

Government of the People's Republic of Bangladesh  
Ministry of Finance  
Economic Relations Division  
ADB-4 Branch

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**PERIODIC FINANCING REQUEST**

No.09.512.024.01.02.022.2015 - 360

Date: 04 August 2015

To: Asian Development Bank  
6 ADB Avenue  
Mandaluyong City, Metro Manila.

ATTENTION: Director General, South Asia Department.

Sir/Madam:

**RE: Power System Expansion and Efficiency Improvement Investment Program:  
Periodic Financing Request No.3**

Please refer to the Framework Financing Agreement (FFA) for Bangladesh Power System Expansion and Efficiency Improvement Investment Program dated 07-October-2012 between Asian Development Bank (ADB) and the Government of Bangladesh. Expressions defined in the FFA shall have the same meanings herein.

Pursuant to the provisions of the FFA, the Government of Bangladesh (the Borrower) requests ADB to process this PFR for a tranche, in the form of a loan from its ordinary capital resources. The proposed financing amounts, terms, conditions, and financing plan are specified in Attachment A hereto. Descriptions of the investment project for which financing is hereby requested are set out in Annexes 1 through 3 of Attachment A hereto.

It is our understanding that ADB's Articles of Agreements are designed to ensure that the proceeds of any loan are used only for the purposes for which the loan was granted. Recognizing this, the Borrower certifies that it wishes ADB to process the said PFR for the purposes of carrying out a part of the Bangladesh Power System Expansion and Efficiency Improvement Investment Program in accordance with the provisions of the FFA, the loan and project agreements, and supplementary documents to be agreed between ADB and the Borrower.

We understand that this representation will be relied upon by ADB in approving the PFR and in approving future account arrangements and the placement of funds advanced thereto.

  
Saifuddin Ahmed  
Joint Secretary  
Economic Relations Division.

## Attachment A

**Project Description** The outputs proposed for financing under the requested PFR are:

**Output 1: Power generation system expanded and upgraded.** This comprises replacement of aging steam and gas turbine power plants of equivalent 220 megawatt (MW) with a more efficient 400 MW gas-fired combined cycle power plant (CCPP) at Ashuganj Power Station.

**Output 2: Transmission system expanded and upgraded.** This comprises:

- (i) upgrading of 65 kilometer (km) of 132 kilowatt (kV) double circuit Comilla(S)-Chandpur transmission line with advanced low loss conductors;
- (ii) construction of 7 km of 132 kV double circuit Madunaghat-Kalurghat underground transmission line;
- (iii) construction of 132/33 kV air-insulated substation (AIS) at Kachua (Chandpur) and 132/33 kV gas-insulated substation (GIS) at Kalurghat (Chittagong); and
- (iv) upgrading of existing 132/33 kV substation at Madunaghat (Chittagong) and 132/33 kV substation at Comilla (S) from AIS to GIS.

**Output 3: Demand side energy efficiency improved.** This comprises replacement of existing analog meters with 70,000 prepaid meters in Dhaka Division.

Under Output 1, there will be one turnkey package of Ashuganj 400MW CCPP (East) and one consulting services package to assist Ashuganj to implement the said turnkey package. Under Output 2, there will be one turnkey package of 132 kV transmission lines and substations in Chittagong Division. And under Output 3, there will be one supply package of prepaid meters in Dhaka Division.

The subprojects proposed under Tranche 3 are part of the Government of Bangladesh's (GOB's) road map and investment plan for the power sector, and meet the criteria outlined in Schedule 4 of the FFA. Therefore, Tranche 3 subprojects are eligible for funding under the MFF.

The Design and Monitoring Framework for this tranche is in **Annex 1**. Additional project details are in **Annex 2**.

**Cost Estimates and Financing Plan**

The total cost of the project is estimated to be approximately US\$ 505 million, inclusive of taxes, duties, contingencies, interests and other charges of the loan during construction as shown below. The detailed cost estimates and financing plan by financier are in **Annex 3**.

