

**Government of the People's Republic of Bangladesh**  
**Ministry of Finance**  
**Economic Relations Division (ERD)**  
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**Press Release**

A Loan Agreement of \$ 125 million has been signed today (27 August 2014) in Dhaka between the Government of Bangladesh (GoB) and the Asian Development Bank (ADB) to finance the “**Third Urban Governance and Infrastructure Improvement (Sector) Project(UGIIP-III)**” to be implemented under the Local Government Division. **Mr. Mohammad Mejbahuddin**, 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. 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 \$333.77 million out of which ADB will provide in two tranches \$200 million (\$125 million + \$75 million) from its concessional ADF Fund and OPEC Fund for International Development (OFID) will provide US\$40 million as loan. Out of the rest Government of Bangladesh will provide \$91.63 million and \$2.14 million will be beared by the selected 31 Pouroshavas. The rate of interest for the ADF loan of ADB is 2% and the repayment period is 25 years with a grace period of 5 years.

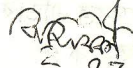
The Local Government Engineering Department (LGED) and the Department of Public Health Engineering (DPHE) under the Local Government Division will be the Executing Agencies and the selected 31 Pourashavas Implementing Agencies of the Project. The Project's implementation period is July 2014 to June 2020.

The objective of the Project is to achieve improved municipal service delivery and urban governance in participating 31 Pourashavas. The project shall comprise the following activities:

- (1) Gender and climate responsive infrastructure development in participating pourashavas (design, rehabilitation or construction of roads, drainage systems, water supply systems, sanitation systems, solid waste management systems and slum improvements); and
- (2) Capacity Development of participating pourashavas in urban service delivery, planning and financial management.

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\$15 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.

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27.08.2014  
**Mohammad Nore Alam Siddique**  
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Economic Relations Division  
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