

**Government of the People's Republic of Bangladesh  
Ministry of Communication  
Roads and Railways Division**

**AN EXECUTIVE REVIEW OF THE  
IDC3 PROJECT**

**Prepared for  
Barrister Nazmul Huda, MP  
Hon'ble Minister of Communication,  
Bangladesh**

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# A Summary of the IDC3 Project

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## 1. INTRODUCTION

**1.1** In the early 1990s it was decided that the Bangladesh Ministry of Communication and its departments the Roads and Highways Department (RHD) and the Bangladesh Road Transport Authority (BRTA) required assistance in developing their institutions to deal with the increasingly complex challenges they faced (brief details of these “**Target Organisations**” are given in Section 2 of this review). An Institutional Development Component (IDC) was therefore included as part of the major World Bank (IDA) infrastructure project the Second Road Rehabilitation and Maintenance Project (RRMP2).



**1.2** It was always considered that an institutional project of this nature would need to be of 8 to 10 years duration if significant changes were to be achieved in the target organisations. However it was decided to commence with an initial phase of 4 year’s duration.

**1.3** The Department for International Development, UK (DFID) agreed to fund the first phase of IDC which commenced in July 1994. The lead consultant selected to implement IDC was WSP International, UK. Associated

consultants were Mott Macdonald UK, TRL UK and DDC Bangladesh.

**1.4** The long term objective of IDC was “**The Main Road Sector is able to provide a safe, cost effective, well maintained road network**” and the Project had 4 main outputs, namely Planning Systems, Implementation Systems, Monitoring and Evaluation Systems and Institutional Support Systems.

**1.5** Progress was slow during the first two years of the project and it became clear that the original objectives were too wide ranging to be properly achieved with the available resources. It was therefore decided, following the Project’s Mid Term Review, that during the remaining Project period work should be concentrated on the issues of reorganisation, training, maintenance and road safety. The name of the Project was also changed to IDC2 at this time to be consistent with RRMP2.

**1.6** IDC2 finished in June 1998 and was judged to have met the objectives set following the Mid-Term Review. In particular an interim reorganisation of RHD was established; an extensive programme of technical and management training was undertaken; the RHD Training Centre was established, road and bridge maintenance management systems were established; the international HDM (Highway Development and Maintenance) model was introduced; and, road safety activities were established as part of the BRTA.

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**1.7** In view of the progress of IDC2 it was judged that a further phase of the project should be implemented in order to consolidate work already commenced and to move into other areas of operation. A 6 months transitional period (called TIDC) was undertaken to continue work on ongoing tasks and to allow time for the development and approval of a follow on project IDC3.

**1.8** One criticism of IDC2 was that there was insufficient ownership of the project by the Ministry of Communication and the RHD. It was therefore decided to establish an IDC3 Steering Committee, under the Chairmanship of the Secretary RRD, with other committees in RHD (chaired by the Chief Engineer), the Ministry (chaired by the Joint Secretary Development) and BRTA (chaired by the Chairman BRTA). It was also decided to assign an Additional Chief Engineer, RHD full time to the Project as Project Coordinator.

**1.9** As with IDC2, DFID agreed to provide grant funds for IDC3 and retained the services of WSP International as lead consultant. The original cost of the IDC3 was US\$7.5 million comprising US\$6.1 million of DFID grant funds and Taka 8 crore (US\$1.4 million) in Government of Bangladesh funds. The DFID component has subsequently been increased by US\$4.0 million to US\$10.1 as detailed in section 6. In addition to funds for technical assistance personnel and Government counterpart personnel the total project costs include significant sums for training and computer equipment.

**1.10** IDC3 is a 4 year project which commenced in January 1999. Whereas IDC2 mainly concentrated on RHD Headquarter activities IDC3 is required to extend operations into the Ministry of Communication, the BRTA and the field zones of RHD.

**1.11** IDC3 originally had 7 main outputs covering:

- improved management systems
- re-organisation of RHD
- strengthening of the Ministry of Communication and BRTA systems
- development of a transport planning system
- improvements to RHD operations
- support to Road Safety, and
- an extensive Training programme.



**1.12** The original 7 outputs have subsequently been increased to 10 as explained in Section 3 “**Objectives & Activities**”. The methods used by IDC3 to progress institutional changes are discussed in Section 4 “**Operational Methods**”. Section 5 considers the findings of the “**IDC3 Mid-Term Review**” whilst Section 6 highlights the “**Project Expansion**” which was implemented following the Mid-Term Review. Details regarding the progress to date of IDC3 against the 10 main outputs are given in Section 7 “**Progress Review**”. The final Section number 8 considers possibilities for “**The Future**” of the IDC Programme following completion of IDC3.

