Dhaka built flyovers and a metro, but forgot the bus



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■ DHRUBO ALAM

More than a decade ago, four of us at Bangladesh University of Engineering and Technology (Buet) wrote a paper titled "Bus Rapid Transit (BRT): What is it and Why Do We Need it for Dhaka." The argument was not complicated. Dhaka had over 1.5 crore people making about 2.1 crore trips a day. Buses were only 9.7 percent of the vehicles on the road but carried 77 percent of public transport users. More than 5,500 buses and minibuses were run by a crowd of small companies with no schedule at all. The low-income group, 48 percent of the population, made 73 percent of walking trips and 41 percent of transit trips. Fix the bus, we said, and you fix the city for the people who need it most.

Look at where we are now. We could not even restructure bus operations. We could not make the government see what the industry should look like, or accept that it needs public money to get there. We built flyovers, an expressway, and a metro, while ordinary people, the urban poor, above all, are still stuck in traffic.

Where the money went

MRT Line-6 cost Tk 33,472 crore. On September 16, Ecnec approved three more metro lines with a combined cost of nearly Tk 2.5 lakh crore. Construction cost of the Dhaka Elevated Expressway alone was estimated at Tk 8,940 crore. The bus, meanwhile, has received pilot projects and press conferences, and the contrast is not presented here as an argument against the metro. In fact, Line-6 carried a record 499,756 passengers on September 10, 2026, and it is a good service. But it is one corridor, and its fare of Tk 5 per km is about double the bus rate. Prothom Alo reported last month that an end-to-end metro trip costs Tk 90, against a government bus fare of about Tk 50 for the same distance, and that poor people are rarely seen on the trains.

The report also stated that ticket revenue was around Tk 400 crore last fiscal year, against loan instalments of between Tk 465 crore and Tk 740 crore a year from 2025 to 2031. If the state is willing to carry that gap for a line used mostly by the middle and upper-middle class, it cannot claim that supporting buses is unaffordable. Congestion is the bill we already pay. Buet's Accident Research Institute (ARI) put the annual loss at Tk 37,000 crore in 2018 and about Tk 56,000 crore in 2020. The World Bank found average speeds had fallen from 21 km/h to under 7 km/h in a decade. In 2018, the institute's then director, Prof Dr Moazzem Hossain, argued that a Tk 1,000 crore subsidy in the transport sector could return Tk 5,000 crore. Nobody took up the offer.

The BRT that never was

Critics would say, pointing to the Gazipur–Airport BRT, that attempts have been made to improve bus transit, but failed. ECNEC approved the project in December 2012 at Tk 2,040 crore. Revisions pushed the cost to Tk 4,268 crore, and The Daily Star reports that around Tk 2,800 crore of that has already been spent. Ecnec sent back a fourth revision of Tk 6,598 crore. A Buet review this year (2026) recommended dropping BRT operations altogether and turning the lanes into a tolled road. Not one dedicated bus was bought. Before even operating for a single day, the project was scrapped.

That is a failure of planning and execution, not of buses. A 20 km stub that ends at the airport, never connected to the city and never given an operator, was never going to work. In 2006, when Bogotá launched its BRT system TransMilenio, the number of buses on its busiest link was reduced from 650 to about 270 an hour and yet speed increased from 18 to 26 km/h, because the system ran as a network with one operating logic. Guangzhou's BRT raised bus speeds by 29 percent. Converting our corridor into a toll road for cars would turn a bad project into a permanent loss for bus users, or rather for all public transport users.



A city **of over two crore people, with the majority urban poor, moves on buses that are badly needed.** FILE PHOTO: **RASHED SHUMON**

An industry built to race

Only 98 of Dhaka's 418 approved bus routes are operational, served by more than 7,000 buses. Most crews work on daily deposit, the "chukti" or "zoma" system. The owner is paid a fixed sum each day, and the crew keeps only what is left after fuel and roadside payments. So, they race, block the road, and stop wherever a passenger waves. The owners' association promised in 2019 to end daily contracts. It did not. Transparency International Bangladesh (TIB) estimated in March 2024 that Tk 1,059.37 crore is extorted from private buses each year, a figure TIB itself called "very conservative", and found politicians involved in managing about 92 percent of the largest bus companies. After August 2024, the faces at the top of the owners' association changed. The system did not.

