Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 02/20/2020 | Report No: ESRSA00472
**BASIC INFORMATION**

**A. Basic Project Data**

<table>
<thead>
<tr>
<th>Country</th>
<th>Region</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>SOUTH ASIA</td>
<td>P170688</td>
<td></td>
</tr>
</tbody>
</table>

**Project Name**
Bangladesh Private Investment & Digital Entrepreneurship Project

**Practice Area (Lead)**
Finance, Competitiveness and Innovation

**Financing Instrument**
Investment Project Financing

**Estimated Appraisal Date**
2/25/2020

**Estimated Board Date**
5/29/2020

**Borrower(s)**
Economic Relations Division

**Implementing Agency(ies)**
Bangladesh Economic Zones Authority, Bangladesh Hi-Tech Park Authority

**Proposed Development Objective(s)**
To promote private investment, job creation, and environmental sustainability in participating economic zones and software technology parks in Bangladesh.

**Financing (in USD Million)**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Project Cost</td>
</tr>
</tbody>
</table>

**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**
No

**C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**
The Bangladesh Private Investment and Digital Entrepreneurship Project will promote private investment and job creation in economic zones and software technology parks. It supports institutional and regulatory reforms to scale up private participation and the introduction of green zone/resilient infrastructure concepts in the development agenda. It also introduces entrepreneurship and innovation programs to support Bangladesh's emerging ITS and ITeS industry.
D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

The land at 2A and 2B is about 380 ha at 2A, 192 ha at 2B and about 100-200 ha at IMD zone which are mostly reclaimed land. Zone 2A & 2B are in Mirsarai Upazila of Chattogram district near Abu Torab Village adjacent to Mirsarai EZ-I. The site is within close proximity of Dhaka-Chattogram National Highway and Mirsarai Railway station (12km and 10km respectively towards East). Chattogram City, where the country has its largest sea port, is around 60km South to the proposed location. The East side of the area is bounded by the BWDB embankment and South side by a super dike for protection from storm surges.

Major water bodies close to zone 2A & 2B are Feni River, Ichakhali canal, Daburkhali khal and Bamon Sundar Canal. Project site lies in the flood plain of Feni River. Ichakhali canal passes through 2A & 2B. Groundwater table lies within 2 to 4m below the surface. Ground water is mostly saline with some sweet water pockets. The Bay of Bengal stretches all along the West side of the location. Test results of surface water from Feni river and the canals show that some of the parameters such a total dissolved and suspended solid, turbidity, hardness, BOD and COD exceed the acceptable limit. The average elevation of the site is quite high and the whole area has been developed by sand filling to protect the area from tidal flooding. Moreover, the area will be further protected by a super dike from storm surges which is a common occurrence in this part of the country. There is no man-made drainage system at project site. However, within the project site there is natural drainage system via Ichakhali canal. Water of Ichakhali canal is controlled with help of sluice gate. The soil (developed land) of Zone 2A and 2B is slightly alkaline and organic content is very low (0.2%). The area falls under seismic Zone-II on the earthquake map. Construction of civil structures in this seismic region will need to adopt the requisite guidelines as per the Bangladesh National Building Code (BNBC) for ensuring structural safety. No protected area, national park, sanctuary, Elephant/Tiger reserve, migratory routes and wetlands are present within the area of influence of the project site. The area is characterized by varieties of species of amphibians, reptiles, mammals, and birds.

There is no settlement within the project area (2A and 2B). However, the area is located within Mirsarai Upazila with a population of around 400,000. Majority of the population depends on agricultural work. PRIDE project activities is likely to generate significant job opportunities, which might alter the livelihood of the local populace. New land acquisition may be required for the IMD. The extent of land acquisition will be known once the exact location of the IMD is decided during the implementation of the project.

The expansion of Janata Tower will be done by constructing a 12 story building in a vacant land adjacent to the existing building at Kawran Bazar, Dhaka. The area is located at the middle of Dhaka city characterized by regular traffic jam and heavy crowd. There is no archaeological/culturally significant structure, sensitive bio-diversity hot spots and presence of ethnic minorities within the area of influence. The land for the extension is enclosed by boundary wall and is free from any settlement, habitation and squatters.

