

Development Partner: [International Development Association \(IDA\)](#)

[\[World Bank Group\]](#)

Introduction: The International Development Association (IDA), the concessional lending arm of the World Bank, was founded in 1960 to assist the world's poorest nations. Its primary goal is poverty alleviation through zero to low-interest credits and grants aimed at fostering economic growth, reducing inequalities, and improving living conditions. IDA has disbursed \$533 billion to 115 countries, with annual commitments averaging \$36 billion over the past three years. Projects are implemented by borrower governments with technical assistance from the Bank, ensuring adequate safeguard policies and fiduciary controls. Regular status reports keep stakeholders informed on project activities.



IDA's Funding to Bangladesh: IDA has committed over \$39 billion in grants, interest-free, and concessional financing credits to Bangladesh since its independence. Bangladesh currently holds the largest IDA program globally, with \$16 billion committed for 57 ongoing projects. The World Bank Group supports Bangladesh's vision of becoming an upper-middle-income country by 2031 through technical, analytical, and financial assistance in economic development, power, infrastructure, disaster management, climate change, agriculture, human and social development, and poverty reduction. The Country Partnership Framework (CPF) for FY 2023-2027 aligns with Bangladesh's eighth Five Year Plan and Perspective Plan 2021–2041.

BMDF's Transformative Journey with IDA Support: In 2002, the World Bank helped establish the BMDF under the Ministry of Finance to finance infrastructure development for Urban Local Bodies (ULBs). BMDF, supported by three IDA credits under the Municipal Services Project (MSP) and Municipal Governance & Services Project (MGSP), has driven transformative initiatives in 158 municipalities and 11 city corporations. BMDF provided 90% of the funds (Grant 72% and Loan 18%), with ULBs contributing 10% under the last credit for MGSP. This strategic funding approach completed 716 sub-projects, benefiting 32 million urban residents. The components of these projects are detailed in the following table:



Hon'ble Prime Minister Sheikh Hasina inaugurated the Municipal Building at Bera Municipality, Pabna constructed with the funding from BMDF

Sl.	Types of Infrastructure	Quantity	Remarks	Sl.	Types of Infrastructure	Quantity	Remarks
a) Income Generating sub-projects				b) Non-income Generating sub-projects			
01	Municipal Market	229	71 ULBs	09	Road	1,448 km	153 ULBs
02	Bus/Truck Terminal	11	11 ULBs	10	Drain	301 km	109 ULBs
03	Community Center	19	19 ULBs	11	Street Light	26,936	26 ULBs
04	Slaughter House	09	09 ULBs	12	Office Building	09	09 ULBs
05	Public Toilet	88	37 ULBs	13	Box Culvert	32	13 ULBs
06	Water Supply Line	179 km	26 ULBs	14	Solar-based LED lights	122	DSCC
07	Deep Tube-well	44	18 ULBs	15	Solid Waste Equipment	4	DNCC
08	Water Treatment Plant	02	2 ULBs	16	Garbage Truck	4	4 ULBs



Roads, Drains & Street Lights of **Narsingdi Municipality**, constructed with the funding of BMDf



Road Sweeper Truck procured by **Dhaka North City Corporation** with the funding of BMDf



Market at **Chattogram City Corporation**, constructed with the funding of BMDf



Bus Terminal at **Noakhali Municipality**, constructed with the funding of BMDf

Financial Breakdown and Project Highlights: The cumulative impact of IDA's three credits through BMDf highlights a substantial contribution to urban development:

IDA Credit No.	3177-BD	4761-BD	5339-BD	Total
Name of Projects	MSP		MGSP	
City Corp. & Municipalities (ULBs)	115	66	63	169
Sub-projects (Schemes) Implemented	454	140	122	716
Total Financing (Mil. US \$)	62	42	105	209
Grant (Mil. US \$) to ULBs	53	36	84	172
Loan (Mil. US \$) to ULBs	9	6	21	37
ULBs' Contribution (Mil. US \$)	7	5	12	23
Total Cost of Subprojects (Mil. US \$)	69	47	117	232

BMDF's Resounding Success - Inspiring Confidence in ULBs: At BMDF's MGSP Closing Ceremony, the Hon'ble Minister for Local Government, Rural Development & Cooperatives highlighted BMDF's role in shifting ULBs from grant-based to market-driven and own-source financing. BMDF's commitment to self-sustainability within ULBs, as mandated by local government acts, was praised. The World Bank's Implementation Completion & Results Report rated the MGSP highly for relevance, efficacy, and efficiency, with a satisfactory outcome. These achievements have augmented BMDF's reputation, prompting ULBs to seek over \$1 billion in financial support for infrastructure projects. BMDF's success has positioned it as a key partner in driving impactful urban development in Bangladesh.



Mr. Md. Tazul Islam MP, Hon'ble Minister was present along with IDA & GoB officials at the MGSP Closing Ceremony organized by BMDF

Future Expectations towards Sustainability: BMDF's OSCB report, endorsed by the World Bank, outlines strategies for sustainability, including expanded financial roles, governance enhancements, workforce expansion, and partnerships aligned with the SDGs. Insights from the World Bank team have been crucial in shaping this journey. BMDF's Board Meeting emphasized the urgency of implementing these recommendations, recognizing their significance for the organization's transformation. Post-MGSP, BMDF is ready to fulfill its commitments with dedication, with the World Bank's technical assistance being vital for holistic urban development in Bangladesh. The OSCB report highlights the necessity of continued support to reinforce BMDF's role in driving positive change, ensuring that BMDF remains a pivotal entity in the nation's urban development landscape.

Remarks: The collaboration between IDA and BMDF highlights the power of strategic partnerships in urban development, benefiting millions. IDA's support has empowered BMDF to drive significant improvements in ULBs. As BMDF continues its journey towards sustainability, the role of IDA remains crucial. BMDF looks forward to continued technical and financial support from the World Bank, acknowledging the invaluable insights that have shaped its trajectory. This enduring partnership continues to reinforce a shared vision for holistic urban development in Bangladesh, driving positive change for over two decades.

(This is a draft version. We welcome your feedback and suggestions. Thank you for your cooperation.)