biman (not the ownership) should be handed over to the private sector, on the same principles governing management of the Sonargaon Hotel in Dhaka. (Para 198 (ii))</p> <p>iii) Present distortions in the pricing policy of Biman should be addressed and further strategic concessions provided to encourage the private sector to come forward to invest in air transport. (Para 198 (iii))</p>	<p>⇒ The work to install CNS/ATM system is already at hand and progressing satisfactorily. CAAB will be able to meet ICAO requirement in this field.</p> <p>⇒ Biman has been looking into the possibilities of privatizing its operation. But the task is yet to be completed. Meanwhile, the question of handing over the management of Biman to private sector was looked into by the authorities concerned. It was considered not feasible at this point of time because local expertise would not be available. However, the possibilities of using management contract system should be seriously considered.</p> <p>⇒ Biman could not as yet address the present distortion in the pricing system, as it has to maintain its subsidised services on certain routes to meet the requirements of the owner i.e., GOB. In some of these routes if the fare is fixed on commercial consideration alone then they will not get passengers as in the case of Saidpur. Biman is required to fix a fare at which the loss is minimised - this is also commercial consideration and is practised all over the world.</p>	UC