

DUE DILIGENCE REPORT FOR BATBUNIA MARKET SUBPROJECT

I. INTRODUCTION

1. This due diligence report (DDR) for Batbunia Market subproject has been prepared by the LGED. This report is based on the findings of the socioeconomic impacts assessment and proposed mitigation measures for anticipated adverse social impacts likely to happen due to implementation of the proposed subproject. A socioeconomic impact survey was conducted during April 2012 for the subproject, to assess and identify all the possible socioeconomic and resettlement impacts. Based on the study findings, this due diligence report has been prepared in accordance with the requirements of ADB's Involuntary Resettlement & Safeguard Policy Statement (SPS, 2009).

II. PROJECT BACKGROUND AND RATIONALE

2. The Coastal Climate Resilient Infrastructure Project (the project) is a result of the Government of Bangladesh's participation in the Strategic Program for Climate Resilience (SPCR) prepared under the Pilot Program for Climate Resilience (PPCR). The PPCR is a program under the Strategic Climate Fund (SCF)¹ within the Climate Investment Funds (CIF),² to pilot and demonstrate ways to mainstream climate resilience in development planning and management. As one of the projects approved for enhanced climate resilience under the SPCR, the Coastal Climate Resilient Infrastructure Project will improve livelihoods in the rural coastal districts vulnerable to climate variability and change.

III. PROJECT IMPACT, OUTCOME AND OUTPUTS

3. The impact of the project will be reduced poverty in the rural coastal districts vulnerable to climate change and increased safety of the population during extreme climatic events. The outcome will be enhanced climate resilience of coastal infrastructure in 12 rural coastal districts benefiting the poor and women.

4. The overall project outcome will be achieved through the following project outputs: (1) improved road connectivity; (2) improved market services; and (3) improved climate capacity and protection including increased availability of climate disaster shelters, improved access to shelters and improved facilities of existing climate disaster shelters.

5. This due diligence is for the subproject Batbunia market which is part of Output 2, *Improved Market Services*. This output will include upgraded growth centers and large markets. The market improvements will include (where relevant) paved trading areas, sheds, water supply system, drainage facilities, sanitation facilities, and market offices. Some key elements within growth centers or large markets will be made climate resilient. The output also includes improving 186 community markets and 11 women's markets established in existing community markets.

IV. SUBPROJECTS SELECTED FOR DETAILED STUDY

6. Three typical sample subprojects were studied in detail during the PPTA. It is envisaged that during the implementation phase of the Project the methodology and documentation

¹ The SCF is to finance targeted programs with dedicated funding to pilot new approaches with potential for scaling up. It includes PPCR, Forest Investment Program, and Scaling up Renewable Energy Program in Low Income Countries.

² The CIF are a unique pair of financing instruments designed to support low-carbon and climate-resilient development through scaled-up financing channeled through ADB, the African Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, and World Bank Group.

developed for these sample subprojects will be followed in preparing other subprojects. The subprojects selected for detailed study under the PPTA are: (1) Dhalirkhanda (Chaterhat Bridge) to Bashtala Bazaar Upazila Road under Mongla Upazila, Bagerhat District- an Upazilla Road, (2) Batbunia Market subproject under Tildanga UP, Upazila Dacope, District Khulna: a Market and (3) Kalir Bazar-Chakhar UP & Jangalia GPS cum Cyclone Shelter Access Road Subproject under Chakhar UP, UZ Banaripara, District Barisal: a Village Road. The Batbunia market subproject was found to have no resettlement impacts because this Market subproject is proposed to be improved on its existing footprint, and if extension is considered there is Government/khas land available requiring no acquisition or resettlement.

7. As a result, this market development/improvement will not require a resettlement plan. This due diligence report explains how this was verified.

V. DESCRIPTION OF THE SUBPROJECT

8. The Batbunia Market Subproject is situated on the north bank of Dhaki River under Tildanga Union of Dacope Upazilla, under Khulna district. This Market is located about 10 km northwest from Dacope Upazilla headquarter (Chalna) and is served mainly by river route and a herringbone surfaced road on the Bangladesh Water Development Board (BWDB) polder embankment running through the market area. The market covers a land area of 6 (six) acres. Though it falls within the „Tildanga’ union, the people from three adjacent unions are the users and beneficiaries of the market. This is about an 80 year-old market. The market is physically located along both sides of the BWDB polder embankment alignment with a length of about 750 meters. The land ownership of the market is BWDB/GOB. There are more than 120 permanent shops, together with about 130 temporary shops which operate only on Monday, the hat day. These temporary shops are usually located mainly on the open space along the river side of the embankment, with a few on the embankment. During high tide, river water sometimes inundates the parts of the temporary shops market area causing difficulties to run their businesses.

