



Asian Development Bank & Bangladesh

FACT SHEET

Table 1. Bangladesh: Development Indicators

Non-MDG	
Population in millions	146.06 (2010)
Annual population growth rate (%)	1.3 (2008–2010)
Adult literacy rate (%)	55.0 (2008)
Percent of population in urban areas	27.6 (2009)
MDG	
Percent of population living on less than \$1.25 a day	49.6 (2005)
Percent of population living below the national poverty line	40.0 (2005)
Under-5 mortality rate per 1,000 live births	52.0 (2009)
Percent of population using an improved drinking water source	80.0 (2008)

MDG = Millennium Development Goal.

Sources: ADB. 2011. *Basic Statistics 2011*. Manila; UNESCO. 2011. Institute for Statistics Data Centre; World Bank. 2011. World Bank Development Indicators Online.

Table 2. Bangladesh: Economic Indicators, 2006–2010

Economic Indicator	2006	2007	2008	2009	2010
Per capita GNI, Atlas method (\$)	450	480	520	580	...
GDP growth (% change per year)	6.6	6.4	6.2	5.7	5.8
CPI (% change per year)	7.2	7.2	9.9	6.7	7.3
Unemployment rate (%)	4.2	5.0	...
Fiscal balance (% of GDP)	(3.2)	(3.2)	(4.7)	(3.9)	(4.5)
Export growth (% change per year)	21.5	15.8	17.4	10.1	4.2
Import growth (% change per year)	12.1	16.6	25.6	4.2	5.4
Current account balance (% of GDP)	1.3	1.4	0.9	2.7	3.7
External debt (% of GNI)	26.4	25.8	24.3	22.3	...

() = negative, ... = data not available, CPI = consumer price index, GDP = gross domestic product, GNI = gross national income.

Sources: ADB. 2011. *Asian Development Outlook 2011*. Manila; ADB staff estimates; World Bank. 2011. World Development Indicators Online.

Bangladesh joined the Asian Development Bank (ADB) in 1973. Cumulative lending amounts to about \$12.1 billion for 212 loans, with \$202.7 million for technical assistance grants for 363 projects. The country is one of the largest borrowers of concessional Asian Development Fund resources.

The loans and technical assistance grants have supported all key sectors, including energy, transport, social infrastructure, agriculture, and natural resources. ADB has also supported eight private sector projects worth \$242.18 million, including the Meghnaghat Power Project—the first build-own-operate power project in the country—and GrameenPhone, which substantially expanded rural access to mobile phone services.

In the late 1980s, ADB was primarily a lender for growth-promoting investment projects. In the 1990s, loans became more closely linked to institutional and policy support, with program loans targeted at the agriculture, industry, railway, finance, and energy sectors. There was also a growing emphasis on social infrastructure with focus on human development, gender equality, and poverty reduction. In line with the 1999 country operational strategy, ADB expanded its support into new areas in urban and rural infrastructure, and education to encompass decentralization and good governance.

The validity of the results-based country partnership strategy, 2006–2010 lapsed at the end of December 2010. Preparations for the next country partnership strategy, 2011–2015 have been initiated. This strategy will be aligned with ADB's long-term strategic framework, Strategy 2020, and will support inclusive growth, environmentally sustainable growth, and regional cooperation and integration. The country partnership strategy, 2011–2015 will be compatible with government's priorities in the Sixth Five-Year Plan under preparation, and will be prepared keeping in view the recommendations of the 2009 country assistance program evaluation conducted by ADB's Independent Evaluation Department. The new country partnership strategy is expected to be prepared by September 2011, following the streamlined business process, after the Sixth Five-Year Plan is finalized.

Impact of Assistance

An array of successful projects illustrates the broad impact of ADB's assistance. With cofinancing from ADB, the World Bank, and the Government of Japan, for example, the Jamuna Bridge established an important land connection between the poorer northwest region of the country and the eastern half, which includes the capital, Dhaka, and Chittagong port in the southeast. The bridge has reduced transport costs, boosted trade, and increased labor migration. It has helped reduce poverty and increase economic and social opportunities, especially in the northwest. National estimates suggest that at least 1 million people were lifted out of poverty because of the positive impact of the bridge, which was opened to traffic in 1998.

