



RÉPUBLIQUE
FRANÇAISE

Liberté
Égalité
Fraternité



AGENCE FRANÇAISE
DE DÉVELOPPEMENT



AFD AND

Bangladesh



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€ 1.11 billion
financed
since 2012

€ 30 million
committed as grants
since 2012

34%
of funds invested
in the energy sector

Since 2012, AFD and Bangladesh have been working together to develop low-carbon infrastructure and to promote access to essential services for the people. AFD acts through loans and also mobilizes European funding in the form of grants to enable Bangladesh to achieve its long term development goals.

Our goal: to support green and inclusive growth in Bangladesh.

Our action in Bangladesh

1

Improving access to drinking water for all

Ensuring access to drinking water for its rapidly growing population is a major challenge for Dhaka. Faced with the rapid fall in groundwater levels, the authorities want to use surface water. However, these water resources, though abundant, are polluted and must be protected.

AFD provides its support to the Dhaka Water and Sanitation Authority (DWASA) to improve access to drinking water and for the sustainable management of water resources.

- ▣ AFD is funding the construction of the Saidabad-3 and Gandharbpur treatment plants, which will be supplied by the Meghna River. 5 million inhabitants will benefit from more efficient water services and nearly 4 million additional inhabitants will be connected to the network. The environmental impact will also be considerable, owing to the shift from the use of ground water to surface water.

2

Strengthening electricity networks

To meet rising demand and support its economic development, Bangladesh is modernizing its power grid.

AFD is financing a project to overhaul and extend the Dhaka Power Distribution Company's (DPDC) power grid. The project will provide a more stable power supply and reduce CO₂ emissions per kWh produced.

Through its green finance label, SUNREF, AFD provides two credit lines and supports Infrastructure Development Company Limited (IDCOL) and Bangladesh Infrastructure Finance Fund Limited (BIFFL) in financing renewable energy and energy efficiency projects across the country, while promoting environmental performances and women entrepreneurship.

3

Encouraging sustainable urban mobility

With nearly 45,000 inhabitants per square kilometre, Dhaka today is the densest capital in the world. However, the city does not yet have an organized and efficient mass transit system. As a result, frequent traffic jams impair economic activity and pollute the air. AFD is supporting Dhaka with the development of a smoother and more low-carbon transportation system.

- ▣ AFD is co-funding the construction of a line of rapid, high-capacity buses that will link the north of the city to the airport along a dedicated lane. The project will improve city's productivity by providing Dhaka's population with improved connectivity and therefore easier access to jobs and equipment in the city.
- ▣ AFD will also provide additional funding to support the new line operations. It is planned to be approved in 2022.

4

Promoting CSR in the textile industry

Bangladesh is the second largest exporter of textile products in the world. The sector accounts for 80% of its exports and employs nearly 5 million people.

The collapse of Rana Plaza in 2013 highlighted the inadequacy and non-compliance with social and safety standards in the textile sector.

AFD runs a European credit program that enables factories to invest in safety and social and environmental standards. The EU and the German institutions, KfW and GIZ, are AFD's partners in this initiative.

5

Supporting health and social protection systems

The Covid-19 pandemic illustrated how crucial healthcare and social protection systems are for mitigating economical and health impacts on the most vulnerable populations.

In this unprecedented context, AFD extended its support to the Ministry of Social Affairs, as early as 2020, in a modernisation programme of social transfers, collaborating with the World Bank.

