

**A Case Study on**

*“Risks and Impacts on Persons with Disabilities:  
Bangladesh Distribution System Upgrade and  
Expansion Project”*

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**Access Bangladesh Foundation**

***Table of Contents***

**Executive summary .....3**

**Acronyms.....4**

**1. Introduction .....5**

    1.1 Background to the project.....

**2. Objectives and Methodology .....6**

**3. Findings ..... 6-10**

**4. Recommendations..... 10-11**

**Annex A: ..... 12**

## Executive Summary

Bangladesh aspires to be a middle-income country by 2021. Government of Bangladesh has identified electricity supply as a major constraint on GDP growth, and overall economic development. To increase availability and sustainability of the power supply, Bangladesh government has initiated to upgrade the two existing power grids supported by the Asian Infrastructure Investment Bank from July 2016-June 2019. To address the main message of the Sustainable Development Goals (SDGs)—“no one will be left behind”—persons with disabilities need to be included very systematically in all development projects, including the Bangladesh Distribution System Upgrade and Expansion Project.

The objective of this study is to assess the implementation of the provisions of the AIIB’s Environmental and Social Framework (ESF) that are specifically relevant to persons with disabilities in the Bangladesh Distribution System Upgrade and Expansion Project, the AIIB’s first project in Bangladesh. The study identifies project impacts on persons with disabilities, and assess the project’s contribution to SDG 10 and reducing equality. The study concludes with recommendations to AIIB and to the Government of Bangladesh.

Information was collected through desk review, field visits, and focus group discussion. The issue of disability, which is mentioned in the AIIB’s ESF, has not been reflected in the project documents. Project documents do not address the employment of persons with disabilities in the project, and do not mention inclusion of persons with disabilities in the consultation process. Crucial findings derived from the field visit include: no persons with disabilities were invited to attend the stakeholder outreach meeting; websites of implementing agencies like DESCO and BREB are inaccessible, making it impossible for persons with disabilities to apply for project jobs and submit grievances related to the project; safety measures and risk mitigation are very poor; and the physical infrastructure that houses grievance redress mechanisms is not accessible for persons with disabilities. Uttara and Bashundhara power grids are very close to the residential area which may cause health hazard, environmental pollution, etc. After reviewing Environmental and Social Framework of AIIB, some gaps were also identified with respect to best practices and lessons learned from other IFIs. There is a definition of vulnerable group in the ESF but persons with disabilities are included which is not specified ESF is not in line with UNCRPD, persons with disabilities are not mentioned in the M&E framework, handicapped conversion cost has not been considered for involuntary resettlement.

Finally, some recommendations have been given on the basis of findings to AIIB and GoB for the improvement of the policy documents and implementation process. AIIB can formulate an additional guidance note on how to ensure disability inclusion in the AIIB finance projects to address disability issues. AIIB should specifically address the needs and rights of people with disabilities, ESF should be in line with UNCRPD, train AIIB staff on disability inclusion, people with disabilities should be ensured throughout the project life-cycle; PWDs should be included in M&E frameworks as well as performance indicators and participated in the meaningful consultations. On the other hand, Bangladesh Government should follow existing disability related laws, policies and plans and implement employment quota, concerned agencies should ensure their services inclusive for persons with disabilities and maintain standard safety measures to mitigate risks etc.

