

Government of the People's Republic of Bangladesh

Ministry of Finance

Economic Relations Division

ADB Wing

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PRESS RELEASE

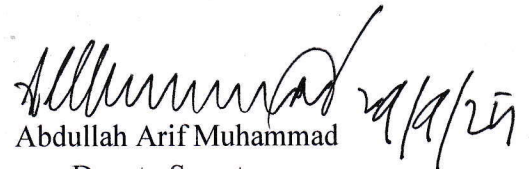
Dhaka, 29 September 2025 – the Government of Bangladesh and Asian Development Bank (ADB) today signed loan and grant agreements for three projects totaling USD 331.71 million. Mr. Md. Shahriar Kader Siddiky, Secretary, Economic Relations Division (ERD), Ministry of Finance and Mr. Hoe Yun Jeong, Country Director, Bangladesh Resident Mission, ADB signed the loan and grant agreements on behalf of the GoB and ADB respectively. Senior officials of the Government of Bangladesh along with Mr. Takeo Konishi, Director General, SARD were present in the loan and grant signing ceremony.

The newly signed loan agreements will deliver tangible improvements across key sectors:

1. A Loan and Grant Agreement has been signed for **“Integrated Services and Livelihood for Displaced People from Myanmar and Host Communities Improvement Project”**. This project will be implemented by Department of Public Health Engineering (DPHE) from July 2025 to June 2028 and Local Government Engineering Department (LGED) from July 2025 to June 2030 under the Local Government Division (LGD). Amounting USD 86.71 million, this financing includes USD 28.11 million concessional loan and USD 58.60 million grant. This project aims to support Displaced People from Myanmar and Host Communities in Cox's Bazar and Bhasan Char by developing basic public health and safety related infrastructure, improving connectivity to ensure access to essential services, and strengthening institutional mechanisms for service provision and sustainability. Interest rate for OCR (Concessional) loan is 2% (fixed) and there are no other additional charges. This Ordinary Capital Resources (Concessional) loan is repayable over 25 years, including a 5-year grace period.
2. A Loan and Grant Agreement has been signed for the **“Khulna Water Supply Project (Phase-2)”** amounting to USD 154 million. The project will be implemented by Khulna WASA from July 2025 to June 2030 under the Local Government Division (LGD). This project aims to ensure safe and adequate water supply in Khulna City during dry seasons through surface water, expanding pipeline coverage to areas which are not connected yet. ADB will provide USD 100 million Ordinary Capital Resources (Concessional), USD 50 million Ordinary Capital Resources (Regular) and USD 4 million grant. The interest rate for OCR (Concessional) loan is 2% (fixed). For OCR (Regular) loan, interest rate is SOFR (Secured Overnight Financing Rate) + 0.50% including maturity premium at 0.10% rate and commitment charge at 0.15% rate for undisbursed amount. The loan is repayable over 25 years, including a 5-year grace period.

3. A Loan and Grant Agreement has been signed for the “**Northwest Distribution Network Modernization Project**”, to be implemented by Northern Electricity Supply PLC (NESCO) under the Power Division. The financing includes a loan of USD 91.00 million from ADB’s Ordinary Capital Resources (Regular). The project aims to modernize the electricity distribution network in the NESCO service area, thereby ensuring reliable and sustainable power supply to consumers, while also reducing operation and maintenance costs as well as system losses. The total project cost is estimated at USD 113.58 million, of which USD 91.00 million will be financed through ADB’s OCR Regular loan, USD 2.00 million as a grant from the Japan Fund for Prosperous and Resilient Asia and the Pacific (JFPR), and the remaining USD 20.57 million will be financed by the Government of Bangladesh and NESCO from their own resources. The proposed implementation period is from July 2025 to June 2029. The OCR Regular loan carries an interest rate of Secured Overnight Financing Rate (SOFR) + 0.50%, along with a maturity premium of 0.10% and a commitment charge of 0.15% on the undisbursed balance. The loan is repayable over 25 years, including a 5-year grace period.

ADB is one of the largest multilateral development partners of Bangladesh. Since 1973, ADB has provided assistance to the country in sectors like power, energy, local government, transport, education, agriculture, health, water resources, governance etc. with total of USD 33.951 billion loans and USD 571.2 million grants.


Abdullah Arif Muhammad
Deputy Secretary
Economic Relations Division