

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	India	Project Title:	Assam Power Sector Investment Program
Lending/Financing Modality:	Multitranche financing facility	Department:	South Asia Department Energy Division

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 Government of Assam (GOA) has prepared a power sector master plan for the 12th and 13th five year planning periods (FY2012–FY2017, FY2017–FY2022). GOA's power sector road map aims to achieve universal access to electricity by 2022. The Electricity Act of India (2003) provides a comprehensive legal framework for implementing reforms in India and its states. The country partnership strategy of the Asian Development Bank (ADB) for India is closely aligned with India's development goals: both have a strong focus on infrastructure development, including energy and power development and reforms.^a Adequate electric power supply is essential for achieving sustainable economic growth. At the state level, GOA introduced a power sector reform policy through the Power Policy Statement (2003) highlighting the needs to (i) increase the financial viability of the sector; (ii) restructure power utility companies; and (iii) promote private sector participation. ADB's country partnership strategy, 2013–2017 continues with the same approach by strengthening transmission and distribution networks to reduce technical and commercial losses and improve the financial health of state utilities; as well as by focusing on capacity development issues. The current investment program is consistent with the ADB strategy and the government's policies and strategies. Additionally, sustained partnerships between ADB and Assam utilities will help sector reforms to be on track. The program's rationale is to reduce the energy deficit, thus encouraging agriculture and industry, and contributing to economic growth.

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

1. Key poverty and social issues. The impact of the investment program will be increased availability of electricity in Assam. This will increase economic opportunities, including temporary jobs during project implementation and construction. The outcome will be increased capacity and efficiency of the energy generation and distribution system. The outputs include (i) upgraded and expanded generation system, (ii) upgraded and expanded distribution system, and (iii) strengthened institutional capacity of power sector utilities. The benefits of improving the power sector are manifold. Technical improvements and reforms that lead to sector sustainability can free up resources for other pro-poor initiatives. Improved power supply and reliability contributes to improved social services (hospitals, schools, and other social utilities are often hardest hit by inadequate power supply, load shedding, and poor quality of power). From a social perspective, regular and efficient power supply increases access to electronic media such as television and radio, enabling more informed, meaningful choices and an enhanced understanding of civic affairs and duties. For economic growth, power sector development could support greater efficiency in tea manufacturing and farm mechanization leading to greater agricultural yields, and could benefit the commercial and industrial sectors by promoting adoption of new technology, access to markets, skills training, entrepreneurship, and an increase in employment opportunities. With regular electrification, household and cottage industries could increase in number and quality. All these factors have a positive impact on reducing poverty.

2. Beneficiaries. Project beneficiaries are those that will directly benefit from an increased supply and access to electricity. The beneficiaries in tranche 1 components are general and no specific intervention is involved. The power produced from the new plant would be put into the grid, which will be used by the distribution companies to supply to people in general and other beneficiaries. While no specific beneficiaries have been identified, the program would have a general positive impact on Assam residents and local people in terms of providing some temporary job opportunities during project construction.

3. Impact channels. The project has the capacity to indirectly improve the quality of life and well-being of beneficiaries in the project area by providing them with opportunities to increase incomes through employment and alternative livelihoods. Development of the power sector is connected to poverty reduction. Clean power development ensures that the poor will benefit, as they bear a larger share of the adverse impacts of pollution and environmental degradation. Also, stable electricity supplies promote business expansion and increase employment opportunities, which can have a positive impact on reducing poverty. The investment program will bring direct and indirect positive social impacts. This will specifically benefit people living in remote areas through improved frequency and voltage for various uses, which will ultimately result in socioeconomic growth including possible job opportunities or employment for skilled and unskilled labor during the construction.

