



Project Signing: \$10 Million Grant for Solar Irrigation in Bangladesh

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DHAKA, September 30, 2013 ? The Government of Bangladesh signed a \$10 million grant agreement today with the World Bank to introduce solar irrigation pumps for farmers. The Solar Irrigation Project will enable installation of more than 1,300 solar powered irrigation pumps covering more than 65,000 bighas of land for rice cultivation. The project will be financed by the Bangladesh Climate Change Resilience Fund (BCCRF), an innovative multi-donor financing mechanism. The solar irrigations pumps will provide farmers access to clean energy in a comparatively lower cost. Traditionally, Bangladeshi farmers rely on more expensive diesel based irrigation pumps for rice cultivation. By replacing diesel pumps with solar irrigation pumps in areas where grid electricity has not reached, the project will reduce dependence of farmers on diesel supply, which is often erratic and costly particularly in remote rural areas. Reliance on costly diesel imports for irrigation puts a pressure on countrys foreign exchange. 1300 solar irrigation pumps will save \$3.2 million in foreign currency every year from displacement of diesel. Wider use of solar powered irrigation pumps will help Bangladesh to save foreign exchange in diesel imports. Due to clean and renewable energy used, the project will reduce carbon emission by 10,000 tons every year, said Christine Kimes, Acting Head, World Bank Bangladesh. "The project will contribute to improve farmers livelihoods, increase climate change resilience of the agriculture sector and strengthen food security. Private sponsors will be responsible for installing, operating and maintaining the solar irrigation pumps. BCCRF will provide up to 50% of the pump costs in grant, while International Development Association (IDA) of the World Bank will provide 30% in concessional credit. Private sponsors are expected to provide 20% of the pump costs as equity." The project directly contributes to Government of Bangladeshs climate change adaptation vision, said Arastoo Khan, Additional Secretary, Economic Relations Division, Government of Bangladesh. "Wider use of solar irrigation pumps will help the agriculture sector to reduce dependence on diesel imports. Smooth supply of water for irrigation will help to increase agricultural productivity. The solar irrigation pumps will enable us save foreign exchange substantially. However, to popularize the solar irrigation pumps, investment in research and innovation is needed to bring down the upfront cost of the pumps." BCCRF has provided \$10 million grant in first phase for the solar irrigation project and the total commitment amount for project is \$24.5 million in grant financing. The Infrastructure Development Company Limited (IDCOL) will implement the solar irrigation project through private sponsors as part of the Rural Electrification and Renewable Energy Development II (RERED II) Project. Mr. Arastoo Khan, Additional Secretary, Economic Relations Division and Ms. Christine Kimes, Acting Head, World Bank Bangladesh signed on behalf of the Government of Bangladesh and the World Bank respectively, at the Economic Relations Division in presence of the development partners. ABOUT BCCRF The Government of Bangladesh has successfully aligned its development partners to address the countrys climate change challenges by having them establish a multi-donor fund - the Bangladesh Climate Change Resilience Fund. So far, the BCCRF has channeled \$189 million in grant funds from seven development partners, namely Australia, Denmark, EU, Sweden, Switzerland, UK and the USA to strengthen resilience to climate change. The Government of Bangladesh is in the drivers seat and has the authority to decide which projects to fund and how they are to be implemented. On an interim basis, the implementation and administration of the fund is augmented by the World Bank, especially in the areas of ensuring fiduciary transparency and accountability due diligence. Media Contacts In Dhaka Mehrrin Mahbub : (+880-2) 8159001
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