

**SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY**

Country:	India	Project Title:	Clean Energy Finance Investment Program
Lending/Financing Modality:	Multitranche Financing Facility	Department/Division:	Public Management, Financial Sector, & Trade Division and Energy Division, SARD

**I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY**

Targeting classification: General Intervention

**A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy**

The facility supports renewable energy development in India. The benefits of renewable energy capacity additions include globalized benefits in the form of reduced greenhouse gas emissions, national benefits in terms of enhanced energy security and additional electricity supply contributing to inclusive and environmentally sustainable economic growth, and localized benefits of improvement of livelihoods and job creation at the subproject sites. The poverty reduction impact of renewable energy subprojects could be both direct and indirect.

**B. Results from the Poverty and Social Analysis during PPTA or Due Diligence**

**1. Key poverty and social issues.** By seeking the ADB funds, the subproject sponsors are required to comply with the ADB and national guidelines on environment, social (resettlement and indigenous people), labor, gender, and other social matters. Subproject development would raise awareness through site visits by the safeguards experts. This includes interactions with the project proponent team to strengthen the safeguard measures and with local villages on past land use, as well as the project construction impact on local communities and their livelihoods.

**2. Beneficiaries.** Because renewable energy subprojects minimize negative environmental impacts associated with conventional power generation, the facility would improve general public health conditions. Civil works would also improve some basic infrastructure, such as local roads and electricity and water supplies. Additional power generation will support private sector economic activities and improve the livelihoods of Indian citizens through the provision of lighting, heat, refrigeration, and other household amenities. The investment creates employment and income, including economic benefits to the investors, businesses that benefit from the electricity use, service providers, and related industries.

**3. Impact channels.** The impact channels are existing and/or new infrastructure development to provide renewable energy power to recipients, and subproject facilities that provide employment and other benefits.

**4. Other social and poverty issues.** The social safeguard compliance of subprojects, particularly in resolving involuntary resettlement and indigenous peoples impacts, will be addressed through IREDA compliance with its ESMS and ADB SPS requirements.

**5. Design features.** There are no specific pro-poor design features embedded in the ADB facility, although the operation of renewable energy subprojects will have positive economic impacts that could lead to livelihood improvement, job creation, and economic and business development.

**II. PARTICIPATION AND EMPOWERING THE POOR****1. Summarize the participatory approaches and the proposed project activities that strengthen inclusiveness and empowerment of the poor and vulnerable in project implementation.**

The due diligence process under the ESMS would facilitate proper consultation with relevant stakeholders to ensure their meaningful participation. The consultation and participation activities would be properly documented and disclosed in accordance with the requirements of the ESMS. Consultations would aim to engender the informed consent of stakeholders and facilitate subproject implementation. Consultations would be ongoing as needed and involve subproject communities and local government officials as and where relevant.

**2. If civil society has a specific role in the project, summarize the actions taken to ensure their participation.**

Consultations with the civil society organizations in the subproject area would be undertaken, as and where relevant, to seek their perceptions of and participation in the subproject development.

