

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

PRESS RELEASE

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A financing agreement to the tune of US\$356.70 million has been signed today at the NEC-2 conference room of the Economic Relations Division (ERD), Sher-e-Bangla Nagar, Dhaka between the Government of Bangladesh and the World Bank to finance "Investment Promotion & Financing Facility II Project (IPFF-II)" to be implemented by the Bangladesh Bank. Finance Division of ministry of Finance will be the Executive Division of the Government for the project. Mr. Kazi Shafiqul Azam, Secretary, Economic Relation Division, Ministry of Finance and Mr. Qimiao Fan, Country Director, World Bank Dhaka office signed the financing agreement on behalf of the Government and World Bank respectively. A number of senior officials of concerned ministries agencies and World Bank were also present during the signing ceremony

The estimated project cost is US\$416.7 million, where, World Bank's Scale-Up Facility Fund is US\$ 100 million, IDA Concessional loan is US\$256.7 million and GoB Country part fund is US\$60 million. The project will be implemented over the period of five years from July 2017 to June 2022. The project aims to strengthen capacity of the financial institution and other stakeholders i.e. Bangladesh Bank, PPP authority, Bangladesh Infrastructure Financing Fund Limited, Line Ministry etc. for infrastructure financing in Bangladesh. Power Generation, Transmission, Distribution, Port Development, Industrial Solid Waste Management, Construction of highways, Flyovers, Bridges, Expressways, Industrial and Hi-Tech parks development, ICT, Social sectors including health and education are the indicative sectors eligible for financing under this project.

The repayment period of IDA loan is 38 years, including 6 years grace period and it includes 0.75% service charge on disbursed amount. On the other hand, repayment period for SUF fund is 30 years including 9 years grace period. It includes 2.85% annual interest on the disbursed amount. Besides these, Government has to pay 0.25% of the Committed SUF Fund as front-end fee and 0.25% commitment fee on the undisbursed amount.

Previously a project titled IPFF-I had been implemented from January 2007 to December 2016 with the cost of BDT 2850.90 crore. Under that project, World Bank and the Government Co-financed BDT 2441.49 crore to 21 sup-projects in Power, Port, Water supply, IT and Health Sectors. The success of IPFF-I project prompted the Government to conceive IPFF-II project to create a wider market for long-term financing for private sector led infrastructure which will lead to further private sector development and job creation across a ranges of potential sectors.



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Assistant Chief