

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	People’s Republic of Bangladesh	Project Title:	Second Public–Private Infrastructure Development Facility
Lending/Financing Modality:	Financial Intermediation Loan	Dept/Div:	South Asia Department Public Management, Financial Sector and Trade Division

I. POVERTY ANALYSIS AND STRATEGY

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

The project supports poverty reduction development goals of the Government of the People’s Republic of Bangladesh. Bangladesh has made good progress in reducing poverty over the past decade despite a series of external shocks. With positive economic growth, Bangladesh reduced poverty from 40% to 31.5% during 2006–2009, according to the World Bank. Rural poverty declined to 35.2% in 2010 from 43.8% in 2005, while urban poverty fell from 28.4% to 21.3% over the same period. Bangladesh’s Sixth Five-Year Plan for 2011–2015 focuses on accelerating the growth rate of the economy and reducing poverty by substantially boosting private sector investment and developing infrastructure. The Asian Development Bank (ADB) country partnership strategy (CPS) 2011–2015 states that despite Bangladesh’s economic and social progress, the country faces a number of difficult medium- to longer-term challenges as it seeks to grow more rapidly and inclusively.^a Gross domestic saving, at 29.5% of gross domestic product (GDP) in FY2012, has remained stagnant since FY2009, and must rise significantly to support the investment needed to increase growth in Bangladesh in the longer term. However, such investment requirements should not come at a cost to the environment. The CPS highlights that Bangladesh faces a high risk from climate change impacts—including sea level rise, frequent floods, tidal waves, and cyclones—which threaten to erode the progress made in reducing poverty. Environmentally-sustainable development requires (i) that climate change considerations be integrated into development programs and projects, and (ii) capacity building with respect to climate change adaptation and mitigation.

B. Poverty Analysis Targeting Classification: General Intervention

- Key issues.** The project is classified as a general intervention because its proposed outputs will benefit all citizens, including the poor, through the financing of high quality infrastructure and solar home systems (SHSs), which will create jobs, spur economic growth, and attract foreign investment. Enhanced infrastructure will increase access by the poor to social services, especially in rural and remote areas. In addition, financing of renewable sources of energy in areas that are off the grid will improve the wellbeing of citizen in these areas, including the poor. Increased availability of energy in off-grid areas will also promote business and educational activities. While the impact on poverty reduction will be felt indirectly, improving Bangladesh’s infrastructure is crucial to the government’s efforts to alleviate poverty. Higher growth rates will also increase government revenues, enabling increased spending on education, housing, and health, which will provide maximum benefits to the poor.
- Design features.** There are limited opportunities for specific pro-poor design. Generally, the key anticipated impact on poverty will be through (i) enhanced investment levels and growth; (ii) greater affordability of high quality infrastructure, including renewable energy; (iii) enhanced infrastructure, which will provide opportunities for businesses that create employment opportunities for unskilled urban and rural labor, and thereby support income generation; and (iv) enhanced wellbeing of households in off-grid areas through the access to renewable energy, with important health and educational benefits.

II. SOCIAL ANALYSIS AND STRATEGY

A. Findings of Social Analysis

Key issues. The poor most critically feel the impact of inadequate infrastructure on their livelihoods.

Shocks to the national economy, such as the rationing of electricity, have a particular impact on the large number of people who are dependent on employment, particularly in the rural and informal sector. The development and maintenance of infrastructure is essential for Bangladesh to realize potential gains from globalization for its population.

The poor and socially-excluded suffer most from the absence of physical infrastructure, including transport and energy, because they generally lack the means to procure these services privately. The project will enhance public infrastructure and provide a microfinance program to ensure financing of renewable energy sources that are affordable by the poor.

B. Consultation and Participation

1. Provide a summary of the consultation and participation (C&P) process during project preparation.
2. What level of C&P is envisaged during the project implementation and monitoring?
 Information sharing Consultation Collaborative decision making Empowerment
3. Was a C&P plan prepared for project implementation? Yes No

There was no C&P plan prepared because the subprojects funded by the Infrastructure Development Company Limited (IDCOL) have compliance requirements, which include the mandatory conduct of stakeholder consultations on environmental and social safeguards issues. The consultations will assist the subproject developers in establishing an environmental impact assessment or the subproject information memorandum. Based on these consultations, an environmental and social appraisal report will be prepared, including mitigation measures if required.

