

Bangladesh Environmental Sustainability and Transformation Project

BASIC INFORMATION

APPROVAL DATE:
December 1
2022

END DATE:
October 31
2029

TOTAL COMMITMENT:
\$250
million

IMPLEMENTING AGENCIES:
Department of Environment
Bangladesh Bank
Bangladesh Road Transport Authority
Bangladesh Hi-Tech Park Authority

TOWARDS A GREENER BANGLADESH

OVERVIEW

As per World Bank estimates, air pollution and lead exposure are responsible for more than one-fifth of the premature deaths in Bangladesh (2019). Strong environmental regulations, strict environmental enforcement and green financing will incentivize the private sector to invest in pollution management and green growth. The Bangladesh Environmental Sustainability and Transformation (BEST)

project aims to support the Bangladesh Government to strengthen the capacity in environmental management and to pilot new financing mechanisms to promote green investments in targeted sectors. Its areas of focus include environmental governance and infrastructure, green financing for air pollution control, vehicle emissions control, and e-waste management infrastructure.

CHALLENGE

Bangladesh experiences severe degradation of its environmental quality and ecosystems, from air and river pollution, inadequate chemicals and waste management, among other factors. The upcoming World Bank's Country Environmental Analysis (2023) shows that the four major environmental health risks – ambient and indoor air pollution, exposure to lead (Pb) contamination, and inadequate water, sanitation, and hygiene – were associated with over 272,000 premature deaths and 5.2 billion days lived with illness, which has an annual cost equivalent to 17.6 percent of GDP in 2019. Environmental degradation is causing high economic costs to the country while threatening its competitiveness for sustained growth in the long run.

Incomplete and lax environmental standards, weak monitoring and enforcement regime, and limited pollution control infrastructure have led to high costs for Bangladesh's exporting industries to comply with international buyers' environmental and social standards. While the country has made efforts to develop the government's capacity for pollution control and create incentives for compliance with environmental regulations, additional support is needed to improve the country's environmental governance to safeguard a green, resilient, and inclusive recovery of its economy.

APPROACH

The BEST Project focuses on two priorities: strengthening environmental management capacity and increasing private sector participation in green investments.

By supporting priority environmental regulatory and institutional reforms, investing in critical environmental infrastructure, and strengthening the technical capacity of Department of Environment (DoE) staff, the project will enable DoE to better perform its legal mandates on pollution management, a key step toward improved environmental quality and promotion of green, resilient, and inclusive development. The project will set up continuous air quality monitoring stations, effluent treatment plant monitoring systems and also a first-ever network of continuous surface water quality monitoring stations to start monitoring of water quality of Dhaka rivers and targeted international rivers in real time. With Bangladesh Bank, the project will pilot a Green Credit Guarantee Scheme (GCGS) to incentivize the financial sector to support green investments to reduce air pollution.

EXPECTED RESULTS

- Amended Environmental Conservation Act and multiple regulations, standards and guidelines adopted by the Government.

- **30** district offices, one environmental research and training center, and more 900 staff recruited based on new organogram and environmental cadre for improved DoE infrastructure.

- **5** divisional laboratories for improved the operation of its air quality monitoring stations, 20 continuous surface water quality monitoring stations, 67 low-emission monitoring vehicles and 15 low-emission monitoring vessels to transport monitoring equipment and the DOE staff to field locations, for improved analytical and monitoring capacity of DoE.

- Over **21 million** people living in Greater Dhaka and beyond will be benefitted by the reduced air pollution from project interventions supported by the GCGS and the new VICs.

- **1 million** metric tons of Green House Gas emissions and 1.7 thousand of particulate matter (PM) emissions from targeted sources will be reduced through the GCGS projects.

- **4** VICs will be set up to inspect about 46,000 vehicles annually.

- **3,500 metric tons** of e-waste will be processed annually.

The project will help Bangladesh Road Transport Authority (BRTA) construct vehicle inspection centers (VICs) using private-public partnership modality. The project will also set up an E-waste management facility with Bangladesh Hi-Tech Park Authority (BHTPA). Women, who are the most affected by climate change and some of the major environmental health risks, will be engaged as critical stakeholders in project implementation. The project will also benefit female staff of DoE with training and other capacity building opportunities.