

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Bangladesh	Project Title:	SASEC Second Bangladesh–India Electrical Grid Interconnection Project
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Lending/Financing Modality:	Project	Department/ Division:	SARD/SAEN
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I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Targeting classification: general intervention

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

Bangladesh is the eighth-most populous country in the world with an estimated population of over 160 million.^a It is located in the low-lying Ganges–Brahmaputra Delta. The mainstay of the economy is agriculture, which employs almost half (47%) of the labor force.^b The main products are rice, jute and sugarcane. The service sector has grown significantly and contributed nearly 53% of gross domestic product (GDP) in 2012.^c

For fiscal years (FY) 2011–FY2015, the government is seeking to attain average real GDP growth of 7.3%, boost gross domestic investment to 32.5% of GDP, triple investment in infrastructure to 6% of GDP, and reduce the poverty head count ratio by 10 percentage points, from 31.5% in 2010. The strategy stresses the links between investment, growth, job creation, and poverty reduction. The Asian Development Bank (ADB) has supported policy and institutional reforms in the energy, transport, education, urban health, and urban water supply and sanitation sectors, in accordance with the ADB country strategy and program, 2011–2015.^d

For the energy sector, targets include increased access to electricity, from 47% in 2009 to 65% in 2015, and reaching 100% by 2021. There is a target to increase per capita electricity consumption from 170 kilowatt-hours (kWh) in 2010 to 600 kWh by 2021. An increase in the amount of electricity supplied via the cross-border interconnection from 500 to 1,000 megawatts (MW) will support these goals.

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

1. Key poverty and social issues. Despite poor conditions at the time of independence and an extremely high vulnerability to natural disasters, Bangladesh’s achievements in terms of macroeconomic management and social development are considerable. From 1992, national poverty fell from 56.6% to 31.5% in 2010. The rate of poverty reduction has increased from 2000 to 2010 declining by 17.4 percentage points compared to a decline of 7.7 percentage points from 1992 to 2000 (refer footnote d). Nevertheless, Bangladesh remains one of the poorest countries in the world. Less than 70% of the population had access to electricity in 2014.^e The limited and unreliable electricity supply has serious adverse impacts on the ability of the poor to engage in income-earning activities; effects are both direct (e.g., reduced household welfare) and indirect (e.g., reduced employment opportunities). The absence or limited supply of power limits the country’s micro-economic and macro-economic development, and is a barrier to the target of improving the share of industry and services sectors to over 85% of GDP by 2021.

Bangladesh will benefit in various ways from the timely implementation of the project, and the flow of power from India. Among other benefits, a regular and adequate supply of electricity would increase the hours available to students to study and enhance access to information through visual and audio media. Women would have more time to pursue economic activities and political participation through community-based organizations. A regular supply of power would boost the local economy through the establishment of industries, small enterprises, and shops. Local people, especially youth, will be employed in civil works, thus increasing family incomes. The project will boost the production capacity of existing industries and facilitate new ones, especially in manufacturing in the western parts of Bangladesh.

2. Beneficiaries. No land acquisition is proposed. The project requires 113 acres, which is already in the possession of the Power Grid Company of Bangladesh and within the boundary of the first substation. There will be temporary impacts caused by the construction activities. During the stringing of conductors and construction of towers, the people displaced from the right of way will be compensated for lost crops. The project authorities will implement a grievance redress mechanism. Construction of the transmission line and the substation will provide employment opportunities for poor people living near the proposed project area, including any affected persons.

3. Impact channels. A direct project benefit will be the employment opportunities generated for the local communities during the construction phase. Macro project impacts include enhanced production capacity of existing industries and development of new industries. The improved power supply will create employment opportunities in sectors (e.g., agriculture, industry, garments and other businesses) that are dependent on regular power supply. Thus it is expected that this project will indirectly help generate significant employment opportunities.

4. Other social and poverty issues. Social and poverty issues will be addressed as stipulated in the resettlement plan.
5. Design features. The project aims to increase the supply of power to over 5,000 gigawatt-hours (GWh) by 2018 and support access to less costly power in western Bangladesh. The project, which includes construction of a substation and transmission lines, requires both technical and non-technical workers. It will create employment for poor people living near the proposed project area. Other livelihood opportunities (through trade and small businesses) will be created.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and project activities. Summarize the participatory approaches and the proposed project activities that strengthen inclusiveness and empowerment of the poor and vulnerable in project implementation.

The key participatory approach to promote inclusiveness and meaningful two-way consultation and communication has been through direct consultations with local community members and affected persons. Consultations with affected persons, stakeholders, and the wider community in the project area will continue.

2. Civil society organizations. Explain how the project ensures adequate participation of civil society organizations in project implementation. Consultations will be held with civil society organizations during project implementation.

3. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA):

What forms of civil society organization participation is envisaged during project implementation?

M Information gathering and sharing M Consultation Collaboration Partnership

4. Participation plan. 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?

Yes. No.

