



Project Summary Information

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Project Name	Electricity Distribution Modernization (Chattogram and Sylhet Divisions) Project
Project Number	P000642
AIIB member	Bangladesh
Sector/Subsector	Energy/ Electricity Transmission and Distribution
Alignment with AIIB's thematic priorities	Green Infrastructure; Technology-enabled Infrastructure
Status of Financing	Under Preparation
Objective	To increase delivery, reliability, and efficiency of power supply in selected areas of Chattogram and Sylhet divisions in Bangladesh
Project Description	<p>Bangladesh Rural Electrification Board (BREB), one of the major state-owned entities in the energy sector in Bangladesh, is responsible for extending electricity distribution services to the rural areas of the country. The entity, through its 80 “Palli Bidyut Samities” (PBSs) (i.e., rural electricity clusters) organized under eight divisions, collectively serves more than 75 percent of the country’s electricity consumers. Out of 80 PBSs, Chattogram and Sylhet divisions have 19 PBSs that provide services to around 9.2 million consumers (including industrial and commercial users).</p> <p>In 2022, the Government of Bangladesh (GoB) announced the policy goal of universal access to electricity in the country. Since then, electricity demand for both domestic and industrial sectors have been on the rise. Chattogram and Sylhet divisions have developed socio-economically at an accelerated pace in the last 15 years. GoB has targeted developing multiple mega infrastructure projects in the Chattogram division and is expanding industrial opportunities in the Sylhet division. BREB anticipates an increase in consumer demand for reliable electricity supply in these two divisions. To (i) meet</p>

	<p>the expected additional demand, (ii) decongest the network, and (iii) reduce the distribution losses, BREB has initiated this project to increase the capacity of and modernize the distribution network.</p> <p>The following activities are planned in the project scope:</p> <ul style="list-style-type: none"> - Installation and augmentation of 33/11 kilovolt (kV) substations with a total capacity of approximately 2,062 megavolt-amperes (MVA); - Construction and modernization of around 30,000 kilometers (km) of 33/11 kV distribution lines; and - Installation of River-crossing Towers, Switching Stations, Supervisory Control and Data Acquisition (SCADA) System, and Fault Locators in selected areas.
Expected Results	<p>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.</p>
Environmental and Social Category	B
Environmental and Social (ES) Information	<p>Applicable Policy and Categorization. AIIB's Environmental and Social Policy (ESP), including the Environment and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), apply to this project. ESS 1 (Environmental and Social Assessment and Management), ESS 2 (Land Acquisition and Involuntary Resettlement) and ESS 3 (Indigenous Peoples) are applicable to the environmental and social (ES) aspects of the project. The project has been 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 engineering and construction practices in an operational setting.</p> <p>Environmental and Social Instruments: An Environmental and Social Impact Assessment (ESIA) including an Environmental and Social Management Plan (ESMP), a Resettlement Planning Framework (RPF) and an Indigenous Peoples Planning Framework (IPPF) are being finalized by BREB. A land audit is also being undertaken to identify the already purchased land for substations and develop measures to comply with AIIB's ESP.</p> <p>Environment Aspects. Potential key environmental risks and impacts of project components have been identified. For Component A, key considerations for the augmentation activities for existing substations includes, but is not limited to: historical use of polychlorinated biphenyls (PCB) containing transformers; transformer oil storage; historical monitoring; disposal of transformers; fire safety; and community health and safety. On the other hand, for new substations, this includes but are not limited to: usage of PCB-free transformers; oil leakage protection; drainage and wastewater management;</p>

community health and safety; and hazardous materials and waste management. For Component B, this includes: right-of-way and maintenance; community health and safety; avian and bat collisions and electrocutions; and chemically-treated wooden poles. For Component C, key considerations include: temporary land use restrictions and loss of standing crops and trees; and navigation safety. Phase 1 Environmental Site Assessment (ESA) for all existing substations will be completed prior to the first disbursement. Key mitigation measures to address those risks and impacts following the mitigation hierarchy and in accordance with good international industry practices (GIIP) are included in the ESMP.