The success of an innovative program involving nongovernment organizations (NGOs) in providing health care in government clinics has prompted a second phase of the project to expand into two more cities and five smaller municipalities. In the first phase, the Urban Primary Health Care Project established health care centers in low-income areas of four major cities. Nongovernment organizations are subcontracted through these centers to provide primary health care services.

The project has supported preventive and curative health care, and family planning services, and provided advice, counseling, and health and hygiene advocacy. Prenatal and postnatal health care and in-house delivery services provided for poor women have greatly lowered the risk of maternal mortality. By reducing child and maternal mortality, the project will help Bangladesh achieve the Millennium Development Goals for child mortality and maternal health. Women and children will constitute more than 75% of all project beneficiaries. The project also helps female victims of domestic violence get legal assistance.

The Second Primary Education Development Program, approved in 2003, is supported by 11 development partners, led by ADB, and aims to reduce poverty and support sustainable economic development through universal primary education, and by raising learning standards and student achievements. The program is helping establish a primary education civil service cadre, improved governance at the service delivery level, improved teacher training, and more inclusive education.

The ADB-supported Bangladesh Good Governance Program, 2006–2007 helped the government carry out reforms in the Anti-Corruption Commission, separate the judiciary from the executive, and recruit 604 judicial officers. ADB has also supported corruption risk assessments and mitigation planning for major sectors and agencies, including Bangladesh Railways; Chittagong Port Authority; and the power, education, and health sectors, and has helped local governments become better equipped to develop and maintain infrastructure, mobilize resources, manage waste, govern with transparency, increase citizens' (including women's) participation, and reduce poverty.

In 2010, ADB approved 10 loans for a total amount of \$1,249 million and 15 technical assistance projects for a total of \$7.58 million. The loan projects include:

- \$615 million (\$539 million ordinary capital resources and \$76 million Asian Development Fund [ADF]) for construction of the multipurpose bridge across the Padma River. This bridge is the first fixed river crossing for road traffic, linking the southwest of the country with the northern and eastern regions. The loan for Padma Bridge is the largest project assistance that ADB has provided to Bangladesh.
- \$261 million ordinary capital resources and \$5 million (ADF) under the Natural Gas Access Improvement Project to expand capacity and improve efficiency in natural gas production, transmission, and distribution systems (US\$266 million).
- \$100 million (ADF) to facilitate the exchange of electric power between India and Bangladesh under Bangladesh–India Electrical Grid Interconnection Project.
- \$25 million (ADF) to improve transparency and accountability in tax and land record administrations under Strengthening Governance Management Project
- \$23 million (ADF) under the Subregional Transport Project Preparatory Facility to increase subregional trade among South Asian countries, especially from, to, and through Bangladesh.
- \$120 million (ADF) to improve urban environment and infrastructure services based on effective regional urban planning under City Region Development Project.
- \$60 million (ADF) to enhance rural people's access to social services, such as health and education, and to enhance economic opportunities under the Sustainable Rural Infrastructure Improvement Project.
- \$40 million (ADF) for the Second Crop Diversification Project to improve efficiency and value addition of high value crop production.

Partnership

The results-based country partnership strategy, 2006–2010 was an important step toward commitments made at the Paris High-Level Forum on Aid Effectiveness, in early 2005, between developing country

Table 3. Bangladesh: 2010 Loan, Technical Assistance, and Grant Approvals (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
1,249.00	–	7.58	–	1,256.58

– = nil.

