

# Initial Poverty and Social Analysis

---

Project Number: 48325-001  
July 2014

150-Megawatt Burgos Wind Farm Project  
(Philippines)

## INITIAL POVERTY AND SOCIAL ANALYSIS

|                             |  |                       |   |
|-----------------------------|--|-----------------------|---|
| Country:                    | <input type="text" value="Philippines"/> | Project Title:        | <input type="text" value="150 MW Burgos Wind Farm Project"/>  |
| Lending/Financing Modality: | <input type="text" value="Project"/>     | Department/ Division: | <input type="text" value="Private Sector Operations Department / Infrastructure Finance Division 2"/> |

|   |
|---|
| <b>I. POVERTY IMPACT AND SOCIAL DIMENSIONS</b>  |
| <p><b>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</b></p> <p>The proposed project is a nonsovereign debt of up to \$20 million to the EDC Burgos Wind Power Corporation (EBWPC) for the construction and operation of a 150 MW wind farm project in the northern part of Luzon, the largest island in the Philippines. EBWPC is a wholly owned subsidiary of Energy Development Corporation. The project is consistent with ADB's Philippine Country Partnership Strategy 2011-2016, which supports the scaling up of private sector infrastructure investments, particularly in energy and transport sectors. Specifically, the CPS promotes private sector operations support in renewable energy and energy efficiency projects either through direct assistance or through investments in private equity funds operating in the Philippines. The investment is likewise aligned with the Philippine Development Plan 2011-2016, which emphasizes energy security, development and utilization of renewable energy and environment-friendly alternative energy resources/technologies, and utilization of alternative fuels.</p>  |
| <p><b>B. Targeting Classification</b></p> <p><input checked="" type="checkbox"/> General Intervention <input type="checkbox"/> Individual or Household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input type="checkbox"/> Non-Income MDGs (TI-M1, M2, etc.)</p> <p>The 150 MW grid-connected wind power plant is located in the municipality of Burgos in the Ilocos Norte province. It provides a secure, reliable, and sustainable source of electricity in the Luzon grid.</p>   |
| <p><b>C. Poverty and Social Analysis</b></p> <p>1. Key issues and potential beneficiaries. The Luzon Grid accounts for about 73.6% of the nationwide total installed capacity in 2012. The Project addresses 1.5% of the projected demand growth for electricity in the Luzon Grid. Communities surrounding the wind power plant benefitted from employment and other economic opportunities during the construction and operation of the wind project (wind farm, substation and transmission line components).</p> <p>2. Impact channels and expected systemic changes. The wind project will promote fuel diversification and improve fuel security and sufficiency. The electricity generated is expected to offset the power generated by coal and oil-fired power plants in the Luzon grid. Non-reliance to fossil fuel will reduce waste, GHG emissions, air pollutants, and noise compared to conventional power plants; and ultimately leads to a healthier and more sustainable living conditions. Aside from potential employment and economic opportunities, the wind project is expected to improve the social conditions of the communities surrounding the project</p> <p>3. Focus of (and resources allocated in) the PPTA or due diligence. Consultancy and staff resources are allocated to conduct due diligence on safeguards and other social dimensions including labor and gender.</p> <p>4. Specific analysis for policy-based lending. Not applicable.</p> |
| <b>II. GENDER AND DEVELOPMENT</b>   |
| <p>1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? Gender impact is likely to be limited given the nature of the project.</p> <p>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?<br/> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain. Due diligence will assess whether women were included in stakeholder engagement activities previously conducted by EBWPC, and endeavor that succeeding consultations will include women.</p> <p>3. Could the project have an adverse impact on women and/or girls or widen gender inequality?<br/> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Gender impact is likely to be limited given the nature of the project</p> <p>4. Indicate the intended gender mainstreaming category:<br/> <input type="checkbox"/> GEN (gender equity theme) <input type="checkbox"/> EGM (effective gender mainstreaming)<br/> <input type="checkbox"/> SGE (some gender elements) <input checked="" type="checkbox"/> NGE (no gender elements)</p>  |

| <b>III. PARTICIPATION AND EMPOWERMENT</b>  |
|--|
| <p>1. Who are the main stakeholders of the wind project, including beneficiaries and negatively affected people? Identify how they will participate in the project design. The initial stakeholders include national and local governments, local communities, and landowners affected by the land acquisition process including those who use a portion of the wind farm site as communal grazing land. Stakeholder engagement activities have been undertaken to provide information on the project, gather related issues and concerns, and present measures to address these.</p> <p>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?</p> <p>Given the nature of the project design, which focuses on the construction and operation of a wind farm, there are limited opportunities for the systematic participation of the poor and excluded in the project. However, measures will be undertaken to engage stakeholders and beneficiaries surrounding the project area. Stakeholder engagement activities are undertaken to ensure social acceptance of the project at each stage (construction and operation).</p> <p>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?</p> <p><input checked="" type="checkbox"/> Information generation and sharing-L <input checked="" type="checkbox"/> Consultation-L <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p> <p>Due diligence will determine if there are relevant civil society organizations in the project area.</p> <p>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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>The audit will assess potential issues related to participation of the local communities, especially the poor, in the project design. Corrective actions required shall be prepared and implemented.</p> |
| <b>IV. SOCIAL SAFEGUARDS</b>   |
| <p><b>A. Involuntary Resettlement Category</b> <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Approximately 686 hectares are allocated for the Wind Farm and 121 hectares for the transmission line system; both sites comprise lands covered by a Special Forest Land Use Agreement and privately-owned lands. Acquisition of private lands is on-going and is done through (i) lease contract agreements with the relevant landowners or their respective representatives, or (ii) writs-of-possession or orders of expropriation from the DOE.</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"/> Social safeguards audit report and corrective action plan (if needed)</p>   |
| <p><b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" 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</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 A certificate of non-overlap was secured from the National Commission on Indigenous Peoples confirming that the project will have no impact on Indigenous Peoples. This will be further confirmed during the compliance audit, through site visits and consultations with the affected communities.</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</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 type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>   |
| <b>V. OTHER SOCIAL ISSUES AND RISKS</b>  |
| <p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> L Creating decent jobs and employment <input checked="" type="checkbox"/> L Adhering to core labor standards <input type="checkbox"/> Labor retrenchment</p> <p><input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability</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>EBWPC is complying with national labor laws and taking measures to adhere to internationally recognized core labor standards in compliance with ADB's Social Protection Strategy (2001).</p>  |

**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

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? A consultant will be engaged to do an environment and social safeguards compliance audit. ADB staff resources will be allocated to conduct due diligence.