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Greater Dhaka Telecommunications Network Improvement Project (2)

Improving telecommunications services through modernization of the telephone network

Loan Amount / Disbursed Amount 14.761 billion yen / 13.64 billion yen
Loan Agreement May 1992
Terms & Conditions 1% interest rate, 30 year repayment period (10 year grace period), Partially untied
Final Disbursement Date February 2003
Executing Agency Bangladesh Telegraph and Telephone Board (BTTB) (<http://www.bttb.net.bd/>)



Project Objectives

The objective of this project was to improve telecom services by assisting in eliminating the waiting list for telephone subscription in the southern part of Greater Dhaka by upgrading and constructing telephone exchange facilities and external plants, and thereby contribute to the revitalization of the economy of Bangladesh.

Effectiveness and Impact

Rating **a**

The project resulted in an increase of about 140,000 subscriber telephone lines (147% of the planned target) and contributed to increasing the nationwide telephone density to 0.8 units per 100 people (222% of the planned target). The project enhanced the provision of wider telecom services in the nation. However, demand for mobile telephone and fixed-line telecom services is increasing annually and the number of applicants on waiting lists in the greater Dhaka area was higher than before project implementation. The project has enabled users to maintain closer contact with family members and relatives working abroad. It has also provided women and the elderly, who tend to stay indoors, access to various types of information. It was confirmed that fixed telephone subscriptions in businesses could be more effectively utilized with the installation of more inter-office telephones. Therefore, this project has largely achieved its objectives and its effectiveness is highly satisfactory.

Relevance

Rating **a**

This project has been highly relevant with the national policies both at the time of appraisal and at the time of the ex-post evaluation. At the time of appraisal, there was a significant disparity between the demand and supply of fixed-line telephone services. At the time

of ex-post evaluation, the government's commitment to the provision of diverse telecom services was stated in the country's policies and measures. Therefore, the improvement and development of a fixed-line telephone network to form the basic structure of telecom services has continued to remain an important focus.

Efficiency

Rating **b**

Project costs were almost as planned, but there was a significant delay in the project period (215% of planned period). Therefore, the evaluation for efficiency is moderate. Delay in the procurement of equipment was the main cause of the project delay and this was due to a switchover of equipment for a more stable supply of spare parts.

Sustainability

Rating **b**

Though some problems have been observed in terms of the executing agency's financial condition, i.e., continued increase in expenditure with a continual decline in income, income still exceeded expenditure. Therefore, sustainability of the project is moderate. Furthermore, almost all telephone switchboards procured in this project are in operation at present.

Conclusion, Lessons Learned, Recommendation

In light of the above, this project is evaluated to be satisfactory. To improve efficiency in operational management, it is advised that the executing agency fully grasp the cost structure. It is also advised that subscribers' concerns on the fee collection and the restoration of faulty lines be promptly responded to for the sake of service improvements.

Beneficiary Survey Results

Benefits of Telephone Subscription (Multiple answers)

	Subscriber households (%)	Subscriber businesses (%)
Access to information	64	62
Information exchange	22	23
Better network	19	35
Information Collection	7	17
Saving of time	84	91
Saving of transportation costs	66	69

Third-Party Opinion

This project has enormous significance in responding to both qualitative and quantitative demand for telecom facilities in light of the remarkable economic growth in the greater Dhaka area. It has enabled more efficient telecommunications which can be expected to contribute to the industrial development of various sectors.

Name of specialist: Mr. Nasir Hossin (private sector)
 Received Masters degree in Commerce from Dhaka University. Currently President of the Federation of Bangladesh Chambers of Commerce and Industry. Specializes in business.