

## Bangladesh: Natural Gas Infrastructure and Efficiency Improvement

### 1. Project Information

Project ID:	P000015	Instrument ID:	L0015A
Member:	Bangladesh	Region:	Southern Asia
Sector:	Energy	Sub-sector:	Gas processing, storage, transportation, and distribution
Instrument type:	<input checked="" type="checkbox"/> Loan:45.06 US Dollar million <input type="checkbox"/> Guarantee	Co-financier(s):	Asian Development Bank
ES category:	A	Borrowing Entity:	Ministry of Finance, Bangladesh
Implementing Entity:	Gas Transmission Company Limited and Bangladesh Gas Fields Company Limited		
Project Team Leader:	Raqib Ahmed Chowdhury		
Responsible DG:	Rajat Misra		
Responsible Department:	INF1		
Project Team Members:	Liu Yang, Project Counsel; Yogesh Malla, OSD - Financial Management Specialist; Sheikh Naveed Ahmed, OSD - Social Development Specialist; Gerardo Pio Parco, OSD - Environment Specialist; Yunlong Liu, OSD - Procurement Specialist		
Completed Site Visits by AIIB:	Aug, 2019 Dec, 2019 Mar, 2019 Dec, 2020 Virtual review meeting conducted for the project Jul, 2021 Virtual review mission conducted Apr, 2022 Virtual review mission conducted		
Planned Site Visits by AIIB:	Sep, 2022 Tentative Review Mission		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2021/09		

### 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. The project includes two components, implemented by two entities - BGFCL and GTCL.

- BGFCL Component: Installation of gas compressors at Location -A of Titas Gas Field, one of the major onshore gas field of the country, to increase and sustain wellhead pressure
- GTCL Component: Creation of transportation facilities for supplying imported re-gasified LNG to the national gas grid

**3. Key Dates**

Approval:	Mar. 22, 2017	Signing:	May. 08, 2017
Effective:	Jul. 03, 2017	Restructured (if any):	
Orig. Closing:	Jun. 30, 2022	Rev. Closing (if any):	Jun. 30, 2024; Jun. 30, 2024;

**4. Disbursement Summary (USD million)**

Contract Awarded:		Cancellation (if any):	14.94
Disbursed:	32.93	Most recent disbursement (amount/date):	0.01/Aug. 16, 2022
Undisbursed:	12.13	Disbursement Ratio (%) <sup>1</sup> :	73.08

**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 the 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 is a delay from the original project implementation timeline. As this would not be completed within the original loan closing date of June 30, 2022, the government earlier 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 been extended up to June 30, 2024.

Components	Physical Progress	Environmental & Social Compliance	Procurement Progress
Component 1: Seven wellhead gas compressors in the Titas gas field (USD24 million)	21%	Being complied with	Piling work for the compressor foundation is currently ongoing. The first shipment of material will reach the site by end of this year. It is expected, by June 2024 this component will be completed.
Component 2: 181 kilometers, 36-inch gas transmission pipeline from Chittagong through Feni to Bakhrabad (USD30 million)	96%	Being complied with	The remaining work is expected to be completed within this year.

**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.

<sup>1</sup> Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

## 7. Results Monitoring

Listed below:

### Project Objective Indicators #1

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

Year	Target	Actual	Comments, 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	90	
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	Comments, 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	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 (MMCFD)

Year	Target	Actual	Comments, 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	3150	
Dec. 31, 2022	3500	-	
Dec. 31, 2023	3500	-	
Jun. 30, 2024	3500	-	

**Intermediate Result Indicators #1**

Indicator #1: number of wellhead gas compressors

Year	Target	Actual	Comments, 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	
Dec. 31, 2021	7	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, 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	Comments, if any
Dec. 31, 2016	N/A	1250	
Dec. 31, 2017	1250	NA	
Dec. 31, 2018	1250	NA	
Dec. 31, 2019	1250	NA	
Dec. 31, 2020	1250	NA	
Dec. 31, 2021	1250	NA	
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	Comments, 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	
Dec. 31, 2022	181	-	
Dec. 31, 2023	181	-	
Jun. 30, 2024	181	-	

**Intermediate Result Indicators #4**

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

Year	Target	Actual	Comments, 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	450	
Dec. 31, 2022	800	-	
Dec. 31, 2023	800	-	
Jun. 30, 2024	800	-	

**Remarks:**

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