Ministry of Foreign Affairs

Activity: Support to BDP2100 accelerator program (24-0000623)

Id	24-0000623
Date	07-07-2026
SAP application number	

Contents

Key data

Activity basics

Type	Standard
Short name	Support to BDP2100 accelerator program
Contract party	The World Bank (30011226)
ODA	Yes
Amount and Currency	400000 USD
Amount EUR	370000
Start date	15-04-2024
End date	11-06-2027
Full name	Support to the BDP2100 accelerator program – identification of PPP opportunities and leveraging Dutch private investment
Summary	Contribution to the WBG2030 Trust Fund to support the Bangladesh Delta Plan 2100 (BDP2100) Accelerator Program led by the Bangladesh Water Multi-Stakeholder Partnership (BWMSP). The contribution aims to support two rapid assessments of potential PPP projects for which there is strong interest from the Dutch private sector, one of which is for the central industrial effluent treatment plants and integrated solid waste management facilities in Jamalpur and Shreeharta Economic Zones (the second RA is still to be decided) and the preparations of a large investors conference to be held beginning of 2025.

Activity details

Date of receipt of proposal	13-03-2024
Proposal's reference number	
Budget holder	Ambassade Dhaka (8241DHA)
Limit access	No
Related activity	

Accounting data

SAP application number	
Main funds center	Water deleg: integrated water management (1702U0203)

Policy data

Cooperation modality	Project support
Technical assistance	50% or more of the activity budget
CRS code	14050 Waste management / disposal
Policy Keywords	
Refugees & host communities	No
Team Europe Initiative	No
Policy Markers	
Biodiversity	Not targeted
Climate change: adaptation	Principal
Climate change: mitigation	Not targeted
Desertification	Not targeted
Equality between men & women	Not targeted
Environmental protection	Principal
Explain your choices	The contribution is for meant to support two Rapid Assesments (RA) for Public Private Partnership projects under the Bangladesh Delta Plan 2100 which is a long-term water-centric plan to deal with the effects of climate change. The RA for the Central Effluent Treatment Plants on two industrial zones contribute to the water quality of the receiving rivers and surrounding environment. In this way, our financial support contributes to the markers adaptation and environmental protection.

Beneficiary location

Beneficiary location	Country
Country	Bangladesh
Location type	Other
Specific location	

Policy Appraisal

Policy relevance

The engagement of NL in Bangladesh in the period 2023-2026 is shifting from traditional development cooperation towards a relationship of equal partners with a focus on sustainable and socially responsible trade, investments and knowledge exchange. According to the MACS (2023-2026), maintaining the political relationship and intensifying the economic relationship with Bangladesh by combining ODA instruments with (Dutch) private sector involvement will strengthen the NL position as a reliable economic partner and strengthen our relationship. By investing now, NL will lay the foundation for the next 50 years to come.
In the framework of the NIWA strategy, the Netherlands will accelerate the BDP2100 implementation, by supporting GoB's readiness to implement projects and access innovative finance including tapping into private sector investment. The Netherlands and Bangladesh signed a Memorandum of Understanding in February 2023 on strategic cooperation in the field of Adaptive Delta Management. One of the three main objectives of the MoU is to promote mechanisms and build on each other's comparative advantages, particularly to advance business development.

