



<b>1. Project Data:</b>		<b>Date Posted :</b> 06/12/2001	
<b>PROJ ID:</b> P009540		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> Third Inland Water Transport	<b>Project Costs (US\$M)</b>	64.2	71.5
<b>Country:</b> Bangladesh	<b>Loan/Credit (US\$M)</b>	45.0	51.2
<b>Sector(s):</b> Board: TR - Roads and highways (86%), Central government administration (14%)	<b>Cofinancing (US\$M)</b>	5.7	5.8
<b>L/C Number:</b> C2232			
	<b>Board Approval (FY)</b>		91
<b>Partners involved :</b> FINNIDA, Japanese Government	<b>Closing Date</b>	06/30/2000	06/30/2000
<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>
Robert C. Varley	George T. K. Pitman	Alain A. Barbu	OEDST
<b>2. Project Objectives and Components</b>			
<b>a. Objectives</b>			
Improve waterway safety and environmental controls;			
<ol style="list-style-type: none"> <li>1. Increase inland passenger transport capacity;</li> <li>2. Improve capital asset utilization of BIWTC and reduce inland water freight transport costs;</li> <li>3. Improve country boat operations and navigation</li> <li>4. Improve the financial performance of Bangladesh Inland Water Transport Authority (BIWTA) and Bangladesh Inland Water Transport Corporation (BIWTC); and</li> <li>5. Enhance institutional capacity for planning, policy formulation and training of inland vessel operators .</li> </ol>			
<b>b. Components</b>			
Cost in (\$ millions): - Dredging works (10.62); Upgrading navigation Aids (7.32); Provision of 100 pontoons and access bridges at landing stages (11.64); Provision of equipment for BIWTA and BIWTC (24.75); Technical assistance to BIWTA, BIWTC and the Department of Shipping (9.23); Supplemental drainage and rehabilitation after the 1998 Floods (7.94).			
<b>c. Comments on Project Cost, Financing and Dates</b>			
The Bank approved an additional credit of \$6.2 million in 1999 to fund most of the supplemental work .			
<b>3. Achievement of Relevant Objectives:</b>			
<ol style="list-style-type: none"> <li>1. Pontoons and access bridges were provided at 175 landing stations (exceeding the target of 100);</li> <li>2. The improved access to rural areas has reduced berthing times by 50% and cargo handling costs by 25%;</li> <li>3. Inland transport capacity has almost doubled;</li> <li>4. Vessel delays were reduced by 20% and voyage times cut by 10%;</li> <li>5. 918 of 1200 km of targeted waterways have been upgraded with navigation aids (buoys and beacons);</li> <li>6. 12.5 million m3 of dredging works were completed, improving the least available depth on 3 critical waterway routes and improving access to critical inland terminals and facilities;</li> <li>7. The ex-post ERRs of 26.6%, 20.7%, and 33.4 (for navigation aids, dredging improvements and rural pontoons) are well above the test rate of 10-15%.</li> </ol>			
<b>4. Significant Outcomes/Impacts:</b>			
<ol style="list-style-type: none"> <li>1. Lower operating costs led to reduced inland water freight transport rates;</li> <li>2. Pontoons and jetties improved access and reduced costs for both poor passengers and small businesses;</li> <li>3. Waterway safety and environmental controls were improved (impacting men more than women);</li> <li>4. Freight tariffs have been deregulated;</li> <li>5. Legislation has been enacted and a new Inland Ship Safety Rules Administration (ISSA) is being established;</li> <li>6. New equipment and buildings have enabled BIWTC to provide ship repair services and better service quality .</li> </ol>			
<b>5. Significant Shortcomings (including non-compliance with safeguard policies):</b>			
<ol style="list-style-type: none"> <li>1. There were prolonged and significant delays in implementation;</li> <li>2. Low quality at entry due to lack of ownership by stakeholders and weak institutions;</li> </ol>			

3. Quality at entry was also incompletely assessed and monitoring indicators were not quantified to permit later tracking;
4. The implementation of institutional and financial recovery action plans by BWITA /BIWTC was unsatisfactory;
5. Only 3 of 5 Country Boat Centers have been completed and these are not yet operational;
6. BIWTA's financial performance actually deteriorated during the project;
7. BIWTC failed to make all promised staff and fuel cost reductions;
8. The project failed to predict the significant loss of BIWTC traffic to the newly opened Jamuna Bridge in 1998;
9. The 5 new BIWTC profit centers do not yet have full administrative, managerial and financial powers .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome :</b>	Satisfactory	Satisfactory	
<b>Institutional Dev .:</b>	Negligible	Modest	Through attrition BIWTC shed 30% of its staff between 1990 and 2000, and did not replace them. This is a not negligible institutional development for Bangladesh .
<b>Sustainability :</b>	Unlikely	Unlikely	
<b>Bank Performance :</b>	Satisfactory	Satisfactory	
<b>Borrower Perf .:</b>	Unsatisfactory	Unsatisfactory	
<b>Quality of ICR :</b>		Satisfactory	

NOTE: ICR rating values flagged with '\*' don't comply with OP/BP 13.55, but are listed for completeness.

#### 7. Lessons of Broad Applicability:

The five "lessons learned" are broadly applicable but hardly news - (i) The need for thorough planning and a participatory process; (ii) Continuity of personnel and close monitoring are needed; (iii) Empowerment of the Implementing Agency is necessary; (iv) An enhanced private sector role is required; and (v) Commitment to reform is essential.

8. Assessment Recommended?  Yes  No

#### 9. Comments on Quality of ICR:

Good - concise and clear. Addresses most issues.