



Project Summary Information

Date of Document Preparation/Updating: 04/30/25	
Project Name	Climate Resilient Inclusive Development Program (Subprogram 2)
Project Number	P000941
AIIB member	Bangladesh
Sector/Subsector	Others
Alignment with AIIB's thematic priorities	Green infrastructure
Status of Financing	Under Preparation
Objective	To help the Government of Bangladesh (GoB) implement critical policy and institutional reforms to mainstream climate change adaptation and mitigation actions for a sustainable, resilient and inclusive growth of Bangladesh.
Project Description	<p>Building on the successful implementation of Subprogram 1 of the Climate Resilient Inclusive Development (CRID) program, the proposed Program (Subprogram 2) will further advance the policy reforms initiated under Subprogram 1 through co-financing with the Asian Development Bank (ADB). The CRID program has been supporting the GoB in implementing key policy and institutional reforms to mainstream climate adaptation, mitigation, and disaster resilience across climate-critical sectors while also unlocking climate investments in the country. The CRID program is a Climate-Focused Policy-Based Financing (CPBF).</p> <p>The GoB has requested financing of USD400 million each from AIIB and ADB for this Program to expand the fiscal space needed to support climate investment priorities identified in the national climate plans. The Program will further support the implementation of the GoB-led national climate objectives as outlined in the National Adaptation Plan (NAP) 2023–2050 and the updated Nationally Determined Contributions (NDC-U) 2021 by strengthening the intergovernmental policy and institutional framework, mobilizing climate finance, and mainstreaming gender equality and social inclusion.</p> <p>The Program includes the following reform areas: (i) enhancing the enabling environment for climate change actions; (ii) reinforcing climate change adaptation actions; and (iii) accelerating climate change mitigation actions. The Program focuses on policy actions in each reform area and aligns with the short- to medium-term priorities of the NAP and NDC-U in climate-critical sectors, including agriculture, water resources, urban, transport, and energy.</p>

Expected Results	The expected program outcomes are: (i) enhance the sustainable and climate-focused development pathway; (ii) strengthen resilience and reduce risk and vulnerability to adverse climate change impacts; and (iii) mitigate GHG emissions and transition to a low-carbon economy.
Environmental and Social Category	ADB, as the lead co-financier, has categorized the Program as Category B for Environment, C for Involuntary Resettlement and C for Indigenous Peoples (which are equivalent to Category B of AIIB's ESP).
Environmental and Social Information	<p>Applicable Policy and Categorization. The Program will be co-financed with ADB, as the lead co-financier, and, therefore, the Program's Environmental and Social (E&S) risks and impacts have been assessed in accordance with ADB's Safeguards Policy Statement (SPS) applicable to PBF. To ensure a harmonized approach to addressing the E&S risks and impacts of the Program, the ADB's SPS will apply to the Program in lieu of AIIB's ESP. AIIB has reviewed the ADB's SPS and is satisfied that: (i) they are consistent with the Bank's Articles of Agreement and materially consistent with AIIB's ESP, including the Environmental and Social Exclusion List (ESEL); and (ii) the monitoring procedures that are in place to are appropriate for the Program. Based on the E&S assessments carried out according to ADB's SPS requirements, ADB has categorized the Program as B for Environment, C for Involuntary Resettlement and C for Indigenous Peoples, which are equivalent to Category B of AIIB's ESP.</p> <p>Environmental and Social Aspects. The Program focuses on policy and institutional reforms that do not entail involuntary resettlement or impact the lives of Indigenous Peoples. However, it is recognized that some downstream investment activities resulting from specific policy actions under the Program may lead to indirect, short-term, and temporary adverse E&S impacts. To address these potential concerns, implementing agencies will utilize their existing grievance mechanisms, and an E&S Assessment Matrix will be developed and provided during the appraisal process. Additionally, in case needed, technical assistance support may be employed to build capacity and ensure compliance with both the ADB's SPS and the country's safeguard system.</p> <p>Climate Vulnerability Context. Bangladesh is highly vulnerable to a range of natural hazards, including river, coastal, and urban flooding, cyclones, landslides, extreme heat, and wildfires. Coastal areas in particular are at risk of damaging waves that could flood the coastline at least once every decade. The country also faces the threat of water scarcity, earthquakes, and tsunamis. Climate change is expected to exacerbate Bangladesh's already significant exposure to these climate hazards, introducing new challenges. As the world's largest delta, Bangladesh's riverine topography and geographic location make it particularly susceptible to climate and weather-related impacts, as well as geophysical risks. Future projections suggest that climate change will lead to altered precipitation patterns with more extreme events, rising temperatures, and rising sea levels.</p>

	<p>Gender and Climate Change. The Program is classified as effective gender mainstreaming, and the policies adopted will enhance women’s participation and support women’s adaptive capacity. Promoting climate resiliency in the agriculture sector along with GHG mitigation measures would improve the lives, livelihoods, and food security of women. Women are critical in organizing communities, raising awareness, and adopting innovative approaches to promote climate actions and resilience. The gender targets will be monitored and tracked, and adequately reported on in regular Program progress reports. The progress of the gender-related policy actions will be monitored by the steering committee appointed by the Ministry of Finance.</p> <p>Monitoring and Reporting Arrangement. The Finance Division of the MoF, as the executing agency, will report to AIIB and ADB against each of the indicators and targets included in the Policy and Results Matrix (Annex 1). ADB and AIIB will jointly conduct Program monitoring semiannually. The BCDP under the government leadership, with participation by all relevant government agencies, development partners, and the private sector, will support ministries to monitor climate policy and projects, including the policy actions under the Program.</p>		
Cost and Financing Plan	Estimated total project cost: USD800 million Indicative financing plan: AIIB Loan: USD400 million (50%); ADB Loan: USD400 million (50%)		
Borrower	People's Republic of Bangladesh		
Implementing Entity	Ministry of Environment, Forest, and Climate Change, the Planning Commission, the Cabinet Division, Bangladesh Bank, Local Government Division of the Ministry of Local Government, Rural Development and Co-operatives, the Ministry of Water Resources, the Ministry of Agriculture, the Ministry of Railways, the Road Transport and Highways Division of the Ministry of Road Transport and Bridges, the Power Division, the Energy and Mineral Resources Division of the Ministry of Power, Energy, and Mineral Resources, and the Sustainable and Renewable Energy Development Authority		
Estimated date of loan closing (SBF)	December 2025		
Contact Points:	AIIB	ADB	Borrower/Implementation Organization
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Date of Concept Decision	April 24, 2025		

Estimated Date of Appraisal Decision	May 2025
Estimated Date of Financing Approval	June 2025

Independent Accountability Mechanism	As permitted by AIIB's ESP, ADB's SPS will apply to this Program. All complaints relating to compliance with ADB's SPS under this Program will be handled by ADB's Independent Accountability Mechanism. In accordance with AIIB's Policy on the Project affected People's Mechanism (PPM), submissions of such complaints to the PPM will not be eligible for consideration by the PPM. Information on ADB's Accountability Mechanism is available at: Accountability Mechanism Asian Development Bank (adb.org) .
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