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## 2. TARGET ORGANISATIONS

### *THE MINISTRY OF COMMUNICATION*

**2.1** The Ministry of Communication is responsible to the Minister for the operation of roads and railways within Bangladesh. In the case of roads the Ministry's jurisdiction includes road construction and maintenance, which are the responsibility of the RHD, and road transport issues, which are the responsibility of the BRTA. The Ministry has a staff of about 115 persons of whom 33 are Class 1 officers.

**2.2** The Ministry of Communication is mainly concerned with policy issues relating to administration, planning and development. However in practice there is some overlapping of duties with the executing departments.

### *THE BANGLADESH ROAD TRANSPORT AUTHORITY*

**2.3** The Bangladesh Road Transport Authority (BRTA) is the main government regulatory agency for the road transport system in Bangladesh. At present the main responsibilities are the registration of vehicles, licensing of drivers, collection of road users taxes and fees, issuing and renewing vehicle fitness certificates and route permits and coordination of road safety.

**2.4** BRTA is a small organisation consisting of a workforce of 264 under



the leadership of the Chairman. Against an expenditure of about Taka 2 crore (US\$0.35 million) the revenue earning of BRTA is about Taka 120 crore (US\$21 million). There is an opportunity for the Government to maximise revenue collection in the transport sector by linking BRTA's budget to improvements in revenue collection and service standards.

### *THE ROADS AND HIGHWAYS DEPARTMENT*

**2.5** The Roads and Highways Department is responsible for the development and maintenance of the main road network of Bangladesh. It is a large organisation with about 18,000 personnel under the direction of the Chief Engineer who is assisted by 14 Additional Chief Engineers. The annual budget of the RHD is currently about Taka 2,000 crore (US\$ 350 million).

**ASSET MANAGEMENT**  
**RHD has the responsibility to maintain the National Road and Bridge Assets which are one of the largest assets in Bangladesh. Serious economic consequences will result from a lack of maintenance.**

**2.6** Both the scale and complexity of the RHD's workload has grown substantially during the last few years but the management and organisation have lagged behind these physical activities hence there are a number of areas where improvements are now urgently required. With much of the National Road Network now developed, attention must be focussed on road maintenance, increased traffic capacity of roads and road safety improvements.

### 3. OBJECTIVES & ACTIVITIES

**3.1** The long term objective of IDC3 is that “The Ministry of Communication is able to provide a safe, cost effective, well maintained RHD road network” whilst the purpose of IDC3 is “To establish sustainable capacity for the Ministry of Communication, together with its Departments, to plan, manage and deliver the full range of their responsibilities in respect of the main road and bridge network and to be accountable for these duties”.

**3.2** In order to achieve these objectives the project was designed to work in 7 main areas which were set out in the project Logical Framework. In the course of the first two year’s work on the project the number of main areas grew from 7 to 10 in order to accommodate additional requests from the Government.

**3.3** To progress each of these 10 areas there are numerous activities to be undertaken. Hence IDC3 is a complex project which places demanding requirements on both consultant’s and Government personnel. Progress is being made in all of the above areas although the rate of progress varies significantly between individual activities. In certain cases progress has been limited by IDC3 resources and in other cases, notably the

#### THE 10 MAIN OUTPUTS OF IDC3

1. RHD operating using modern management methods
2. A revised organisation structure for RHD
3. Strengthening of Ministry of Communications and BRTA management systems.
4. The Development of a sustainable Road Transport Planning system
5. Development of standards and procedures in RHD headquarters to ensure the proper design, evaluation and monitoring of projects
6. Improvement in RHD zonal operations to ensure improved standards of construction and maintenance of roads and bridges.
7. Development of the BRTA Road Safety Cell in promoting, undertaking and monitoring road safety activities.
8. The development of the RHD Training Centre to enable it to provide needs based training programmes both in Bangladesh and overseas.
9. The establishment of improved financial management within RHD
10. The establishment of computer networks and Management Information Systems in RHD and the Ministry of Communication.

RHD reorganisation, Ministry orders are awaited. It is however gratifying that with a few exceptions the rate of progress is accelerating and considerable momentum has now been achieved.



Road Safety – One of the 10 areas of work for IDC3

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## 4. OPERATIONAL METHODS

**4.1** From the outset a decision was taken that IDC3 should attempt to make changes to the root causes of problems and not just modify the symptoms. This approach takes longer but gives a greater probability of achieving sustainable improvements. Working in this way has also highlighted the fact that most issues are interlinked and therefore action is required in several different areas if success is to be achieved. Inevitably this approach has also led to the Project becoming involved in Government policy and higher level strategic issues as operations cannot be effective or sustainable if they are being undertaken outside the policy framework.



**4.2** The IDC3 Consultants do not have any executive authority and their role is purely to advise and assist. Results are achieved through persuasion and by working closely with Government personnel at various levels.

