



World Bank Proposed Support for Bangladesh Railways

Seminar on the Future of
Bangladesh Railways: Learning
from International Experience



Background

- World Bank has not been engaged with Bangladesh Railways for a long time
- Most of WB support was in the road sector, some to Inland Water Transport
- Recognize the need to diversify assistance for all modes of transport
- Paradigm shift in our transport sector assistance strategy needed to align it with the emerging needs of the Bangladesh's economy
- Support a more environmentally sustainable transport system



Projects under Consideration

- Carried out a Rapid Assessment of the Port, Rail, and Inland Water Transport to develop re-engagement strategy in these sectors (2003)

- Export Infrastructure Development Project
 - Under preparation jointly with Chittagong Port Authority (CPA) and BR
 - Construction of ICD (Dry Port) near Dhaka, including spur line to ICD
 - Rail related improvement inside Chittagong Port and Rolling Stock

- Inland Water Transport
 - Undertaking a major study to develop areas of assistance
 - Investment project possible in coming years



The Proposed Railway Modernization Project

- Together with ADB and JBIC, WB is starting a long-term partnership with GOB to support modernization.
- The support includes:
- Policy-based loan for reform (US\$50 million)
- Investment Project (about US\$200 million)



Reform Project

- Current Discussion
 - Reorganize BR by Line of Business
 - Focus BR on serving its customers.
 - Improved Financial Management and Accounting System
 - Allow BR and government to know the true cost of each business and to define the PSO more objectively
 - Improved Human Resource Planning
 - Better incentive
 - Develop training and career program for BR staff
 - Transform BR into a government-owned Corporate Entity
 - Provide BR the independence they need to manage railway like a business
 - Operational improvements
 - Improve Efficiency of BR service



Investment Project

- Support BR's medium-term investment program in partnership with ADB and JBIC
- WB will provide about US\$200 million (first project)
- Primary Focus
- Dhaka-Chittagong Corridor
 - Construction of Chord Line or Akhaura-Lhaxam Double Tracking (depending on economic feasibility)
- Western Bangladesh
 - Infrastructure improvement
 - Upgrade signaling
 - Procurement of Rolling Stock
- Supporting a study for PPP options for the transport of new traffic for AEC and TATA Steel