## Acronyms

**AIIB** – Asian Infrastructure Investment Bank

**BERC** – Bangladesh Energy Regulatory Commission

**BPDB** – Bangladesh Power Development Board

**BREB** – Bangladesh Rural Electrification Board

**DESCO** – Dhaka Electric Supply Company Limited

**GDP** – Gross Domestic Product

**IA** – Implementing agency

**MPEMR** – Ministry of Power, Energy, and Mineral Resources

**PMU** – Project Management Unit

**SDGs** – Sustainable Development Goals

**UN CRPD** – UN Conventions on the Rights of Persons with Disabilities

**ESS** – Environmental and Social Standards

**ESF** – Environmental and Social Framework

**ESP** – Environment and Social Policy

**PBS** – Pally Bidyut Samiti (Rural Electric Cooperative)

## 1. INTRODUCTION

### 1.1 Background of the project

Bangladesh aspires to be a middle-income country by 2021. Becoming a middle-income country will require substantial efforts on many fronts, such as maintaining macroeconomic stability, improving economic governance and urban management, adapting to climate change, and particularly, addressing its persistent infrastructure deficits. Government of Bangladesh has identified electricity supply as a major constraint on GDP growth, and overall economic development. Bangladesh has maintained an impressive track record, growing at 6% annually in the past decade. Sustained growth in Bangladesh has generated higher demand for electricity, transport, and telecommunication services, and contributed to the widening of infrastructure deficits. With the assistance from international partners, Bangladesh's electricity sector has made remarkable achievements during the recent years. "To increase availability and sustainability of the power supply in Bangladesh and bring expanded and more reliable service to rural consumers,"<sup>1</sup> Bangladesh government has initiated to upgrade the two existing power grid supported by Asian Infrastructure Investment Bank (AIIB). AIIB also expects that the project will contribute greatly to rural development in Bangladesh, as well as national economy, through increased productivity in agriculture and light industries, expansion of business and service delivery, and creation of additional employment opportunities.<sup>2</sup> Therefore, the project will have a significant and sustained impact on many social and economic fronts, such as rural economic development, poverty reduction, health, education, and women empowerment. To address the main message of the Sustainable Development Goals (SDGs)-"no one will be left behind", persons with disabilities need to be included very systematically in the Bangladesh Distribution System Upgrade and Expansion Project.

Electricity demand is increasing throughout Bangladesh, and consistent with this higher demand of power, new power plants need to be installed. As part of the national objective to provide universal electricity access by year 2021, new generation capacity must be complemented by upgrading the electricity grid with sufficient transmission and distribution system capacity, as well as establishing connections for new consumers. The Government of Bangladesh (GoB) has requested the Asian Infrastructure Investment Bank (AIIB) to consider providing financial support for infrastructure development including energy sector investments. Finally, a loan agreement of USD 262.29 million signed between People's Republic of Bangladesh and Asian Infrastructure Investment Bank on 11 November 2016 for a period of 3 years from July 2016 to June 1019. The objectives of the project are to enhance distribution capacity and to increase the number of rural and urban electricity consumes in Bangladesh. The project will supplement other development partner efforts by providing additional financial resources to connect more rural and urban consumers and to further reduce distribution losses.<sup>3</sup>

The project comprises of two components. Component 1: Provision of 2.5 million service connections to rural consumers. The Bangladesh Rural Electrification Board (BREB) will procure and install 65,000 small low-voltage (6.35/0.24 kV) transformers, 75,000 km of service drops and 2.5 million electric meters and supply to 77 Pally Bidyut Samities (PBSs, or rural electric cooperatives) in Bangladesh. Component 2: Up-gradation of grid substations and conversion of overhead distribution lines. The Dhaka Electric Supply Company Ltd. (DESCO) will (i) replace the small inefficient 50/75 Megavolt-ampere (MVA) transformers and air-insulated switchgear systems at Bashundhara and Uttara grid substations with larger efficient 80/120 MVA transformers and gas-insulated switchgear systems; and (ii) install around 85 circuit-km of existing 33 kV overhead lines into underground cables.

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<sup>1</sup> AIIB Project Document, para. 14.

<sup>2</sup> AIIB Project Document, para. 14.

<sup>3</sup> AIIB Project Document, para. 15.

## 2.OBJECTIVES AND METHODOLOGY

### 2.1 Objectives of the Study

- ▶ Explore the lessons learned from work on other International Financial Institutions' investments in Bangladesh;
- ▶ Identify the gaps in the implementation of AIIB's Environmental and Social Framework (ESF), focusing on ESF provisions that are specifically relevant to people with disabilities;
- ▶ Access the impacts on people with disabilities that are not covered by the AIIB's ESF;
- ▶ Provide recommendations to AIIB and to the Government of Bangladesh.