4. Other social and poverty issues. Assam ranks 26th in the human resource development index and 21st in the poverty index in India. The economy of Assam is overwhelmingly agricultural. The percentage of poor in Assam is the highest among the seven neighboring states of the northeast. Around 36% of the state's population continues to live

<p>below the poverty line, a figure considerably above the national average. The state has a rural–urban divide; 4 of 10 rural residents are likely to be living below the poverty line, while in urban Assam, the incidence is less than 1 in 10. A small-scale qualitative survey was conducted covering six project-influenced villages. The main economic activities are farming, small-scale business, and tea gardens in the project area. Unemployment is prevalent in the project vicinity, with approximately 60% of youth unemployed. Also, 70%–80% of households are below the poverty line. Some households are not yet electrified (approximately 20%–30%). Electricity is supplied 5–6 hours/day on average. Access to health facilities is a major concern among local residents.</p> <p>5. Design features. The project is classified as general intervention and is expected to have a positive impact on people’s access to energy from the grid across the state, as well as people living in the direct area of influence of the project, either in the way of jobs or increased economic growth and investment in the area. No critical or adverse impacts of an irreversible manner have been identified. No direct impact on poverty is envisaged as a result of project implementation. Nonetheless, the project will have indirect impacts on both Assam and India as a whole.</p>	
<p>C. Poverty Impact Analysis for Policy-Based Lending- Not applicable</p>	
<p>II. PARTICIPATION AND EMPOWERING THE POOR</p>	
<p>1. Summarize the participatory approaches and the proposed project activities that strengthen inclusiveness and empowerment of the poor and vulnerable in project implementation. Consultations were carried out with various stakeholders such as village communities, local residents, women’s groups in the villages, and representatives of government officials and executing agencies. Stakeholders were informed about the new project and program, and consultations will continue during project implementation.</p> <p>2. If civil society has a specific role in the project, summarize the actions taken to ensure their participation. The project under tranche 1 is categorized C for involuntary resettlement and indigenous peoples. Land and other infrastructure are available; therefore, it will not have any adverse impact. Looking at the nature of project, it is likely civil society will not be expected to take a role during implementation.</p> <p>3. Explain how the project ensures adequate participation of civil society organizations in project implementation. Consultation will be continued with all stakeholders including civil society during project implementation; otherwise, no such specific role is foreseen for civil society for project implementation.</p> <p>4. What forms of civil society organization participation is envisaged during project implementation?</p> <p><input type="checkbox"/> L Information gathering and sharing^b <input type="checkbox"/> M Consultation <input type="checkbox"/> N Collaboration <input type="checkbox"/> N Partnership</p> <p>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?</p> <p><input type="checkbox"/> Yes. <input checked="" type="checkbox"/> No. This is a simple project with no impact on land acquisition and involuntary resettlement.</p>	
<p>III. GENDER AND DEVELOPMENT</p>	
<p>Gender mainstreaming category: No gender elements</p>	
<p>A. Key issues.</p> <p>No particular issue is expected to arise from project implementation on gender benefits. Nonetheless, the executing agency and the construction contractor will work to create job opportunities during construction with equal wages for men and women.</p>	
<p>B. Key actions. The tranche 1 project, as a replacement project, does not have any scope for promoting gender equality. The project will not have any such impact on women, except some potential employment scope. However, as a part of social due diligence, focus group discussions were carried out with women’s groups in villages surrounding the project to create awareness of the upcoming development activities.</p> <p><input type="checkbox"/> Gender action plan <input type="checkbox"/> Other actions or measures <input checked="" type="checkbox"/> No action or measure</p>	
<p>IV. ADDRESSING SOCIAL SAFEGUARD ISSUES</p>	
<p>A. Involuntary Resettlement Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. The tranche 1 project will not entail any land acquisition. The proposed 70-megawatt (MW) (10X7 MW) project is a replacement of the existing 60 MW plant, which will be installed within the existing premises resulting in no impact on involuntary resettlement.</p> <p>2. Strategy to address the impacts. No action is required for the tranche 1 subproject, except a social due diligence report. A resettlement framework was prepared for the entire facility program including future tranches.</p> <p>3. Plan or other actions.</p> <p><input type="checkbox"/> Resettlement plan <input type="checkbox"/> Combined resettlement and indigenous peoples plan</p> <p><input checked="" type="checkbox"/> Resettlement framework <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Social impact matrix</p> <p><input checked="" type="checkbox"/> No action</p>	
<p>B. Indigenous Peoples Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p>	

