



## Initial Poverty and Social Analysis

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December 2017

**BAN: Proposed Loans and Guarantees  
Reliance Bangladesh LNG and Power Limited and  
Reliance Bangladesh LNG Terminal Limited  
Reliance Bangladesh Liquefied Natural Gas and  
Power Project**

This document is being disclosed to the public in accordance with ADB's Public Communications Policy 2011.

**Asian Development Bank**

## ABBREVIATIONS

ADB	–	Asian Development Bank
LNG	-	Liquified Natural Gas
SGE	–	Some Gender Elements

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Bangladesh	Project Title:	Proposed loan to Reliance Bangladesh LNG Terminal Limited and Reliance Bangladesh Liquefied Natural Gas and Power Project
Lending/Financing Modality:	Project Loan	Department/ Division:	Private Sector Operations Department/ Infrastructure Finance Division 1

<b>I. POVERTY IMPACT AND SOCIAL DIMENSIONS</b>
<p><b>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</b></p> <p>The Project is aligned with three of the nine priority areas of the country partnership strategy for Bangladesh: (i) easing infrastructure constraints, (ii) providing climate and disaster resilient infrastructure and services; and (iii) creating conditions for greater private sector participation.<sup>a</sup> Easing of infrastructure constraints in the energy sector is a core priority for the government, and the country partnership strategy identifies two key outcomes that ADB contributes to: (i) an increase in access to electricity from 72% of households in 2015 to 96% by 2020, and (ii) an increase in per capita generation of electricity from 371 kilowatt-hours in 2015 to 514 kilowatt-hours by 2020. The government recognizes the strong link between gas and energy and their impact on the country's economic growth, as envisaged in its Perspective Plan 2010—2021 and Seventh Five Year Plan (FY2016—FY2020).<sup>b</sup></p>
<p><b>B. Poverty Targeting</b></p> <p><input checked="" type="checkbox"/> General intervention <input type="checkbox"/> Individual or household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input type="checkbox"/> Non-income MDGs (TI-M1, M2, etc.)</p> <p>The Project is classified general intervention and is expected to have a positive impact on people's access to energy through improved electricity supply. The Project will help address the country's immediate and urgent need to increasing access to reliable energy sources with involvement of the private sector, and contribute to economic growth. The Project will generate employment both direct and indirect (promotion of local businesses and other opportunities) and help improve incomes of people in surrounding areas.</p>
<p><b>C. Poverty and Social Analysis</b></p> <p>1. Key issues and potential beneficiaries.</p> <p>Despite increases in installed generation capacity since 2010, Bangladesh faces peak evening deficits in power generation. The frequency of power outages caused by inadequate power affects people's welfare and development prospects, and will endanger Bangladesh's energy security. In addition, the due diligence will explore opportunities to manage social issues and bring together the interests of the borrower with the interest of local communities. Opportunities to enhance the skill levels and capacities of the local communities through targeted skills development program will be developed in consultation with the borrower. The Project will work out measures to maximize benefits to the local population and surrounding communities, with active participation of the affected communities, village leaders, traditional institutions and representatives apart from the local government agencies.</p> <p>2. Impact channels and expected systemic changes.</p> <p>The Project will eventually increase people's access to electricity and improve their quality of life and health, resulting in overall economic growth and the creation of new and diverse employment opportunities driven by development; improved living conditions for local people, including the poor; and investment in basic infrastructure and social services for the poor. The borrower, will be expected to prioritize the local labor force for any positions they are qualified for. In addition to the employment opportunities created during the construction phase, the borrower will identify opportunities to manage maximize project benefits (including infrastructure creation and community development measures) through working with the communities, affected persons and local governments.</p> <p>3. Focus of (and resources allocated in) the transaction TA or due diligence.</p> <p>Due diligence will assess the potential social impacts including involuntary resettlement impacts and assess the borrowers' capacity to manage the impacts. The capacity of the borrower to ensure borrowers' compliance with local laws and regulations as well as internationally recognized core labor standards will also be assessed. Consultancy and staff resources are allocated to conduct an audit of safeguards and other social dimensions.</p>
<b>II. GENDER AND DEVELOPMENT</b>
<p>1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program?</p> <p>The project benefits men and women equally. 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 therefore result in improved social and economic conditions.</p>

2. Does the proposed project or program have the potential to contribute 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 due diligence will include consultations with the affected persons, communities in the project area and women groups to explore opportunities for incorporating gender measures in the project design that can contribute to promoting gender equity and women empowerment. The identified measures will be discussed and agreed upon with the borrower during the project design.

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

Yes  No

The proposed project is not expected to cause any specific cultural or social impact upon or exclude any socioeconomic group, including women, from benefiting from the investment. This will be assessed during the due diligence, and any actions required by the borrower to ensure gender equality will be agreed upon with the borrower prior to project approval.