Rationale

The long cooperation in the field of water and delta management and the joint work on BDP2100, have provided the Dutch Water Sector with a very good name and is regarded as preferred knowledge supplier in Bangladesh. However, the involvement in implementation and contracting works through winning open tenders is lagging behind. Major reason is the relative price disadvantage when comparing the cost of Dutch technology and contracting work with e.g. cheaper Asian technology.
A gradual shift is taking place both within the Bangladeshi Government and the International Financing Institutes towards valuing quality of work and technology in tender documents. If the Netherlands can exploit their comparative quality advantage over the cheaper regional available technology suppliers and contractors, the investment requirements for BDP2100 give ample opportunity for the Dutch Water and Delta Technology sector.
To attract private finance and scale up private sector investment in previously dominated public financed, operated and maintained projects, a comprehensive policy reform agenda is being implemented by GoB. This includes introducing user charges to ensure adequate funding for operations and maintenance, developing viability gap funding mechanisms, establishing credit-worthy off takers, and building capacity within ministries and agencies to implement bankable contracts. While private sector investment in the BDP2100 is still in its early stages, there is significant potential for increased private sector participation in financing and implementing the plan's projects.
At the 1st meeting of High-Level Advisory Committee (HLAC) for Pollution Management and Value Chain Transformation Accelerator Program under the Bangladesh Water Multi-Stakeholder Partnership (BWMSP) the rapid Assessments (RA) for 3 PPP (Public-Private Partnership) projects under Delta Plan Accelerator Program were included as priority agendas for HLAC. Two of them are the CETP & Integrated Solid Waste Management Facility at Jamalpur & Sreehatta Economic Zones.
On 13 March 2024, BWMSP organized a consultation meeting to identify bankable projects through PPP under the Delta Investment Plan. Input for the meeting forwarded by EKN is the SIBDP review report of national and international PPP Projects. Potential PPP projects identified by the SIBDP consultants lie in water technology, irrigation infrastructure and land reclamation. As experience is gained and necessary reforms are made more projects will be implemented as PPPs and attracting higher percentages of private finance.

Strategy

During a workshop organized on 13 October 2023 in Dhaka on the future of the Dutch Water Sector in Bangladesh opportunities to transform the traditional partnership model, a government-centric, ODA-dependent approach, to a more diversified, innovative, and sustainable network of stakeholders with more emphasis on sustainable trade and investment were explored. Recommended was to explore investment avenues for the water sector including Public Private Partnerships (PPP), joint ventures (JV), and Foreign Direct Investment (FDI).
For the water technology sector the PPP construction is promising as there are already several examples. Building on earlier experience, the Bangladesh Economic Zone Authority (BEZA) has identified CETP & Integrated Solid Waste Management Facility at Jamalpur & Sreehatta Economic Zones as priority PPP investment projects. To enable to attract private investment the development of a solid business case as part of the rapid assessment of the baseline scenario, regulatory compliance, etc.
Financing of early project phases like pre-feasibility studies and development of business cases is extremely difficult. Finance institutes and investors normally only step in once a bankable project has been identified. To overcome this gap, World Bank and EKN are proposing to finance the rapid assessment of CETP & Integrated Solid Waste Management Facilities at Jamalpur & Sreehatta Economic Zones and another still to be identified.
To make the business case interesting for potential Dutch investors and technology suppliers, the financial viability needs to be elaborated based on a life-cycle costing of Dutch technology. To convince the GoB, this needs to be benchmarked against cheaper regionally available technology and equipment. The environmental costs of technology failure should be accounted for in the

analyses as well. The expectation is that the use Dutch technology based on a life-cycle costing including environmental costs and indicators such as reliability will favour the Dutch Technology over the commonly used Asian technology (see attached ToR).
By teaming up with the WRG2030, we can gain the benefits from a well-established network within the GoB that has support from PMO. This could also provide a certain level of comfort to Dutch enterprises newly entering the Bangladeshi market.
WRG2030 is planning to organize an investors conference early 2025. Joining this initiative gives EKN the potential to jointly shape the event and benefit from the event organization and preparation without having to take the lead.

Results

Outcome

Accelerate the implementation of the BDP2100 and through mobilization of public and private finance through commercial investments in PPP projects.

Output

1. Engagement Agreement on at least 3 PPP projects
2. Prefeasibility study reports with business case
3. PPP Authority and CCEA approval for at least 3 PPP projects
4. Transection Advisory Team appointment by PPPA
5. Viability Gap Finance (VGF) grant facilitation for the 3 PPP projects

Contextual analysis

- The target group is the inhabitants that live downstream of the industrial economic zones as they will be mostly affected by the water water effluent. For the other, yet to be decided, PPP opportunities to be explored it will also be the local population and the wider inhabitants of Bangladesh as this is the target group of the Bangladesh Delta Plan 2100.
- At the same time the Dutch private sector is a target group as in the transition period wherby the Netherlands is shifting from traditional development cooperation towards a relationship of equal partners with a focus on sustainable and socially responsible trade, investments and knowledge exchange.
- The main stakeholders are for the CETP the Bangladesh Economic Zone Authority that are responsible for the Economic Zones as well as the industries that operate from the economic zones. for the, yet to be decided PPP opportunities to explored the main stakeholders will be indentified in due course.
- BEZA has been involved from the start and have drafted the initial request which was put to the Embassy through WRG2030.
- The intervention is meant generic, however the RAs are location specific. By working on a few specific cases and bringing them to a positive conclusion this could leverage more private capital for the implementation of BDP2100.

