



Bangladesh: Public-Private Infrastructure Development Facility (PPIDF)

Project Name	Public-Private Infrastructure Development Facility (PPIDF)												
Project Number	40517-013												
Country	Bangladesh												
Project Status	Approved												
Project Type / Modality of Assistance	Loan												
Source of Funding / Amount	<table><tr><td colspan="2">Loan 2453-BAN: Public-Private Infrastructure Development Facility (PPIDF)</td></tr><tr><td>Asian Development Fund</td><td>US\$ 83.00 million</td></tr><tr><td colspan="2">Loan 2454-BAN: Public-Private Infrastructure Development Facility (PPIDF)</td></tr><tr><td>Ordinary capital resources</td><td>US\$ 82.00 million</td></tr><tr><td colspan="2">Loan: Public-Private Infrastructure Development Facility (PPIDF)</td></tr><tr><td>Islamic Development Bank</td><td>US\$ 100.00 million</td></tr></table>	Loan 2453-BAN: Public-Private Infrastructure Development Facility (PPIDF)		Asian Development Fund	US\$ 83.00 million	Loan 2454-BAN: Public-Private Infrastructure Development Facility (PPIDF)		Ordinary capital resources	US\$ 82.00 million	Loan: Public-Private Infrastructure Development Facility (PPIDF)		Islamic Development Bank	US\$ 100.00 million
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Strategic Agendas	Inclusive economic growth												
Drivers of Change	Governance and capacity development Private sector development												
Sector / Subsector	Finance - Infrastructure finance and investment funds												
Gender Equity and Mainstreaming	No gender elements												
Description	<p>The Public-Private Infrastructure Development Facility (PPIDF) includes and \$82 million loan from ADB's ordinary capital resources (OCR), an \$83 million equivalent loan from ADB's special funds resources and a technical assistance grant of \$500,000 for capacity building and supporting project implementation.</p> <p>Component A will use ADB's OCR funds of \$82 million to provide financing to the Government of Bangladesh for relending to the Infrastructure Development Company Limited (IDCOL) to finance private sector-sponsored large infrastructure subprojects with a subproject size of more than \$30 million.</p> <p>Component B will provide ADF support of \$50 million equivalent to the Government for relending in local currency to IDCOL to finance small and medium-sized infrastructure subprojects primarily located in rural and semiurban areas, especially in the energy sector.</p> <p>Component C will provide ADB funding of \$33 million equivalent for the purpose of promoting renewable energy systems in Bangladesh. IDCOL will finance the set-up of renewable energy systems such as solar home systems and/or biomass installations through a microfinance-based, direct sales program.</p>												
Project Rationale and Linkage to Country/Regional Strategy	The PPIDF will directly support the Government's infrastructure development agenda by providing long-term funds for infrastructure financing. With ADB's assistance through the facility, IDCOL will be able to provide funds at commercial terms with maturity of more than 20 years for infrastructure subprojects, which are otherwise currently not available in the market.												
Impact	Improved per capita infrastructure availability												
Project Outcome													
Description of Outcome	Enhanced private sector participation in infrastructure development												
Progress Toward Outcome	Three subprojects of ADB share of \$82.0 million (ECPV Chittagong \$30 million; Regent Power Plant \$30 million, and Summit Meghnaghat Power Plant \$22 million) approved and contract awarded for all these three subprojects. Full amount have been disbursed to respective sub-projects.												
Implementation Progress													