This is why Dhaka Nagar Paribahan stalled. It started on December 26, 2021, with 50 buses on the Ghatarchar–Kanchpur route, but private operators did not join, and in February 2025 it was relaunched on a single route because owners resisted. We asked owners to give up daily cash for a franchise with no guaranteed income. No sensible operator accepts that deal.

What must happen now

The prime minister ordered one designated company per route: franchises for 32 routes finalised within two months, and the full system running within six months. We welcome it. Here is how we can make this attempt different.

First, use gross-cost contracts. Pay operators a fixed rate per km for running scheduled services to a set standard, and send fare revenue to a public account. When income stops depending on how many passengers a driver grabs, the race ends. Second, make salaried crews a condition of every franchise. Third, fund the gap. Since the publication of our paper, the city fare has followed diesel from Tk 2.45 per km down to Tk 2.42, then up to Tk 2.53 and now Tk 2.70. Every rise hammers the poorest riders. The World Bank's $290 million Clean Air Project already plans 400 electric buses under gross-cost contracts, but unfortunately the procurement has slipped. This needs to be approved, because it will change the shape of the bus sector and the look of the buses in Dhaka.

Other countries treat bus subsidy as normal. Jakarta has kept the Transjakarta fare at 3,500 Indonesian rupiah since 2005, and the city pays about 9,700 Indonesian rupiah per passenger on top. India's PM e-Bus Sewa scheme puts 10,000 electric buses on gross-cost contracts, backed by a 3,435 crore Indian rupees fund that guarantees operators are paid even if a city defaults. In addition to similar subsidy models, the draft Route Franchise Act should be finalised and approved, buses should get priority lanes, and the routes should be enforced.

A city of over two crore people, a great many of whom are urban poor, cannot move on metros and flyovers alone. It moves on buses, and it needs them badly. The people standing at Mohakhali in the rain do not write columns or sit on committees, and the bus is the only service the state offers them. Somebody has to make the case for it. A chance like this does not come around twice, and if we let this one go, we will be writing the same article in 2040.

Crop insurance needs a clear plan before it can take off



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On March 18, Agriculture Minister Amin Ur Rashid said at a rice distribution event in Cumilla that farmers whose crops are lost to floods or other disasters will be compensated through insurance. On May 8, State Minister for Power, Energy and Mineral Resources Aninda Islam Amit reiterated the pledge while inaugurating the government's Boro paddy procurement drive for the current season. The Farmers Card, which lists agricultural insurance among its 10 promised benefits, is supposed to carry this insurance.

There is no information yet on who will pay the premium, what will trigger a payout, who will sell the policy, or who will regulate it. That the second announcement came from a power minister at a paddy procurement event suggests that no ministry has claimed the design. But these decisions will determine whether the scheme survives or not, and Bangladesh already has a case showing how it could go wrong.

The state-owned Sadharan Bima Corporation (SBC) ran a crop insurance scheme from 1977 to 1995. It insured 18,782 farmers in all and claims averaged 508 percent of premiums a year. Premium rates were capped at 3 to 5 percent, below what the risk required, and the scheme had no government subsidy and no reinsurance. SBC carried the losses itself and suspended the scheme in 1995. Weak demand played a part, but design may be the bigger cause since a product priced below cost would have struggled even with willing buyers.

The pilots since then show that delivery is possible. In 2014, SBC and the Asian Development Bank enrolled at least 9,641 policyholders in Rajshahi, Sirajganj, and Noakhali, backed by 20 weather stations and a 50-percent premium subsidy. Green Delta Insurance has gone further, as its weather-index programmes grew from 215 farmers in 2015 to 15.3 lakh in 35 districts by 2025, with about Tk 18.8 crore paid to 3,36,000 claimants.

If those numbers hold, delivery would no longer be a weak point. What is still missing is public backing, that is, a legal basis for index cover and premium support for farmers who cannot pay. Trust is a second gap, because a farmer who loses a crop while the index pays nothing is unlikely to renew.

My view is that premium support should go to the poorest farmers only, with an end date and with the budget naming where the money comes from. The trigger decides whether farmers believe in the product or not. An index pays on rainfall or river levels, and what it records can differ from what happened in a farmer's field.

