

# IJGlobal ESG DFI Award – APAC – IDCOL

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Infrastructure Development Company Limited – IDCOL – the Bangladesh government-owned institution that finances national infrastructure wins the IJGlobal ESG Development Finance Institution award for the Asia Pacific region.

From inception by the Government of Bangladesh in 1997 as a state-owned financial institution, IDCOL has shown exemplary performance.

IDCOL plays a key role in bridging the financing gap for developing infrastructure, renewable energy and energy efficiency projects, helping it become a leader in private sector energy and infra financing in Bangladesh.

It is the impact that IDCOL has had at a grassroots level that win it this ESG award, recognising the influence it is having by instituting change at the most basic level, which results in massive social impact.

For example, its Solar Home System programme had (at the time of submission) impacted 18 million people in rural areas. To date, 2.07 million CERs have been issued under the CDM registered programme – each CER is issued against reduction of 1 ton carbon dioxide emission.

IDCOL's Improved Cook Stoves (ICS) programme benefits 18.45 million people, and to date 1.78 million CERs have been issued under the CDM programme. Its goal is to achieve 100% clean cooking coverage by 2030. This is a hugely important programme impacting the health of the nation.

As to solar irrigation pumps (SIPs), IDCOL has financed 1,523 with a combined capacity of 42MWp to help 70,915 farmers by providing facilities and reducing dependency on fossil fuel. Inspired by the success of IDCOL's SIP programme, the government has prepared a roadmap to replace 33% of diesel-run irrigation pumps with solar pumps within next 15 years.

In a nation where access to reliable electricity is limited, IDCOL has driven a programme to support the installation of 4.13 million solar home systems (SHS), and at a larger scale, 3 solar grid-connected PV projects with installed capacity of 138MW.

A total of 26 solar PV mini-grids and rooftop project with installed capacity of 100MW and 5MW, respectively, have also been delivered.

According to the submission: "IDCOL had been embracing the principles of ESG way before they became a trend. IDCOL always believed in taking ESG considerations into account while making investment decisions.

"This comprises the heart of our sustainable finance practice, even as we have adopted a multi-layer business model with rigorous scrutiny and surveillance, extending right from business initiation to post-disbursement monitoring.



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“For instance, we place emphasis on such environmental aspects as air pollution, water contamination, noise, impact on biodiversity, energy conservation, etc.

“Further, some of the key social dimensions we take into cognisance include disturbance to community movement, impact on indigenous communities, child labour, occupational health and safety, and resettlement, among others.

“In addition, we also have a separate disaster management fund under each project with full readiness to tackle any adverse outcomes related to force majeure events.”

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