

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Bangladesh	Project Title:	Additional Financing of Third Urban Governance and Infrastructure Improvement (Sector) Project
Lending/Financing Modality:	Sector	Department/Division:	South Asia Department/ Urban Development and Water Division

### I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

**Targeting classification: General Intervention:** Poverty is one of the major constraints to economic and social development in Bangladesh. Sustained gross domestic product growth of about 6% has helped reduce the poverty rate from 40.0% in 2005 to 31.5% in 2010. The latest data from the Household Income and Expenditure Survey in 2010<sup>a</sup> indicate that the incidence of poverty declined 1.74 percentage points during 2000–2010, exceeding the Millennium Development Goals target of 1.2%.<sup>b</sup> Bangladesh has also reduced the poverty gap ratio to 6.5 against the 2015 target of 8.0. However, extreme-to-low poverty remains visible and scattered throughout the country. Urban poverty rates declined by 7.1 percentage points during 2005–2010. Despite the positive changes, the poverty-gap ratio changed little during that period in large cities such as Dhaka (32.0% to 30.5%). A major cause of this low achievement is rapid rural–urban migration because of a shortfall in urban services and opportunities in smaller cities and adjacent peri-urban and rural areas. The project aims to improve the governance and infrastructure of participating municipalities.

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

The Sustainable Development Goals are a commitment to end poverty in all forms and dimensions by 2030. This involves targeting those living in vulnerable situations, increasing access to basic resources and services, and supporting communities affected by conflict and climate-related disasters. Bangladesh has focused on these issues in its sixth (2011–2015)<sup>c</sup> and seventh (2016–2020)<sup>d</sup> five-year plans. The sixth plan enshrined higher standards of living, better social justice, and more equitable and sustained socioeconomic environment for citizens. Its strategies stressed more balanced urban growth through proper institutional reform involving the establishment of locally elected and accountable municipalities, property tax reform to strengthen financial autonomy, proper land use planning, and improved infrastructure and road network. The sixth plan also emphasized the quality and efficiency of essential public service delivery, which requires the development of an accountability and transparency system to ensure the availability of appropriate and adequate services for the poor (including women and girls). The sixth and seventh plans' strategies emphasized establishing equal opportunities for women, as well as gender equality and social inclusion. The seventh plan aims to put in place complementary strategies and policies to make growth inclusive, responsive, and adaptable to the ongoing transformation. It will also support resilience to climate change and sustainability over the long term without damaging the natural environment, and emphasize human development, social protection, and social inclusion as essential elements of a comprehensive poverty reduction strategy. Given its commitment to improving urban development, the Asian Development Bank (ADB) will continue to assist the government in expanding access to municipal infrastructure and services, including municipal transport, drainage, water supply, sanitation, solid waste management, and other urban services with significant impact on urban public and environmental health.

#### B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

**1. Key poverty and social issues:** Bangladesh is undergoing rapid urbanization. Rural–urban migration, particularly towards big cities such as Dhaka and Chittagong, remains high and increasingly makes these cities unlivable. Most migrants struggle to find places in cramped slums. Access to economic opportunities and social services are limited in the rapidly growing urban areas with poor urban facilities. Lack of accountability, transparency, responsiveness, and effective financial management are manifestations of weak municipal governance.

**2. Beneficiaries:** Men and women, including the poor, of the project *pourashavas* (municipalities) will benefit from the project by (i) gaining better access to municipal services; (ii) taking part in municipal decision making from the planning stage; (iii) raising their voices in different forums to address their needs; (iv) building leadership; (v) accessing a better water supply and improved infrastructure; and (vi) gaining access to better health, hygiene, and environment through a project awareness raising program. The poor of selected slums will benefit from better environmental sanitation.

**3. Impact channels:** Through the participation of the poor and women in municipal decision-making forums—such as town coordination and ward committees, poverty-reduction and slum-improvement standing committees, and women and children affairs standing committees—the project will open up critical opportunities for them to make their voices heard. The allocation of project funds to slum improvement activities such as footpaths, streetlights, toilets, tube wells, and rubbish bins, will directly benefit the poor and women in the project area. Women-friendly infrastructure will promote greater mobility for women. Project-generated infrastructure work including construction will benefit the poor and vulnerable by providing short-term jobs. Improved municipal services, such as health services, immunization activities, and water supply, will also benefit the poor and women. A series of awareness programs coupled with construction of public toilets and slum improvement activities will promote human resource development, especially among the poor and vulnerable. The poverty reduction action plan, the gender action plan (GAP), and the allocation of a workable budget from *pourashava* revenue setting annually will address specific needs of the poor and vulnerable, and improve gender equality, women's empowerment, and gender mainstreaming.