	(\$ million)			
	ADB	IDB	GOB/ EAs	Total
<b>A. Investment Costs (Contract Packages)</b>				
Ashuganj 400MW CCPP	104.48	185.17	-	289.66
132 kV transmission lines and SS	43.46	-	-	43.46
Pre-payment meters	41.82	-	-	41.82
Supervision consultants for APSCL	3.00	-	-	3.00
<b>Subtotal A</b>	<b>192.86</b>	<b>185.17</b>		<b>378.03</b>
<b>B. Other Investment Costs</b>				
Land and safeguards mitigation	-	-	3.28	3.28
Taxes and duties	-	-	61.43	61.43
<b>Subtotal B</b>	<b>-</b>	<b>-</b>	<b>64.71</b>	<b>64.71</b>
<b>C. Recurrent Costs</b>	<b>-</b>	<b>-</b>	<b>8.67</b>	
<b>Total Base Cost (A)+(B)+(C)</b>	<b>192.86</b>	<b>185.17</b>	<b>73.38</b>	<b>451.41</b>
<b>D. Contingencies</b>				
Physical	2.62	13.03	6.80	22.45
Price	1.09	5.31	16.17	22.57
<b>Subtotal D</b>	<b>3.71</b>	<b>18.34</b>	<b>22.97</b>	<b>45.02</b>
<b>E. Finance charges during implementation</b>				
IDC	8.00	16.49	8.62	33.11
Commitment charges	0.43	-	0.03	0.43
<b>Subtotal E</b>	<b>8.51</b>	<b>16.62</b>	<b>8.65</b>	<b>25.95</b>
<b>TOTAL (A)+(B)+(C)+(D)+(E)</b>	<b>205.00</b>	<b>220.00</b>	<b>105.00</b>	<b>530.00</b>

**Loan Amount and Terms**

The request is for a loan of \$205.0 million from the Ordinary Capital Resources (OCR) of the Asian Development Bank (ADB) provided under ADB's London interbank offered rate (LIBOR)-based lending facility, with a 25 year term including a grace period of 5 years, an interest rate determined in accordance with ADB's LIBOR-based lending facility, and such other terms and conditions as agreed in the FFA, and further supplemented under the Loan and Project Agreements.

**Co-Financing:** Islamic Development Bank (IDB) will provide \$220 million to jointly co-finance Output 1 with ADB. The co-financing will be provided on terms and conditions agreed between GOB and IDB, and acceptable to ADB.

**Period of Loan Utilization**

The physical works under the project are expected to be completed by 31<sup>st</sup> December 2020. The loan closing date will be 30<sup>th</sup> June 2021 in line with Section 3.05 of the draft Loan Agreement. Withdrawal applications from the borrower may be accepted during the winding-up period after the closing date in accordance with the ADB's Loan Disbursement Handbook 2015.

**Advance Contracting**

Advance contracting is requested for procurement of goods, related services, works, and recruitment of consultants.



**Retroactive Financing**

Retroactive financing is requested for the eligible expenditure, not exceeding the amount of 20% of the loan amount, incurred before loan effectiveness, but not earlier than 12 months before the signing of the legal agreement.

**Implementation Arrangements**

The Coordinating Agency for Tranche 3 is the Power Division, Ministry of Power, Energy, and Mineral Resources (MOPEMR), which will serve as the oversight body. The executing agencies (EAs) are the Ashuganj Power Station Company Limited (APSCL) for Output 1, Power Grid Company of Bangladesh Limited (PGCB) for Output 2, and the Rural Electrification Board (REB) for Output 3.

Each of the EAs has established a Project Management Unit (PMU) which will be responsible for implementing, monitoring, and reporting the progresses of project implementation to ADB and the Government of Bangladesh. Each PMU's responsibilities include: (i) overall coordination, macro level project management and monitoring; (ii) annual budget preparation and monitoring utilization of loan proceeds; (iii) progress reporting, including reports on financial management, safeguard compliance and project impact; and (iv) ensuring compliance with MFF undertakings and loan covenants.

The PMUs will also be responsible for administration, and financial and technical supervision of the subprojects, including procurement of goods and services, engagement of consultants, turnkey contractors, and monitoring subproject operation performance. The Coordinating Agency will support any policy related issues and in dealing with the central agencies, and government budgetary matters.

<b>Project Implementation Organizations</b>	<b>Management Roles and Responsibilities</b>
<ul style="list-style-type: none"><li>• Power Division, MOPEMR</li></ul>	➤ Supporting policy and budgetary related issues and dealing with the central agencies
<ul style="list-style-type: none"><li>• APSCL (PMU), PGCB (PMU), REB (PMU)</li></ul>	➤ Responsible for the day to day project implementation
<ul style="list-style-type: none"><li>• ADB</li></ul>	Undertaking regular project reviews and facilitate project implementation

**Procurement and Consulting Services**

A project administration manual (PAM) has been prepared for this tranche.

