



Government of the People's Republic of Bangladesh
Ministry of Finance
Economic Relations Division
Japan-1 Branch
Sher-e-Bangla Nagar, Dhaka
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PRESS RELEASE

'Exchange of Notes' and 'Loan Agreements' amounting USD 2.665 billion (Japanese Yen 292.279 billion) for two development projects and one budget support loan have been signed between the Government of Bangladesh and the Government of Japan on 22 November 2021. Ms. Fatima Yasmin, Secretary, Economic Relations Division, Ministry of Finance has signed the 'Exchange of Notes' and the 'Loan Agreements' on behalf of the Government of Bangladesh while His Excellency, Mr. ITO Naoki, The Ambassador of Japan in Bangladesh has signed the 'Exchange of Notes' and Mr. Yuho Hayakawa, Chief Representative, JICA Bangladesh Office, Dhaka has signed the 'Loan Agreements' on behalf of the Government of Japan. The signing ceremony was held at NEC-2 conference room of Economic Relations Division, Sher-E-Bangla Nagar, Dhaka at 3.00 PM. Mr. AHM Mustafa Kamal, FCA, MP, Honorable Minister, Ministry of Finance was connected virtually. Representatives of Finance Division, Power Division, Road Transport and Highways Division, CPGCBL, PGCB, RHD, DMTCL and other officials of Government of Bangladesh, Embassy of Japan and JICA were present in the loan signing ceremony.

For the two development projects under the 42nd ODA Loan Package (1st batch), rate of interest is 0.60% for construction, 0.01% for consultancy service, Front End Fee (at a time) 0.2%, and repayment period is 30 years which includes 10 years grace period. For 'COVID-19 Crisis Response Emergency Support Loan Phase 2', interest rate is 0.55%, Front End Fee (at a time) 0.2%, repayment period is 30 years which includes 10 years grace period.

The projects which are being implemented with these financing are:

Matarbari Ultra Super Critical Coal-Fired Power Project (6th tranche): This project is being implemented to meet growing electricity demand and to improve stable power supply by installing 1200 MW (600MWx2 units) Ultra Super Critical Coal-Fired Power Plant at Matarbari Area of Maheshkhali Upazila under Cox's Bazar district. Power transmission line, access road, township development, channel for Matarbari Port works are also going on under this project. Total cost of project is 35984.46 Crore (GOB 4926.66 cr. + JICA 28939.03 cr. + CPGCBL 2118.77 cr.) Taka. Project implementation period is July 2014 to June 2023. Up to October 2021, physical progress of the project is 49% and financial progress is 51%. JICA is providing assistance for this project in different phases. JICA has already provided 300,502 million JPY (USD 2.63 Billion) in 5 tranches. Under this 6th tranche of ODA Loan for this project, JICA will provide 137,252 million JPY (USD 1.20 Billion).

Dhaka Mass Rapid Transit Development Project (Line 1) (2nd tranche): 31.241 km long MRT Line-1 has two routes: (a) Airport Route (Airport to Kamlapur) and (b) Purbachal Route (Notun Bazar to Pitalganj). The 19.872 Kilometres long underground Airport Route will have 12 Stations. This portion will be the first underground rail route of the country. The Notun Bazar Station will have an inter-connection with the MRT Line-5. The 11.369 kilometer long Purbachal Route of MRT Line-1 will have 9 stations. The detail study, survey and basic design have been completed for both the routes. Now detailed design is going on. Total estimated cost is of the project is Tk. 52,561.43 crore (GOB 13,111.11 cr. + JICA 39,450.32cr) Taka and implementation period is September 2019 to December 2026. JICA is providing assistance in different phases to implement this project. Earlier JICA has provided 5,593 million JPY (USD 49.06 Million) for Engineering Services and 52,570 million JPY (USD 461.16 Million) for Construction. Under 2nd tranche of this ODA Loan, JICA will provide 115,027 million JPY (USD 1.10 Billion).

COVID-19 Crisis Response Emergency Support Loan Phase 2: The objectives of the Program are to realize resilient health system through concessional financing by supporting smooth implementation of the policies to strengthen COVID-19 response capacity in health sector, to enhance economic and physical access to health services towards the achievement of Universal Health Coverage and to improve health finance thereby contributing to promotion the economic stabilization and development efforts of the country. Government of Bangladesh is going to get such budget support of 40 Billion JPY (USD 365 million) with interest rate 0.55%, Front End Fee (at a time) 0.2%, repayment period is 30 years which includes 10 years grace period. Finance Division is the executing Ministry for budget support and Ministry of Health and Family Welfare will implement policy actions under the loan. Earlier Govt. of Japan has provided 35 billion JPY (USD 320 million) as budget support in the year 2020 to support GOB's countercyclical expenditure plan to combat the impact of COVID-19 pandemic.

Japan has made available innumerable supports for the economic development of Bangladesh since our independence. Japan is the single largest bilateral development partner providing financial support for the socio-economic development of Bangladesh. Till June 2021, the support has exceeded USD 27 billion. Japanese loans and grants are being utilized in a wide range of areas including power, roads, bridges, telecommunication, agriculture, health, education, water supply and sanitation, rural development, environment, human resource development etc. The Japanese assistance contributed significantly in overall development of the country.

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