### 2.2 The study was undertaken through the following activities:

#### 2.2.1 Desk review

A number of documents were reviewed, which include Project Document, Environmental and Social Framework, loan agreement between GoB and AIIB, DESCO project agreement, AIIB's General conditions for Sovereign-backed loans, BREB project agreement, Environmental and Social Standards, Environmental and Social Policy, Public Information Interim Policy, Risk Management Framework, Procurement Policy, Corporate Procurement Policy, UN CRPD, Rights and Protection of Persons with Disabilities Act 2013, online news portal, case study and published and unpublished information etc. A complete list of the documents is included at (see Annexure A).

#### 2.2.2 Field Visit

Two power grid substations situated at Uttara 132/33/11 KV and Bashundhara 132/33KV have been visited to observe the location and surrounding establishment as well as the construction site of setting underground cable at Mirpur, Shamoli and Agargaon. Field visit conducted at Gazipur PBS and Dhaka PBS 1.

### 2.3 Focus Group Discussion (FGD)

Two Focus Group Discussions were held at Mirpur and Uttara with persons with disabilities. Five members were participated in each group.

## 3. FINDINGS

### 3.1 Concerns about AIIB ESF implementation and commitment to SDG 10

Overall, our review of the project document shows that the issue of disability reflected in ESF has not been transmitted to the project document, which has resulted in very poor implementation of AIIB ESF and commitment to SDGs 10: Reduced inequality within and among countries. In fact, AIIB has completely failed to consider project impacts and benefits with respect to people with disabilities.

- *Employment Opportunities:* The ESF's commitment to Social Development and Inclusion clearly mentioned promoting equity of opportunity and nondiscrimination for disabled people to education, health, social protection, housing, environmental quality, infrastructure, affordable energy, water and sanitation, employment, financial services and productive assets. However, the project documents do not mention persons with disabilities, including with respect to employment opportunities. It is to be noted that the project will create additional employment opportunities for both skilled and unskilled workers like technicians, linemen, meter readers, engineers etc. Creation of employment opportunities for person with disabilities is very important to reduce the unemployment rate of persons with disabilities in Bangladesh. Unfortunately, the project document has failed to address this issue.

- *Consultation Processes:* Though Environmental and Social Assessment and Management of Environmental and Social Standard (ESS) 1 clearly stated about meaningful consultation ensuring participation of persons with disabilities, the project document does not mention about inclusion of persons with disabilities in the consultation process.
- *Human Safety:* ESS 1 requires “measures to avoid, or where avoidance is not possible, to minimize adverse risks and impacts of the Project on the health and safety of local communities.” However, the project provides summary sheets of electrical hazards, warning signs, and posters with “do’s and don’ts” for new consumers. But, it is not clear how these hazards will be communicated to persons with disabilities, especially visually impaired persons.
- *Grievance Redress:* AIIB’s ESS is not responsive to scale the grievance mechanism to the risks to, and impacts of the project on persons with disabilities rather it considers the grievance redress issue generally. If it is not specifically mentioned, there will be chance of ignoring needs of persons with disabilities who are the most vulnerable segment of the society.

### 3.2 Field Level Observations

- *Consultation processes:* An initial stakeholder outreach meeting was organized by DESCO on 15 March 2016 at its Uttara S&D center. The meeting was attended by DESCO’s 17 consumers from the Uttara service area includes students, businessmen, retired government officer, and hotel management staff. Our field data shows that no persons with disabilities were invited in the stakeholder meeting though ESF emphasizes meaningful consultation that ensures the participation of persons with disabilities and other marginalized groups. A notice regarding holding a public hearing was issued on 8th May 2016 by Engineer Md. Moinuddin Khan Executive Engineer (Grid and Protection) and Project Director (augmentation) for the AIIB Project. The notice was found in DESCO website which is not accessible for visually impaired persons.



