

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
AiIB Financing Type:	Loan: 165 USD million	Co-financier(s):	Stand-alone
E&S category:	B	Borrower:	People's Republic of Bangladesh
Red Flags Assigned:	0 (Q1: 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:	Shonell Robinson, Financial Management Specialist, OSD Liu Yang, Counsel - Investment Operations, OGC Pedro Ferraz, Environment Specialist, OSD Sheikh Naveed Ahmed, Social Development Specialist, OSD Bernadette Ndeda, Procurement Specialist, OSD Haiyan Wang, Senior Finance Officer, CTL		
Completed Site Visits by AIIB:	Mar, 2019 Aug, 2019 Dec, 2019 Dec, 2020 Virtual portfolio review session conducted Sep, 2021 Virtual portfolio review session conducted		
Planned Site Visits by AIIB:	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):	20.88
c) Disbursed:	144.12	d) Most recent disbursement:	2.81, Jun. 30, 2021

		(amount / date)	
e) Undisbursed:	0	f) Disbursement Ratio(%) ¹ :	100

¹ 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

Disbursement for both components has been completed recently with partial loan savings of USD 20.88 million (that has been canceled already upon official request by the client). Component one (BREB component) was successfully completed in 2018. Component two (DESCO component) was behind the original schedule due to delayed permission from various regulatory authorities in Dhaka city, and the Covid-19 pandemic impact. For this, the loan closing date was extended up to December 31, 2021. Within this extended period, PIE has been able to complete the disbursement process.

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

Financial Management:

The last date of submission for the fiscal year July 2020 - June 2021 audit report is December 31, 2021. Presently, as per last year's submitted report, the audit reports are deemed to be acceptable by the Bank.

Project Completion Report is under process at PIE end.

6. Status of the Grievance Redress Mechanism (GRM)

GRM system is in place and operating. As of now, there are no unsolved grievance cases for this project.

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	0.8	0.8	-
Dec. 31, 2018	2.0	2.5	-
Dec. 31, 2019	2.5	2.5	-
Dec. 31, 2020	2.5	2.5	-
Dec. 31, 2021	2.5	2.5	-

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	65	as of Q3 2021

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	480	as of Q3 2021

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	-
Dec. 31, 2021	85	85	as of Q3 2021

Intermediate Result Indicators #1

The project doesn't have Intermediate Result Indicators

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

Remarks: Indicator#1 parameter has been updated with correct figures.