



Bangladesh: Power System Expansion and Efficiency Improvement Investment Program - Tranche 2

Project Name	Power System Expansion and Efficiency Improvement Investment Program - Tranche 2										
Project Number	42378-016										
Country	Bangladesh										
Project Status	Active										
Project Type / Modality of Assistance	Loan										
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2">Loan 3087-BAN: Power System Expansion and Efficiency Improvement Investment Program - Tranche 2</td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 310.00 million</td> </tr> <tr> <td colspan="2">Loan: Power System Expansion and Efficiency Improvement Investment Program - Tranche 2</td> </tr> <tr> <td>Islamic Development Bank</td> <td>US\$ 220.00 million</td> </tr> <tr> <td>Agence Francaise de Developpement</td> <td>US\$ 125.00 million</td> </tr> </table>	Loan 3087-BAN: Power System Expansion and Efficiency Improvement Investment Program - Tranche 2		Ordinary capital resources	US\$ 310.00 million	Loan: Power System Expansion and Efficiency Improvement Investment Program - Tranche 2		Islamic Development Bank	US\$ 220.00 million	Agence Francaise de Developpement	US\$ 125.00 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth										
Drivers of Change	Partnerships										
Sector / Subsector	Energy - Electricity transmission and distribution										
Gender Equity and Mainstreaming	Some gender elements										
Description	The proposed Tranche 2 will contribute to the overall impact of the MFF on increased energy sector contribution to low-carbon economic growth in Bangladesh. The specific impact of the Tranche 2 will be increased access to reliable supply of electricity. The outcome of Tranche 2 is increased transmission and distribution capability in the power system. This will allow increased power transfer from Ghorasal to Tongi and to increased transmission capability to satisfy the increasing demand in Dhaka, Chittagong and Sylhet areas. Also the investments will allow improved distribution networks in the Dhaka region to supply increasing demand in the system to ensure no load-shedding due to network constraints by 2018.										
Project Rationale and Linkage to Country/Regional Strategy	A framework financing agreement (FFA) for the Bangladesh Power System Expansion and Efficiency Improvement Investment Program (BPSEIIP, the facility), has been signed by the Asian Development Bank (ADB) and the Government of Bangladesh (the Government) and ADB's Board of Directors approved this multi tranche financing facility (MFF) on 28 Nov 2012. This MFF funds power sector investments in generation, transmission and distribution systems in Bangladesh to improve efficiency in these systems and add capacity for increased and reliable energy access to the population. The MFF consisted of three tranches to undertake these investments in a staggered manner. The proposed tranche 2 meets the selection criteria set forth in the Schedule 4 of the FFA. It will undertake investments in transmission and distribution network strengthening. Thus the Tranche 2 helps achieving the outcome of the MFF, increased access to clean and reliable supply of electricity in Bangladesh.										
Impact	Increased access to reliable supply of electricity										

Project Outcome

Description of Outcome	Increased Transmission and Distribution capability in the power system
Progress Toward Outcome	N/A

Implementation Progress

Description of Project Outputs	Increased Transmission Capacity Increased south Dhaka distribution network capacity Increased north Dhaka distribution network capacity Efficiently managed project
Status of Implementation Progress (Outputs, Activities, and Issues)	1. All contracts were awarded and implementation progress is 45%. 2. All contracts were awarded and 20% civil works for substation component completed and 60% of distribution network component completed. 3. All contracts have been awarded and materials delivered except Lot-3, Package C1 and Lot-6, Package C2. 4. Not yet due.
Geographical Location	Dhaka

