Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

Date Prepared/Updated: 08/13/2019 | Report No: ESRSC00755
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>
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<tbody>
<tr>
<td>Bangladesh</td>
<td>SOUTH ASIA</td>
<td>P170688</td>
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Project Name: Bangladesh Private Investment & Digital Entrepreneurship Project

Practice Area (Lead): Finance, Competitiveness and Innovation

Financing Instrument: Investment Project Financing

Estimated Appraisal Date: 2/28/2020

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 and job creation in economic zones and digital entrepreneurship in hi-tech parks in an environmentally sustainable manner.

Financing (in USD Million):

<table>
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<th>Total Project Cost</th>
<th>Amount</th>
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<td>500.00</td>
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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 digital entrepreneurship in hi-tech 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 IT and ITeS industry.
D. Environmental and Social Overview

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

For BEZA, total area under the proposed project will be around 2500 acres located within the proposed BSMSN. This will include the newly developed Mirsarai 2A, 2B (total 2000 acre) and a new piece of land (500 acre) proposed around 12km south to 2A/2B. The proposed land will need to be either acquired (in case of private land) or transferred to BEZA by the Government (in case of public land). The area is stretched along the eastern side of the Bay of Bengal. The site is approximately 10 Km west to the national Highway (Dhaka-Chottogram Highway) with Chottogram City around 60 Km south of this location. Bartakia Railway station and Mirsarai Railway station is at distance of 9.5 & 10.0 km respectively in East direction to the site. The Shah Amanat International Airport at Chottogram is located south to the site at a distance of 79 Km, and the Chottogram seaport stands about 67 Km south.

For implementing component 4, BHTPA has identified a parcel of land to further develop and expand the existing Janata STP. The project will finance the addition of another 100 to 125 thousand sq. ft. of workspaces through both public and private investments.

The area for proposed BSMSN is mostly reclaimed land characterized by canals and distributaries. The Water Development Board is constructing a Super dike along the whole stretch of the proposed industrial city. Feni River is the main fresh water source in the area. After originating in the eastern hills of Tripura and entering Bangladesh at Belchhuri of Matiranga upazilla of Khagrachhrai District, river Feni flows through the West/NW direction. Isakhali canal and Bamon Sundar canal flows through Mirsarai 2A and 2B areas. The depth of the water table varies from a few meters to 20 meters. The ground water is not suitable for drinking in most of the areas and soil salinity is moderately observed in many patches. There are no ecological sensitive locations such as National Park, Sanctuary, Elephant/Tiger Reserve, Migratory routes and wetlands within the 10 km radius. However, the region is characterized by varieties of species of amphibians, reptiles, mammals, and birds.

The location is a cyclone prone area. The highest surge height experienced by the coastal belt in the Chottogram area was during the 1991 cyclone which was among the deadliest tropical cyclones in the country leading to a death toll of 138,000. The estimated damage was $1.5 billion. However, the land level in Mirsarai region is quite high as it is located very close to the Sitakunda high lands.

The whole footprint (for component 2 and 4) of this project will include densely populated urban areas (the expansion of Janata STP under component 4), semi-urban and agricultural areas including mosques, temples, graves and madrasahs close to or within the project’s footprint and will need to be partially or fully relocated. There are legally owned, agricultural land, houses and commercial structures as well as squatters that will be affected due to land acquisition. Resettlement and livelihood restoration programs will need to be designed and administered before the construction proceeds along with special provisions for vulnerable populations. Physical displacement of people and labor influx for construction may induce additional risks on women and girls in communities with regards to gender-based violence (GBV). A GBV risk assessment will be conducted and specific measures to address GBV issues will be designed during project preparation following the Bank’s relevant Good Practice Note. The project will need to conduct regional environmental and social assessment (RESA) with cumulative impact assessment as well as site specific ESIA (for sites 2A, 2B, Master Developer’s area under BEZA; incubation centers and expansion of Janata STP for BHTPA) that will help assess the extent and nature of risks and impacts of this project. The RESA and ESIsAs will also inform on the presence of small ethnic communities in the project area.
D. 2. Borrower’s Institutional Capacity

BEZA and BHTPA will be the implementing agencies of the new project with major activities lying with BEZA. Both the agencies are young institutions. BEZA will not only be implementing the WB finance activities at Mirsarai, but will also be responsible for phased implementation of BSMSN and all the other EZs spread across the country. It will take time for BEZA 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. 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 including E&S.

