



## Initial Poverty and Social Analysis

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August 2020

### Bangladesh: Climate Resilient Livelihood Improvement and Watershed Management in Chittagong Hill Tracts

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Asian Development Bank

## **CURRENCY EQUIVALENTS**

(as of 14 July 2020)

Currency unit	–	Taka (Tk)
Tk1.00	=	\$0.011798
\$1.00	=	TK84.760

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
CHT	–	Chittagong Hill Tracts
GAP	–	gender action plan
NGO	–	nongovernment organization
TRTA	–	transaction technical assistance

## **NOTE**

In this report, "\$" refers to United States dollars.

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Bangladesh	Project Title:	Climate Resilient Livelihood Improvement and Watershed Management in Chittagong Hill Tracts Sector Project
Lending/Financing Modality:	Sector Loan	Department/Division:	South Asia Department Environment, Natural Resources and Agriculture Division

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The proposed project will take a holistic approach to improve livelihoods and sustainable use of natural resources in the Chittagong Hill Tracts (CHT) by improving roads and bridges, water supply and sanitation and irrigation schemes, market facilities, and providing agricultural equipment. It will build human and natural capital by improving vocational skills in the rural non-farm sector, developing capacity of CHT institutions and stakeholders, and addressing climate change risks. It is aligned with the Seventh Five-Year Plan of the Government of Bangladesh.<sup>a</sup> In particular, the project is aligned with Section 7: Local Government and Rural Development, and Section 13: Social Protection, Social Welfare and Social Inclusion. It is also aligned with the Asian Development Bank's (ADB) country partnership strategy for Bangladesh, 2016–2020;<sup>b</sup> specifically by enhancing the productivity, and skills of the workforce, increasing agriculture productivity and creating gainful rural employment opportunities outside agriculture, and managing environmental and climate change-related vulnerabilities.

The project will focus on five of the seven operational priorities of the ADB Strategy 2030: (i) addressing remaining poverty and reducing inequalities; (ii) accelerating gender equality; (iii) tackling climate and building climate resilience; (iv) promoting rural development and food security; and (v) strengthening governance and institutional capacity.

#### B. Poverty Targeting

☐ General intervention ☐ Individual or household (TI-H) ☒ Geographic (TI-G) ☐ Non-income MDGs (TI-M1, M2,.)

The project is a geographic intervention. It targets the CHT, which ranks among the poorest districts in Bangladesh.

#### C. Poverty and Social Analysis

**1. Key issues and potential beneficiaries.** Bangladesh has made substantial progress in poverty reduction and improvement of social development in recent years. From 2000 to 2016 (the latest year for which poverty data are available), the rate of poverty has been reduced by half from 48.9% to 24.3%, with 25 million people graduating out of poverty. The country achieved a robust reduction in the rate of extreme poverty from 34.3% in 2000 to 12.9% in 2016. Nevertheless, the country still has 39 million people living in poverty as of 2016, and almost half of Bangladesh's population lives marginally above the poverty line and are at the risk of falling into poverty due to external shocks. The CHT ranks among the poorest districts of Bangladesh. Measured in terms of a single dimensional index of household income and expenditure, the population below the poverty line in the CHT districts of Bandarban, Khagrachari, and Rangamati, in 2010 was 40.1%, 25.5%, and 20.3% respectively. In comparison the national average poverty head count in the same year was 31.4%. However, using a multi-dimensional index including non-income covariates, poverty levels in the CHT are believed to be much higher. Such analysis also shows that indigenous communities are poorer than the non-indigenous communities. On access to basic services, the CHT districts lag behind the rest of the country, with 55.3% of households having access to safe drinking water (94.2% nationwide); 8.7% of households with water sealed toilets (63.6% nationwide); 34.2% of households had electricity (54.55% nationwide). The three districts rank among the lowest of all districts in the composite education index for primary and secondary school education. Overall, Bandarban, Rangamati, and Khagrachari ranked first, second and fifth highest in terms of the most deprived districts of Bangladesh, based on a composite index covering health, education, infrastructure and financial indicators. The spatial (i.e., remoteness) and geographic (i.e., hilly terrain) characteristics of the CHT are primarily accountable for variance in poverty between CHT and other regions, as well as between different groups within the CHT.

