



# Initial Poverty and Social Analysis

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Project Number: 56004-001  
November 2022

## Bangladesh: Smart Metering Energy Efficiency Improvement Project

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## **CURRENCY EQUIVALENTS**

(as of 15 November 2022)

Currency unit	–	taka (Tk)
Tk1.00	=	\$0.009748
\$1.00	=	Tk102.5751

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
CPS	–	country partnership strategy
CSO	–	civil society organization
IPSA	–	initial poverty and social analysis
NGO	–	nongovernment organization
RBL	–	results-based lending
TGTDCL	–	Titas Gas Transmission and Distribution Company Limited

## **NOTES**

- (i) The fiscal year (FY) of the Government of Bangladesh and its agencies ends on 30 June. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2022 ends on 30 June 2022.
- (ii) In this report, “\$” refers to United States dollars.

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### INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Bangladesh	Program Title:	Smart Metering Energy Efficiency Improvement Project
Lending/Financing Modality:	Results-based lending	Department/Division:	South Asia Regional Department Energy Division

  

<b>I. POVERTY IMPACT AND SOCIAL DIMENSIONS</b>
<b>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</b>
<p>The proposed gas sector efficiency improvement program (prepaid smart gas meters) will help reduce distribution-related system loss in line with the strategic priorities of Bangladesh's Eighth Five-Year Plan (2020–2025).<sup>a</sup> It is also consistent with ADB's new energy policy that promotes demand-side energy efficiency<sup>b</sup> and ADB's CPS for Bangladesh (2021–2025)<sup>c</sup>, which aims to assist the government to scale up energy efficiency and to achieve the Sustainable Development Goals. The gas meters are intended to provide residential consumers with a more accurate understanding of their gas use and cost. The RBL modality will promote (i) gender equality and social inclusion, (ii) financial management reforms and governance support, and (iii) gas pricing reforms.</p>
<b>B. Poverty Targeting:</b>
<input checked="" type="checkbox"/> General Intervention <input type="checkbox"/> Individual or Household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input type="checkbox"/> Non-Income MDGs (TI-M1, M2, etc.)
<p>While all other customer categories are provided with gas meters, the consumption of most residential customers is not metered and customers pay a fixed amount of Tk1,080 per month for each double burner, regardless of the quantity of gas they use. Waste of natural gas is prevalent among domestic customers, who consume about 13.2% of national gas production. Not being charged for consumption incentivizes inappropriate uses of gas, such as for drying clothes and keeping rooms warm in winter. Consumers are not incentivized to select more efficient gas appliances. Some domestic customers do not report leakage of gas in internal gas pipelines because it doesn't affect their bills, which leads to increased system losses and health and safety risks. The program will install 1.5 million (franchise area of TGTDCCL) prepaid smart gas meters in residual buildings of Greater Dhaka over a 4-year period. By providing gas meters, residential consumers are expected to reduce excessive gas consumption. Poorer households will benefit from lower energy costs based only on their use. General consumers will be incentivized to invest in safe and efficient use of resources.</p>
<b>C. Poverty and Social Analysis</b>
<ol style="list-style-type: none"> <li>1. Key issues and potential beneficiaries. The program will benefit TGTDCCL by reducing losses due to consumer waste and will improve their capacity to design and implement RBL programs. The installation of smart gas meters will benefit domestic consumers to have accurate gas readings, a more immediate response from the supplier to gas leaks, and a more efficient and cost-conscious approach to gas use. This program will also raise awareness of domestic customers in Greater Dhaka on safe and efficient gas and energy use.</li> <li>2. Impact channels and expected systemic changes. It is expected that TGTDCCL will work with ADB to identify appropriate pro-poor and gender mainstreaming activities to ensure greater opportunities for women as customers and amongst the workforce in TGTDCCL as a key development additionality objective of this program.</li> <li>3. Focus of (and resources allocated in) the transaction TA or due diligence. As part of program design, TGTDCCL will be expected to ensure its stakeholder communications are robust and efficient to ensure customers are aware of the transition and any potential disruptions; ensure its grievance mechanism is enhanced to gather complaints related to the program; and ensure contractors adhere to national labor codes.</li> </ol>
<b>II. GENDER AND DEVELOPMENT</b>
<ol style="list-style-type: none"> <li>1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this program?            Bangladesh is among the 20 countries which account for 80% of the deficit in access to clean cooking in the world. In 2020, only 19% of the population in Bangladesh had access to clean cooking. Women and girls are most adversely impacted by lack of access to clean cooking, as tradition ascribed household/domestic roles place on them the responsibility for collecting cooking fuels as well as greater exposure to harmful pollutants from traditional cooking technologies. Bangladesh has an ambitious plan. ADB's energy policy includes clean cooking as a priority, and it would contribute to the achievement of SDG7 while directly benefiting women and girls.</li> <li>2. Does the proposed program have the potential to contribute to the promotion of gender equity and/or empowerment of women by providing women access to and use of opportunities, services, resources, assets, and participation in decision-making?  <div style="display: flex; justify-content: space-around; align-items: center;"> <input checked="" type="checkbox"/> Yes           <input type="checkbox"/> No         </div> </li> </ol>

Due diligence will identify gender equality and social inclusion mainstreaming measures that may be incorporated in the program design. Potential gender measures may include provision of gas meter installation for vulnerable woman-headed households as well as efforts to increase in certified trainings for female staff and increase in the number of women in management roles of TGTDCCL.

