

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Bangladesh	Project Title:	Rupsha 800-Megawatt Combined Cycle Power Plant Project
Lending/Financing Modality:	Project Loan	Department/Division:	South Asia Department Energy Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: general intervention

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

The Government of Bangladesh, in its development policy framework, envisages sustainable development and move closer to upper middle-income status by 2021. In 2015, the per capita electricity consumption in Bangladesh was only 310 kilowatt-hours; this was lower than most of the other countries in South Asia^a Electricity consumption is growing at an annual rate of 11% over 2018–2020 and 6% over 2020–2030.^b The government of Bangladesh aims to increase capacity to achieve the target of 100% access to electricity by 2021. The development policies of the government—particularly its energy policies—are consistent with the country partnership strategy for Bangladesh, 2016–2020, which focuses on addressing major constraints for sustaining economic growth, environmentally sustainable growth, good governance and capacity development, and regional cooperation.^c The project is in line with the national and sector needs and priorities of the government, as well as the country partnership strategy for Bangladesh, 2016–2020. ADB assistance is aligned with the government’s Vision 2021^d and the Seventh Five Year Plan, FY2016–FY2020.^e The strategy of the plan has an overarching goal of achieving faster, inclusive, and environmentally sustainable growth based on four pillars: (i) accelerating growth to 7.5% per year; (ii) making this growth more inclusive, pro-poor, and environmentally sustainable; (iii) reducing poverty from 24.8% to 18.6% and extreme poverty from 12.9% to around 8.9%; and (iv) providing productive jobs for all new entrants to the labor force. Provision of electricity to meet demand is a necessary condition for achieving the government’s overarching goal.

B. Results from the Poverty and Social Analysis during Project Preparatory Technical Assistance or Due Diligence

1. **Key poverty and social issues.** Incidence of poverty in Bangladesh accounts for 24.8% of poor and 12.9% of ultra-poor (2015) (footnote e). As of 2010, in Khulna Division, where the project will be located, 32.1% live below the poverty line, with 15.4% living in extreme poverty. The average monthly income per household in Khulna Division was estimated at Tk9,569, below the national average of Tk11,479 in 2010. In the project area, 28.5% of households earn less than Tk9,200 per month.^f The unemployment rate across the project impact areas is over 30%, largely due to comparatively low educational levels and lack of employable skills. Most women in the project areas are engaged in household labor, but they take on small jobs to supplement family income. Of Bangladesh’s 64 districts, 40 are affected by the impacts of climate change. It is estimated that about 6 million people have already migrated as a result of climate change, a high proportion of whom are found in the divisional capitals of Khulna and Rajshahi.^g

2. **Beneficiaries.** The project will increase power supply to the national grid and improve the reliability of power supply across Bangladesh. It is expected that 1.36 million households (comprising 6.13 million people) could benefit from the increased power generation capacity. The project will introduce innovative practices to deliver socially inclusive and gender-sensitive benefits to the communities in the project area with the support of Japan Fund for Poverty Reduction (JFPR). Direct beneficiaries include 300 students and 20 teachers currently attending the dilapidated school in the abandoned Khulna Newsprint Mill complex where the power plant will be located; this school will be relocated. In addition, at least 200 people from communities around the project sites will be eligible to participate in livelihood and employment improvement activities such as technical and skills training. These activities will pay particular attention to vulnerable groups and a fishing village on the left side of the Bhairab River with 120 households that may be affected by increased river traffic.

3. **Impact channels.** The increased capacity and efficiency of the power generation will underpin national economic growth and community prosperity and will eventually reduce poverty. The proposed project will indirectly enhance Bangladeshis’ quality of life and health.

4. **Other social and poverty issues.** Access to educational and employment opportunities is restricted, especially to women, because of household poverty, sociocultural barriers, and limited transport facilities. Opportunities for acquiring technical and vocational skills are limited in the villages, and accessing such trainings located in urban areas is unaffordable for many families because of financial difficulties and lack of transport facilities. The project through the JFPR grant will only partially support these issues. Other bilateral and multilateral development agencies (i.e. World Bank, UNICEF, GIZ, DFAT and JICA) are undertaking joint actions to improve the educational environment and to provide access to better livelihood and employment opportunities.

