

TRANCHE AT A GLANCE

1. Basic Data		Project Number: 42378-017	
Project Name	Power System Expansion and Efficiency Improvement Investment Program - Tranche 3	Department /Division	SARD/SAEN
Country	Bangladesh	Executing Agency	Ashuganj Power Station Company Ltd. (APSCL), Bangladesh Rural Electrification Board (BREB), Power Grid Company of Bangladesh, Ltd. (PGCB)
Borrower	Government of Bangladesh		
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Energy	Electricity transmission and distribution		90.00
	Energy efficiency and conservation		115.00
		Total	205.00
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Adaptation (\$ million)	10.00
Environmentally sustainable growth (ESG)	Global and regional transboundary environmental concerns	Mitigation (\$ million)	50.00
	Natural resources conservation	CO ₂ reduction (tons per annum)	800,000
		Climate Change impact on the Project	Medium
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Knowledge solutions (KNS)	Application and use of new knowledge solutions in key operational areas	No gender elements (NGE) ✓	
Partnerships (PAR)	International finance institutions (IFI)		
	Official cofinancing		
5. Poverty Targeting		Location Impact	
Project directly targets poverty	No	Rural	Medium
		Urban	Medium
6. Risk Categorization:	Complex		
7. Safeguard Categorization	Environment: A Involuntary Resettlement: B Indigenous Peoples: C		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		205.00	
Sovereign MFF-Tranche (Loan): Ordinary capital resources		205.00	
Cofinancing		220.00	
Islamic Development Bank		220.00	
Counterpart		105.00	
Government		105.00	
Total		530.00	
9. Effective Development Cooperation			
Use of country procurement systems		No	
Use of country public financial management systems		Yes	

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Date of Receipt by ADB of PFR: 5 August 2015

Tranche Number: 3

10. Country Operations Business Plan

CPS

<http://www.adb.org/documents/bangladesh-country-partnership-strategy-2011-2015>

COBP

<http://www.adb.org/documents/bangladesh-country-operations-business-plan-2015-2017>

11. Tranche Summary

Tranche 3 will cover investments in generation system expansion and efficiency improvement, transmission system enhancement, and demand side energy efficiency improvement.

Impact and Outcome: The impact will be better access to reliable electricity supply in Bangladesh. The outcome will be increased efficiency and capacity of the power system in Bangladesh.

Outputs: (i) Power generation system expanded and upgraded through replacement of an aging steam and gas turbine power plant of 220 megawatt (MW) capacity with a more efficient 400 MW gas-fired Combined Cycle Power Plant (CCPP) at Ashuganj Power Station complex, (ii) transmission system expanded and upgraded through upgrade or construction of 132kv transmission lines and substations in Chittagong Division, and (iii) demand side energy efficiency improved through replacement of meters with approximately 700,000 pre-payment meters in Dhaka Division.

Implementation Arrangements: Ashuganj Power Station Company Ltd. (APSCL), Bangladesh Rural Electrification Board (BREB) and Power Grid Company of Bangladesh, Ltd. (PGCB) will be the executing agencies.

Project Readiness: Output 1: Development Project Proposal (DPP) was approved on 22 September 2015. The draft Environmental Impact Assessment (EIA) was disclosed in June 2015 and the updated EIA on 28 October 2015. The subproject will be located in the EA's existing premises of the power station. The revised draft bidding documents (incorporating ADB's comments) was submitted in July 2015 and is expected to be issued in Q4 2015.

Output 2: DPP was approved in October 2013. The draft Resettlement Plan (RP) was disclosed in June 2015 while the draft IEE was disclosed on 14 September 2015, and updated IEE was disclosed on 5 October 2015. The required lands for the subproject have been acquired. The EA will submit the draft bidding documents in Q4 2015.

Output 3: Approval of the proposal for output 3 is expected in the fourth quarter of 2015. EIA/IEE exemption is being sought from the Department of Environment and the Ministry of Environment and Forests. The EA submitted its draft bidding documents in June 2015 and revised bidding document in August 2015. The bidding document is expected to be issued in Q4 2015.

12. Significant Developments in the MFF and Previous Tranches

Loan 2966 (Tranche 1) for \$185 million was approved in December 2012 and became effective in June 2013. All the contracts under Tranche 1 have been awarded. As of 9 September 2015, cumulative contract awards and disbursements amount to \$173 million (94%) and \$55 million (30%), respectively. Of the 26 covenants, 11 have been met, 13 are being met, and 2 are not yet due.

Loan 3087 (Tranche 2) for \$310 million was approved in December 2013, and became effective in March 2014. Of the 14 contracts, 7 have been awarded and 7 are expected to be awarded by November 2015. As of 9 September 2015, cumulative contract awards and disbursements amount to \$115 million (37%) and \$11 million (4%), respectively. Of the 18 covenants, 6 have been met, and 12 are being met.

13. Milestones

Estimated Approval	Estimated Effectiveness	Estimated Completion ^a
7 December 2015	29 February 2016	30 June 2021

14. Linked Documents

	Required Document	Disclosure Date
(i) Environment	EIA - Environmental Impact Assessment	
Weblink:	http://www.adb.org/projects/documents/ashuganj-400mw-ccpp-east-eia	3 June 2015
(ii) Involuntary resettlement	RP - Resettlement Plan	
Weblink:	http://www.adb.org/projects/documents/power-system-expansion-and-energy-efficiency-improvement-investment-t3-rp	29 June 2015
(iii) Indigenous peoples		
Weblink:		

^a For Tranches, this refers to the financial closing date.