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

Yes  No

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 EMPOWERING THE POOR

1. Who are the main stakeholders of the program, including beneficiaries and affected people? Explain how they will each participate in the program's design.

The program is expected to have the following stakeholders: TGTDCCL employees and contractors, current residential gas consumers including female headed and vulnerable households. Project environmental and social due diligence will identify roles for stakeholder engagement in gender equality and social inclusion mainstreaming activities and awareness raising for clean and efficient uses of energy.

2. Who are the key, active, and relevant CSOs in the program area?

Practical Action is a registered charity that has worked as a strategic partner on past ADB projects in the energy sector. The Global Alliance for Clean Cookstoves is a non-profit organization that has helped implement awareness raising on clean and efficient use of energy together with the World Bank. Further involvement of civil society partners will be explored during due diligence, if feasible.

3. Are there issues during program design for which participation of the poor and vulnerable is important?

Yes  No If yes, what are these issues?

Participation of female-headed and vulnerable households is important in designing and implementing project awareness raising activities on clean and efficient energy use.

4. How will the program ensure the participation of beneficiaries and affected people, particularly the poor and vulnerable and/or CSOs, during program design to address these issues?

During the environmental and social due diligence, TGTDCCL will undertake data collection and conduct focus group discussion with the households those are using gas but that not connected with the metering system. Vulnerable households will be informed about the benefits of using the gas metering system and will be trained on safe and efficient uses of energy

5. What level of CSO participation is planned during the program design?

\_(L)\_ Information generation and sharing \_(L)\_ Consultation \_(NA)\_ Collaboration \_(NA)\_ Partnership

### IV. SOCIAL SAFEGUARDS

**A. Involuntary Resettlement Category**  A  B  C

1. Does the program have the potential to involve involuntary land acquisition resulting in physical and economic displacement?  Yes  No

Involuntary resettlement impacts are not anticipated as the program involves only installation of metering equipment. However, during environmental and social due diligence potential involuntary resettlement impacts of the program will be verified.

2. What actions are required to address involuntary resettlement as part of the transaction TA or assessment process?

Program safeguard assessment and actions  None

**B. Indigenous Peoples Category**  A  B  C  FI

1. Does the proposed program 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

The program does not affect lands or territories of Indigenous Peoples.

3. Will the program require broad community support of affected indigenous communities?  Yes  No

4. What actions are required to address risks to indigenous peoples as part of the transaction TA or the program assessment process?
<input checked="" type="checkbox"/> Program safeguard system assessment and actions <span style="float: right;"><input type="checkbox"/> None</span>
<b>V. OTHER SOCIAL ISSUES AND RISKS</b>
1. What other social issues and risks should be considered in the program design? <input type="checkbox"/> Creating decent jobs and employment <input type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____
2. How are these additional social issues and risks going to be addressed in the program design? NA
<b>VI. TRANSACTION TA OR ASSESSMENT RESOURCE REQUIREMENT</b>
1. Do the terms of reference for the transaction TA (or program assessments) contain key information needed to be gathered during the transaction TA or the program assessment 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
2. What resources (e.g., consultants, survey budget, and budget for workshop(s)) are allocated for conducting poverty, social, and/or gender analyses, and the participation plan during the transaction TA or program assessments? The borrower will be required to procure the services of independent environmental and specialist to program assessment.

ADB = Asian Development Bank, CPS = country partnership strategy, CSO = civil society organization, IPSA = initial poverty and social analysis, L = low, NA = not applicable, NGO = nongovernment organization, RBL = results-based lending, TA = technical assistance, TGTDC = Titas Gas Transmission and Distribution Company Limited.  
Source: Asian Development Bank.

<sup>a</sup> Bangladesh Planning Commission. 2020. [Eighth Five-Year Plan \(July 2020–June 2025\)](#). Dhaka.

<sup>b</sup> ADB. 2021. [Energy Policy: Supporting Low-Carbon Transition in Asia and the Pacific](#). Manila.

<sup>c</sup> ADB. 2021. [Country Partnership Strategy: Bangladesh, 2021–2025—Sustain Growth, Build Resilience, and Foster Inclusion](#). Manila.