



ASIAN DEVELOPMENT BANK

Bangladesh: Gas Transmission and Development Project

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|---|--|---|--|----------------------------------|-------------------|--|--|----------------------------|---------------------|--|--|------------------------|-------------------|
| Project Name | Gas Transmission and Development Project | | | | | | | | | | | | |
| Project Number | 35242-013 | | | | | | | | | | | | |
| Country | Bangladesh | | | | | | | | | | | | |
| Project Status | Approved | | | | | | | | | | | | |
| Project Type / Modality of Assistance | Loan | | | | | | | | | | | | |
| Source of Funding / Amount | <table><tr><td colspan="2">Grant 0019-BAN: Gas Transmission and Development Project</td></tr><tr><td>Norwegian Grant (Other Projects)</td><td>US\$ 5.00 million</td></tr><tr><td colspan="2">Loan 2188-BAN: Gas Transmission and Development Project</td></tr><tr><td>Ordinary capital resources</td><td>US\$ 225.00 million</td></tr><tr><td colspan="2">Loan 2189-BAN: Gas Transmission and Development Project</td></tr><tr><td>Asian Development Fund</td><td>US\$ 5.00 million</td></tr></table> | Grant 0019-BAN: Gas Transmission and Development Project | | Norwegian Grant (Other Projects) | US\$ 5.00 million | Loan 2188-BAN: Gas Transmission and Development Project | | Ordinary capital resources | US\$ 225.00 million | Loan 2189-BAN: Gas Transmission and Development Project | | Asian Development Fund | US\$ 5.00 million |
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| Loan 2189-BAN: Gas Transmission and Development Project | | | | | | | | | | | | | |
| Asian Development Fund | US\$ 5.00 million | | | | | | | | | | | | |
| Strategic Agendas | Inclusive economic growth | | | | | | | | | | | | |
| Drivers of Change | | | | | | | | | | | | | |
| Sector / Subsector | Energy - Energy sector development and institutional reform - Oil and gas transmission and distribution | | | | | | | | | | | | |
| Gender Equity and Mainstreaming | No gender elements | | | | | | | | | | | | |
| Description | The objectives are to: (i) improve the governance of the gas sector through its restructuring and increased private sector participation by developing an enabling regulatory framework; (ii) ensure the long-term financial viability of the sector by reducing technical and non-technical system losses and improving management of sector entities; and (iii) increase the pace of economic development in less-developed regions of the country by expanding the sustainable use and supply of natural gas. The Project will also improve air quality, reduce deforestation, and lessen respiratory diseases. | | | | | | | | | | | | |
| Project Rationale and Linkage to Country/Regional Strategy | ADB's strategy for developing the gas sector covers three main areas. The first is improved commercialization including PSP, continuous progress in sector reforms, and unbundling of sector activities. The Project is included in ADB's Country Strategy and Program. | | | | | | | | | | | | |
| Impact | Increased pace of economic development. | | | | | | | | | | | | |
| Project Outcome | | | | | | | | | | | | | |
| Description of Outcome | Enhanced use of natural gas by consumers, industry, and commercial users. | | | | | | | | | | | | |

Progress Toward Outcome

The overall progress of the project is satisfactory although there was significant initial delay in project implementation. Due to positive intervention of the project, system loss reduced to 4.1% in 2007, 2.56% in 2008, 0.72% in 2009, 1% in 2010 and 1% in 2011. Air quality improved over the years. Debt service coverage ratio was 4.42 as of 30 June 2012. Debt equity ratio to capital was 37:63 as of 30 June 2012. The project interventions have been contributing significantly to socioeconomic development of Project area especially in the north-west and south-west of Bangladesh, the least developed regions of the country, by expanding sustainable gas supply. The project has added 351 km transmission line for transmitting 330-360 million cubic feet natural gas, and 270 km distribution network in Rajshahi and adjoin areas to provide gas supply. Gas connection to various industries inside newly establish Inwardi EPZ has already been provided through the transmission pipeline built under the Project. The Project, when completed, will improve and expand natural gas infrastructure and delivery system through an improved and expanded transmission and distribution networks and file appraisal. Five gas fields surveyed under SGFL and BGFCL have been delineated with proposed for enhanced production by new gas well drilling, following 3-D seismic survey. The project will also enhance financial performance, governance, and efficiency of gas sector entities through capacity building and implementation of the GSRR.

