



Bangladesh Investment Promotion and Financing Facility Project II (IPFF II) (P159429)

SOUTH ASIA | Bangladesh | Finance, Competitiveness and Innovation Global Practice |
IBRD/IDA | Investment Project Financing | FY 2017 | Seq No: 8 | ARCHIVED on 26-Jan-2021 | ISR45283 |

Implementing Agencies: Bangladesh Bank, Ministry of Finance

Key Dates

Key Project Dates

Bank Approval Date: 05-Apr-2017

Effectiveness Date: 22-Jan-2018

Planned Mid Term Review Date: 19-Oct-2020

Actual Mid-Term Review Date: 20-Dec-2020

Original Closing Date: 30-Jun-2022

Revised Closing Date: 30-Jun-2022

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The PDO is to increase long-term financing for infrastructure and to build capacity of the local financial institutions for promoting private sector-led infrastructure financing in Bangladesh.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components Table

Name

Long-Term Infrastructure Financing Component:(Cost \$403.70 M)
Technical Assistance Component:(Cost \$13.00 M)

Overall Ratings

| Name | Previous Rating | Current Rating |
|--------------------------------------|---------------------------|---------------------------|
| Progress towards achievement of PDO | ☐ Moderately Satisfactory | ☐ Moderately Satisfactory |
| Overall Implementation Progress (IP) | ☐ Moderately Satisfactory | ☐ Moderately Satisfactory |
| Overall Risk Rating | ☐ Moderate | ☐ Moderate |

Implementation Status and Key Decisions

A Mid-Term Review (MTR) Mission was recently undertaken for the World Bank supported Bangladesh Investment Promotion and Financing Facility II (IPFF II) Project implemented by Bangladesh Bank (BB). The key finding during the MTR mission is that one of the key reasons for slow implementation of the project has been the objective of promoting longer term capital assets through money markets instruments and institutions. As such, the MTR mission recommended for linking the IPFF II project activities to capital markets institutions and instruments. Studies conducted under the World Bank Group Joint Capital Markets Development Program (JCAP) indicated that strengthening ICT enabled institutional capacity of Bangladesh Securities and Exchange Commission (BSEC) and setting of interoperability standards for the market participants will go a long way in strengthening the depth and breadth of the markets where the stronger ICT-enabled market platforms will provide for real time capital markets transaction by the investors from domestic as well as international sources. The enhanced provision for entry and exit from the capital markets and digital business process platform for the BSEC will promote transaction of diverse financing instruments including infrastructure bonds, derivative securities, and overall enhanced intermediation of longer term financing in the country.



Risks

Systematic Operations Risk-rating Tool

| Risk Category | Rating at Approval | Previous Rating | Current Rating |
|--------------------------------------------------------------|--------------------|-----------------|----------------|
| Political and Governance | ☐ Substantial | ☐ Substantial | ☐ Substantial |
| Macroeconomic | ☐ Moderate | ☐ Substantial | ☐ Substantial |
| Sector Strategies and Policies | ☐ Low | ☐ Low | ☐ Low |
| Technical Design of Project or Program | ☐ Moderate | ☐ Moderate | ☐ Moderate |
| Institutional Capacity for Implementation and Sustainability | ☐ Moderate | ☐ Moderate | ☐ Moderate |
| Fiduciary | ☐ Moderate | ☐ Moderate | ☐ Moderate |
| Environment and Social | ☐ Substantial | ☐ High | ☐ High |
| Stakeholders | ☐ Moderate | ☐ Moderate | ☐ Moderate |
| Other | ☐ Low | ☐ Low | ☐ Low |
| Overall | ☐ Moderate | ☐ Moderate | ☐ Moderate |

Results

PDO Indicators by Objectives / Outcomes

| Increasing long-term financing for infrastructure & building capacity of the local fin. institutions | | | | |
|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------|----------------|
| ▶ Equity investments from private sector entrepreneurs under IPFF II (Amount(USD), Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 25,000,000.00 | 35,000,000.00 | 95,000,000.00 |
| Date | 30-Jun-2017 | 30-Jun-2020 | 12-Jan-2021 | 30-Jun-2022 |
| Comments: | Given the pipeline sub-projects now under application review process, total private sector Equity investments is on track for surpassing US\$ 100 million. | | | |
| ▶ Long term debt financing for infrastructure under IPFF II (Amount(USD), Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 51,000,000.00 | 67,000,000.00 | 406,700,000.00 |