**4. Other social and poverty issues:** The project will not be sufficient to address all the needs of the poor and women, such as safety, security, unemployment, education, and health. However, the project will aim to engage with departments such as Social Welfare and the Department of Youth Development, nongovernment organizations, and community-based organizations to promote complementarity of actions. *Pourashavas* can facilitate knowledge convergence among different government and nongovernment stakeholders through effective functioning of town coordination committees. This will give *pourashavas* more inclusive and sustainable growth prospects, and help reduce rural–urban migration to large cities.

**5. Design features:** Key poverty, social, and gender-related design features are enshrined in the project outcome and outputs. The project outcome is improved municipal service delivery and urban governance in project towns, which will be achieved by promoting (i) fully functional town coordination committees, with at least one-third women and seven representatives of the poor, (ii) ward committees with at least 40% women and two representatives of the poor, and (iii) municipal budget allocations to effectively support the implementation of the poverty reduction action plan and gender action plan.

#### **C. Poverty Impact Analysis for Policy-Based Lending**

Not applicable

### **II. PARTICIPATION AND EMPOWERING THE POOR**

#### **1. Participatory approaches and the proposed project activities that strengthen inclusiveness:**

The project will support the participation of citizens—men and women, including the poor—in local governance, which will strengthen inclusiveness. Such inclusiveness will be strengthened by (i) mandatory inclusion of the poor and women as members in town coordination and ward committees; (ii) preparation of a demand-driven poverty-reduction action plan in consultation with poor representatives; (iii) giving representatives of the poor a voice in municipal decision making, including infrastructure planning, urban planning, and budgeting; and (iv) forming slum improvement committees led by women (comprising only slum people and at least one-third women). The committees will manage overall slum improvement activities, targeting the promotion of leadership and enhancing their assets, particularly infrastructure.

#### **2. If civil society has a specific role in the project, summarize the actions taken to ensure their participation:**

Forming town coordination and ward committees and standing committees with representation of civil society are prerequisites for all project *pourashavas* to receive budget for infrastructure improvement. This will be monitored throughout the project.

#### **3. Explain how the project ensures adequate participation of civil society organizations in project implementation:**

*Pourashavas* are the project implementing units and the town coordinating committee is a consultative forum of *pourashava* decision making. Adequate participation of civil society in project implementation will be achieved through town coordination and ward committees and other committees. Focus group discussions and courtyard meetings will be conducted as part of awareness rising.

#### **4. What forms of civil society organization participation is envisaged during project implementation?**

(L) information gathering and sharing, (H) consultation, (M) collaboration, (N) partnership.

#### **5. Will a project-level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons particularly the poor and vulnerable?**

No. Community mobilizers will promote participation during implementation. A participatory and inclusive planning process is incorporated into the governance criteria that all project *pourashavas* need to fulfill.

### **III. GENDER AND DEVELOPMENT**

#### **Gender mainstreaming category: Gender Equity Theme**

**A. Key issues.** Active representation and participation of women in municipal governance structures and decision-making processes is essential in making municipal service delivery gender friendly. Women ward councilors elected from reserved seats have limited capacity to participate fully in decision making. *Pourashavas* generally do not pay sufficient attention to establishing an environment where women's voices can be heard. *Pourashava* citizens, particularly women and the poor, are mostly unaware of the range of services provided by *pourashavas*. They have limited awareness of health, hygiene, solid waste management, and service billing such as tax and water bills. Municipal infrastructure development that does not consider and effectively address women's needs further constrains women's mobility. Poor living condition in slums increase the miseries and hardship of women, which include fetching water from a distance, nursing weak family members, addressing poor health, and safety and security at night.

#### **B. Key actions.**

☒ Gender action plan    ☐ Other actions or measures    ☐ No action or measure

The adoption of targets for women's representation in town coordination and ward committees, standing committees for women and children affairs, and poverty-reduction and slum-improvement committees will provide women with a platform to be part of municipal governance-related processes and structures. Gender equity and social inclusion is one of the pillars of the Urban Governance Improvement Action Program that all project *pourashavas* need to fulfill. The program includes preparation of *pourashava*-tailored GAPs in line with the project GAP and the allocation of the *pourashava* revenue budget to their implementation. Infrastructure to be developed under the project will be women friendly. Project-generated construction work will be at least 20% women. Equal wages for work of equal value for

men and women will be promoted. Women will also get equal opportunity to participate in project-supported training. Awareness meetings and campaigns will target women to increase their knowledge regarding health, hygiene, tax, water billing, maintenance of toilets, solid waste management, and other social services.

#### IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

##### A. Involuntary Resettlement

**Safeguard Category:** ☐ A ☒ B ☐ C ☐ FI

1. Key impacts. Limited impacts are identified in two sample road and drainage subprojects in two new project *pourashavas*. Four acres of land belonging to five land owners will be obtained through negotiated settlement, which is expected to lead to less than 10% per year income loss for two sharecroppers. Loss of access to government lands for economic activities or residence is envisaged for 53 affected structure users or owners. Of the 53 affected persons facing major structure loss, 29 shop or business owners in Mymensingh and 5 in Cox's Bazar face relocation. In addition, two households (one in each town) with five members each face relocation. The project is classified category B for involuntary resettlement.

2. Strategy to address the impacts. Two draft resettlement plans were prepared in consultation with the affected people to mitigate impacts. A due diligence report was prepared for a sample solid waste subproject, confirming the absence of involuntary resettlement and indigenous peoples impacts. A resettlement framework prepared for the current project was updated to provide guidance on preparation of resettlement plans for future subprojects and project *pourashavas*.

3. Plan or other Actions.

☒ Resettlement plan

☒ Resettlement framework

##### B. Indigenous Peoples

**Safeguard Category:** ☐ A ☐ B ☒ C ☐ FI

1. Key impacts. The overall project remains classified as category C for indigenous people. No impacts on indigenous people communities were identified in sample *pourashavas* (Cox's Bazar and Mymensingh).

Is broad community support triggered? ☐ Yes ☒ No

2. Strategy to address the impacts. An indigenous peoples planning framework prepared for the current project was updated and provides guidance on procedures and documentation requirements if indigenous peoples and/or ethnic minority issues are identified during project implementation or during future subproject activities.

3. Plan or other actions.

☒ Indigenous peoples planning framework

#### V. ADDRESSING OTHER SOCIAL RISKS

##### A. Risks in the Labor Market

1. Relevance of the project for the country's or region's or sector's labor market. (L) unemployment (L) underemployment (L) retrenchment (M) core labor standards

2. Labor market impact. The project will generate construction jobs including community participation in slum improvement works. Core labor standards will be adhered to.

##### B. Affordability

The socioeconomic survey undertaken during project preparation for the five new *pourashavas* shows that monthly water bills and other service charges are within the affordable limit of citizens. Average monthly household income of the poorest population (slum households) in the five new *pourashavas* is about Tk12,100. With the proposed volumetric tariff, the average domestic monthly water bill for slum households will be Tk120–Tk139, which is 0.72%–1.35% of current household incomes. This is considered affordable, even for the poor.

##### C. Communicable Diseases and Other Social Risks

1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA):

☐ Communicable diseases ☐ Human trafficking ☐ Others (please specify) ☒ Not applicable

2. Describe the related risks of the project on people in project area.

The size of civil works is small and works will be undertaken by local contractors. The risk is minimal.

#### VI. MONITORING AND EVALUATION

1. **Targets and indicators:** A range of social and gender-related indicators and targets have been set at outcome and output level, consistently reflected and expanded in the project-specific GAP.

2. **Required human resources:** The project will engage social safeguards specialists, environmental safeguards specialists, and gender development and poverty alleviation specialists. Safeguard officers and a gender and social development specialist will be in the project management unit.

3. **Information in PAM:** The project administration manual includes details of the monitoring mechanism. Annual surveys and quarterly monitoring of output and outcome indicators will be used to measure progress and results. These will be presented in quarterly progress reports with GAP update implementation matrixes attached. Review missions will monitor timely and effective implementation of project-specific and *pourashava*-specific GAPs.

4. **Monitoring tools:** The project management unit will develop a sex-disaggregated qualitative and quantitative monitoring reporting format and distribute it among relevant officers in the *pourashavas*.

<sup>a</sup> Bangladesh Bureau of Statistics. 2010. *Household Income and Expenditure Survey (HIES)*. Dhaka.

<sup>b</sup> United Nations. 2015. *The Millennium Development Goals Report*. New York.

<sup>c</sup> Government of Bangladesh, Planning Commission. 2011. *Sixth Five Year Plan, FY2011–FY2015*. Dhaka.

<sup>d</sup> Government of Bangladesh, Planning Commission. 2015. *Seventh Five Year Plan, FY2016–FY2020*. Dhaka.

Source: Asian Development Bank.