



### Project Summary Information

Date of Document Preparation: 03/29/24	
<b>Project Name</b>	Electricity Distribution Modernization (Chattogram and Sylhet Divisions) Project
<b>Project Number</b>	P000642
<b>AIIB member</b>	Bangladesh
<b>Sector/Subsector</b>	Energy/ Electricity Transmission and Distribution
<b>Alignment with AIIB's thematic priorities</b>	Green Infrastructure; Technology-enabled Infrastructure
<b>Status of Financing</b>	Under Preparation
<b>Objective</b>	To increase delivery, reliability, and efficiency of power supply in selected areas of Chattogram and Sylhet Divisions in Bangladesh.
<b>Project Description</b>	<p>Bangladesh Rural Electrification Board (BREB), one of the major state-owned entities in the energy sector in Bangladesh, is responsible for extending electricity distribution services to the rural areas of the country. The entity, through its 80 “Palli Bidyut Samities” (PBSs) (i.e., rural electricity clusters) organized under eight divisions, collectively serves more than 77 percent of the country’s electricity consumers. Out of 80 PBSs, Chattogram and Sylhet divisions have 19 PBSs that provide services to around 9.2 million consumers (including industrial and commercial users).</p> <p>These two divisions have developed socio-economically at an accelerated pace in the last 15 years. The Government of Bangladesh’s (GoB) has targeted developing 25 Economic Zones (EZs) and other mega infrastructure in the Chattogram division and expanding industrial opportunities in the Sylhet division. BREB anticipates an increase in consumer demand for reliable electricity supply in these two divisions. In order to (i) cater to the expected additional demand, (ii) decongest the network, and (iii) reduce the distribution losses, BREB has initiated this project to increase the capacity and modernize the distribution network.</p> <p>The following activities are planned in the project scope:</p> <ul style="list-style-type: none"> <li>- Installation and augmentation of approximately 135 nos. of 33/11 kilovolt (kV) substations (2,062 megavolt-amperes (MVA));</li> <li>- Construction and modernization of around 30,000 kilometers (km) of 33/11 kV distribution lines; and</li> <li>- Installation of River-crossing Towers, Switching Stations, Supervisory Control and Data Acquisition (SCADA) System, and Fault Locators</li> </ul>

<b>Expected Results</b>	The project is expected to generate the following results: improved efficiency (reduction in system loss) of the electricity distribution network in the project area, enhanced capacity of the distribution network system, and reduced annual carbon dioxide emissions after project completion.
<b>Environmental and Social Category</b>	B
<b>Environmental and Social (ES) Information</b>	<p><b>Environmental and Social Policy and Categorization.</b> AllIB's Environmental and Social Policy (ESP), including the Environment and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), will apply to this project. ESS 1 (Environmental and Social Assessment and Management) and ESS 2 (Involuntary Resettlement) are applicable to the ES aspects of the project. The applicability of ESS 3 (Indigenous Peoples) will be further assessed during project preparation. The project has been preliminarily assigned Category B as (i) the general environmental and social (ES) impacts are limited to the project area during the implementation period; and (ii) the impacts are expected to be reversible and temporary in nature and can be managed effectively using good practice in an operational setting. BREB has prepared a draft Environmental and Social Impact Assessment (ESIA) report, which is currently being updated and reviewed.</p> <p><b>Environment Aspect.</b> The project will generate ES benefits by enhancing the region's electricity access and transmission efficiency. The physical works include the construction of new substations and transmission lines and the upgrading of existing substations. An initial screening did not identify any associated facilities; however, the project team will work with the Project Implementing Entity (PIE) to confirm this aspect during project preparation. The construction work may have some adverse environmental impacts. The prospective risks and adverse impacts are currently being assessed in the draft Environmental and Social Impact Assessment (ESIA), with a draft Environmental and Social Management Plan (ESMP) also being prepared to avoid, reduce, or mitigate the risks and adverse impacts. Meanwhile, an alternative analysis is being carried out as part of the draft ESIA to prevent adverse effects on critical or natural habitats, if any, and cultural heritage, where technically and financially feasible.</p> <p><b>Social Aspects.</b> The project will give rise to sizeable employment opportunities for both skilled and unskilled workforces throughout the project implementation and operational period. The required lands for the proposed substations have yet to be decided, and, as a result, the Resettlement Planning Framework (RPF) that had been developed by BREB and cleared by the Bank for a similar project (covering Rajshahi and Rangpur Divisions) will be applicable to address any potential displacement impacts.</p> <p><b>Gender Aspects.</b> The project will benefit women by addressing women's unpaid labor-intensive energy activities, including firewood and other fuel collection and caring tasks, by providing specific time-saving technology to free women's time up for</p>

	<p>income-earning activities. In consultation with relevant stakeholders, including BREB and community members, measures will be identified to prevent any potential negative impacts on women, including gender-based violence (GBV), and included in the final management plan.</p> <p><b>Information Disclosure and Project Grievance Redress Mechanism.</b> ES instruments including ESIA and ESMP as well as a summary of those ES documents both in English and local language will be timely disclosed by the client and the Bank in an appropriate manner. A project-level Grievance Redress Mechanism (GRM) will be established following the requirements of AIIB's ESP. Locally appropriate public consultation and disclosure processes will be used to disseminate information about the GRM and Project-affected People's Mechanism (PPM) of the Bank. A separate GRM will be established to address workplace complaints and concerns from project contracted workers. The information of the GRM will also be included in the final ESIA and other ES documents and disseminated to project-affected people.</p> <p><b>Monitoring and Supervision Arrangements.</b> The PMU will be responsible for monitoring the project implementation and is expected that a bi-annual ES monitoring report will be prepared based on agree format and shared with AIIB. The Bank's ES team will conduct implementation support missions regularly.</p>		
<b>Cost and Financing Plan</b>	<p>Estimated project total: USD 820.26 million.</p> <p>Indicative financing plan: USD 531.00 million (AIIB), USD 115.94 million (GoB), and USD 173.32 million (BREB).</p>		
<b>Borrower</b>	People's Republic of Bangladesh		
<b>Implementing Entity</b>	Bangladesh Rural Electrification Board (BREB)		
<b>Estimated date of loan closing</b>	December 2029		
<b>Contact Points:</b>	<b>AIIB</b>	<b>Borrower</b>	<b>Implementation Organization</b>
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<b>Title</b>	Principal Investment Specialist	Additional Secretary & Wing Chief (Asia, JEC, F&F), Economic Relations Division (ERD), Ministry of Finance, People's Republic of Bangladesh	Chairman, Bangladesh Rural Electrification Board (BREB)
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<b>Date of Concept Decision</b>	March 25, 2024		

<b>Estimated Date of Appraisal Decision</b>	Q3-2024
<b>Estimated Date of Financing Approval</b>	Q3-2024
<b>Independent Accountability Mechanism</b>	<p>The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level Grievance Redress Mechanisms (GRM) or AIIB Management's processes. For information on how to make submissions to the PPM, please visit <a href="https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html">https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html</a>.</p>