D. 2. Borrower’s Institutional Capacity

Though both BEZA and BHTPA have experience working in current PSDS project under the safeguard policies, the recent ESF is relatively new to them. The assessment and mitigation of risks and impacts and monitoring of environmental social management plans would also require addition, changing of their organogram to include specialists/consultant and related manpower. Further, operation policies and procedures will also need to be established and implemented.
The scope of their capacity strengthening will go beyond the PRIDE Project, since these organizations are set to be the role models for private investment as well as digital entrepreneurship hubs and are likely to implement projects with massive undertaking in the future days to come. BEZA will not only be implementing the World Bank financed activities at Mirsarai, but will also be responsible for phased implementation of BSMSN and administer activities related to other EZs spread across the country. The experience of BEZA with PRIDE as well as the capacity development through Component 1 will enable BEZA to carry out specific environmental and social assessment for the BSMSN for future plot allotment, operations of the industries and plan and implement mitigation measures in line with the ESF and Government’s laws and policies. BEZA will be responsible for reviewing all ES instruments for all industries in 2A and 2B in particular and in the long run for all industries of BSMSN. BHTPA will also setup a number of high profile STPs and innovation hubs to jump on the digital bandwagon and rise up to be a prominent actor in the world arena. Therefore, building technical departments of excellence in core functions to manage environmental and social aspects of any project should be a priority. Successful implementation of PRIDE, where provision of policy formulation, training and capacity enhancement will be crucial to enhance BEZA and BHTPA’s E&S capacity, would play important role in this regard.

The ESAs undertaken for BEZA and BHTPA have assessed the existing capacity to manage project related environmental and social issues and gaps have been identified. The important gaps are lack of adequate human resources, lack of operational manual and policy/procedure and adequate financial resources. For proper assessment and management of the E&S risks, BEZA would appoint Environmental, Social Development and Gender Specialists in the PMU for undertaking ESIAs/ESAs of various sub-projects as per ESMF and monitor implementation of ESMP. It will also ensure adequate Environmental and Social development specialists in the PMC. Moreover, long term sustainable solution to manage environmental and social risks and impacts of projects (irrespective of funding sources), capacity building activities have been planned for BEZA under component 1 of the PRIDE project. The objective of the specific sub-component/activities and relevant DLI will be to develop environmental and social policies and manuals of BEZA and set up organizational structure in such a way that the environmental and social due diligence of BEZA and industries set up in BEZA allocated lands are materially consistent with the ESF of the World Bank. This permanent unit will be established by 2021. However, for implementing the ESMPs and other E&S procedure for the PRIDE project, a dedicated E&S unit with Environmental, Social Development and Gender Specialists will be deployed in the PMU. A permanent E&S unit will collaborate and coordinate with the PMU E&S specialists once established. The permanent unit will be responsible for E&S due diligence for the industries established in the economic zones including 2A, 2B and IMD developed under the PRIDE project (beyond the project period). The dedicated unit will be established within 30 days of project effectiveness. In addition, BEZA would replicate, introduce and adopt the counselor program of EPZ in EZs. These E&S counselors in EPZs were deployed under the PSDSP to work with the private investors to facilitate their compliance of assessing and managing the E&S risks and impacts.

BHTPA would also have a PMU supported by Environmental and Social Specialists. During the project period, the Environmental and Social consultants of these units may be deployed under the project payroll. After the completion of the project, these positions may be inducted permanently under the mother organizations. Training shall be imparted, on a regular interval, to both the BEZA and BHTPA officials and Staffs on Environmental and Social Issues. The staffing and training requirement (during the project period) will be documented in the Environmental and Social Commitment Plan (ESCP).
II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Environmental Risk Rating

High

PRIDE will fund a number of activities for both BEZA and BHTPA component.

Under BEZA, the project would support further development of 2A and 2B (as per the Master Plan) which will include design and construction of basic infrastructure such as roads, pipelines and networks for various utility services and construction of key public buildings and facilities such as a fire service station and cyclone shelter. Project would also finance works, goods, technical assistance and training to support the design and construction of shared facilities and services primarily in 2A and 2B, which will eventually be extended to residential and commercial areas with proximity and eventually provide sustainable and resilient services for the BSMSN. These would include construction of common effluent treatment plant (CETP); desalination plant; rooftop and floating solar power system; high-pressure steam pipelines; development of a sanitary landfill as part of integrated solid waste management and a bio-gas plant, waste sorting and material recovery facility etc. Most of the industrial plots in 2A and 2B have already been allotted. The location of IMD zone area is yet to be finalized. An international Master Developer would be appointed to develop the IMD zone following the EIP principle. In the IMD area, the project would finance the basic infrastructure, some common and shared resilient and sustainable infrastructure and some last mile infrastructure to ensure accessibility and utility services.

