

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Bangladesh	Project Title:	Khulna 800 MW LNG Based Power Plant 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. The Asian Development Bank (ADB) is supporting the government's program to provide reliable power supply to help reduce poverty.

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

B. Poverty Targeting

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)
 This project will increase generation capacity and improve energy supply network. The improvement of energy supply has social interventions, but there has been no direct linkage with the poverty reduction.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The primary beneficiaries are the consumers of electricity in Bangladesh. These comprise residential, commercial, and industrial users. Poor and vulnerable consumers (including medical facilities, schools, and social utilities) are often hardest hit by inadequate power supply, load shedding, poor power quality, and limited access. The project has components to increase generation capacity and power supply and about 0.8 million new consumers can benefit in Western Bangladesh.
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 generation capacity and energy supply to existing and new consumers that contributes to economic growth and employment.
3. Focus of (and resources allocated in) the S-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 of generation capacity and energy transmission network. Increased and more reliable power supply can assist job creation and contribute towards further electrification of additional households that benefits both women and men. While women's direct participation in the project process may be generally limited to construction related employment opportunities, the executing agency will ensure that women are consulted and invited to participate in group-based activities during preparation of environment and resettlement plans.
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 from enhanced generation capacity and energy supply are largely indirect and generally gender neutral. While poor and vulnerable women will share the benefits from improved access to power, opportunities for enhancing gender equity and women's empowerment are generally perceived to be limited. No specific measure is

explored at this moment for differential gender requirements as women are not particularly advantaged or disadvantaged from the project, though there will be indirect benefits to women as a result of enhanced power supply.

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.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity theme) EGM (effective gender mainstreaming)

SGE (some gender elements) NGE (no gender elements)

The proposed project will make positive effects on both men and women, and the project may be designed with a "Some Gender Elements" category.

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 of the project are the people, communities, local authorities, and civil society. The affected persons will be identified during the initial design phase through stakeholder consultation, environmental examination and resettlement planning. 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 in Bangladesh. These constitute residential, commercial, and industrial users. Development of electricity networks in unserved and under-served areas will 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?

(M) Information generation and sharing (M) Consultation 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

The consultations will be carried out during implementation as per Bangladesh regulations and ADB Safeguards Policy Statement 2009.

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 Construction of 800 MW combined cycle power plant and approximately 70 km gas transmission lines will require permanent land acquisition in some locations. The proposed categorization will be confirmed during due diligence and a resettlement plan will be prepared by the executing agency.

2. What action plan is required to address involuntary resettlement as part of the S-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 S-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. S-PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the S-PPTA (or other due diligence) contain key information needed to be gathered during S-PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (vi) other social risks. Are the relevant specialists identified?

Yes No

The preparatory work will provide support to review the draft resettlement plan for the project prepared by the executing agency and ensure it conforms to the requirements of ADB Safeguard Policy Statement 2009 and applicable laws of Bangladesh.

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 S-PPTA or due diligence?

Budget for the consultant support is provided from sources including the S-PPTA and resources under RETA operated by SAOD.