



## Project Summary Information

Date of Document Preparation/Updating: December 24, 2024

<b>Project Name</b>	North Dhaka Waste to Energy Project
<b>Project Number</b>	P000617
<b>AIIB member</b>	Bangladesh
<b>Sector/Subsector</b>	Urban / Urban Infrastructure
<b>Alignment with AIIB's thematic priorities</b>	Green infrastructure; Private Capital Mobilization
<b>Status of Financing</b>	Under Preparation
<b>Objective</b>	To reduce landfill waste and generate renewable energy by processing municipal solid waste in North Dhaka, Bangladesh.
<b>Project Description</b>	<p>The Project involves the design, financing, engineering, construction, operation, and maintenance of a waste-to-energy (WtE) facility located on the south side of the Amin Bazar landfill in North Dhaka and a six-kilometer transmission line to be connected to the Savar substation. It comprises four incineration lines and two sets of 35 MW turbo-generator systems. It is the first WtE project in Bangladesh to divert municipal solid waste from landfill and generate renewable energy.</p> <p>The Project benefits from a series of project agreements for 25-year, including Implementation Agreement (IA) with the Government of Bangladesh (GoB), Power Purchase Agreement (PPA) with BPDB, Waste Supply Agreement (WSA) with Dhaka North City Corporation (DNCC), and Land Use Agreement (LUA) with DNCC.</p>
<b>Expected Results</b>	Waste diverted from landfill; renewable energy generation; Greenhouse Gas emission reduction; waste treatment service for local residents.
<b>Environmental and Social Category</b>	Category A

**Environmental and Social Information**

**Applicable Policy and Categorization.** The Bank's Environmental and Social Policy (ESP) including the Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL) is applicable to this Project. ESS1 – Environmental and Social Assessment and Management and ESS2 – Land Acquisition and Involuntary Resettlement are applicable. As per the Bank's ESP, the Project is classified as Category A, based on the environmental and social (ES) due diligence considering the scale and significance of the environmental impacts and risks. The Project is co-financed with the New Development Bank (NDB) and NDB will follow AIIB's ESP.

**Environmental and Social Instruments.** For the Waste to Energy (WTE) plant, an Environment and Social Impact Assessment (ESIA) has been prepared in line with AIIB requirements. The ESIA also includes a detailed Environmental and Social Management Plan (ESMP), which summarizes the impacts identified as well as the mitigation measures and monitoring requirements to be implemented throughout the Project cycle. A third-party ES Due Diligence Report (ESDD) has been conducted, given that the land acquisition and land preparation processes had been completed prior to AIIB's entry. The ESDD report includes an Environmental and Social Corrective Action Plan (ESCAP) with recommendations for improvement of ES measures to align with AIIB's ESP.

**Environmental Aspects.** The Project will generate several environmental benefits by processing more than 3,000 tons/day of waste to reduce the pollution of air, water, and land from overflowing landfill. The Project will also reduce greenhouse gas emissions, particularly methane. The Project will use Best Available Technology (BAT) and adherence to EU pollutant emission standards for project operation; however, the Project will cause adverse environmental risks associated with the construction and operation of the Project, those are mainly limited to the Project site and can be mitigated using conventional risks management techniques. The baseline measurements showed that the NO2 and SO2 levels are projected to exceed WHO standards. While the Project is not responsible for this exceedance due to high baseline concentrations, it will add to the already degraded air quality environment. These impacts have been addressed in the design of the Project and mitigation measures listed in the ESMP will be implemented for plant operations to manage these impacts.

**Social Aspects.** The Project will contribute to socio-economic development of the Project area and reduce existing problems due to the current landfill system with a reduction in community health risks and bad odors. The major adverse impacts include the acquisition of private land, displacement of businesses and ragpickers. As part of the ESCAP, corrective actions are included to address the legacy issues related to land acquisition and disbursement the balance amount. The Sponsor will also develop a Resettlement Planning Framework (RPF) for the purchase of additional land required for the transmission line footings.

