

 Early Warning System

AIIB-000742

Bangladesh: Sustainable Private Capital Infrastructure Financing



## Quick Facts

<b>Countries</b>	Bangladesh
<b>Specific Location</b>	Dhaka, Bangladesh
<b>Financial Institutions</b>	Asian Infrastructure Investment Bank (AIIB)
<b>Status</b>	Proposed
<b>Bank Risk Rating</b>	U
<b>Borrower</b>	City Bank PLC
<b>Sectors</b>	Energy, Infrastructure
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 50.00 million
<b>Loan Amount (USD)</b>	\$ 50.00 million



## Project Description

The proposed Project is a senior unsecured term loan of USD50 million to City Bank PLC (CBL) to finance multi-sector infrastructure and energy-efficient sub-projects in Bangladesh. CBL will use the loan proceeds from AIIB to extend financing to sub-borrowers involved in infrastructure development and energy-efficient activities across the country.

Established in 1983, CBL is a leading private commercial bank headquartered in Dhaka, Bangladesh. Known for its universal banking approach, CBL offers a wide range of services, including retail, corporate, small and medium-sized enterprise (SME), women, and digital banking, along with asset management, equity brokerage, and securities. CBL also specializes in Islamic banking, investment banking, and remittance services, with a strategic focus on expanding its retail and SME segments to diversify its portfolio.

**Estimated Date of Financing Approval: Q1 2025**

## ENVIRONMENTAL AND SOCIAL INFORMATION

### Applicable Policy and Categorization

The AIIB's Environmental and Social Policy (ESP), along with its Exclusion List (ESEL) and Standards (ESSs), applies to this project. Since the funding will be provided through a financial institution (FI), the project is categorized as "FI." This means AIIB allows CBL to decide how AIIB's funds will be used, as long as the infrastructure sub-projects meet agreed conditions. CBL will handle the selection, evaluation, approval, and monitoring of sub-projects and ensure they comply with AIIB's ESP rules. Activities like coal mining, coal transportation, coal-fired power plants, related infrastructure, and gas-related projects will not be funded.

### Environmental and Social Issues

The loan will support sub-projects in areas like renewable energy and digital infrastructure. Most environmental and social (E&S) risks will come from construction and operations, such as impacts on sensitive areas, land acquisition, health and safety, biodiversity, and Indigenous communities. High-risk sub-projects will need AIIB's prior review. Before CBL can disburse funds, AIIB and CBL must approve the sub-projects. CBL will submit an annual E&S performance report to AIIB. Additionally, AIIB will review the first three sub-projects, all high-risk projects (Category A), and those involving significant risks before funds are used. Sub-projects will be categorized based on AIIB's E&S guidelines.

Additionally, sub-borrowers will disclose their E&S instruments for Category A at least **60 calendar days before the final approval** of the sub-project activity. CBL will continue to disclose its E&S performance on its website in a timely manner, as well as its Annual Sustainability Report.

### Project Grievance Redress Mechanism (GRM).

The Project has an existing Complaint Management Cell managed by a selected compliance team to receive complaints and related reports/issues, which will be used as the Project GRM. PPM will disclose in both English and Bangla



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## Investment Description

- Asian Infrastructure Investment Bank (AIIB)

## Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [City Bank Plc](#) (Financial Intermediary)



### Contact Information

#### ACCESS TO INFORMATION

PROJECT TEAM LEADER of AIIB: **Neeraj Jain** (Senior Investment Officer)

Contact: [neeraj.jain@aiib.org](mailto:neeraj.jain@aiib.org)

#### BORROWER: **City Bank PLC**

**Md. Rafiq Ibne Nur Reza** (Head of Agency and OBU Business, Operations and Reporting)

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You can submit an information request for project information at: <https://www.aiib.org/en/contact/information-request/index.html>

#### ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides 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 the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes. Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: <https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html>

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: <https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html>



## Bank Documents

- [Guideline on Environmental and Social Risk Management](#) [Original Source]
- [Project Summary \(November 22, 2024\)](#) [Original Source]



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### Other Related Projects

- AIIB-000015 Bangladesh: Natural Gas Infrastructure and Efficiency Improvement Project