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. Streamlining this process and ensuring full transparency with enforceable phasing criteria will reduce potential grievances by EZ developers and reduce the risk of land speculation.

BEZA and BHTPA are familiar with Bank’s safeguard policies and processes. They are currently implementing the Private Sector Development Support Project, an IPF. Both the institute have a reasonable track record of implementing safeguard policies in Bank-financed projects. However, ESF is new to both the agencies. The agencies do not have adequate human resources (Environmental Specialist and Social Development Specialists). Managing the environmental and social issues during construction and operation phase of the huge activities under the proposed project will require dedicated and skilled human resource. A separate unit in the organogram with adequate trained and dedicated staff will be necessary in BEZA and BHTPA both at the HQ and field level. Along with human resource, there should be good policy support for ensuring E&S safeguards with adequate budgetary provision.

Both BEZA and BHTPA will need to prepare operational guidelines for Environmental and Social issues to be followed during construction and operation of new industries in the EZs. A detailed E & S capacity and system assessment of BEZA and BHTPA will be undertaken during project preparation following the Bank Guidance Note on Assessing Borrower Capacity at the Project Level. The outcomes of the assessment will inform the required E & S staffing and strengthening for this proposed program and will be used to develop a long-term E & S capacity building program for both agencies to be supported under the program. It is however, envisaged that given the very complex nature of this project with last mile investments, the project should support the establishment of an ESMS within BEZA with adequate E&S staffing to take on the challenges moving forward. This will be documented in the Environmental and Social Commitment Plan (ESCP). From environmental and social perspective, the establishment of a strong environment and social unit at BEZA with appropriate human resources (as planned under sub-component 1.1) will need to be aligned with the ESCP and ESMS at BEZA.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS
A. Environmental and Social Risk Classification (ESRC) High

Environmental Risk Rating High

The new project will support activities in Mirsarai EZ which is located within the proposed BSMSN to be built on an area of around 40,000 acres encompassing the 2000 acres land known as Mirsarai 2A and 2B being developed under the current PSDS project. The proposed WB funding under the new project will be mostly to provide shared facilities (last mile onsite and offsite infrastructure) in the newly developed land in Mirsarai 2A and 2B and to develop another 500 acres land with similar shared facilities like 2A/2B which might be located around 10-12km south. However, the financing mode of the infrastructure under sub-component 2.1 is not fully clear at this stage and a mixed approach will be explored. There will be financing from the project and also options for government investment and PPP would be explored.

Physical activities will include designing and building the whole chain of water supply of residential and industrial water supply and waste water management (IWWM) (will include setting up a desalination plant or any other appropriate water treatment facility) and waste water treatment (considering options for reuse, recycle and treatment). This will also include designing and building facilities for solid waste management to meet current and future demand. The project will also support feasibility study for construction of a sea port in the Industrial city to facilitate export/import. There will be environmental concerns during the construction stage due to huge dredging operation, design and construction of water and waste water treatment facilities, facilities for solid waste management and construction other shared facilities such as internal roads, power connectivity, on site and off site infrastructure.

The industrial plots developed through the project financing will be leased out to private entities who will set up industries using their own fund. It is expected that after completion of the project, a number of light and heavy industries will be set up in the industrial city with medium to high potential of environmental pollution. Although these activities during the operation phase might not be funded by the WB, these future industries will have significant environmental and social impacts in and around the project area if appropriate measures are not taken. It is also unknown what kind of industries will finally be established in EZs developed through project financing and what will be there pollution and social risks potential. If proper environmental and socials operations policies and accountability mechanism are not devised during leasing out the lands to these private entities and if the implementing authorities do not have proper tools i.e policy documents, conditions in the lease agreement, operational manual for assessing and managing risks etc., there is high possibility of environmental degradation and social issues (e.g. social exclusion, GBV, unfair practices around labor and employment).

Activities under BHTPA will involve expansion of Janata STP at Kawranbazar Dhaka in a new piece of land. There will be environmental issues during the construction phase as the site is located in crowded place of beside a large whole sale market in Dhaka and very close commercial buildings. Both OHS and Community Health and Safety issues will be major concerns during construction phase. Traffic management will also be a critical issue. Solid and liquid waste management during operation phase will also need to be assessed and managed properly during operation phase. Setting up of incubation center might involve small scale construction work.
Considering the construction stage environmental issues and impact during the operation stage from the future industries/STPs and also considering the capacity of the implementing agencies in assessing and managing environmental and social risk, the project is rated as high risk project from environmental safeguard point of view.