Consultants to be financed by ADB will be recruited in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). All procurements to be funded by ADB will be procured following ADB's *Procurement Guidelines* (2015, as amended from time to time). For the procurement under Output 1 to be jointly co-financed by IDB, list of eligible countries will be expanded to allow participation by firms and entities from countries eligible under ADB Procurement Guidelines and IDB Procurement Guidelines (2009).

The procurement plan is attached as **Annex 4**. Terms of reference for the engagement of project implementation consultants under this tranche is attached as **Annex 5**.

**Disbursement**

The Loan proceeds will be disbursed following ADB's *Loan Disbursement Handbook* (2015, as amended from time to time) and detailed arrangements agreed between The Government and ADB.

**Confirmation of Continuing Validity of and Adherence to Provisions of FFA, Previous Agreements, and the Design and Monitoring Framework**

The Government of Bangladesh confirms that the understandings set out in the FFA and provisions of previous loan agreements for Loan 2996 and Loan 3087 have been adhered to, and remain true to date.

A full report on compliance is attached as **Annex 6**.

**Readiness of the Project for Implementation**

The following actions which are necessary and/or already accomplished that make the Tranche 3 project ready for financing:

- (i) PMUs at APSCL, PGCB, and REB have been established and fully staffed.
- (ii) The development project proposals (DPPs) comprising the scope and design, and demonstrating the technical, financial and economic viability of each Output have been prepared. The Recast DPP for Output 1 has been recommended by Planning Commission for Cabinet approval. The DPP for Output 2 has been approved by Cabinet in 2013. The Recast DPP for Output 3 will be submitted to Planning Commission in August 2015. The Financial and Economic analyses, which demonstrate financial and economic viability of the Tranche 3 project investments, are in **Annexes 7 and 8**.
- (iii) Environmental Impact Assessments (EIA), Initial Environmental Examinations (IEE), and Resettlement Plan (RP) have been prepared and agreed to by APSCL, PGCB, and REB, and submitted to ADB during the fact finding mission; and
- (iv) Bidding documents for 2 procurement packages with an estimated total contract value of \$360 million will be issued between September 2015 and October 2015.

**Safeguards**

The following safeguards documents, attached as **Annex 10**, have been prepared and disclosed to the public:

- 1. EIA for Output 1
- 2. IEE for Output 2 (MOPEMR sought IEE exemption for Output 3 from Ministry of Environment and Forests)
- 3. Resettlement Plan (RP)

## **List of Annexes**

1. Design and Monitoring Framework
2. Project Description
3. Procurement Plan
4. TOR for Project Management, Supervision and Implementation Support Consultant

**PROJECT SPECIFIC COVENANTS LOAN 2966- AS DISPLAYED IN LEGAL AGREEMENTS**

<b>Schedule</b>	<b>Para No.</b>	<b>Description</b>	<b>Remarks/Issues</b>	<b>Type</b>
5	1	<p><b>IMPLEMENTATION ARRANGEMENTS</b></p> <p>The Borrower, NWPGCL and PGCB shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the FAM. Any subsequent change to the FAM shall become effective only after approval of such change by the Borrower and ADB. In the event of any discrepancy between the FAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail. Power Division shall ensure that it establishes a project management unit for the implementation of Part C of the Project. NWPGCL and PGCB shall ensure that their project management units have adequate qualified staff to undertake necessary tasks of procurement, construction supervision, inspection and testing of equipment, payments to contractors, monitoring, environmental and social safeguards due diligence and reporting of progress relevant to the components under their responsibility.</p>	Complied	Others
5	2	<p><b>ENVIRONMENT</b></p> <p>The Borrower shall ensure, or cause NWPGCL or PGCB to ensure, that the preparation, design, construction, implementation, operation and decommissioning of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to environment, health, and safety; (b) the Environmental Safeguards; (c) the EARF; and (d) all measures and requirements set forth in the respective IEE and EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.</p>	Being complied	Safeguards
5	3	<p><b>LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT</b></p> <p>The Borrower shall ensure, or cause NWPGCL or PGCB to ensure, that all land and all rights-of-way required for the Project, and all Project facilities are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulations of the Borrower relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; (c) the RF; and (d) all measures and requirements set forth in the respective RP, and</p>	Complied	Safeguards

