



Project Summary Information

Date of Document Preparation/Updated: 08/28/26	
Project Name	Bangladesh - Water Resilience and Climate-Smart Urban Service Delivery Program (Subprogram 1)
Project Number	P000978
AIIB member	Bangladesh
Sector/Subsector	Multi-sector
Alignment with AIIB's thematic priorities	Green infrastructure
Status of Financing	Under Preparation
Objective	To support Bangladesh in implementing critical policy and institutional reforms to promote sustainable, climate-smart urban service delivery and water resilience.
Project Description	Program Scope The program supports the Government of Bangladesh (GoB) in undertaking key policy and institutional reforms to integrate climate adaptation, mitigation, and disaster resilience into climate-critical urban and water sectors and unlock climate investments in these sectors. The program is expected to include the following Reform Areas (RAs): (i) RA1: Project Planning, Preparation and Appraisal for Climate Investments; (ii) RA2: Climate-Smart Urban Service Delivery and Development; and (iii) RA3: Water Security and Resilience to Climate-related Disasters. The program is structured as a programmatic series of two subprograms. Subprogram 1 (SP1) prioritizes immediate policy and institutional reforms under each RA, aligned with the short-term priorities of the member-led national climate plans, including the National Adaptation Plan 2023–2050 (NAP) and the Nationally Determined Contributions 2025 Update (NDC), with a particular focus on the urban and water sectors. Subprogram 2 (SP2) is expected to build on and deepen the reforms initiated under SP1. The GoB has requested AIIB financing of USD400

	million for SP1. The Program will be processed as a standalone CPBF operation, with the loan proceeds disbursed in a single tranche upon the effectiveness of the Loan Agreement. Institutional Arrangements Overall coordination of the Program will be led by the Ministry of Finance, through its Finance Division reflecting a whole-of-government approach to climate policy. The Program will be implemented by the Finance Division, Planning Commission, the Ministry of Local Government, Rural Development and Cooperatives, the Ministry of Road Transport and Bridges, the Ministry of Water Resources, and the Ministry of Housing and Public Works. The Program will also leverage the Bangladesh Climate Development Partnership (BCDP), a multi-stakeholder platform anchored in the Ministry of Environment, Forest and Climate Change and supported by international development partners, including AIIB. Analytical Work The Program leverages extensive analytical work and support from development partners to inform its reform agenda, including on city climate action planning, urban resilience, and water resources management. Complementary analysis undertaken by the Bank, drawing on AIIB-supported technical assistance and upstream studies for investment projects, has further informed the Program design, including its policy, institutional, and sectoral reforms.
Expected Results	The expected Program outcomes are: (i) enhance climate adaptation financing and expenditure at local and sector levels; (ii) increase investment in promoting water security and climate resilient urbanization; and (iii) mitigate GHG emissions.
Environmental and Social Category	Not applicable
Environmental and Social Information	Applicable Policy and Environmental and Social Instrument. The AIIB Environmental and Social Policy (ESP) introduces provisions for environmental and social (E&S) management applicable to the CPBF instrument. AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List (ESEL), applies to all reform areas under SP1. SP1 focusses on policy and institutional reforms to integrate climate adaptation, mitigation, and disaster resilience into the climate-critical urban and water sectors and support climate investments in Bangladesh. An E&S Matrix will be developed during the appraisal process to identify likely impacts, nature of impacts, assessment of the Member's systems and capacity to address these impacts, and measures to address

	shortcomings, if any. The E&S matrix prepared for this Program will need to be disclosed by the Bank in a timely manner to inform the Member's consultation. The final E&S Matrix is disclosed prior to approval of this CPBF. Environmental and Social Aspects. All reforms have potentially positive impacts on the environment, either directly by reducing pollution or restoring wetland habitats for biodiversity or indirectly through an improved resilience to climate threats that would also cause environmental damage in the wake of such catastrophic climatic events. A more efficient use of natural resources through a circular economy would also bring environmental benefits by avoiding pollution. However, the construction of new facilities such as wastewater treatment plants, solid waste landfills as well as the densification in urban land-use and transport systems will carry environmental risks associated with construction works such as air, soil and water pollution. In addition, potential downstream impacts may include risks related to resettlement, loss of livelihoods, labor and working conditions particularly informal waste pickers and risks to indigenous communities' in haor regions among others. These social risks associated with the PAs under SP1 will be analyzed in further detail during the appraisal stage. Further, climate stressors increase social risks to women such as higher gender-based violence (GBV) during disasters. The Program supports policy actions that have embedded gender considerations and explicitly recognizes the need for gender-responsive climate action. These risks will also be analyzed in further detail during appraisal and incorporated into the E&S Matrix. Program Grievance Redress Mechanism (GRM) and Monitoring Arrangement. Individuals and communities who believe they are adversely affected by the Program may submit complaints to the responsible government authorities and appropriate local/ national grievance mechanisms. These government grievance mechanisms, as Program GRMS, will be further reviewed during the appraisal process. In addition, the Finance Division of the MoF, as the executing agency for the Program, will report to AIIB on the implementation progress based on an agreed format. AIIB will conduct monitoring periodically to ensure that the policy actions continue to be put in place. More details on monitoring and reporting arrangements will be determined with the MoF during program appraisal.
Cost and Financing Plan	Total Program (SP1) Cost: USD400 million, Indicative Financing Plan: AIIB: USD400 million
Borrower	People's Republic of Bangladesh
Guarantor	People's Republic of Bangladesh

Implementing Entity/Sponsor	Ministry of Finance, Bangladesh	
Estimated date of loan closing (SBF)	December 31, 2028	
Contact Points:	AIIB	Borrower/Implementation Organization
Name	Sangmoo Kim	Masuma Akter
Title	Senior Investment Officer	Additional Secretary, Economic Relations Division of the Ministry of Finance
Email Address	sangmoo.kim@aiib.org	wingchief08@erd.gov.bd
Date of Concept Decision	08/28/2026	
Estimated Date of Appraisal Decision	Q4 2026	
Estimated Date of Financing Approval	Q1 2027	

Independent Accountability Mechanism	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 ESP in situations when their concerns cannot be addressed satisfactorily through the program-level GRMs or AIIB Management's processes. For information on how to make submissions to the PPM, please visit: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html.
---	--