A Resettlement plan is prepared and submitted by the EA in line with the project requirements and in compliance with SPS and government requirements.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: No Gender Elements

A. Key issues. According to the 2011 census, women constitute 49.9% of the total population, an increase from 48.1% recorded in the 2001 census.¹ Gender inequality is a major social and economic issue that limits the life options of women in Bangladesh. The Gender Inequality Index (GII) was 0.529 in 2013, placing Bangladesh 115th out of 151 countries.⁹ The high GII value reflects high gender inequality with respect to reproductive health, empowerment (political participation and education) and labor market participation. The labor force participation rate for females was 57.3% in 2012, and 84.1% for males. Almost 65% of women in the labor force work in the agriculture sector (refer footnote f). There is no minimum pay, no regulated access to health care, and no policy of equal pay for male and female workers. Estimated per capita incomes in 2013 averaged \$1,928, for women and \$3,480 for men. The link between gender inequality and energy supply has been cited by many studies. Overall, the energy sector is dominated by men, with energy industries employing very few women (about 2,000 compared to 70,000 men). Moreover, because women are primarily expected to do household chores, they supply human energy to pump water and collect fuel for cooking in the absence of a domestic energy supply, resulting in diminished or lost opportunities for education, income earning, and leisure.

B. Key actions.

Gender action plan Other actions or measures No action or measure

Given the nature of the cross-border electricity transmission infrastructure developed under this project, gender-related action would be to ensure representation and participation of women in meaningful consultations and decision-making bodies (including the Grievance Redress Committee).

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: A B C FI

1. Key impacts. The land required for the 400 kilovolt high-voltage direct current second substation is owned by PGCB and no involuntary impacts are expected on the substation site. The involuntary resettlement impacts on the transmission line would need to be addressed.

2. Strategy to address the impacts. The project requires 113 acres for the substation area. The land for the substation originally belonged to Bangladesh Railways and was acquired in 2009 when the first HVDC substation was constructed. The location of the second HVDC substation to be financed under the project is within the boundary of

the existing substation and additional land acquisition is not required. About 4 acres of land and the rice crops of about 32 farmers are expected to be temporarily affected during tower construction; to help mitigate adverse impacts on people who will lose assets in the project area, compensation will be paid and employment opportunities provided.

3. Plan or other Actions.

- Resettlement plan
 Resettlement framework
 Environmental and social management system arrangement
 No action
- Combined resettlement and indigenous peoples plan
 Combined resettlement framework and indigenous peoples planning framework
 Social impact matrix

B. Indigenous Peoples

Safeguard Category: A B C FI

1. Key impacts. No tribes or minorities or indigenous communities were observed in the project area. Is broad community support triggered? Yes No
2. Strategy to address the impacts. No indigenous people will be negatively impacted. No specific action has been foreseen. The project is categorized as "C" for impact on indigenous peoples.
3. Plan or other actions.
- | | |
|---|--|
| <input type="checkbox"/> Indigenous peoples plan | <input type="checkbox"/> Combined resettlement plan and indigenous peoples plan |
| <input type="checkbox"/> Indigenous peoples planning framework | <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework |
| <input type="checkbox"/> Environmental and social management system arrangement | <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary |
| <input type="checkbox"/> Social impact matrix | |
| <input checked="" type="checkbox"/> No action | |

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. M unemployment M underemployment retrenchment core labor standards
2. Labor market impact. The project will have an impact on the local labor market. Some people from the local communities can expect to be employed during construction. Availability of power will support industrial establishment & employment. PGCB will ensure the project complies with labor laws, including equal pay for work of equal value regardless of gender, and absence of child labor. PGCB will ensure that contractors adhere to core labor standards.

B. Affordability

No such issues identified and no specific measures to address this. In general, cheaper power from India would bring down the overall cost of electricity in Bangladesh.

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):
 L Communicable diseases Human trafficking
 Others (please specify) _____
2. Describe the related risks of the project on people in project area.
 Information dissemination campaigns will be carried out.

VI. MONITORING AND EVALUATION

1. Targets and indicators: Identified in safeguard documents
2. Required human resources: Provided by PGCB
3. Information in PAM: PGCB will coordinate and implement environment and resettlement related activities. A PGCB officer will monitor activities enumerated in the resettlement plan and environment monitoring plan.
4. Monitoring tools: Internal monitoring.

^a United Nations Department of Economic and Social Affairs. 2015. World Population Prospects, New York. <http://worldpopulationreview.com/countries/bangladesh-population/>

^b Ministry of Planning, Bangladesh Bureau of Statistics. 2014. National Union Statistics. Dhaka <http://203.112.218.65/WebTestApplication/userfiles/Image/National%20Reports/Union%20Statistics.pdf>

^c Government of Bangladesh. 2011. Perspective Plan. Dhaka <http://www.plancomm.gov.bd/perspective-plan/>

^d Asian Development Bank. 2010. Country Partnership Strategy 2011-2015. Manila. <http://www.adb.org/sites/default/files/linked-documents/cps-ban-2011-2015-pa.pdf>

^e PowerCell, Ministry of Power Energy and Mineral Resources. 2014. Bangladesh Power Sector at a Glance 2014. Dhaka http://www.powercell.gov.bd/index.php?page_id=267

^f Gender Statistics of Bangladesh 2012. Dhaka. Available at <http://www.bbs.gov.bd>

^g United Nations Development Program. UNDP Human Development Report. Dhaka. http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/BGD.pdf