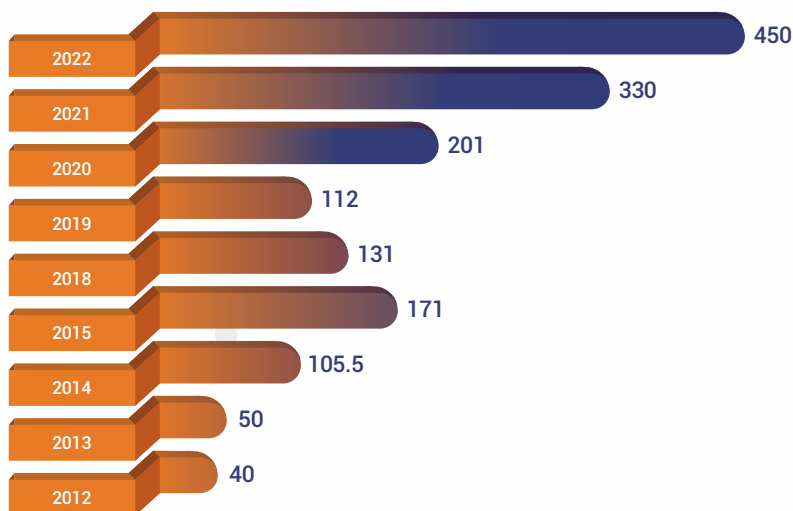
In 2021, AFD extended its involvement to strengthen the health and health insurance systems in Bangladesh with a budget support loan. It is supplemented by a technical assistance programme including the training and management of medical personnel involved in the country's response to Covid-19.

Our key figures in Bangladesh



22 Projects financed since 2012

Actual and Expected Commitments (in million EUROS)



Portfolio amount

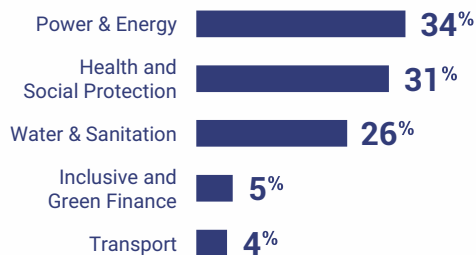


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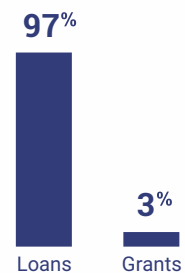
billion EUROS

PORTFOLIO DISTRIBUTION

BY SECTOR



BY FINANCIAL TOOL



BANGLADESH

Saidabad-3: Securing and sustainably managing Dhaka's drinking water supply



AFD is providing support to Dhaka's water authority in its efforts to increase the production capacity of drinking water by developing the use of surface water and making existing infrastructure sustainable. It is also providing support to the Government for a more sustainable management of water resources.

BACKGROUND

DWASA, the Dhaka Water and Sewerage Authority, has two drinking water treatment plants in Saidabad which are currently supplied by the Shitalakshya River. Due to the latter's increasing pollution, the raw water from it may soon become unsuitable for drinking water treatment, thereby calling for an alternative supply for these plants.

To respond to the high demand, DWASA also needs to increase its production and expand its service area by including more informal settlements. DWASA is committed to developing the use of surface water, which is more respectful of the environment than underground water abstraction, at a time when aquifers are shrinking – a matter of considerable concern.

AFD has been involved in the water sector in Bangladesh since the inception of its activities: cofinancing Dhaka Environmentally Sustainable Water Supply Project (DESWSP) (177M€) is one of its first interventions in the country.

DESCRIPTION

The Saidabad-3 project aims at doubling the current site's production capacity by commissioning a new unit supplying 450,000 m³ per day, as well as installing a water intake and a pumping station on the Meghna River, 30 km from Dhaka, which will supply raw water to the three Saidabad units. A treated water pipeline will also be built and the primary distribution network strengthened, including in Dhaka's poor neighbourhoods. As the Meghna River is one of the last options for supplying Dhaka with surface water (due to the pollution of the rivers around the capital), the project will go hand-in-hand with an environmental management plan to preserve the river's water quality.

This highly ambitious project is one of the largest water treatment infrastructures in the world and is cofinanced with European partners, KfW, Danida and EIB.

