

## DEVELOPMENT COORDINATION

### A. Major Development Partners: Strategic Foci and Key Activities

1. Major development partners in the Bangladesh transport sector are the World Bank, the Islamic Development Bank, Japan International Cooperation Agency (JICA), the OPEC Fund for International Development (OFID), and the Kuwait Fund for Arab Economic Development. Several bilateral agencies have also assisted the rural infrastructure sector. The development partners are united in supporting Bangladesh's National Land Transport Policy to ensure sustainable maintenance of roads and that other sector governance issues are addressed. In subsectors where other development partners play a leading role, such as inland water transport and telecommunication, the Asian Development Bank (ADB) has played a supporting role.

2. In the roads subsector, ADB supports road improvement and maintenance while JICA supports bridge rehabilitation and construction. In 2012, ADB approved the Greater Dhaka Sustainable Urban Transport Project<sup>1</sup> and a technical assistance (TA) loan for the Dhaka–Chittagong Expressway Public–Private Partnership Design Project.<sup>2</sup> JICA is preparing the National Highway No. 1 Bridge Rehabilitation and Construction Project. For sector development, close dialogue was carried out with JICA to develop an institutional development action plan for the Roads and Highways Department (RHD). The action plan is built on the long-term capacity development support by the Department for International Development of the United Kingdom (DFID).

3. In the rail transport subsector, ADB has provided a \$430 million multitranche financing facility for the Railway Sector Investment Program in Bangladesh, approved in October 2006.<sup>3</sup> This investment program demonstrates ideal coordination among key development partners in the country. The sector reform framework agreed in the investment program provides a platform for the World Bank and JICA to be based for their financing.

4. In the ports subsector, ADB provided a \$30.6 million loan for the Chittagong Port Trade Facilitation Project, approved in November 2004.<sup>4</sup> While no major support has been provided by other development partners, ADB has provided technical assistance (TA) to improve the operational efficiency of ports, including Chittagong Port, and recently completed TA for Mongla Port and Benapole Land Port. ADB recently approved TA to prepare Strategic Master Plan for Chittagong Port.

5. ADB and JICA are active in the transport sector. ADB's focus is on development of regional connectivity, especially through the South Asia Subregional Economic Cooperation (SASEC) framework. ADB has provided a \$23 million TA loan in 2010 for preparing feasibility studies and detailed design for subregional roads and railways. ADB also supports the

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<sup>1</sup> ADB. 2012. *Report and Recommendation of the President to the Board of Directors: Proposed Technical Assistance Loan to the People's Republic of Bangladesh for the Dhaka–Chittagong Expressway Public–Private Partnership Design Project*. Manila.

<sup>2</sup> ADB. 2012. *Report and Recommendation of the President to the Board of Directors: Proposed Loans and Technical Assistance Grant and Administration of Loan and Grant to the People's Republic of Bangladesh for the Greater Dhaka Sustainable Urban Transport*. Manila.

<sup>3</sup> ADB. 2006. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility and Technical Assistance Grant to the People's Republic of Bangladesh for the Railway Sector Investment Program*. Manila.

<sup>4</sup> ADB. 2005. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Technical Assistance Grant to the People's Republic of Bangladesh for the Chittagong Port Trade Facilitation Project*. Manila.

government initiative to explore the public–private partnership (PPP) modality in developing transport projects. For this purpose, the TA loan for Preparing the Dhaka–Chittagong Expressway includes possible financial structuring for PPP, and another TA loan will be provided to prepare PPP road and railway projects in the short term.

