



### Project Summary Information

|  |  |
|--|--|
| Date of Document Preparation/Updating: 07/29/25  |  |
| <b>Project Name</b>                              | Climate Resilient Inclusive Development Program (Subprogram 2)   |
| <b>Project Number</b>                            | P000941  |
| <b>AIIB member</b>                               | Bangladesh   |
| <b>Sector/Subsector</b>                          | Others   |
| <b>Alignment with AIIB's thematic priorities</b> | Green infrastructure   |
| <b>Status of Financing</b>                       | Approved   |
| <b>Objective</b>                                 | <p>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.</p> <p>Specifically, the Program supports a strengthened whole-of-government institutional approach; mainstreamed climate change in planning, budgeting, and resource allocation; mobilized finance; and the facilitated transformation of key sectors toward a climate-resilient and low-carbon economy.</p>  |
| <b>Project Description</b>                       | <p>Building on the successful implementation of Subprogram 1 of the Climate Resilient Inclusive Development (CRID) program, the proposed Program (Subprogram 2), under the AIIB's Climate-Focused Policy-Based Financing (CPBF), 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.</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</p> |

|   |   |
|---|---|
|   | 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.  |
| <b>Expected Results</b>                     | 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.  |
| <b>Environmental and Social Category</b>    | ADB, as the lead co-financier, has categorized the Program as Category B for Environment, C for Involuntary Resettlement and C for Indigenous Peoples.  |
| <b>Environmental and Social Information</b> | <p><b>Applicable Policy and Categorization.</b> The Program will be co-financed with ADB as the lead co-financier. To ensure a harmonized approach to addressing the environmental and social (E&amp;S) risks and impacts of the Program, and as permitted by AIIB's Environmental and Social Policies (ESP), ADB's Safeguard Policy Statement (SPS) will apply to this Program. The Program focuses on policy and institutional reforms that do not entail involuntary resettlement or impact the lives of Indigenous Peoples, and it is classified as Category C for involuntary resettlement and Indigenous Peoples and category B for the environment by ADB.</p> <p><b>Environmental and Social Aspects.</b> An environmental and social impact assessment matrix of the Program policy actions has been prepared, potential impacts and mitigation to address them are set out. The Program supports various policies, plans, strategies, guidelines, and the mobilization of finance related to future climate-resilient inclusive development including in the agriculture, urban, transport, and energy sectors. No infrastructure investment is directly supported, but some policy actions will result in downstream E&amp;S impacts given that the location, nature and type of downstream infrastructure development is clearly set out by the government in some of the plans and guidelines supported. 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&amp;S impacts. To address these potential concerns, implementing agencies will utilize their existing grievance mechanisms, and an E&amp;S Assessment Matrix was developed. 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><b>Gender and Climate Change.</b> Climate change disproportionately affects women because of preexisting vulnerabilities, which present barriers to women's adaptive capacity and resilience to shocks. Women from vulnerable groups, such as older and rural women, face additional barriers in coping with climate change impacts. Women typically lack access to land, assets, and credit; have lower labor force participation than men; and still face discrimination, including in access to finance</p> |

|                                |  |
|--------------------------------|--|
|                                | <p>for female entrepreneurs. Gender-based violence remains a critical issue that increases after extreme weather events and economic shocks. About 68 percent of women in Bangladesh are engaged in agriculture, which is highly sensitive to climate impacts.</p> <p><b>Stakeholder Consultations and Information Disclosure.</b> The Program has undergone extensive government-led consultations with multiple government departments and agencies, development partners, private sector stakeholders, and other key stakeholders. These consultations were conducted in alignment with the GoB's <i>'whole-of-government'</i> approach. Additionally, the BCDP, a cross-sector, multi-stakeholder, and multi-year partnership, will facilitate further consultations, strengthening linkages across multiple government agencies and ministries for climate actions. This collaborative approach provides a cohesive and coordinated response to the challenges of climate change in Bangladesh. The consultation process has created an opportunity for stakeholders to be informed about the Program's objectives, actions and impacts, as well as to provide valuable feedback and suggestions to shape the program's design, implementation and mitigation of any negative impact. E&amp;S Assessment Matrix prepared for the Program will be disclosed prior to the approval of the CPBF.</p> <p><b>Program Grievance Redress Mechanism.</b> The People's Republic of Bangladesh developed and formulated a Grievance Redress Mechanism Guidelines, 2015 (Revised 2018) as an integral part of the administrative responsibility of every Government Ministries; Department; Organizations and Field Administration Departments. The GRM guidelines also facilitate the introduction of online GRM and of the development of the Grievance Redress System software. The nature of grievance includes the following: (i) Public Grievance; (ii) Staff Grievance; and (iii) Official Grievance.</p> <p><b>Monitoring and Evaluation.</b> The Finance Division of the MoF, as the executing agency, will report to AIIB and ADB on the progress of the Program implementation. ADB and AIIB will jointly conduct Program monitoring periodically to ensure that the policy actions continue to be put in place without reversal and further strengthen their link to infrastructure development. The joint ADB and AIIB team will verify the achievement of outcome indicators as a medium-term policy impact of the entire CRID program, one year after the closing date of Subprogram 2. 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> |
| <b>Cost and Financing Plan</b> | <p>Total project cost: USD800 million</p> <p>Financing plan: AIIB Loan: USD400 million (50%); ADB Loan: USD400 million (50%)</p>   |
| <b>Borrower</b>                | People's Republic of Bangladesh  |

|                                   |  |                                    |  |
|-----------------------------------|--|------------------------------------|--|
| <b>Implementing Entity</b>        | 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 |                                    |  |
| <b>Date of loan closing (SBF)</b> | June 2025  |                                    |  |
| <b>Contact Points:</b>            | <b>AIIB</b>  | <b>ADB</b>                         | <b>Borrower/Implementation Organization</b>            |
| <b>Name</b>                       | Xiang Xu   | Sameer Khatiwada                   | Mirana Mahrukh   |
| <b>Title</b>                      | Investment Officer, Urban  | Senior Public Management Economist | Economic Relations Division of the Ministry of Finance |
| <b>Email Address</b>              | xiang.xu@aiib.org  | skhatiwada@adb.org                 | wingchief08@erd.gov.bd                                 |
| <b>Date of Concept Decision</b>   | April 24, 2025   |                                    |  |
| <b>Date of Appraisal Decision</b> | May 22, 2025   |                                    |  |
| <b>Date of Financing Approval</b> | June 20, 2025  |                                    |  |

|   |   |
|---|---|
| <b>Independent Accountability Mechanism</b> | 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: <a href="https://www.adb.org/who-we-are/accountability-mechanism/iamnet">https://www.adb.org/who-we-are/accountability-mechanism/iamnet</a> . |
|---|---|