		any corrective or preventative actions set forth in a Safeguards Monitoring Report.		
5	4	<p>LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT</p> <p>Without limiting the application of the Involuntary Resettlement Safeguards, the RF or the RP, the Borrower shall ensure, and cause NWPGL or PGCB to ensure, that no physical or economic displacement takes place in connection with the Project until:</p> <p>(a) compensation and other entitlements have been provided to affected people in accordance with the RP; and</p> <p>(b) a comprehensive income and livelihood restoration program has been established in accordance with the RP.</p>	Being complied	Safeguards
5	5	<p>SMALL ETHNIC COMMUNITY PRACTICES</p> <p>The Borrower shall ensure, or cause NWPGL or PGCB to ensure, that the preparation, design, construction, implementation and operation of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to small ethnic community peoples; (b) the Small Ethnic Community Peoples Safeguards; (c) any small ethnic community peoples planning framework; and (d) all measures and requirements set forth in the respective small ethnic community peoples plan, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.</p>	Being complied	Safeguards
5	6	<p>HUMAN AND FINANCIAL RESOURCES TO IMPLEMENT SAFEGUARD REQUIREMENTS</p> <p>The Borrower shall make available, or cause the Project Executing Agency to make available, necessary budgetary and human resources to fully implement the EMP, the RP and any small ethnic community peoples planning framework.</p>	Being complied	Safeguards
5	7	<p>SAFEGUARDS-RELATED PROVISIONS IN BIDDING DOCUMENTS AND WORKS CONTRACTS</p> <p>The Borrower shall ensure, or cause the Project Executing Agency to ensure, that all bidding documents and contracts for Works contain provisions that require contractors to:</p>	Complied	Safeguards



		<p>(a) comply with the measures and requirements relevant to the contractor set forth in the IEE, the EMP, the RP and any small ethnic community peoples plan (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set out in a Safeguards Monitoring Report;</p> <p>(b) make available a budget for all such environmental and social measures;</p> <p>(c) provide the Borrower with a written notice of any unanticipated environmental, resettlement or small ethnic community peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the IEE, the EMP, the RP or any small ethnic community peoples plan;</p> <p>(d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and</p> <p>(e) fully reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.</p>		
5	8	<p><b>SAFEGUARDS MONITORING AND REPORTING</b></p> <p>The Borrower shall do the following, or shall cause NWPGCL or PGCB to do the following:</p> <p>(a) submit semiannual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;</p> <p>(b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the IEE, the EMP or the RP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and</p> <p>(c) report any actual or potential breach of compliance with the measures and requirements set forth in the EMP or the RP promptly after becoming aware of the breach.</p>	Being complied	Safeguards
5	9	<p><b>PROHIBITED LIST OF INVESTMENTS</b></p> <p>The Borrower shall ensure, or cause NWPGCL or PGCB to ensure, that no proceeds of the Loan are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.</p>	Complied	Financials

5	10	<p>LABOR STANDARDS</p> <p>The Borrower shall ensure that all Works contract documents to be prepared under the Project incorporate provisions and budget to the effect that contractors (i) comply with all applicable labor laws and related international treaty obligations of the Borrower and do not employ child labor, as defined under Bangladesh law; (ii) provide safe working conditions for male and female workers; (iii) carry out HIV/AIDS and human trafficking prevention and awareness campaigns in the campsites and corridors of influence; (iv) engage women workers as wage laborers depending on their skill; and (v) provide equal wages for equal work between men and women.</p>	Complied	Social
5	11	<p>COUNTERPART SUPPORT</p> <p>The Borrower shall make available, and ensure that each Project Executing Agency makes available, adequate budgetary allocations of the required counterpart funds in respect of the Project on a timely and regular basis.</p>	Complied	Financials
5	12	<p>PROJECT REVIEWS</p> <p>ADB shall conduct periodic reviews of the progress of the Project as necessary and undertake any necessary midcourse corrections. In addition, ADB shall conduct special reviews as appropriate. The Borrower shall give all possible assistance for carrying out such reviews.</p>	Being complied	Others
5	13	<p>GOVERNANCE AND ANTICORRUPTION</p> <p>The Borrower and each Project Executing Agency shall (i) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (ii) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.</p>	Complied	Others
5	14	<p>GOVERNANCE AND ANTICORRUPTION</p> <p>Each Project Executing Agency shall ensure that the anticorruption provisions acceptable to ADB are included in all bidding documents and contracts,</p>	Complied	Others

