

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Bangladesh	Project Title:	Bangladesh Natural Gas Transmission and Distribution Development Investment Program
Lending/Financing Modality:	Multitranche Financing Facility(MFF)	Department/ Division:	South Asia Department/Energy Division

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Bangladesh has made remarkable progress in achieving most of the millennium development goals (MDG). The poverty rate has been cut down by 60%. The decline in poverty in Bangladesh is largely attributed to strong economic growth over the past two decades. Notwithstanding the progress, the government recognizes that Bangladesh is still a country with substantial poverty. An estimated 47 million people are living below the poverty line with a significant proportion living in households which are female headed, in remote areas, and consisting of socially excluded and other vulnerable people. Gas and power provide key link between economic growth and poverty. The frequency of power and gas outages is threatening people's welfare and development prospects. The shortage of gas is severely constrained the supply of electricity which will also imperil Bangladesh's energy security. In recognition of the long-term development challenges, the government's 6th Five-Year Plan has set solid development targets for Bangladesh by the end of 2021. The core energy targets set in the 6th Five-Year Plan include to increase (i) energy efficiency by 10% by FY 2015; (ii) production of natural gas to about 4,500 mmmcf by December 2015; (iii) electricity generation from 5,803MW to 20,000 MW by 2021; (iv) electricity coverage from current 47% to 100% by 2021; and (v) access of the poor to primary and secondary energy sources through affordable pricing and targeted distribution. The strategy for enhancing the poor including women in the 6th Five-Year Plan will be focused on ensuring their better access electricity. These targets have been set according to the Government Vision 2021 and objectives of the Perspective Plan (2010-2021) as well as the goals of the millennium development goals. The achievement of these targets will be essential to put Bangladesh on course to realize the objectives of the Vision 2021 and MDG goals.

The Asian Development Bank's (ADB) Bangladesh Country Partnership Strategy (2011-2015) shares the government's objectives as major outcomes for gas and power sector which focuses ADB's engagements on enhancing access to power and gas, improving efficiency in gas use, promoting private sector participation, and supporting green growth through reducing carbon dioxide emissions.

The proposed investment program is envisaged to alleviate the gas crisis. It will increase people's access to gas and electricity and improve their quality of life and health as well.

#### B. Targeting Classification

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

Explain why: If GI, describe pro-poor and inclusive design features of the project;  
The investment program will contribute to poverty reduction through economic growth.

#### C. Poverty and Social Analysis

**1. Key issues and potential beneficiaries.** Urban and rural households, including but not limited to women, children, vulnerable groups, are the primary potential beneficiaries under the proposed investment program. In Bangladesh, around 50% of population still has no access to electricity. Only 7% of urban households have access to gas. Rural Bangladesh still depends heavily on biomass, fuel wood, as well as dung, crop residue, and even tree leaves—for cooking fuel. Kerosene is used primarily for lighting. The use of biomass for cooking and kerosene for lighting may substantially increase the risk of tuberculosis. Smoke from poorly ventilated biomass stoves is hazardous, especially for women who do most of the cooking.

**2. Impact channels and expected systemic changes.** The proposed program will enhance Bangladesh populations' quality of life and health by improving urban air quality, reducing overall emission of air pollutants. The increased capacity and efficiency in transmission and distribution network will secure the electricity generation which will underpin national economic growth and community prosperity and eventually reduce poverty.

**3. Focus of (and resources allocated in) the PPTA or due diligence.** Social development specialists will be engaged under the proposed PPTA to conduct poverty and social analysis. The proposed investment program will include construction of transmission pipelines, rehabilitation of existing distribution networks, and improve efficiency

in energy use.

4. Specific analysis for policy-based lending. Not applicable.

## 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?  
Women are especially vulnerable to poverty in Bangladesh. Expanded gas production, transmission and distribution will improve women's quality of life and their health by accessing to cleaner energy, e.g. gas comparing to coal and wood for cooking. Households headed by women will be particularly vulnerable to the land acquisition and resettlement impact. The resettlement plan and resettlement framework will be provided with necessary measures for these vulnerable groups.

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.

Women will benefit from the program through accessing to electricity and cleaner energy.

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

Yes  No Please explain

The proposed program will have positive impact on women.

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. The key stakeholders include executing agency, implementing agency, central government, local government authorities, non-government organizations (NGOs), community based organizations (CBOs), co-financers, private sector entrepreneurs, affected people including the poor, women, children, indigenous people, etc.. All the stakeholders will be consulted throughout the implementation of PPTA and the ensuing investment program.

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 stakeholders will be consulted through meetings, interviews, workshops and surveys throughout project design. Consultation of the poor will be focused on issues associated with environmental, involuntary resettlement and other social issues that may affect them.

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

The civil society organizations in the project areas will be identified after determination of the program components. The civil society organization will be consulted throughout project design and implementation of the ensuing investment program on issues related to environmental, social and other issues that may affect them.

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 conducted during implementation pursuant to Bangladesh regulations.

## 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 magnitude of impacts will be assessed during due diligence. Necessary measures will be taken to ensure the potential involuntary resettlement issue will be addressed.

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?

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?

Limited employment opportunities will be available during construction period. Provisions of core labor standards will be incorporated in legal documents. Preventive measures to avoid spread of communicable diseases, including HIV/AIDS, will be stipulated in the construction contracts.

**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 (vi) other social risks. Are the relevant specialists identified?

Yes  No

3. 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? A qualified social development specialist will conduct surveys, assess social impacts and risk, undertake poverty and gender analysis.