Description of Project Outputs	<ol style="list-style-type: none"> 1. Improved lending terms of IDCOL for infrastructure subprojects 2. Improved ability of IDCOL to mobilize long-term capital 3. Enhanced governance at IDCOL 4. Enhanced capacity for application of environmental and social safeguards standards 5. Enhanced efficiency of IDCOL in developing and financing infrastructure subprojects
Status of Implementation Progress (Outputs, Activities, and Issues)	<p>As per current lending policy of IDCOL, maximum tenor is 15 years.</p> <p>Not achieved.</p> <p>IDCOL will consider issuance of debt instruments in future.</p> <p>IDCOL has raised financing for few medium and large infrastructure projects during this period as shown below:</p> <ol style="list-style-type: none"> 1. ADB approved a Project of \$93 million (ADB share \$30 million) for 108 MW power project to ECPV Chittagong Limited. 2. 108 MW power project costing \$84.2 million with ADB share of \$30 million to Regent Energy and Power Limited. 3. 335 MW HFO based power plant of Summit Meghnaghat Power Company Limited, Narayanganj. Estimated project cost is \$287 million of which ADB share is proposed \$22 million. <p>IDCOL has obtained AA+ rating in 2012. The rating was valid till 31 December 2014.</p> <p>IDCOL will consider obtaining credit rating from an internationally accepted agency once it intends to raise additional fund from international market. At present, there is no plan for foreign currency loan on commercial terms.</p> <p>ESSF has been updated and posted on IDCOL's website since 2012.</p> <p>So far, IDCOL has obtained environmental and social clearances from ADB for five projects i.e. NTFN, WiMAX, and 108 MW power plant of ECPVCL, Regent Power Plant, and Summit Meghnaghat Power Plant.</p> <p>IDCOL is committed to achieve ADB standard regarding environmental and social due diligence.</p> <p>The processing time, among other things, depends on the type of projects, scopes of social and environmental appraisal. Average processing time of IDCOL seems to have improved. However, the response time of IDCOL has improved. IDCOL expects to improve its response time further.</p>
Geographical Location	Bangladesh
Safeguard Categories	
Environment	FI
Involuntary Resettlement	A
Indigenous Peoples	A
Summary of Environmental and Social Aspects	
Environmental Aspects	The Project is classified as category FI (Financial Intermediaries) in accordance with ADB's Environment Policy (2002). An environmental and social safeguards framework developed to assist in the environmental and social safeguards assessment of subprojects during implementation of the Project and to ensure compliance with all relevant ADB policies.
Involuntary Resettlement	Involuntary resettlement has significant impact. A resettlement framework has been developed as part of the environmental and social safeguards framework to guide the resettlement assessment of subprojects during the implementation of the PPIDF. Based on the framework, appropriate resettlement plans were prepared for each subproject having resettlement impacts.
Indigenous Peoples	Impact on indigenous peoples is also significant. A social safeguard framework covers the basic requirement of screening and planning to address any tribal (indigenous) population issues arising from any subproject. Appropriate tribal peoples development plans will be prepared for each subproject having any impacts.
Stakeholder Communication, Participation, and Consultation	
During Project Design	Extensive consultation meetings were held with the Finance Division of the Ministry of Finance (the executing agency), IDCOL (the implementing agency), Bangladesh Bank, Ministry of Finance, and the private sector. Furthermore, on-site due diligence was conducted with sponsors of large infrastructure subprojects and participating organizations under IDCOL's renewable energy program.
During Project Implementation	Periodical meetings, review missions, follow-up are being carried out during project implementation. All activities under the loans completed, except disbursement of \$30 million to Regent Power Plant which is expected by the end of October 2014.
Business Opportunities	
Consulting Services	n/a

Procurement	<p>For subprojects to be financed out of component A, IDCOL will required its sub-borrowers to adopt internationally competitive bidding procedures in accordance with ADB's Procurement Guidelines as amended from time to time, and the Government's guidelines, policies, and regulations.</p> <p>For subprojects to be financed out of components B and C, ADB will encourage IDCOL to require its sub-borrowers to adopt international competitive bidding procedures in accordance with ADB Procurement Guidelines as amended from time to time when the amount of the investment is unusually large and economy and efficiency can be gained by such procedures.</p> <p>For procurement of goods and services to be financed by subloans out of the loan proceeds, the sub-borrower will ensure, and certify to ADB if requested, that goods and services obtained are suitable for the subloans, that the price paid is least-cost, and that account is taken of factors such as time of delivery, efficiency, and the reliability of goods.</p> <p>For build-operate-transfer subprojects and variants, if the subproject sponsor or engineering, procurement, and construction contractor is selected through competitive bidding amount international entities in accordance with procedures acceptable to ADB, such subproject sponsore or contractor may apply its own procedures for procurement provided that such procurement is for goods, services, and works supplied from, or produced in, ADB member countries. Moreover, such subproject sponsors or contractors must only be nationals of ADB member countries.</p>
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Responsible ADB Officer	Bidyut Kumar Saha
Responsible ADB Department	South Asia Department
Responsible ADB Division	Bangladesh Resident Mission
Executing Agencies	<i>Finance Division, MOF (EA)Bangladesh Secretariat, Dhaka-1000</i> <i>Bangladesh</i> <i>Ministry of FinanceMd. Aminul Islam BhuiyanSher-e Bangla Nagar, Dhaka, Bangladesh</i>

Timetable	
Concept Clearance	02 May 2007
Fact Finding	22 Oct 2007 to 26 Oct 2007
MRM	22 May 2008
Approval	02 Oct 2008
Last Review Mission	-
PDS Creation Date	08 Jun 2007
Last PDS Update	17 Mar 2015

Loan

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	100.00	Cumulative Contract Awards			
ADB	0.00	-	0.00	0.00	%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	100.00	-	0.00	0.00	%

Loan 2453-BAN

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
02 Oct 2008	21 Oct 2008	24 Feb 2009	31 Dec 2013	-	21 Jul 2014

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	183.00	Cumulative Contract Awards			
ADB	83.00	02 Oct 2008	0.00	0.00	0%
Counterpart	0.00	Cumulative Disbursements			

Cofinancing	100.00	02 Oct 2008	81.64	0.00	100%
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Loan 2454-BAN

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
02 Oct 2008	21 Oct 2008	24 Feb 2009	31 Dec 2013	31 Dec 2014	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	82.00	Cumulative Contract Awards			
ADB	82.00	02 Oct 2008	0.00	0.00	0%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	02 Oct 2008	82.00	0.00	100%

Project Page <http://www.adb.org/projects/40517-013/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=40517-013>

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