This massive undertaking of activities will have significant environmental concerns during the construction stage. The anticipated adverse impacts of the project activities during the construction and operation phase will include generation of solid and liquid waste, impact on air quality and noise level, contamination of surface water, impact on bio-diversity and traffic management. Some E-waste would also be generated from the STPs and university innovation hubs. Requirement of resources like water, power and various raw materials will be significant. Community health and safety will also be a concern due to inherent design of infrastructure and from use and generation of hazardous products and wastes. Though there are no specific culturally significant/biodiversity abundant areas around the sites, the local natural fauna and flora may be impacted due to human operation and intervention. The project will involve a large number of migrant workers who would generate solid and liquid waste and might have impact on the surrounding physical and social environment if not properly managed.

The project will also promote social and environmental compliance in the private economic zones and implement a grant scheme aimed to increase the supply of industrial-relevant skills and to raise environmental standards in industrial production in economic zones.

Activities under BHTPA will involve expansion of Janata STP at Kawran Bazar Dhaka (Janata 2) in a new piece of adjacent land. Since the plot is located near a big whole sale kitchen market characterized by heavy traffic jam throughout the day and large scale product loading and unloading at night, community health and safety during construction period would be a concern. Generation of solid and liquid waste, noise and air pollution and their management during construction and operation phase will also need to be taken into consideration. Setting up of
incubation centers at the Technological Universities might involve small scale construction work. However, impact on physical and social environment from these activities might not be significant.

Considering the project nature and scale, the anticipated environmental risks and impacts, capacity of the implementing agency to mitigate the risks and the context under which PRIDE will be implemented, the project is rated “high” from environmental point of view.

**Social Risk Rating**

High

Project activities covering both BEZA and BHTPA components will entail massive constructions of structures, earthwork and utility services. There are inherent social connotations associated with such activities.

Since there will be a significant numbers of laborers involved, issues of labor safety and health conditions, fair treatment and discrimination, protection of vulnerable workers (women and persons with disability), forced and child labor and redress of grievance will be a major concern. Labor influx will be a potential source of GBV, community safety risk, shifting of local social dynamics in terms of employment and wages, excess burden on community services such as hospital and schools etc. Communicable diseases may also be a cause for significant apprehension in an area where large numbers of laborers will be living in the project sites who will interact with local communities.

Though there will not be any land acquisition for both BEZA 2A and 2B and BHTPA part of the project, land acquisition may be required for IMD. Presence of squatters in finally selected land for IMD can further offer challenge in terms of their resettlement and assistance. No land acquisition will be required for component 4 to be implemented by BHTPA. As per the ESA/ESIA, there are no ethnic communities living within the project area. There are no significant cultural heritage sites in and around the project area as well.

The construction and operation of new industries will result in long term changes in the communities with regards to labor influx, gentrification, voluntary in-migration of new industrial workers, managers and suppliers to the area. Potentially, both the positive and negative impacts will not be limited to projects footprint area, rather will be spread over the adjacent areas.

The project needs to consider gender aspects—especially in terms of equal opportunity, differentiated measures to address gender gaps, issues of disadvantage and vulnerable people, universal access in infrastructure design etc which need to be materially consistent with the objectives of ESSs.

The project would warrant a much wider array of resources (human, technical and financial) to assess, manage and monitor the social risks and impacts of the Project of which both BEZA and BHTPA seem to be lagging. The ESAs have proposed measures to fulfill gaps in terms of organizational capacity to handle such massive and complex project. Both the implementing agencies will need to be familiar with the new ESF processes and possess requisite skill sets, policy, procedure and guidelines in line with the ESF.

Therefore, considering the project nature and scale, the anticipated social risks and impacts, capacity of the implementing agency to mitigate the risks and the context under which PRIDE will be implemented, the project is rated “high” from social point of view.
B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

**Overview of the relevance of the Standard for the Project:**

PRIDE Project is going to finance constructions of a number of infrastructure, related utility facilities, technical assistance and capacity building support to both of its implementing agencies, BEZA and BHTPA.

Under BEZA, project activities will include (in 2A and 2 B) construction of road and network of the utility services and construction of common and shared facilities such as central effluent treatment plant, desalination plant, sanitary landfill etc. Under BHTPA, project will finance the expansion of Janata Tower STP and establishing startup facilities in existing STPs and innovation hubs in few technological universities. Besides, capacity building measures, policy formulation and training support will also be provided. The locations of International Master Developer (IMD) area (under BEZA) and activities therein as well as specific locations of university innovation hubs and startup facilities (under BHTPA) are yet to be finalized.

