

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Bangladesh	Project Title:	BAN: Bangladesh Power System Enhancement and Efficiency Improvement Project
Lending/Financing Modality:	Project	Department/ Division:	SARD/SAEN

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Despite considerable progress on the macroeconomic front, Bangladesh is still one of the world's poorest nations, with average per capita gross domestic product only marginally higher than the dollar-a-day international poverty standard. At present, about 70% of the population has access to electricity. People who have access to electricity also receive poor, unreliable services with frequent power shortages and low voltage. Inadequate supply of electricity is a major constraint on the country's economic growth and poverty reduction.

Electricity consumption in Bangladesh is growing at an annual rate of about 8%. The dependable generating capacity of the country was about 5,600 megawatt (MW) in 2011. The country currently faces a deficit of about 1,500 MW in 2014. Recognizing the need to further industrialize and raise the living standards of the people, the Government of Bangladesh has set its goal of providing electricity to all by 2021 and to scale up the transmission and distribution network to cater to over 30,000 MW of power demand by 2030. ADB is supporting the Government's program to provide reliable power supply to help reduce poverty.

The proposed project is expected to improve access to electricity and delivery of reliable power to support sustained economic growth and poverty reduction. Access to reliable electricity supply will help manufacturing and service industries, including the garment sector that employs several million poor people, particularly poor women. Agricultural production is also dependent on energy, especially electricity. Poor and vulnerable consumers, including those without access to the grid are likely to benefit from the proposed project.

B. Poverty Targeting

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The primary beneficiaries are the consumers of electricity of Bangladesh. This constitutes residential, commercial, and industrial users. Poor and vulnerable consumers (including medical facilities, schools, and social utilities) in rural areas are often hardest hit by inadequate power supply, load shedding, poor power quality and limited access.

2. Impact channels and expected systemic changes. The project will focus on improving access to reliable electricity supply in rural and urban areas of Bangladesh. Benefits to the poor are indirect via improved power supply that contributes to economic growth and employment.

3. Focus of (and resources allocated in) the PPTA or due diligence. Government to prepare the environment and resettlement plans for the project. ADB staff and consultants will support due diligence.

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?

The project is focused on improvements in the electricity transmission and distribution network. Increased and more reliable power supply can assist job creation and contribute towards further electrification of remote households – that benefits both women and men. Women's direct participation in the project process may be generally limited to construction related employment opportunities.

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 *Please explain.*

Project benefits are largely indirect and generally gender neutral. While poor and vulnerable women would share the benefits from improved access to power, opportunities for enhancing gender equity and women's empowerment may be limited. However, opportunities for some gender mainstreaming opportunities will be explored during fact-finding in consultation with the EAs particularly for the components related to rural electrification.

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

Yes No Please explain

Improved power supply and reliability will not adversely impact anyone. Those impacted by resettlement will be compensated in accordance with the National laws and ADB *Safeguards Policy 2009*.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity theme) 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.

Affected people, affected communities, local authorities, civil society. The affected persons would be identified during the initial environmental examination and resettlement planning phase. Relevant stakeholders will be consulted during the design and implementation.

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 primary beneficiaries are the consumers of electricity of Bangladesh. This constitutes residential, commercial, and industrial users. Development of electricity networks in unserved and under-served areas would support engagement and empowerment of such groups.

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 M Consultation M Collaboration Partnership

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 The proposed distribution interventions in both rural and urban areas are not expected to require land acquisition or involuntary resettlement. Construction of transmission lines and associated facilities may require permanent land acquisition. The proposed categorization would be confirmed during due diligence and a resettlement plan would be prepared and submitted by the EA.

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

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

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?

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?

M Creating decent jobs and employment M Adhering to core labor standards Labor retrenchment
 M 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? Employment opportunities will be available for skilled and unskilled workers during project implementation and operation. Standard assurances on labor and working conditions will be included in civil work contracts. The project will minimize the risk of HIV/AIDS among the workforce through awareness raising initiatives.

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 project preparatory work will provide support to review the draft resettlement plan for the project prepared by the EA.

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? Budget for the consultant support is provided under S-PPTA and other resources.