

SBF Project Implementation Monitoring Report

Bangladesh: Natural Gas Infrastructure and Efficiency Improvement Project

1. Project Information

Project Name:	Natural Gas Infrastructure and Efficiency Improvement Project	Project No:	000015
Region/Country:	South Asia / Bangladesh	Sector(s):	Energy
Year of Approval:	FY 2017	Financing Type:	SBF
Financing Instrument:	Loan	Co-financier(s):	ADB
Project Team Leader:	Hongliang Yang	Implementing Agency:	Bangladesh Gas Fields Company Ltd. (BGFCL) for component 1; Gas Transmission Company Ltd of Bangladesh (GTCL) for Component 2.
Field Visits	September 21, 2018 March 20, 2019		

2. Project Objectives

The objective of the Project is to improve efficiency in gas production and expand gas transmission pipeline capacity in Bangladesh.

3. Key Dates

Loan Approval:	March 22, 2017	Loan Signing:	May 8, 2017
Effectiveness:	July 3, 2017	Restructuring (if any):	n/a
Orig. Closing:	June 30, 2022	Rev. Closing (if any):	n/a

4. Disbursement Summary

Net Commitment:	USD60.0 million	Rev. Amount (if any):	n/a
Disbursed Amount:	USD15.6 million ¹	Disbursed (last quarter):	USD8.1 million
Undisbursed Balance:	USD44.4 million	Disbursement Ratio:	26%

5. Project Implementation Status

Construction work were slowed down due to the monsoon and the recent change of domestic policy on land acquisition. The Bangladesh 2018 General Election also caused some delays in project activities.

Components	Physical Progress	Safeguards Compliance	Procurement	Financial Management	Remarks
Component 1: seven wellhead gas compressors in the Titas gas field (USD24 million)	5%	No issue	On track	n/a	Procurement of the 7 wellhead compressors is ongoing.
Component 2: 181 kilometers, 36-inch gas	30%	No issue	No issue	n/a	Supply of line pipes, casing pipes

¹ As of April 4, 2019.

transmission pipeline from Chittagong through Feni to Bakhrabad (USD30 million)						and station pipes were completed. About 40 km pipelines were welded.
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6. Status of the Grievance Redress Mechanism (GRM)

The GRM has been set up and currently operating well. No major issues or problems were reported during the report period.

7. Results Monitoring

Project Objective Indicators	Baseline (2016)	2017		2018		2019		2020		2021		Others if any
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
Indicator #1: average annual wellhead pressure drop reduced to 50-60 PSIG	90	90	0	80	0	70		60		50-60		
Indicator #2: gas production sustained at 230 MMCFD	230	230	0	230	0	230		230		230		
Indicator #3: natural gas transmission and delivery capacity expanded	2700	2700	0	2700	0	2700		2700		3500		
Project Result Indicators	Baseline (2016)	2017		2018		2019		2020		2021		Others if any
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
Indicator #1: number of wellhead gas compressors	0	0	0	0	0	2		4		7		
Indicator #2: wellhead gas delivery pressure maintained at 1250 PSIG	1250	1250	0	1250	0	1250		1250		1250		
Indicator #3: length of 36-inch gas transmission pipeline	0	0	0	50	0	120		161		181		
Indicator #4: 36-inch gas transmission pipeline built and capacity realized	0	0	0	0	0	0		0		800		