



## Project Data Sheet

Project 50197-001

Project Name	Sustainable Projects in the Textile and Garment Sector			
Project Number	50197-001			
Borrower / Company	EASTERN BANK LTD.			
Country / Economy	Bangladesh			
Location	Nation-wide			
Type or Modality of Assistance	3480	Loan	Ordinary capital resources	USD 20.00 million Committed
Strategic Agendas	Inclusive economic growth			
Drivers of Change	Private sector development			
Sector / Subsector	<b>Finance</b> / Finance sector development			
Gender	Effective gender mainstreaming			
Responsible ADB Department	Private Sector Operations Department			
Responsible ADB Division	Portfolio Management Division, PSOD			
Responsible ADB Officer	Doukidis, Doukas			
Project Sponsor(s)				
Description	<p>ADB will provide a 5-year senior unsecured term loan to Eastern Bank of up to \$20 million. The proceeds will be used to finance socially and environmentally sustainable projects in the textile and garment sector. In particular, the proposed loan will finance the construction or expansion of textile and garment factories that meet the high structural, fire, and electrical safety standards required by the accord or the alliance. All sub-borrowers will be required to consider energy efficiency and be encouraged to select energy efficient designs and equipment for the sub-projects.</p>			
Objectives and Scope	<p>The proposed loan will support textile and garment industry upgrades through long-term finance to the financial sector. It will also help enhance Eastern Banks environmental and social management system. ADB has proposed further enhancements to Eastern Banks screening and monitoring process, including the expansion of the banks due diligence checklist to include environment and social safeguards and other labor aspects. Finally, the ADB loan will incorporate gender elements in financing the ready-made garment industry. The project is classified as effective gender mainstreaming and through a GAP, ADB will incorporate a number of elements in the subprojects to improve facilities and working conditions for women in the RMG industry in Bangladesh. The GAP has several substantive and sound gender design features including day care, safety, and health clinics, which will be incorporated into operations by the RMG factory sub-borrowers.</p>			

Status of Development Objectives	In progress.
Status of Operation/Construction	Operation loan fully disbursed and repaying.
Linkage to Country/Regional Strategy	<p>(1) Consistency with ADB strategy and country strategy: Under the Midterm 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 Midterm Review of Strategy 2020: (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 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 country partnership strategy also notes that environmental considerations should be integrated into sector interventions.</p> <p>(2) Consistency with sector strategy and relevant ADB operations. The proposed project is aligned with ADB's Financial Sector Operational Plan, which calls for finance sector projects to serve needs of the real sector development and fit into the overall development agenda of the economy, based on the country partnership strategy. The proposed project continues ADB's support to the textile and garment sectors in Bangladesh.</p>

### Safeguard Categories

Environment	FI
Involuntary Resettlement	FI
Indigenous Peoples	FI-C

### Summary of Environmental and Social Aspects

Environmental Aspects	Eastern Bank has an existing Environmental and Social Risk Management (ESMS) to manage the risks associated with the bank's lending. The ESMS has been reviewed for compliance against ADB Safeguard Policy Statement (SPS, 2009) requirements.
Involuntary Resettlement	The proposed ADB funded sub-loans of EBL will support mainly the construction or expansion of garment factories and improvement of existing factories to meet standards of fire and building safety which are likely to have minor impacts on involuntary resettlement. Sub-loans classified as category A for IR will be disqualified for ADB financing. EBL Bank will update its environmental and social management system (ESMS) in compliance with the ADB's Safeguards Policy Statement (2009).
Indigenous Peoples	The proposed ADB funded sub-loans of EBL will support mainly the construction or expansion of garment factories and improvement of existing factories to meet standard of fire and building safety which are unlikely to have any impacts on indigenous peoples. Sub-loans classified as categories A and B for IP will be disqualified for financing. EBL does not expect to finance factories that will be located in areas with IPs. EBL will enhance its environmental and social management system (ESMS) in compliance with ADB's SPS (2009).

Stakeholder Communication, Participation, and Consultation	EBL conducts due diligence and consults with its borrowers and stakeholders at the proposed sites of investment activities. The consultation process with relevant stakeholders will be incorporated in the enhanced Environmental and Social Management System (ESMS).
--	---

#### **Timetable for assistance design, processing and implementation**

Concept Clearance	23 May 2016
Credit Committee Meeting	10 Oct 2016
Approval	29 Nov 2016
Last PDS Update	04 Oct 2022

© 2023 Asian Development Bank

This page was generated from /projects/50197-001/main on 06 June 2023