**Gender Aspects:** The ESCAP recommends Sponsor to undertake a women's empowerment program by engaging a social team to identify vulnerable women from among the affected households, who will be willing to undergo skill development and take up capacity building and empowerment programs to facilitate employment for such skilled women. For the female rag pickers, the ESCAP recommends Sponsor to include additional benefits to the vulnerable women in the overall Livelihood Restoration Plan (LRP). Furthermore, the ESMP includes worker awareness, Code of Conduct, GRM and community engagement to deal with Gender Based Violence (GBV). The ESCAP also recommends Sponsor to develop a policy for the prevention of Sexual Exploitation and Abuse and Sexual Harassment.

**Occupational Health and Safety, Labor and Working Conditions.** The due diligence completed for the preliminary site works identified inadequate facilities in the workers camp and working conditions. The ESCAP proposes measures such as regular health checks, ILO accommodation standards, provision of minimum wages and benefits, and a training calendar for regular training among others to mitigate these identified gaps and to improve OHS and working conditions.

**Stakeholder Engagement, Consultation and Information Disclosure.** Extensive stakeholder consultations and engagement was carried out as part of the ESIA process. Key Informant Interviews had been carried out with stakeholders such as local political representatives and community leaders, administrative officials, waste management officials and supply chain participants. Focused Group Discussions had been held with landowners, women's groups, non-titled business owners, ragpickers, local youth, etc. The Sponsor will schedule ongoing regular consultations with identified stakeholders. The ES instruments in English and the summary in Bengali language will be disclosed by the Sponsor on its website and in hard copies in all sub-project areas. AIIB's website will include links to the documentation on Sponsor's website.

**Project Grievance Redress Mechanism (GRM).** Two separate GRMs are proposed to be established. The Project affected parties would include those affected by loss of assets and those from the nearby community likely to be affected by project works. The GRM for affected parties would be a two-tier system with (i) Site Level Committee; and (ii) Project Implementation Unit (PIU) Level Committee. Further, the information of established GRM and Bank's Project-affected People's Mechanism (PPM) will be timely disclosed in an appropriate manner, such as ESCAP recommends Sponsor to install grievance boxes at Project sites and conduct orientation cum awareness programs about GRM and the PPM for contractors, sub-contractors and workers, as well as for the nearby community.

**Monitoring and Supervision Arrangements.** The detailed monitoring and reporting arrangements for the Project are listed in the Project's ESMP for the construction phase and for the operation phase. The proposed monitoring plan clearly defines monitoring and reporting requirements, parameters to be monitored, the locations, suggested frequency and assigns a

	responsible entity for each activity. Sponsor will deploy an independent team of environmental, health and safety, and social specialists to monitor the ES performance for construction and operation based on agreed schedule and format. Additionally, the Sponsor will engage an independent third-party ES advisor to supervise construction, commissioning, and operation of the project to ensure Project's compliance with ESP. The Bank's ES Specialists will carry out field-based ES monitoring missions on regular basis.			
<b>Cost and Financing Plan</b>	The total project cost is around USD467 million, which is expected to be funded by USD157 million equity and USD310 million debt. AIIB's financing amount will be up to USD100 million.			
<b>Borrower/Investee Company/Counter party/Guaranteed entity</b>	WTE Power Plant North Dhaka Private Limited			
<b>Sponsor</b>	China Machinery Engineering Corporation			
<b>Estimated date of last disbursement</b>	September 2027			
<b>Contact Points:</b>	<b>AIIB</b>	<b>Borrower</b>	<b>Sponsor</b>	
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<b>Date of Concept Decision</b>	February 1, 2024			
<b>Date of Final Decision</b>	December 19, 2024			
<b>Estimated Date of Financing Approval</b>	March 2025			

<b>Independent Accountability Mechanism</b>	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 Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level GRM or AIIB Management’s processes. For information about the PPM, please visit: <a href="https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html">https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</a> .
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