		including provisions specifying the right of ADB to audit and examine the records and accounts of the executing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.		
5	15	<p>GOVERNANCE AND ANTICORRUPTION</p> <p>Each Project Executing Agency shall prepare and implement a robust code of conduct, acceptable to ADB, for the staff involved in the Project, ensuring, among others, that the staff members working with the project management unit do not have any conflict of interest with any activities under the Project. The Borrower shall take necessary steps to further ensure that all applicable anticorruption laws of the Borrower which apply to public officers are vigorously enforced.</p>	Complied	Others
5	16	<p>GOVERNANCE AND ANTICORRUPTION</p> <p>Each Project Executing Agency shall announce the Project and business opportunities associated with the Project, as relevant, on their website. Such announcements, when dealing with contracts awarded, shall at least disclose: (a) the list of participating bidders, (b) the name of the winning bidder, (c) the amount of the contracts awarded, and (d) the services procured. In addition, each Project Executing Agency shall establish a system of handling complaints, acceptable to ADB, to deal with any complaints received in relation to the contracts, their awards and their administration.</p>	Complied	Sector
5	17	<p>O&amp;M</p> <p>The Borrower shall ensure that each Project Executing Agency shall at all times have sufficient provision for its operation and maintenance cost for assets owned by it. NWPGL shall ensure that its upgraded power plant will be maintained at regular intervals as recommended by manufacturers, and shall ensure unhindered operation of the power plant on base load to achieve plant availability of higher than 90% and annual capacity factor exceeding 85%.</p>	Not yet due	Financials
5	18	<p>GAS SUPPLY</p> <p>The Borrower shall ensure uninterrupted supply of natural gas to Khulna power plant which will be upgraded to combined-cycle operation, to enable the plant</p>	Not yet due	Others

		to operate as base load capacity.		
5	19	<p>KHULNA POWER PURCHASE AGREEMENT</p> <p>The Borrower shall ensure that the power purchase agreement between NWPGCL and Bangladesh Power Development Board is executed by 31 December 2013, covering the open cycle operating period and the subsequent combined cycle operation of the Khulna power plant. The draft agreement shall be provided for ADB review and comments before its execution.</p>	Complied	Others
5	20	<p>TRANSMISSION INTERCONNECTIONS AND LOSSES</p> <p>The Borrower shall cause PGCB to ensure that modifications, upgrades, and rearrangements of the evacuation facilities for upgraded Khulna plant are completed by 31 December 2014, to enable the upgraded power plant to be connected to the grid. PGCB shall also ensure that the current transmission losses of 2.7% will be sustained and further reduced to 2.5% by the end of 2017.</p>	Transmission line commissioned; transmission loss commitment not yet due	Others
5	21	<p>FINANCING AND FINANCIAL MANAGEMENT</p> <p>The Borrower shall ensure that its funding agreements with the Project Executing Agencies are implemented according to project schedule, guaranteeing timely completion of project activities. The Borrower shall ensure that all funds which are due to NWPGCL under various agreements are made available to the company without any delay.</p>	Being complied	Financials
5	22	<p>FINANCING AND FINANCIAL MANAGEMENT</p> <p>The Borrower shall provide assistance to NWPGCL in (i) developing a computerized accounting information system and in developing its charts of accounts, and (ii) developing business plans in order for them to carry out projections and set targets to improve their financial decision making process.</p>	Being complied	Financials
5	23	<p>FINANCING AND FINANCIAL MANAGEMENT</p> <p>NWPGCL shall maintain a self financing ratio of 10% from 1 April 2015 onwards based on 3-year moving average capital expenditure (calculated by</p>	Not yet due	Financials



		adding the capital expenditure for the previous year, current year and projection for the next year, divided by 3).		
5	24	<p>FINANCING AND FINANCIAL MANAGEMENT</p> <p>The Borrower shall ensure that all debts incurred by NWPGCL are serviced regularly, and that it maintains a healthy debt service coverage ratio of 1.2 from end of December 2019.</p>	Not yet due	Sector
5	25	<p>PUBLIC AWARENESS</p> <p>NWPGCL shall conduct public awareness programs involving relevant stakeholders to highlight activities in the power sector.</p>	Being complied	Sector
5	26	<p>REGULATORY REFORM</p> <p>The Borrower shall cause Power Division to continue the implementation of structural and regulatory reforms in the power sector and specifically (i) transfer the assets and operation of distribution networks designed to be served by NWZPDCL from BPDB and make NWZPDCL operational by 30 June 2014, (ii) establish independent entities for BPDB distribution functions, (iii) establish independent entities for BPDB generation facilities and execute power purchase agreements as necessary, and (iv) reconstitute the boards of power sector entities established under the Borrower's Companies Act 1994 in accordance with the principles indicated in earlier loan documents.</p>	Partially combined. Item (i) not complied, GOB is working on this; item (ii, iii, and iv) are being complied	Sector