9. This important market is located in a remote area and serves the purpose of marketing/trading covering 3 unions comprising about 60 villages. Considering the volume of business, location of market, number of people using the market, etc., improvements to the market are necessary to improve business efficiency and reduce the sufferings of people using the market.

10. Development of this market on the riverward side of the embankment is not considered feasible in the long term because there is possibility of river erosion, and visual evidence also supports this. So, a new location on the landward side of the BWDB embankment is preferable for development. It was reported by the Local Government bodies, market committee members, local people, etc. that there is available government/Khas land of about 0.66 acres near the present market location and this area is inside the BWDB embankment. It is considered to be a suitable place for market development and would require no land acquisition or resettlement. As a result, there would be negligible resettlement impact on the people due to the market development on that site. Moreover, no indigenous people were found living in the vicinity or using the market. The PPTA safeguard team visited the proposed place for market development and found it a suitable location. The people from all walks of life have keen interest for development of the market in this location. In this connection, they assure all sorts of cooperation and participation during development process of this subproject if it proceeds.

VI. DESCRIPTION OF THE SOCIOECONOMIC CONDITION

11. The subproject market is situated within Tilganga Union of the Dacope Upazila. This Union has 18 villages with a total population of 16000 with about 4000 households, all of whom enjoy the benefit of the market. About 80% of the population belong to the “Hindu” community and 10% of the Households, i.e. about 400 families, are headed by females. With regards to the occupation of people, about 450 families directly have livelihoods based on catching fish; among them about 150 are women who are used to catch shrimps fries only. Regarding other occupations, about 250 people ply rickshaw van (small/ standard size), about 100 people ply boats, about 200 people including 70 women are service holders, about 50 persons carry people on motorcycles, about 1000 people including 300 women are day laborers and about 2000 people are engaged in various types of businesses.

12. The social impact assessment revealed that most people are poor in the subproject area. The primary finding shows that the poverty rate or incidence of poverty is 60 to 70% (average for Khulna Division 39%) under the subproject area. The main sources of income for the male and female members of poor community are shrimp fingerling collection from the river, daily labor and also some micro business involving fish. The average monthly per capita income is estimated to be less than BDT 1200 which is below the nationally established poverty line. The options for poverty reduction, as suggested by the local people and members of the poor community are: cash for work including road and market development work; skills training along with employment linkage; and livelihood asset support to vulnerable households (women headed and households with disabled members).

13. Rivers and tributaries including canals are around the market, which are important resources for the livelihoods of local people. They use these resources for transportation and also for direct earning of income through fishing including shrimp fingerlings. At the same time, these rivers and tributaries, due geographical location, also make the people vulnerable to natural events and climate change. Tidal surges, floods and cyclones damage the shops, market place, houses, kitchen gardens, crops, fish ponds, cattle, poultry and other livelihood assets from time to time. Earthen and herringbone surfaced roads exist in the subproject area which are in poor condition.

14. During site visits to the concerned market, clear signs of damage to the riverbank were observed due to wave action and tidal surge, providing an ongoing threat to the portion of the market area located on the river side of the polder embankment. There is also an acute shortage of suitable drinking water, and sanitation facilities in the market are in poor condition. The present sheds used for selling goods are not adequate for the intended purpose. Climate vulnerability, the poverty situation, and the local importance of the market make it a high priority candidate for improvement works under CCRIP.

VII. PUBLIC CONSULTATION

15. Several public consultations were conducted during the study with different people including Union Parisad members, Market Committee members, shopkeepers, beneficiaries, etc. in the form of Focus Group Discussions (FGD), a Key Informant survey, personal contact, etc. During these consultations information about the project implementation and associated impacts were disclosed to the public and other stakeholders. A Questionnaire-based survey and field interviews were conducted to collect comments and suggestions in connection with required and preferred market improvements. Most of the participants surveyed expressed very positive attitudes to the proposed subproject improvements. None raised opposition against the subproject. The public views and suggestions to minimize the likely adverse impacts and to

enhance positive impacts due to the subproject implementation have been noted and incorporated in the report.

VIII. CONCLUSIONS

16. The subproject will not require any new private land acquisition for its development. So, no resettlement impact is expected. However, it will require additional consultations/discussions, additional social/key informant surveys and studies to assist detail design at the implementation stage. The proposed subproject will have substantial socioeconomic benefits among the communities resulting from improvements of the market which are proposed to include provisions of water supply, sanitation, electricity/solar energy, parking area for vehicles, etc. The proposed improved Batbunia market subproject will contribute significantly to sustainable socioeconomic development of the area.