

## SBF Project Implementation Monitoring Report

### Bangladesh: Distribution System Upgrade and Expansion Project

#### 1. Project Information

Project ID:	000003	Investment Number:	L0003A
Member:	Bangladesh	Region:	Southern asia
Sector:	Energy	Sub-sector:	Electricity transmission and distribution
AIB Financing Type:	Loan: 165 USD million	Co-financier(s):	Stand-alone
E&S category:	B	Borrower:	People's Republic of Bangladesh
Red Flags Assigned:	1	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Bangladesh Rural Electrification Board (BREB) and Dhaka Electric Supply Company Ltd (DESCO)		
Project Team Leader:	Raqib Ahmed Chowdhury		
Project Team Members:	Haiyan Wang, Senior Finance Officer, CTL Zhaojing Mu, Environmental Specialist, OSD Shonell Robinson, Financial Management Specialist, OSD Sheikh Naveed Ahmed, Social Development Specialist, OSD Bernadette Ndeda, Procurement Specialist, OSD Liu Yang, Counsel - Investment Operations, OGC		
Completed Site Visits by AIB:	Mar, 2019 Aug, 2019 Dec, 2019		
Planned Site Visits by AIB:	Dec, 2021		

#### 2. Project Summary and Objectives

The objectives of the Project are to enhance distribution capacity and to increase the number of rural and urban electricity consumers in Bangladesh. The Project is designed to (i) provide a large number of new service connections; (ii) upgrade distribution systems to reduce technical losses and enhance distribution efficiency; (iii) help remove system bottlenecks by expanding distribution capacity, and (iv) improve the quality and reliability of power supply.

The Project has two components:

- provision of about 2.5 million service connections to rural consumers (BREB Component); and
- Upgrade of two grid substations and conversion of 85 km overhead distribution lines into underground cables in north Dhaka (DESCO Component)

It is estimated that approximately 12.5 million rural people have been benefitted from the Project.

#### 3. Key Dates

Approval:	Jun. 24, 2016	Signing:	Nov. 11, 2016
Effective:	Feb. 6, 2017	Restructured (if any):	
Orig. Closing:	Dec. 31, 2019	Rev. Closing (if any):	Dec. 31, 2020; Dec. 31, 2021

#### 4. Disbursement Summary (million)

Currency:	USD		
a) Committed:	165	b) Cancellation (if any):	13.28
c) Disbursed:	139.2	d) Most recent disbursement: (amount / date)	0.86, Jan. 28, 2021
e) Undisbursed:	12.52	f) Disbursement Ratio(%) <sup>1</sup> :	91.7

<sup>1</sup> Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e.,  $f = c / (a - b)$

#### 5. Project Implementation Update

Component one (BREB component) has been successfully completed, and its designed objective has been achieved. Component two (DESCO component) is behind the original schedule. As one of the project's sub-components is the installation of underground cables within Dhaka city, PIE needs to take permission from various regulatory authorities. As such implementation was delayed the closing date was first extended up to December 2020. However, due to the impact of the COVID-19 pandemic, construction activities were suspended in mid-year of 2020, and have been resumed gradually again at the end of Q3 last year. For this, the loan closing date has been extended for the second time till December 31, 2021.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Provision of 2.5 million service connections (USD98.89 million)	100%	Complied	Complete
Upgrade of two substations from 250 MVA to 480 MVA and installation of 85 KM underground cables (USD66.11 million)	97%	Complied	Complete

#### Financial Management:

The last due date was December 31, 2020, for the latest annual audit report for the year ended June 30, 2020. The client confirmed to submit the report within April 30, 2021.

### 6. Status of the Grievance Redress Mechanism (GRM)

GRM system is in place and operating. ADB, as lead co-financier, has been in touch with PIEs during the implementation phase.

### 7. Results Monitoring

1. Number of rural and urban electricity users increased
2. Number of small low-voltage transformers installed
3. Upgrade of two grid substations from 250MVA to 480 MVA
4. Length of 33kV underground cable installed

Baseline Year: Dec. 31, 2016 End Target Year: Dec. 31, 2021

#### Project Objective Indicators #1

Number of rural and urban electricity users increased (Unit: million)

Year	Target	Actual	Others, if any
Dec. 31, 2016	-	0 (Baseline)	-
Dec. 31, 2017	4	2.5	-
Dec. 31, 2018	10	12.5	-
Dec. 31, 2019	12.5	12.5	-
Dec. 31, 2020	12.5	12.5	-
Dec. 31, 2021	12.5	-	-

#### Project Objective Indicators #2

Number of small low-voltage transformers installed (Unit: 1000)

Year	Target	Actual	Others, if any
Dec. 31, 2016	-	0 (Baseline)	-
Dec. 31, 2017	20	20	-
Dec. 31, 2018	52	65	-
Dec. 31, 2019	65	65	-
Dec. 31, 2020	65	65	-
Dec. 31, 2021	65	-	-

#### Project Objective Indicators #3

## Upgrade of two grid substations from 250 MVA to 480 MVA (Unit: MVA)

Year	Target	Actual	Others, if any
Dec. 31, 2016	-	250 (Baseline)	-
Dec. 31, 2017	250	250	-
Dec. 31, 2018	250	250	-
Dec. 31, 2019	480	480	-
Dec. 31, 2020	480	480	-
Dec. 31, 2021	480	-	-

## Project Objective Indicators #4

## Length of 33kV underground cable installed (Unit: km)

Year	Target	Actual	Others, if any
Dec. 31, 2016	-	0 (Baseline)	-
Dec. 31, 2017	25	0	-
Dec. 31, 2018	70	0	-
Dec. 31, 2019	85	37	-
Dec. 31, 2020	85	59	Due to Covid-19 pandemic and lockdown, construction activities were suspended in mid-year of 2020, and have been resumed gradually again at the end of Q3 last year.
Dec. 31, 2021	85	-	-

## Intermediate Result Indicators #1

The project doesn't have Intermediate Result Indicators

Year	Target	Actual	Others, if any
Dec. 31, 2020	-	-	-

**Remarks:**