IMPACTS

- Improving and securing the quality of the drinking water supply for nearly 2.5 million inhabitants
- Connecting nearly 2 million inhabitants to the drinking water distribution network thanks to increased production
- Positive impact on the environment by reducing more than half of unsustainable underground abstractions

Country

Bangladesh



Location

Dhaka



Sectors

Water and sanitation, Climate



Financing tool

Sovereign concessional loan



Amount financing

115M€

Funding duration

20 Years

Beneficiaries

DWASA (Dhaka Water and Sewerage Authority)

Co-financers

KfW
European Investment Bank
Danida



Project start date

15/05/2018

BANGLADESH

Strengthening Dhaka's electrical distribution network



© Ashish Peter Gomes/AFD

Securing its electricity supply is a priority for Bangladesh in order to support its economic and social development. AFD is helping the Dhaka Power Distribution Company (DPDC) to modernize its network to meet the growing demand.

BACKGROUND

In Dhaka, power outages occur almost daily due to the weak distribution network while infrastructure obsolescence generates online losses of around 10%. As economic activities are highly concentrated in the capital and its periphery, where the population continues to grow rapidly, the demand for electricity in the area covered by the Dhaka Power Distribution Company (DPDC) is rising sharply (+12% per year by 2021).

Access to reliable and adequate power supply is necessary to bolster economic growth. Increasing production capacity and improving the electricity sector's performance are therefore at the heart of the country's development strategy.

DESCRIPTION

This project, aimed at strengthening the DPDC Power Grid, is part of a multi-year program run by the Asian Development Bank (Power System Expansion and Efficiency Improvement Investment Program). The objective is to increase the production, transmission and distribution capacity of Bangladesh's power sector.

Since 2015, AFD's financing has already enabled the installation of fourteen new transformers (132/33kV and 33/11kV) and the laying of the associated cables.

By 2024, AFD will support the improvement of the power factor through construction of 6 more transformers, extension of 4 substations and installation of additional equipment.

In addition, a 12M€ grant from the European Union will support the implementation of a pilot project to upgrade DPDC's distribution grid to a more effective and smart grid. The grant will also cover specific capacity building within DPDC.

IMPACTS

- Power distribution will gain in stability and predictability, and the frequency of load shedding will be reduced
- Nearly 5 million inhabitants will have access to more reliable electricity
- 250,000 new households, mostly low-income, will be connected
- Positive impact on the environment as a smaller volume of fuel will be necessary for the same quantity of electricity consumed

Country

Bangladesh



Location

Dhaka



Sectors

Power and energy efficiency



Financing tool

Sovereign concessional loan



Amount financing

242M€

Funding duration

20 Years

Beneficiaries

DPDC (Dhaka Power Distribution Company)

Co-financers

Asian Development Bank
European Union (12M€ under Asia Investment Facility)



Project start date

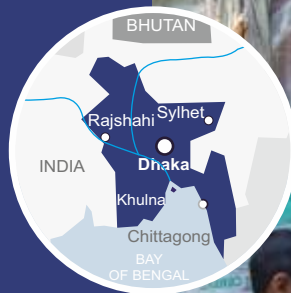
01/06/2015



Co-funded by the European Union

BANGLADESH

Strengthening Bangladesh's health insurance system



The Cash Transfer Modernisation Project is a social protection support program for cash transfers to the elderly, widow, disable, and disable students. This project is supporting the Government of Bangladesh in implementing a number of institutional reforms to be undertaken by Ministry of Social Welfare under the National Social Security Strategy (NSSS).

BACKGROUND

The Covid-19 pandemic has exerted enormous pressure on Bangladesh's health system, which is poorly equipped in terms of human and material resources and remains largely inaccessible for the most disadvantaged populations in cities and rural areas. Yet demographic pressure and the effects of climate change will significantly increase exposure to epidemiological risks in this country, which is one of the most densely populated and flood-prone in the world.

To support its graduation in a few years from the group of Least Developed Countries, as defined by the OECD's DAC, the country is seeking to develop healthcare in terms of access, provision, resilience and quality, in line with its commitments for the Sustainable Development Goals. The "Vision 2041" strategic document sets the objective of universal health coverage by 2030. Its priority target is the most vulnerable populations, by implementing non-contributory insurance schemes and strengthening primary health centers in rural areas and for vulnerable populations.

DESCRIPTION

This project aims to contribute to the response to the health crisis, by supporting the implementation of the vaccination campaign, while focusing on structurally strengthening the health and social protection system.

