



## Bangladesh: Third Public-Private Infrastructure Development Facility-Tranche 1

Project Name	Third Public-Private Infrastructure Development Facility-Tranche 1								
Project Number	42180-018								
Country	Bangladesh								
Project Status	Approved								
Project Type / Modality of Assistance	Loan								
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2"><b>Loan 3554-BAN: Third Public-Private Infrastructure Development Facility-Tranche 1</b></td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 250.00 million</td> </tr> <tr> <td colspan="2"><b>Loan 3555-BAN: Third Public-Private Infrastructure Development Facility-Tranche 1</b></td> </tr> <tr> <td>concessional ordinary capital resources lending / Asian Development Fund</td> <td>US\$ 10.00 million</td> </tr> </table>	<b>Loan 3554-BAN: Third Public-Private Infrastructure Development Facility-Tranche 1</b>		Ordinary capital resources	US\$ 250.00 million	<b>Loan 3555-BAN: Third Public-Private Infrastructure Development Facility-Tranche 1</b>		concessional ordinary capital resources lending / Asian Development Fund	US\$ 10.00 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration								
Drivers of Change	Partnerships Private sector development								
Sector / Subsector	<b>Finance</b> - Infrastructure finance and investment funds								
Gender Equity and Mainstreaming	Some gender elements								
Description	The proposed Third Public-Private Infrastructure Development Facility (PPIDF 3) is a continuation of the work carried out under the Public-Private Infrastructure Development Facility (PPIDF 1) and Second Public-Private Infrastructure Development Facility (PPIDF 2) in addressing the infrastructure deficiencies in Bangladesh. Through the two earlier interventions, ADB has provided long-term debt financing and catalyzing private sector participation through the implementing agency, i.e. Infrastructure Development Company Limited (IDCOL) which substantially contributed to economic growth in the country. The design of the project serves to catalyze commercial financing for public-private partnership (PPP) projects, thereby reducing the pressure of direct financing on the public budget. An additional objective of the facility is to help provide the rural population and small to medium enterprises with clean and affordable electricity either through grid-connected or off-grid energy efficiency and renewable energy solutions. Solar home systems (SHSs) will not be financed under PPIDF 3 given the market saturation and availability of funding from partner donors.								
Project Rationale and Linkage to Country/Regional Strategy	A key design element of the proposed Third Public-Private Infrastructure Development Facility (PPIDF3) is the introduction of the multitranche financing facility (MFF) financial intermediary (FI) lending modality. The MFF-FI modality is particularly well suited for FI interventions which provide long-term funding to public-private partnership (PPP) infrastructure projects. These PPP interventions are typically developed in a phased manner based on project implementation requirements. The MFF modality allows the borrower, Infrastructure Development Company Limited (IDCOL), to onlend financing for subprojects based on readiness criteria including finalization of risk-sharing arrangements, readiness of engineering procurement and construction, and phased release of equity. The disbursement to a subproject can take place through multiple tranches with time-slicing given the typical characteristic of staggering of payments, and thereby providing IDCOL the flexibility to plan cost-effective disbursements of subprojects.								
Impact	Investments in infrastructure increased (Bangladesh Seventh Five Year Plan 2016 -2020)								

### Project Outcome

Description of Outcome	Private sector investments in infrastructure, including RE leveraged
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Progress Toward Outcome

### Implementation Progress

Description of Project Outputs	Available long-term debt financing for infrastructure projects increased Take-out financing for infrastructure projects catalyzed IDCOL's institutional capacity strengthened
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Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

**Safeguard Categories**

Environment	FI
Involuntary Resettlement	FI
Indigenous Peoples	FI

**Summary of Environmental and Social Aspects**

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples

**Stakeholder Communication, Participation, and Consultation**

During Project Design
During Project Implementation

**Business Opportunities**

Consulting Services	not applicable
Procurement	There will be no procurement directly financed under the facility since procurement will be undertaken by the subproject sponsors in accordance with the procedures established by private sector or commercial practices acceptable to ADB and must align with the core principles of ADB's Procurement Guidelines (2015, as amended from time to time).

Responsible ADB Officer	Marro, Peter
Responsible ADB Department	South Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, SARD
Executing Agencies	<i>Ministry of Finance Economic Relations Division (ERD), MOF Sher-e-Bangla Nagar, Dhaka_1207 Bangladesh</i>

**Timetable**

Concept Clearance	-
Fact Finding	-
MRM	26 Sep 2016
Approval	11 Aug 2017
Last Review Mission	-
Last PDS Update	15 Aug 2017

**Loan 3554-BAN**

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	510.00	Cumulative Contract Awards			
ADB	250.00	-	0.00	0.00	%
Counterpart	260.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

**Loan 3555-BAN**

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	140.00	Cumulative Contract Awards			
ADB	10.00	-	0.00	0.00	%
Counterpart	130.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

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Project Page <https://www.adb.org/projects/42180-018/main>

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Request for Information <http://www.adb.org/forms/request-information-form?subject=42180-018>

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