



Initial Poverty and Social Analysis

December 2018

India: Uttar Pradesh Power Distribution Network Rehabilitation Project

This document is being disclosed to the public in accordance with ADB's Public Communications Policy 2011.

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 5 December 2018)

Currency unit	–	Indian rupee (₹)
₹1.00	=	\$0.01433
\$1.00	=	₹69.78

ABBREVIATIONS

ADB	–	Asian Development Bank
ATC	–	aggregate technical and commercial
SAUBHAGHYA	–	Sahaj Bijili Har Ghar Yojana
TA	–	technical assistance

NOTES

- (i) The fiscal year (FY) of the Government of India and its agencies ends on 31 March. "FY" before a calendar year denotes the year in which the fiscal year ends, e.g., FY2017 ends on 31 March 2017.
- (ii) In this report, "\$" refers to United States dollars.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Uttar Pradesh Power Distribution Network Rehabilitation Project
Lending/Financing Modality:	Project	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

Uttar Pradesh is the largest and most populated state in India. It is also home to the country's largest number of people without electricity access. As of 30 July 2018, 12.6 million households, or 34% of the state's households, are yet to be electrified.^a Among those who do have an electricity connection, majority received poor quality service with limited hours of supply and frequent blackouts and voltage fluctuations. Limited access, poor and unreliable supply of electricity in rural areas are key reasons for low socio-economic development of the state. One of the key issues is the high level of aggregate technical and commercial (ATC) losses for the utility, which in March 2018 amounted to 27.5% and in number of districts, was higher than 45%.

Through installing energy meters for all unmetered electricity consumers, undertaking measures to prevent theft of electricity and separation of feeders for agricultural and general consumers, this initiative will reduce the excessive ATC losses. By doing so, it will promote economic growth and benefit the general public through improved energy service reliability and service quality, providing better energy services including that for irrigation, skill development, and enabling improvements in other services such as health, education, and communications. The poverty reduction impacts will be further strengthened by implementing targeted interventions in project communities that promote energy-based entrepreneurial activities among the poor and also enable them to access electricity services, through capacity building, market support, and linking with financing institutions.

The proposed project is consistent with the key priorities of country partnership strategy for India, 2018–2022 to promote inclusive socioeconomic development through improved infrastructure facilities in lagging regions of India.^b The project also has a targeted intervention for livelihood improvement of poor female-headed households through improved access to electricity.

B. Poverty Targeting

General intervention Individual or household (TI-H) Geographic (TI-G) Non-income MDGs (TI-M1, M2, etc)

The project is located in a state having a poverty incidence higher than the national average of India. The project also targets habitations having poor quality of electricity supply in rural areas. The improvement of energy services will contribute to poverty reduction, but the project does not target it directly.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

The project aims to (i) rehabilitate the existing low voltage distribution network; (ii) replace bare conductors with aerial bundled cables, (iii) replace the service wires with armored cables, and (iv) install meters for unmetered connections in Uttar Pradesh where it is the most populous state in India and is home to 200 million people, 60 million of which are poor.^c Poverty is widespread and the pace of poverty reduction in the state has been slower than the rest of the country. In particular, the central and eastern districts have very high levels of poverty. There are stark differences in educational attainment, types of jobs and access to electricity, and clean drinking water across social groups. The project will promote inclusive development by facilitating electricity access for the poor and women and assist them to engage in employment and enterprises resulting from electricity access.

2. Impact channels and expected systemic changes.

Reduction in ATC losses will enable a reliable and quality electricity supply which will promote economic development and poverty reduction through new employment and enterprise opportunities. Further, the proposed project also will improve local communities' quality of life by providing cleaner and efficient energy supply.

3. Focus of (and resources allocated in) the transaction technical assistance (TA) or due diligence.

Resources are allocated to undertake social and livelihoods assessments, and to prepare social and gender plans for the project.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program?

Uttar Pradesh is facing persistent and high gender gaps. The gap between male and female achievement among various socioeconomic indicators in all districts is very large. Education, employment, and health status of women are worse than that of men in all districts of the state. The state has one of the highest rates of maternal mortality, and although more women complete secondary education in Uttar Pradesh as compared to some other low-income states, a little over half are illiterate. The project is expected to have positive impact on women. Good quality electricity access will enable women to reduce drudgery, ease working hours, increase access to media, and enhance the general amenity in their lives. It also encourages the emergence of new entrepreneurial and

employment opportunities, especially in rural areas. This is particularly relevant for Uttar Pradesh, where the share of women participating in the labour force (25% in 2012) is among the lowest in the country, with extremely limited access to non-farm work for rural women.

