



CR - 5381-BD

Supplemental Letter

PEOPLE'S REPUBLIC OF BANGLADESH

June 19, 2014

International Development Association  
1818 H Street NW  
Washington, DC 20433  
United States of America

Re: Credit No. 5381-BD  
(Rural Electricity Transmission and Distribution Project)  
Performance Monitoring Indicators

Dear Sirs and Madams:

This refers to Section II.A of Schedule 2 to the Financing Agreement of even date herewith between the International Development Association (the Association) and the People's Republic of Bangladesh (the Recipient) for the Rural Electricity Transmission and Distribution Project.

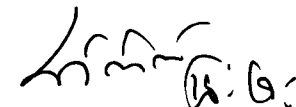
Unless agreed otherwise with the Association, the Bangladesh Rural Electrification Board and the Power Grid Company of Bangladesh shall monitor and evaluate implementation of the Project in accordance with the Performance Monitoring Indicators attached to this letter.

Very truly yours,

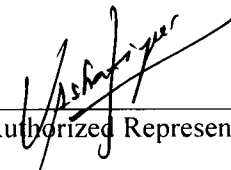
PEOPLE'S REPUBLIC OF BANGLADESH

By   
Authorized Representative

BANGLADESH RURAL ELECTRIFICATION BOARD

By   
Authorized Representative

POWER GRID COMPANY OF BANGLADESH

By   
Authorized Representative

Public Disclosure Authorized

Public Disclosure Authorized

AGREED:

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

By CKimes  
Authorized Representative

**Results Framework and Monitoring**  
**BANGLADESH: Rural Electricity Transmission and Distribution (T&D) Project**

**Project Development Objectives**

The project development objectives are to reduce system losses and enhance capacity in the rural power distribution network of primarily the eastern part of Bangladesh.

These results are at Project Level

**Project Development Objective Indicators**

Indicator Name	Core	Unit of Measure	Baseline (2013)	Cumulative Target Values						Frequency	Data Source/ Methodology	Responsibility for Data Collection	
				2014	2015	2016	2017	2018	2019				2020
Electricity losses per year in the project area <sup>1</sup>	X	Percentage	13.0%	13.0%	12.75%	12.5%	12.25%	11.5%	11.0%	10.5%	Quarterly	BREB MIS Report and PMU report	BREB
MVA Capacity addition in the 33/11kV network of the Project PBSs	X	Number	0	0	0	150	450	835	1,220	1,800	Quarterly	Project progress report	BREB
Direct project beneficiaries	X	Number	25M	25M	25M	25M	25M	25M	25M	25M	Annual	Project progress report	BREB
Female beneficiaries	X	Percentage Sub-Type Supplemental	56	56	56	56	56	56	56	56	Annual	Project progress report	BREB

<sup>1</sup> The targeted loss reduction translates to about 277 GWh of energy saved per year- enough to serve the electricity needs of almost a million people per year.

**Intermediate Results Indicators**

Indicator Name	Core	Unit of Measure	Baseline (2013)	Cumulative Target Values						Frequency	Data Source/ Methodology	Responsibility for Data Collection	
				2014	2015	2016	2017	2018	2019				2020
<b>Component A: Rural Grid Augmentation and Rehabilitation</b>													
Distribution lines constructed or rehabilitated under the project	X	Kilometers	0	0	444	1,423	3,032	3,568	5,177	6,249	Quarterly	Project progress report	BREB
Distribution lines constructed under the project	X	Kilometers Sub-Type Breakdown	0	0	0	536	2,145	2,681	4,290	5,362	Quarterly	Project progress report	BREB
Distribution lines rehabilitated under the project	X	Kilometers Sub-Type Breakdown	0	0	444	887	887	887	887	887	Quarterly	Project progress report	BREB
Number of distribution substations constructed		Number	0	0	0	10	30	55	80	110	Quarterly	Project progress report	BREB
<b>Component B: Transmission Enhancement</b>													
Number of Grid substations constructed/upgraded		Number	0	0	0	0	5	6	6	6	Quarterly	Project progress report	PGCB
Transmission lines constructed or rehabilitated under the project	X	Kilometers	0	0	0	0	39	194	389	389	Quarterly	Project progress report	PGCB
Transmission lines rehabilitated under the project	X	Kilometers Sub-Type Breakdown	0	0	0	0	28	140	280	280	Quarterly	Project progress report	PGCB
Transmission lines constructed under the project	X	Kilometers Sub-Type Breakdown	0	0	0	0	11	54	109	109	Quarterly	Project progress report	PGCB