### Major Development Partners, 2000–2012

Development Partner	Project Name	Duration	Amount (\$ million)
<b>Road subsector</b>			
ADB	Road Maintenance and Improvement	2000–2008	68.7
	Road Network Improvement and Maintenance	2002–2011	65.0
	Road Network Improvement and Maintenance II	2004–2012	126.0
	Emergency Flood Damage Rehabilitation Project	2005–2007	50.5
	Padma Multipurpose Bridge Design Project	2007–2011	17.6
	Emergency Disaster Damage Rehabilitation (Sector) Project	2008–2011	120.0
	Padma Multipurpose Bridge Design (Supplementary)	2009–2011	10.0
	Padma Multipurpose Bridge Project	2010–2016	615.0
	Subregional Transport Project Preparatory Facility	2010–2013	23.0
	Dhaka–Chittagong Expressway Public-Private Partnership Design Project	2012–2016	9.8
World Bank	Greater Dhaka Sustainable Urban Transport Project	2012–2017	160.0
	Padma Multipurpose Bridge Project	2010–2016	1,200.0
Japan	Rupsa Bridge Construction Project	2001–2005	78.0
	Emergency Disaster Damage Rehabilitation Project	2008–2011	60.0
	Eastern Bangladesh Bridge Improvement Project	2009–2013	73.0
	Chittagong City Outer Ring Road Project	2010–2016	100.0
Kuwait	Padma Multipurpose Bridge Project	2010–2016	420.0
	Third Karnaphuli Bridge	2005–2010	53.6
	Islamic Development Bank	Padma Multipurpose Bridge Project	2010–2016
<b>Railway Subsector</b>			
ADB	Railway Sector Investment Program MFF	2006–2016	430.0
World Bank	Railway Reform Programmatic Development Policy Credit	2009–2011	40.0
Japan	Dhaka–Chittagong Development Project	2007–2015	129.0
Korea	Purchase of 10 Meter-gauge Locomotives. Under the Procurement of 47 Locomotives Project	2008–2011	28.0
<b>Ports Subsector</b>			
ADB	Chittagong Port Trade Facilitation Project	2004–2012	30.6

ADB = Asian Development Bank.

Source: Asian Development Bank.

## B. Institutional Arrangements and Processes for Development Coordination

6. At the country level, Bangladesh prepares a country partnership strategy including the transport sector in close coordination with its development partners. At the sector level, ADB, DFID, JICA, and the World Bank established a joint strategic framework in 2006 to assist Bangladesh, and agreed to conduct joint evaluation of their assistance to the transport sector. Development partners have closely coordinated their activities through regular meetings in Dhaka. Joint missions are organized to coordinate the work and requirements of development partners. A program-based approach is not used in Bangladesh transport.

7. The project seeks to build partnership in several ways. First, it expects cofinancing from the OPEC Fund for International Development (OFID) and Abu Dhabi Fund for Development (ADFD). Second, associated TA is designed to support institutional reforms of RHD in close coordination with JICA, the main development partner supporting the road subsector.

### **C. Achievements and Issues**

8. ADB has a strong record of coordination with development partners in the transport sector. In 2008, JICA undertook an assessment of assistance provided to Bangladesh by the four partners in the transport sector. The assessment reviewed the collaborative efforts of the four development partners, with a focus on alignment and harmonization.<sup>5</sup> The development partners showed strong collaboration in the following activities: (i) reforming and investing in Bangladesh Railway, and (ii) establishing a sustained road maintenance funding mechanism.<sup>6</sup> The report is moderately positive in its assessment.

9. Enhancing sector efficiency is one area that will require better coordination and harmonization—especially in railways and roads. ADB's country assistance program evaluation<sup>7</sup> suggested that ADB maintain its role as lead development partner in transport to facilitate the sector reform agenda. Close coordination among development partners should continue to ensure that sector reforms are pushed forward with consistent objectives.

### **D. Summary and Recommendations**

10. ADB's past and current intervention in the transport sector contributes to the Government of Bangladesh's development objectives. ADB should remain a strategic long-term partner of Bangladesh and continue to implement road and railway projects. The scope and strategy of the proposed loan reflect ADB's focus on regional connectivity under the SASEC framework, institutional reform in the road sector, private sector participation through the performance-based contracts, and sustainable economic growth through improved transport infrastructure. The proposed loan will provide a good platform for other development partners active in the road subsector both in terms of physical investment and institutional reform. Development coordination should continue during project implementation, particularly for institutional reform targeting RHD.

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<sup>5</sup> ADB. 2008. *Evaluation of Four Donors' Assistance in the Bangladesh Transport Sector. Draft Report*. Manila.

<sup>6</sup> DFID, which led the analytical work for the road maintenance fund, has reportedly decided to pull out of the Bangladesh road transport subsector.

<sup>7</sup> ADB. 2009. *Bangladesh Country Assistance Program Evaluation*. Manila.