

## Terms of Reference

### Background

In Bangladesh, most of the domestic consumers are availing gas pipeline connections for cooking on a monthly fixed-rate, non-metered basis. This results in wastage of natural gas usage among households.

Along with that, gas pilferage and management inefficiency result in misuse of this scarce resource of the country. As such, to establish overall demand-side management improvement of the primary energy sector, the Ministry of Power, Energy, and Mineral Resources (MPEMR) has undertaken a countrywide plan to install prepaid gas meters at the domestic consumer level.

In this project, three gas distribution companies (Client): i. Bakhraabad Gas Distribution Company Limited (BGDCL); ii. Karnaphuli Gas Distribution Company Limited (KGDCL); iii. Jalalabad Gas Transmission and Distribution System Limited (JGTDSL) will jointly install around 1.05 million prepaid meters at the household level (i.e., around 25% of all household gas connections countrywide).

The scope of the project also includes the installation of a management information system in one of the gas distribution companies. This will reduce the wastage of natural gas and encourage optimum consumption by households.

Also, this would ensure safety improvement by creating awareness in preventing unwanted accidents from potential gas leakage in the pipeline and theft. Moreover, shifting from postpaid fixed-rate charges to prepaid volume-based systems will limit the usage of gas. Successful implementation of this goal will help the country to better manage its limited natural gas resources and divert potentially saved gas amount to industrial and power generation sectors.

Within the Project, Asian Infrastructure Investment Bank (AIIB) will finance the installation of 1.05 million prepaid meters at the household level, and the installation of a management information system in one of the gas distribution companies.

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## Applicable Requirements

AIIB's Environmental and Social Framework (2021)<sup>1</sup> which encapsulates the Environmental and Social Policy (ESP), Environment and Social Standards (ESSs) and the Environmental and Social Exclusion List, will apply to this Project. The E&S assessments and related mitigation measures will be prepared in accordance with the provisions set out under ESF (2021) and Good International Practice.

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<sup>1</sup> Available on AIIB website

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The Project was assigned Category C under the Bank's Environmental and Social Policy (ESP). Accordingly, the Project will require the application of Environmental and Social Standard (ESS) 1 – Environmental and Social Assessment and Management. Installation of gas meters will allow consumers to have more efficient, and cost-conscious approach to gas consumption based on a more accurate reading of their gas use. It will also allow gas distributors to have a more immediate response to any gas leaks.

As part of the Project design, the implementing agencies need to continue and strengthen stakeholder engagement with various categories of stakeholders to (i) inform customers of the transition, and potentially related disruptions, (ii) enhance the GRM to facilitate and resolve complaints in a timely manner, and (iii) ensure that contractors abide by national labor laws and regulations. The ESSs set out more detailed mandatory environmental and social requirements. Specifically, ESS 1 covers the environmental and social dimensions and sustainability of Projects and supports the integration of environmental and social considerations into the Project decision-making process and implementation. The scope of the environmental and social assessment and management measures are proportional to the risks and impacts. Upon the identification of risks and impacts, effective mitigation and monitoring measures will be formulated prior to the commencement of civil works. ESS 1 defines the detailed requirements of the environmental and social assessment to be carried out for any project financed by the Bank.

The Project shall include all reasonable measures to avoid, minimize or mitigate adverse impacts on the baseline environmental and social conditions and limit effects on public health and safety. Special attention will be dedicated to minimizing disproportionate impacts on vulnerable groups including women headed households, elderly, Tribal Groups, Persons with Disability, and those with income below to the poverty line.

**Based on the available information, BGDCL, KGDCL, JGTDSL needs to prepare (i) an Environmental and Social Code of Practices (ESCoPs) as detailed below and (ii) E&S monitoring report.**

#### **Objectives of the Assignment**

The objective of the Assignment is to (i) identify and assess any potential adverse environmental and social impacts associated with the proposed Project, (ii) assess compliance with applicable laws and the AIIB ESP and ESSs; (iii) develop a Code of Practice to assess, minimize and mitigate adverse E&S impacts and identify beneficial E&S entry points for the stakeholders with the aim of strengthening the long term sustainability of the project, (iv) prepare a monitoring report and submit to AIIB for review.

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The assessment process will be commensurate with, and proportional to, the identified potential risks and impacts and will cover, in an integrated manner, all relevant direct and indirect environmental and social impacts of the Project across all the relevant stages of the project cycle (e.g., pre-construction, construction, and decommissioning or closure and reinstatement).

### **Scope of Work**

### **Conduct Screening**

- The Project's activities involve the procurement, installation, and commissioning of metering solutions for residential consumers. Based on the nature of these activities, it is expected that the E&S impacts will be localized and minor, entailing primarily noise and dust associated with installing meters. These minor and localized impacts will be addressed by preparing guidelines incorporated in the Environmental and Social Code of Practice. Therefore, the primary aim of this in-house assessment is to prepare an Environmental and Social Code of Practice and the associated guidelines. An E&S checklist covering adverse impacts has to be prepared to screen all activities which could potentially cause adverse environmental and social impacts.