Safeguard Categories

Environment	B
Involuntary Resettlement	A
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	An environmental assessment and review framework (EARF) for the MFF was prepared in September 2012 to ensure that project components in succeeding tranches comply with SPS 2009. Tranche 2 is classified as Category B according to SPS 2009 requiring an initial environmental examination (IEE). Following SPS 2009 and EARF, an IEE was prepared and was publicly disclosed to ADB website in August 2013. No major environmental issue, nonetheless EA submits environmental monitoring reports semi-annually. Subproject selection for Tranche 2 was guided by the environmental criteria outlined in the EARF and Schedule 4 of the FFA. Components of Tranche 2 are not expected to cause significant adverse environmental impacts. Transmission line routes will traverse mainly agricultural lands and no forest, sanctuaries or protected areas will be affected. Environmental management plans have been prepared with adequate resources for implementation. PGCB, DPDC and DESCO will obtain all the required environmental clearances from the DOE prior to construction and copies submitted to ADB. A project brief in Bangla will be prepared by PGCB, DPDC, and DESCO and will be made available to the public at their field offices.
Involuntary Resettlement	In line with ADB Safeguard Policy Statement 2009 (SPS 2009), Tranche 2 is classified as A for involuntary resettlement impacts. Three resettlement plans have been prepared for Part A, Part B and Part C respectively, in accordance with the resettlement framework based on national laws and policies and the Safeguard Policy Statement of ADB. Private land acquisition of 22.0 acres for 3 subprojects of PGCB would potentially lead to permanent economic displacement of about 59 persons and temporary economic displacement for about 168 farmers. Land acquisition for 2 subprojects of DPDC will result in physical displacement of 15 households and 80 persons. One subproject of DESCO will result in economic displacement for 6 persons. The estimated total number of persons to be displaced by subprojects under Tranche 2 will be about 313. Compensation rates for the loss of land and structures, shifting assistance, income restoration assistance, and additional support for vulnerable groups and indigenous groups are provided in the resettlement plans. The compensation entitlements are endorsed by the EA and adequate budget will be allocated. Meaningful consultation and information disclosure were undertaken with (i) project-displaced persons, (ii) the general public through the ADB website. If any changes or additional land requirements or involuntary resettlement impacts are identified, a new or updated resettlement plan will be prepared or modified according to the applicable laws referred to in the resettlement plan. ADB's approval will be obtained before further implementation of the subprojects. The EAs have set up PMUs which will be responsible for RP implementation, monitoring and reporting. The implementation of the resettlement plans will be monitored internally by the EA and externally by qualified and experienced external experts, who will undertake the overall monitoring of the safeguards and relevant social issues and submit semiannual monitoring reports to EA in turn to ADB. No major resettlement issue, nonetheless EA submits resettlement monitoring reports semi-annually.
Indigenous Peoples	Tranche 2 is classified as category C in accordance with the ADB's Safeguard Policy Statement (2009). None of the subprojects would impact communities of indigenous populations or interfere with the territories of the indigenous populations or ethnic minorities, their livelihood systems, customary properties or their natural or cultural resources. However, if there are any unanticipated impacts on indigenous people during project implementation an indigenous peoples plan will be prepared and submitted to ADB for review. EAs will obtain the approval of such a plan before award of related civil works contract and implemented before commencement of the civil works of the relevant subproject, as applicable.

Stakeholder Communication, Participation, and Consultation

During Project Design	During project preparation the project team along with the consultants have conducted stakeholder meetings while finalising the initial environmental examinations and resettlement plans for the respective components.
During Project Implementation	

Business Opportunities

Consulting Services	Implementation support consultant for DPDC_\$1,000,000 as per GOB's guidelines for Q4/2013, National and financed by GOB
Procurement	<p>The following lists goods and works contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.</p> <p>Procurement Advertisement Comment General Description Amount Method Bidders Date</p> <p>Turnkey Contract for 132&230kV S/S and Lines-IDB _ 206.76_ICB_ N_Q2/ 2014_ Financed by IDB</p> <p>Turnkey Contract for 132/230kV S/S and Lines-ADB_ 31.33_ICB_ N_Q1/2014_ Financed by ADB</p> <p>Turnkey Contract of South Dhaka 132/33kV S/S and Lines_ 93.36_ICB N_Q1/2014_ Financed by AfD and GOB</p> <p>Turnkey Contract of South Dhaka 33/11 kV S/S - AfD_ 36.97_ICB_ N_Q2/2014_ Financed by AfD and GOB</p> <p>Turnkey Contract of South Dhaka 33/11kV S/S -ADB_ 45.85_ICB_ N_Q2/2014_ Financed by ADB and GOB</p> <p>Turnkey Contract of 11kV South Dhaka Distribution_ 47.28_ICB_ N_Q2/2014_ Financed by ADB and GOB</p> <p>Turnkey Contract for 132/33/11 kV S/S _ 133.77_ICB_ N_Q2/2014_ Financed by ADB and GOB</p> <p>Supply Contract of North Dhaka Distribution Equipment_ 79.85_ICB_ N_Q1/2014_ Financed by ADB</p>

Responsible Staff

Responsible ADB Officer	Ibrahim, Sherine
Responsible ADB Department	South Asia Department
Responsible ADB Division	Bangladesh Resident Mission
Executing Agencies	<p>Dhaka Electric Supply Company Ltd. (DESCO) MDESCO@BDCOM.COM Biddut Bhaban, 1 Abdul Gani Road Dhaka 1000, Bangladesh</p> <p>Dhaka Power Distribution Company Ltd. (DPDC) SCADA Bhaban (2nd Floor) Kataban, Sonargaon Road Dhaka 1000</p> <p>Power Grid Company of Bangladesh, Ltd. (PGCB) PGCB@CITECHCO.NET; _WEBSITE:WWW.PGCB.ORG IEB Bhaban (4th Floor) Ramna,Dhaka, Bangladesh</p>

Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	11 Dec 2013
Last Review Mission	-
Last PDS Update	23 Mar 2017

Loan 3087-BAN

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
09 Dec 2013	11 Feb 2014	14 Mar 2014	30 Jun 2019	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	530.00	Cumulative Contract Awards			

ADB	310.00	09 Dec 2013	291.52	0.00	94%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	220.00	09 Dec 2013	120.77	0.00	39%

Status of Covenants

Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	Satisfactory	Satisfactory	-	Satisfactory	-	-

Project Page <https://www.adb.org/projects/42378-016/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=42378-016>

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