



Regional: South Asia Economic Integration Partnership - Power Trading in Bangladesh and Nepal (Subproject 1)

Project Name	South Asia Economic Integration Partnership - Power Trading in Bangladesh and Nepal (Subproject 1)		
Project Number	45396-009		
Country	Regional		
Project Status	Closed		
Project Type / Modality of Assistance	Technical Assistance		
Source of Funding / Amount	TA 8658-REG: South Asia Economic Integration Partnership - Power Trading in Bangladesh and Nepal (Subproject 1)		
	ATF - DFID-United Kingdom	US\$ 1.00 million	
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration		
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development		
Sector / Subsector	Energy - Electricity transmission and distribution - Energy sector development and institutional reform		
Gender Equity and Mainstreaming	No gender elements		
Description	<p>The cluster TA on South Asia Economic Integration Partnership, which will be supported through an amount of _1,952,204 (approximately \$3.160 million) in untied grant facility from the Government of United Kingdom through the Department for International Development (DFID), was approved by the ADB Board of Directors on 7 May 2012. The expected completion date of the Cluster TA is on 30 June 2015 . The countries eligible for financing under the cluster TA are Bangladesh, Bhutan, and Nepal. The cluster TA focuses on four priority areas for cooperation, namely: (i) pre-feasibility work for trade-related cross-border infrastructure, transport logistics, and related software; (ii) energy trade and institutional capacity building; (iii) trade facilitation including customs modernization and harmonization; and (iv) other regional public goods that directly enhance economic integration in connection with trade in goods, services, and energy (e.g., strengthening financial systems, coordinating macroeconomic policies, addressing climate change vulnerabilities through energy trade, and other social and environmental conditions).</p> <p>The subproject will (i) conduct feasibility studies on establishing power trading companies in Bangladesh and Nepal completed (ii) develop databases from Bangladesh and Nepal to for the South Asia Sub-regional Economic Cooperation (SASEC) Regional electricity transmission plan ; and (iii) support to improve networking of Bangladesh and Nepal officials with their counterparts in other SASEC countries. These three outputs are aligned with the outputs of the cluster TA respectively.</p>		
Project Rationale and Linkage to Country/Regional Strategy	<p>Power systems in South Asia offer significant diversity in terms of availability of primary energy resources for electricity generation and demand for power. However, there have been very limited efforts to date to exploit this diversity. Many countries in the region continue to have peak time electric power supply shortages due to generation capacity additions not keeping up with the demand growth. Any effort within the region to reduce electricity shortages would have significant economic benefits. An option available for the region is to allow cross-border electricity trade in any surpluses that the countries may have either over time of day or over seasons or at any other time. Findings of the ADB financed SAARC Regional Energy Trade Study (SRETS) and the South Asian Regional Power Exchange Study (SARPES) highlighted and quantified the large potential of such cross border power trading . This potential can be exploited only if there are properly planned cross-border interconnections between countries and adequate institutional structure in place for power trading. In this regard, a regional transmission master plan for cross-border interconnections and power trading companies in respective countries (there are a few power trading companies in India already) would assist in creating an enabling environment. SASEC energy working group (EWG) held on November 2012 and other interactions with the SASEC countries have identified these needs.</p>		

Impact	Enhanced cross border electricity trade in Bangladesh and Nepal with neighboring countries
--------	--------------------------------------------------------------------------------------------

Project Outcome

Description of Outcome	Enhanced capacity of relevant agencies in Bangladesh and Nepal to foster cross-border power trading
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	Feasibility studies on power trading companies completed Bangladesh and Nepal energy database for SASEC Regional electricity transmission plan developed Improved networking in Bangladesh and Nepal with other SASEC countries
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	

Summary of Environmental and Social Aspects

Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	This proposed subproject is based on the recommendations of the meeting of the SASEC Energy Working Group (EWG) held on November 2012 and other interventions to help cross-border power trade in Bangladesh and Nepal. The recommendations of EWG were drawn from recent ADB-financed studies such as the South Asian Association for Regional Cooperation (SAARC) Regional Energy Trade Study (SRETS) and the South Asia Regional Power Exchange Study (SARPES). These studies have been extensively discussed and the recommendations agreed upon in SAARC intergovernmental meetings and other stakeholder meetings held over the years. Further the specific activities to be undertaken in the subproject have been discussed with the governments of Bangladesh and Nepal during ADB missions in the past and during the inaugural meeting of the SASEC Electricity Transmission Utility Forum.
During Project Implementation	

Business Opportunities

Consulting Services	The subproject will require the services of international (31 person months) and national consultants (46 months). The consulting team will consist of expertise in power system economics, power system planning, power sector governance, power sector regulation and legal. Two consulting firms will be recruited to carry out major part of the tasks envisaged while a few individual consultants will be engaged in specialized tasks. ADB will recruit the consultants in accordance with its Guidelines on the Use of Consultants (2013, as amended from time to time). As the contract budgets are less than \$1,000,000, where applicable, simplified technical proposals will be requested from short-listed firms. A quality-cost ratio of 90:10 will be applied.
Procurement	Procurement of goods is limited to 2 Laptop computers and a license for transmission planning software. Procurement will be carried out in accordance with ADB's Procurement Guidelines (2013, as amended from time to time)

Responsible Staff

Responsible ADB Officer	Cabral Wijayatunga, Priyantha
Responsible ADB Department	South Asia Department
Responsible ADB Division	Energy Division, SARD
Executing Agencies	ADB POHQ Regional

Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	29 May 2014
Last Review Mission	-
Last PDS Update	30 May 2014

TA 8658-REG

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
29 May 2014	-	29 May 2014	30 Jun 2015	31 Oct 2015	-

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	1,000,000.00	0.00	0.00	0.00	0.00	1,000,000.00	29 May 2014	910,602.63

Project Page	https://www.adb.org/projects/45396-009/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=45396-009
Date Generated	06 July 2017

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.