**PROJECT SPECIFIC COVENANTS LOAN 3087- AS DISPLAYED IN LEGAL AGREEMENTS**

<b>Schedule</b>	<b>Para No.</b>	<b>Description</b>	<b>Remarks/Issues</b>	<b>Type</b>
5	1	<p>IMPLEMENTATION ARRANGEMENTS</p> <p>1. The Borrower, PGCB, DPDC and DESCO shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the Borrower and ADB. In the event of any discrepancy between the PAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail. PGCB, DPDC and DESCO shall ensure that their project management units have adequate qualified staff to undertake necessary tasks of procurement, construction supervision, inspection and testing of equipment, payments to contractors, monitoring, environmental and social safeguards due diligence and reporting of progress relevant to the components under their responsibility.</p>	Complied with	Others
5	2	<p>ENVIRONMENT</p> <p>The Borrower shall ensure, or cause PGCB, DPDC or DESCO to ensure, that the preparation, design, construction, implementation, operation and decommissioning of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to environment, health, and safety; (b) the Environmental Safeguards; (c) the EARF; and (d) all measures and requirements set forth in the respective IEE and EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.</p>	Being complied with	Safeguards
5	3	<p>LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT</p> <p>The Borrower shall ensure, or cause PGCB, DPDC or DESCO to ensure, that all land and all rights-of-way required for the Project, and all Project facilities are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulations of the Borrower relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; (c) the RF; and (d) all measures and requirements set forth in the respective RP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.</p>	Being complied with	Safeguards

5	4	<p>LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT</p> <p>Without limiting the application of the Involuntary Resettlement Safeguards, the RF or the RP, the Borrower shall ensure, and cause PGCB, DPDC or DESCO to ensure, that no physical or economic displacement takes place in connection with the Project until:</p> <p>(a) compensation and other entitlements have been provided to affected people in accordance with the RP; and</p> <p>(b) a comprehensive income and livelihood restoration program has been established in accordance with the RP.</p>	Being complied with	Safeguards
5	5	<p>SMALL ETHNIC COMMUNITY PEOPLES</p> <p>The Borrower shall ensure, or cause PGCB, DPDC or DESCO to ensure, that the preparation, design, construction, implementation and operation of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to small ethnic community peoples; (b) the Small Ethnic Community Peoples Safeguards; (c) any small ethnic community peoples planning framework; and (d) all measures and requirements set forth in the respective small ethnic community peoples plan, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.</p>	Being complied with	Safeguards
5	6	<p>HUMAN AND FINANCIAL RESOURCES TO IMPLEMENT SAFEGUARDS REQUIREMENT</p> <p>The Borrower shall make available, or cause the Project Executing Agency to make available, necessary budgetary and human resources to fully implement the EMP, the RP and any small ethnic community peoples planning framework.</p>	Being complied with	Safeguards
5	7	<p>SAFEGUARDS – RELATED PROVISIONS IN BIDDING DOCUMENTS AND WORKS CONTRACTS</p> <p>The Borrower shall ensure, or cause the Project Executing Agency to ensure, that all bidding documents and contracts for Works contain provisions that require contractors to:</p> <p>(a) comply with the measures and requirements relevant to the contractor set forth in the IEE, the EMP, the RP and any small ethnic community peoples plan (to the extent they concern impacts on affected people during construction), and</p>	Complied with	Safeguards

		<p>any corrective or preventative actions set out in a Safeguards Monitoring Report;</p> <p>(b) make available a budget for all such environmental and social measures;</p> <p>(c) provide the Borrower with a written notice of any unanticipated environmental, resettlement or small ethnic community peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the IEE, the EMP, the RP or any small ethnic community peoples plan;</p> <p>(d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and</p> <p>(e) fully reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.</p>		
5	8	<p><b>SAFEGUARDS MONITORING AND REPORTING</b></p> <p>The Borrower shall do the following, or shall cause PGCB, DPDC or DESCO to do the following:</p> <p>(a) submit semiannual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;</p> <p>(b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the IEE, the EMP or the RP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan;</p> <p>(c) no later than 31 December 2014, engage qualified and external expert(s) or qualified nongovernment organizations under a selection process and terms of reference acceptable to ADB, to verify information produced through the project monitoring process, and facilitate the carrying out of any verification activities by such external experts; and</p> <p>(d) report any actual or potential breach of compliance with the measures and requirements set forth in the EMP or the RP promptly after becoming aware of the breach.</p>	Being complied with	Safeguards
5	9	<b>PROHIBITED LIST OF INVESTMENTS</b>	Being complied with	Financials



