

BANGLADESH

Strengthening electricity distribution in Dhaka



Securing its electricity supply is a priority for Bangladesh in order to support its economic and social development. AFD is helping the Dhaka Power Distribution Company (DPDC) to modernize its network to meet the growing demand.

CONTEXT

In Dhaka, power outages occur almost daily due to the weak distribution network while infrastructure obsolescence generates online losses of around 10%. As economic activities are highly concentrated in the capital and its periphery, where the population continues to grow rapidly, the demand for electricity in the area covered by the Dhaka Power Distribution Company (DPDC) is rising sharply (+12% per year by 2021).

Access to reliable and adequate power supply is necessary to bolster economic growth. Increasing production capacity and improving the electricity sector's performance are therefore at the heart of the country's development strategy.

DESCRIPTION

This project, aimed at strengthening the DPDC Power Grid, is part of a multi-year program run by the Asian Development Bank (Power System Expansion and Efficiency Improvement Investment Program). The objective is to increase the production, transmission and distribution capacity of Bangladesh's power sector.

AFD's financing will enable the installation of fourteen new 33/11kV transformers and seven new 132/33kV transformers as well as the laying of the associated underground and aerial lines. Work began in the summer of 2016 and is expected to be completed in 2019.

In addition, a 12M€ grant from the European Union will support the deployment of a pilot project focussing on upgrading and reinforcing the capacity of the distribution network. This grant will also be used to finance capacity building within DPDC, through trainings, study tours and exchanges with specialists, as well as through a public communication campaign targetting users and institutions.

IMPACTS

- Power distribution will gain in stability and predictability, and the frequency of load shedding will be reduced
- Nearly 5 million inhabitants will have access to more reliable electricity
- 250,000 new households, mostly low-income, will be connected
- Positive impact on the environment as a smaller volume of fuel will be necessary for the same quantity of electricity consumed



This project is carried out with the support of the European Union

01/06/2015

Project start date



Dhaka
Location



Energy
sector(s)



Sovereign Concessional Loan
financing tool(s)



242 000 000 EUR
Financing amount

Dhaka Power Distribution
Company (DPDC)
Beneficiaries

