

## DEVELOPMENT COORDINATION

### A. Major Development Partners: Strategic Focus and Key Activities

1. The table lists the major development partners and their overall assistance, including proposed assistance for (i) renewable energy, and (ii) infrastructure financing.

<b>Major Development Partners</b>			
<b>Development Partner</b>	<b>Project Name</b>	<b>Duration</b>	<b>Amount (\$ million)</b>
<b>Renewable Energy</b>			
ADB	Public–Private Infrastructure Development Facility	2008–2013	78.0
	Supplementary Grants	2012–2013	3.3
World Bank	Rural Electrification and Renewable Energy Development Project	2002–2009	236.0
	Second Rural Electrification and Renewable Energy Development Project	2012–2017	155.0
KfW	Promotion of Renewable Energy Project	2002–2012	32.0
	Supplementary Financing (proposed)	2013–2016	13.7
JICA	Renewable Energy Development Project	2013–2016	116.0
IsDB	Improving Rural Households Livelihoods through Solar Energy Project	2008–2011	18.0
<b>Infrastructure Financing</b>			
ADB	Public–Private Infrastructure Development Facility	2008–2013	82.0
World Bank	Investment Promotion and Financing Facility	2009–2014	250.0

ADB = Asian Development Bank, GIZ = Gesellschaft fuer Internationale Zusammenarbeit, JICA = Japan International Cooperation Agency, IsDB = Islamic Development Bank.

Source: Asian Development Bank.

### B. Institutional Arrangements and Processes for Development Coordination

2. The Asian Development Bank closely coordinates with other development partners with respect to renewable energy and infrastructure financing; all partners in the renewable energy field provide support through parallel cofinancing of the Infrastructure Development Company. This financing is typically complementary in terms of timing and type of assistance (loan, grant, and technical assistance). There is no program-based approach in place.

### C. Achievements and Issues

3. There is notable coordination and consultation among development partners with regard to the Infrastructure Development Company's renewable energy program, involving regular meetings and discussions, as well as exchange of aide memoires, project documentation, and background notes. The Asian Development Bank, Japan International Cooperation Agency, and the World Bank have formalized their ongoing exchange in the form of a collaborative financing agreement (supplementary appendix 14). Cofinancing and donor coordination in the area of infrastructure financing is less coherent and could be improved.

4. Two thematic issues require continued discussions and a coordinated approach among development partners: (i) improving the technology of solar home systems and other renewable applications to achieve value-for-money and bring the benefits of renewable energy to poorer segments of the population who live in areas not supplied by the power grid; and (ii) coordinating and developing a common approach to ensuring the integrity and transparency of

procurement processes in infrastructure financing, to ensure development partners are able to adequately manage their fiduciary risks.

#### **D. Summary and Recommendations**

5. While donor coordination in the area of renewable energy may benefit from being formalized, coordination in the infrastructure financing field requires more frequent interaction among donors. Important topics to address, where development partners could align more closely are (i) renewable energy technology, and (ii) the contract award process in infrastructure projects in Bangladesh.