**4.3** In order to achieve the stated project objectives IDC3 also uses a number of change management tools each of which is applied to varying degrees in order to progress the individual activities towards a successful outcome. The main tools are:

### THE IDC3 TOOLS

- Management Systems and Procedures
- Human Resources Development and Training
- Information Systems
- Technical Standards

[For details see inside back cover]

### TECHNICAL STANDARDS

- New Contract Documents
- Road geometric design standards
- Road pavement design standards
- Road safety standards, including signs and road markings
- Environmental and re-settlement standards
- Bridge Design standards
- Road maintenance standards
- Standard Test Procedures
- Standard survey procedures
- Road construction guidelines

**4.4** These tools are not ends in themselves but, by their appropriate application, processes and systems are being developed which clearly define and facilitate the operations of the concerned organisations. Through personnel development, training and, in certain cases, modifying attitudes the new systems and procedures may then be introduced.



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## **5. IDC3 MID-TERM REVIEW**

**5.1** An independent Mid-Term Review of the Project was undertaken in April 2001. The review team was pleased with the progress being made on the project both with regard to the roles of the Government of Bangladesh officers and the consultant's personnel.

**5.2** The specific findings and recommendations of the Review Team were:

- Personnel inputs were originally planned to decrease rapidly after the mid-term of the Project on the assumption that activities would be decreasing by this time. In practice the workload is still increasing largely due to requests from the Government of Bangladesh. To maintain the current rate of progress, additional resources are required during the remainder of the existing project period.
- Progress has been slower than originally anticipated due in part to the need to address issues holistically and the fact that the number of issues being dealt with is also greater than was originally envisaged.
- IDC3 is playing a key role within the Bangladesh Ministry of Communications working in the Ministry and its departments; the Roads and Highways Department and the Bangladesh Road Transport Authority. IDC3 is expected to assist the Government of Bangladesh in preparing a Land Transport policy which also includes Railways and Local Government Roads.

- It would be a relatively small step to transform the current IDC3 Project into a Transport Programme Coordination Role thus bringing the IDC3 Project into the mainstream of current Government and development partner policy thinking.

- A Programme coordination role indicates a long-term commitment to the Transport Sector from DFID probably for a period of about 8 years from the commencement of the Programme. Work should start on the formulation of this new Project to commence on the 1st January 2003 or shortly thereafter. The project period should be for 4 or 5 years with a possible extension for a further 3 or 4 years.

- Future developments of this Programme Approach should involve the inclusion of Railways (also under the Ministry of Communications) and rural and municipal roads which are the responsibility of the Ministry of Local Government. When this is achieved then the Programme will provide full coverage of the Land Transport Sector.

**5.3** The mid-term review therefore recommended an expansion of the current IDC3 project together with an extension of the project duration. It also recommended that a future project should move towards a Transport Programme Support role in order to obtain greater flexibility and coordination across the transport sector. The Government were in broad agreement with these findings.

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## 6. PROJECT EXPANSION

**6.1** Whilst the mid-term review recommended both an expansion and extension of time for the project the time extension proved not to be possible due to DFID's new procurement procedures. It was however agreed between the Government of Bangladesh and DFID that additional resources amounting to US\$4.0 million (£2.8 million) would be provided by DFID for IDC3 during the existing project period up to 31st December 2002 thus increasing the total project value to US\$10.1 million. The level of Government funding remains unchanged.

**6.2** These additional resources will allow work to be continued and strengthened, in the existing 10 areas. They also allow a further six desirable areas to be addressed as shown below.

### ADDITIONAL AREAS OF WORK

- A Preparation of the National Land Transport Policy
- Commencement of work on developing a road fund
- Additional equipment for the training centre and for development of the MIS system
- Additional training for RHD Personnel in the Field Zones
- Training for Contractors in the new Contract Documents
- Continuing support to Road Safety and BRTA

**6.3** The necessary agreements and government orders for the expanded project were finalised during the last quarter of 2001, and the consultants

immediately commenced work on the expanded programme.

## 7. PROGRESS REVIEW

**7.1** IDC3 is now well resourced and significant progress is expected during the coming months in all areas. A detailed review of progress against the Project Logical Framework is provided in the IDC3 Quarterly Reports.

**7.2** Progress and possible constraints on the main areas of work are highlighted below:

- The RHD management plan together with all associated documents is now being prepared. It will take some time to ensure the plan is being followed by all units of the RHD.
- Plans for the reorganisation of RHD have been lying with the Ministry of Communications for some months. It is hoped that the orders to allow the reorganisation of RHD to be commenced will be issued by the Ministry in the near future. Several areas of work cannot be commenced until the reorganisation takes place.