Indicator Name	Core	Unit of Measure	Baseline (2013)	Cumulative Target Values							Frequency	Data Source: Methodology	Responsibility for Data Collection
				2014	2015	2016	2017	2018	2019	2020			
<b>Component C: Institutional Strengthening</b>													
Environment and Social Unit operational at BREB		Text	No Unit	Set-up approved for the PMU	PMU unit operational	Full-fledged Set-up approved	Full-fledged Unit Operational	Full-fledged Unit Operational	Full-fledged Unit Operational	Full-fledged Unit Operational	Quarterly	Project progress report	BREB
Environment and Social Unit operational at PGCB		Text	No Unit	Unit set-up approved	Unit operational	Unit operational	Unit operational	Unit operational	Unit operational	Unit operational	Quarterly	Project progress report	PGCB
Design for an appropriate Quality and Reliability Indicators at BREB		Text	No tracking system in place	No tracking system in place	Feasibility started	Feasibility completed	Design work started	Design work completed	Indicators included in annual reports	Indicators included in annual reports	Quarterly	Project progress report	BREB
Computerization of Accounting System at BREB		Text	No system in place	No system in place	Project FMR from computerized system	Needs assessment for BREB completed	Implementation ongoing	Implementation ongoing	Implementation ongoing	BREB financial statements from computerized system	Quarterly	Project progress report	BREB
Financial sustainability of the PBSs ensured		Text	No regular financial analysis	No regular financial analysis	Tariff study initiated	Tariff study completed	Tariff application submitted to BEREC if needed	Tariff application submitted to BEREC if needed	Tariff application submitted to BEREC if needed	Tariff application submitted to BEREC if needed	Annual	Project progress report	BREB
BREB capacity strengthened		Text	Staff (1200) inadequate for system expansion	Proposed organogram submitted to relevant Ministries	Final approval of organogram	Recruitment for new positions start	Phased recruitment (20%)	Phased recruitment (40%)	Phased recruitment (60%)	Phased recruitment (80%)	Quarterly	Project progress report	BREB

<b>Project Development Objective Indicators</b>	
Indicator Name	Description (indicator definition etc.)
Electricity losses per year in the project area	This indicator is calculated by dividing total electricity losses (i.e. the sum of technical and non-technical losses) by the total net injected generation in the project area. The baseline is the actual electricity losses in the project area at the beginning of the project.
MVA Capacity addition in the 33/11kV network of the Project PBSs	
Direct Project beneficiaries including female beneficiaries	The total number of household connections by the Project PBSs multiplied by the average household size (5.3).
<b>Intermediate Results Indicators</b>	
Indicator Name	Description (indicator definition etc.)
Transmission lines constructed or rehabilitated under the project	This indicator measures the length of the transmission lines constructed or rehabilitated/upgraded under the project.
Transmission lines rehabilitated under the project	
Transmission lines constructed under the project	
Distribution lines constructed or rehabilitated under the project	This indicator measures the length of the distribution lines constructed or rehabilitated/upgraded under the project.
Distribution lines constructed under the project	
Distribution lines rehabilitated under the project	
Number of Grid substations constructed/upgraded	This is the number of 132/33 kV substations constructed or upgraded by PGCB under the project
Number of distribution substations constructed	This is the number of 33/11 kV substations rehabilitated or constructed by BREB under the project
Environment and Social Unit operational at BREB	The unit will initially be established at BREB PMU, which will later be converted to a full-fledged unit
Environment and Social Unit operational at PGCB	
Design for an appropriate Quality and Reliability Indicators at BREB	Feasibility study will identify the scope (full automation or manual entry) and the indicator system will be implemented accordingly
Computerization of Accounting System at BREB	
Financial sustainability of the PBSs ensured	
BREB capacity strengthened	