- *Employment opportunities:* The website of DESCO and BREB does not satisfy the requirements (level A) of the Web Content Accessibility Guidelines (WCAG) 2.0. These features are designed to remove barriers for users with disabilities, including those who are visually impaired or have low vision, hearing disabilities, physical disabilities or limited mobility, and those who require adjustments due to characteristics associated with ageing or limiting environments. In addition, BREB requires submission of job application through online by the job-seekers. So it will be more difficult for visually impaired persons to apply for job through online. On the other hand, both organizations did not encourage persons with disabilities to apply for the job in their employment notice.

- *Grievance redress:* PBSs have established “open door” facilities so that any consumers and stakeholders can apply for services, report outages and other problems, and file complaints. However, the established facilities are not accessible for persons with disabilities. Visiting the PBS office at Gazipur, and PBS Dhaka 1, we have noticed that there is no ramp and lift facilities for persons with disabilities.



- *Human safety:* Safety measures were not sufficient at the construction work of installing underground cable at Mirpur, Kallyanpur and Agargaon area. There should have been taped to properly rope the area off to avoid accidents. For example, recently, a youth with visually impaired named 'Shanu Miah', fell into the manhole of Dhaka city and died because of having uncovered manhole (<http://en.prothomalo.com/bangladesh/news/141433/Man-dies-falling-in-Paltan-open-manhole>, <http://dailysun.com/post/210515/Man-dies-fallinginto-city-openmanhole->). So the implementing agencies should take the highest mitigation measures against risks. Temporary bridging or metal covers can be used in such a way so that persons with disabilities can use them.



*Poor safety measures during construction*

- *Lack of awareness among in the community:* Community people are not aware about the AIIB financed project: Bangladesh Distribution System Upgrade and Expansion Project. They know that development work is going on but specific information is not available to them.

### 3.3 Other Impacts on Environment and Human Health

- Both power plants are situated beside the residential area which may cause increased risks of childhood cancer in childhood occur by the age of 5 years. There is an association between childhood leukaemia and proximity of home address at birth to high voltage power lines, and the apparent risk extends to a greater distance than would have been expected from previous studies. About 4% of children in England and Wales live within 600 m of high voltage lines at birth. If the association is causal, about 1% of childhood leukaemia in England and Wales would be attributable to these lines, though this estimate has considerable statistical uncertainty. *BMJ* 2005; 330 doi: <https://doi.org/10.1136/bmj.330.7503.1290> (Published 02 June 2005)



- Use of natural gas in power grid can cause unpleasant odors which causes health hazard in the long run. Exposure to odors could result in health effects ranging from none, to mild discomfort, to more serious symptoms. Headaches or feel dizzy, coughing, wheezing or other breathing problems, eye, nose, throat or lung irritation (<https://www.health.ny.gov/publications/6500/>)

*Uttara Powergrid Substation 132/33/11 KV*



- Power plant of Uttara beside the lake can pose numerous environmental and social concerns, including deterioration of water quality and fish populations, community health impacts due to air emissions, and destruction of natural habitats. ([http://www.caombudsman.org/cases/case\\_detail.aspx?id=171](http://www.caombudsman.org/cases/case_detail.aspx?id=171))
- Both Power grid substations affect human health because the ozone layer is being worn-out by the greenhouse gases released from fossil fuels used in grid. Ozone holes allow harmful UV rays to enter the Earth's atmosphere, affecting human life through diseases, particularly skin cancer. Remember that melanin reacts with high wave radiations, creating infra-red rays and pigments that are harmful to our skin.

**3.4 Lessons learned from work on other international financial institutions' investments in Bangladesh like the World Bank.**

On August 4th, 2016 the World Bank Board of Executive Directors approved a new Environmental and Social Framework (ESF) that will soon replace the World Bank safeguards currently being implemented. This new ESF will specifically look at how projects are impacting persons with disabilities to ensure that no harm is being done and that persons with disabilities can share in project benefits. Now, with the new ESF, there can be recourse when persons with disabilities do not share in project benefits.

