

Asian Development Bank & Bangladesh

FACT SHEET

Table 1. Bangladesh: 2014 Approved Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
893.00	75.00	4.36	37.30	1,009.66

Note: Grants and technical assistance include cofinancing.

Table 2. Bangladesh: Cumulative Lending, Grant, and Technical Assistance Approvals^{a, b}

Sector	No.	Total Amount (\$ million) ^c	% ^c
Agriculture, Natural Resources, and Rural Development	177	2,276.97	13.38
Education	66	1,973.40	11.60
Energy	96	3,844.63	22.60
Finance	59	1,165.36	6.85
Health	29	280.75	1.65
Industry and Trade	34	515.94	3.03
Information and Communication Technology	1	3.10	0.02
Multisector	17	767.10	4.51
Public Sector Management	50	938.34	5.52
Transport	105	3,832.47	22.53
Water and Other Urban Infrastructure and Services	56	1,416.02	8.32
Total	690	17,014.09	100.00

^a Grants and technical assistance include cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Total may not add up because of rounding.

Table 3. Bangladesh: Cumulative Nonsovereign Financing by Product

Number of Projects	Amount (\$ million)
Loans	267.30
Equity Investments	14.98
Guarantees	70.00
B Loans	20.00
Total	372.28

The Asian Development Bank (ADB) has been supporting Bangladesh since 1973, with its first field office established in the country in 1982.

As of 31 December 2014, ADB has provided Bangladesh with \$16.1 billion in loans for 248 projects, and \$240.6 million for 409 technical assistance projects. Bangladesh is a major recipient of concessional resources from ADB's Asian Development Fund.

Over the past 2 decades, the number of people climbing above the national poverty line has risen steadily, and the country is on track to achieve most of the Millennium Development Goals.

Under the ADB country partnership strategy (CPS), 2011–2015 for Bangladesh, ADB supports efforts by the Government of Bangladesh to achieve more inclusive, resilient, and environmentally sustainable growth. Development efforts to realize this objective include improving transport connectivity, developing labor skills, boosting energy efficiency and access, improving the management of water resources, and reducing the impacts of climate change. ADB is also working with Bangladesh to strengthen financial markets, and to promote public–private partnerships.

Cumulative disbursements to Bangladesh for lending and grants financed by ordinary capital resources, the Asian Development Fund, and other special funds amounted to \$10.70 billion.

ADB-Supported Projects and Programs

In recent years, ADB development efforts in Bangladesh have focused on energy security, transport connectivity, education and skills development, water resources management, urban infrastructure, and finance.

In 2014, ADB approved seven projects, with eight loans totaling \$968.0 million, and technical assistance grants totaling \$4.4 million.

The \$75-million Bibiyana II Gas Power Project (nonsovereign) will help reduce shortfalls in Bangladesh's power supply, while cutting greenhouse gas emissions. ADB has also supported an electricity grid interconnection project, fostering trade between Bangladesh and India.

ADB assistance in transport is helping to improve regional connectivity and promote trade. The \$505-million South Asia Subregional Economic Cooperation (SASEC) Railway Connectivity: Akhaura–Laksam Double Track Project will double the capacity of this key economic artery of the country. This will serve to bolster domestic and subregional trade, and enhance delivery of social services.

To support human, social, and industrial progress in Bangladesh, ADB has made a priority of education and skills development. The \$350-million Skills for Employment Investment Program will help Bangladesh move from the “low-skill, low-wage” cycle to a more socially inclusive “higher skill, higher wage” equilibrium.

ADB is working with the Government of Bangladesh to help the country adapt to climate change, while improving the lives of people in climatically vulnerable

Table 4. Bangladesh: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2005	100.00	1
2007	100.00	4
2008	50.00	4
2009	–	1
2010	100.00	3
2011	100.00	5
2012	100.00	3
2013	66.67	3
2014	100.00	1
Total	84.00	25

– = nil.

Note: “Year” refers to the circulation year of the project completion report (PCR). Compared with the numbers in previous years’ fact sheets, the success rates reported here are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample size, the success rate does not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2014.

Table 5. Bangladesh: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2013–2014

	2013 (\$ million)		2014 (\$ million)	
	2013 (\$ million)	2014 (\$ million)	2013 (\$ million)	2014 (\$ million)
Number of Ongoing Loans (as of 31 Dec 2014)	55			
Contract Awards/Commitments ^{a,b}	670.9	583.2		
Disbursements ^a	616.4	649.6		
Number of Ongoing Grants (as of 31 Dec 2014) ^c	1			
Contract Awards/Commitments ^{a,b}	0.2	1.2		
Disbursements ^a	0.1	1.2		

Actual Problem Projects (%)

– = nil.

Note: Totals may not add up because of rounding.

^a Includes closed loans/grants that had contract awards or disbursements during the year.

^b Excludes policy-based lending/grants.

