

SBF Project Implementation Monitoring Report

Bangladesh: Natural Gas Infrastructure and Efficiency Improvement Project

1. Project Information

Project ID:	000015	Investment Number:	L0015A
Member:	Bangladesh	Region:	Southern asia
Sector:	Energy	Sub-sector:	
AIIB Financing Type:	Loan: 60 USD million	Co-financier(s):	ADB
E&S category:	A	Borrower:	People's Republic of Bangladesh
Red Flags Assigned:	1	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Bangladesh Gas Fields Company Limited (BGFCL) and Gas Transmission Company Limited (GTCL)		
Project Team Leader:	Raqib Ahmed Chowdhury		
Project Team Members:	Haiyang Wang, Senior Finance Officer, Liu Yang, Counsel - Investment Operations, Zhaojing Mu, Environmental Specialist, OSD Yunlong Liu, Senior Procurement Specialist, OSD Yogesh Malla, Financial Management Specialist Sheikh Naveed Ahmed, Social Development Specialist, OSD		
Completed Site Visits by AIIB:	Mar, 2019		
	Aug, 2019		
	Dec, 2019		
Planned Site Visits by AIIB:	Feb, 2022		

2. Project Summary and Objectives

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

3. Key Dates

Approval:	Mar. 22, 2017	Signing:	May. 8, 2017
Effective:	Jul. 3, 2017	Restructured (if any):	
Orig. Closing:	Jun. 30, 2022	Rev. Closing (if any):	Jun. 30, 2024

4. Disbursement Summary (million)

Currency:	USD		
a) Committed:	60	b) Cancellation (if any):	14.94
c) Disbursed:	23.91	d) Most recent disbursement: (amount / date)	0.029, Mar. 19, 2021
e) Undisbursed:	21.15	f) Disbursement Ratio(%) ¹ :	53.1

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

All the contract packages of this project have been awarded by the PIEs, i.e., BGFCL, GTCL. In terms of implementation, GTCL components are in advanced stage and expected to be completed within this year. However, due to delayed procurement of the wellhead compressors package (BGFCL component) and the COVID-19 outbreak, there would be a delay in the overall project implementation. As this would not be completed within the existing loan closing date, the government has requested the extension of the loan closing date by 24 months keeping a sufficient period for any kind of further implementation delays. Accordingly, the closing date has recently been extended up to June 30, 2024.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Seven wellhead gas compressors in the Titas gas field (USD24 million)	20%	Being complied with	No issue at present
Component 2: 181 kilometers, 36-inch gas transmission pipeline from Chittagong through Feni to Bakhrabad (USD30 million)	95%	Being complied with	No issue

Financial Management:

ADB, as lead co-financier, has reviewed the audited reports and make necessary communications with PIEs on financial management-related matters.

6. Status of the Grievance Redress Mechanism (GRM)

GRM is currently operating well. No major issues or problems were reported during the report period.

7. Results Monitoring

Listed below:

Baseline Year: Jan. 1, 2016 End Target Year: Jun. 30, 2024

Project Objective Indicators #1

Indicator #1: average annual wellhead pressure drop reduced to 50-60 PSIG

Year	Target	Actual	Others, if any
Dec. 31, 2016	N/A	90	
Dec. 31, 2017	90	90	
Dec. 31, 2018	90	90	
Dec. 31, 2019	90	90	
Dec. 31, 2020	60	90	
Dec. 31, 2021	50-60	-	
Dec. 31, 2022	50-60	-	
Dec. 31, 2023	50-60	-	
Jun. 30, 2024	50-60	-	

Project Objective Indicators #2

Indicator #2: gas production sustained at 230 MMCFD

Year	Target	Actual	Others, if any
Dec. 31, 2016	N/A	230	
Dec. 31, 2017	230	230	
Dec. 31, 2018	230	230	
Dec. 31, 2019	230	230	
Dec. 31, 2020	230	230	
Dec. 31, 2021	230	-	
Dec. 31, 2022	230	-	
Dec. 31, 2023	230	-	
Jun. 30, 2024	230	-	

Project Objective Indicators #3

Indicator #3: natural gas transmission and delivery capacity expanded

Year	Target	Actual	Others, if any
Dec. 31, 2016	N/A	2700	
Dec. 31, 2017	2700	2700	
Dec. 31, 2018	2700	2700	
Dec. 31, 2019	2700	2700	
Dec. 31, 2020	2700	2700	
Dec. 31, 2021	3500	-	

Intermediate Result Indicators #1

Indicator #1: number of wellhead gas compressors

Year	Target	Actual	Others, if any
Dec. 31, 2016	0	0	
Dec. 31, 2017	0	0	
Dec. 31, 2018	0	0	
Dec. 31, 2019	2	0	
Dec. 31, 2020	4	0	Due to delayed procurement of the wellhead compressors package and the COVID-19 outbreak, there would be a delay in the overall project implementation of this component
Dec. 31, 2021	7	-	
Dec. 31, 2022	7	-	
Dec. 31, 2023	7	-	
Jun. 30, 2024	7	-	

Intermediate Result Indicators #2

Indicator #2: wellhead gas delivery pressure maintained at 1250 PSIG

Year	Target	Actual	Others, if any
Dec. 31, 2016	N/A	1250	
Dec. 31, 2017	1250	1250	
Dec. 31, 2018	1250	1250	
Dec. 31, 2019	1250	1250	
Dec. 31, 2020	1250	1250	
Dec. 31, 2021	1250	-	
Dec. 31, 2022	1250	-	
Dec. 31, 2023	1250	-	
Jun. 30, 2024	1250	-	

Intermediate Result Indicators #3

Indicator #3: length of 36-inch gas transmission pipeline

Year	Target	Actual	Others, if any
Dec. 31, 2016	0	0	
Dec. 31, 2017	0	0	
Dec. 31, 2018	50	40	
Dec. 31, 2019	120	140	
Dec. 31, 2020	161	181	

Dec. 31, 2021	181	181	
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Intermediate Result Indicators #4

Indicator #4: 36-inch gas transmission pipeline built and capacity realized (Unit: MMCFD)

Year	Target	Actual	Others, if any
Dec. 31, 2016	0	0	
Dec. 31, 2017	0	0	
Dec. 31, 2018	0	0	
Dec. 31, 2019	0	0	
Dec. 31, 2020	0	0	
Dec. 31, 2021	800	-	

Remarks: