

Project Implementation Monitoring Report (#7)

Reporting Period From 2023/11 To 2024/07

Bangladesh : Dhaka and Western Zone Transmission Grid Expansion Project

1. Project Information

Project ID:	P000272	Instrument ID:	L0272A
Member:	Bangladesh	Region:	Southern Asia
Sector:	Energy	Sub-sector:	Electricity transmission and distribution
Instrument type:	<input checked="" type="checkbox"/> Loan:200.00 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:	Power Grid Company of Bangladesh Limited (PGCB)		
Project Team Leader:	Raqib Ahmed Chowdhury		
Responsible DG:	Rajat Misra		
Responsible Department:	PSC1		
Project Team Members:	Liu Yang, Project Counsel; Shonell Robinson, OSD - Financial Management Specialist; Indrani Ghosh, OSD - Environment & Social Development Specialist; Yunlong Liu, OSD - Procurement Specialist		
Completed Site Visits by AIIB:	Apr, 2019 Dec, 2020 Virtual review meeting Feb, 2021 Virtual mission Sep, 2021 Virtual review meeting May, 2022 Virtual mission Sep, 2022 Mission, led by ADB Jan, 2023 Meeting with PIE Aug, 2023 Meeting with PIE Mar, 2024 Meeting with PIE		
Planned Site Visits by AIIB:	Oct, 2024 Meeting with PIE		
Current Red Flags Assigned:	1		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	1		
Previous Red Flags Assigned Date:	2023/10		
Brief justifications for	Slow Disbursement		

Project Implementation Monitoring Report (#7)

Reporting Period From 2023/11 To 2024/07

assigned red flags:	
---------------------	--

2. Project Summary and Objectives

The objective of the project is to enhance the reliability and efficiency of power transmission in Dhaka and Western Zone of Bangladesh and strengthen the institutional capacity of PGCB. This project is co-financed with ADB, where ADB is the lead financier. Under AIIB financing, the following components are covered:

- Greater Dhaka Region: Construction of substations with a total capacity of 4,450 MVA and transmission lines of approximate 40 km
- Western Zone: Construction of substations with a total capacity of 2,990 MVA and transmission lines of approximate 368 km and 20 bay extensions

After completion of this project, the grid network capacity of the Western and greater Dhaka region will be enhanced. The growing demand of these areas will be fulfilled with the reliable power supply to industrial, commercial, and residential load points.

3. Key Dates

Approval:	Jan. 17, 2020	Signing:	Jun. 30, 2020
Effective:	Sep. 28, 2020	Restructured (if any):	
Orig. Closing:	Dec. 31, 2024	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	14.09	Latest disbursement (amount/date):	0.24/Jan. 16, 2024
Undisbursed:	185.91	Disbursement Ratio (%) ¹ :	7.05

5. Project Implementation Update

Under AIIB financing, there are in total 3 (out of 9) packages - Packages 5, 7, and 8; the remaining six packages are financed by ADB and other ADB-administered funds.

ADB, as the lead co-financier, administers the project implementation and leads the discussion on procurement, financial management, environmental and social aspects of the project with PGCB. Contract agreements for all AIIB-financed packages were signed. However, due to unsatisfactory performance, contract for package 8 is cancelled and it will be retendered soon.

The project's regular disbursement (excluding front-end fee-related disbursement) has started from Q3-2022.

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

Project Implementation Monitoring Report (#7)

Reporting Period From 2023/11 To 2024/07

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Construction of substations with a total capacity of 4,450 MVA and transmission lines of approx. 40 km in Greater Dhaka (AIIB portion: USD 67.64 million)	13.83%	Being complied with	The relevant packages for this component are Packages 1, 2, 5, and 6. Except for Package 5, the rest are financed by ADB. Package 5's contract agreement is signed and effective. Land acquisition has been completed, and land-filling work is ongoing.
Component 2: Construction of substations with a total capacity of 2,990 MVA and transmission lines of approx. 368 km and 20 bay extensions in Western Zone (AIIB portion: USD 123.12 million)	41.17%	Being complied with	The relevant packages for this component are Packages 3, 4, 7, and 8. Packages 7 and 8 are funded by AIIB loan, and Packages 3 and 4 are funded by ADB loan. Package 7's contract agreement is signed and effective. Land development work is ongoing, and the design drawing approval process is ongoing in parallel. Due to unsatisfactory performance, PGCB has decided to terminate the contract for Package 8 and retender it. This will delay the project implementation. The contract planned to be retendered within early August.

Financial Management:

PIE submitted its latest Annual Financial audit report for FY 2022-2023, prepared by the Comptroller and Auditor General of Bangladesh (FAPAD), within due time, and the report was unqualified.

6. Status of the Grievance Redress Mechanism (GRM)

The project-level GRM Committee (GRC) has been formed and is functional. The Project Management Unit (PMU) keeps records of all the grievances in site-specific logbooks; the first priority is to resolve the grievances locally through mutual consultation. If any grievance is not redressed at the local level, the issue will be brought to the attention of the GRC, and the GRC will consult with the relevant stakeholders to resolve the issue in the most

Project Implementation Monitoring Report (#7)

Reporting Period From 2023/11 To 2024/07

amicable way possible, ensuring all the concerns of the relevant parties have been addressed. So far, no such issue has been forwarded to the GRC and minor issues reported at the project sites have been resolved at the local level.

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

Project Objective Indicators:

1. Power outages reduced
2. Transmission loss reduced
3. Annual Carbon dioxide emissions reduced (average)

Intermediate Results Indicators:

1. Transmission lines constructed (400kV, 230kV, 132kV)
2. Line-bay extensions completed
3. Transmission capacity added

Remarks:

Project Objective Indicators	Indicator level	Unit of Measure	Cumulative Target Values																			Frequency	Responsibility	Comments		
			Baseline		2018		2019		2020		2021		2022		2023		2024		2025		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year				Target	Actual
Power outages reduced	Project	No.	2018	60 (Baseline)	60 (Baseline)	-	-	-	-	-	-	-	-	-	-	-	-	15	-	-	15	-	End of Project	PIE		
Transmission loss reduced	Project	%	2018	2.76 (Baseline)	2.76 (Baseline)	-	-	-	-	-	-	-	-	-	-	-	-	2.5	-	-	2.5	-	End of Project	PIE		
Annual CO2 emissions reduced (on average)	Project	'000 tons	2018	0 (Baseline)	0 (Baseline)	-	-	-	-	-	-	-	-	-	-	-	-	455.78	-	-	455.78	-	End of Project	PIE		

Project Intermediate Indicators	Indicator level	Unit of Measure	Cumulative Target Values																			Frequency	Responsibility	Comments		
			Baseline		2018		2019		2020		2021		2022		2023		2024		2025		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year				Target	Actual
Transmission line constructed (400 kV, 230 kV, 132 kV)	Project	Km	2018	0	0	-	-	-	-	-	50	-	200	-	408	-	408	-	-	408	-	Annually	PIE			
Line-bay extensions completed	Project	No.	2018	0	0	-	-	-	-	-	-	10	-	20	-	20	-	-	20	-	Annually	PIE				

Transmission capacity added	Project	MVA	2018	0	0		-		-		-		-		7520		7520			7520		Annually	PIE	
-----------------------------	---------	-----	------	---	---	--	---	--	---	--	---	--	---	--	------	--	------	--	--	------	--	----------	-----	--