Added value

If there are positive business cases for Dutch investors, it is likely that the first PPP projects in the water sector with Dutch private investment is a reality. If the PPP projects turn-out successful, it paves the way for many more investment opportunities as BEZA is committed to developing 97 economic zones across Bangladesh in particular and the GoB is committed to leveraging more private capital for the implementation of BDP2100 in particular.
WRG2030 contributes with slightly over USD 1 mln. The contribution from the Netherlands is USD 0.4 mln.

Lessons learned

This is a new avenue for the Dutch Water Sector in Bangladesh to be explored and will generate new lessons. However the project will build upon lessons from BEZA in another economic zone where they have worked succesfully under a PPP construct.

Durability

This project supports the pre-feasibility phase. Through engagement with private investors and companies and gauging their interest even before the start of this project, the continuation of this project is guranteed if the RA shows a positive business case.

Gender

No, however in the design of the overarching Delta Plan gender equality has been considered. Here we are making a contribution to an activity that does not target a specific gender or age group.

Climate change

In the rapid assessment that will be supported as part of this activity, climate risk and climate change effects will be incorporated.

Cooperation, harmonisation and alignment

Bangladesh's Government (GoB) has a firm vision of becoming an upper-middle income country (UMIC) by 2031. To achieve this goal, the country would need substantial economic development and growth, fueled by robust investments in power, infrastructure, disaster management, climate change, agriculture, water, human and social development, and poverty reduction. In 2018, GoB has adopted BDP2100, with the goal of achieving a safe, climate resilient, and prosperous Delta. BDP 2100 seeks to integrate the medium to long-term aspirations of Bangladesh to achieve upper middle income status and eliminate extreme poverty by 2030 and being a prosperous country beyond 2041, with the key goal is to ensure water and food security, economic growth, and environmental sustainability while reducing vulnerability to climate change.

For the implementation of the BDP2100, enormous investments have to be made equaling 2,5% of GDP by 2025. Private sector investment plays a crucial role in the implementation of the BDP2100. In fact BDP2100 foresees that 20% of the investment needs should come from the private sector. The government recognizes the benefits of private sector engagement in terms of innovation, efficiency, and resource mobilization.

The Bangladesh Water Multi-Stakeholder Partnership (BWMSP) was formed in 2015 and formalized through a gazette notification, giving it a quasi-legal status. BWMSP has representation from the public sector including the Cabinet Secretary, the Principal Secretary, and representatives from various government ministries that deal with water resources. In addition to national government agencies, stakeholders from the public sector include local government officials. Representation from the private sector includes the president of the International Chamber of Commerce and other key agencies such as the Bangladesh Garment Manufacturers and Exporters Association, Bangladesh Knitwear Manufacturers and Exporters Association, as well as multinationals such as Coca-Cola and Nestlé. Civil society partners include organizations such as BRAC and the Bangladesh University of Engineering and Technology.

The overall goal is to develop a fact-based, analytical approach to address water security at national and local levels for economic development and a healthy ecosystem. BWMSP promotes coordination across sectors to establish efficient and sustainable partnerships. The recently initiated Delta Plan Accelerator Program aims to accelerate the implementation of the BDP2100 and incubate the development of PPP projects.

Digitalisation

- if digitaization is an issue this will be part of the RA.