| | | | | |
|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------|----------------|
| Date | 30-Jun-2017 | 30-Jun-2020 | 12-Jan-2021 | 30-Jun-2022 |
| Comments: | Considering the scheduled disbursement of long-term debt financing pending completion and clearance of the Environmental and Social Impact Assessment (ESIA) the end target is very much achievable. | | | |
| ► Total investments in infrastructure under IPFF II (Amount(USD), Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 120,000,000.00 | 150,000,000.00 | 610,000,000.00 |
| Date | 30-Jun-2017 | 30-Jun-2020 | 12-Jan-2021 | 30-Jun-2022 |
| Comments: | This indicator combines all debt and equity financing mobilized and crowded in from all private and public sector sources through the IPFF II Project platform. Given the pipeline sub-projects accounting for total investments over US\$1.0 billion, it is expected that the total investments mobilized by IPFF II will be over US\$700 million by the project closing date. | | | |
| ► Private Capital Mobilized (Amount(USD), Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 30,000,000.00 | 50,000,000.00 | 260,000,000.00 |
| Date | 30-Jun-2017 | 30-Jun-2020 | 30-Jun-2020 | 30-Jun-2022 |

Intermediate Results Indicators by Components

| | | | | |
|------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------|------------------|---------------|
| Long-Term Infrastructure Financing Component | | | | |
| ► Financing volumes through innovative financial instruments deployed for financing of infrastructure (Amount(USD), Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 0.00 | 0.00 | 30,000,000.00 |
| Date | 30-Jun-2017 | 30-Jun-2020 | 12-Jan-2021 | 30-Jun-2022 |
| ► At least 20 domestic financial institutions use IPFF II credit line (Number, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 17.00 | 17.00 | 20.00 |
| Date | 30-Jun-2017 | 30-Jun-2020 | 12-Jan-2021 | 30-Jun-2022 |
| ► Female beneficiaries from IPFF II (Number, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |



| | | | | |
|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------|-------------|
| Value | 0.00 | 50.00 | 90.00 | 200.00 |
| Date | 30-Jun-2017 | 30-Jun-2020 | 12-Jan-2021 | 30-Jun-2022 |
| ► Affected citizens' satisfaction with infrastructure subprojects (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 60.00 | 60.00 | 75.00 |
| Date | 30-Jun-2017 | 30-Jun-2020 | 12-Jan-2021 | 30-Jun-2022 |
| Comments: | The formal satisfaction survey has been delayed due to COVID-19 pandemic. Results of feedback through alternative a survey is currently being designed and its results will be reflected in the following ISR. | | | |
| ► PFIs maintain eligibility criteria (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 100.00 | 100.00 | 100.00 |
| Date | 30-Jun-2017 | 30-Jun-2020 | 12-Jan-2021 | 30-Jun-2022 |

| | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------|------------------|-------------|
| Technical Assistance Component | | | | |
| ► The capacity of financial institutions participating in IPFF II to undertake financial analysis of infrastructure projects is strengthened - number of staff trained (Number, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 50.00 | 50.00 | 200.00 |
| Date | 30-Jun-2017 | 30-Jun-2020 | 30-Jun-2020 | 30-Jun-2022 |
| ► Environmental assessments are undertaken for all infrastructure projects financed under the facility in coordination with the DoE (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 100.00 | 100.00 | 100.00 |
| Date | 30-Jun-2017 | 30-Jun-2020 | 30-Jun-2020 | 30-Jun-2022 |
| ► E&S capacity developed; staff trained (Number, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 55.00 | 55.00 | 200.00 |
| Date | 30-Jun-2017 | 30-Jun-2020 | 30-Jun-2020 | 30-Jun-2022 |



