

## Project Implementation Monitoring Report (#14)

Reporting Period From 2023/10 To 2024/04

## 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:44.18 US Dollar million <input type="checkbox"/> Guarantee	Lead Co-financier (s):	Asian Development Bank
ES category:	A	Borrowing Entity:	Ministry of Finance, Bangladesh
Implementing Entity:	Gas Transmission Company Limited; 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; Yunlong Liu, OSD - Procurement Specialist; Victoriano Macasaquit, OSD - Social Development Specialist; David Rollinson, OSD - Environment Specialist		
Completed Site Visits by AIIB:	Mar, 2019 Aug, 2019 Dec, 2019 Dec, 2020 Virtual review Jul, 2021 Virtual review Apr, 2022 Virtual review Sep, 2022 Physical review May, 2023 Mission, led by ADB Dec, 2023 Virtual meeting		
Planned Site Visits by AIIB:			
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2023/09		

## 2. Project Summary and Objectives

This is a co-financed Project with Asian Development Bank (ADB), where ADB's and AIIB's original participation was USD 167 million and USD 60 million respectively. Revised loan amounts at present are ADB: USD 122.02 million and

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AIIB: USD 44.18 million. Bangladesh Gas Fields Company Limited (BGFCL) and Gas Transmission Company Limited (GTCL) are the two Project Implementing Entities (PIEs) in this Project. The outcomes of the project are to improve efficiency in gas production and expand gas transmission pipeline capacity. Component details are as follow:

- BGFL Component: Installation of gas compressors at Location-A of Titas Gas Field, one of the major onshore gas filed of the country, to increase and sustain wellhead pressure. and capacity building of its staff.
- GTCL Component: Creation of transportation facilities for supplying imported re-gasified LNG to the national gas network.

**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

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

Contract Awarded:		Cancellation (if any):	15.82
Disbursed:	42.71	Latest disbursement (amount/date):	0.00/Feb. 27, 2024
Undisbursed:	1.47	Disbursement Ratio (%) <sup>1</sup> :	96.67

**5. Project Implementation Update**

All the contract packages (total value of USD 154.59 million) of this project have been awarded by the PIEs (i.e., BGFL, GTCL). In terms of implementation, GTCL components were completed within December 2021. However, due to the delayed procurement of the wellhead compressors package and the Covid-19 outbreak, there is a delay in the BGFL component from its original project implementation timeline. In this regard, the Government of Bangladesh previously requested for extension of the loan closing date by 24 months, keeping a sufficient period for any kind of further implementation delays. Accordingly, the closing date was extended to June 30, 2024. The BGFL component is expected to be completed within this closing date.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Seven wellhead gas compressors in the Titas gas field, and capacity building	97%	Being complied with	Completed
Component 2: 181 kilometers, 36-inch gas transmission pipeline from Chittagong through Feni to Bakhrabad	100%	Being complied with	Completed

<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.

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**Financial Management:**

Both the PIEs have submitted their latest annual financial report. ADB, as lead co-financier, has reviewed the audited reports and made necessary communications with PIEs on financial management-related matters.

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

No major issues were reported during the reporting period.

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**7. Results Monitoring (please refer to the full RMF, which can be found on the last page of this PIMR)**

Listed below:

**Remarks:**

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Project Objective Indicators	Indicator level	Unit of Measure	Cumulative Target Values																				Frequency	Responsibility	Comments	
			Baseline		2016		2017		2018		2019		2020		2021		2022		2023		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual
Average annual wellhead pressure drop reduced to 50-60 PSIG	Project	PSIG	2016	N/A	N/A	90	90	201	90	0	90	53	60	67	50-60	21	50-60	79	50-60	69		50-60	Annually	BGFCL		
Gas production sustained at 230 mmcf	Project	mmcf	2016	N/A	N/A	186	230	192	230	190	230	172	230	158	230	148	230	136	230	120		230	Annually	BGFCL		
Natural gas transmission and delivery capacity expanded	Project	mmcf	2016	N/A	N/A	2700	2700	2700	2700	2700	2700	2700	2700	2700	3500	3150	3500	4000	3500	3090		3500	Annually	GTCL	Depends on import volume of LNG.	

Project Intermediate Indicators	Indicator level	Unit of Measure	Cumulative Target Values																				Frequency	Responsibility	Comments	
			Baseline		2016		2017		2018		2019		2020		2021		2022		2023		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual
Number of wellhead gas compressors	Project	No.	2016	0	0	0	0	0	0	0	2	0	4	0	7	0	7	0	7	7		7	Annually	BGFCL		
Wellhead gas delivery pressure maintained at 1250 PSIG	Project	PSIG	2016	1250	1250	1180	1250	980	1250	980	1250	927	1250	860	1250	839	1250	760	1250	1100		1250	Annually	BGFCL		
Length of 36-inch gas transmission pipeline	Project	Km	2016	0	0	0	0	0	50	0	120	175	161	181	181	181	181	181	181	181		181	Annually	GTCL		
36-inch gas transmission pipeline built and capacity realized	Project	mmcf	2016	0	0	0	0	0	0	0	0	0	0	450	800	450	800	350	800	720		800	Annually	GTCL		