

Government of the People's Republic of Bangladesh
Ministry of Finance
Economic Relations Division
Europe wing
Sher-e-Bangla Nagar Dhaka
www.erd.gov.bd

Press release

Subject: Signing of three agreements among the Government of Bangladesh represented by Economic Relations Division and European Investment Bank, Department for International Development (DFID), UK and European Union on 17th December, 2018

Dhaka 17th December, 2018

Signing of three agreements among the Government of Bangladesh represented by The Economic Relations Division, Ministry of Finance and European Investment Bank, Department for International Development (DFID), European Union has been completed on 17th December 2018. The agreements were signed by Mr. Monwar Ahmed Secretary, ERD and Mrs Angela Marcarino Paris and Mr. Roger Stuart, Head of Division, European Investment Bank, on behalf of EIB, Mr. Jim McAlpine, Country Representative, DFID Bangladesh, on behalf of DFID, Mr. Pierre Amilhat Director, DEVCO F-Asia, Central Asia, Middle East/Gulf and Pacific on behalf of EU respectively.

1. A Finance contract is signed between ERD and The European Investment Bank on “Bangladesh Rail Fleet Modernization Project”. Total cost of the project is 327 million EUR. EIB will provide a loan up to 110 million EUR as a co-financer .ADB will provide a loan up to 166 million EUR and rest of the cost will be borne by the government of Bangladesh. EIB will provide the loan under the following conditions

Maturity period of the loan: 20 years

Grace period : 4 years.

Rate of interest : EURIBOR 6M plus spread on Disbursement date.

The main objective of this project is to procure 200 BG passenger carriages with a view to replace the overaged stocks, enhance availability of rolling stocks and meet up increased demands of passenger trains to facilitate transportation of people by Railway with extension of services to the remote areas of the country.

2. A MOU is signed between ERD and DFID on the project “Pathways to Prosperity for Extremely Poor People (PPEPP), worth of a grant of 109.6 million GBP. DFID will make available 80 million GBP while The European Union will co- fund 29.6 million GBP channeled through DFID. The project will contribute to the eradication of extreme poverty in Bangladesh by supporting the Palli Karma Sahayak Foundation. It will also