Additional remarks (if applicable)

Results

Water

3.6. Market development and mobilizing additional financial means

Learning questions
What have we learned from this activity for market development and/or mobilizing financial means?
Measurements:

Indicators
What has been achieved by this activity on Market development and/or mobilizing financial means?
Measurements:

IWRM, water efficiency in agriculture and water governance

Indicators
2.A. Number of people reached with water governance interventions aimed at river basins and deltas with good water quality and quantity, as a result of Dutch support
Measurements:

2.D. Number of hectares in water-related ecosystems reached by physical interventions aimed at protection and/or restoration, as a result of Dutch support
Measurements:

Monitoring and evaluation

Monitoring

- The support is meant for three indivdual activities each with a start and end (a defined project period). WB will recruit consultants through their tendering processes, which are deemed to be strict and well-monitored. Monititoring the activity will be done based on the submitted workplans.
- Through regular project meetings with the WB, the overall process will be monitored.
- By reviewing draft and final consultancy reports, the quality will be monitored and if required action can be taken.
- The following reports are provided:
    - narrative:
    - financial (financial statements):

Evaluation

For this assignment no evaluation is foreseen.

Finance

Budget breakdown

Activities	Estimated total budget (US$)	EKN Support (US$)	WRG Trust Fund (US$)
Program Coordination	400.000	-	400.000
Operational and technical support to industrial wastewater management initiatives			
Operational and technical support for green bonds			
Operational and technical support to municipal wastewater management project			
Prefeasibility assessments for municipal wastewater management PPP projects and support to land acquisition and resettlement plan development	200.000		200.000
Prefeasibility assessments for CETPs in economic zones for industrial wastewater management PPPs and support to land acquisition and resettlement plan development	200.000	150.000	50.000
Second PPP Rapid Assessment based on the GoB priority and Dutch interest	200.000	150.000	50.000
International Investor Conference	300.000	100.000	200.000
Events, MSP meetings, travel, comms, contingency	190.000	-	190.000

Total	**1.490.000**	**400.000**	**1.090.000**

- Is the budget arithmetically correct? YES
- Are the amounts/rates in the budget acceptable? YES
- Briefly explain the structure of the budget. *Budget consists of TA costs, lump sump for organizing the Investors conference that needs to be detailed later and overhed costs. The overhead costs are provided by the trust fund. Dutch contribution goes into TA of prefeasability studies and joint costs of the Investors conference.*
- Are overheads proportional to outputs? YES
- Is implementation conditional on the budget being amended in an inception phase? NA

Earmarking

- Is the Dutch contribution to the programme earmarked (i.e. reserved for a specific purpose)? If so, specify the reasons why. *YES as EKN specifically contributes with the aim to simultaneously explore possibilities for Dutch investors; WB will provide a financial statement for our contribution.*

Prepayments

- Based on the prepayment decision tree (see Help), do the payments need to be entered as prepayments and why? In the case of a lump sum, assess this against the applicable criteria and give the reasons for your choice. *As per new regulation, the contribution will be booked as lumpsum.*
- What is the maximum percentage that can be paid as prepayment, and why? *WB will be provided 100% payment as per WB's policies which are approved by BZ.*
- Which are the reporting obligations on the basis of which prepayments can be closed? *NA*

Available resources

	Foreign currency	**EUR**
Implementing organisation's own contribution	USD 1.090.000	1.008.250
Firm commitments by other donors (for each donor)		
Dutch contribution	USD 400.000	370.000
Total available resources	USD 1.490.000	1.378.250
Budget needed	USD 1.490.000	1.378.250
Still to be financed		
Soft commitments by other donors (for each donor)		
Uncovered balance		

- Are there any non-financial contributions relevant to implementation of the activity, such as deployment of volunteers, availability of buildings, materials, etc.? NA
- If there is an uncovered balance, how will this affect implementation of the activity (e.g. proportional reduction in outputs, omission of regions) and how will this affect the decision whether to fund this activity? NA

Grant with a repayment obligation, loans, equity investment or guarantee

- Does the Dutch contribution take the form of a grant with a repayment obligation, a loan, an equity investment or a guarantee (either in whole or in part)? If yes, briefly set out the consequences for accounting and how correct processing in the financial records will be ensured. NO
- Are there revolving funds? If yes, please explain what will happen to any residual funds, how closure will take place and which agreements should be made. NO

Audit opinions

- Is an audit opinion required for the activity (see Help)? Briefly explain.
- Should the audit opinion be accompanied by an additional auditor's report (for example, on the risks set out above, or on monitoring that the organisation carries out on its prepayments to other organisations)?

WB will provide financial statements and an annual Management Assertion (FY: July - June) as per General Arrangement.