**Social Risk Rating**

The project will affect a significant number of residential and commercial structures due to land acquisition. In addition, there will be a large number of squatters living in public land who will also be affected. The adverse impacts on vulnerable PAPs (e.g. elderly, disabled and female-headed households) may be significant. During the construction phase, labor influx will result in risk of GBV for women and girls in the communities adjacent to project site. Huge influx of labor is expected because of requirement of specialized skills and the lack of such skills locally. This will increase the risks to community health and safety, including from GBV. There is a potential that these affected people will be aggrieved against the project and laborers from outside the area without adequate consultation and communication and impact mitigation. Moreover, contractors do not usually develop and implement code of conduct for its workers.

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 Water Development Board is constructing a Super dike along the whole stretch of the proposed industrial city (with approximately 40,000 acre land) under GoB financing to protect it from the water ingress from Sea during high tide and monsoon. The bund/road will eventually connect the BSMSN to Dhaka-Chottogram highway. The BSMSN’s proposed master plan will be implemented over time through different national and international funding sources. The World Bank has financed development of 2A and 2B (funded under previous Private Sector Development Support Project and Private Sector Development Support Project AF). The PRIDE project will finance further infrastructure development in 2A and 2B and a newly planned 500 acre of Master Developer area. These 2A, 2B and the Master Developer’s area will become parts of the BSMSN in future. At this point, it is not known who will fund the development of BSMSN in other areas. Depending on financiers and types of development, during the project’s lifetime, there may be potentials for associated facilities in the project. The need for following a “common approach” may also arise. The sooner they can be identified and confirmed (preferably during preparation) the better it will be so that bringing them to material consistency with the ESF can be documented in the ESCP. If such identification is not possible during the project preparation, the task team and BEZA should devise a plan for continued communication between the task team and project team at BEZA to identify and decide on such associated facilities or adoption of a common approach by other financiers. It will also be important to develop a guideline with clear criteria and screening checklist on how to define and determine associated facilities for this project following the ESF. These criteria for degemming associated facilities and making them materially consistent with the ESF will be agreed by the client and the World bank and will be included in the ESCP.

All in all, the planned minimization and mitigation of the adverse impacts caused by the project during the construction and operation phases will require resources and skills. The implementing agencies are not familiar with the new processes and they do not have the requisite skill sets now. The practicality of this project being a part of the larger BSMSN and the resultant complexity regarding associated facilities and/or “common approach” will also be very significant. Due to these reasons, the social risk is rated High.
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:

With regards to BEZA, the project will support a number of sub-projects in Mirsarai such as sand filling for site development, design and built shared facilities such as internal roads, water supply and waste water treatment facilities for residential and industrial use (which will include water treatment facilities, waste water reuse, recycle and treatment options) facilities for solid waste management and infrastructure for other facilities such as power and gas connectivity. During construction phase, a large number of workers will be employed by the contractors. The dredging operation might have impact on the marine aquatic flora and fauna and bio-diversity of the coastal ecosystem. There is a man-made mangrove forest near the project area which might be affected due to the project activities. Site-specific ESIA for 2A and 2B will need to be conducted. However, as the exact location of the Master developer’s area is yet to be finalized, an Environmental and Social Management Framework (ESMF) will need to be prepared which will contain the procedure to be followed and necessary E & S assessment tools to be applied before implementing this specific and any other sub-projects.

Although the project is not funding the individual private entity to whom land will be leased out to set up industries using their own fund, the environmental and social impacts from these industries in future might be significant if proper mitigation measures are not considered. A large number of local and foreign workers are also expected to work during the operation phase. Hence there should be appropriate policies (e.g. labor management, gender, environment) and instruments (e.g. multiple channels of GRM) planned upfront and included in the project design. Formulation of environmental and social policies and operational guidelines from BEZA’s side will need to be included in the tenant lease agreement. These policies and guidelines will need to be developed, vetted and approved under sub-component 1.1.

