

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Solar Park Development and Transmission Sector Project
Lending/Financing Modality:	Sector loan	Department/Division:	South Asia Department/Energy Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Poverty reduction and social development through faster and more inclusive growth is the goal of the 12th Five-Year Plan (FYP) of the government. The Planning Commission's approach paper to the 12th FYP identifies infrastructure bottlenecks and lack of adequate long-term funds for infrastructure as key binding constraints to realizing more equitable and sustainable growth and bridging the division between regions, sectors, and peoples. It also recognizes growing dependence of fossil fuel imports and prioritizes development of indigenous energy resources, such as solar, for meeting growing demand. ADB's Country Partnership Strategy agrees to provide support for renewable energy development, particularly solar.

The government has embarked on an ambitious program to achieve 100 GW of installed solar renewable energy capacity by 2022. The vision targets a 20 GW contribution from projects developed in solar parks. To realize this vision, the parks must be developed in a way that achieves the aims of reducing costs and project gestation periods for the developers, and the parks should allow immediate and smooth access to the national grid to facilitate regional exchange and sale of the power generated. The proposed project will finance park development and power evacuation capacity.

Facilitating additional generation of power from solar power through the project will yield many benefits. Additional generation and associated, robust transmission systems will lead to improved reliability and increased access to electricity for commercial, industrial, and domestic consumers. Increased and improved power supply contributes to poverty reduction from more widespread and equitable economic growth and diversification of opportunities. The project will directly and indirectly contribute to poverty reduction locally and in the region through (i) temporary and permanent skilled/semi-skilled/unskilled job creation; (ii) public and private economic investments and growth; (iii) improvements to basic infrastructure, including roads, sanitation, electric and water supplies; and (iv) socially inclusive community development.

B. Poverty Targeting:

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

The availability of electric power, and more broadly infrastructure, has an indirect but strong link with reducing poverty and promoting economic growth. Though the Project will have a number of indirect benefits to end-users in terms of its effect on people's well-being and standards of living, power sector interventions in general are not viewed as the single contributing factor for achieving generalized poverty reduction and alleviation. The classification therefore recognizes that while power itself will not explicitly decrease poverty, it is a critical stepping stone to attracting other means of economic investment and development that will provide the foundation for concrete poverty reduction strategies in the future.

C. Poverty and Social Analysis

1. **Key issues and potential beneficiaries.** The primary beneficiaries are the consumers of electricity, as this Project aims to facilitate generation of power in solar parks in a few states and transmission of power from these parks to the national grid for use by residential, commercial and industrial consumers across the country. Poor and vulnerable consumers (including hospitals, schools, and other social utilities) are often hardest hit by inadequate power supply, load shedding, and poor quality of power, and increased generation and reduced transmission bottlenecks should contribute to more stable power supply for these customers. Clean energy will also avoid air emissions from thermal power plants and the associated health impacts, which can differentially impact the poor and vulnerable.

2. **Impact channels and expected systemic changes.** The needs of electricity consumers in India are access to ample, reliable electricity supplies. The proposed Project benefits electricity consumers by providing increased access to energy services through increased generation and increased transmission efficiency. The proposed project also seeks to improve access to services for communities in the vicinity of the proposed solar parks and to ensure increased livelihood opportunities for people in those communities.

3. Focus of (and resources allocated in) the PPTA or due diligence. A social safeguard specialist will be engaged under the proposed PPTA to conduct poverty and social analysis and to carry out safeguards due diligence and planning. A community policy expert will support development and implementation planning of community development frameworks to empower communities in the vicinity of the proposed solar parks through provision of services and increased livelihood opportunities. The PPTA will also engage a livelihood expert to identify and maximize livelihood activities and opportunities for the community members.

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?
The solar park development activities are expected to be gender neutral, as all benefits from utility-scale generation transmission system expansion are indirect. However, the community development and livelihood activities will be developed with a gender-sensitive approach, with specific interventions identified by the Gender Specialist under the PPTA.

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.

Maximizing community development and increased livelihood opportunities in the regions of the solar parks will be explored in the crafting of a community development policy for solar park development. This will be developed with a focus on how to maximize well-being of and livelihood opportunities for women.

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: Target category of SGE, which will be confirmed or amended during due diligence.

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 key stakeholders include executing agencies, implementing agencies, central government, local government authorities, non-government organizations (NGOs), community based organizations (CBOs), co-financers, private sector entrepreneurs, and affected people including the poor, women, children, and indigenous people. All of the stakeholders will be consulted throughout the implementation of PPTA and the ensuing investment.

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?

The stakeholders will be consulted through meetings, interviews, workshops and surveys throughout project design. Consultation with the poor will include discussions on environmental, involuntary resettlement and other social issues that may affect them. The project envisions gender equitable and participatory public consultations and focus group discussions along transmission corridors and the areas of the proposed solar parks. These aim to engender the informed consent of stakeholders and facilitate implementation.

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

The civil society organizations in the project areas will be identified after finalization of the program components. The civil society organization will be consulted throughout project design and implementation of the ensuing project on issues related to environmental, social and other issues that may affect them.

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

Consultations will be easily managed through a mix of formal and informal consultations with the affected communities – on an as needed basis. The nature and scale of impacts and the number of affected peoples is expected to be limited, such that the project does not require a structured and systematic process for engagement. Social assessment will nonetheless include gender sensitive consultation with the poor and excluded to ensure their needs are analyzed and opportunities considered.

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 magnitude of impacts will be assessed during due diligence. Necessary measures will be taken to ensure any potential involuntary resettlement issues will be addressed.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process? Sample resettlement plans will be developed for subprojects with known involuntary resettlement and to serve as a guide for future projects with involuntary resettlement.

- 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

Use of culturally significant resources is not anticipated, though this will be fully assessed during project due diligence and required mitigating measures will be undertaken.

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

There are no anticipated impacts on the way of life, customs, or religious traditions of communities through solar park development. However, potential impacts will be fully evaluated as will the requirement for support of any affected indigenous communities.

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

Either sub-projects with IP impacts (positive/negative) will be screened and excluded from selection; or, if sub-projects with IP impacts will not be excluded, then an IPPF will be prepared. Due diligence during project preparation will confirm which option is required

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design? Temporary employment opportunities will be available to unskilled laborers for 2 to 3 years with some additional, longer-term opportunities at the solar parks. Standard assurances on labor standards will be included in civil works contracts.

- M Creating decent jobs and employment M 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?

Limited employment opportunities will be available during construction period with some additional opportunities on an ongoing basis to support solar park operation. Provisions of core labor standards will be incorporated in legal documents. Preventive measures to avoid spread of communicable diseases, including HIV/AIDS, will be stipulated in the construction contracts.

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?

The PPTA allocates budget for the use of individual consultants, including international and national social safeguards specialists for social and involuntary resettlement due diligence tasks with additional allocation for conducting social surveys and other required data collection and analysis activities.