### **Environmental and Social Code of Practice**

- BGDCL, KGDCL, JGTDSL is required to review its current operational and management practices and assess if the current practices are in line with Local laws and regulations and AIIB's ESF. Propose gap filling measures if gaps are identified.
- This Environmental and Social Codes of Practice (ESCoPs) sets out proportionate guidelines and procedures for managing the potential environmental and social impacts related to project activities. This includes (i) guidance on selecting premises, housekeeping, Occupational Health & Safety (OHS), Green House Gas (GHG) emissions, etc., (ii) management of solid waste disposal for equipment's, tubes waste computers and peripherals, (iii) minimizing the impact of air/noise pollution during activities, (iv) adherence to labor standards and other adverse social impacts. These impacts are minor, reversible and can be readily managed with good practices, and an accessible Grievance Redress Mechanism (GRM). The ESCoPs will provide an outline of the guidelines and procedures regarding the identification, monitoring and mitigation of those minor environmental and social impacts. The ESCoPs shall be included in all relevant contracts.
- BGDCL, KGDCL, JGTDSL shall assess its institutional capacity related to E&S. Based on the assessment, the BGDCL, KGDCL, JGTDSL shall propose appropriate Institutional arrangements for effective project environmental and social safeguard management.

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### Monitoring Report

- BGDCL, KGDCL, JGTDSL are required to design a monitoring report based on the Code of Practices. The report is expected to support AIIB supervision. A sample monitoring report is designed in Annex 2. The BGDCL, KGDCL, JGTDSL to prepare and submit an enhanced monitoring report on an annual basis.

### Implementation Arrangements

- The BGDCL, KGDCL, JGTDSL will report and liaise on all aspects of the Assignment with the AIIB.
- The staff members of BGDCL, KGDCL, JGTDSL who will be working on these activities will need to be provided with access to or copies of all relevant information. The BGDCL, KGDCL, JGTDSL will make a detailed review of this information and submit the deliverables in English and also by translating the relevant deliverables in Bengali. The BGDCL, KGDCL, JGTDSL will bear the cost of any necessary translations.
- The BGDCL, KGDCL, JGTDSL will be expected to identify all categories of stakeholders and work with them in a meaningful manner. Stakeholders can include but not limited to NGOs/CSOs, local offices of Project's Area, Project affected people including those impacted through E&S related adverse externalities such as noise and dust or adherence to OHS and labor standards.

### Deliverables

The BGDCL, KGDCL, JGTDSL will submit the following deliverables in English/Bengali to the AIIB:

Sl.	Tasks	Timeline
1	Kick-off meeting	2 weeks from the start date
2	Inception report comprising the work plan, timelines, background review and field survey methodology.	2 weeks from the kick-off meeting
3	Draft Code of Practices (see Annex 1)	1 month from the end Inception Report
4	Draft Monitoring Report (see Annex 2)	1 month from the end Inception Report
5	Final documentation – Code of Practices and Monitoring Report	1 week after receiving the AIIB's comments on the draft versions.

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The applicant should have the following experiences:

- 15 years overall experience in Consultancy services;
- at least Ten (10) years experience in Consultancy works related to Environmental & Social related Study;
- The applicant should have proven experience of successful completion of at least one (01) similar works of any govt./semi govt. or autonomous body in Bangladesh within the last 05 (Five) years.
- The consultancy services to be provided by the firm shall include the following expertise:

S.L	Category of Person	No of Person
1	Team Leader	01
2	Environmental Specialist	01
3	Social Study Specialist	01

A list of Key professionals and Experience in similar working conditions should be submitted along with signed CV (including photograph).

Qualification of Key Personnel:

SL	Position	Qualification	Experience
01	Team Leader	M.Sc./B.Sc Engineering in Civil/Mechanical/Petroleum & Mining or, equivalent degree	15 years
02	Environmental Specialist	M.Sc./B.Sc in Environmental Engineering/Environmental Science or, Equivalent degree	15 years
03	Social Study Specialist	M.S.S. in Social Science/Social Welfare or, Equivalent degree	10 years

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## Annex 1: Environmental and Social Code of Practices – Table of Contents

Summary of the Code of Practice to include, among other things:

1. Executive Summary
1. Introduction to the Project
  - 1.1. Project Components
  - 1.2. Rationale of ESCoPs
2. Review of Applicable Environmental and Social Policy, Rules and Regulations
  - 2.1. AIIB's ESF
  - 2.2. National Environmental Policies and Legal Framework
- 3 Environmental and Social Codes of Practice
  - 3.1. Environmental and Social Screening and Assessment
    - 3.1.1. Environmental and Social Management Opportunities
  - 3.2. Guidance on Selecting Premises to be used as Touch Points
    - 3.2.1. ESCoP 01: Locations / Buildings and Housekeeping Standards
    - 3.2.2. ESCoP 02: Community Health and Safety
    - 3.2.3. ESCoP 03: Organizational/Occupational Health and Safety (OHS)
    - 3.2.4. ESCoP 04: Energy Efficiency in Premises
    - 3.2.5. ESCoP 07: Pollution and Safety Related Aspects of Installation of Pre-Paid Gas meters
    - 3.2.6. EsCoP 08: Managing of Wastes due to Discarded Equipment
    - 3.2.7 EsCoP 09: Green House Gas Mitigation Measures
    - 3.2.8 ESCOP 10: Labor standards and other social impacts
4. Institutional Capacity for Environmental and Social Impact Management
  - 4.1. Overall Institutional Responsibility
  - 4.2. Safeguards Management
  - 4.3. Grievance Redress Mechanism
  - 4.4 Labor Code of Conduct and other social aspects.
  - 4.4 Disclosure of ESCoP

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**Annex 2: Sample Monitoring Report to be updated by the BGDCL, KGDCL, JGTDSL.**

Monitoring Report	Timeline (Months)							
Monitoring Parameters	1	2	3	4	5	6	7	Total
Number of Pre-Paid Gas meters installed								
Number of households/apartments								
Number of workers accidents								
Number of fatalities								
Number of grievances								

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