The proposed project will be funding activities in an area which is less than 10 percent of the total area proposed for BSMSN. It is expected that at least 15-20 years would be required to flourish the industrial city to an acceptable level. But as the master plan has been prepared, and as the proposed project activities will eventually be part of the master plan, a holistic approach should be considered in assessment and management of environmental and social risks associated with the full-scale operation of the industrial city. This holistic approach could in the form of a Strategic or a Regional Environmental and Social Assessment with the master plan as the subject of the regional assessment. This will help flag critical issues upfront and identify policy level issues which will need to be included in the ESCP to help the area built and operate in a sustainable way in future. Both current and future development of the EZs will attract various other developments in the area like development of the housing colonies/societies for workers/employee of the EZ area, development of schools, hospital and religious structures, hotels, service apartments and commercial areas, ancillary industries like transportation, packaging and logistic industries in the nearby area. Moreover, the area has the potential for tourism as government is planning to set up eco-tourism island in the near vicinity. All these developments will generate large scale direct and indirect employment in the area which will attract migration of the population from nearby areas. Thus, the demography of the area is expected to experience a change over time after development of the EZ/industrial city. Increase in population will lead to impact/stress on the existing utilities and resources in the area which are required to be improved and upgraded time to time to prevent the degradation of their quality and quality of surrounding environment.
It is expected that large volume of solid (both municipal and industrial) and liquid waste would be generated during the operation phase for which adequate land use plan and planning of infrastructure such as effluent treatment plant, sanitary landfill etc. will need to be considered. Large amount of water, electricity and gas will be required for the operation of the industries and hence pollution prevention and resource efficiency will be important considerations for ensuring sustainable development. The proposed BSMSN might need its own power plant to provide electricity to the industry owners which will also need to be assessed properly. In course of time, eventually, the BSMSN will become the third largest city in the country and it is highly expected that its operation will have immense potential to impact the physical and social environment of the nearby areas which demands a Regional Environmental and Social Assessment (RESA) to be conducted. ESIA for each sub-project will need to be undertaken along with the RESA. As the exact locations and capacity of the sub-projects are not fully known, a framework approach will be adopted and an ESMF will be prepared. Site specific ESIA will be conducted as per the ESMF before implementation of each sub-project.

There will be environmental and social issues during construction/expansion of Janata Tower STP at Kawran Bazar Dhaka. A substantial amount of E-waste will be generated from the STPs/ICs which needs to be managed properly and waste management strategy and options for such waste need to be found out, planned for and implemented to avoid environmental degradation and social issues during implementation phase. As the location of the expansion of Janata Tower STP is known, an ESIA will be conducted followed by RAP (as required). As the location of other sub-projects are not yet fully finalized, HTPA will prepare an ESMF. Site specific ESIA will be conducted as per the ESMF before implementation of each sub-project. The ESMF and ESIA will include specific analysis and recommend measures to accelerate social inclusion, gender parity and address needs of vulnerable groups (e.g. differently able people, people belonging to small ethnic communities).

During the construction phase, the key social impacts will include significant land acquisition for developing EZs; physical displacement of houses and some mosques, temples, madrasah and graves; temporary economic displacement of some vendors and businesses and in market areas that will be affected by the project and; increased risk of GBV and road accidents. Even in lands classified as public (khas), poor households may be living and using such land for their livelihood. A Resettlement Policy Framework (RPF) will be developed for this project to guide preparation and implementation of RAP as and when needed. The project will mainly employ local labor for unskilled labor requirements, but skilled laborers may come from other areas of the country or from abroad; thus risks deriving from labor influx are expected to be high. In addition to the RESA, ESMF and RPF, site specific ESIA/ESMP and RAP will be prepared to meet the requirements of the new ESF and relevant E & S Standards, including but not limited to expanding the scope of the ESIA to assess the risks and impacts of relevant standards, the preparation of ESCP, Labor Management Procedures, Stakeholder Engagement Plan, Borrower Capacity Assessment and Capacity Building Program, etc. The RESA and specifically the ESIA and ESMPs will pay particular attention to assessing the risks and impacts of these interventions to disadvantaged and vulnerable groups. The findings of the ESIA and the Bank’s GBV Risk Assessment Tool will guide the identification of GBV risks and the subsequent development of mitigation plans.

