

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	<input type="text" value="India"/>	Project Title:	<input type="text" value="Preparing the Transmission Improvement Projects in Odisha and Tamil Nadu"/>
Lending/Financing Modality:	<input type="text" value="Project loan"/>	Department/ Division:	<input type="text" value="South Asia Department / Energy Division"/>

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The national poverty reduction strategy is based on “faster, sustainable and inclusive economic growth.” Power sector development is a key driver of economic growth and development in India. Access to reliable and sufficient energy increases agricultural, industrial and commercial productivity; and enhances economic growth. Economic growth helps reduce poverty and improve quality of life, particularly for the most vulnerable segments of society. The inclusivity of economic growth is enhanced by providing access to reliable and affordable electricity to backward communities in lagging states such as Odisha.

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 in sector governance. Supporting the electricity transmission network coverage and capacity to underpin the rural electrification program and growth in electricity demand is an essential part of ADB's energy sector strategy in the country partnership strategy.

The proposed project addresses medium- to long-term transmission capacity augmentation and enhancing the climate resilience of power sector to facilitate the state governments' objective of 100% electrification of all the villages of Odisha and Tamil Nadu by 2022. This will contribute to the poverty alleviation of remote and disadvantaged communities who do not have access to electricity by improving the quality of life and creating income generating opportunities.

B. Poverty Targeting:

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

The project is designed to augment and enhance the capacity of high voltage electricity transmission network and will not have direct poverty reduction focus. However, Odisha has an electrification rate of only 56% compared to the national average of 73% with more than 3,000 un-electrified villages. The Government of Odisha has set a target of achieving 100% electrification of all villages as part of its strategy for poverty alleviation in remote and vulnerable communities. Although Tamil Nadu has an electrification rate of over 80%, the reliability and quality of power supply is poor in the rural areas. The proposed project will contribute to improved quality of power supply and rural electrification by providing high voltage transmission connection to medium voltage network in remote areas. This will facilitate the extension of medium voltage network to the un-electrified villages.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

Odisha is one of the economically poorer states in India. According to the Planning Commission's Tendulkar Committee Report 2009, the poverty headcount ratio of Odisha, at 57.2%, is one of the worst among Indian states and way above the national average of 37.2%. About 63.2% of the people in Odisha live below the poverty line. Rural poverty, at 60.8%, is also significantly higher than the urban poverty, which is 37.6%, and the worst in India. Further, the Scheduled Castes and Scheduled Tribes of the state also have a high incidence of poverty as compared to those in the country as a whole. Although Tamil Nadu is economically more advanced with high degree of industrialization, it also has marginalized social groups suffering from high levels of poverty and lack of access to electricity.

The key social issues the project will address are the (i) poverty and lack of economic opportunities in large number of un-electrified villages; and (ii) disruption of economic activities due to unreliable power supply in already electrified villages due to frequent breakdown of electricity supply due to climate events as well as inadequate network design. The potential beneficiaries of the project are rural communities in un-electrified villages as well as communities served at present with unreliable power supply. The project will indirectly support rural electrification by strengthening the medium voltage network.

2. Impact channels and expected systemic changes.

These two projects will indirectly contribute to poverty reduction by facilitating electrification of un-electrified villages and improving the reliability of electricity supply in rural areas. In addition, the two projects will contribute to the industrialization of Odisha and further expansion of industries in Tamil Nadu by enhancing the transmission capacity to meet the industrial electricity demand in the two states. Improving rural electrification and providing reliable electricity supply to industries will contribute to employment creation and poverty alleviation.

3. Focus of (and resources allocated in) the PPTA or due diligence.

As the project does not have scope for direct poverty reduction interventions, the focus of the project preparatory technical assistance with respect to social issues will be limited to addressing any social impacts during the project construction. These include potential involuntary land acquisition, disruption of livelihoods and disruption of traditional livelihoods and lifestyles of indigenous people if they are present in the project sites. The due diligence on these issues will be undertaken during project preparation under RETA 8254: Enhancing Economic Analysis and South-South Learning and mitigation measures will be incorporated to the safeguard documents.

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?