More specifically, persons with disabilities are explicitly referenced in the Bank Directive Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups as one of the disadvantaged or vulnerable groups. Additionally, disability is referenced in the ESF in: the vision statement, the Labor Standard (ESS 2) among vulnerable workers and in the section on non-discrimination and equal opportunity, and the Information Disclosure and Stakeholder Engagement Standard (ESS 10) regarding accessible information. "Accessibility" is defined to ensure participation of persons with disabilities in consultation and so that information is disclosed appropriately. The Community Health and Safety Standard (ESS 4) also references "universal access" regarding construction. These references to persons with disabilities specifically and to concepts that are essential for the inclusion of persons with disabilities in projects provide many hooks to ensure that projects address the needs of persons with disabilities. And given that the language is now in the policy, disability must be looked at systematically rather than in an ad hoc manner as before. The advocacy of the international disability community and the voices of persons with disabilities in consultations were paramount to ensuring that disability was included in the ESF. Persons with disabilities and disability advocates participated in the majority of the consultations the Bank hosted and worked to ensure that these consultations were accessible.

### 3.5 GAPS in Asian Infrastructure Investment Bank's (AIIB) Environmental Social Framework from disability perspective

- There is a definition of vulnerable group in the AIIB's ESF but there is no mention about the specific groups who are often excluded from the development process. For example, persons with disabilities are the most disadvantaged and marginalized group in the society and they have a very limited access into the services but are not explicitly referenced in the definition.
- The AIIB's Environmental and Social Framework (ESF) is not aligned with the general principles of UN Conventions on the Rights of Persons with Disabilities (UN CRPD). For example, major principles-dignity, non-discrimination, full and effective participation, equality of opportunity, accessibility were not reflected in the ESF.
- Persons with disabilities are not mentioned in the monitoring and evaluating section of the AIIB's Environmental and Social Standard 1. For example, the following indicators can be used:
  - What proportion of beneficiaries are the persons with disabilities?
  - What proportion of consultation participants have been the persons with disabilities?
  - Have arrangements been made to enable the persons with disabilities to attend project meetings?
  - What potential disability-specific risks identified?
  - Have project activates negatively affected the persons with disabilities?
  - How effective was the project in addressing disability issues?
  - Have the project benefits been provided to persons with disabilities?
- In the Involuntary resettlement of ESF, persons with disabilities have been considered just like other vulnerable groups. *For persons with disabilities, the additional or supplementary cost requirement is articulated by the Nobel Laureate and Indian renowned Economist MR. Amartya Sen, as Conversion handicapped. This conversion handicapped involved the costs related to activities for daily living and instrumental activities for daily living. Due to conversion handicapped the cost of disability gets higher and estimated the global data suggest that the direct cost of disability ranges from 11% to 69% in UK, in Australia 29%-37%. So, there has to be an appropriate arrangement in the ESF associated with involuntary resettlement for persons with disabilities.*
- Persons with disabilities are not included in the relevant requirements of involuntary resettlement of Environmental and Social Standard (ESS) 2 like Planning, Resettlement plan, Abbreviated Resettlement Plan, Resettlement Planning Framework, Proportionality, Grievance Mechanism, Livelihood Restoration, Resettlement Assistance, Compensation and Entitlements, Supervision, Monitoring etc.
- Persons with disabilities should be integrated across all standards of ESF to ensure that that their need is addressed properly. An additional guidance note on how to ensure disability inclusion in the AIIB finance projects needs to be formulated to address disability issues.

