



## Project Data Sheet

Project 49074-001

### Project Name

Sustainable Projects

### Project Number

49074-001

### Borrower / Company

- BRAC BANK LIMITED

### Country / Economy

- Bangladesh

### Location

Nation-wide

### Type or Modality of Assistance

<b>Approval Number</b>	<b>Facility</b>	<b>Fund Source</b>	<b>Amount</b>	<b>Status</b>
3278	Loan	Ordinary capital resources	USD 30.00 million	Committed

### Strategic Agendas

- Environmentally sustainable growth
- Inclusive economic growth

### Drivers of Change

- Private sector development

### Sector / Subsector

- **Finance** / Finance sector development

### Gender

Effective gender mainstreaming

### Project Sponsor(s)

- BRAC BANK LIMITED

### Description

ADB will provide a 5-year senior unsecured term loan to BRAC Bank of up to \$30 million. The proceeds will be used to finance socially and environmentally sustainable projects, which include (i) the construction or expansion of RMG factories that meet the high structural, fire, and electrical safety standards required by the accord or the

alliance; and (ii) improvement of existing factories to meet any of the above standards. The loan will also fund construction of wastewater and ETPs in the industry sector, primarily in the textile and garment industry.

#### Objectives and Scope

The objective of the proposed project is to (i) enhance health and safety standards of garment industry in Bangladesh; (ii) promote finance sector development; (iii) enhance environmental standards in the industry sector. The project will finance socially and environmentally sustainable projects, which include (i) the construction or expansion of RMG factories that meet the high structural, fire, and electrical safety standards required by the accord or the alliance; and (ii) improvement of existing factories to meet any of the above standards. The loan will also fund construction of wastewater and ETPs in the industry sector, primarily in the textile and garment industry.

#### Status of Development Objectives

On track in meeting most of its development objectives.

#### Status of Operation/Construction

On-going.

#### Linkage to Country/Regional Strategy

the Mid-Term Review of Strategy 2020, ADB aims to strengthen its support for the finance sector by supporting the development of financial infrastructure, institutions, and products and services. The project supports three priorities identified by the mid-term review of Strategy 2020 including (i) poverty reduction and inclusive economic growth; (ii) environment and climate change; and (iii) private sector development and operations. The project is aligned with the country partnership strategy (CPS) for Bangladesh for 2011-2015, which prioritizes private sector development to accelerate growth by developing the finance sector with an emphasis on clean energy, infrastructure finance and credit for SMEs. The CPS also notes that environmental considerations should be integrated into sector interventions.

By financing wastewater treatment plants in industrial sector, the proposed project is in line with ADB's Water Operational Plan, which identified wastewater management services as one of the key elements of ADB's operations in the water sector.

## **Safeguard Categories**

#### Environment

FI

#### Involuntary Resettlement

FI

#### Indigenous Peoples

FI

## **Summary of Environmental and Social Aspects**

#### Environmental Aspects

The borrower will be prohibited from using the proceeds of the ADB loan to finance projects that are category A under the Safeguard Policy Statement. The borrower will update its existing ESMS to ADB satisfaction before the first disbursement of the

proposed loan. BRAC Bank will be required to increase its existing staff capacity to effectively carry out both the assessment and oversight. The enhanced screening process covers (i) fire safety aspects, including verification of accord and/or alliance corrective action plans, and screening out high risk factories; and (ii) environmental and social aspects, which include review of the social and labor audits conducted by the factories' buyers and compliance with local environmental regulations. Subprojects having high risk environment and safety issues will be excluded from financing. BRAC will review government certification, screen and monitor subprojects to ensure compliance with the national legislations, including those related to wastewater treatment plants and effluent treatment plants.

#### Involuntary Resettlement

The proposed ADB funded sub-loans of BRAC Bank will support mainly the construction or expansion of textile plants and improvement of existing plants to meet standard of fire and building safety which are likely to have minor impacts on involuntary resettlement.

#### Indigenous Peoples

The project is not expected to entail any significant impact on indigenous peoples.

#### Stakeholder Communication, Participation, and Consultation

Potential stakeholders include bank staff and their borrowers, national and local government, regulatory agencies, and the project beneficiaries (employees of textile factories, sustainable projects, including women).

Consultation meetings were conducted by the bank with the relevant stakeholders, including the poor and vulnerable groups at the factories and surrounding communities.

## Contact

Responsible ADB Officer  
Doukidis, Doukas  
Responsible ADB Division  
Portfolio Management Division, PSOD  
Responsible ADB Department  
Private Sector Operations Department

## Timetable for assistance design, processing, and implementation

Concept Clearance  
31 Mar 2015  
Credit Committee Meeting  
-  
Approval  
16 Sep 2015  
Last PDS Update  
28 Sep 2018

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