

Untold Challenges in Mega Infrastructure Projects in Bangladesh

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Abstract:

This research looks into the challenges obstructing the efficient execution of mega infrastructure projects in Bangladesh. Me, The author, drawing on extensive project Development experience spanning over five years, identifies four pivotal issues often overlooked in discussions: the dominance of Chinese companies, a lack of coordination between government agencies, deficient planning, and inefficient management. These mostly have been identified in practical execution now brought up to papers. Ultimately this is my observational research (editorial article) based on real scenario from project development in Bangladesh.

Keywords: Bangladesh, Mega Infrastructure, Projects, Bangladesh Government, Development, China, Chinese dominance, Public Procurement.

Mega infrastructure projects in Bangladesh face numerous challenges that hinder their efficient implementation. Their deadlines are stretched innumerable times, with no large-scale project meeting its intended timeline of completion. Even the Padma Bridge, which was an exception due to the high-priority status allocated by the government, faced multiple hurdles.

Most of the problems faced by infrastructure projects are of a similar mien. According to experts, the most critical impediments are: (1) land scarcity, (2) population density in the project's location, (3) crises of funds, and (4) energy shortage. A full list of impediments, however, would be much longer.

The point of this article is not only to identify the obstacles faced by infrastructure projects, nor is it to proffer solutions to all these obstacles. Rather, having worked in project management on such projects for over half a decade, I have penned this piece as a testament, with the purpose of highlighting some issues that are often left untold but deserve our attention. The four 'horsemen of the mega-project apocalypse' as I call them, are: (1) **the dominance of Chinese companies**, (2) **a severe lack of coordination between different government agencies**, (3) **a lamentable lack of detailed planning**, and (4) **inefficient management**. In light of my experiences, few issues are of more immediate urgency than these.

Chinese dominance

China has, for all effective purpose, captured our infrastructure industry. The practice of awarding mega project contracts to Chinese companies is long established. The criteria of qualifications for most infrastructure projects are set in a manner that local firms cannot possibly meet. Hence, local firms are left with no opportunity to bid for any such project tender without forming joint ventures with foreign companies. In all mega infrastructure project tenders all visible bid contenders tend to be foreign

companies, more specifically, Chinese companies. Either the Chinese company participates on its own, or through a joint venture with a local company. Companies from other countries, especially the West, are reluctant to compete with China's aggressive pricing practices. As a result, the market has become cornered by Chinese companies, reducing Bangladesh's competitiveness in collecting competitive bids, and stifling the government's range of choices.

Lack of coordination

Foreign companies face significant bureaucratic hurdles when operating in Bangladesh's infrastructure sector. Most of them lack the knowledge and experience required to navigating the tortuous paths of government offices and their procedures. Many foreign companies are unaware of the prerequisites for project implementation, such as obtaining various certificates, including No Objection Certificates (NOCs), or approvals from a plethora of government agencies other than the one granting them the contract. Another major challenge arises out of the lack of coordination between the various government entities involved in any given project. One entity may provide an approval while another entity may claim that they have not been officially notified. Sometimes, officials disregard the need for specific approvals, and demand some government circular without which they decline to proceed with the project. To navigate these muggy waters, many foreign companies resort to hiring legal consultants, resulting in prolonged delays and other hassles. While I've already identified land acquisition as a challenge, the problem I want to shed light on comes when the land belongs to a government entity. Most often the land-owning entity refuses cooperation. Consequently, projects get stalled for years, even after contract signing and receipt of advance payments.

Lack of planning

Lack of proper planning would be a major challenge for any enterprise, but when dealing with mega-projects they're a maelstrom of nightmares. The feasibility studies, engineers' estimations, and fundamental analysis of almost all mega-projects are very sophisticated and well structured. Nonetheless, the public procurement method appreciates quantity over quality, making the lowest price the highest priority. This particular practice makes a mockery of all the studies and estimations that went beforehand. Ideally, every project should be awarded based on a weighted average formula of judgment which focuses on both the technical evaluation and the financial bid, with possibly giving more weight to the former. Foreign companies usually lack knowledge of the project site and its unique challenges and the additional costs they might incur due to it; they only quote the price based on BOQ. So most well-intentioned companies are losing money while completing the project or they are giving up in the initial stages. Some projects have had to be re-tendered multiple times. Price is our first concern to make the projects cost-effective but ironically, building infrastructure in Bangladesh is the costliest in the world. We spend more for each kilometer of track than either China or India. Ultimately, we are paying the highest amount of money by not securing quality nor focusing on the timeline of each project.

Inefficient management

Inefficient management practices have also become a pressing concern with all our mega infrastructure projects. This is due to both a lack of experience and a lack of intent among our government officers. Insufficient training and a limited understanding of how to effectively manage projects, particularly when dealing with foreign companies, have hindered the progress and growth of these initiatives.

Additionally, the earnest intentions, or lack thereof, of government officers play a critical role in project growth and success.

The multitude of challenges faced in Bangladesh's mega infrastructure projects ultimately lead to significantly increased expenditures and prolonged project timelines. We have an urgent need to proactively tackle and mitigate these challenges as quickly as possible. By doing so, we can create an environment that is conducive to foreign direct investment, promote economic growth, and ensure that infrastructure projects are completed efficiently and within reasonable timeframes.