There are no specific gender issues that are relevant to the project as it neither has scope for direct interventions to address any prevailing gender issues nor will cause any adverse gender impacts. However, the project will indirectly contribute to improving the quality of life of women in remote areas by facilitating rural electrification. In the subproject areas, prescribed social norms limit women to the immediate household area, and household work is their predominant activity. Lack of access to electricity adversely affects women's time in doing household work as electricity is used for lighting, pumping water into the houses, and running basic appliances such as fans and televisions.

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

The proposed project does not have potential to make a direct contribution to the promotion of gender equity or empowerment of women as its scope is limited to high voltage transmission system expansion. However, the corporate social responsibility activities of the project implementing agencies will be reviewed to identify opportunities for promoting gender equity and social inclusiveness. If such opportunities are identified, the gender mainstreaming category may be upgraded to some gender elements.

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

Yes No

4. Indicate the intended gender mainstreaming category:

GEN (gender equity) 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 indirect beneficiaries of the project will be the rural communities who would benefit from the rural electrification programs of the government that would be facilitated by the project.

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?

Although the ADB financed project does not directly benefit the beneficiaries, due diligence on the government's rural electrification program will be undertaken to identify opportunities to enhance the social inclusiveness and ensure that the poor households will be provided opportunities to benefit from the rural electrification programs. Policy dialogue will be undertaken with the state government to enhance the social inclusiveness of the rural electrification program facilitated by the project.

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?

Information generation and sharing Consultation Collaboration 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 project consists of high voltage transmission lines and substations. This may require land acquisition for substations and compensation for restrictions on land use under transmission towers. The implementing agencies have assured ADB that the transmission line alignments will be selected in a manner that will minimize land use restrictions and disruption of agriculture during the construction phase. Nevertheless, due diligence will be undertaken on land acquisition requirements of identified subprojects and resettlement plans prepared accordingly. A

<p>resettlement framework will be prepared to guide the implementing agencies in addressing the involuntary resentment impacts of future subprojects if the sector loan modality is adopted. Safeguard due diligence and document preparation will be undertaken under RETA 8254.</p>
<p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?</p> <p><input checked="" type="checkbox"/> Resettlement plan <input checked="" type="checkbox"/> Resettlement framework^a <input type="checkbox"/> Social impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The project is unlikely to have direct or indirect adverse impacts on the indigenous peoples except the construction phase impacts of transmission lines that may traverse through areas inhabited by indigenous peoples and land use restrictions.</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No There is a possibility that the transmission lines to be built under the project may traverse through the areas inhabited by indigenous peoples and there may be restriction on the use of land directly under the transmission lines.</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The proposed project will not result in (i) physical relocation of indigenous people from traditional lands; (ii) commercial development of natural resources within traditional lands; and (iii) cultural resources of indigenous people.</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?</p> <p><input checked="" type="checkbox"/> Indigenous peoples plan <input checked="" type="checkbox"/> Indigenous peoples planning framework^a <input type="checkbox"/> Social Impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p style="text-align: center;">V. OTHER SOCIAL ISSUES AND RISKS</p>
<p>1. What other social issues and risks should be considered in the project design?</p> <p><input type="checkbox"/> Creating decent jobs and employment <input checked="" type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment</p> <p><input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordabilityⁱ</p> <p><input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability</p> <p><input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design?</p> <p>The implementing agency will be required to ensure that the contractors to be employed under the project will adhere to core labor standards as defined in ADB's Safeguard Policy Statement (2009), Core Labor Standards Handbook, and take the appropriate measures to mitigate the risk of spread of communicable diseases.</p>
<p style="text-align: center;">VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</p>
<p>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?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>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?</p> <p>Given the limited scope for interventions to address social issues due to the nature of the project, it is not intended to allocate PPTA resources for undertaking poverty, social and gender analysis. However, PPTA resources have been allocated for addressing the social safeguard issues.</p>

^a It is not clear at this stage whether the project loan modality or sector loan modality will be adopted. This will be decided at the stage of finalizing the project concept paper based on the readiness of the subprojects. If the sector loan modality is adopted, resettlement framework and indigenous peoples planning framework will be prepared in addition to the resettlement plans and indigenous peoples plans for identified subprojects.