



Initial Poverty and Social Analysis

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THA: Southern Thailand Waste-to-Energy Project

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Asian Development Bank

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Thailand	Project Title:	Southern Thailand Waste-to-Energy Project
Lending/ Financing Modality:	Project Loan	Department/ Division:	Private Sector Operations Department/ Infrastructure Division 2

I. POVERTY IMPACT AND SOCIAL DIMENSIONS
A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy
With Thailand's increasing power consumption of 3.6% per year from 2005-2016 on the average which is expected to double by 2015-2036, an Alternative Energy Development Plan ^a was adopted setting out targets for renewable energy development. The plan identified biomass as the second largest renewable energy source next to solar given the huge agricultural waste potential in the country. The proposed project is consistent with ADB's Midterm Review of Strategy 2020 ^b which reaffirms ADB's support under Strategy 2020 for environmentally sustainable development as well as a larger role for private sector financing of infrastructure. The project is also consistent with ADB's country partnership strategy for Thailand for 2013–2016 ^c which supports three core strategic pillars: knowledge and innovation, private sector development, and regional cooperation and integration.
B. Poverty Targeting:
<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.) The proposed 25 MW WTE project will provide additional energy source option in Thailand and will generate employment opportunities in the area.
C. Poverty and Social Analysis
1. Key issues and potential beneficiaries. Songkhla is located in the east coast of the southern part of Thailand and considered to be the 3rd largest province in Thailand. The Southern provinces of Thailand is one of the poorest regions in the country. Political conflict and unrest in Southern Thailand has impeded investment, employment and overall development and growth. The associated risk of investing in Southern Thailand has also led to underinvestment in the local power system, which continues to experience energy shortages. The proposed project will be located in Tumbon Ku, Amphoe Chana, Songkhla. The population within the project area mostly depend on agriculture and rubber plantation is the main source of income in the area followed by fishery on a micro scale, fruit farming and livestock production. Many industrial activities also provide occupational alternative to local people.
2. Impact channels and expected systemic changes. The project will indirectly contribute to economic growth, poverty reduction, job creation, and provide additional energy source option in Thailand. It will generate employment opportunities. As part of its commitment to local residents, Chana Green Company Ltd. or CGCL (the borrower) will require it contractors and subcontractors to prioritize local labor during project construction.
3. Focus of (and resources allocated in) the PPTA or due diligence. The following needs to be assessed during due diligence: (a) overall impact of the project to the community; (b) potential impact of land acquisition to the land owners and other land users, if any; (c) community consultations, perception and issues regarding the proposed project and (d) how the community will benefit from the project, among others.
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? Households in the project area are headed by men and women are not typically employed as skilled or unskilled workers. The project is categorized as No Gender Element given its limited potential for gender-inclusive design. Since it is not common in Thailand for women to work in construction, the project has no employment target. CGCL, however, adheres to the principle that there will be no discrimination during recruitment of project workers.
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain.

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) 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 proposed project will be located in Tumbon Ku, Amphoe Chana, Songkhla. The population within the project area mostly depend on agriculture and rubber plantation is the main source of income in the area followed by fishery on a micro scale, fruit farming and livestock production. Many industrial activities also provide occupational alternative to local people.

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? Stakeholder consultation started in April 2016 and was carried out as part of the IEE study. The activity was primarily undertaken to inform the stakeholders about the proposed project, obtain their views, concerns and recommendations; and address/incorporate them in the project design. Among the key issues raised include potential environmental impact of the power plant, employment opportunities and CSR activities that will be implemented by the CGCL. Another round of consultation was conducted to present the results of IEE Study to partly answer the concerns of different 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?
Low 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 The project will not entail physical or economic displacement. A total of 171.29 rais (27.4 hectares)^d of palm and parawood plantation was purchased by CGCL from 3 private landowners on a willing-buyer-willing-seller scheme. Land Purchase Agreements have been signed and executed and the 3 landowners have been paid as of November 2016. Existing transmission line will be upgraded, and no physical or economic impact is expected as the existing right-of-way of the Provincial Electricity Authority (PEA) will be utilized for the project.

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

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?
 None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?
 Creating decent jobs and employment Low Adhering to core labor standards 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? During construction and operation, CGCL, its contractors and subcontractors will comply with ADB's Social Protection Strategy and report annually to ADB on their compliance with national labor laws and internationally recognized 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?

Yes No The project team during due diligence will conduct document review, site visit and interview with the relevant staff of the project company and members of the local community to ensure that all critical aspects of the project have been assessed.

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? Due diligence will be undertaken by the project team/staff.

Sources:

- ^a Government of Thailand, Ministry of Energy. 2015. Alternative Energy Development Plan, 2015-2036. Bangkok.
- ^b ADB. 2014. Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific. Manila.
- ^c ADB. 2013. Country Partnership Strategy: Thailand, 2013–2016. Manila.
- ^d 1 rai = 0.16 hectare.