<p>5. Design features. The project is classified as a general intervention and is expected to increase power generation and improve the transmission system. No critical or adverse irreversible impacts have been identified. While the project will improve the overall energy supply, it will also indirectly improve the overall development of the country. The project will pilot test socially inclusive development of the communities neighboring the project site.</p>
II. PARTICIPATION AND EMPOWERING THE POOR
<p>1. Participatory approaches and project activities. During preparation of the resettlement plan and for the purposes of disclosing information about the proposed project and eliciting views and feedback from the community, 16 public consultations at various locations were undertaken for all project components. Community-based organizations participated, including 275 people (196 men and 79 women). These included gender-focused consultations at the project site as well as in the Chandoni fishing village on the Bhairab River that may be affected. Feedback received from consultations was fed into the project design, especially with regard to activities under the JFPR grant. The process of consultation and information sharing will continue throughout project implementation.</p> <p>2. Civil society organizations. Consultations will continue with all stakeholders, including civil society organizations, during project implementation. Activities under the JFPR grant on livelihood development and school improvements will involve community-based user groups during project implementation.</p> <p>3. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA): <input type="checkbox"/> Information gathering and sharing <input type="checkbox"/> Consultation <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p> <p>4. Participation plan. A preliminary project level participation plan for civil society organizations and affected people, particularly the poor and vulnerable, has been prepared under the JFPR grant. Key features, responsibilities and allocated resources are described in the project administration manual and JFPR grant report. <input checked="checked" type="checkbox"/> Yes. <input type="checkbox"/> No.</p>
III. GENDER AND DEVELOPMENT
Gender mainstreaming category: effective gender mainstreaming
<p>A. Key issues. Gender inequality is a major social and economic issue that limits the life options of women in Bangladesh. The labor force participation rate in 2012 was 57.3% for females and 84.1% for males. Overall, the energy sector is dominated by men, with energy industries employing very few women (about 2,000 compared to 70,000 men). Moreover, because women are primarily expected to do household chores, they supply human energy to pump water and collect fuel for cooking in the absence of a domestic energy supply, resulting in diminished or lost opportunities for education, income earning, and leisure. The villagers in and around the project area are vulnerable and marginalized, and they need support for a safe and inclusive educational environment and proper livelihood and employment opportunities, with focus on women.</p>
<p>B. Key actions. The project outputs are designed to deliver benefits to women by improving their access to social services, economic or financial resources or opportunities. The attached JFPR grant will focus on addressing gender issues through providing (i) a safe and inclusive educational environment, (ii) training on safe and efficient use of electricity and electronic equipment for the school teacher and student beneficiaries, (iii) technical and skills training to expand employment and livelihood opportunities, and (iv) support for improved social and gender awareness in the energy sector. Performance targets and indicators are incorporated in the gender action plan. <input checked="checked" type="checkbox"/> Gender action plan <input type="checkbox"/> Other actions or measures <input type="checkbox"/> No action or measure</p>
IV. ADDRESSING SOCIAL SAFEGUARD ISSUES
<p>A. Involuntary Resettlement Safeguard Category: <input type="checkbox"/> A <input checked="checked" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. No land acquisition is required for the project. In total, 145 households and 640 persons will potentially be affected by both permanent and temporary impacts. No project component has a significant resettlement impact. At the abandoned Khulna Newsprint Mill complex, 20 hectares of government land will be purchased and transferred to the executing agency for construction of the power plant. A functioning school for boys and girls in the complex will be relocated elsewhere within the complex to a safe distance from the power plant. Five security employees will need to find new jobs; they represent five households comprising 26 people. The laying of 12 kilometers of gas pipeline is anticipated to affect 26 households comprising 138 people, running through small businesses (squatters) in an existing right-of-way. The 29-kilometer transmission line temporarily requires 49.22 hectares of land for the right-of-way, affecting commercial structures and seven households comprising 26 people affected during construction. An anticipated 107 households comprising 450 people will potentially experience temporary crop impacts.</p> <p>2. Strategy to address the impacts. The resettlement plan has been prepared with an entitlement matrix and resettlement budget to provide compensation at replacement cost and restore livelihoods as per ADB's Safeguard Policy Statement (2009).</p> <p>3. Plan or other Actions. <input checked="checked" type="checkbox"/> Resettlement plan <input type="checkbox"/> Combined resettlement and indigenous peoples plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Social impact matrix <input type="checkbox"/> No action</p>

