



### Project Summary Information

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| Date of Document Preparation: 06/14/23           |  |
| <b>Project Name</b>                              | Electricity Distribution Modernization (Rajshahi-Rangpur Divisions) Project  |
| <b>Project Number</b>                            | P000500  |
| <b>AIIB member</b>                               | Bangladesh   |
| <b>Sector/Subsector</b>                          | Energy/ Electricity transmission and distribution  |
| <b>Alignment with AIIB's thematic priorities</b> | Green Infrastructure; Technology-enabled Infrastructure  |
| <b>Status of Financing</b>                       | Under Preparation  |
| <b>Objective</b>                                 | To improve access and enhance operational efficiency (through reduction in losses) and capacity of the distribution system in select regions.  |
| <b>Project Description</b>                       | <p>Bangladesh Rural Electrification Board (BREB), one of the major energy sector state-owned entities in Bangladesh, is responsible for extending electricity distribution services to the country's rural areas. The entity, through its 80 (eighty) rural electricity clusters, the "Palli Bidyut Samities" (PBSs), organized under eight divisions, collectively serves more than 77 percent of the country's electricity consumers. Out of 80 PBSs, Rajshahi and Rangpur divisions have 21 PBSs that provide services to around 8.4 million consumers (including industrial and commercial users).</p> <p>Considering the socio-economic development and the Government of Bangladesh's (GoB) target to develop multiple Special Economic Zones in the country's northwestern part, BREB anticipates an increase in consumer demand for reliable electricity supply in Rajshahi and Rangpur divisions. In order to (i) cater to the expected additional demand, (ii) decongest the network, and (iii) reduce distribution losses, BREB has initiated this project to increase the capacity and modernize the distribution network in Rajshahi and Rangpur divisions. The following activities are planned in the project scope:</p> <ul style="list-style-type: none"> <li>- Installation and augmentation of 33/11kV 116 substations with a total capacity of 1,385 MVA</li> <li>- Construction and modernization of around 19,500 km of distribution lines</li> <li>- Installation of river-crossing towers, Supervisory Control and Data Acquisition (SCADA) System, and fault locators.</li> </ul> |

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| <b>Expected Results</b>                     | The project is expected to generate the following results: improved efficiency (reduction in system loss) of the electricity distribution network in the project area, enhanced capacity of the distribution network system, and reduced annual carbon dioxide emissions after project completion.  |
| <b>Environmental and Social Category</b>    | B   |
| <b>Environmental and Social Information</b> | <p>AIIB's Environmental and Social Policy (ESP), including the Environment and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), will apply to this project. ESS 1 (Environmental and Social Assessment and Management) and ESS 2 (Involuntary Resettlement) are applicable to the ES aspects of the project. Applicability of ESS 3 (Indigenous Peoples) will be further assessed. The project has been preliminarily assigned as Category B based on (i) the general ES impacts are limited to the project area during the implementation period, (ii) the impacts are expected to be reversible and temporary in nature and can be managed effectively using good practice in an operational setting. BREB has prepared a draft Environmental and Social Impact Assessment (ESIA) report, which is currently being reviewed.</p> <p>The project will generate ES benefits by enhancing the region's electricity access and transmission efficiency. The physical works include the construction of new substations and distribution lines and the upgrading of existing substations. An initial screening did not identify any associated facilities; however, the project team will work with the Project Implementing Entity (PIE) to confirm this aspect during project preparation. The construction works may have some adverse environmental impacts, including air pollution, noise, tree cutting and disposal of construction wastes. On the Social aspects, the project will give rise to sizeable employment opportunities for both skilled and unskilled workforces throughout the project implementation and operational period. All the required lands for the proposed substations have yet to be decided in full; as a result, a draft Resettlement Planning Framework (RPF) complying with ESS 2 is being prepared by PIE to address any potential displacement impacts.</p> <p>A project-level Grievance Redress Mechanism (GRM) will be established following the requirements of AIIB's ESP. Locally appropriate public consultation and disclosure processes will be used to disseminate information about the GRM. The information of the GRM will be included in the final ESIA and other ES documents and disseminated to project-affected people. A separate GRM will be established to address workplace complaints and concerns.</p> |
| <b>Cost and Financing Plan</b>              | <p>Estimated project total: USD 578.93 million.</p> <p>Indicative financing plan: USD 350.00 million (AIIB), USD 137.02 million (GoB), and USD 91.91 million (BREB).</p>  |
| <b>Borrower</b>                             | People's Republic of Bangladesh   |

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| <b>Implementing Entity</b>                  | Bangladesh Rural Electrification Board (BREB) |   |   |
| <b>Estimated date of loan closing</b>       | April 2029                                    |   |   |
| <b>Contact Points:</b>                      | <b>AIIB</b>                                   | <b>Borrower</b>   | <b>Implementation Organization</b>                      |
| <b>Name</b>                                 | Raqib Ahmed Chowdhury                         | Md. Shahriar Kader Siddiky  | Mohammad Selim Uddin                                    |
| <b>Title</b>                                | Investment Operations Specialist              | Additional Secretary & Wing Chief (Asia, JEC, F&F), Economic Relations Division (ERD), Ministry of Finance, People's Republic of Bangladesh | Chairman, Bangladesh Rural Electrification Board (BREB) |
| <b>Email Address</b>                        | raqib.chowdhury@aiib.org                      | wingchief02@erd.gov.bd  | chairman@reb.gov.bd                                     |
| <b>Date of Concept Decision</b>             | June 14, 2023                                 |   |   |
| <b>Estimated Date of Appraisal Decision</b> | Q4-2023                                       |   |   |
| <b>Estimated Date of Financing Approval</b> | Q1-2024                                       |   |   |

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| <b>Independent Accountability Mechanism</b> | <p>The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level Grievance Redress Mechanisms or AIIB Management's processes.</p> <p>For information on how to make submissions to the PPM, please visit <a href="https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html">https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html</a>.</p> |
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