**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.
ESS10 Stakeholder Engagement and Information Disclosure

In consultation with the World Bank, both BEZA and BHTPA will prepare and implement their respective inclusive Stakeholder Engagement Plan (SEP) proportional to the nature and scale of the project and its associated risks and impacts. The ESIAs will identify stakeholders (affected parties and other interested parties) including land owners, tenants, farmers, fishers, business owners, vendors, hawkers, entrepreneurs, business association, civil society members, utilities, truck and bus drivers, private car owners, etc. The implementing agencies will engage in meaningful consultations with all stakeholders throughout the project life cycle paying attention to the inclusion of women and vulnerable and disadvantaged groups. The Borrower will prepare Stakeholder Engagement Plan (SEP) which will include a detailed schedule of planned activities for the various stakeholders during implementation of the project which will specify format and frequency of such engagements. A draft of the SEP will be prepared and disclosed as early as possible but prior to Appraisal. The client will seek stakeholder feedback and opportunities for proposed future engagement, ensuring that all consultations are inclusive and accessible (both in format and location) and through channels that are suitable in the local context. The Borrower will maintain and disclose documentation (evidence) of these consultations. It will also establish a GRM comprising a summary of the feedback/grievances received and a brief explanation of how the feedback was taken into account or the grievances were addressed.

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

The proposed project will entail employment of a significant number of project workers not only during construction, but also during operation phase. There will be direct project workers, contracted project workers engaged by the third parties and might also be workers engaged by primary suppliers. While the majority of the unskilled labors will be locally hired, the skilled workers may not be found in the project areas. To ensure that local labor/communities are hired to the extent possible, clear contractual agreements will be provisioned by both BEZA and BHTPA with the works contractors following the guidelines provided in Annex-3 of ESS-1 i.e ‘Management of Contractors’. Labor Management Procedures (LMP) will be developed and a standalone worker-specific GRM (for direct and contracted workers) will be established. The LMP will identify main labor requirements (how different categories of workers will be managed, in accordance with the requirements of national laws and ESS2) and risks associated with the project and determine the resources necessary to address labor related issues. The ESMF/ESIAs will assess labor risks, including risks of child labor and forced labor. To ensure the health and safety of workers during the construction and operational phases of the EZs and High tech STPs, both BEZA and BHTPA will require the contractors to prepare and implement Occupational Health & Safety Plan (OHSP) following the World Bank Group Environment, Health and Safety (EHS) Guidelines (for construction activities) and Industry Sector Guidelines for Construction Materials Extraction. The OHSP will also include procedures on incident investigation and reporting, recording and reporting of non-conformances, emergency preparedness and response procedures, and continuous worker training/awareness. During the operation phase, there will be skilled and specialized workers, managerial staff, service staff etc working in industries established in developed land through project financing. The ESCP and LMP will need to indicate that the BEZA and BHTPA will include the core principles of ESS2 and WB’s EHS in its operational manual and policies for the industries established in the project land to follow.
ESS3 Resource Efficiency and Pollution Prevention and Management

Requirements for construction materials will be significant especially filling materials to develop land. Filling materials will be sourced largely from the Bay of Bengal by dredging activities which were followed in earlier project. During the construction phase, air emissions will include exhaust from heavy vehicles and machinery, and fugitive dust generated by construction activities. Those most likely to be affected are people living within the proximity of the construction sites. The implementation of mitigation measures such as dust suppression and vehicle maintenance will need to be applied to minimize the impact of air emissions during construction, and residual impacts are expected to be limited in scope and duration. Water demand during operation phase will be huge and should be calculated to find out possible source of water and possible means of water conservation. A water balance calculation might be necessary. Provision for harvesting of rain water should also be a consideration. Electricity consumption during the operation phase will be high and it is likely that a power plant will be set up in the proposed industrial city which might qualify as an associated facility. Attempt should also be made to make the future industries more resource efficient. Use of renewable energy should be encouraged during the operation phase and some tools should be devised so that there are control over the future industries in this regard. Both construction activities and activities during operation phase will generate solid and liquid waste which will primarily include excavated soil and hazardous waste such as hydrocarbon oils from construction machinery and vehicles and various other wastes from variety of industries. Provision for taking care of these issues should be included in the site specific ESIA and Operational guidelines and recommendations should be included in the project design. During the operation phase, some types of industries might be emitting GHGs. Thus, GHG emission calculation will need to be part of the BEZA policies for industries on its land. GHG emission calculation should also be done for the project’s construction phase.

