



Initial Poverty and Social Assessment

Project Number: 47924
December 2013

IND: Delhi Electricity Distribution System Improvement Project

An initial poverty and social assessment (IPSA) is prepared in the early stage of the project cycle to assess the significance of social issues for a project. In accordance with ADB's public communications policy (PCP, 2005), the IPSA is disclosed upon completion. The final summary social assessment is included as an appendix to the project's report and recommendation of the President.

Asian Development Bank

INITIAL POVERTY AND SOCIAL ANALYSIS

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| Country: | India | Project Title: | IND Delhi Electricity Distribution System Improvement Project |
| Lending/Financing Modality: | Corporate Finance | Department/ Division: | Private Sector Operations Department Infrastructure Finance Division 1 |

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The proposed improvements to the Delhi electricity distribution systems will result in increased electricity supply, minimize aggregate technical and commercial (ATC) losses, and reduce unscheduled power outages in the distribution area. The investment is aligned with the India country partnership strategy, 2013–2017, which underlines the need for ADB to focus on expanding availability and access to energy by reducing losses and strengthening infrastructure. The project is also in line with ADB's Energy Policy which (i) highlights energy efficiency improvements in transmission and distribution systems, and (ii) encourages the facilitation of private sector investments to improve energy efficiency.

B. Targeting Classification:

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)

The project will provide a reliable supply of electricity to residents of south and west Delhi through adequate upgrading, repair and maintenance of the existing facilities as well as capacity expansion to accommodate growing electricity demand.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.
The key issues associated with the electricity distribution in Delhi are high levels of aggregate technical and commercial (ATC) losses and unscheduled power outages. The project improvements will benefit the residents of south and western parts of Delhi.
2. Impact channels and expected systemic changes.
The proposed measures to improve the efficiency of electricity distribution system are cost-effective and environmentally sustainable interventions to reduce the electricity demand–supply gap in the national capital.
3. Focus of (and resources allocated in) the PPTA or due diligence.
A corporate audit of BRPL and the existing electricity distribution system will be carried out. The audit will include due diligence reviews of the sponsor's past and present performance on environment and social management systems, an audit of how the safeguard issues are addressed (relating to environment, land acquisition and involuntary resettlement) and social dimensions (relating to labor practices, stakeholder engagement etc). The audit team includes a social development specialist.
4. Specific analysis for policy-based lending.
Not applicable

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?
None.
2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?
 Yes No Please explain.
Though not significant in terms of numbers, there is a possibility of engagement of local women as labor during construction and employment of women in activities including bill distribution, customer service centres etc. The potential for inclusion of such measures in the project will be explored during the audit and due diligence.
3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?
 Yes No Please explain
4. Indicate the intended gender mainstreaming category:
 GEN (gender equity theme) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

The key stakeholders for the project will be the citizens of south and west Delhi served by BRPL's electricity distribution systems, non-residential (commercial, industrial, institutional) consumers within BRPL's area of operations, the resident welfare associations (RWA), and the Government of Delhi (the regulator). The audit will review stakeholder engagement process of BRPL and its corporate social responsibility initiatives with the consumers and stakeholders.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?

Based on the information provided, BRPL has arrangements in place for consultations with consumers and the resident welfare associations on a regular basis and redress their grievances and concerns. The audit will review the existing arrangements and identify potential opportunities to engage and empower stakeholders.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

BRPL is required, as per its agreement with the regulator (DERC), to continuously engage with stakeholders and address the concerns of the consumers and residents through monthly meetings with RWAs and Bhagidari meets.^a The ESMS to be developed for BRPL will include arrangements to carry out meaningful consultations with stakeholders including the civil society groups.

M Information generation and sharing L Consultation N Collaboration N Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? Yes No

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? Yes No

Involuntary resettlement impacts are not expected, as the proposed improvements to the distribution systems will be either on government lands that will be handed over on a long term lease basis or within the right of way of roads. No physical or economic displacement is expected, and will be confirmed by the audit and due diligence.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

Resettlement plan Resettlement framework Social impact matrix
 Environmental and social management system arrangement None

B. Indigenous Peoples Category A B C FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? Yes No

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? Yes No

The subprojects will be implemented within Delhi metropolitan limits in the southern and western parts of the capital city. There are no pockets or concentrations of scheduled tribes in these localities. Therefore, impacts on ethnic minorities are not envisaged.

3. Will the project require broad community support of affected indigenous communities? Yes No

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?

Indigenous peoples plan Indigenous peoples planning framework Social Impact matrix
 Environmental and social management system arrangement None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

M Creating decent jobs and employment M Adhering to core labor standards L Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS Increase in human trafficking Affordability
 Increase in unplanned migration Increase in vulnerability to natural disasters Creating political instability
 Creating internal social conflicts Others, please specify _____

2. How are these additional social issues and risks going to be addressed in the project design?

Though no major social issues or risks are likely, the audit and due diligence of BRPL will assess the significance of

the social issues and risks, and incorporate the findings in the audit/due diligence reports. During due diligence, the project team shall consult with BRPL on the identified social issues to be integrated as part of the project design and implementation.

VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified?

Yes No

The safeguards due diligence team for BRPL will include the inputs of a social development specialist to (i) provide inputs to the corporate audit of BRPL and (ii) carry out due diligence of social safeguards and other social dimensions of BRPL operations. The terms of reference of the audit describes the issues to be covered by the social development specialist.

2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the PPTA or due diligence?

There are no primary surveys or workshops required to be carried out. The social development specialist will carry out the audit and due diligence based on site visits, consultations with stakeholders and communities.

^a 'Bhagidari Program' is a Government of Delhi initiative providing for citizen-government partnership towards good governance and resolve the various problems being faced by the city's residents. These problems include water shortage and pipe leakages, choked sewers, power shortage and faulty electricity meters, solid waste heaps, broken roads and lanes, poor maintenance of parks, traffic congestion, crime, encroachments, slums, grievances related to collection and payment of taxes, issue of licenses, sales tax, weights and measurements used for commercial purposes. The citizen groups and government officials meet, interact, overcome their inhibitions, and develop a genuine dialogue with each other. Frequent workshops are held to discuss issues, identify possible solutions, and execute steps towards the program's implementation.