

 Early Warning System

ADB-42180-019

Third Public-Private Infrastructure Development Facility-Tranche 2



Quick Facts

Countries	Bangladesh
Financial Institutions	Asian Development Bank (ADB)
Status	Proposed
Bank Risk Rating	FI
Borrower	Government of Bangladesh
Investment Type(s)	Loan
Loan Amount (USD)	\$ 266.00 million



Project Description

The 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.

A key design element of the proposed Third Public-Private Infrastructure Development Facility (PPIDF 3) 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, 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.



Investment Description

- Asian Development Bank (ADB)



Contact Information

PROJECT CONTACTS

Responsible ADB Officer: Huang, Anqian

Responsible ADB Department: South Asia Department

Responsible ADB Divisions: Public Management, Financial Sector and Trade Division, SARD

Executing Agencies

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ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>



Bank Documents

- [Project Disclosure PDF](#) [\[Original Source\]](#)