



Project Summary Information

Date of Document Preparation: February 21, 2020

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	Under Preparation.
Project Description	<p>The Project is a sovereign-backed financial intermediary loan to the People's Republic of Bangladesh, in which AIIB funds will be channeled through the Infrastructure Development Company Limited (IDCOL) to privately-owned companies to invest in eligible infrastructure projects in Bangladesh.</p> <p>The loan will provide IDCOL with long term financing, given the huge market demand and the need to scale up the availability of long-term funding for infrastructure projects. The Project envisages catalyzing commercial funding for public-private partnership (PPP) projects, thereby reducing the pressure of direct financing on the public budget and raising the quality and standards of infrastructure projects.</p>
Objective	The objective of the Project is to advance Bangladesh's infrastructure investment, including renewable power, special economic zones, ICT infrastructure, LNG facilities, water, toll road segments, etc. It is aligned with Bangladesh's goal to narrow its infrastructure gap and achieve sustainable growth.
Expected Results	The Project has a multi-sector focus, and its specific contribution to AIIB's Result Framework will only be determined once the sub-projects have been identified, approved and funded as per the sub-project investment criteria to be agreed between AIIB and IDCOL. The expected results may be measured by the following indicators: renewable energy capacity installed, acres of economic zone constructed, kilometers of toll roads built, private capital (directly and indirectly) mobilized in sub-projects, and reductions in greenhouse gas emissions.
Environmental and Social Category	FI
Environmental and Social Information	AIIB's Environmental and Social Policy (ESP) is applicable to this on-lending facility. The project has been placed in Category FI, because the financing structure involves the provision of funds through a Financial Intermediary, whereby AIIB delegates

to IDCOL the decision-making on the use of AIIB's funds for subprojects that meet the conditions to be agreed with IDCOL and applied through an Environmental and Social Management System (ESMS).

IDCOL has established an [ESMS](#) in accordance with the requirements of some of its existing MDB/IFI financiers that includes screening, categorizing, appraisal, contracting and monitoring of its loans. The ESMS will be reviewed by AIIB, if necessary enhanced, and applied to all sub-projects supported by AIIB to ensure they are prepared and implemented in accordance with the ESP, the Environmental and Social Exclusion List, Bangladeshi regulatory requirements and where applicable the AIIB Environmental and Social Standards (ESS). IDCOL has appointed a senior manager and professional staff for the oversight and implementation of the ESMS, and where necessary calls on external specialized environmental and social (E&S) resources to conduct E&S due diligence and/or monitoring.

IDCOL will apply eligibility criteria for selection of subprojects to exclude subprojects that may potentially have significant adverse risks and impacts, unless AIIB is satisfied through prior review that they can be suitably managed in accordance with the ESP, ESSs and in compliance with the ESEL. Examples of such subprojects would include those exposed to material risks of: (i) significant adverse impacts to community health and safety as a result of construction/operation of the assets; (ii) significant number of serious injuries and/or fatal accidents during construction and/or operation of the assets; (iii) land acquisition and involuntary resettlement of people; (iv) impacts on critical habitat; and (v) adverse impacts on Adibasi/Indigenous Peoples and/or cultural resources.

IDCOL will require sub-borrowers to disclose E&S instruments for their sub-projects in English and Bengali and engage with relevant stakeholders. IDCOL will be required under its ESMS to require its subborrowers to develop and implement an appropriate subproject-level Environmental and Social Management System (ESMS) in accordance with the ESP and applicable ESSs, including appropriate processes to manage and mitigate E&S risks and impacts, disclose E&S information, conduct stakeholder engagement activities, and establish subproject-level grievance redress mechanisms (GRMs) to address concerns and grievances from both project workers and external stakeholders, and monitor and report on their E&S performance. IDCOL will monitor these aspects as part of its subproject monitoring process.

IDCOL has established a customer's grievance redressal process and platform, accessible on: <http://idcol.org/contact/complaints> where it can receive views, enquiries or concerns regarding its own E&S processes and outcomes, as well as E&S impacts and performances of its subprojects. This process will be reviewed by AIIB to determine its adequacy for the Project.

	AIIB will review and validate IDCOL's ESMS, and have measures adopted to align with AIIB requirements, as needed. AIIB will conduct a prior E&S review of the initial three subprojects and all Category A and selected Category B subprojects to be financed using AIIB funds. AIIB will also retain the right to require prior review of other subprojects. AIIB will also require IDCOL to submit an annual E&S monitoring report to provide information on the E&S performance of all AIIB-supported subprojects. AIIB will conduct regular monitoring of IDCOL's activities, including visits to selected subprojects.		
Operational Policy on International Relations	Since the Project will be comprised of as yet unidentified subprojects, IDCOL will be required to exclude any subprojects that would trigger the Operational Policy on International Relations, without the prior approval of the AIIB.		
Cost and Financing Plan	Project cost: To be determined. AIIB loan: USD200 million.		
Borrower	People's Republic of Bangladesh.		
Implementing Entity	Infrastructure Development Co. Ltd.		
Estimated loan closing date	December 2025		
Contact Points:	AIIB	Borrower	Infrastructure Development Co. Ltd.
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Date of Concept Decision	February 2020.		
Estimated Date of Appraisal Decision	July 2020.		
Estimated Date of Financing Approval	Q3 2020.		

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 Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level Grievance Redress Mechanisms or AIIB Management’s processes.</p> <p>For information on how to make submissions to the PPM, please visit PPM web page.</p>
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