



Government of the People's Republic of Bangladesh
Ministry of Finance
Economic Relations Division (ERD)
ADB-3 Section
Sher-e-Bangla Nagar, Dhaka
www.erd.gov.bd; Fax: 9180788

Press Release

Two Agreements titled **Flood & River Bank Erosion Risk Management Investment Program (Project 2)** and **Dhaka Environmentally Sustainable Water Supply Project- Additional Financing** have been signed today on **01 March 2022 in Dhaka** between Government of Bangladesh and the Asian Development Bank (ADB). **Ms. Fatima Yasmin**, Secretary, Economic Relations Division (ERD), Ministry of Finance signed the Agreements on behalf of Government of Bangladesh. Mr. Md. Mahbur Rahman, Chief Engineer (Civil), Bangladesh Water Development Board (BWDB) and Engineer Taqsim A Khan, Managing Director, Dhaka WASA signed the Project Agreements. **Mr. Edimon Ginting**, Country Director, Bangladesh Resident Mission, BRM, ADB signed the both Agreements on behalf of ADB. Mr. Sameer Kumar Khare, Executive Director, ADB has witnessed on this auspicious signing occasion. In addition, distinguished Deputy Ambassador Ms. Paula Schindeler of Netherlands Government also graced the occasion.

1. Flood & River Bank Erosion Risk Management Investment Program (Project 2)

The ministry of Water Resources is the sponsoring ministry and Bangladesh Water Development Board (BWDB) is the implementing agency of the project. ADB will provide US\$ 174.89 million of which US\$ 157 million Ordinary Capital Resources- Concessional Loan (OCR-COL) and Grant US\$ 17.89 million from Government of Netherlands which will be administered by ADB. The project implementation period is from January, 2022 to December, 2025. The total estimated cost of TK 1803.07 crore equivalent to US\$ 212.80 million of which TK 321.74 crore equivalent to US\$ 37.91 million will be borne by Government of Bangladesh. The objective of the project is to sustain economic growth, poverty reduction and livelihoods of people living in the areas threatened by riverbank erosion along the Jamuna and Padma Rivers and also to enhance resilience to flood and riverbank erosion risks through improvement of infrastructures.

2. Dhaka Environmentally Sustainable Water Supply Project- Additional Financing

Local Government Division (LGD) is the Sponsoring Division and Dhaka WASA is the Implementing Agency of the project. ADB will provide additional US\$ 140 million of which US\$ 85 million as Regular OCR loan, US\$ 50 million as Ordinary Capital Resources-Concessional Loan (OCR-COL) and Grant US\$ 05 million from ADF for the project. The total estimated cost of TK 8146.99 crore equivalent to US\$ 960.73million of which Dhaka WASA will provide TK 22 crore equivalent to US\$ 2.60 million and TK 2635.49 crore equivalent to US\$ 310.79 million will be borne by Government of Bangladesh. The project implementation period is from January 2014 to June 2024. The objective of the project is to avail more surface water instead of underground water for the fulfillment of increasing demand of pure water in the Dhaka city.

The rate of interest for the Regular OCR loan is LIBOR (London Inter-Bank Offered Rate)+0.50% with a maturity premium of 0.10%. In addition, a commitment charge at the rate of 0.15% will be applicable on the undisbursed amount. The rate of interest for the OCR-COL loan is 2% with no other charges. The both loan repayment period is 25 years with a grace period of 05 years.

ADB is our most valued and trusted Development Partner of Bangladesh. ADB's support towards Bangladesh Government stands about US\$ 27.09 billion of which 26.60 billion loans and US\$ 0.49 billion grants. So far, the development assistances of ADB mainly focuses on Power, Energy, Local Government, Transport, Education, Agriculture, Water Resources, Good Governance, Financial Sectors as well as Private Sectors of Bangladesh.


1.8.22

Md. Waliul Hasan
Senior Assistant Secretary
Economic Relations Division
Ministry of Finance
Govt. of the People's Republic of Bangladesh