



Project Summary Information

Date of Document Preparation: March 30, 2022	
Project Name	IDCOL Multi-Sector On-Lending Facility.
Document Code	PD000344-PSI-BGD.
AIIB member	People's Republic of Bangladesh.
Sector/Subsector	Financial Institution.
Status of Financing	Approved.
Project Description	The project is an on-lending facility to Bangladesh, to be implemented through IDCOL to finance infrastructure projects in Bangladesh.
Objective	The project objective is to promote infrastructure investment by providing long-term financing to the private sector in Bangladesh. It is aligned with Bangladesh's goal to bridge its infrastructure deficit and achieve sustainable growth, as highlighted in Bangladesh's Perspective Plan 2021-2041.
Expected Results	The project has a multi-sector focus, and its specific contribution to the AIIB's Results Monitoring Framework will only be determined once the subprojects have been approved and funded. The expected results may be measured by the following indicators: number of subprojects financed, number of renewable energy projects financed, private capital catalyzed, reduction in greenhouse gas emissions from the energy subprojects funded, and the number of jobs created (disaggregated by gender).
Environmental and Social Category	FI
Environmental and Social Information	AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List (ESEL) and Environmental and Social Standards (ESSs) apply to this on-lending facility. The project has been placed in Category FI as the financing structure involves the provision of funds through Bangladesh, as the borrower to IDCOL, and will be implemented by IDCOL. AIIB will delegate to IDCOL the decision-making on the use of AIIB's funds in so far as the subprojects meet the conditions of the Project Operational Manual (POM), which is to be agreed with IDCOL. The POM will include the selection, appraisal, approval, and monitoring of subprojects, in accordance with AIIB's ESP requirements.

IDCOL is updating its [Environmental and Social Safeguards Framework](#) (ESSF), to comply with the ESP, ESEL and ESSs, and will be used as the project's ES instrument. It comprises procedures and tools to support the screening of IDCOL's subprojects, application of an exclusion list and categorization, appraisal, and monitoring of these subprojects. The approval of ESSF 2021 by IDCOL's Board will be a condition for effectiveness of the Loan Agreement.

The Loan is expected to support subprojects in power generation, economic development zones, and others. Land acquisition, impacts on Indigenous Peoples and vulnerable households, impacts on sensitive habitats, ecosystems and their services are potential ES risks associated with such subprojects, which will be assessed and managed. Potential labor and working conditions in supply chains will be subject to enhanced ES due diligence.

AIIB will conduct prior review and approval of the first three and all Category A subprojects and retain the right to decline to on-lend a particular subproject. Category A subprojects that are supported by AIIB financings made directly to the beneficiary will be eligible for financing under this IDCOL project. A maximum of two Category A subprojects not supported by such AIIB financings can be funded under this project. Renewable energy subprojects that are categorized as Category A subprojects would not be subject to these limits. For all subprojects involving Higher Risk Activities¹, IDCOL shall use a suitably qualified and experienced third-party consultant to conduct the ES due diligence (ESDD) and action plan. Coal mining, coal transportation or coal-fired power plants, as well as infrastructure exclusively dedicated to support any of these activities, are excluded. Subprojects with High-Speed Diesel as an alternative fuel are also excluded.

IDCOL will rely on information provided directly by the sub-borrowers to conduct ES Due Diligence and ongoing monitoring of the subprojects, and then a semi-annual ES monitoring report will be prepared. IDCOL will be required to maintain a comprehensive database comprising all relevant ES information and report to AIIB a summary of the ES aspects and overview of the ES performance of the project's portfolio on an agreed schedule and template. AIIB will conduct ongoing monitoring of Category A subprojects, as well as post-reviews of the selection and implementation of subprojects as part of its regular supervision, comprising engagement with IDCOL, potential site visits and detailed review of the ES documentation

¹ Higher Risk Activities include the following activities financed by the Bank through the FI: (a) all Category A activities; and (b) selected Category B activities, as determined by the Bank, that may potentially result in: (i) Land Acquisition or Involuntary Resettlement; (ii) risk of adverse impacts on Indigenous Peoples and/or vulnerable groups; (iii) significant risks to or impacts on the environment, community health and safety, biodiversity, and/or cultural resources; (iv) significant retrenchment of more than 20 percent of direct employees and recurrent contractors; and/or (v) significant occupational health and safety risks

	<p>of selected subprojects. If required, AIIB will engage external ES consultants to assist it in its due diligence and monitoring of subprojects.</p> <p>A summary of the ESSF will be disclosed by IDCOL on its website and AIIB's website once it is updated. For all subprojects involving Higher Risk Activities, the relevant ES documents including Environmental Social Impact Assessment (ESIA), Environmental Social Management Plan (ESMP) and others, will be disclosed on the websites of IDCOL and if applicable the sub-borrowers, in a timely and appropriate manner. IDCOL has also established an External Communications Mechanism (ECM), where it can receive views, enquiries or concerns regarding its own ES processes and outcomes, as well as ES impacts and performances of its subprojects. IDCOL's ESSF requires subproject proponents to constitute a three-member Grievance Redress Mechanism (GRM). Information of IDCOL's ECM and AIIB's PPM will be disseminated as part of information disclosure to subproject-affected people.</p>		
Operational Policy on International Relations	IDCOL will agree in the POM to screen subprojects against the Operational Policy on International Relations (OPIR) and exclude from AIIB financing under the project, any subproject that would involve any of the matters covered in the OPIR.		
Cost and Financing Plan	Project cost: USD570 million. AIIB loan: USD200 million.		
Borrower	People's Republic of Bangladesh.		
Implementing Entity	Infrastructure Development Co. Ltd. (IDCOL)		
Estimated loan closing date	September 2027.		
Contact Points:	AIIB	Borrower	Implementing Entity
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Date of Concept Decision	February 2020.		

Date of Appraisal Decision	September 2021.
Date of Financing Approval	March 2022.

Independent Accountability Mechanism	<p>The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through subproject-level GRM, IDCOL's ECM or AIIB Management's processes.</p> <p>Information on the PPM is available at https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</p>
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