The measures and indicators are set out in a public policy matrix and have been defined jointly with the local authorities. They target the strengthening of more resilient health and social protection systems. One of the activities financed aims to support the medical staff responsible for the response to Covid-19, improve the quality of health human resources and facilities, as well as laboratory-based epidemiological surveillance, set up non-contributory health insurance schemes and contribute to increasing the resources earmarked to finance health.

The project has a cross-cutting objective of strengthening adaptation to climate change by improving the surveillance of climate-sensitive diseases, as well as energy efficiency and the consideration of disaster risks for health facilities.

IMPACTS

- Equal access to healthcare and the coverage of the financial risk for health.
- Efficient and transparent management of public finances in order to enhance the impact of health policies
- Provision of quality healthcare through investments in facilities and human resources training
- Greater resilience to climate change and improved capacity to respond to future shocks.

Country

Bangladesh



Sectors

Health and Social Protection



Financing tool

Sovereign Concessional Loan



Amount financing

150M€

Funding duration

20 Years

Beneficiaries

Government of the People's Republic of Bangladesh

Partner institutions

Department of Social Services (DSS), Ministry of Social Welfare



Project start date

January 2021

BANGLADESH

Improving the safety and environmental footprint of textile factories



© UNSGCA/Flickr

Following the Rana Plaza incident in 2013, AFD is helping to upgrade the Bangladeshi textile sector's security standards, as well as to improve working conditions and the environmental impact of factories.

BACKGROUND

Bangladesh is the second largest exporter of ready-made garments (RMG) in the world today. Textile manufacturing accounts for 80% of the country's exports and the sector employs 4.5 million workers, most of whom are women. The collapse of the Rana Plaza building, resulting in the deaths of more than a thousand people, highlighted the working conditions in Bangladeshi factories where major Western apparel brands are outsourcing their production.

To maintain the competitiveness of its economy, Bangladesh needs to upgrade its safety standards and also anticipate its customers' environmental requirements.

DESCRIPTION

A 50 million Euro line of credit will enable exporting factories to finance the work necessary to bring buildings up to safety standards (electrical and fire safety, structural soundness). Investments to improve working conditions, limit pollution and improve the environmental footprint of RMG factories, including better effluent, water and energy management, will also be eligible.

As an incentive, the European Union and KfW are financing an investment bonus scheme, paid at the works' completion, which will soften the loan conditions for factories. Finally, a GIZ technical assistance program is aimed at supporting the factories in their investment plan, as well as in helping commercial banks to develop a service offer adapted to funding these investments and in strengthening their capacities for this purpose.

IMPACTS

- Improved safety conditions and environmental performance of 150 factories
- Improvement of the welfare of women workers at the work site
- Continued competitiveness of the Bangladeshi textile sector in export markets

Country

Bangladesh



Location

Dhaka



Sectors

Ready Made Garment, Textile
Corporate Social Responsibility



Financing tool

Sovereign concessional loan
Delegated grant from the
European Union



Amount financing

€ 50M loan, € 6.3M EU grant

Funding duration

20 Years

Beneficiaries

Bangladesh Bank

Co-financers

European Union (6.3M€ under
Asia Investment Facility)
KfW, GIZ



Project start date

29/03/2018



Co-funded by the
European Union

Agence Française de Développement (AFD) implements France's policy on international development and solidarity. Through its financing of NGOs and the public sector, as well as its research and publications, AFD supports and accelerates transitions towards a fairer, more resilient world. It also provides training in sustainable development (at AFD Campus) and other awareness-raising activities in France.

With our partners, we are building shared solutions with and for the people of the Global South. Our teams are at work on more than 4,000 projects in the field, in the French Overseas Departments and Territories, in 115 countries and in regions in crisis. We strive to protect global public goods – promoting a stable climate, biodiversity and peace, as well as gender equality, education and healthcare. In this way, we contribute to the commitment of France and the French people to achieve the Sustainable Development Goals (SDGs). Towards a world in common.

**AGENCE FRANÇAISE DE
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BANGLADESH**

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