<p>1. Key impacts. The project will not have any impact on indigenous peoples. The project site is well defined and the boundary has been established. Villages are surrounded at a minimum distance of 1–2 kilometers from the project site. Construction activities will not have any impact on indigenous peoples or scheduled tribes of the area.</p> <p>Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>										
<p>2. Strategy to address the impacts. No action is required for the tranche 1 project since it has no impact on indigenous peoples. However, an indigenous peoples planning framework was prepared for the entire facility including future tranches.</p>										
<p>3. Plan or other actions.</p> <table border="0"> <tr> <td><input type="checkbox"/> Indigenous peoples plan</td> <td><input type="checkbox"/> Combined resettlement plan and indigenous peoples plan</td> </tr> <tr> <td><input checked="" type="checkbox"/> Indigenous peoples planning framework</td> <td><input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework</td> </tr> <tr> <td><input type="checkbox"/> Environmental and social management system arrangement</td> <td><input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary</td> </tr> <tr> <td><input type="checkbox"/> Social impact matrix</td> <td></td> </tr> <tr> <td><input checked="" type="checkbox"/> No action</td> <td></td> </tr> </table>	<input type="checkbox"/> Indigenous peoples plan	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan	<input checked="" type="checkbox"/> Indigenous peoples planning framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework	<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary	<input type="checkbox"/> Social impact matrix		<input checked="" type="checkbox"/> No action	
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V. ADDRESSING OTHER SOCIAL RISKS										
A. Risks in the Labor Market										
<p>1. Relevance of the project for the country's or region's or sector's labor market.</p> <p><input type="checkbox"/> L unemployment <input type="checkbox"/> L underemployment <input type="checkbox"/> L retrenchment <input type="checkbox"/> M core labor standards</p>										
<p>2. Labor market impact. In general, job opportunities will be available for skilled and unskilled laborers during construction. The executing agency will include specific provisions in its contractual agreements with construction contractors to ensure gender equality and compliance with core labor standards.</p>										
B. Affordability										
No particular issue is expected.										
C. Communicable Diseases and Other Social Risks										
<p>1. Indicate the respective risks, if any</p> <p><input type="checkbox"/> L Communicable diseases <input type="checkbox"/> L Human trafficking <input type="checkbox"/> NA Others (please specify) _____</p>										
<p>2. Describe the related risks of the project on people in the project area. Provisions will be taken to prevent or minimize impacts. Where and if necessary, the project will be expected to take specific action to inform, educate, and prevent workers from contracting and spreading HIV/AIDs. A no-tolerance policy on human trafficking, child labor, among other issues, is expected.</p>										
VI. MONITORING AND EVALUATION										
<p>1. Targets and indicators. Target indicators will be general in nature such as (i) number of employment or jobs generated during project construction for unskilled, semi-skilled, and skilled labor, (ii) how the corporate social responsibility fund is utilized and its specific impact on relevant areas as specified in the corporate social responsibility policy, and (iii) additional electricity generated and its impact on beneficiaries.</p>										
<p>2. Required human resources. Project management unit staff, project implementation unit staff, and project management consultant staff.</p>										
<p>3. Information in PAM. Biannual project review and monitoring report requirements including safeguards, gender, health, and labor, are included in the facility administration manual. Completion report requirements are included in the PAM.</p>										
<p>4. Monitoring tools. The impact is negligible. Hence, no impact is seen during implementation.</p>										

^a ADB. 2013. *Country Partnership Strategy: India, 2013–2017*. Manila.

^b L = low, M = medium, N = none, NA = not applicable

Source: Asian Development Bank.