

## Bangladesh

### Sylhet Combined Cycle Power Plant Construction Project (I)(II)



No. 2 gas turbine

#### Outline of Loan Agreement

Loan Amount / Disbursed Amount	14,113 million yen / 13,980 million yen
Loan Agreement	August 1987 / September 1993
Terms & Conditions	Interest rate 1.25% / 1.0% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	August 1997 / August 2000

#### Project Outline

The project involved the construction of a combined cycle power plant (90MW) in Sylhet Province to the northeast of the capital, Dhakar, in order to meet Bangladesh's growing demand for electricity.

#### Results and Evaluation

As a result of sharp increases in international prices for power plants and the additional site foundations work that was necessary due to the major flooding of 1998, project costs overran the initial yen loan amount and a supplementary loan was granted.

The plant was completed in 1995 and output exceeded planned levels (approx. 580GWh/year) in the following year. The subsequent breakdown of the gas turbines caused a significant drop in power generation output in 1999-2000, however, repairs enabled output to be restored to more than 500GWh in 2001.

It is hoped that efforts to promote stable operation will contribute to electricity supplies, and that efficient utilization of domestically-produced natural gas will be conducive to foreign currency savings.

With regard to plant operation and maintenance, there is a need for the Bangladesh Power Development Board (BPDB) to make further improvements to the technical level of its employees by providing training and so forth. In addition, restructuring is currently underway at BPDB in line with government reforms of the power sector, thus careful monitoring of the situation is necessary.