

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	<input type="text" value="Myanmar"/>	Project Title:	<input type="text" value="Myingyan Natural Gas Power Project"/>
Lending/Financing Modality:	<input type="text" value="Project"/>	Department/ Division:	<input type="text" value="PSOD/PSIF2"/>

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

The proposed project will finance a combined cycle gas fired power plant with a net generation capacity of 225 MW to be located in Myingyan, approximately 90 km west of Mandalay, on a build-own-operate-transfer (BOT) basis and through public-private partnership (PPP). The project is consistent with Asian Development Bank's (ADB) Midterm Review of Strategy 2020, which identifies inclusive growth and infrastructure development as two of the strategic priorities. The project is also aligned with ADB's interim country partnership strategy (CPS) for Myanmar, 2012–2014^a. A needs assessment identified the energy sector as a critical development constraint. The assistance is also closely aligned with the 2015–2017 country operations business plan for Myanmar, which extends the validity of the interim CPS, and proposes focus on infrastructure investments in energy and PPP through ADB's private sector operations.^b ADB's Energy Policy emphasizes energy efficient investments, least-cost supply, private sector participation, and wider access for the poor.

B. Poverty Targeting

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)
 The project will contribute in improving the reliability and stability of Myanmar's power supply.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Notwithstanding Myanmar's abundant energy resources, development of Myanmar's energy sector has lagged as a result of several decades of underinvestment. The total installed capacity in Myanmar is around 4,085 megawatt (MW), of which large-scale hydroelectric power plants accounted for 2,630 MW, or 64.4%. The available capacity is, however, only approximately 50% of the installed capacity. Gas and coal power plants are not fully operated due to poor maintenance, and hydro power plant suffers from lack of water during the dry season. Hence, Myanmar's power grid is experiencing significant load shedding during the dry season of up to 500 MW. At 165 kilowatt-hours (kWh) annual per capita consumption of electricity in 2013, which is much lower than the world's average of 3,000 kWh per capita and even lower than the least developed country average of 174 kWh per capita, Myanmar's per capita consumption is among the lowest in the world.

2. Impact channels and expected systemic changes. The project will contribute in providing a reliable supply of electricity and minimizing reliance to back-up generators which have high costs. Improved supply of electricity will benefit industries and promote economic growth and social progress, improving health, education, and other essential services that are negatively impacted by the low electrification rate of 34% in 2014.

3. Focus of (and resources allocated in) the PPTA or due diligence. Due diligence will assess Sembcorp's policies, systems, and performance against ADB Safeguard Policy Statement (2009) requirements, and will determine whether proposed project activities have involuntary resettlement or indigenous peoples impacts. Due diligence will include other social dimensions of the project such as Sembcorp's compliance with national labor laws and international core labor standards. The environmental and social impact assessment (ESIA) will, based on an assessment of the socio-economic conditions of the population in the project area, identify the potential impacts and benefits to the communities.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?

An improved and reliable power supply is expected to have direct benefits to women, as it improves their living conditions, and can reduce the time burdens of domestic responsibilities and create time for more productive, formal engagement in the local economy outside the home. The project is expected to contribute to productivity increases of women and thereby result in improved social and economic conditions.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes No The project design is limited to the construction and operation of the natural gas power plant. The transmission of electricity, which will have a direct potential to make a contribution to individual households through energy access will be managed by the Ministry of Electric Power (MOEP). The possibility of employing women during construction and operation will be explored during due diligence.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes No The project will provide a venue for women to participate in the project activities including participating in the consultation meetings, access to project-related jobs, and participation in possible livelihood

improvement programs.

4. Indicate the intended gender mainstreaming category:

- GEN (gender equity) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

Main stakeholders include affected landowners, communities residing near the project area including the transmission line, water and waste water pipeline, and gas pipeline. It also includes those who use or regularly access the project area or derive economic benefit from it.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?

Stakeholder consultations will be conducted to disseminate project information and potential project impacts including measures to avoid or mitigate such impacts.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

L Information generation and sharing L Consultation Collaboration Partnership

The project will have limited interaction with civil society organization with respect to project design. Community-based organizations will be informed and consulted with respect to project-related activities and impacts.

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? Yes No

The Company through its stakeholder engagement activities will promote local development and work with members of local communities, including the poor and vulnerable groups, to improve their livelihoods and facilitate access to project-related employment opportunities for them where possible, during implementation and operation of the plant. The stakeholder engagement will address the community expectations in terms of employment opportunities, given the lack of options apart from agriculture in the project area.

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? Yes No

While the project site will be constructed on government land, alignment of the transmission line, water supply and water waste pipeline, and gas pipelines may extend beyond the project area and may involve involuntary resettlement. The extent of land acquisition is not expected to be significant as the alignments are expected to be within lands owned by the Government agencies. Impacts on private agricultural lands, if any, are expected to be temporary, and the farming activity will continue once the laying of the pipeline is completed.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

Resettlement framework

B. Indigenous Peoples Category A B C FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? Yes No

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? Yes No

The project will be constructed on government land. The project is not expected to affect territories or natural and cultural resources owned, used, occupied or claimed by indigenous peoples as their ancestral domain.

3. Will the project require broad community support of affected indigenous communities? Yes No

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?
 None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

L Creating decent jobs and employment M Adhering to core labor standards Labor retrenchment
 L Spread of communicable diseases, including HIV/AIDS L Increase in human trafficking Affordability
 L Increase in unplanned migration Increase in vulnerability to natural disasters Creating political instability

<input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____
<p>2. How are these additional social issues and risks going to be addressed in the project design? Upon confirmation of potential social issues and risks during due diligence, measures to avoid or mitigate such issues and risks will be developed and included in an environment and social management plan.</p>
VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT
<p>1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified?</p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the PPTA or due diligence? A consultancy firm has been engaged to conduct an environment and social impact assessment, including other social dimensions such as gender and labor.</p>

^a ADB. 2012. *Interim Country Partnership Strategy: Myanmar, 2012–2014*. Manila. The interim country partnership strategy (CPS), 2015–2016 extends the validity of the interim CPS, 2012–2014 for 2 years to 2016.

^b ADB. 2014. *Country Operations Business Plan, 2015–2017*. Manila.