## 4. RECOMMENDATIONS

### 4.1 Recommendations to AIIB

AIIB is not meeting its commitments to social development and inclusion, the SDGs, and to address project impacts on vulnerable groups

- ▶ Participation of persons with disabilities in the consultations, as required under ESS1, paragraph 4.A., Meaningful Consultations is to be ensured and make sure the consultation process is accessible, responsive and tailored to the needs of affected persons with disabilities.
- ▶ The AIIB should ensure that the government of Bangladesh submits project proposals that defining clearly the needs, impacts, and rights of people with disabilities.
- ▶ Ensure addressing people with disabilities throughout the project lifecycle –from design to implementation to monitoring and evaluation.
- ▶ The monitoring and evaluating frameworks are to be set in such a way that it captures issues of people with disabilities with clear performance indicators.

- ▶ Train AIIB's staff on disability inclusion.
- ▶ AIIB should follow existing disability related laws, policies and plans in designing and implementing the Bangladesh Distribution System Upgrade and Expansion Project.
- ▶ Concerned agencies- ERD, Power Division of Ministry of Power, Energy and Mineral Resources, BREB, DESCO, PBS should ensure their services inclusive for persons with disabilities under AIIB financed project.
- ▶ All Project documents should explicitly mention about disability issue.

#### **4.2 For Government**

- ▶ Government should follow existing disability related laws, policies and plans in designing and implementing the Bangladesh Distribution System Upgrade and Expansion Project.
- ▶ Concerned agencies- ERD, Power Division of Ministry of Power, Energy and Mineral Resources, BREB, DESCO, PBS should ensure their services inclusive for persons with disabilities under AIIB financed project.
- ▶ Government should implement employment quota as outlined in the government office order issued by the Ministry of Establishment i.e 1% for 1<sup>st</sup> and 2<sup>nd</sup> class job and 10% for 3<sup>rd</sup> and 4<sup>th</sup> class job allocated for persons with disabilities in employing staffs under the project.
- ▶ All Project documents should explicitly mention about disability issue.
- ▶ Ensure the full and effective participation of persons with disabilities throughout the project lifecycle –from design to implementation to monitoring and evaluation if needed, additional supports will to be provided for persons with disabilities.
- ▶ Implementing agencies should maintain standard safety measures to mitigate risks like accident, health hazards, environmental pollution etc.
- ▶ There should be a strong monitoring system so that persons with disabilities can be benefited by the project.

#### **4.3 Recommendations for the 2019 Review of the AIIB's ESF**

- ▶ AIIB should consider people with disabilities in the ESF very specifically to address the needs and rights of people with disabilities. A guidance can be developed for staffs and clients on implementation of existing AIIB standards.
- ▶ Harmonize AIIB's ESF and other policy documents in line with UN CRPD, SDGs and disability related international instruments. The Bank should define persons with disabilities using the definition outlined in the UN Convention on The Rights of Persons with Disabilities (UN CRPD). Also strengthen language across all ESF in line with UN CRPD.
- ▶ Due to conversion handicapped, the cost of disability gets higher so In the Involuntary resettlement of ESF, persons with disabilities need to be considered seriously not just like other vulnerable groups.
- ▶ AIIB may develop guidance notes outline in more detail how the ESF will be implemented, and it is imperative that there be more detail in the guidance notes on how to ensure that the needs of persons with disabilities are addressed and that they are included throughout all stages of the project lifecycle.

## ANNEX A

### List of documents reviewed under study are in the following:

- ✓ Project Document,
- ✓ Environmental and Social Framework,
- ✓ loan agreement between GoB and AIIB,
- ✓ DESCO project agreement,
- ✓ AIIB's General conditions for Sovereign-backed loans,
- ✓ BREB project agreement,
- ✓ Environmental and Social Standards,
- ✓ Internal Environmental Examination, April 2016
- ✓ Environmental and Social Policy,
- ✓ Public Information Interim Policy,
- ✓ Risk Management Framework,
- ✓ Procurement Policy,
- ✓ Corporate Procurement Policy,
- ✓ UN CRPD,
- ✓ Rights and Protection of Persons with Disabilities Act 2013,
- ✓ online news portal,
- ✓ case study and
- ✓ published and unpublished information