For BEZA, Environmental and Social Assessment (ESA) report has been prepared for activities for which detailed information and locations are known by updating the EIA and SIA prepared for the zones 2A and 2B for the on-going Private Sector Development Support Project (PSDSP). This ESA is thus sufficiently detailed and substantive and considered to be the equivalent of an ESIA.

The major environmental risks and impacts that have been assessed are generation of solid, liquid and hazardous wastes, air and noise pollution, negative effect on local/native fisheries and livestock etc. Significant social risk and impacts include land acquisition for IMD, labor influx and associated OHS and labor management issues, exposure to communicable diseases, likely generation of GBV, traffic and road safety concerns and community health and safety of those living around the project areas. The presence of squatters may need to be resettled. No cultural heritage/archaeological sites are nearby the project areas and no small ethnic minorities have also been located around. All these identified potential risks have been considered while working out the ESMP through stakeholder consultation and measures in line with relevant ESSs, Good Practice Notes, Guidance Notes, ESHG and GIIPs. For activities with insufficient information and for which locations are not known i.e IMD zone, an Environmental and Social Management Framework (ESMF) has been prepared. Once the specific size and location will be known, sub-project specific ESIAs/ESAs will be prepared following the guidelines of ESMF and in line with the ESF and relevant ESSs. While the IAs would have primary responsibility for approving C-ESMPs and other E/S plans prepared by contractors, the World Bank would retain the option to review and clear these for sub-projects screened as high and substantial risk categories.

For BEZA, the proposed project will be funding activities in an area which is less than 10 percent of the total area proposed for the Bangabandhu Sheikh Mujib Shilpa Nagar (BMSN). A master plan for the BMSN has been prepared. The PRIDE project activities will eventually be part of the BMSN. To consider a holistic approach in assessment and management of environmental and social risks associated with the full-scale operation of the industrial city, a Regional Environmental and Social Assessment (RESA) will be conducted. The ToR for the RESA has been reviewed by ESSA and the ToR has been revised based on this review. The RESA is expected to be completed by August, 2020. The key findings and recommendations of the RESA will be taken into account in conducting sub-project level ESIAs/ESAs.
and ESMPs. Moreover, there may be activities/investments (not funded under the PRIDE project) that would be considered as Associated Facilities for this project. Associated Facilities will need to meet the requirements of the ESSs, to the extent that BEZA has control or influence over such Associated Facilities. In cases where the requirements of the ESSs cannot be followed, the Bank will require BEZA to demonstrate the extent to which it cannot exercise control or influence over the Associated Facilities by providing details of the relevant considerations, which may include legal, regulatory and institutional factors. The Bank team with guidance from ESSA will review each case and the final decision will be taken on environmental and social due diligence of the Associated Facilities based on the review.

For BHTPA, Environmental and Social Impact Assessment (ESIA) report for Janata Tower Extension (Janata 2) and ESMF for activities whose locations are yet to be known (university innovation hubs and startup facilities in STPs) have been prepared. Stakeholder Engagement Plans (SEP) and Labor Management Procedure (LMP) for both the agencies have also been prepared. Capacity assessment of both the implementing agencies have been done through ESA/ESIA and gaps have been identified. Various measures covering Technical, financial, HR and policy related issues have been recommended to strengthen capacity of both the organizations for proper assessment and management of E&S risks and impacts. A new institutional setup has been proposed with Social and Environmental specialists and other staffs. A number of training on Environmental and Social issues (ESS, GBV, OHS, GRM, Waste Management etc) have also been proposed with requisite budget.

As part of environmental and social assessments, the ESMPs for both BEZA and BHTPA have recommended measures to be taken to manage environmental and social risks and impacts which have also been illustrated in respective ESCPs and will be part of legal agreement. Among other mitigation measures during construction and operation phase, this include recommendation for conducting full scale ESIA for the large sub-projects under BEZA once the detailed information is available and updating the ESMP of Janata Tower once the detailed design of the building is known. Mitigation measures also include recruitment of E&S specialists in the PMUs and setting up of E&S unit in BEZA, preparation of operational guidelines, setting up of monitoring system, inclusion of specific ESHS specifications in Contractor’s bid documents, provisions of GRM, continuous consultation with stakeholders, monitoring contractors’ obligation, provision of training and capacity building measures of the IAs etc which have all been included in the ESMP and ESCP.