		The Borrower shall ensure, or cause PGCB, DPDC or DESCO to ensure, that no proceeds of the Loan are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.		
5	10	<p>LABOR STANDARDS</p> <p>The Borrower shall ensure that all Works contract documents to be prepared under the Project incorporate provisions and budget to the effect that contractors (i) comply with all applicable labor laws and related international treaty obligations of the Borrower and do not employ child labor, as defined under Bangladesh law; (ii) provide safe working conditions for male and female workers; (iii) carry out HIV/AIDS and human trafficking prevention and awareness campaigns in the campsites and corridors of influence; (iv) engage women workers as wage laborers depending on their skill; and (v) provide equal wages for equal work between men and women.</p>	Complied with	Social
5	11	<p>COUNTERPART SUPPORT</p> <p>The Borrower shall make available, and ensure that each Project Executing Agency makes available, adequate budgetary allocations of the required counterpart funds in respect of the Project on a timely and regular basis.</p>	Being complied with	Financials
5	12	<p>PROJECT REVIEWS</p> <p>ADB shall conduct periodic reviews of the progress of the Project as necessary and undertake any necessary midcourse corrections. In addition, ADB shall conduct special reviews as appropriate. The Borrower shall give all possible assistance for carrying out such reviews.</p>	Being complied with	Others
5	13	<p>GOVERNANCE AND ANTICORRUPTION</p> <p>The Borrower and each Project Executing Agency shall (i) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (ii) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.</p>	Complied with	Others
5	14	GOVERNANCE AND ANTICORRUPTION	Complied with	Others

		Each Project Executing Agency shall ensure that the anticorruption provisions acceptable to ADB are included in all bidding documents and contracts, including provisions specifying the right of ADB to audit and examine the records and accounts of the executing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.		
5	15	<p>GOVERNANCE AND ANTICORRUPTION</p> <p>Each Project Executing Agency shall prepare and implement a robust code of conduct, acceptable to ADB, for the staff involved in the Project, ensuring, among others, that the staff members working with the project management unit do not have any conflict of interest with any activities under the Project. The Borrower shall take necessary steps to further ensure that all applicable anticorruption laws of the Borrower which apply to public officers are vigorously enforced.</p>	Complied with	Others
5	16	<p>GOVERNANCE AND ANTICORRUPTION</p> <p>Each Project Executing Agency shall announce the Project and business opportunities associated with the Project, as relevant, on their website. Such announcements, when dealing with contracts awarded, shall at least disclose: (a) the list of participating bidders, (b) the name of the winning bidder, (c) the amount of the contracts awarded, and (d) the services procured. In addition, each Project Executing Agency shall establish a system of handling complaints, acceptable to ADB, to deal with any complaints received in relation to the contracts, their awards and their administration.</p>	Being complied with	Others
5	17	<p>O&amp;M</p> <p>The Borrower shall ensure that each Project Executing Agency shall at all times have sufficient provision for its operation and maintenance cost for assets owned by it.</p>	Not yet due	Financials
5	18	<p>REGULATORY REFORM</p> <p>The Borrower shall ensure that the PGCB, DPDC and DESCO file tariff petitions with the Bangladesh Energy Regulatory Commission on an annual basis for regular tariff revisions to ensure adequate revenue recovery to cover their</p>	Being complied with	Financials

		recurrent costs and planned capital investments.		
5	18	<p>REGULATORY REFORM</p> <p>The Borrower shall ensure that the Bangladesh Energy Regulatory Commission Electricity Transmission Tariff Regulations and the Bangladesh Energy Regulatory Commission Electricity Distribution Tariff Regulations have entered into force and effect no later than 30 June 2014, substantially in the form as notified by public notice of 27 February 2008 and taking into account the subsequent stakeholder consultations.</p>	Being complied with GOB indicated this will be complied in Q4 2015.	Financials