Bangladesh: Reliance Bangladesh Liquefied Natural Gas and Power Project

**Project Name:** Reliance Bangladesh Liquefied Natural Gas and Power Project

**Project Number:** 50253-001

**Borrower/Company:** Bangladesh

**Country:** Bangladesh

**Location:** Kutubdia Island, Meghnaghat

**Approval Number:** 7536/3609, 7535/3608

**Type of ADB Assistance / Amount:**

<table>
<thead>
<tr>
<th>Approval Number</th>
<th>Type of Assistance</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>7536/3609</td>
<td>Ordinary capital resources</td>
<td>USD 60.00 million</td>
</tr>
<tr>
<td>7535/3608</td>
<td>Ordinary capital resources</td>
<td>USD 180.00 million</td>
</tr>
<tr>
<td>7536/3609</td>
<td>Ordinary capital resources</td>
<td>USD 20.00 million</td>
</tr>
<tr>
<td>7535/3609</td>
<td>Ordinary capital resources</td>
<td>USD 70.00 million</td>
</tr>
</tbody>
</table>

**Strategic Agendas:**
- Environmentally sustainable growth
- Inclusive economic growth
- Regional integration

**Drivers of Change:**
- Gender Equity and Mainstreaming
- Partnerships
- Private sector development

**Sector / Subsector:** Energy - Conventional energy generation

**Gender Equity and Mainstreaming:** Some gender elements

**Responsible ADB Department:** Private Sector Operations Department

**Responsible ADB Division:** Infrastructure Finance Division 1

**Responsible ADB Officer:** Tang, Sonali

**Project Sponsor(s):**

**Description:**
The proposed Project will include a natural gas fired power plant (CCPP) and a liquefied natural gas (LNG) terminal. The LNG terminal, located near Kutubdia Island, consists of a mooring point, jetty and pipeline infrastructure to connect an off-shore FSRU to the mainland. The 718 MW CCPP, utilizing re-gasified LNG (RLNG) as fuel, is proposed to be located on land allotted by Bangladesh Power Development Board (BPDB), in Meghnaghat, Narayanganj District.

**Objectives and Scope:**
The Project is expected to generate significant development impact for Bangladesh: easing a key energy infrastructure constraint; generating employment during construction and operation; providing an alternative to depleting domestic gas reserves and creating conditions for greater private sector participation. The Project also contributes to increasing the supply of clean energy to Bangladesh and thereby result in improved social and economic conditions.

**Linkage to Country/Regional Strategy:**
The project will support economic growth in Bangladesh, promote private sector development in the energy sector, catalyze long-term private financing, which are in line with ADBs country partnership strategy (CPS) 2016-2020. The Project is fully aligned with Strategy 2020 Midterm Review as it belongs to one of ADBs core areas of operations (infrastructure) and is structured on a PPP basis.

**Safeguard Categories:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment</td>
<td>A</td>
</tr>
<tr>
<td>Involuntary Resettlement</td>
<td>B</td>
</tr>
<tr>
<td>Indigenous Peoples</td>
<td>C</td>
</tr>
</tbody>
</table>

**Summary of Environmental and Social Aspects:**
The project is classified category A for impacts on environment. While the impacts are not unprecedented and the project is not expected to adversely affect an environmentally sensitive area, they are diverse and the potential construction, operational and safety risks due to the nature and scale of the project are considered significant. The environmental impact assessment reports showed that key environmental issues concerning biodiversity, air emissions, effluent quality, domestic waste, and noise pollution can be reduced and mitigated through adequate measures taken during the design phase and implementation of sound engineering practices during the construction and operational phases, which are presented in the Environmental management plans. Stakeholder consultations with communities and affected people have been conducted at project locations and will be continued during project implementation. Reliance Power Limited has a well-established environment, health and safety (EHS) cell at the corporate level which will support Reliance Bangladesh LNG and Power Limited and Reliance Bangladesh LNG Terminal Limited for management of EHS issues at project sites. Occupational and community health, safety and security procedures are in place including the establishment of an Emergency Response and Disaster Management Plan.
Involuntary Resettlement

The project is classified as category B for involuntary resettlement in compliance with ADB’s Safeguard Policy Statement (2009). No land acquisition or involuntary resettlement impacts are envisaged from the power plant and the LNG terminal. Land acquisition of approximately 3.97 acres belonging to 23 households will be required for development of land-based custody transfer metering system which is connected to the LNG terminal through a pipeline. The land acquisition and resettlement for the pipeline will be undertaken by Petrobangla and is expected to be completed in 2018. Based on the assessment of the preliminary pipeline alignment, involuntary resettlement impacts are not expected to be significant given that all land acquired for the pipeline will be compensated at replacement costs and will also be available to land owners for continued use after the laying of pipeline is completed. Petrobangla will prepare and implement a Resettlement Plan (RP) following the Resettlement Framework, consistent with World Bank Operational Policies and ADB’s SPS to address involuntary resettlement impacts.

Indigenous Peoples

The project is classified Category C for impacts on Indigenous Peoples. The ESIA confirms that there are no indigenous communities in the project locations that will be impacted due to the project. The project is not expected to affect territories or natural and cultural resources owned, used, occupied, or claimed by indigenous peoples as their ancestral domain.

Stakeholder Communication, Participation, and Consultation

Meaningful consultations with relevant stakeholders at the project sites were conducted and information disclosure done in accordance with ADB SPS. Community liaison officers will be deployed to develop, implement and manage the stakeholder engagement and grievance redress mechanisms in the project.

Timetable for assistance design, processing and implementation

<table>
<thead>
<tr>
<th>Timetable Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>Concept Clearance</td>
<td>10 Aug 2016</td>
</tr>
<tr>
<td>Due Diligence</td>
<td></td>
</tr>
<tr>
<td>Credit Committee Meeting</td>
<td>20 Oct 2017 to 20 Oct 2017</td>
</tr>
<tr>
<td>Approval</td>
<td></td>
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<tr>
<td>Last PDS Update</td>
<td>12 Jun 2019</td>
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</tbody>
</table>

Project Page

https://www.adb.org/projects/50253-001/main

Request for Information

http://www.adb.org/forms/request-information-form?subject=50253-001

Date Generated

15 September 2019

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