This project is classified as “High” risk for both Environmental and Social aspects and is therefore subject to continued corporate advice/oversight both during project preparation and implementation phases. All site-specific ESIAs and ESMPs of the sub-projects of High and Substantial risk category will be reviewed and cleared by the PM and concurred by ESSA. The E&S specialists assigned to the project will also share the bi-annual E&S reports sent by the Client with the ESSA and seek for advice and guidance on critical and significant issues that arise and/or reported during the project implementation. The extent and nature of ESSA’s participation in implementation support for the project will be finalized jointly by the task team and ESSA team and will be documented and planned accordingly.
Given the nature, scale and complexity of the Project at both BEZA and BHTPA sides, stakeholders' engagement and consultation are necessary to identify project affected and other interested parties, adopt their views for project design and sharing and disclosing of project specific information and designing of a Grievance Redress Mechanism (GRM) to report and raise issues and allow implementing agencies to respond to the same.

For consultations, the stakeholders were identified and were engaged through a number of process and modes which included face to face meeting, FGD, engaging the elderly and physically challenged ones in-situ (door to door), separate engagement with women, workshops etc.

Draft Stakeholder Engagement Plans (SEP) for both BEZA and BHTPA components have already been prepared. They have identified various stakeholders (affected parties and other interested parties) including government officials, potential beneficiaries (industry owners and students), farmers, fishermen, business owners, vendors, hawkers, entrepreneurs, business association, civil society members, utilities, truck and bus drivers etc as well as disadvantaged and vulnerable people. Initial consultations with them have been conducted and discussion regarding potential project risk and impacts and benefits (including purpose of the project, future engagement process, time and venue of future consultation etc) have been shared. The views of the stakeholders have been collected and collated for project design and implementation. Major stakeholder inputs consist of job creation, participation and differentiated measures for vulnerable group, equal opportunities for all to access project benefit, concern for GBV, safety and security of the local inhabitants which have been addressed through establishment of GRM. Such inputs will finally be addressed through Contractor bidding process, code of conduct signing, continuous monitoring of environmental and social risks and impacts by Implementing Agency consultants and adherence to ESCP.

A GRM structure has been developed to address grievance and project reportage issues in three tiers in implementation level (Community level, Project Level, IA level) and three tiers in the Operation Level (Industry, EZ and BEZA level). GRC compositions including representatives from the EZ, the Project, local authorities, NGOs, women representatives) have been set up through which GRM process will be carried out in a time-bound fashion. Project GRM that has been written, includes ways to respond to concerns and grievances of the project affected and interested parties, network and channels to submit grievances, grievance logs, publicly advertised procedure, appeal process and the organogram of grievance redress committee (GRC).

The SEPs are living documents and will continuously be updated throughout the life cycle of the project.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

Both the implementing agencies of the PRIDE project will need to engage a significant number of workers to complete construction activities. They will either be direct project workers, contracted workers or primary supply workers. Given the magnitude of the works and requirement of labor, a number of challenges might be faced by the implementing agencies. Labor Management Procedures (LMP) for both BEZA and BHTPA components have been developed to address these issues. The LMPs have addressed the way project workers will be recruited, assigned and
managed. Issuing written contract in favor of the workers mentioning conditions of their employment (wages, hours, overtime etc) has to be ensured. Non-discrimination and equal employment opportunities, especially for women and people with disadvantage will also have to be taken into cognizance. Given the lack of local workers, especially around 2A and 2B areas, the implementing agency will need to ensure no unethical practices (child and forced labor) while hiring migrant labors take place. It also warrants that safety and security of the workers are carefully planned and implemented through Occupational Health and Safety (OHS) principles given in ESS 2, industry-specific EHSGs and other GIIP. The OHS plans include procedures on incident investigation and reporting, recording and reporting of non-conformances, emergency preparedness and response procedures, and continuous worker training/awareness. The health and hygiene condition of workers camp, provision of medical and emergency treatment and provision of canteen also need to be implemented as mentioned in LMP.

Further, security concern due to labor influx, such as potential GBV incidence, adverse alternation of local dynamics (such as employment, power status), communicable diseases from the labor would also need to be taken into cognizance.

The project will also have primary supply workers who will provide goods or materials directly to the Project. The project will only engage suppliers who are legally registered business entities allowed to work in Bangladesh by the appropriate government authorities. Registered suppliers will be subject to regular review in accordance with BEZA's LMP. The review shall be carried out twice annually and will require a Commercial Services Officer to visit the supplier's premises.