Cumulative Lending (as of 31 Dec 2010) : \$12,134.3 million
Cumulative Disbursements (as of 31 Dec 2010) : \$8,393.2 million

Table 4. Bangladesh: Cumulative ADB Lending as of 31 December 2010

Sector	Loans (no.)	Amount (\$ million)	% ^a
Agriculture and Natural Resources	57	1,978.45	16.30
Education	18	897.16	7.39
Energy	35	2,895.25	23.86
Finance	16	401.73	3.31
Health and Social Protection	5	164.10	1.35
Industry and Trade	16	564.80	4.65
Public Sector Management	6	919.85	7.58
Transport and ICT	35	2,485.70	20.48
Water Supply and Other Municipal Infrastructure and Services	14	830.60	6.85
Multisector	10	996.70	8.21
Total	212	12,134.34	100.00

ICT = information and communication technology.

^a Total may not add up because of rounding.

Table 5. Bangladesh: Project Success Rates

Sector	% ^a	No. of Rated Projects/Programs
Agriculture and Natural Resources	47.37	38
Education	66.67	12
Energy	76.92	13
Finance	30.00	10
Health and Social Protection	25.00	4
Industry and Trade	60.00	5
Transport and ICT	77.78	18
Water Supply and Other Municipal Infrastructure and Services	66.67	6
Multisector	100.00	4
Total	59.09	110
Year of Approval		
1970s	26.09	23
1980s	57.14	35
1990s	72.34	47
2000s	100.00	5

ICT = information and communication technology.

^a Based on aggregate results of project/program completion reports (PCRs), PCR validation reports (PCRVRs), and project/program evaluation reports (PPERs) using PCRVR or PPER ratings in all cases where PCR and PCRVR/PPER ratings are available.

Sources: PCRs, PCRVRs, and PPERs containing a rating circulated as of 31 December 2010.

Table 6. Bangladesh: Portfolio Performance Quality Indicators for Sovereign Lending, 2009–2010

Number of Ongoing Loans (as of 31 Dec 2010)	2009 (\$ million)		2010 (\$ million)	
	2009 (\$ million)	2010 (\$ million)	2009 (\$ million)	2010 (\$ million)
Contract Awards/Commitments	1,209.4	458.1	1,209.4	458.1
Disbursements	1,068.0	469.1	1,068.0	469.1
Loans at Risk (%)	–	3.6	–	3.6

– = nil.

governments and development partners. Implementation of the strategy, which ended in December 2010, required continued strong partnership with all stakeholders in Bangladesh, including the private sector, civil society, and development partners.

Consultations with stakeholders and partners such as civil society and/or NGOs, academia, private sector and development partners have been undertaken for preparing the next country partnership strategy, 2011–2015.

ADB also cooperates extensively with civil society organizations in Bangladesh to strengthen the effectiveness, quality, and sustainability of its services. An example is the Second Urban Primary Health Care Project.

Cofinancing and Procurement

Cofinancing operations enable ADB's financing partners—government or their agencies, multilateral financing institutions, and commercial organizations—to participate in the financing of ADB projects. The additional funds are provided in the form of grants, official or commercial loans, and syndications.

As of year-end 2010, cumulative direct value-added cofinancing for Bangladesh amounted to \$2.87 billion for 30 investment projects and \$60.4 million for 74 technical assistance projects.

In 2010, three projects received loan cofinancing: \$45.0 million from the Korea Export-Import Bank for the Natural Gas Access Improvement Project; \$10.0 million from International Fund for Agricultural Development (IFAD) for the Participatory Small-Scale Water Resources Sector; \$140.0 million from Islamic Development Bank (IsDB); \$300.0 million from JICA, Japan; and \$1,200.0 million from the World Bank for the Padma Multipurpose Bridge project. A grant of \$15.90 million was provided by KfW, Germany for the Sustainable Rural Infrastructure Improvement project.

A summary of projects with cofinancing from 1 January 2006 to 31 December 2010 is available at www.adb.org/Documents/Fact_Sheets/Bangladesh/cofinancing.asp

From 1 January 1968 to 31 December 2010, contractors and suppliers were involved in 186,186 contracts for ADB loan projects worth \$97.66 billion. During the same period, contractors and suppliers from Bangladesh were involved in 20,292 contracts for ADB loan projects worth \$4,497.27 million.