**3. Explain how the project ensures adequate participation of civil society organizations in project implementation.**

Civil society organizations could participate in the grievance redress mechanism and provide suggestions on the implementation of the subproject.	
<b>4. What forms of civil society organization participation is envisaged during project implementation?</b>	
<input checked="" type="checkbox"/> Information gathering and sharing <input checked="" type="checkbox"/> Consultation <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership	
<b>5. Will a project level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons particularly the poor and vulnerable?</b>	
<input type="checkbox"/> Yes. <input checked="" type="checkbox"/> No.	
The nature and scale of impacts associated with the subproject are minor and therefore do not require a consultation and participation plan.	
<b>III. GENDER AND DEVELOPMENT</b>	
<b>Gender mainstreaming category:</b> No gender elements	
<b>A. Key issues.</b>	
As a financial intermediation (FI) loan, the ADB facility to IREDA is not envisaged to have direct gender benefits, although the renewable energy subprojects funded by the ADB facility may have more direct and tangible gender benefits. Renewable energy subprojects could have positive impacts on local economic activities and may open job opportunities for local women.	
<b>B. Key actions.</b>	
<input type="checkbox"/> Gender action plan <input type="checkbox"/> Other actions or measures <input checked="" type="checkbox"/> No action or measure	
<b>IV. ADDRESSING SOCIAL SAFEGUARD ISSUES</b>	
<b>A. Involuntary Resettlement</b>	<b>Safeguard Category:</b> <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> FI
<b>1. Key impacts.</b>	
The subprojects may have potential involuntary resettlement impacts, which are unknown during facility preparation and would be evaluated during facility implementation on a case-by-case basis. The facility has a detailed subproject due diligence and categorization process, subject to ADB review. When issues are identified, they would be dealt with in accordance with the developed ESMS and the ADB SPS (2009) requirements.	
<b>2. Strategy to address the impacts.</b>	
The facility will be financed under an MFF modality over a 10-year period, with three tranches. The ESMS has been prepared for the entire facility in accordance with the ADB SPS (2009) and national norms. While developing specific renewable energy subprojects under various tranches, the potential resettlement impacts on persons and communities that are physically and economically displaced would be evaluated and resettlement and rehabilitation would be undertaken in accordance with the ESMS, which would provide guidance in addressing involuntary resettlement impacts.	
<b>3. Plan or other Actions.</b>	
<input type="checkbox"/> Resettlement plan	<input type="checkbox"/> Combined resettlement and indigenous peoples plan
<input type="checkbox"/> Resettlement framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input checked="" type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Social impact matrix
<input type="checkbox"/> No action	
<b>B. Indigenous Peoples</b>	<b>Safeguard Category:</b> <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input checked="" type="checkbox"/> FI
<b>1. Key impacts.</b>	
Similar to the potential impact of subprojects on involuntary resettlement, impacts on indigenous peoples are unknown during facility preparation, and would be evaluated during facility implementation on a case-by-case basis. The facility has a detailed subproject due diligence and categorization process, subject to ADB review. When issues are identified, they would be dealt in accordance with the developed ESMS and ADB SPS requirements.	
<b>Is broad community support triggered?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>2. Strategy to address the impacts.</b>	
When specific renewable energy subprojects are developed under various tranches, potential impacts on the way of life, customs and traditional practices of communities of indigenous peoples would be assessed in accordance with the ESMS.	

<b>3. Plan or other actions.</b> <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input checked="" type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Social impact matrix <input type="checkbox"/> No action		<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary	
<b>V. ADDRESSING OTHER SOCIAL RISKS</b>			
<b>A. Risks in the Labor Market</b>			
<b>1. Relevance of the project for the country's or region's or sector's labor market.</b> Not significant (L). <input type="checkbox"/> unemployment <input type="checkbox"/> underemployment <input type="checkbox"/> retrenchment <input checked="" type="checkbox"/> core labor standards			
<b>2. Labor market impact.</b> The subprojects to be financed by IREDA shall lead to creation of employment opportunities (skilled and unskilled) during the construction and operation phase.			
<b>B. Affordability</b>			
No impact.			
<b>C. Communicable Diseases and Other Social Risks</b>			
<b>1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA):</b> <input type="checkbox"/> Communicable diseases <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others (please specify) _____  Not applicable.			
<b>2. Describe the related risks of the project on people in project area.</b>  Each subproject financed by the ADB facility would take specific action to inform, educate and prevent workers from contracting and the spread of HIV/AIDS. Human trafficking, child labor, and forced labor would be prohibited in connection with any part of the construction or operation of the subproject.			
<b>VI. MONITORING AND EVALUATION</b>			
<b>1. Targets and indicators:</b> The implementation targets and indicators for monitoring would include (i) employment opportunities from the subproject's construction activities for the poor; (ii) small contracts to local population; (iii) compliance with core labor standards; and (iv) HIV/AIDS awareness programs.			
<b>2. Required human resources:</b> The ESSU will be established within IREDA with designated resources to establish and implement monitoring and evaluation arrangements.			
<b>3. Information in FAM:</b> Semiannual review reports by ESSU.			
<b>4. Monitoring tools:</b> Internal monitoring by ESSU with verification by ADB.			

ADB = Asian Development Bank, ESMS = environmental and social management system, ESSU = environmental and social unit, IREDA = Indian Renewable Development Agency Limited, MFF = multitranches financing facility, SPS = Safeguard Policy Statement.

Source: Asian Development Bank estimates.