A labor Grievance Redress Mechanism (GRM) will be in place, understood and acted upon by all employed labor in the project. This has also been set out in the LMP.

Labor related issues have been included in the ESCP for both BEZA and BHTPA for planning, implementation and monitoring.

ESS3 Resource Efficiency and Pollution Prevention and Management

As large scale construction work will be undertaken in the project, requirement of resources (water, energy and raw material) would be high. Raw materials (such as water, aggregate, cement, steel etc.) acquisition and utilization demands careful planning and execution. In addition to resource efficiency requirement of this ESS, the borrower will need to adopt measures specified in EHSG to optimize resource usage, to the extent technically and financially feasible. Recycling and reuse of materials will also need to be planned. No major dredging work will be required for site development. The aggregate cement and other construction materials will be imported from outside the project area ad will not put pressure on the local resources.

Air quality: Air quality will be affected to various degrees at BEZA and BHTPA sites due to construction activities and movement of construction vehicles and machinery. The operation of construction equipment and vehicles will contribute to air pollution releasing hazardous air emissions such as NOx, SOx, CO, PM2.5, PM10 and other SPM. Construction works involve breaking up, digging, crushing, transporting and dumping large quantities of
stones/bricks, sand and cement. It will inevitably lead to an increase in SPM in and around the construction areas unless proper measures are undertaken.

Surface and Ground Water: Bamon Sundar and Ichakhali canal flow adjacent to Zone 2A and 2B. Water of these canals can be contaminated through discharge of construction waste as well as solid and liquid waste generated from the labor camps if not properly managed. Leachate from the landfills if not properly treated might also adversely affect the surface and ground water quality.

Impact on Soil: The soil at the EZ (Zone 2A & 2B) site can be polluted due to improper storage of construction materials and wastes produced during construction work. Soil can also be polluted from accidental oil spillage from construction vehicles and public vehicles, liquid and solid waste from construction camp. The soil texture in the proposed project area is medium to fine sand. During high wind and storm, some of the excavated soil and construction material such as sand etc. can be blown up in the air and dispersed around the proposed project site

Noise: During the construction phase, noise level could be increased as a result of various construction activities such as pilling work, transportation of construction materials and operation of various equipment.

Measures to be in place to see if generated wastes can be reused, recycled or recovered and if not technically / financially feasible these have to be treated, destroyed or disposed off in an environmentally safe manner.

Provision for taking care of these issues should be included in the site specific ESIAs.

ESS4 Community Health and Safety
Project activities under PRIDE (for both BEZA and BHTPA) might give rise to a number of risks for community health and safety. The project would support a number of large scale infrastructure and need to follow national laws for community health and safety along with GIIP. The concept of universal access will also be considered in designing the infrastructure under the project.

The local community near the EZ (Zone 2A & 2B) site will not to be impacted much by the construction activities since there is no residential area adjacent to the project site. However, transportation of construction materials would increase movement of construction vehicles in the Dhaka-Chattogram Highway increasing the risk of road accident putting safety of the community at stake.

Hazardous and non-hazardous waste: The Project will generate both non-hazardous and hazardous waste throughout the construction phase. The anticipated non-hazardous wastes would include excavated material, various construction debris, municipal solid waste and waste water. Hazardous waste may include used oil, empty drums or replaced parts of the construction machinery, used battery, chemical used for concreting like admixture etc. These might have impact on human health and on the surrounding environment.

In addition, project area for BEZA is one of the most disaster-prone areas of Bangladesh, especially for storm and cyclone. Therefore, during extreme weather condition such as cyclone, pieces of construction debris, rod or any sharp
object may be blown away risking not only the safety of the workers but also the safety of the nearby community people. Further, man-made hazard may occur in the site such as fire hazard from the short circuit of electrical wire or from open burning in the site causing serious threat to the workers as well as local community.

The project will increase traffic movement and may cause interruption near Janata STP which is already overburdened with heavy traffic congestion. This may cause inconvenience to the community people and increase the risk of road accident. Lack of road safety measures, training of drivers and conditions of vehicles may affect those living around the construction sites and adjacent road network.

Influx of labors is expected in both BEZA and BHTPA sites and associated risks of communicable diseases and sexual abuse and exploitation cannot be ruled out. Construction and operation of environmentally sensitive structures, such as CETP, waste landfill etc need substantial measures to manage chemicals, sludge, leachate and other solid and liquid waste. Water-borne and vector-borne diseases are also likely to affect local populace given the extensive use of water which might stagnate if not properly disposed off.

