



Initial Poverty and Social Assessment

Project Number: 48209
November 2014

IND: ACME-EDF Solar Power 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, 2011), the IPSA is disclosed upon completion of the credit approval process. 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

Country:	<input type="text" value="India"/>	Project Title:	<input type="text" value="ACME-EDF Solar Power Project"/>
Lending/Financing Modality:	<input type="text" value="Corporate Finance"/>	Department/ Division:	<input type="text" value="PSOD/PSIF1"/>

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

India's Twelfth Five-Year Plan, 2012–2017 seeks faster, more inclusive, and sustainable growth. Emphasizing fast growth in energy and infrastructure sector investments, the plan targets addition of 30,000 megawatts (MW) of renewable energy capacity.^a The project will contribute to the diversification of India's energy mix through the addition of renewable energy capacity, helping the country progress towards its clean energy targets and contribute to the goal of the Jawaharlal Nehru National Solar Mission (JNNSM) to achieve installed capacity of 22,000 MW of solar power in India by 2022.^b The project is aligned with the India country partnership strategy, 2013–2017, which focuses on investments in renewable energy development and promotes environmental sustainability.^c

B. Targeting Classification

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

The project will contribute to poverty reduction through benefits from the proposed energy generation. In addition, the project will directly and indirectly contribute to poverty reduction locally through the creation of a temporary and permanent jobs.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The need for additional power in India remains chronic as quality of service remains suboptimal and rural areas remain underserved. The additional clean energy supply generated by the project will contribute in providing businesses and households energy security for production of goods and services. ACME Solar Energy Private Limited's (ASEPL's) pipeline targets development of solar projects in the relatively less-developed states of Rajasthan, Chhattisgarh, Assam, Odisha, and Jharkhand. Development and commissioning of a portfolio of renewable projects in these states will generate jobs for the local population and help alleviate poverty in the short term, in addition to contributing to improved energy access in the states. The project's negative socioeconomic impacts are expected to be localized and short term.

2. Impact channels and expected systemic changes. The additional clean energy supply generated by the solar projects that will be constructed and operated may indirectly benefit the poor and vulnerable groups through jobs that will be created by different industries and businesses.

3. Focus of (and resources allocated in) the PPTA or due diligence. During due diligence, the project sponsor's safeguards, community health, safety and security, community engagement and social sustainability practices and measures will be assessed through a corporate and project level environment and social audit.

4. Specific analysis for policy-based lending. N/A

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? Power generated by ASEPL projects will be sold to the state grid and power will be transmitted and distributed by state level transmission and distribution companies. As such direct benefits to women in states where power from ASEPL projects will be distributed cannot be quantified. Relevant gender issues at the corporate and project site levels are therefore limited to equal access to job opportunities during construction and operations stage and women's representation and access to any community activities or programs which are directly related to ASEPL projects. These issues will be assessed as part of the due diligence.

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 limited, opportunities for increasing the employment of women for project related jobs at the site level will be explored during due diligence. The gender diversity of ASEPL's corporate staff will also be covered during due diligence.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes No Please explain. Due diligence will assess whether rights of women workers are respected especially with respect to health and safety, and maternity benefits. The due diligence will review the human

resource policies of ASEPL to ensure that its operations do not have adverse impacts on women or widen gender inequality.

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.

At the project level, the stakeholders include local government authorities, transmission and distribution companies, villagers in project affected areas, individuals who will be employed during construction and operation of solar projects and funding sources. As part of the audit of ASEPL's environmental and social performance during due diligence, local communities in the proposed project locations will be visited and key informant interviews will be conducted to determine whether ASEPL's systems and processes, including community programs, are effective. Through the results of the audit, ASEPL's environmental and social management system (ESMS) will be enhanced as required. Due diligence will assess how these stakeholders are engaged effectively in ASEPL's operations,

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?

By ensuring that ASEPL adopts and implements a satisfactory ESMS, the concerns of the poor, vulnerable and excluded will be addressed in the project specific environmental and social assessments and plans which ASEPL will prepare during project implementation. Further, the due diligence will assess the effectiveness of the grievance redress mechanism, especially for the poor and vulnerable communities.

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?

- L Information generation and sharing N 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

The sites for the five projects to be developed in Jodhpur district of Rajasthan are barren and nonagricultural government land and will be allotted to ASEPL for 25 years. ASEPL will avoid any impact on local population by excluding from the project site parcels of land used by locals for grazing or agriculture purposes. Unavoidable impacts, if any, on non-titleholders using the site will be addressed in line with the SPS. For future subprojects, ASEPL will either identify government land or procure land through negotiated settlements on a willing seller-buyer basis without the possibility of recourse to expropriation under the Land Acquisition, Rehabilitation and Resettlement Act, 2013.

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

ESMS arrangements will be developed and agreed upon with ASEPL to identify enhancements required in the ESMS. For projects with involuntary resettlement requirements, if any, resettlement plans in line with SPS requirements will be prepared.

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

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

Sites that trigger impacts on indigenous communities will be excluded from further consideration.

V. OTHER SOCIAL ISSUES AND RISKS

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

<input checked="" type="checkbox"/> L Creating decent jobs and employment <input checked="" type="checkbox"/> M Adhering to core labor standards <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____ 2. How are these additional social issues and risks going to be addressed in the project design? ESMS will include compliance with the national labor standards as well as crafting of relevant measures to comply with the core labor standards.
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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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? Consultancy services engaged to conduct a corporate and project level environmental and social performance audit of ASEPL. In addition, the ADB Project Team will conduct due diligence and meetings with ASEPL covering social safeguards, labor, gender, and other social aspects of the project. The project team will conduct social safeguards due diligence including labor and gender.

^a Planning Commission. 2012. *Twelfth Five-Year Plan, 2012–2017: Faster, More Inclusive and Sustainable Growth*. New Delhi: Government of India.

^b Ministry of New and Renewable Energy. 2010. *Jawaharlal Nehru National Solar Mission Towards Building Solar India*. New Delhi.

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