



Initial Poverty and Social Analysis

May 2018

BAN: Cornerstone Investment in a Leading Power Developer

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

Asian Development Bank

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Bangladesh	Project Title:	Cornerstone Investment in a Leading Power Developer
Lending/Financing Modality:	General Corporate Finance	Department/Division:	Private Sector Operations Department/ Private Sector Infrastructure Finance 1 Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS
<p>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</p> <p>The project—a private sector investment supporting inclusive growth and infrastructure development—is consistent with several strategic priorities of the Asian Development Bank (ADB). The project is also aligned with ADB’s country partnership strategy for Bangladesh¹, from both a strategic and a thematic perspective.</p>
<p>B. Poverty Targeting:</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.</p>
<p>C. Poverty and Social Analysis</p> <p>1. Key issues and potential beneficiaries.</p> <p>The project will contribute to meeting the energy needs and demands of Bangladesh, thereby contributing to economic growth and reducing poverty and socioeconomic disparities. The project will support other efforts at poverty reduction through increased productivity, and enhanced job creation. The project will directly and indirectly contribute to poverty reduction in these areas through the creation of temporary and permanent employment, and increased availability of electricity, which will enhance growth and sustainability in agriculture and other sectors. Potential project beneficiaries include farmers, small businesses, microenterprises, and industrial firms employing large workforces.</p> <p>2. Impact channels and expected systemic changes.</p> <p>The project represents an important addition to ADB’s portfolio of projects in Bangladesh. In the short term, the project will (i) create employment opportunities for local people in the construction and operation phases of several of the company’s future pipeline projects; (ii) provide beneficiaries with access to better, more affordable services; and (iii) provide beneficiaries with the opportunity to increase their incomes and improve their livelihoods. In the longer term, the project will contribute to (i) providing a more robust power supply for businesses and communities and (ii) the creation of employment opportunities to support the company’s operations.</p> <p>3. Focus of (and resources allocated in) the due diligence.</p> <p>The ADB team and experienced external experts conducted the corporate environmental audit and assessed the various impacts of the project. This assessment also included the review of existing systems and processes of the company and its alignment with ADB SPS requirements.</p> <p>4. Specific analysis for policy-based lending. Not applicable.</p>
II. GENDER AND DEVELOPMENT
<p>1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? Electricity generated will be sold into the grid. Consequently, direct benefits to women cannot be attributed to the project, or quantified. However, electricity generated will improve the overall access to and availability of power, especially in rural and less-developed areas. This is likely to have an indirect impact in terms of participation by and productivity levels of women, especially in non-agricultural activities and sectors. In addition, access to electricity will indirectly lead to better access to infrastructure and services, thereby improving their overall development status.</p> <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?</p> <p>The project is considered for some gender element category. (Confidential information redacted under para. 97(v) of ADB’s Public Communications Policy)</p>

¹ ADB. 2016. *Country Partnership Strategy: Bangladesh, 2016–2020*. Manila.

Yes No.

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

Yes No

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 potential stakeholders include local communities (where projects are located), statutory authorities/departments, local community-based organizations, consumers, retailers, state and provincial governments and company employees.

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?

(Confidential information redacted under para. 97(v) of ADB's Public Communications Policy)

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?

Information generation and sharing Consultation Collaboration Partnership

Due diligence for the project found no adverse media regarding civil society opposition to the borrower or its activities. The company engages with different nongovernmental, civil society and community-based organizations for planning and implementation of its community development plans and projects.

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

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

(Confidential information redacted under para. 97(v) of ADB's Public Communications Policy)

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

Resettlement plan Resettlement framework Social impact matrix

Environmental and social management system arrangement None

(Confidential information redacted under para. 97(v) of ADB's Public Communications Policy)

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

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

(Confidential information redacted under para. 97(v) of ADB's Public Communications Policy)

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

3. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?

Indigenous peoples plan Indigenous peoples planning framework Social Impact matrix

Environmental and social management system arrangement None

(Confidential information redacted under para. 97(v) of ADB's Public Communications Policy)

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 _____

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

(Confidential information redacted under para. 97(v) of ADB's Public Communications Policy)

VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

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?

Yes No

The terms of reference of the external expert who carried out the environment and social audit report covered environment and social safeguards issues and other social dimensions including labor and gender.

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?

An external expert was engaged to carry out environment and social impact assessment. ADB team also participated in the due diligence mission.