

Government of the People's Republic of Bangladesh  
Ministry of Finance  
Economic Relations Division

**Press release**

December 21, 2016, Wednesday

A financing agreement entitled “Bangladesh Regional Waterway Transport Project-1” has been signed today on December 21, 2016 between the government of Bangladesh and the World Bank’s soft loan window “International Development Association” (IDA) to provide financial support to the project “Bangladesh Regional Waterway Transport Project-1” under the Ministry of Shipping. A total of 360 million US\$ concessional loan would be provided by the World Bank under this agreement.

Waterways are considered as the most convenient way of transportation due to its low cost involvement, environment friendly and easy communication system. Considering the importance of regional trade, Dhaka-Ashuganj-Chittagong river corridor can be identified as the main waterway channel in Bangladesh. This route, with other river channel networks like Barisal and Narayanganj plays a pivotal role in regional trade of Bangladesh (The route length is 300 km but it counts 900 km when Barisal and Narayanganj added with this corridor). About 80% of the country's internal water vessel movement went through the corridor and nearly two lac passengers use this waterway every day. Considering above factors, it is really important to ensure navigability of this route throughout the year. To do the same, Bangladesh Regional Waterway Transport Project-1 proposes some prime activities like corridor development, navigability maintenance and institutional capacity enhancement of BIWTA. This project has an articulated plan of performance based dredging (capital dredging 39 lac cubic meter and maintenance dredging 163.80 lac cubic meter) to ensure sustainable navigation and got 8 years duration from July 2016 to June 2024 to complete the task. The World Bank is providing a concessional loan of 360 million US\$, of which, 190 million US\$ would be arranged from the IDA regional fund. Notably, IDA regional funds are additional to conventional IDA replenishment, and are only used in a project where at least three countries get direct or indirect benefit from the project. The beneficiary countries under this project are: Bangladesh, India, Bhutan and Nepal.

The loan will be provided in IDA (International Development Association) terms with 6 years grace period and 38 years maturity and will carry a 0.75% service charge. This loan also bear 0.50% commitment fee, however, IDA Executive Director may waive partial or full commitment fee for a country and Bangladesh are getting this privilege since long time.

Senior Secretary of Economic Relations Division Mr. Mohammad Mejbahuddin and the World Bank Country Director, Bangladesh Mr. Qimiao Fan signed the agreement on behalf of their respective organizations.



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Assistant Chief  
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