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and the lack of attraction of specialist posts.

- IDC3 has only carried out limited work in the Ministry and in BRTA but with the additional resources now available attention needs to be given to these areas during the next few months. Work with BRTA on the Land Transport Policy is now well advanced and work will shortly commence with the Ministry on development of a Road Fund.

- The road maintenance planning system is now operating but further work needs to be done to improve data quality and make the systems sustainable. Work has commenced on broadening the planning procedures to produce priority lists for various categories of work.



- Work on most of the required standard survey and design documents is now well advanced and a complete set of documents is expected to be available before the end of the year. Work will be required to ensure that these documents are established and used as part of the normal design procedures.

- New contracting systems are to be introduced in the near future. This is a major change in RHD's operations and no doubt further issues will arise during their

implementation. The proposed changes in Contract Size Guidelines, Equipment Hire Procedures and Testing Procedures will also take time to become fully established. There is little doubt that construction quality will not be appreciably increased until both the new contracting systems are established and there are significant improvements in the systems of allocating budgets. Existing budgets for many projects are spread far too widely often providing insufficient funds to carry out the work satisfactorily.



- It is now possible to give a greater level of support to the BRTA Road Safety Cell and it is expected that road safety activities will be enhanced in the near future. However additional support for road safety initiatives from both Government and Development Partners are needed.



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- Training, especially local training is now proceeding well and it is hoped to get more involvement from foreign aided projects in supporting training activities. Work on further training for RHD field personnel and training of contractors in the new contracting system will commence in the near future.



- Work is progressing on development of a Financial Management Unit with a view to improving budgeting, financial reporting and monitoring procedures.
- Work on the establishment of computer networks and the Management Information System is progressing well. Efforts will soon be turned into making these fully functional across the RHD headquarters and the offices of the Ministry. Amongst other issues this will involve a major computer training programme and commencement of work on the establishment of a wide area network. MIS systems cannot be made fully sustainable until the new MIS circle is formed as part of the RHD Re-organisaiton.

## **8. THE FUTURE**

**8.1** IDC3 is due for completion on 31st December 2002 and whilst good progress is anticipated during this final year of the project many tasks will still remain to be completed after this date.

**8.2** DFID-Bangladesh intend (subject to agreement with Government and satisfying DFID internal approval procedures) to continue supporting institutional and other activities in the transport sector beyond the end of the current IDC3 project period. They would in particular like to see any future IDC project assuming a programme role which would provide greater flexibility and better coordination within the transport sector.

**8.3** The Land Transport Policy will guide future programmes and spending priorities and it is expected that the issues raised during Policy preparation will highlight a number of potential projects, suitable for external funding.

**8.4** It is expected that a DFID programme formulation team will shortly be established to review the situation prior to establishing details of the proposed / continuing projects.



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# IDC3 Tools

## **Management Systems and Procedures,**

- The establishment of management teams to discuss issues, approve systems, promote and manage change and to act as channels for the dissemination of information
- The development of policies and strategies for the main sectors of the organisation. These define the vision and overall objectives of the organisation.
- Operational plans for individual units. These detail activities, outputs, aims and the resources required
- Operational procedures covering the essential tasks to be undertaken by each unit.
- Job descriptions for each of the main positions in the organisation.
- Financial management systems which cover essential accounting and financial duties of each unit.

## **Human Resources Development & Training,**

- Training in relevant skills incorporating in-country and overseas training.
- Career development procedures designed to encourage engineers to structure their careers and training.
- Personnel Administration and information systems to assist in the management of the large numbers of personnel by the application of structured systems and up-to-date personnel information.
- Training for personnel at all levels in the organisation to develop competent administrative and technical staff.
- Development of management skills for mid-level and senior personnel to facilitate the delegation of management functions to appropriate levels.

## **Technical Standards,**

- Survey and Design Standards including geometric, road pavement, bridge design, road safety, environmental and resettlement standards to ensure quality and consistency of standards across all RHD operations
- Standard contract documentation for the engagement and management of contractors and consultants in a standard manner.
- Technical guides and manuals which are supplements to design standards and contract documents to provide additional guidance to RHD, contractors' & consultants' personnel
- Standard forms and reporting systems to cover all essential activities required to ensure consistency and allow computerisation of systems.

## **Information Systems,**

- Provision of computers and computer training to both headquarters and field personnel.
- Management Information Systems (MIS) for improving and facilitating dissemination of information throughout the organisation.
- Computer networks which are essential to provide data security and support the MIS and intranet/ internet functions including e-mail systems
- A wide area computer network to link all the RHD offices throughout Bangladesh. This may take various forms depending on the technology available at different sites.
- An intranet within the RHD and Ministry to allow all essential data including MIS data to be readily available to all network users. The intranet is linked to the external internet.