

INITIAL POVERTY AND SOCIAL ANALYSIS

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| Country: | <input type="text" value="India"/> | Project Title: | <input type="text" value="Maharashtra Feeder Separation and High Voltage Distribution System Project"/> |
| Lending/Financing Modality: | <input type="text" value="Project"/> | 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

In 2010, approximately 33% of Indians lived on less than \$1.25 per day, a reduction from 56% in 1984. This reduction in poverty coincided with three decades of strong growth following structural reforms in the 1980s. Sustaining India's recent strong growth trends requires addressing the infrastructure deficit plaguing the country, including the power deficit. In FY2012, India's total energy deficit was 8.5% and the peak power deficit was 10.6% (not including unscheduled load shedding). In FY2012, per capita electricity consumption in India was 760 kilowatt hours (kWh) per year while the 2012 global average per capita electricity consumption was 2,971 kWh. This low average usage reflects, in part, that 32.8% of Indian households are still without electricity connections, as per the 2011 census.

Since 2014, India has embarked on a 24x7 Power for All Program that is targeted at improving the financial position of the sector while supporting 100% electrification. This project is aligned with the energy priorities in the Asian Development Bank's (ADB) country programming strategy 2013–2017 with its focus on electricity distribution efficiency improvement. The project will improve energy efficiency in urban slums and rural areas of Maharashtra and support the state's target for 24x7 Power for All through reduction of distribution losses, facilitate deployment of efficient appliances and bringing in efficiencies in power sector subsidies.

Inadequate supply of electricity is a major constraint on the country's economic growth and poverty reduction. People who have access to electricity also receive poor, unreliable services with frequent power shortages and low voltage. The project will seek to improve the quality, reliability, and efficiency of power supply in targeted areas in the state of Maharashtra with a consequent impact on sustained economic growth and poverty reduction. Access to reliable electricity supply will help manufacturing and service industries, agricultural production, as well as domestic demand. Poor and vulnerable consumers, including those currently without access or with limited access to grid power are likely to benefit from the proposed project.

B. Poverty Targeting

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

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The primary beneficiaries are the consumers of electricity in urban slums and rural areas of Maharashtra. This constitutes residential, commercial, agriculture, and industrial users. Poor and vulnerable consumers (including medical facilities, schools, and social utilities) in rural areas are often hardest hit by inadequate power supply, load shedding, poor power quality, and limited access. The project can link to improved end use energy efficiency and reduction of inefficient consumption among subsidized categories that would benefit from the project through increased hours of supply and productive usage of electricity.

2. Impact channels and expected systemic changes. The project will focus on improving access to reliable electricity supply in rural and urban areas of Maharashtra. Benefits to the poor are indirect via improved power supply that contributes to economic growth and employment.

3. Focus of (and resources allocated in) the PPTA or due diligence. The government to prepare the environment and resettlement plans for the project. ADB staff and consultants will support due diligence.

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 project is focused on improvements in the electricity distribution network in the state of Maharashtra. Increased and more reliable power supply, as well as reduction in losses, can assist job creation and contribute towards electrification of remote households that benefits both men and women. Women's direct participation in the project process may be generally limited to construction related employment opportunities. Options for gender empowerment in distribution projects may be considered as part of project design based on gender mainstreaming experience from states including Madhya Pradesh, Rajasthan, and Gujarat.

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.

Project benefits are largely indirect and generally gender neutral (benefiting both men and women). While poor and vulnerable women would share the benefits from improved access to power, opportunities for enhancing gender equity and women's empowerment will be explored during fact-finding in consultation with the state agencies particularly for the components related to rural feeder separation and associated productive energy usage and livelihood opportunities.

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

Yes No Please explain

Improved power supply and reliability will not adversely impact anyone. Those impacted by resettlement will be compensated in accordance with the National laws and ADB Safeguards Policy Statement (2009).

4. Indicate the intended gender mainstreaming category:

GEN (gender equity theme) 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 main stakeholders are the affected people, affected communities, local authorities, and civil society. The affected persons will be identified during the initial environmental examination and resettlement planning phase. Relevant stakeholders will be consulted during the design and implementation.

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 primary beneficiaries are the consumers of electricity in urban and rural areas of Maharashtra. This constitutes residential, commercial, agriculture, and industrial users. Development of electricity networks in unserved and under-served areas would support engagement and empowerment of such groups.

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 M Consultation M 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 proposed distribution interventions in both rural and urban areas are generally not expected to require significant land acquisition or involuntary resettlement. Construction of distribution feeders and associated facilities may require limited land acquisition for distribution tower footings. The proposed categorization would be confirmed during due diligence and a resettlement plan would be prepared and submitted by the executing agency.

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

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

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?

Indigenous peoples plan Indigenous peoples planning framework Social Impact matrix
 Environmental and social management system arrangement None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

M Creating decent jobs and employment M Adhering to core labor standards Labor retrenchment

M 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? Employment opportunities will be available for skilled and unskilled workers during project implementation and operation. Standard assurances on labor and working conditions will be included in civil work contracts. The project will minimize the risk of HIV/AIDS among the workforce through awareness raising initiatives.

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 preparatory work will provide support to review the draft resettlement plan for the project prepared by the EA.

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? Budget for the consultant support is provided under the S-PPTA as well as ongoing programs to support gender experience sharing and information dissemination in India.