



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

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
Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	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 .
Sustainability :	Unlikely	Unlikely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Unsatisfactory	Unsatisfactory	
Quality of ICR :		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.