

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The main multilateral development partners in the energy sector in Bangladesh are the World Bank, the Asian Development Bank (ADB), and the Islamic Development Bank (IsDB). In addition, bilateral aid is provided by France, Germany, Japan, Norway, Kuwait, Russia, the United Kingdom, and the United States. A number of areas receive support, including generation, production, transmission and distribution upgrading, reorganizing the energy sector, assistance to the regulatory commission, energy efficiency, rural electrification, capacity addition, capacity building, and planning. Co-financing by other development partners is listed in the table.

Major Development Partners

Sectors and Themes	Development Partner	Project Name	Duration	Amount
Economic Growth	USAID	Improved Capacity for Energy Access [focus on the Bangladesh Electricity Regulatory Commission (BERC) and Rural Electrification]	2008–2011	\$7.7 million
	World Bank	Power Sector Development (focus on BERC, Petrobangla and Power Division)	2004–2011	\$15.5 million
	World Bank	Siddhirganj Peaking Power Plant Project and the Bakhrabad–Siddhirganj Pipeline	2008–2016	\$350.0 million
	World Bank	Design of Project Management System Framework (focus on power and gas companies)	2008–2010	\$0.75 million
	NDF	Power Sector Development	2003–2011	€8.30 million
	NORAD	Power Sector Development	2003–2011	\$10.0million
	KfW	Sustainable Power sector Development	2007–2012	€23.0million

KfW = Kreditanstalt für Wiederaufbau;

NDF = Nordic Development Fund

NORAD = Norwegian Agency for Development Cooperation

USAID = United States Agency for International Development

B. Institutional Arrangements and Processes for Development Coordination

2. Coordination of assistance by the major development partners is carried out by the Economic Relations Division of the Ministry of Finance. Energy sector coordination is coordinated by the Ministry of Power, Energy and Mineral Resources. Coordination among the development partners and exchanges of information are carried out through a local coordination group which consists of committees for each of the core areas of assistance. ADB is the leading development partner in the energy sector and chairs the committee on energy.

C. Achievements and Issues

3. ADB has coordinated development partners' interactions and helped bilateral sources to channel their assistance, minimizing the potential for overlapping assistance and conflicting policy advice. As a result the development partners and ADB in particular, have delivered quality assistance by way of appropriate policy dialogue, structured lending and nonlending programs, and significant financial assistance.

D. Summary and Recommendations

4. ADB's energy sector program has been evaluated as successful by the Independent Evaluation Department. However, issues remain and problems persist. The government needs to refine the power system master plan, channel investments in the various sectors, ensure the regulatory commission is fully operational, address tariff reforms, and encourage energy efficiency and alternate sources of energy. Substantial focused investments will be required and the development partners are well placed to provide continued lending and non-lending support, especially to encourage private sector participation and regional cooperation.