The Project’s GBV risks are assessed as “substantial” due to the labor requirements to deliver civil works. The influx of workers may potentially increase the demand for sex work, sexual abuse, workplace harassment, etc.

Further, the use of security personnel for the protection of site must be vetted in relation to hiring, rules of conduct, training and monitoring their activities so that they do not pose any derogatory risk, including use of excessive force to the local people.

All these measures have been included in the ESMP, ESMF and the ESCP. A Community Health & Safety Plan will be required from contractors, which will also include procedures on incident investigation and reporting, recording and reporting of non-conformance, emergency preparedness and response procedures and community awareness raising activities. Waste management and the minimization of potential impacts during construction will depend on the implementation of appropriate procedures, protocols and monitoring of materials being delivered, handled and stored prior to disposal. The Contractors’ ESMP (CESMP) will include detail procedure for managing environmental and social risks during construction work.

Considering the project’s substantial gender-based violence risks, the project will develop a stand-alone GBV action plan. The action plan will include a separate grievance redress mechanism with GBV referral pathways and response protocol that will be set up during the project preparation phase. In the contractor’s bid documents GBV requirements and expectations will also be included including the need for a CoC (Code of Conduct). During implementation, C-ESMP and the implementation of GBV Action Plan will be monitored. Training of contractor personnel on GBV issues and expectations/ requirement will be conducted. BHTPA will include a GBV referral system in its project GRM as Component 4 will not require major civil work.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
The land area under BEZA (2A, 2B ) is mostly reclaimed land and 2A and 2B areas have already been allotted to various private investors . There will be no land acquisition required in zones 2A and 2B. However, the location of
IMD area is yet to be (approximately 200 ha) known and hence information regarding any settlement in that area is
to be verified after the location is decided. An RPF has been prepared by BEZA. Any RAPs that may be required will be
consistent with this RPF and RAPs will be prepared prior to issuance of corresponding bids for civil works.

The extension of Janata Tower (Janata 2) or other sub-components under BHTPA will not require any land acquisition.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources
According to the ESA, the project area under BEZA doesn’t contain any protected areas and critical natural habitats
close to the project site that could be directly and indirectly affected. There are natural existence of native flora and
fauna in the area. Further, the project area does not have any significant reserve forest nearby. There are no
significant biodiversity and natural resource related issue in the proposed site for expansion of Janata Tower STP
under BHTPA as well. Setting up of incubation centers would be undertaken in existing spaces provided by the
universities or might need small scale construction work within or near the universities which are unlikely to have any
significant impact on bio-diversity or natural resource.

However, the potential impacts on native aquatic and terrestrial flora and fauna could be significant due to
cumulative project activities in the influence areas of BSMSN. A dedicated biodiversity management plan may be
required which will be addressed in the RESA.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
As per the social assessments done for PRIDE (both BEZA and BHTPA), there are no known ethnic communities in the
project areas and therefore ESS7 is not currently relevant to the project. This is also supported by the SIA of the
previous PSDS Project. However, the presence or absence of small ethnic minority groups will be screened during
project preparation and if any such groups are identified the principle of ESS7 will be implemented through
development of a detailed SECDP (Small Ethnic Communities Development Plan) with the provision of free, prior and
informed consent (FPIC) as appropriate.

ESS8 Cultural Heritage
As per ESA/ESIA of the project sites of BEZA and BHTPA, there are no specific cultural heritage, animal reserve, legally
protected areas, archaeological sites present in the area. Chance Finds Procedure have been included in the ESMF
and ESMP and chance find clause will be included in works contracts requiring contractors to stop construction if any
cultural heritage/ archaeological sites are encountered during construction. The management of such discovery will
have to be administered by the principles laid down in ESS 8.

ESS9 Financial Intermediaries
No financial intermediaries will be engaged in this project
B.3 Other Relevant Project Risks

BEZA and BHTPA would be the implementing agencies of the new project with major activities lying with BEZA. BEZA would not only be implementing the WB finance activities at Mirsarai, but also be responsible for phased implementation of BSMSN and all the other EZs spread across the country. Both the agencies are young institutions and it will take time to build the technical capacity to be effective regulators and partners in negotiations with leading industry groups and foreign multinationals. Political interference in site selection can be a threat to investment decisions and the ability of senior management to handle such pressure will be crucial. While BEZA acts as a strong convening force, coordinating the interface between private operators/investors and multiple ministries, departments, districts, public agencies and state-owned corporations, there is a general perception that this role is becoming critical with common concerns that some public partners slow down the development process. BEZA’s recently inaugurated One-Stop Shop is a step in the right direction but it will not be enough: stronger and dedicated coordination for large economic zones is a necessity for success. With the rapidly expanding portfolio of projects, including an investment portfolio of US$18bn, there is a sense that BEZA must rapidly expand its team with more capable technical experts that rely more on systems and institutional structures to deliver across the board. Building technical departments of excellence in core functions should be a priority. Successful implementation of sub-component 1.1 will be crucial to enhance BEZA’s capacity.

