

Government of the People's Republic of Bangladesh
Ministry of Finance
Economic Relations Division (ERD)
ADB-5 Branch
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Press Release

A Loan Agreement of US\$ 120.00 million (approximately Tk. 936 crore) concessional loan has been signed in Dhaka today (08 June 2015) between the Government of Bangladesh (GoB) and Asian Development Bank (ADB) to finance the ongoing “ Primary Education Development Program III (PEDP III)” of M/O Primary and Mass Education. ADB is providing this US\$ 120 million in addition to its earlier commitment of US\$ 320 million. The loan proceeds will be used to facilitate in achieving an efficient, inclusive and equitable primary education system delivering effective and relevant child-friendly learning to all children from pre-primary through grade 5. **Mr. Mohammad Mejbahuddin**, Senior Secretary, Economic Relations Division (ERD), M/O Finance on behalf of the GoB, and **Mr Kazuhiko Higuchi**, Country Director, Bangladesh Resident Mission on behalf of ADB signed the Agreement. Senior officials of the Government, ADB and concerned Agencies were present at the signing ceremony.


Initially the total cost of the program was estimated at US\$ 8336.98 million, out of which GoB's own resources US\$ 7,281.48 million (87.40%) and Project Aid was US\$ 1,055.50 million (12.60%). Project Aids are being jointly borne by a consortium of nine development partners including ADB. As per revised DPP present cost of the program is estimated at US\$ 9,807.69 million (approximately Tk. 76500 crore), out of which GoB will provide US\$ 8,085.59 million and remaining US\$ 1,722.10 million will provided by the consortium of development partners. For financing of additional US\$ 666.66, ADB will provide US\$ 120.00 million, and World Bank 400 million as loan. Rest of the amount, US\$ 46.50 million will be provided by EU, 100 million by Global Partnership for Education and US\$ 0.10 million by UNICEF as grant. Loan agreement with the WB has already been signed and others are under process. The loan amount for this program will be spent for both development and revenue sector. Initially, implementation period was 2011-2016 which is now extended up to 31st December 2017.

The following activities will be undertaken under the program:

- Improved Teaching and Learning for all;
- Reduced disparities (Universal Access and Participation);
- Decentralized and Effective Organization; and
- Improved Program planning and Management.

This additional loan is repayable by 25 years with a grace period of 5 years and the rate of interest is 2%.

ADB is one of the largest multilateral Development Partners of Bangladesh, extending assistance to the country since it became a member of ADB in 1973. ADB's total loan to Bangladesh stands at over US\$ 16 billion. The development assistance of ADB focuses on Power, Energy, Local Government, Transport, Education, Agriculture, Water Resources and Governance sectors of Bangladesh.


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Deputy Secretary
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