The first question is about who pays. According to the Finance Division, revenue collection by the National Board of Revenue (NBR) was only 6.78 percent of GDP, while expenditure stood at 11.33 percent at the end of last year. India has shown how the bill grows, since its crop insurance scheme cost the government roughly 25,000 to 30,000 crore Indian rupees a year in 2022-24, or about $2.6 billion to $3.1 billion as per the current rate, and several states, including Bihar, Jharkhand, and West Bengal, have opted out of the scheme.

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The 2014 pilot relied on 20 weather stations across three districts. In a choice experiment on one coastal island, most farmers were averse to insurance, and those who did choose cover preferred physical verification of losses to an index. The study dates from 2017 and covers one island, so it is a warning, not a verdict. Farmers who distrust the trigger may not renew.

The study of the aforementioned ADB pilot found a higher uptake of crop insurance schemes by farmers where NGOs and microfinance institutions acted as intermediaries. At a roundtable held last year, SBC's general manager said that regulators must clarify how microfinance institutions can legally distribute cover and be paid for it. The then chairman of the Insurance Development and Regulatory Authority (IDRA) offered one answer: a corporate agent model in which microfinance institutions and banks sell policies for a commission of up to 15 percent. Indeed, a generous commission would push premiums up and cancel part of any subsidy.

Of course, the law is yet to catch up. The same IDRA chairman said parametric cover falls outside the current indemnity-based insurance law and that the Insurance Act is being amended. Microfinance institutions answer to a different regulator, the Microcredit Regulatory Authority, so cover sold through them can fall between two rulebooks. The World Bank said in 2018 that the legal, regulatory and supervisory environment would need strengthening before any scheme. The government has not said whether its cover will be parametric. If it is, the amendment is what I would watch, because until it passes the scheme has no clear legal footing.

The obvious objection is cost. Reportedly, the agriculture ministry has shown reluctance regarding index cover, citing undue claims and existing subsidies. Waiving VAT on premiums has been proposed since 2022. Green Delta says dropping the 15 percent tax could widen cover, and a UNDP official said at the abovementioned roundtable it would cost revenue. These are fair points, and they are reasons to name a payer. Donors cannot be the plan, since the then IDRA chairman advised after COP30 last year that Bangladesh should expect to rely on its own resources. The recent pledge suggests the ministry's view has shifted, and it should say so.

The Ministry of Agriculture should publish a design note that answers the four questions by December 15, before Boro planting gathers pace. The Finance Division should show a premium-support line, with an end date, in the budget due in June 2027. Lastly, the IDRA should publish a timetable for the Insurance Act amendment by November 30. Without those answers, the pledge may only be a repetition of the 1977 venture, with better technology and the same arithmetic.

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Sl	Tender ID & Ref No.	Name of package	Tender Publication date & time	Tender document last selling/	Last date and time for tender security submission	Tender Closing date & time
1)	**Tender ID: 1354421** Ref: 05.01.2672.000.061.07.003 1.25.01	Procurement of Training Materials (Training Bag, Name Badge, Pen and Note Pad) for RPATC, Dhaka	25/10/2026 14:00:00	11/11/2026 14:00:00	11/11/2026 15:00:00	11/11/2026 16:00:00
2)	**Tender ID: 1352131** Ref: 05.01.2672.000.061.07.003 1.25.29	Purchase of Printers for Office Use in RPATC, Dhaka	25/10/2026 14:00:00	11/11/2026 14:00:00	11/11/2026 15:00:00	11/11/2026 16:00:00
3)	**Tender ID: 1357184** Ref: 05.01.2672.000.061.07.003 1.25.15	Procurement of Seminar/Workshop Folder/Bag for Participants	25/10/2026 14:00:00	11/11/2026 14:00:00	11/11/2026 15:00:00	11/11/2026 16:00:00
4)	**Tender ID: 1357192** Ref: 05.01.2672.000.061.07.003 1.25.21	Printing of Annual Report of RPATC, Dhaka	25/10/2026 14:00:00	11/11/2026 14:00:00	11/11/2026 15:00:00	11/11/2026 16:00:00
5)	**Tender ID: 1357194** Ref: 05.01.2672.000.061.07.003 1.25.43	Procurement of Certificate Cover, Certificate Pages for Core Courses	25/10/2026 14:00:00	11/11/2026 14:00:00	11/11/2026 15:00:00	11/11/2026 16:00:00

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