

Government of the People's Republic of Bangladesh
Economic Relations Division
Ministry of Finance

PRESS RELEASE

30 June 2016, Thursday

A Financing Agreement of US\$ 50 million has been signed today at the Economic Relations Division (ERD) Dhaka between the Government of Bangladesh and the International Development Association (IDA) of World Bank for implementation of the “**Low Income Community Housing Support Project**”. Mr. Kazi Shofiquil Azam, Additional Secretary, ERD and Mr. Zahid Hossain, Acting Country Director of the World Bank, Bangladesh Office signed the Financing Agreement on behalf of respective sides. Senior officials of the Government of Bangladesh and the World Bank Dhaka office were present on the occasion.

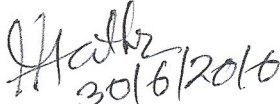
02. The Project will be implemented by the National Housing Authority under the Ministry of Housing and Public Works & Palli Karma Sahayak Foundation under Bank and Financial Institutions Division. The total project cost is US\$ 57.5 million out of which the amount of IDA credit is US\$ 50 million and the rest US\$ 7.5 million will be provided by the Government of Bangladesh. The objective of the Project is to improve living conditions in selected low income and informal settlements in designated municipalities in Bangladesh.

03. The financing will be channeled through the following five components:

- **Community Mobilization and Planning:** The objective of this component is to facilitate community-driven planning for housing projects.
- **Urban Community Improvement and Upgrading:** This component will finance a multi-sectorial package of tertiary infrastructure and service improvements. This includes a combination of water supply, drainage, paved access, electricity, sanitation services and solid waste management.
- **Shelter Lending Support:** This component will finance a credit line within PKSF to provide access to Partner Organizations (POs) for investment in shelter in urban areas and to address the current gap in shelter lending programs among qualified microfinance institutions (MFIs), lenders and/or NGOs.
- **Monitoring & Evaluation and Horizontal Learning:** This component will support independent M&E and learning activities. This will include continuous and ongoing M&E of project implementation and results.
- **Project Management & Capacity Building:** This component will finance capacity building, technical assistance and training associated with the project.

The project will be implemented from 01 April 2016 to 31 March 2020.

04. The loan will be received in standard terms and conditions of the International Development Association (IDA), which includes 0.75% service charge on disbursed amount. The repayment of the loan is 38 years, including a 06 years grace period.


30/6/2016

(Mahfuza Akther)
Senior Assistant Secretary