

Bangladesh: Dhaka and West Zone Transmission Grid Expansion Project

1. Project Information

Project ID:	P000272	Instrument ID:	L0272A
Member:	Bangladesh	Region:	Southern Asia
Sector:	Energy	Sub-sector:	Electricity transmission and distribution
Instrument type:	<input checked="" type="checkbox"/> Loan:200.00 US Dollar million <input type="checkbox"/> Guarantee	Co-financier(s):	Asian Development Bank
ES category:	A	Borrowing Entity:	Ministry of Finance, Bangladesh
Implementing Entity:	Power Grid Company of Bangladesh (PGCB)		
Project Team Leader:	Raqib Ahmed Chowdhury		
Responsible DG:	Rajat Misra		
Responsible Department:	INF1		
Project Team Members:	Liu Yang, Project Counsel; Shonell Robinson, OSD - Financial Management Specialist; Irish Fe Aguilar, OSD - Social Development Specialist; Pedro Ferraz, OSD - Environment Specialist; Yunlong Liu, OSD - Procurement Specialist		
Completed Site Visits by AIIB:	Apr, 2019 Dec, 2020 Virtual review meeting Feb, 2021 Virtual mission Sep, 2021 Virtual review meeting May, 2022 Virtual mission		
Planned Site Visits by AIIB:	Aug, 2022 Expected to do the site visit in August 2022		
Current Red Flags Assigned:	1		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	1		
Previous Red Flags Assigned Date:	2021/09		

2. Project Summary and Objectives

The objective of the project is to enhance the reliability and efficiency of power transmission in Dhaka and Western Zone of Bangladesh and strengthen the institutional capacity of PGCB. This project is co-financed with ADB, where ADB is the lead financier. Under AIIB financing, the following components are covered:

- Greater Dhaka Region: Construction of substations with a total capacity of 4,450 MVA and transmission lines of 40 km
- Western Zone: Construction of substations with a total capacity of 2,990 MVA and transmission lines of 368

km and 20 bay extensions

After completion of this project, the grid network capacity of the western region of Bangladesh, as well as the DESCO area of Dhaka city, will be enhanced. The growing demand of these areas will be fulfilled with the reliable power supply to industrial, commercial, and residential load points.

3. Key Dates

Approval:	Jan. 17, 2020	Signing:	Jun. 30, 2020
Effective:	Sep. 28, 2020	Restructured (if any):	
Orig. Closing:	Dec. 31, 2024	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:	116.49	Cancellation (if any):	0.00
Disbursed:	0.75	Most recent disbursement (amount/date):	0.50/Sep. 28, 2020
Undisbursed:	199.25	Disbursement Ratio (%) ¹ :	0.38

5. Project Implementation Update

Under AIIB financing, there are in total 3 packages - Packages 5, 7, and 8; the remaining packages are financed by ADB and other ADB-administered funds.

Contract agreements for Packages 7 and 8 are completed.

For Package 5, the technical bid evaluation process is ongoing at the PIE end.

The project's disbursement (excluding front-end fee-related disbursement) is expected to start in Q3 2022.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Construction of substations with a total capacity of 4,450 MVA and transmission lines of 40 km in Greater Dhaka (USD 67.64 million)	0%	Being complied with	Technical evaluation is ongoing at the PGCB-end for the relevant procurement package (package 5). It is expected the procurement process will be completed within Q4-2022.
Component 2: Construction of substations with a total capacity of 2,990 MVA and transmission lines of 368 km and 20 bay extensions in Western Zone (USD	0%	Being complied with	Packages 7 and 8 are relevant to this component; Contract agreements for both packages are signed. Disbursements are expected to be started from Q3-2022.

¹ Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

123.12 million)			
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Financial Management:

ADB, as lead co-financier, is administering the entire project and inform AIIB from time to time. The first project's audit report is to be submitted in 2023.

6. Status of the Grievance Redress Mechanism (GRM)

The project-level GRM committee has been formed and is functional; so far PIE hasn't received any grievance cases.

7. Results Monitoring

Project			Objective			Indicators:
1.		Power		outages		reduced
2.		Transmission		loss		reduced
3.	Annual	Carbon	dioxide	emissions	reduced	(average)
Intermediate						
1.	Transmission	lines	constructed	(400kV,	230kV,	132kV)
2.		Line-bay		extensions		completed
3.	Transmission capacity added					

Project Objective Indicators #1

1. Power outages reduced (Unit: No.)

Year	Target	Actual	Comments, if any
Dec. 31, 2018	-	60 (Baseline)	
Dec. 31, 2019	-	-	
Dec. 31, 2020	-	-	
Dec. 31, 2021	-	-	
Dec. 31, 2022	-	-	
Dec. 31, 2023	-	-	
Dec. 31, 2024	20	-	
Dec. 31, 2025	15	-	

Project Objective Indicators #2

2. Transmission loss reduced (Unit: %)

Year	Target	Actual	Comments, if any
Dec. 31, 2018	-	2.76 (Baseline)	
Dec. 31, 2019	-	-	
Dec. 31, 2020	-	-	
Dec. 31, 2021	-	-	
Dec. 31, 2022	-	-	
Dec. 31, 2023	-	-	
Dec. 31, 2024	2.6	-	
Dec. 31, 2025	2.5	-	

Project Objective Indicators #3

3. Annual Carbon dioxide emissions reduced (average) (Unit: 1000 tons)

Year	Target	Actual	Comments, if any
Dec. 31, 2018	-	0 (Baseline)	
Dec. 31, 2019	-	-	
Dec. 31, 2020	-	-	
Dec. 31, 2021	-	-	
Dec. 31, 2022	-	-	
Dec. 31, 2023	-	-	
Dec. 31, 2024	-	-	
Dec. 31, 2025	455.78	-	

Intermediate Result Indicators #1

1. Transmission lines constructed (400kV, 230kV, 132kV) (Unit: km)

Year	Target	Actual	Comments, if any
Dec. 31, 2018	-	0 (Baseline)	
Dec. 31, 2019	-	-	
Dec. 31, 2020	-	-	
Dec. 31, 2021	-	-	
Dec. 31, 2022	50	-	
Dec. 31, 2023	200	-	
Dec. 31, 2024	408	-	
Dec. 31, 2025	408	-	

Intermediate Result Indicators #2

2. Line-bay extensions completed (Unit: No.)

Year	Target	Actual	Comments, if any
Dec. 31, 2018	-	0 (Baseline)	
Dec. 31, 2019	-	-	
Dec. 31, 2020	-	-	
Dec. 31, 2021	-	-	
Dec. 31, 2022	-	-	
Dec. 31, 2023	10	-	
Dec. 31, 2024	20	-	
Dec. 31, 2025	20	-	

Intermediate Result Indicators #3

3. Transmission Capacity added (Unit: MVA)

Year	Target	Actual	Comments, if any
Dec. 31, 2018	-	0 (Baseline)	
Dec. 31, 2019	-	-	
Dec. 31, 2020	-	-	
Dec. 31, 2021	-	-	
Dec. 31, 2022	-	-	
Dec. 31, 2023	-	-	
Dec. 31, 2024	7520	-	
Dec. 31, 2025	7520	-	

Remarks:
