

Classification of Regional Projects

Training Workshop
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Manila

An Illustration of Score Card Assessment

Case Illustration: SASEC BAN-IND Power Grid Interconnection Project

Project Description:

- The Project will allow additional power flows of 500 megawatt (MW) between India and Bangladesh.
- There is an existing interconnection of 500 MW transmission capacity that is currently being used by Indian power traders to supply power to Bangladesh.
- Transmission connectivity in the South Asian region permits countries to operate their power sectors more efficiently, including management of power surpluses and deficits

Score Card Assessment

A. Country Level Assessment (30)

- Country Readiness
 - Context and Commitments
 - At least 3 criteria\indicators

B. Project Level Assessment (70)

- Regional Benefits (50)
- Additionality (20)

Score Card Assessment: Country Level

Country Readiness (Max. Score 30)	Justification	scoring
Importance of regional economic cooperation and integration, and country commitments: 3 criteria		

Score Card Assessment: Country Level

Country Readiness	Justification	Scoring
1. Bangladesh (BAN)'s National Development Plan (2016-2020) embraces regional economic cooperation, and SAARC and SASEC sector priorities include promotion of regional power grid interconnection and trade.	In general, BAN's 7 th National Development Plan (2016-2020) and Power System Master Plan aim to achieve electricity for all by 2021.	7

Score Card Assessment: Country Level

Country Readiness	Justification	Scoring
2. BAN actively participates in sub-regional grouping such as SASEC BAN is generally active in improving trade facilitation through improving transport infrastructure and trade facilitation. BAN has signed power trading agreement	Active member of SASEC since the beginning. Recent ADB funded projects include railway projects for improving connectivity to improve regional trade, and SASEC trade facilitation program (BAN, BHU, and NEP) In 2010, a joint communiqué on electrical grid connectivity was signed. In October 2013, the electricity grid of the two	7

Score Card Assessment: Country Level

Country Readiness	Justification	Scoring
3. BAN has generally a good track record in implementing RCI projects.	Specifically, 500 MW of power flows were achieved from IND to BAN in 2013 under the first BAN-IND Electrical Grid Interconnection Project. Generally, BAN is satisfactorily implementing several other SASEC projects, including railway (2) and road connectivity (1), and trade	6

Project Level Assessment

Criteria	Justification	Score
B. Project Level Assessment Full Mark = 70 Minimum Required Score= 35		
1. Expected Cross-border and Regional outcome		35

Project Level Assessment – Expected Regional Benefits

Regional Benefit	Justification	Scoring
(i) The project has strong potential for creating cross-border regional economic outcomes, in addition to national net economic benefit to	<p>The project is expected to increase capacity for cross-border power trade between BAN and IND. It is envisaged that by 2018: over 5,000 GWh power will flow from IND over the interconnection to BAN from the baseline of about 2,000 GWh power flow in 2013–14.</p> <p>Cross-border positive economic spill-over (outcome) can accrue through the utilization of relatively low cost power generation in IND as compared to BAN; and there are power surpluses in the eastern region of IND, which can be exported to BAN.</p> <p>The economic benefit accruing to IND will be 'the difference between the power selling price to BAN</p>	35

Project Level Assessment: Additionality

Additionality: Full Mark = 20 Minimum Required Score= 10	Justification	Scoring
Additional benefits that the project will bring:		
The project will contribute to ADB's catalytic role in RCI promotion.	The project supports the promotion of economic cooperation in sub-regional power trading as envisaged in the SAARC	15

Score Card Assessment: Result

Result:	Remarks	Score
<p>The proposed project is a single country regional project. It has strong potential for creating a positive cross-border economic outcome. It qualifies as a regional project as the assessment score at both country level and project level is higher than 50% (minimum requirement).</p>	<p>The cross-border positive economic outcome will emanate from the utilization by BAN of relatively low-cost generation and prevailing power surpluses in IND.</p> <p>The difference between BAN's purchasing price and IND's marginal supply cost to BAN, approximated by the average local selling price, will determine the value of the cross-border economic benefit.</p> <p>Further work should be carried out at the PPTA. Accordingly the project DMF should also be updated/confirmed.</p>	<p>Country Level Score 20/30 (67%),</p> <p>Project Level Score 50/70 (71%)</p>