



Luxembourg, 14.12.2022

## Environmental and Social Data Sheet

### Overview

Project Name:	<i>BANGLADESH RENEWABLE ENERGY FACILITY</i>
Project Number:	<i>2022-0280</i>
Country:	<i>Bangladesh</i>
Project Description:	<i>The operation consists of a framework loan of up to EUR 350m to support climate action investments in Bangladesh. The facility will provide long-term finance to the Government of Bangladesh to develop renewable energy generation projects (utility scale solar PV and onshore wind) and potentially associated battery energy storage systems.</i>
EIA required:	<i>Some sub-projects may require an EIA</i>
Project included in Carbon Footprint Exercise <sup>1</sup> :	<i>no</i>

(details for projects included are provided in section: “EIB Carbon Footprint Exercise”)

### Environmental and Social Assessment

This operation concerns a EUR 350 million Framework Loan (FL) with the Government of Bangladesh (GoB) represented by the Ministry of Finance (Borrower) and the Power Division within the Ministry of Power, Energy and Mineral Resources (MoP) to support renewable energy investments in Bangladesh.

The underlying sub-projects, as well as their environmental and social impacts, are not known at this stage. For all allocations, ex-ante approval by the Bank will be required prior to authorising the on-lending of funds to final beneficiaries. The Bank’s requirements regarding eligibility, including environmental and social requirements, will be incorporated in the finance contract.

#### Environmental Assessment

Concerning the regulatory context, the main principles of social and environmental assessment practice enshrined in EU legislation, such as screening, scoping, independent review, public participation, disclosure and monitoring, are present in Bangladesh legislation. Prior to approving allocation requests, the Bank will confirm that individual schemes comply with the Bank’s environmental and social requirements and that an adequate environmental and social assessment has been carried out.

The operation will benefit from technical assistance support throughout the project cycle to ensure that projects are developed, built and operated in line with EIB E&S requirements, enabling long-term capacity building with the MoP and the public utilities.

<sup>1</sup> Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.



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The Bank will assess documentation (or equivalent decisions) when reviewing the documentation for the allocations, including compliance with EIB E&S standards. Whenever an ESIA process is required, the environmental impact studies (EIS) will be provided in copy to the Bank prior to the Bank's approval of the allocation and will be published.

The promoters will be required to provide confirmation that none of the schemes submitted for part-financing by the Bank have a significant negative impact on any site of nature conservation importance, including sites protected under national legislation and international agreements to which Bangladesh has subscribed.

### **Social Assessment**

The envisaged sub-projects may give rise to typical occupational and community health, safety and security risks and impacts. These risks are primarily linked to traffic, dust and noise nuisances, presence of security personnel and the influx of labour force during construction. The main mitigation and monitoring measures to address these risks/impacts and others will be considered in the respective Environmental and Social Management Plan (ESMP), if applicable.

The Bank will require a social assessment, including the development of a management plan for mitigation of social impacts (as applicable); compliance with national law and ILO Core Labour Standards will need to be ensured at sub-project level in accordance with the Bank's Environmental and Social Standards. At this stage, it is expected that the implementation of the sub-projects under this FL will not lead to involuntary physical or economic displacement or resettlement.

Where relevant, the Bank will require that risks related to forced labour in the supply chain of the underlying projects are appropriately addressed, and appropriate contractual provisions are passed on to contractors/suppliers for each of the sub-projects.

### **Public Consultation and Stakeholder Engagement**

The Bank will verify that adequate disclosure of information and meaningful public consultation have been carried out or are both planned for, in the context of the ESIA process, as well as prior to and during the construction phase, and if applicable throughout the lifetime of the project. At sub-project level, the FI will ensure that comprehensive grievance mechanisms, both for communities and for the sub-project workforce (including EPC contractor and sub-contractors), are in place during both implementation and the entire operation period of the sub-projects.

Stakeholder engagement activities will be conducted in compliance with national legislation and with the FI's guidelines on Stakeholder Engagement, which is considered satisfactory by the Bank.

## **Conclusions and Recommendations**

The schemes under this operation are expected to have limited residual social and environmental impacts when mitigation measures are adequately implemented. The social and environmental impacts and mitigation measures will be assessed individually by the Ministry, with support from technical assistance managed by the EIB. All schemes financed by the Bank will be required to be compliant with national legislation and with the Bank's environmental and social standards. The promoters will be required to provide all information necessary to the Bank's satisfaction in order to confirm compliance with the Bank's eligibility criteria. In addition, each allocation will be subject to ex ante appraisal of E&S matters and monitoring of the underlying projects by the EIB,



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Due to the Bank's involvement, the Promoter will agree to conduct environmental and social assessments for the projects in line with the Bank's requirements and is expected to improve the environmental and social risk profile of the project.

Under these conditions, it is considered that the due diligence procedures carried out for individual schemes will appropriately address environmental and social issues and ensure that the schemes to be financed under this loan meet the Bank's requirements.