



Government of the People's Republic of Bangladesh
Ministry of Finance
Economic Relations Division
World Bank-2 Section



Press Release

A Loan Agreement of US\$ 120 million has been signed today, March 15, 2022 between the Government of the People's Republic of Bangladesh and the International Development Association (IDA) of World Bank Group (WBG) for financing the **"Climate Smart Agriculture and Water Management"** project. **Ms. Fatima Yasmin**, Secretary, Economic Relations Division, Ministry of Finance, Government of Bangladesh and **Ms. Dandan Chen**, Acting Country Director of the World Bank, Dhaka Office have signed the Agreement on behalf of their respective sides.

The project will be implemented jointly by Bangladesh Water Development Board (BWDB) under Ministry of Water Resources (MoWR), Directorate of Agricultural Extension (DAE) under Ministry of Agriculture (MoA) and Directorate of Fisheries (DoF) under Ministry of Fisheries and Live Stocks (MoF&L). The closing date of the project is June 30, 2026. Of the total loan amount of US\$ 120 million, US\$ 100 million will be provided to BWDB and US\$ 10 million will be provided to DAE and DoF each.

The WB will provide the loan from IDA19 Scale-Up Window (SUW). The rate of interest is Reference rate + Fixed Spread with one time Front-end Fee 0.25% of the credit amount, Commitment charge 0.25% per annum on the Undisbursed Credit Balance. The financing shall have a maturity of 35 years, including a 5-year grace period.

The purpose of the loan is to rehabilitate and modernize Flood Control Drainage (FCD) and Flood Control Drainage Irrigation (FCDI) infrastructure for climate-resilient water resources management. To promote more efficient use of water resources through on-farm water use efficiency and adoption of Climate-Smart Agricultural (CSA) practices under both crop and fisheries production systems. Moreover, the project will enhance agricultural productivity and around 50% irrigation water will be saved in the crop field through at least 12 climate smart technologies in the project area and increase 20% of fish production and productivity by introducing climate smart aquaculture technology.

The World Bank (WB) is the largest multilateral development partner of Bangladesh. The WB has been providing development assistance to Bangladesh in many important sectors including Health & Education, Energy sector, Inland connectivity & logistics, Regional & global integration, Urbanization and Adaptive delta management sector since after having membership in 1972. Bangladesh has so far received about 29% of total foreign assistance from WB.

(Afrina Islam)
Deputy Secretary