From 1 January 1968 to 31 December 2010, consultants were involved in 11,643 contracts for ADB loan projects worth \$4.63 billion. During the same period, consultants from Bangladesh were involved in 408 contracts for ADB loan projects worth \$92.61 million.

From 1 January 1968 to 31 December 2010, consultants were involved in 22,350 contracts for ADB technical assistance projects worth \$3.15 billion. During the same period, consultants from Bangladesh were involved in 575 contracts for ADB technical assistance projects worth \$41.26 million.

A summary of procurement contracts awarded to companies and consultants from Bangladesh for goods and works, and consulting services can be found at www.adb.org/Documents/Fact_Sheets/Bangladesh/procurement.asp

Operational Challenges

Weak governance and structural problems continue to constrain Bangladesh's development. The 2010 country portfolio review mission identified actions needed to improve several key areas of project implementation, specifically the project approval process, procurement, and financial management. The country partnership strategy, 2006–2010 emphasized the need to design projects that are better prepared for implementation. This means projects that are simpler; take into consideration capacity constraints; and include covenants that are realistic, focused, and properly sequenced.

Table 7. Bangladesh: Projects Cofinanced, 1 January 2006–31 December 2010

Cofinancing	No. of Projects	Amount (\$ million)
Projects*	10	1,953.60
Grants	5	147.60
Official loans	6	1,806.00
Technical Assistance Grants	6	3.25

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

Table 8. Bangladesh: Share of Procurement Contracts

Item	2009		2010		Cumulative (as of 31 Dec 2010)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods and Works	846.18	8.21	235.17	3.62	4,497.27	4.60
Consulting Services	21.70	5.00	25.97	6.25	133.87	1.72

Table 9. Bangladesh: Contractors/Suppliers Involved in ADB Loan Projects, 1 January 2006–31 December 2010

Contractor/Supplier	Sector	Contract Amount (\$ million)
Energypac Engineering Ltd.	Multisector	33.09
AML-GITEC-ICCL JV.	Transport and ICT	22.21
Monico Ltd.	Multisector	15.11
Eastern Bank Ltd.	Finance	14.59
BRAC	Agriculture and Natural Resources	12.47
Islam Trading Consortium Ltd.	Multisector	11.88
Abdul Monem Ltd.	Multisector	11.87
B. J. Geo-Textile Ltd.	Agriculture and Natural Resources	10.25
SQ & Cable Co. Ltd.	Energy	9.19
Areva Energietechnik	Energy	8.12

ICT = information and communication technology.

Table 10. Bangladesh: Top Consulting Firms Involved in ADB Loan Projects, 1 January 2006–31 December 2010

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Resource Planning and Management Consultant	2	5.28
Bets Consulting Services Ltd.	3	5.25
SODEV Consult	2	4.51
SMEC International Pty Ltd., Bangladesh	2	3.92
E-Gen Consultants Ltd., Bangladesh	1	3.00
Chittagong City Corporation	2	2.81
S.F. Ahmed & Co.	2	1.97
Maxwell Stamp Ltd.	3	1.30
Community Development Association (CDA)	2	1.20
Bangladesh Rural Integrated Development	2	1.20
Individual consultants	15	0.31

Table 11. Bangladesh: Top Consultants (Individual Consultants and Consulting Firms) Involved in ADB Technical Assistance Projects, 1 January 2006–31 December 2010

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Maxwell Stamp Ltd.	11	5.51
E-Gen Consultants, Ltd.	3	3.04
HB Consultants Ltd.	2	1.47
Uniconsult International Ltd.	2	1.07
South Asia Management & Engineering Services Pvt.	1	0.50
Bangladesh Women Chamber of Commerce & Industry	1	0.49
Centre for Development Studies (CDS)	1	0.42
Technoconsult International Ltd.	1	0.40
Institute of Governance Studies, BRAC University	1	0.36
Institute of Water Modelling (IWM)	2	0.35
Individual consultants	204	4.61

Future Directions

The Bangladesh country operations business plan, 2011–2013, approved in July 2010, comprises 24 projects totaling about \$3.2 billion, including assistance for primary education, and energy and transport sector. The technical assistance program for 2011–2013 consists of 41 projects, with an annual allocation of about of \$7.9 million.

