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Press Release

A Loan Agreement of \$ 275 million has been signed today (17 July 2016) in Dhaka between the Government of Bangladesh (GoB) and the Asian Development Bank (ADB) to finance the “**Dhaka Water Supply Network Improvement Project**” to be implemented under the Local Government Division. **Mr. Mohammad Mejbahuddin**, Senior Secretary, Economic Relations Division (ERD), Ministry of Finance and **Mr. Kazuhiko Higuchi**, Country Director, Bangladesh Resident Mission, ADB signed the Loan Agreement on behalf of the Bangladesh Government and the ADB respectively. In connection with this Loan agreement a Project Agreement has been signed by **Engineer Taqsem A Khan**, Managing Director, Dhaka WASA on behalf of the Bangladesh Government and **Mr. Kazuhiko Higuchi**, Country Director, Bangladesh Resident Mission on behalf of ADB. Concerned officials of the Government of Bangladesh and the ADB were present in the loan signing ceremony.

The total estimated cost of the project is \$408 million out of which ADB will provide \$275 million from its OCR Fund as loan. Government of Bangladesh will provide the rest of the amount equivalent of \$133 million. The rate of interest for the OCR loan is London Inter Bank Offered Rate (LIBOR) based and the repayment period is 20 years with a grace period of 5 years.


The Executing Agency of this project is Local Government Division and Dhaka Water Supply & Sewerage Authority (DWASA) is the Implementing Agency of the Project. The Project's implementation period is April 2016 to October 2021. The Project was approved by ECNEC on 24 May 2016.

The objective of the Project is to meet the increasing demand of safe water of the Dhaka City dwellers and to provide sustainable and reliable water supply in Dhaka City. It will scale up the ongoing efforts under two ADB-financed projects (i) Dhaka Water Supply Sector Development Program and (ii) Dhaka Environmentally Sustainable Water Supply Project. 47 District Metering Area (DMA) is being established under Dhaka Water Supply Sector Development Program and 15 District Metering Area (DMA) is being established under Dhaka Environmentally Sustainable Water Supply Project for improving service delivery and building capacity of Dhaka Water Supply & Sewerage Authority (DWASA).

The following activities will be implemented under the project:

- (1) Strengthening water distribution network in seven zones of Dhaka City and establishing new 82 District Metering Area (DMA) not financed by ongoing projects for reducing water losses.
- (2) Increasing managerial and technical capacity of DWASA through preparing and implementing a sustainable NRW reduction plan; and introducing Supervisory Control and Data Acquisition System (SCADA).
- (3) Enhancing DWASA's capacity for quality service delivery for ensuring constant (24x7) safe water supply in pressurized system through preparing and implementing water quality monitoring system.

ADB is one of the largest multilateral Development Partners of Bangladesh. ADB is extending its assistance to Bangladesh since it became a member of ADB in 1973. Its total loan to Bangladesh stands at over US\$ 16 Billion. So far the development assistances of ADB mainly focused on Power, Energy, Local Government, Transport, Education, Agriculture, Water Resources and good Governance and Financial Sectors of Bangladesh.


17.7.16
Saima Pervez
Deputy Secretary
Economic Relations Division
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