

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Off-Grid Prepaid Solar Leasing Project
Lending/Financing Modality:	Project	Department/ Division:	Private Sector Operations Department / Infrastructure Finance Division 1

I. POVERTY IMPACT AND SOCIAL DIMENSIONS
<p>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</p> <p>The proposed project is a \$6 million loan for the expansion of Simpa Energy India Private Limited (Simpa). Simpa provides simple, affordable, and accessible solar energy to underserved and unelectrified communities through its pay-as-you-go solar leasing model. The increased and improved access to energy is expected to contribute to broadening access of rural households to economic opportunities, and promote inclusive growth. The project is consistent with Strategy 2020; the Asian Development Bank (ADB) India country partnership strategy (CPS), 2013–2017;^a and India's Twelfth Five Year Plan, all of which adopt inclusive and sustainable growth as a key strategy in addressing poverty reduction. The India CPS supports the government's approach to poverty reduction, including infrastructure development, with respect to the availability and accessibility of public services.</p>
<p>B. Poverty Targeting</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>Simpa's prepaid solar home system will improve access to electricity of rural households in India. The project will finance Phase 1 of Simpa's growth plan for 2016-2019 targeted in Uttar Pradesh and Bihar by end of 2016.</p>
<p>C. Poverty and Social Analysis</p> <p>1. Key issues and potential beneficiaries. Under-served and unelectrified households are expected to benefit from the project. Simpa's pay-as-you-go model will provide or improve access to affordable electricity of approximately 100,000 rural households.</p> <p>2. Impact channels and expected systemic changes. Simpa's prepaid platform allows poor households to have affordable access to electricity sourced from renewable and clean energy. The improved access to electricity will contribute to improved quality of life of rural households, contributing to better health and academic performance of household members, reducing drudgery of work for women who are often responsible for domestic chores. It will also increase productivity of owners of small businesses, as it enables operations to extend into the evening. Simpa will also provide employment and income-generating opportunities in local villages where it operates.</p> <p>3. Focus of (and resources allocated in) the PPTA or due diligence. Due diligence will assess Simpa's policies, systems, and performance against SPS requirements, and will determine whether proposed project activities have involuntary resettlement or indigenous peoples impacts. Due diligence will include other social dimensions of the project such as Simpa's compliance with national labor laws and international core labor standards, as well as possible gender design measures.</p> <p>4. Specific analysis for policy-based lending. Not applicable.</p>
II. GENDER AND DEVELOPMENT
<p>1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? The project is expected to facilitate rural household's access to reliable, affordable, and clean energy. Women in rural households often bear the main responsibility of carrying out most of the household chores, collecting firewood, traveling to buy fuel, maintaining a hygienic domestic environment and taking care of the children and the sick. By providing households access to clean energy, women will benefit through more productive use of their time and improvement of their health.</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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain. The technology will be made available to all customers and purchase will be on a voluntary basis. The project is expected to indirectly benefit women by providing affordable access to electricity. Possible gender measures in the project design will be explored during due diligence.</p> <p>3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain. The project will not have any adverse impact on women.</p> <p>4. Indicate the intended gender mainstreaming category: <input type="checkbox"/> GEN (gender equity) <input type="checkbox"/> EGM (effective gender mainstreaming) <input checked="" type="checkbox"/> SGE (some gender elements) <input type="checkbox"/> NGE (no gender elements)</p>

III. PARTICIPATION AND EMPOWERMENT
<p>1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.</p> <p>Simpa holds extensive market research prior to expanding its operations to new locations. Main stakeholders include local village leaders, local microfinance institutions, and potential customers (households and local entrepreneurs).</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>Simpa conducts customer engagement activities across the various districts it operates to build consumer awareness on solar energy and Simpa's products</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 type="checkbox"/> Information generation and sharing <input type="checkbox"/> Consultation <input type="checkbox"/> Collaboration - NA <input type="checkbox"/> Partnership - NA</p> <p>Simpa directly engages with poor households and has no involvement with civil society organizations.</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 Project activities will be limited to Simpa operations.</p>
IV. SOCIAL SAFEGUARDS
<p>A. Involuntary Resettlement Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Simpa's operations will not entail land acquisition. The solar home system is composed of a single solar panel measuring 1 meter by 0.5 meter installed on the roof of the customer's house. The project will not result in physical or economic displacement.</p> <p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?</p> <p><input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <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 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</p> <p>Simpa sells and provides services to customers regardless of ethnicity. Simpa's operations will not directly or indirectly affect the dignity, human rights, livelihood systems, or culture of Indigenous Peoples or affect the territories or natural or cultural resources the Indigenous Peoples own, use, occupy, or claim as an ancestral domain or asset</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>There are no anticipated impacts on indigenous peoples.</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>
V. OTHER SOCIAL ISSUES AND RISKS
<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>Compliance to national labor laws and core labor standards, by Simpa and its operations, will be assessed during due diligence.</p>
VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT
<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,</p>

(iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified?

Yes

No

Due diligence will be carried out by ADB staff. Information required to analyze information related to poverty, social, labor and gender aspects of Simpa's operations will be gathered from the company.

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? ADB staff will undertake due diligence.

{Please delete footnotes when finalizing.}