The project area currently has low household electrification level. (i.e. the household electrification in rural Uttar Pradesh is less than 35%). In addition, electricity is usually available for less than 18 hours per day and in certain districts it is even less than 12 hours. The lack of access to electricity and poor reliability and quality affects the well-being of women as they are responsible for household activities and limit the usage of electric appliances to improve quality and leisure time of women. The poor quality of electricity supply also inhibits electricity-based employment activities in the project area which can also limit the opportunities for women. The safety of women at night time is also adversely affected due to absence of street lights in rural areas. In addition, there is high level of deaths due to electrocution in rural areas due to poor condition of electricity distribution network and illegal tapping of electricity network by both men and women.

2. Does the proposed project or program have the potential to contribute 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

The government is committed to provide 24 Hour of Power for All and has launched a massive household electrification program (SAUBHAGHYA). This program is expected to be completed by March 2019 and the proposed project will complement the SAUBHAGHYA by improving the quality of electricity supply. This would have a significant impact on addressing most of the issues identified above. In addition, the proposed project will have a targeted intervention to increase the awareness of women on efficient and safe use of electricity.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?
 Yes No

Although the project will reduce the illegal use of electricity, it will not have an adverse impact on women as the project will provide more reliable and better-quality electricity supply. Furthermore, the project will provide coping mechanisms to women when legal and metered electricity connections are provided to use the electricity more efficiently and productively.

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.

Utility, electricity consumers, men and women, especially those from poor communities, state government, nongovernment organizations, community-based organizations, micro financial institutions, and private sector entrepreneurs.

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?

Systematic consultations will be carried out with various stakeholders during project processing. Poverty as well as livelihoods mapping will identify energy-based entrepreneurial activities that can be supported. As integral part of the social and safeguards planning, consultations in the project areas will be carried out with village communities, men and women separately. Consultations will focus to ensure participation and minimization of the negative impacts.

3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of civil society organization participation in the project design?

Information generation and sharing Consultation Collaboration Partnership

There are large numbers of CSOs operating in the project area. A list of these organizations will be compiled and their relevance will be studied during the preparation of the project. It is not expected that civil society will directly participate in designing the project. The information dissemination and livelihood improvement component will be implemented in close collaboration and in partnership with nongovernment organizations.

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed? Yes No

During the consultation process of the livelihood improvement component of the project, consultations will be held with the poor and vulnerable to ensure that they will benefit from project interventions.

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 project does not require land acquisition as it involves replacement of conductors and service wires and capacity building of existing small and medium enterprises.

<p>2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?</p> <p><input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <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 The project does not affect the indigenous people as there would not be any indigenous peoples in the project area and affected by the project.</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>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 transaction TA 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 <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
<p style="text-align: center;">V. OTHER SOCIAL ISSUES AND RISKS</p> <p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> Creating decent jobs and employment <input checked="" type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input checked="" type="checkbox"/> Affordability <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability <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? Employment opportunities will be available during project implementation and operation. Standard assurances on labor and working conditions will be included in civil work contracts. The project will address coping mechanism of poor households for legal and metered electricity connections this may result in affordability issues.</p>
<p style="text-align: center;">VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</p> <p>1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA 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?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No This will be undertaken as part of the preparation of due diligence for grant financing for information dissemination and livelihood improvement. Additional TA resources will be sought for preparing the grant.</p> <p>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 transaction TA or due diligence? The poverty, social and gender analysis will be undertaken as part of the preparation of grant financing and seed money will be requested from the Office of Cofinancing Operations for this purpose.</p>

SAUBHAGHYA = Sahaj Bijili Har Ghar Yojana.

^a Sahaj Bijili Har Ghar Yojana. <http://saubhagya.gov.in/> (accessed 31 August 2018).

^b ADB. *Country Partnership Strategy: India, 2018–2022—Accelerating Inclusive Economic Transformation*. Manila.

^c World Bank. 2016. Uttar Pradesh - Indicators at a glance (English). India state briefs. Washington, D.C. <http://documents.worldbank.org/curated/en/925341468185379316/Uttar-Pradesh-Indicators-at-a-glance>.