BEZA has one of the largest publicly-owned land banks in Bangladesh. The process of allocating and pricing land for private investors should be fair and transparent and integrate a clear approach to phased development. Some allocation has been on a competitive basis whereas some allocation has been on a first-come-first-served basis with quality considerations of the investment proposals. Streamlining this process and ensuring full transparency with enforceable phasing criteria would reduce potential grievances by EZ developers and reduce the risk of land speculation.

C. Legal Operational Policies that Apply

| OP 7.50 Projects on International Waterways | No |
| OP 7.60 Projects in Disputed Areas       | No |

III. BORROWER’S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

<table>
<thead>
<tr>
<th>DELIVERABLES against MEASURES AND ACTIONs IDENTIFIED</th>
<th>TIMELINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESS 1 Assessment and Management of Environmental and Social Risks and Impacts</td>
<td>07/2020</td>
</tr>
<tr>
<td>IAs would deploy Environmental Specialist (ES), Social Development Specialist (SDS) and Gender specialist in the PMU.</td>
<td>07/2020</td>
</tr>
<tr>
<td><strong>ESS 10 Stakeholder Engagement and Information Disclosure</strong></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>SEPs for BEZA and BHTPA components have already been prepared by engaging with relevant stakeholders of the Project. The SEPs have been disclosed. The PMU will monitor the implementation of SEP and report it to the PSC, Bank and the stakeholders as per the ESMF.</td>
<td>07/2020</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>ESS 2 Labor and Working Conditions</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency-specific LMPs have been prepared to address issues related to manpower/ labors/ workers in the project. Occupational Health and Safety (OHS) measures will also be implemented to address issues with labor safety and risks.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>ESS 3 Resource Efficiency and Pollution Prevention and Management</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>IAs would ensure implementation of ESMP for pollution prevention and would take initiative to reduce, reuse or recycle waste material to the extent possible. If this is not feasible, waste would be treated, destroyed or disposed off.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>ESS 4 Community Health and Safety</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>BEZA will prepare a stand-alone GBV Action Plan. The plan will include a separate grievance redress mechanism with GBV referral pathways and response protocol. BEZA will develop a code of conduct for contractors and subcontractors</td>
</tr>
<tr>
<td>BHTPA will include a GBV referral system in its project GRM</td>
</tr>
</tbody>
</table>
ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

There will be no land acquisition and squatters who may be affected by the Project activities have not been found till date. However, if land acquisition and resettlement are required at a later stage, resettlement instruments will be prepared in accordance with the relevant World Bank ESSs.

ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

According to the ESA, the Project will not affect any biodiversity and living natural resources. Ecosystem services will also not be affected adversely through project activities.

ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Since no ethnic minorities have been located in the project areas, SECDP will not be required.

ESS 8 Cultural Heritage

There are no culturally significant sites/ archeological sites in the project areas. However, Chance Finds procedure will be included in the contract documents in case any chance finds are discovered later in the project stage.

ESS 9 Financial Intermediaries

The project will not involve any FIs.

B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework? No

Areas where “Use of Borrower Framework” is being considered:
The use of the Borrower Framework will not be considered for this project, although the project will meet both the requirements of the GoB and the relevant World Bank ESSs.

IV. CONTACT POINTS

World Bank
Contact: Ali Zafar
Title: Senior Economist
Telephone No: 5752+1461 /
Email: azafar@ifc.org

Contact: Michael Olavi Engman
Title: Senior Economist
Telephone No: 458-2404
Email: mengman@worldbank.org

Borrower/Client/Recipient
V. FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: http://www.worldbank.org/projects

VI. APPROVAL

Task Team Leader(s): Ali Zafar, Michael Olavi Engman

Practice Manager (ENR/Social) Christophe Crepin Cleared on 19-Feb-2020 at 08:21:16 EST

Safeguards Advisor ESSA Agi Kiss (SAESSA) Concurred on 20-Feb-2020 at 19:47:12 EST