

Government of the People's Republic of Bangladesh
Ministry of Finance
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ADB Wing
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PRESS RELEASE

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Today, on 28 November 2023, loan agreements for 05 (five) projects amounting to USD 1026.47 million (USD 726.47 million +Euro 277.881 (equivalent to USD 300 million) have been signed between the Government of Bangladesh and Asian Development Bank (ADB). Mr. Md. Shahriar Kader Siddiky, Secretary, Economic Relations Division (ERD), Ministry of Finance and Mr. Edimon Ginting, Country Director, Bangladesh Resident Mission, ADB signed the loan agreement on behalf of the GoB and ADB respectively. Senior officials of the Government of Bangladesh and ADB were present at the signing ceremony.

Among the total credit amount signed today, the Asian Development Bank sanctioned USD 368.22 million and Euro 277.881 million (equivalent to USD 300 Million) from OCR (Regular). Interest rate is SOFR (Secured Overnight Financing Rate) /Euribor (Euro Interbank Offer Rate) + 0.50% with maturity premium of 0.10% and commitment charge of 0.15% on undisbursed amount. The rest USD 358.25 million is from Ordinary Operation (Concessional). The interest rate on Concessional loans is 2% fixed. Both loans are repayable in 25 years including 5 years grace period.

Details of the signed projects are as follows:

1. **Vaccines, Therapeutics and Diagnostics Manufacturing and Regulatory Strengthening Project** under the Asia-Pacific Vaccine Access Facility (APVAX)' amounting to US\$ 336.47 million in which 168.25 million Ordinary Operation (Concessional) loan and 168.22 million OCR (Regular) loan will be implemented by Essential Drugs Company Limited (EDCL) from December 2023 to December 2030 and Directorate General of Drug Administration (DGDA) from January 2024-December 2028 respectively under the Health Services Division. The aims of these projects are to establish an international standard laboratory for successful vaccine research and production of high-quality vaccines in the country. The laboratory will furnish to the country's EPI requirements, including the production of new species of vaccines maintaining WHO prequalification.
2. **South Asia Subregional Economic Cooperation Dhaka-Northwest Corridor Road Project - Phase 2- Tranche 3** amounting to Euro 277.881 million (equivalent to USD 300 Million) OCR (Regular) loan will be implemented by Roads & Highways Department under the overall supervision of Road Transport and Highways Division from 01

September 2016 to 31 December 2024. The main objectives of the project are to improve the sub-regional transport, trade and to upgrade the corridor (190.40km) to four lane standard with feature of slow moving vehicular traffic (SMVT) lane. The improvement includes gender responsiveness and major road safety feature by constructing new pavement, bridges, flyovers, underpasses, railway overpass and interchange. The project will also improve the institutional capacity of Roads and Highways Department (RHD).

3. **Smart Metering Energy Efficiency Improvement Project** amounting to USD 200 million OCR (Regular) loan will be implemented by Titas Gas Transmission Distribution Company Limited under the Energy and Mineral Resources Division from January 2024 to December 2028. The project aims to prevent wastage of gas used in residential phase and to ensure efficient use of gas in Titas affiliated areas.
4. **Chattogram Hill Tracts Inclusive and Resilient Urban Water Supply and Sanitation Project** amounting to US\$ 90 million in Ordinary Operation (Concessional) loan will be implemented by Department of Public Health Engineering under the Local Government Division from July 2023 to December 2028. The project aims to ensure sustainable and integrated safe water supply and waste management services in Rangamati, Bandarban and Lama Hill Municipalities.
5. **Improving Computer and Software Engineering Tertiary Education Project (ICSTEP)** amounting to 100 million Ordinary Operation (Concessional) will be implemented by University Grants Commission, Dhaka University, Bangladesh University of Engineering and Technology, Jashore Science and Technology under Secondary and Higher Education Division from July 2023 to June 2028. The objectives of the project are to create skilled manpower in the manufacturing arena and new employment generation in the industrial sector.

ADB is one of the largest multilateral development partners of Bangladesh. It is extending assistance to the country's prioritized sectors since Bangladesh became a member of ADB in 1973. ADB's total loan to Bangladesh stands at US\$ 30916.47 million whereas total grant amount around US\$ 571.2 million. ADB's development assistance mainly focuses on power, energy, local government, transport, education, agriculture, health, water resources, governance and financial sectors of Bangladesh.


28/11/2023
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