The issue of cleaner production will be addressed through the ‘Environmental and Social Code of Practice and Operational Guidelines for the Zone Operators (Master Developers) and Individual Industry Owners’ to be prepared by the Implementing Agency (BEZA). This will be included in the ESCP. Although the new parcel of land to be developed under the project (for the master developer’s area) has not yet been finalized, the most possible locations so far indicate that volume of dredging might be less. However, the chemical analysis of the dredged sediments will be addressed during the ESA and included in the EsMP.

ESS4 Community Health and Safety

Adequate measures should be taken to mitigate dust emission from the construction works. Appropriate traffic management should be in place during the construction phase of the project. As the project site (component 2) is part of the proposed BSMSN, the zoning as mentioned in the draft Master plan will have to be followed properly. The residential areas should not be mixed up with the industrial area which might be generating large quantity of toxic and hazardous waste. The waste during construction activities will expose communities to health and safety risks especially those communities who are immediately close to the construction sites and along the transport routes for acquisition of goods and materials during construction and operation phase. Construction of access roads might need expansion of existing roads which might expose communities to health and safety risks from increased traffic. Disruption in movement might cause inconvenience to the local communities as access would be interrupted temporarily. Traffic management plans should be put in place to address these inconveniences. Similarly, labor influx during the construction phase may affect the local community and increase the risk of GBV. For all the construction work, the ESMP should include the obligation of the contractors to safeguard the community health and safety aspects along with OHS. In addition, design of various facilities will also consider improving accessibility for people...
with disabilities. 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-conformances, emergency preparedness and response procedures and community awareness raising activities. The GBV risk rating of the project and subsequent measures to address GBV following the Good Practice Note will need to be developed and implemented with specific timelines. This should be included in ESCP.

Although the location of the new parcel of land to be developed under the proposed project has not yet been finalized, the proposed locations so far indicate that the “Super Dike” might become an associated facility. Preparation of guidelines and checklist to identify the associated facilities before the appraisal of the project has been proposed in the ESRS. Once the location is finalized, identifying the associated facilities will be possible. However, the super dike is not a dam but an embankment along the sea shore to protect ingress of sea water into the proposed BSMSN. The World Bank's policy Dam safety will not be applicable as it is an embankment.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
The project will finance developing land for industries in EZs and High Tech parks. These activities will involve land acquisition except in site 2A and 2B in Mirsarai EZ that have been already acquired and developed under the World Bank funded PSDS project. The other lands that will be acquired that will lead to the loss of land and loss or the disruption of income streams and livelihood activities for individuals or groups of people. However, the full extent of land acquisition, displacement of people and disruption of livelihoods will not be known by appraisal. Therefore, by appraisal BEZA will prepare a Resettlement Policy Framework (RPF) to cover all subprojects. The RPF that is part of the ESMF will lay out the guidelines and procedures for the preparation of RAPs and Livelihood Restoration Plans (LRPs) during project implementation. The RPF that is part of the ESMF will lay out the guidelines and procedures for the preparation of RAPs and Livelihood Restoration Plans (LRPs) during project implementation. The RAPs and LRPs that are part of subsequent Environmental and Social Management Plans (ESMPs) will be developed and implemented during project implementation for subprojects under components 2 and 4. All ESMPs, RAPs and LRPs will be reviewed, consulted upon, approved and disclosed both within the country and on the World Bank’s web site prior the commencement of the associated civil works. In addition, site specific ESIA for 2A and 2B will also be conducted. The same process will be followed by BEZA and BHTPA for all construction activities.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources
The area for the proposed intervention under BEZA at Mirsarai Chottogram displays existence of flora and fauna of negligible amount. No particular endangered animal species has been observed. A planted mangrove forest was created from Chokoria in the south up to the Sundarbans along the coastal belt in the 60s to develop an abutment against the tidal surge of the sea during a tropical cyclone. Over the years almost entire mangrove forest from Chokoria upto the Sundarbans was destroyed, small remains of which are still visible near the project area. Except that, the project area does not have any notable reserve forest nearby.