Performance-Based Conditions

Data on Financial Performance

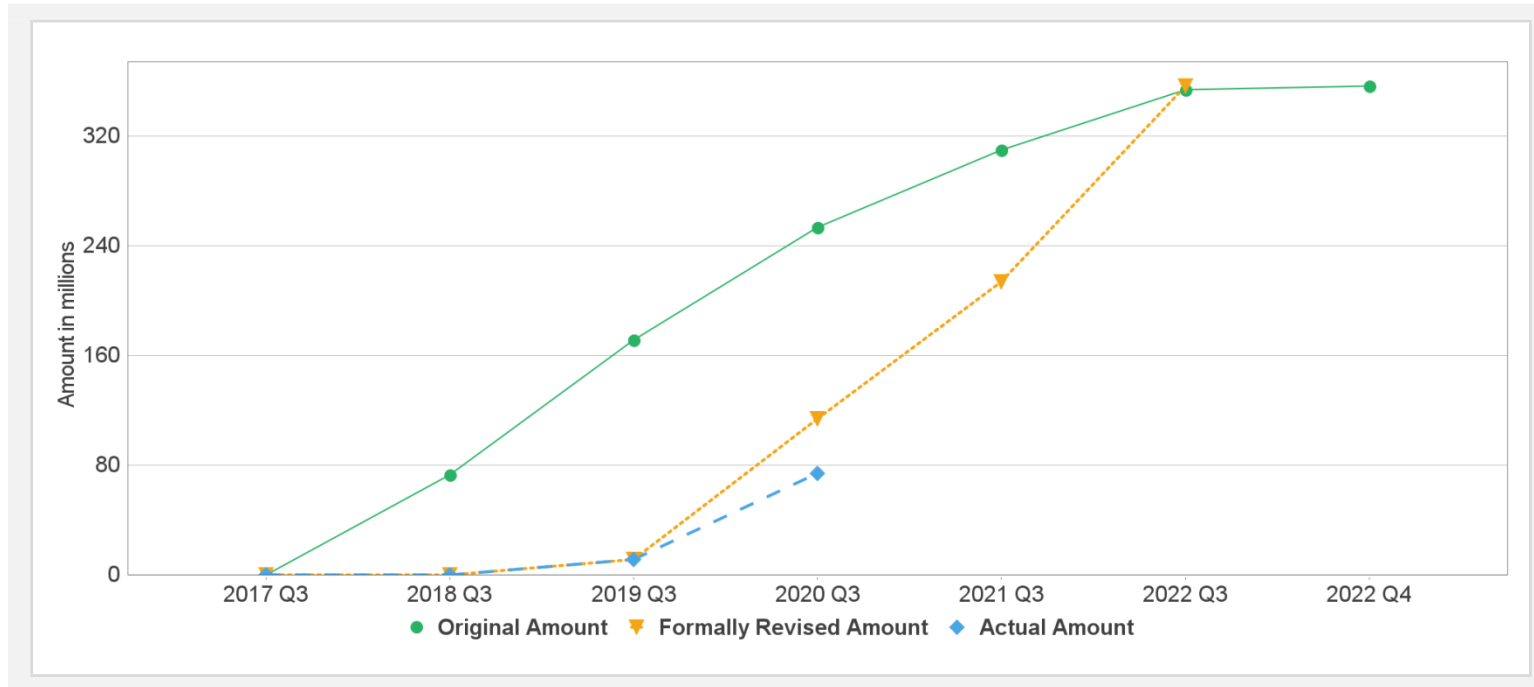
Disbursements (by loan)

| Project | Loan/Credit/TF | Status | Currency | Original | Revised | Cancelled | Disbursed | Undisbursed | % Disbursed |
|---------|----------------|-----------|----------|----------|---------|-----------|-----------|-------------|-------------|
| P159429 | IDA-60040 | Effective | USD | 100.00 | 100.00 | 0.00 | 31.34 | 78.31 | 29% |
| P159429 | IDA-60050 | Effective | USD | 256.70 | 256.70 | 0.00 | 82.52 | 183.79 | 31% |

Key Dates (by loan)

| Project | Loan/Credit/TF | Status | Approval Date | Signing Date | Effectiveness Date | Orig. Closing Date | Rev. Closing Date |
|---------|----------------|-----------|---------------|--------------|--------------------|--------------------|-------------------|
| P159429 | IDA-60040 | Effective | 05-Apr-2017 | 05-Nov-2017 | 22-Jan-2018 | 30-Jun-2022 | 30-Jun-2022 |
| P159429 | IDA-60050 | Effective | 05-Apr-2017 | 05-Nov-2017 | 22-Jan-2018 | 30-Jun-2022 | 30-Jun-2022 |

Cumulative Disbursements



PBC Disbursement

| PBC ID | PBC Type | Description | Coc | PBC Amount | Achievement Status | Disbursed amount in Coc | Disbursement % for PBC |
|--------|----------|-------------|-----|------------|--------------------|-------------------------|------------------------|
|--------|----------|-------------|-----|------------|--------------------|-------------------------|------------------------|



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.