**2. Impact channels and expected systemic changes.** The project will address physical capital by improving roads and bridges, water supply and sanitation and irrigation schemes, market facilities, and providing agricultural equipment. It will build human capital by improving vocational skills in the rural non-farm sector and developing capacity of CHT institutions and stakeholders. Social capital will be improved by strengthening the local government institutions through participatory planning and implementation of subprojects. Natural capital will be improved by supporting the restoration of critical watersheds through community forest management and implementing several pilot projects in rural solid waste management. Finally, financial capital will be enhanced by enhancing fund flow arrangements for disbursement of annual development plan funds and leveraging private investment in basic agro-processing facilities.

**3. Focus of (and resources allocated in) the transaction TA (TRTA) or due diligence.** A TRTA (\$500,000) will support the required readiness conditions prior to loan approval. An additional technical assistance grant (\$500,000) from the Netherlands Trust Fund under the Water Financing Partnership Facility will enhance the climate resilience and food security measures of the project design.

## II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program?

In the CHT, there is distinct division of labor between men and women in agriculture, forestry and housework, household level decision-making, and management related to income within household and in water use and management. Women's workload is heavier at both household level and in agriculture compared to plain-land women. They suffer even more because of poor communications system and difficult access to potable water more than men. Wage discrimination exists between men and women. The representation of women in the leadership structures is low, both in the traditional system and in the elected local and regional government bodies. At the district level, Women are getting more involved in the management of watersheds and other natural resources in areas related to their lives and livelihoods. While their involvement in agricultural production and marketing are evident, their enhanced participation in agricultural production, processing, and marketing facilities is needed. The customary and national laws both tend to discriminate against women. For example, under the traditional land laws, women cannot legally inherit land from their parents.

2. Does the proposed project or program have the potential to contribute 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.

The TRTA will undertake gender assessment and design activities to increase the mobility and time availability of women in accessing resources, services, and markets, and organize and help women actively participate in community development, agricultural production and processing, natural resources management, and decision-making process. The project will extend skills development and other support to women for increasing the income from their economically gainful activities. The infrastructure development and maintenance activities will create employment opportunities for poor women.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

☐ Yes ☒ No

Gender analysis will ensure women's participation and empowerment under the project. A gender action plan (GAP) will be developed with clear objectives and indicators and targets. Resources for the GAP, and provision of gender specialist will be ensured.

4. Indicate the intended gender mainstreaming category:

☒ GEN (gender equity)

☐ 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?

The project will ensure participation of community men and women, including the poor and disadvantaged groups. The project will strengthen participation through (i) mandatory inclusion of the poor and women as members of different committees; (ii) developing demand driven subproject selection by separate consultation with men and women groups consisting of various economic groups; and (iii) inclusion of community people as skilled and unskilled labors in the infrastructure related works. All relevant stakeholders, including the Ministry of Chittagong Hill Tracts Affairs, the Chittagong Hill Tracts Regional Council, the three Hill District Councils, circle chiefs, the Local Government Engineering Department, traditional village leaders (*karbaris* and headmen), district and Union Council chairpersons and members, and nongovernment organizations (NGOs) working in the project location will be consulted. Stakeholders will be involved in the design of the community infrastructure and basic services.

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?

Main stakeholders include general citizens, poor and vulnerable communities, and excluded groups (women, elderly, persons with disabilities) in areas where the proposed infrastructure and interventions will be developed. Government, community groups, and civil society organizations working in the project location will be fully consulted. Stakeholders will be involved in the needs assessment and the design of the community infrastructure. Community members will select the subprojects; women will select the location of water intervention; and the village people will be involved in the construction, operation and maintenance of the interventions. Poor, socially excluded groups, and women-headed households will be especially targeted for appropriate work opportunities in the construction and operation and maintenance of different infrastructure subprojects. Such groups will also be provided with suitable capacity building support. An NGO may be recruited to undertake the socioeconomic baseline survey baseline assessment, and NGOs may be recruited for social mobilization.