^c Includes only Asian Development Fund and other ADB special funds.

areas. These issues are being addressed through the \$255-million Flood and Riverbank Erosion Risk Management Investment Program, the \$46-million Irrigation Management Improvement Project, and the \$52-million Coastal Towns Environmental Infrastructure Project. ADB is also supporting the development of solar power systems for households in rural Bangladesh.

To further encourage social and economic equity across the regions of Bangladesh, ADB is supporting the \$125-million Third Urban Governance and Infrastructure Improvement Project, while also providing program loans for capital market development, trade, and governance.

Nonsovereign Operations

As a catalyst for private investments, ADB provides direct financial assistance to nonsovereign public sector and private sector projects in the form of direct loans, equity investments, guarantees, B loans, and trade finance. Since its inception, ADB has approved \$372.28 million in nonsovereign financing for 11 private sector projects in Bangladesh. Total outstanding balances and commitments of ADB’s private sector transactions in the country as of 31 December 2014 was \$135.36 million, representing 1.7% of ADB’s total nonsovereign portfolio.

ADB’s Trade Finance Program (TFP) fills market gaps by providing guarantees and loans through partner banks in support of trade. The TFP has done over 10,300 transactions supporting over \$20.5 billion in trade and over 6,000 small and medium-sized enterprises since 2004. In 2014, the TFP supported \$3.8 billion in trade through over 1,900 transactions. In Bangladesh, the TFP works with 13 banks and has supported \$1.85 billion in trade between 1,183 transactions. In addition to filling market gaps, the TFP’s objective is to mobilize private sector capital/involvement in developing Asia. In Bangladesh, 62.12% of the \$1.85 billion in trade supported through the TFP was cofinanced by the private sector.

Cofinancing

Cofinancing operations enable ADB’s financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations, to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, other concessional financing, and commercial financing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB’s TFP.

By the end of 2014, cumulative direct value-added (DVA) official cofinancing for Bangladesh amounted to \$5.54 billion for 52 investment projects and \$79.0 million for 94 technical assistance projects. Cumulative DVA commercial cofinancing for Bangladesh amounted to \$1.07 billion for two investment projects.

In 2014, Bangladesh received \$266.0 million loan cofinancing from the European Investment Bank, OPEC Fund for International Development (OFID), and Strategic Climate Fund; and \$37.3 million grant cofinancing from the governments of the Netherlands and Switzerland, the Sanitation Financing Partnership Trust Fund under the Water Financing Partnership Facility, and the Strategic Climate Fund.

Table 6. Bangladesh: Projects Cofinanced, 1 January 2010–31 December 2014

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	25	5,322.19
Grants	14	577.46
Official loans	16	3,800.50
Commercial cofinancing	1	944.23
Technical Assistance Grants	25	20.32

^a A project with more than one source of cofinancing is counted once.

A summary of projects with cofinancing from 1 January 2010 to 31 December 2014 is available at www.adb.org/countries/bangladesh/cofinancing

Partnerships

ADB is an active member of the Local Consultative Group, a coordination mechanism for the Government of Bangladesh and its development partners.

ADB is a leading multilateral development partner in Bangladesh’s transport, energy, and education sectors.

As of 31 December 2014, ADB had official cofinancing totaling \$5.5 billion for 52 investment projects (loans only).

In 2014, ADB mobilized \$303.3 million in cofinancing for six projects. The SASEC Railway Connectivity: Akhaura–Laksam Double Track Project was cofinanced with the European Investment Bank (EIB). The Coastal Towns Environmental Infrastructure Project was cofinanced with the Water Financing Partnership Facility and Climate Investment Fund. The Third Urban Governance and Infrastructure Improvement Project was cofinanced with OFID. The Flood and Riverbank Erosion Risk Management Investment Program was cofinanced with the Netherlands. The Skills for Employment Investment Program was cofinanced with the Swiss Agency for Development and Cooperation. The Power System Expansion and Efficiency Improvement Investment Program Tranche 1 (Supplementary) was cofinanced with the EIB.

Procurement

Share of ADB's Procurement Contracts

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries, and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts were awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Procurement contracts for goods, works, and related services under loan and grant operations totaled \$6.59 billion in 2013 and \$8.58 billion in 2014. Cumulative procurement, as of 31 December 2014, was \$135.21 billion.

Procurement contracts for consulting services under loan, grant, and technical assistance operations totaled \$511.13 million in 2013 and \$555.30 million in 2014. Cumulative procurement, as of 31 December 2014, was \$9.98 billion.

Table 7. Bangladesh's Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2013		2014		Cumulative (as of 31 Dec 2014)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	448.82	6.81	265.45	3.09	5,987.35	4.43
Consulting Services	10.98	2.15	16.80	3.02	179.94	1.80
Total Procurement	459.80	6.47	282.25	3.09	6,167.29	4.25

Goods, Works, and Related Services

From 1 January 1966 to 31 December 2014, contractors and suppliers were involved in 194,667 contracts for goods, works, and related services under ADB loan and grant projects worth \$135.21 billion. During the same period, 22,149 contracts were awarded to contractors and suppliers from Bangladesh worth \$5.99 billion.

