



Project Summary Information

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| Date of Document Preparation: January 17, 2020 | |
| Project Name | Dhaka and Western Zone Transmission Grid Expansion Project |
| Document Code | PD000272-PSI-BGD |
| Country | People's Republic of Bangladesh |
| Sector/Subsector | Energy/Electricity Transmission and Distribution |
| Status of Financing | Approved |
| Project Description | <p>The proposed Project will include three components.</p> <ul style="list-style-type: none"> • Component 1: construction of substations with a total capacity of 4,450 megavolt-ampere (MVA) and transmission lines of 40 km in Greater Dhaka. • Component 2: construction of substations with a total capacity of 3,070 MVA and transmission lines of 368 km and 20 bay extensions in Western Zone. • Component 3: strengthening of institutional capacity of Power Grid Company of Bangladesh (PGCB). |
| Objective | The objective of the proposed Project is to enhance the reliability and efficiency of power transmission in Dhaka and Western Zone of Bangladesh. |
| Expected Results | Upon completion, the Project is expected to deliver by 2025: (i) the number of annual power outages reduced to 15 from 60; (ii) transmission loss reduced to 2.50% from 2.76%; (iii) 7,440MVA of power transmission capacity added; (iv) 408 km of transmission lines constructed; and (v) annual carbon dioxide emissions reduced (average) by 455,785 tons. |
| Environmental and Social Category | Category A |
| Environmental and Social Information | Environment and Social Policy and Categorization. Because this Project will be co-financed with the Asian Development Bank (ADB), AIIB has agreed with ADB that: (a) ADB's Safeguard Policy Statement (SPS), 2009 and its related procedures will apply to the Project; and (b) AIIB may rely on ADB's determination as to whether compliance with those policies and procedures have been achieved under the Project. AIIB is satisfied that the SPS and its related procedures are consistent with AIIB's Articles of Agreement and are materially consistent with AIIB's Environmental |

and Social Policy (including Environmental and Social Standards) (ESP), and that appropriate monitoring procedures are in place for the Project.

Under ADB's SPS, the Project has been categorized as Category B for environment, considering the impacts will be temporary and reversible in nature, Category A for involuntary resettlement, and Category C for Indigenous Peoples. An Initial Environmental Examination (IEE) accompanied by an Environmental Management Plan (EMP) and a Resettlement Plan (RP) have been prepared to meet the requirements of ADB's SPS.

Environment Aspects. Potential negative impacts caused by the proposed transmission lines and substations are expected to occur mostly during the construction stage, including impacts of landfilling for substations, soil erosion, traffic and public utilities disturbance, air pollution, noise, solid wastes and tree cutting as well as community and occupational health and safety issues. In addition to the mitigation measures to address negative impacts of the Project, the EMP also includes a monitoring plan, budget and reporting mechanism and describes the roles and responsibilities of the key institutions for its implementation.

Social Aspects. The proposed Project requires acquisition of 79.6 acres of land for 14 new substations and bay extension in one existing substation. Land acquisition will not result in physical displacement as identified parcels of land are largely used for agricultural purposes. However, it will cause permanent economic displacement of 321 households. The total length of the transmission lines is about 408 km with a 12m-width clearance corridor for the overhead transmission lines. Neither overhead nor underground transmission lines will require land acquisition.¹ Right of way for the overhead transmission lines will have temporary impacts for crops and some permanent impacts for trees and land used for the tower footing. The underground transmission lines in Dhaka area will follow the right of way of existing roads and are not expected to cause economic displacement. The RP provides compensation commensurate to the impacts and additional allowances to vulnerable and severely affected households to restore their livelihood.

The Project does not involve Indigenous Peoples. ADB, AIIB and PGCB have conducted relevant due diligence and confirmed that no Indigenous Peoples, were found within the Project area.

¹ Landowners affected by the transmission tower foundation areas will be compensated for the land required for the four tower footings.

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| | <p>Stakeholder Consultation and Information Disclosure. Community level public consultations were conducted in 40 locations in the different project impact areas with groups of men and women, community-based organizations, and members of the local government authorities (union parishad) to disclose information about the proposed Project and its various subcomponents and elicit their views and concerns. PGCB will continue its communications with the affected persons and other stakeholders and disclose information on the Project. Brochures and posters containing compensation-related information have been printed in Bengali and made available/displayed at places easily accessible to affected persons and other interested parties. The IEE (including the EMP) and RP have been disclosed on PGCB's website² as well as on the websites of ADB³ and AIIB⁴. A translation in Bengali of the Project Information Booklet, which includes the Entitlement Matrix of the RP, and the Executive Summary of IEE in Bengali have been made available for public information in Project areas and posted on PGCB's website.⁵</p> <p>Project Grievance Redress Mechanism (GRM). A three-tier GRM will be established and implemented by PGCB. Communities and individuals who believe that they are adversely affected by the Project may submit complaints to these project-level grievance redress mechanisms.</p> |
| Cost and Financing Plan | <p>Project cost: USD750 million Financing Plan: AIIB loan: USD 200 million ADB loan: USD 300 million People's Republic of China Poverty Reduction and Regional Cooperation Fund: USD0.75 million Government of Bangladesh/PGCB: 249.25 million</p> |
| Borrower | People's Republic of Bangladesh |
| Implementing Entity | PGCB |

² <http://pgcb.gov.bd/site/page/a6ed9231-ba45-4545-ae2e-96370e65ccc1/>

³ <https://www.adb.org/projects/51137-003/main#project-documents>

⁴ <https://www.aiib.org/en/projects/proposed/2019/dhaka-western-zone.html>

⁵ Relevant project information has been disseminated during consultations and surveys in the local language. Translation of the Project Information Booklet ([https://www.pgcb.org.bd/PGCB/upload/ESIA/RP_booklet_in_bengali_version_of_Dhaka_and_Western_Zone_Transmission_Grid_Expansion_Project_\(ADB%20Version\).pdf](https://www.pgcb.org.bd/PGCB/upload/ESIA/RP_booklet_in_bengali_version_of_Dhaka_and_Western_Zone_Transmission_Grid_Expansion_Project_(ADB%20Version).pdf)) and Executive Summary of the IEE ([https://www.pgcb.org.bd/PGCB/upload/ESIA/EXECUTIVE_SUMMARY_in_bengali_version_of_Dhaka_and_Western_Zone_Transmission_Grid_Expansion_Project_\(ADB%20Version\).pdf](https://www.pgcb.org.bd/PGCB/upload/ESIA/EXECUTIVE_SUMMARY_in_bengali_version_of_Dhaka_and_Western_Zone_Transmission_Grid_Expansion_Project_(ADB%20Version).pdf)) have been posted on PGCB's website.

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| Estimated date of loan closing | December 31, 2024 | | | |
| Contact Points: | AIIB | ADB | Borrower | PGCB |
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| Date of Concept Decision | May 2019 | | | |
| Date of Appraisal Decision | August 2019 | | | |
| Date of Financing Approval | January 2020 | | | |

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| Independent Accountability Mechanism | As noted above, ADB's SPS will apply to this Project instead of AIIB's ESP. Pursuant to AIIB's agreement with ADB, AIIB will consequently rely on ADB's independent accountability mechanism, the Accountability Mechanism, to handle complaints relating to environmental and social issues that may arise under the Project. Consequently, in accordance with AIIB's Policy on Project-affected People's Mechanism (PPM), submissions to the PPM under this Project will not be eligible for consideration by the PPM. For information on how to submit complaints to ADB's Accountability Mechanism, please visit: https://www.adb.org/site/accountability-mechanism/main . |
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