

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Bangladesh	Project Title:	BAN: Second SASEC Bangladesh-India Electrical Grid Interconnection 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 62% 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 5600 mega-watt (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 2020. To support this goal, ADB has signed the *Partnership Agreement on Poverty Reduction* with the Government emphasizing the need to provide reliable power supply to help reduce poverty.

The proposed Project is expected to improve availability of power and power supply with due consideration to environmental impacts, and thereby leading to more efficient use of fuel sources and making more power available to support sustained economic growth and poverty reduction. The completion of the first SASEC Bangladesh India Electrical Grid Interconnection project and flow of up to 500 MW of power helped improve the power supply and reduce power outages particularly in the Western part of the country. This Project will further support efficient and more reliable service delivery, particularly benefiting commercial, residential, and agricultural consumers. More reliable power 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 hospitals, schools, and other social facilities, who are often the hardest hit by inadequate power supply, load shedding, and poor quality of power, are likely to benefit directly from the proposed Project.

B. Targeting Classification

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 hospitals, schools, and other social utilities) are often hardest hit by inadequate power supply, load shedding, and poor power quality.

2. Impact channels and expected systemic changes The Project focuses on construction of a substation on the prepared site in Bheramara and 12 km. of 230 kV transmission lines. 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 plan for the project. ADB staff and social development consultant will support due diligence.

1. 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? The project by its characteristics is unlikely to be amenable to gender-inclusive designs. However, increased and more reliable power supply can assist job creation that benefits both men and women, and can contribute towards further electrification of households

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 indirect.

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 does not adversely impact anyone. Those impacted by resettlement compensated in accordance with the National laws and ADB *Safeguards Strategy Statement, 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 were identified during the initial environmental examination and resettlement planning phase. Relevant stakeholders will be consulted during the implementation of the Project.

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. Poor and vulnerable consumers (including hospitals, schools, and other social utilities) are often hardest hit by inadequate power supply, load shedding, and poor power quality.

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 construction of the 12 km. of transmission line will not require permanent land acquisition. Land for the sub-station was sourced from Bangladesh Railways in 2010 when the first sub-station was set up and the site has been prepared for installation of the second sub-station.

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 (vi) other social risks. Are the relevant specialists identified?
 Yes No PPTA approved in December 2014 will provide support to project team to review the draft resettlement plan for the project prepared by the EA.

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? Yes there is budget for the consultants.