Assistance to the transport sector will help reduce the cost of doing business and improve the investment climate, while ADB will support investments and institutional reforms in the power and gas sectors to ensure reliable and affordable access for the majority of the population.

Efforts will continue to improve the quality and relevance of education by building capacity and improving policies and the institutional environment.

In urban development and water supply and sanitation, ADB will focus on strengthening municipal management and local resource mobilization, promoting a clean urban environment, and improving basic living conditions in secondary towns and cities.

In agriculture, ADB will support government efforts to develop and adopt productivity-enhancing technologies and to improve rural infrastructure and local governance, in collaboration with other development partners.

Assistance for flood management and irrigation systems will boost agricultural productivity and encourage livelihood diversification.

In the coming year, under the Strengthening Governance Management Project approved in 2010, ADB will support e-governance, online submission of tax returns, and land record digitization, continuing a long history of support for good governance in Bangladesh.

Table 12. **ADB Assistance to Developing Member Countries, 2009–2010^a**

	2009 (\$ million)	2010 (\$ million)	Change (%)
Lending	13,215.89	11,462.27	(13.27)
ADF, Sovereign	2,210.31	2,212.57	0.10
OCR, Sovereign	10,567.71	8,196.96	(22.43)
OCR, Nonsovereign	437.87	1,052.73	140.42
Public Sector	134.30		
Private Sector	303.57	1,052.73	246.78
Equity Investments	220.00	243.00	10.45
Grants ^b	1,113.52	1,052.86	(5.44)
Technical Assistance	267.00	326.54	22.30

() = negative, ADF = Asian Development Fund, OCR = ordinary capital resources.

^a Excludes terminated loans, equity investments, technical assistance, and grants.

^b Excludes grant cofinancing not administered by ADB.

About Bangladesh and ADB

ADB Membership

Joined 1973

Shareholding and Voting Power

Bangladesh is the 13th largest shareholder among regional members and the 20th largest overall.

Figures are as of 1 April 2009, before ADB's Board of Governors voted to adopt the fifth general capital increase. The process is ongoing, and the final figures are expected to be available by 30 June 2011. Current subscription levels are available from the Office of the Secretary.

Shares held 36,128 (1.02%) Votes 49,360 (1.11%)

Ashok K. Lahiri is the Executive Director and **Bounleua Sinxayvolavong** is the Alternate Executive Director representing Bangladesh on the ADB Board of Directors.

Thevakumar Kandiah is the ADB Country Director for Bangladesh. The Bangladesh Resident Mission (BRM), the first field office of ADB opened in 1982, provides the primary operational link between ADB and the government, private sector, and civil society stakeholders in its activities. BRM engages in policy dialogue and acts 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 2010, lending volume was \$11.46 billion (106 projects), with TA at \$175 million (243 projects) and grant-financed projects at \$982 million (40 projects). In addition, \$3.67 billion in direct value-added loan, grants and TA cofinancing was generated. From 1 January 2006 to 31 December 2010, ADB's annual lending volume averaged \$10.3 billion. In addition, TA and investment grants funded by ADB and special funds resources averaged \$692.6 million and \$175.4 million in TA over the same period. As of 31 December 2010, the cumulative totals excluding cofinancing were \$167.1 billion in loans for 2,328 projects in 42 countries, \$4.4 billion in 163 grants, and \$3.15 billion in TA grants, including regional TA grants.

Contacts

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Useful ADB websites

Asian Development Bank
www.adb.org

Country website
www.adb.org/bangladesh

Asian Development Outlook
www.adb.org/documents/books/ado/2011/ado2011-ban.pdf

Annual Report
www.adb.org/Documents/Reports/Annual_Report/2010/default.asp

Depository Libraries
www.adb.org/Publications/Depositories/ban.asp