Social and Gender Aspects. The project aims to enhance the distribution capacity and improve the reliability and quality of electricity supply in Chattogram and Sylhet divisions. Components A and B will require land for the construction of proposed substations and for securing the right-of-way for distribution lines, and the client will ensure its availability through direct purchase. PBSs are mainly responsible for the land purchase, under the supervision of the BREB. For the 49 existing substations, the land is readily available and owned by the respective PBSs. The PBSs have also purchased 1.74 Ha of land for 11 new sites (10 substations and 1 switching station site), and a land audit is ongoing to ascertain compliance with AIIBs' ESP. The PBSs are in negotiation to purchase another 14.60 Ha of land for the remaining 90 new sites (80 substation and 10 switching station sites), and a RPF has been prepared to guide the preparation of site-specific Resettlement Plans (RPs). In addition, a Gender Action Plan (GAP) developed for the project and to be implemented by BREB together with its PBSs will contribute to bridging the inequalities that exist between women and men in Bangladesh. The GAP specifically targets the female employees of BREB and PBSs and their female electricity consumers in Chattogram and Sylhet divisions.

Occupational Health and Safety, Labor and Employment Conditions. BREB has a Standard Operating Procedure (SOP) for substation or distribution network operation, inspection and maintenance; SOP for emergency response procedures and management; and an SOP for training in safety working procedures. The project workforce is expected to be comprised of project-contracted workers, primary supplier workers, and potentially migrant workers. Key risks and impacts include live power lines, life and fire safety, working at height, and chemical exposure, among others. The ESMP also includes measures to mitigate risks and impacts on occupational health and safety and labor and working conditions. The implementation of the ESMP requirements and compliance with the relevant country laws and regulations, BREB's ES standards, and GIIP will be reflected in relevant bidding documents, agreement and contracts with primary suppliers and contractors.

Stakeholder Engagement, Consultation and Information Disclosure. The ESIA, including the ESMP, outlines a set of broad public consultation activities and information dissemination to affected people, including public meetings in project areas, focus group discussions, and information awareness campaigns. This will be undertaken early and throughout project preparation and implementation. Also, the PBSs will set up and manage project information centers, responsible for

	<p>disseminating information to stakeholders. Information of ES instruments will be made available in English and Bengali. The ESIA, which includes the ESMP, the RPF and IPPF, in English, and the executive summaries in Bengali, will be disclosed timely online on both the AIIB and BREB websites.</p> <p>Project Grievance Redress Mechanism. BREB will establish a project-level grievance redress mechanism (GRM) in accordance with the requirements of AIIB's ESP for the project. The GRM will include a procedure to receive and facilitate the resolution of project-affected people's concerns and complaints about any irregularities. The GRM will operate at three levels: (i) PBS field officers will receive and respond to grievances from project affected people, and seek to resolve minor grievances; (ii) if the grievance cannot be resolved at the field level, it will be referred to a focal point at Project Management Unit (PMU); and (iii) if the matter cannot be resolved at the PMU grievance committee level, the matter will be referred to a Grievance Redress Committee (GRC) headed by the Chief Engineer (Project) at BREB. The information of established GRM at the project level and AIIB's Project-affected People's Mechanism (PPM) will be posted on BREB website in English and Bengali. In addition to the above, a commensurate mechanism will be made available at the contractor level for workers' grievances.</p> <p>Monitoring and Supervision arrangements: The PMU will be fully responsible for monitoring the implementation of the project and is expected to prepare progress monitoring reports semi-annually based on agreed format highlighting progress on ESMP implementation, which will be shared with AIIB. During the project implementation, the Bank will carry out missions to monitor progress and may conduct additional field visits as required during the initial years.</p>		
Cost and Financing Plan	<p>Estimated project total: USD 797.42 million.</p> <p>Indicative financing plan: USD 531.00 million (AIIB), USD 108.99 million (GoB), and USD 157.43 million (BREB).</p>		
Borrower	People's Republic of Bangladesh		
Implementing Entity	Bangladesh Rural Electrification Board (BREB)		
Estimated date of loan closing	April 2030		
Contact Points:	AIIB	Borrower	Implementation Organization
Name	Hari Bhaskar	Ms. Mirana Mahrukh	Ajay Kumar Chakraborty
Title	Principal Investment Officer	Additional Secretary & Wing Chief (Asia, JEC, F&F), Economic Relations	Chairman, Bangladesh Rural Electrification Board (BREB)

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Date of Concept Decision	March 25, 2024		
Date of Appraisal Decision	July 24, 2024		
Estimated Date of Financing Approval	Q4-2024		

Independent Accountability Mechanism	<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 GRM or AIIB Management's processes.</p> <p>Information on AIIB's PPM is available at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html.</p>
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