With regard to the Asian Development Fund loan for renewable energy applications, the IDCOL participating organizations have an extensive branch network and regularly consult and communicate with their customers, which are primarily poor households in rural areas with no access to grid electricity.

C. Gender and Development

Gender Mainstreaming Category: Some Gender Elements

1. **Key issues.** Women will benefit from the investment facility through improved access to various infrastructure services and more affordable pricing. Women entrepreneurs have suffered from the lack of quality infrastructure, such as a regular power supply for production units, and roads for market access that force them to walk through difficult terrain. Further, a regular water supply and adequate drainage improves working conditions for female employees. Moreover, quality infrastructure will assist women and other vulnerable groups through better quality health care and education. Women will benefit from subprojects that conform to required environmental standards. Measures are included in the design to promote gender equality and women's empowerment.

The renewable energy program primarily benefits women by (i) reducing the health risk of kerosene-induced lighting, (ii) providing greater access to health awareness campaigns on television, (iii) and prolonging study time for girls (and boys) in the evening.

2. **Key actions.** Measures included in the design to promote gender equality and women's empowerment—access to and use of relevant services, resources, assets, or opportunities and participation in decision-making process:

Gender action plan Other actions or measures No action or measure

Action and measures undertaken under the project: (i) assess internal mechanisms and capacities to promote greater visibility of gender and social inclusion considerations in the design of its subprojects; (ii) ensure that all recipient subprojects and subborrowers under the project will identify and maximize

opportunities for women's participation in all employment opportunities during construction, operation and maintenance of infrastructure, with potential adoption of evidence-based gender-related targets; (iii) promote adherence to national core labor standards and commitments to gender equality and women's empowerment stated in the government's legislation and regulations; (iv) assess the social and gender impact of the SHS program—with specific focus on ADB-financed activities under the Public–Private Infrastructure Development Facility—and the potential use of other identified women-friendly technologies for greater social and gender-related benefits; and (v) ensure the use of the gender action framework (supplementary appendix 13) developed for the project in the design of the ensuing subproject to be financed under the Second Public–Private Infrastructure Development Facility.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Significant/Limited/ No Impact	Strategy to Address Issue	Plan or Other Measures Included in Design
Involuntary Resettlement	Not Known	IDCOL has an environmental and social management arrangement in place to help subproject developers to mitigate environmental and social risks appropriately.	<input checked="" type="checkbox"/> Environmental and social management system arrangement
Indigenous Peoples	Not Known	IDCOL has an environmental and social management arrangement in place to help subproject developers to mitigate environmental and social risks appropriately.	<input checked="" type="checkbox"/> Environmental and social management system arrangement
Labor <input checked="" type="checkbox"/> Employment opportunities <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> Core labor standards	Not known	IDCOL is aware of core labor standards and is expected to assess subprojects proposals in this regard.	<input checked="" type="checkbox"/> No action
Affordability	No impact	Through the project, a longer tenor loan will be provided, making the cost of infrastructure services more affordable. The microfinance project ensures affordability of renewable energy financing.	<input checked="" type="checkbox"/> No action
Other Risks and/or Vulnerabilities <input checked="" type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others (conflict, political instability, etc.)	Not known	The subproject developers must ensure that civil works contractors do not employ children or discriminate against women, and disseminate information on sexually-transmitted diseases.	<input checked="" type="checkbox"/> No action

IV. MONITORING AND EVALUATION

Are social indicators included in the design and monitoring framework to facilitate monitoring of gender and social development activities and/or social impacts during project implementation? Yes No
Solar home system installations sale to women increase to 30% by 2019 (Baseline: 20% in 2013)

^a ADB. 2011. *Country Partnership Strategy: Bangladesh, 2011–2015*. Manila.

Source: Asian Development Bank.