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.

The main stakeholders for the project include the affected persons whose lands will be procured for the project components, communities in the project area, fisher groups, local government agencies, representatives of government departments (including the fisheries department, forest department and district administration), elected representatives and community leaders in the project locations, and members of civil society organizations. The consultations carried out by the borrower at the project locations will be verified as part of the Environmental and Social Impact Assessment and confirmed during the due diligence. The due diligence will also include guide the preparation of a stakeholder engagement plan to ensure meaningful stakeholder participation during subsequent project stages.

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?

The due diligence will assess the current stakeholder participation mechanism and will provide guidance on how consultation and participation with various stakeholders including communities and civil society organizations will be undertaken during the project implementation. These findings will be incorporated in the stakeholder engagement plan for the project, and ensure a systemic engagement of engaging stakeholders and beneficiaries, especially the poor and vulnerable sections of the population.

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

M Information generation and sharing  M Consultation  M Collaboration  N Partnership

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

The resettlement planning documents will include provisions to ensure that any asymmetry in price negotiations, especially with poor and vulnerable landowners does not result in adverse social or economic impacts. The stakeholder engagement plan for the project will identify and put in place mechanisms to ensure adequate participation of the stakeholders, especially the poor and vulnerable in the project design stage and subsequently during the implementation and operation stages.

### IV. SOCIAL SAFEGUARDS

**A. Involuntary Resettlement Category**  A  B  C  FI (treated as C)

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

The power plant will be located on a 35 acre plot of land (14.5 hectares) that will be leased to the borrower by the Bangladesh Power Development Board. The due diligence will review whether there are any involuntary resettlement impacts likely at the proposed site and assess the land requirements for the transmission line. The LNG terminal will be located offshore and is not expected to require land acquisition. The gas pipeline connecting the grid from the LNG terminal is expected to have involuntary resettlement impacts and will be assessed during the due diligence.

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

- Resettlement plan       Resettlement framework       Social impact matrix  
 Environmental and social management system arrangement       None

A Resettlement Plan will be prepared for components of the project that trigger involuntary resettlement impacts. In the event of designs of any of the project components not being finalized (such as the gas pipeline connecting the LNG terminal to the transmission grid or the transmission line evacuating power from the power plant), a resettlement framework will be prepared consistent with ADB safeguard policy requirements in addition to the Bangladesh national requirements.

**B. Indigenous Peoples Category**    A    B    C    FI (treated as C)

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

Based on the preliminary discussions with the borrower and review of the secondary information available, no indigenous peoples reside in or around the project areas, or are expected to be affected by the project. 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. This will be further assessed during the due diligence to confirm that the project will not have any impacts on indigenous peoples.

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

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 transaction TA or due diligence process?

- Indigenous peoples plan    Indigenous peoples planning framework    Social impact matrix  
 Environmental and social management system arrangement       None

**V. OTHER SOCIAL ISSUES AND RISKS**

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

- Creating decent jobs and employment    Adhering to core labor standards    Labor retrenchment  
 Spread of communicable diseases, including HIV/AIDS    Increase in human trafficking    Affordability  
 Increase in unplanned migration    Increase in vulnerability to natural disasters    Creating political instability  
 Creating internal social conflicts    Others, please specify \_\_\_\_\_

The due diligence will take forward the following social issues and risks anticipated in the project: (i) creation of employment opportunities for locals during construction, through provisions in the agreements with civil works contractors and subcontractors; and (ii) adherence to core labor standards by the borrower and monitoring of the compliance by all contractors, subcontractors for the project.

2. How are these additional social issues and risks going to be addressed in the project design?

The borrower's existing procedures will be assessed for compliance with the national labor laws and core labor standards. Deployment of qualified staff to monitor the social issues and risks, including compliance to labor standards will be discussed and agreed with the borrower during due diligence.

**VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT**

1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA 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?

- Yes       No

The terms of reference for the environmental and social impact assessment include the requirements to carry out social and poverty analysis in addition to assessment of social safeguards risks.

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 transaction TA or due diligence?

The scope of works for environment and social assessments include deployment of social development specialists to carry out the social, poverty and gender analysis. In addition, ADB staff will conduct due diligence and assess poverty, social, and gender concerns relevant to the project.

<sup>a</sup> ADB. 2016. *Country Partnership Strategy: Bangladesh 2016-2020*. Manila.

<sup>b</sup> Government of Bangladesh, Planning Commission, Ministry of Planning. 2010. *Perspective Plan of Bangladesh 2010-2021: Making Vision 2021 Reality*. Dhaka; and Government of Bangladesh, Planning Commission, Ministry of Planning. 2015. *Seventh Five Year Plan, FY2016-FY2020: Accelerating Growth, Empowering Citizens*. Dhaka.