



Initial Poverty and Social Assessment

Project Number: 44951
October 2014

BAN: Bibiyana II Gas Power Project

An initial poverty and social assessment (IPSA) is prepared in the early stage of the project cycle to assess the significance of social issues for a project. In accordance with ADB's public communications policy (PCP 2011), the IPSA is disclosed upon completion of the credit approval process. The final summary social assessment is included as an appendix to the project's report and recommendation of the President.

Asian Development Bank

INITIAL POVERTY AND SOCIAL ANALYSIS

Country: Project Title:
Lending/ Financing Modality: Department/Division:

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Summit proposed to develop a combined cycle gas turbine Bibiyana II power plant with capacity of 341 MW. The project under development is located in Parkul village in Aushkandi Union under Nabiganj Upazila of Habiganj district. The proposed project is consistent with ADB's Strategy 2020 in relation to environmentally sustainable growth. It relates to two of the five core specializations of the bank, including infrastructure and environment. The project also contributes to the bank's operational goal of scaling up private sector development and private sector operations.

The project is aligned with Bangladesh's Country Partnership Strategy (CPS) 2011-2015. The strategy is to help the government address binding constraints on growth while making the growth process more inclusive and greener. As such, investment in efficient gas-fired power plants is a priority for ADB's private sector operations in Bangladesh. As per the Energy Policy (2009), "ADB will continue to support financing natural gas-based power plants, because of their environmental benefit." Natural gas is the fossil fuel with the least emissions. Furthermore, the use of combined-cycle technology reinforces the environmental benefits of natural gas since it is more efficient than other than combustion technologies. The Project will contribute to the reduction of the power supply gap which is one of the most critical obstacles to private sector investment and will improve the investment climate for private sector led growth and poverty reduction.

B. Targeting Classification

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

The Project represents an important addition to ADB's portfolio of projects in Bangladesh's power sector with the development objective of addressing the country's energy shortage. The electricity that will be produced by Project is envisaged to be evacuated in national electricity grid and will be made available to all population. Reliable electricity from the grid would encourage growth in the local economy and will benefit the entire population.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The investment is expected to accelerate country's economic growth by providing additional large scale power generation capacity where chronic power shortage is a matter of public concern and a constraint on economic growth. The investment will help fight rural poverty by boosting local peoples' income through creating nonfarm rural jobs. The local peoples will be contracted to provide unskilled labor or employed by the company as security guards during construction and operations of the project.

2. Impact channels and expected systemic changes. The Project represents an important addition to ADB's portfolio of projects in Bangladesh's power sector with the development objective of addressing the country's energy shortage. The electricity that will be produced by Project is envisaged to be evacuated in national electricity grid and will be made available to all population. Reliable electricity from the grid would encourage growth in the local economy and will benefit the entire population.

3. Focus of (and resources allocated in) the PPTA or due diligence. The team will review resources of key gas power plant inputs such as land for plant construction and gas supply for operation. The project will be in compliance with local laws and regulations as well as the requirements of ADB's safeguard policy statement (SPS) and other social dimensions on gender and core labor standards.

4. Specific analysis for policy-based lending. N/A

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? No gender elements (NGE) is anticipated during construction and operation of the gas power plant. The proposed project does not cause any specific cultural or social impacts or exclude any socioeconomic group, including women, from benefiting from the project. However, the project is located in rural area and due to the nature of working conditions of a construction site that limits the employment opportunities for women.

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? The project is not anticipated to contribute to the promotion of gender equity and/or empowerment of women.

Yes No Please explain. If yes, a gender action plan should be prepared during PPTA or due diligence.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? The Project is not expected to cause any specific cultural or social impact upon or exclude any socioeconomic group, including women, from benefiting from the project.

Yes No Please explain If yes, actions and measures should be prepared during PPTA or due diligence.

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. Potential stakeholders include contractors, national and local government, regulatory agencies, and host local communities. The project affected persons might be involved with land acquisition and they will participate

through consultations conducted by Summit, the company.

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? Consultation will be conducted by the company with the relevant stakeholders, especially the project affected persons, including the poor and vulnerable groups in the project area.

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? The level of civil society organization participation in the project design will be determined during due diligence. The borrower will conduct consultation with them.

M Information generation and sharing H Consultation L Collaboration N/A
Partnership

Indicate in each box the level of participation by marking high (H), medium (M), low (L), or not applicable (N) based on definitions in the ADB's Guide to Participation.

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 Please explain.

Details of the consultation and participation activities and grievance and dispute resolution will be explained in the ESIA and the social compliance audit report.

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 Eleven (11) acres of agriculture land was acquired in June 2011 by the Bangladesh Power Development Board (BPDB) in anticipation of ADB funding for the construction of 341 MW combined cycle turbine power plant of Bibiyana II. No relocation was involved and all the land acquired was used for paddy cultivation by over ten landowners in Parkul village, Nabiganj upazila of Habiganj district. This area was water-logged land and is flooded in the rainy season as this area is by the bank of Kushiara River.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process? The company will be requested to address involuntary resettlement in compliance with ADB's SPS (2009).

Resettlement plan Resettlement framework Social impact matrix
 Environmental and social management system arrangement Social Compliance Audit

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 There are no ethnic minorities in the locations where the gas power plant is located.

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? Yes No The project will not have any impacts on Indigenous Peoples.

3. Will the project require broad community support of affected indigenous communities? Yes No Please explain.

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process? The company will be requested to do screening indigenous peoples in compliance with ADB's SPS (2009).

- 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?

H Creating decent jobs retrenchment H Adhering to core labor standards Labor

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 _____

Indicate high (H), medium (M), low (L) for selected boxes

2. How are these additional social issues and risks going to be addressed in the project design? Construction and operation of the project are expected to generate jobs for the local residents. The company will mobilize its field staff to address additional social issues in the project site.

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 If no, please explain why. There is no PPTA under private sector project but the company has mobilized competent consultants to cover social safeguards issues and other social dimension based on a developed TOR.

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? Due diligence will be undertaken by staff.