Large volume of sand would be acquired from the sea by dredging activities which might impact the marine ecosystem and has to be properly assessed. There are no sensitive habitats, protected areas and critical natural habitats close to the project site that would be directly and indirectly affected. There are, however, natural water bodies those might be affected during construction. A number of small canals passes through the project area which
drains out the rain water from the adjacent catchment. Impact of the project on these canals and possible measures to these natural waterbodies from project interventions need to be assessed during RESA. The RESA will confirm the absence of any ecologically important, endangered and vulnerable species in and around the project site that might be impacted. There are no significant biodiversity and natural resource related issue in the proposed site for expansion of Janata Tower STP which is located in a crowded location in the middle of the Dhaka city. Setting up/providing support to incubation center would be under preferably 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 much impact on bio-diversity or natural resource. However, during site specific ESIA, BEZA/BHTPA might need to implement offset/compensatory reforestation activities within the project area.

The potential impacts on aquatic and terrestrial flora and fauna could be major due to the expected project activities. A dedicated biodiversity management plan(s) may be required. This will be included in the scope of work of the RESA and will also be addressed through the specific ESAs.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
There are no known indigenous peoples in the project area, so ESS7 is not currently Relevant to the project. This is also supported by the ESIA of the previous PSDS Project. However, the presence or absence of indigenous peoples 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 IPP with the provision of free, prior and informed consent (FPIC) as appropriate.

ESS8 Cultural Heritage
Based on the ESIA of the previous PSDS Project, there are no specific site of cultural heritage in the area. However, there may be some mosques, temples and graves at the project sites and adjacent areas which may be affected by project works. If they are found by the ESIA to be affected, they will have to be relocated and will be included in the RAP prepared for the program. Chance Find Procedures will be included in the ESMF and ESMP and chance find clause will be included in works contracts requiring contractors to stop construction if possible examples of cultural heritage are encountered during construction. The Borrower will also have to notify and closely coordinate with the relevant mandated country authority for the salvaging and restoration of such cultural heritage.

ESS9 Financial Intermediaries
No financial intermediaries will be engaged in this project

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways
No

OP 7.60 Projects in Disputed Areas
No
III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered?  

No

Financing Partners

No other financier is presently considering funding the project.

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

For BEZA

• Preparation, consultation and disclosure of ESMF and RPF for Component 2 and Component 4
• Preparation of TOR for conducting RESA, preparation, consultation and disclosure of draft RESA, including capacity assessment and strengthening of BEZA
• ESIA for site development and all the know onsite and offsite infrastructure for 2A, 2B and the new piece of land under BEZA
• Preparation of guidelines and checklist for determining associated facilities for this project
• Preparation, consultation and disclosure of the Stakeholder Engagement Plan (SEP)
• Preparation and disclosure of Labor Management Procedures (LMP)
• Preparation and disclosure of Environmental and Social Commitment Plan (ESCP)

For BHTPA

• Preparation, consultation and disclosure of ESMF and RPF
• Preparation, consultation and disclosure of ESIA for Construction/expansion of Janata Tower STP and known incubation centers, including E&S capacity assessment and capacity building program for BHTPA.
• Preparation, consultation and disclosure of the Stakeholder Engagement Plan (SEP)
• Preparation and disclosure of Labor Management Procedures (LMP)
• Preparation and disclosure of Environmental and Social Commitment Plan (ESCP)

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

• Preparation, consultation and disclosure of ESIAs and ESMPs of each sub-project following procedure mentioned in ESMF
• Preparation, implementation and monitoring of the Construction ESMP (and associated sub-plans)
• Implementation of Institutional Capacity Strengthening Plan for BEZA and BHTPA
• Implementation of Labor Management Procedures by BEZA and BHTPA
• Implementation of Stakeholder Engagement Plan by BEZA and BHTPA
• Implementation of gap-filling measures for associated facilities to make them materially consistent with the ESF.
• Preparation, consultation and disclosure of Environmental and Social Code of Practice and Operational Guidelines for the Zone Operators (Master Developers) and Individual Industry Owners
• Complete a comprehensive study to prepare a master plan for drainage, sewerage treatment, treatment of industrial waste water and solid waste management for the whole BSMSN to be implemented in phases.
• Establishment and implementation of ESMS for BEZA and BHTPA.

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS 28-Feb-2020

IV. CONTACT POINTS

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Implementing Agency(ies)

Implementing Agency: Bangladesh Economic Zones Authority
Implementing Agency: Bangladesh Hi-Tech Park Authority

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

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

Practice Manager (ENR/Social) Magda Lovei Recommended on 05-Aug-2019 at 15:32:59 EDT