

Bangladesh: Distribution System Upgrade and Expansion Project

The Government of Bangladesh (the Government) has identified electricity supply as a major constraint on GDP growth, and overall economic development. To address these challenges, it has adopted a multipronged plan involving substantial sector investments, regional power trade, and sector reforms. The Government has an ambitious target to achieve affordable electricity for all by 2021. To realize this target, new generation capacity must be complemented by upgrading transmission and distribution networks, as well as establishing connections for new consumers. The Government has requested the Asian Infrastructure Investment Bank (the Bank) to consider providing financial support for the Distribution System Upgrade and Expansion Project (the Project) in Bangladesh.

The Project is designed to: (i) expand electricity coverage by providing 2.5 million new service connections in rural areas; and (ii) upgrade grid substations and convert overhead distribution lines into underground cables in northern Dhaka. The Project will supplement other development partner efforts by providing additional financial resources to connect more rural and urban consumers, further reduce distribution losses, and improve the quality and reliability of power supply in Bangladesh. The Project, upon completion, is expected to benefit about 12.5 million people in rural areas.

The Bangladesh Rural Electrification Board (BREB) and the Dhaka Electric Supply Company Limited (DESCO) will serve as the Project Executing Agencies (EAs) with overall responsibility for the implementation of two Project components, respectively.

The Project is classified in Category B under the Environmental and Social Policy (ESP) of the Bank, and the provisions of Environmental and Social Standard 1: Environmental and Social Assessment and Management (ESS1) have been applied to both Component 1 and Component 2. Consistent with the ESP, the Bank conducted field based environmental and social due diligence, using a qualified independent specialist, as an integral element of its Project preparation. On this basis, following review, it was determined by the Bank that: (a) Component 1 requires a focused Environmental and Social Review (ESR) given the very limited potential risks and impacts; and (b) in the case of Component 2, the environmental and social risks and impacts are moderate and concentrate during

construction, and an Initial Environmental Examination (IEE) is an appropriate instrument that is aligned with the Government's requirements. The ESR for Component 1 and the IEE for Component 2 have been disclosed at EAs' websites respectively.

Detailed information on the ESR for Component 1 and the IEE for Component 2 can be founded through the following links.

 [Bangladesh - BREB ESR](#)

 [Bangladesh - DESCO IEE](#)