Implementation Progress

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| Description of Project Outputs | 1. Improved and expanded gas transmission and distribution network system in project areas 2. Field appraisal of gas fields to update estimated gas reserves and determine exact location for future drilling activities. 3. Enhanced financial performance, governance and efficiency indicators of the gas sector utilities through capacity building and implementation of the GSRR to attract private sector investments 4. Improved ambient and indoor air quality through provision of cleaner fuel. |
| Status of Implementation Progress (Outputs, Activities, and Issues) | Current implementation progress of the project is satisfactory. Surplus Loan and Grant amount has been cancelled. All activities undertaken under L2189 were substantially completed by 31 December 2012. Activities under the Grant 0019 were also completed. Activities under L2188 are mostly completed and few are ongoing. The Loan 2188 has recently been extended to complete remaining works. Although the project has overcome the initial difficulties, the implementation of ongoing packages under GTCL is still very slow. Padma River crossing is yet to complete which is very crucial. However, in recent meetings with EMRD and Petrobangla, EA has assured to take urgent action soonest at priority basis. |
| Geographical Location | Western Part of Bangladesh |

Safeguard Categories

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| Environment | B |
| Involuntary Resettlement | A |
| Indigenous Peoples | C |

Summary of Environmental and Social Aspects

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| Environmental Aspects | The project will have minimal negative environmental impacts. |
| Involuntary Resettlement | Resettlement Plan submitted in November 2005. |
| Indigenous Peoples | |

Stakeholder Communication, Participation, and Consultation

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| During Project Design | During project preparation, all EAs undertook consultations with local officials and village leaders that raised the level of awareness, gained local support, and enabled affected people to voice opinions and suggestions for project design and implementation. |
| During Project Implementation | The EAs particularly recognize the importance of the participatory approach for the resettlement issues, to reduce the risk of grievance by affected persons and therefore work with local organizations and NGOs to assure a correct communication stream with all the stakeholders. |

Business Opportunities

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| Consulting Services | To ensure timely implementation of the Project, consulting services are required for assisting GTCL and BAPEX in various implementation activities including design, engineering, procurement, and construction and training. Consulting services are required for the capacity building of EMR, Petrobangla, GTCL, and other state gas companies. The consultants are being engaged by the Executing Agencies in accordance with ADB's Guidelines on the Use of Consultants and other arrangements satisfactory to ADB for the engagement of domestic consultants. The consultants are being engaged as a firm or on individual basis. The project requires a total of 232 person-months of international and 195 person-months of domestic consulting services. |
| Procurement | Procurement of necessary equipment and materials and civil works for the proposed project are being undertaken in accordance with the ADB's Guidelines for Procurement using ADB's standard bidding documents. |

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| Responsible ADB Officer | Ali Kausar Muhammad Firoz |
| Responsible ADB Department | South Asia Department |
| Responsible ADB Division | Bangladesh Resident Mission |
| Executing Agencies | <i>Gas Transmission Company Ltd.Mr. Md. Aminur RahmanHouse #39, Road #3 Sector #3, Uttara Model Town Dhaka-1230</i> <i>Pashchimanchal Gas Company Ltd.Mr. Abdus SattarFlat #2B, House # 109 Mashid Road, Old D.O.H.S Banani, Dhaka - 1206</i> <i>Bangladesh Gas Fields Company Ltd.Mr. Nurul Islam47, Bijoy Nagar Dhaka Bangladesh</i> <i>Sylhet Gas Fields LimitedMr. Shamsul HaqueChikanagool, Shylet - 3152</i> <i>Bangladesh Oil, Gas & Minerals Corp (Petrobangla)Mr. Mollah Md. Robiul Hossain3 Kawran Bazar Commercial Area Dhaka-1215</i> |

| Timetable | |
|---------------------|----------------------------|
| Concept Clearance | 07 Mar 2004 |
| Fact Finding | 26 Feb 2005 to 10 Mar 2005 |
| MRM | 11 Apr 2005 |
| Approval | 27 Oct 2005 |
| Last Review Mission | - |
| PDS Creation Date | 29 Nov 2006 |
| Last PDS Update | 23 Mar 2015 |

