

## Bangladesh

### Barge-mounted Power Plant Rehabilitation Project



Khulna barge-mounted power plant

#### Outline of Loan Agreement

Loan Amount / Disbursed Amount	1,561 million yen / 1,561 million yen
Loan Agreement	September 1993
Terms & Conditions	Interest rate 1.0%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	February 2000

#### Project Outline

The project involved the rehabilitation of two barge-mounted power plants (Khulna and Chittagong), which were constructed/established using funding from a Japan's ODA loan, with the aim of contribution to stable supplies of electricity in both regions.

#### Results and Evaluation

The two barge-mounted power stations (BMPP) that were targeted by this project were constructed in 1979 and 1984, respectively, using funds from Japan's ODA loans. In order to respond to the operational problems that arose after completion, JBIC made various recommendations for improvement measures on the basis of a Special Assistance for Project Sustainability (SAPS) study undertaken in 1988-89. Assistance was provided under the present project because the government experienced difficulties in responding sufficiently to the recommendations due to lack of funds.

After rehabilitation work on the Chittagong BMPP (completed in 1986; 28MW × 2 units) was completed in 1997, generation output was restored enabling the plant to stably supply electricity as a peak load power plant.

However, although the Khulna BMPP (completed in 1980; 28MW × 2 units) underwent rehabilitation in 1995 and output capacity was restored between 1996-98, an accidental fire in Unit 1 in March 1998 resulted in the operation of the generator being suspended. In addition, in 1999, temporary suspension of Unit 2 operation was necessary in order to replace the generator and to conduct dredging around the facility, and problems with high vibrations mean that the operation of the generator has been limited to 20MW, which is below installed capacity. In response, the Bangladesh Power Development Board (BPDB) has embarked on plans to conduct additional repairs to Khulna BMPP, however, there is currently concern over the need to improve the technical skills of its employees and BPDB's ability to procure spare parts, for the future operation and maintenance of the two BMPP.