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? There are over 25 NGOs providing a range of services in the CHT including health services, microfinance, child education, skills development, family planning, agriculture services, and other basic services. Many NGOs are local, but several major international NGOs also operate in the CHT.

☒ Information generation and sharing (H) ☒ Consultation (H) ☒ Collaboration (M) ☐ Partnership ( )

<p>4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The issue is the ability of such groups to benefit from the community infrastructure and basic services. A stakeholder analysis will be done to identify the poor and socially excluded groups, especially those that are affected by land acquisition. Such groups will be especially targeted for appropriate employment opportunities in the local areas.</p>
<b>IV. SOCIAL SAFEGUARDS</b>
<b>A. Involuntary Resettlement Category</b> <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI
<p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Significant involuntary resettlement impacts are anticipated due to the construction of rural roads, integrated watershed management pilot projects, and community infrastructure. Land acquisition may involve both private and communal land. A resettlement framework for the sector loan, and resettlement plans for sample subprojects, will be prepared in line with the national policy framework and the ADB's Safeguard Policy Statement, 2009. Resettlement plans based on the resettlement framework will be prepared for non-sample subprojects during implementation.</p>
<p>2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?</p> <p><input checked="" type="checkbox"/> Resettlement plan <input checked="" type="checkbox"/> Resettlement framework <input type="checkbox"/> None</p>
<b>B. Indigenous Peoples Category</b> <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI
<p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Ethnic groups will benefit from the improved rural access roads, community infrastructure, strengthened watershed management, improved agriculture production and processing, and improved rural non-farm skills. An indigenous peoples plan will be prepared for the project, which details strategies to safeguard ethnic groups, monitor impacts, ensure no adverse impact as a result of the project, receive culturally appropriate social and economic benefits, ensure participation in the project cycle, and build awareness on indigenous peoples' issues.</p>
<p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Ancestral land or ethnic groups' communally owned, used, and occupied land may be required by the project.</p>
<p>3. Will the project require broad community support of affected indigenous communities? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process?</p> <p><input checked="" type="checkbox"/> Indigenous peoples plan <input checked="" type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> None</p>
<b>V. OTHER SOCIAL ISSUES AND RISKS</b>
<p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> Creating decent jobs and employment (H) <input checked="" type="checkbox"/> Adhering to core labor standards (H) <input type="checkbox"/> Labor retrenchment</p> <p><input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS (M) <input checked="" type="checkbox"/> Increase in human trafficking (M) <input type="checkbox"/> Affordability (L) <input type="checkbox"/> Increase in unplanned migration (L) <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts <input checked="" type="checkbox"/> Others, Child labor (L)</p> <p>2. How are these additional social issues and risks going to be addressed in the project design?</p> <p>Employment opportunities, particularly for unskilled labor, will be provided. Provisions for employment, conduct of participation in awareness-raising activities related to watershed management, operation and maintenance of the infrastructures and agricultural equipment, agricultural production and processing and rural non-farm skills development. It will provide non-farm vocational skills. A detailed analysis will be done under the TRTA.</p>
<b>VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</b>
<p>1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA or due diligence process to better analyze (i) poverty and social impact, (ii) gender impact, (iii) participation dimensions, (iv) social safeguards, and (v) other social risks. Are the relevant specialists identified? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>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 transaction TA or due diligence?</p> <p>TRTA and grant resources have been allocated to engage social development specialists for social safeguard planning, gender analysis, poverty and social impact analysis, and stakeholder participation.</p>

<sup>a</sup> Government of Bangladesh, Planning Commission. 2016. *The Seventh Five-Year Plan (FY2016–FY2020)*. Dhaka.

<sup>b</sup> ADB. 2016. *Country Partnership Strategy: Bangladesh, 2016–2020*. Manila.