Grant 0019-BAN

| Milestones | | | | | |
|-------------|--------------|------------------|-------------|-------------|-------------|
| Approval | Signing Date | Effectivity Date | Closing | | |
| | | | Original | Revised | Actual |
| 27 Oct 2005 | 11 Oct 2006 | 11 Oct 2006 | 11 Oct 2011 | 10 Oct 2013 | 13 Feb 2014 |

| Financing Plan | | Grant Utilization | | | |
|----------------|--------------------------------|----------------------------|------|--------|----------------|
| | Total (Amount in US\$ million) | Date | ADB | Others | Net Percentage |
| Project Cost | 5.00 | Cumulative Contract Awards | | | |
| ADB | 0.00 | 27 Oct 2005 | 0.00 | 3.57 | 92% |
| Counterpart | 0.00 | Cumulative Disbursements | | | |
| Cofinancing | 5.00 | 27 Oct 2005 | 0.00 | 3.57 | 92% |

Loan

| Financing Plan | | Loan Utilization | | | |
|----------------|--------------------------------|----------------------------|------|--------|----------------|
| | Total (Amount in US\$ million) | Date | ADB | Others | Net Percentage |
| Project Cost | 178.00 | Cumulative Contract Awards | | | |
| ADB | 0.00 | - | 0.00 | 0.00 | % |
| Counterpart | 178.00 | Cumulative Disbursements | | | |
| Cofinancing | 0.00 | - | 0.00 | 0.00 | % |

Loan 2188-BAN

| Milestones |
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| Approval | Signing Date | Effectivity Date | Closing | | |
|-------------|--------------|------------------|-------------|-------------|--------|
| | | | Original | Revised | Actual |
| 27 Oct 2005 | 18 Jun 2006 | 28 Nov 2006 | 31 Dec 2010 | 31 Dec 2016 | - |

| Financing Plan | | | Loan Utilization | | | |
|----------------|--------------------------------|--|----------------------------|--------|--------|----------------|
| | Total (Amount in US\$ million) | | Date | ADB | Others | Net Percentage |
| Project Cost | 403.00 | | Cumulative Contract Awards | | | |
| ADB | 225.00 | | 27 Oct 2005 | 166.23 | 0.00 | 84% |
| Counterpart | 178.00 | | Cumulative Disbursements | | | |
| Cofinancing | 0.00 | | 27 Oct 2005 | 169.16 | 0.00 | 85% |

Loan 2189-BAN

| Milestones | | | | | |
|-------------|--------------|------------------|-------------|-------------|-------------|
| Approval | Signing Date | Effectivity Date | Closing | | |
| | | | Original | Revised | Actual |
| 27 Oct 2005 | 18 Jun 2006 | 28 Nov 2006 | 31 Dec 2010 | 31 Dec 2012 | 04 Jun 2013 |

| Financing Plan | | | Loan Utilization | | | |
|----------------|--------------------------------|--|----------------------------|------|--------|----------------|
| | Total (Amount in US\$ million) | | Date | ADB | Others | Net Percentage |
| Project Cost | 5.00 | | Cumulative Contract Awards | | | |
| ADB | 5.00 | | 27 Oct 2005 | 2.42 | 0.00 | 98% |
| Counterpart | 0.00 | | Cumulative Disbursements | | | |
| Cofinancing | 0.00 | | 27 Oct 2005 | 2.46 | 0.00 | 100% |

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| Project Page | http://www.adb.org/projects/35242-013/main |
| Request for Information | http://www.adb.org/forms/request-information-form?subject=35242-013 |
| Date Generated | 22 August 2015 |

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