Early Warning System

AIIB-000015

Bangladesh: Natural Gas Infrastructure and Efficiency Improvement Project

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Quick Facts

Countries	Bangladesh
Financial Institutions	Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	A
Voting Date	2017-03-22
Borrower	People's Republic of Bangladesh
Sectors	Construction, Energy, Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	$ 60.00 million
Project Cost (USD)	$ 453.00 million

Project Description

According to AIIB documents, "the objectives of the proposed Project are to improve efficiency in gas production in Titas Gas Field and to expand gas transmission pipeline capacity between Chittagong and Bakhrabad."

The project has two components. Under component 1, seven wellhead compressors (5 operating and 2 stand-by) will be installed in Titas Gas Field. Upon completion, it is estimated that an additional 1.0 trillion cubic feet of gas will be produced from the Titas gas field. Under component 2, a 181 km, 36-inch gas transmission pipeline will be constructed. The proposed pipeline will constitute a trunk transmission pipeline between Chittagong and Bakhrabad to transport regasified LNG to central and west gas markets.

Investment Description

- Asian Development Bank (ADB)
- Asian Infrastructure Investment Bank (AIIB)

The Project is estimated to cost $453.0 million, including taxes, duties, contingencies, and financing charges during construction. ADB’s loan and the Bank’s loan will be used on a pro-rata basis to finance the cost items. Any shortfall in the funds required would be covered by either the government or implementing agencies.

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ACCOUNTABILITY MECHANISM OF AIIB

In addition, the AIIB has a Bank Oversight Mechanism. According to AIIB's policies, "people who believe they have been or are likely to be adversely affected by a failure of the Bank to implement the ESP may also submit complaints to the Bank's oversight mechanism in accordance with the policies and procedures to be established by the Bank for such mechanism." However, at the time of writing, it is unclear what the exact scope and function of this Oversight Mechanism will be.

Bank Documents

- Project Document [Original Source]
- Project Implementation Monitoring Report (23 Nov 2018)
- Project Summary [Original Source]

Campaign Documents

- Dangerous Distractions: Why the Asian Infrastructure Investment Bank must help turn the tide
- Learn more: This project is tracked by AIIB Watch.

Other Related Projects

- AIIB-000742 Bangladesh: Sustainable Private Capital Infrastructure Financing