<p>B. Indigenous Peoples Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. No indigenous peoples, within the meaning of Safeguard Policy Statement, are found in the project area. As such, no positive or adverse impacts on indigenous peoples are anticipated. Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Strategy to address the impacts. No action required.</p> <p>3. Plan or other actions.</p> <table border="0"> <tr> <td><input type="checkbox"/> Indigenous peoples plan</td> <td><input type="checkbox"/> Combined resettlement plan and indigenous peoples plan</td> </tr> <tr> <td><input type="checkbox"/> Indigenous peoples planning framework</td> <td><input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework</td> </tr> <tr> <td><input type="checkbox"/> Environmental and social management system arrangement</td> <td><input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary</td> </tr> <tr> <td><input type="checkbox"/> Social impact matrix</td> <td></td> </tr> <tr> <td><input checked="" type="checkbox"/> No action</td> <td></td> </tr> </table>	<input type="checkbox"/> Indigenous peoples plan	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan	<input type="checkbox"/> Indigenous peoples planning framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework	<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary	<input type="checkbox"/> Social impact matrix		<input checked="" type="checkbox"/> No action	
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V. ADDRESSING OTHER SOCIAL RISKS										
<p>A. Risks in the Labor Market</p> <p>1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L). <input type="checkbox"/> unemployment <input type="checkbox"/> underemployment <input type="checkbox"/> retrenchment <input checked="" type="checkbox"/> core labor standards</p> <p>2. Labor market impact. The project will create temporary employment opportunities for skilled and unskilled labor in the project areas (at the CCPP, during laying of the gas pipeline and installation of the transmission line) during construction. The contractual work agreements with engineering construction companies will include conditions for contractors to (i) ensure deployment of local labor wherever possible; (ii) maintain gender equality in labor force participation and compliance with core labor standards, including equal wages and benefits for work of equal value or type; and (iii) maintain health and safety measures for the labor force.</p>										
<p>B. Affordability No affordability issues are anticipated.</p>										
<p>C. Communicable Diseases and Other Social Risks</p> <p>1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA): <input type="checkbox"/> Communicable diseases <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others (please specify) _____</p> <p>2. Risks to people in project area. Risks of the project on local communities are perceived to be minimal. The project will generate employment opportunities for the local communities. The executing agency will ensure compliance with labor laws, with no child labor employed. Workers will be educated on the prevention of sexually transmitted infections, including HIV/AIDS. Worker camps (if necessary) will be set up outside local habituated areas, and human trafficking will be strictly prohibited.</p>										
VI. MONITORING AND EVALUATION										
<p>1. Targets and indicators. The performance targets and monitorable indicators will include (i) conduct of consultations with affected persons and other stakeholders; (ii) status of information disclosure; (iii) timely payment of compensation; (iv) grievance redress; (v) measures to avoid construction-related losses and disturbances to local communities; (vi) economic and social benefits to local communities; and (vii) sex-disaggregated data on participants of consultations, project staff and workers, and recipients of economic and social benefits of the project.</p> <p>2. Required human resources. These include PMU staff, project managers and their staff in project implementation units, and consultants.</p> <p>3. Information in the project administration manual. Semiannual social monitoring reports by the PMU will be provided as described in the project administration manual.</p> <p>4. Monitoring tools. Social monitoring reports will be submitted by the PMU and project implementation unit, and ADB will review the reports and conduct site visits if necessary.</p>										

ADB = Asian Development Bank, CCPP = combined cycle power plant, FY = fiscal year, PMU = project management unit, JICA = Japan International Cooperation Agency, UNICEF = United Nations Children's Fund.

^a International Energy Agency. Bangladesh statistics. <https://www.iea.org/statistics> (accessed 8 March 2018)

^b Government of Bangladesh, Ministry of Power, Energy and Mineral Resources. 2016. *Power System Master Plan 2016*. Dhaka.

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

^d Government of Bangladesh, Ministry of Planning, Planning Commission. 2012. *Perspective Plan of Bangladesh, 2010–2021: Making Vision 2021 a Reality*. Dhaka.

^e Government of Bangladesh, Ministry of Planning Commission. 2015. *Seventh Five Year Plan FY2016–FY2020: Accelerating Growth and Empowering Citizens*. Dhaka.

^f Government of India, Bangladesh Bureau of Statistics. 2010. *Households income and expenditure Survey*. Bangladesh.

^g GIZ. 2017. *Urban Management of Internal Migration Due to Climate Change: Bangladesh*. Bangladesh.