Table 8. Top 5 Contractors/Suppliers from Bangladesh Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2010–31 December 2014

Contractor/Supplier	Sector	Contract Amount (\$ million)
Pratibha	WUS	38.50
Ranken–MAPL Joint Venture JV	WUS	13.97
Basic Bank Ltd.	FIN	13.00
Eastern Bank Limited	FIN	13.00
National Construction Company Limited	WUS	9.29
Others		1,404.13
Total		1,491.89

FIN = Finance, WUS = Water and Other Urban Infrastructure and Services.

Consulting Services

From 1 January 1966 to 31 December 2014, consultants were involved in 45,584 contracts for consulting services under ADB loan, grant, and technical assistance projects worth \$9.98 billion. During the same period, 1,358 contracts were awarded to consultants from Bangladesh worth \$179.94 million.

Table 9. Top 5 Consultants from Bangladesh Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2010–31 December 2014

Consultant	Sector	Contract Amount (\$ million)
Kunhwa Engineering & Consulting Co., Ltd.	TRA	10.40
Bets Consulting Services Ltd.	HLT, ICT, PSM, TRA	6.07
E-Gen Consultants, Ltd.	ENE, PSM	4.95
Resource Planning & Management Consultants	ANR	4.94
SMEC (Bangladesh) Ltd.	TRA, WUS	4.31
Individual consultant/s		14.75
Others		29.31
Total		74.72

ANR = Agriculture, Natural Resources, and Rural Development; ENE = Energy; HLT = Health; ICT = Information and Communication Technology; PSM = Public Sector Management; TRA = Transport; WUS = Water and Other Urban Infrastructure and Services.

Operational Challenges

Timely project implementation remains a key operational challenge in Bangladesh.

Efforts to improve have focused on faster activation of start-up processes, especially in procurement, and on contract administration, with realignment of internal work processes within the Government of Bangladesh. The government has also been making use of ADB facilities for project preparation to enhance readiness of projects.

In 2014, ADB instituted measures to shore up project implementation. They include making the ADB resident mission in Bangladesh responsible for implementation of all projects, and delegating greater procurement authority to the resident mission.

The government and ADB are piloting e-procurement for efficient and transparent procurement processes, while holding quarterly reviews of all projects under implementation to ensure that corrective measures can be made expeditiously. ADB is also supporting capacity building in

procurement and financial control, as well as in gender, social, and environmental safeguards.

Future Directions

ADB assistance to Bangladesh will remain aligned with the country's development priorities.

ADB will deepen support for economic growth that is environmentally sustainable, inclusive, and more regionally balanced. ADB will support the physical and social infrastructure and services essential to attaining and sustaining socioeconomic development. This support will include capacity building and policy advice, and partnerships for enhancing development effectiveness.

To promote regional cooperation, ADB will continue to support transport connectivity and cross-border energy trade, while stepping up efforts to foster public-private partnerships through institutional capacity development and investment projects. Across 2015–2017, ADB has planned for 20 projects in energy; transport; education and skills development; agriculture, water resources management, and rural development; finance; and water and urban infrastructure and services. The technical assistance program for 2015–2017 includes 16 projects totaling \$12.3 million.

Good governance and gender equity will remain major pillars for ADB operations in Bangladesh.

About Bangladesh and ADB

ADB Membership

Joined 1973

Shareholding and Voting Power

Number of shares held:	108,384 (1.026% of total shares)
Votes:	147,814 (1.119% of total membership, 1.719% of total regional membership)
Overall capital subscription:	\$1.57 billion
Paid-in capital subscription:	\$78.50 million

Contributions to Special Funds Resources

Bangladesh has contributed to the Technical Assistance Special Fund (TASF), which provides grants to borrowing members to help prepare projects and undertake technical or policy studies.

Contributions to the TASF (committed): \$0.05 million

Umesh Kumar is the Director and **Sharafjon Sheraliev** is the Alternate Director representing Bangladesh on the ADB Board of Directors.

Kazuhiko Higuchi is the ADB Country Director for Bangladesh. The Bangladesh Resident Mission was opened in 1982, and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in Bangladesh.

The Bangladesh government agency handling ADB affairs is the Ministry of Finance.

About the Asian Development Bank

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance (TA). In 2014, lending volume was \$12.92 billion (113 projects), with TA at \$158.88 million (256 projects) and grant-financed projects at \$405.34 million (17 projects). In addition, \$9.24 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2010 to 31 December 2014, ADB's annual lending volume averaged \$12.10 billion. In addition, investment grants and TA funded by ADB and special funds resources averaged \$697.97 million and \$156.69 million in TA over the same period. As of 31 December 2014, the cumulative totals excluding cofinancing were \$216.21 billion in loans for 2,729 projects in 44 countries, \$6.87 billion in 256 grants, and \$3.75 billion in TA grants, including regional TA grants.

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Useful ADB websites

Asian Development Bank
www.adb.org

Asian Development Outlook
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