



Initial Poverty and Social Analysis

Project Number: 53223-001
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MYA: Accelerated Rural Electrification Project

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Asian Development Bank

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Myanmar	Project Title:	Accelerated Rural Electrification Project
Lending/Financing Modality:	Project Loan	Department/Division:	SERD/SEEN

I. POVERTY IMPACT AND SOCIAL DIMENSIONS
A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy
<p>The Myanmar Sustainable Development Plan put forward by the government in 2018 recognizes that reliable electricity supply is essential for achieving economic development and poverty reduction targets. ADB's Country Partnership Strategy 2017-2021 focuses on rural electrification as a driver for poverty reduction especially in rural areas; on strengthening the power sector infrastructure, including transmission and distribution systems; providing capacity development and institutional strengthening of key energy agencies; and helping identify and prepare priority projects.</p> <p>The government has prepared long-term development plans for the energy sector. The plans accord high priority to (i) rehabilitating existing power plants and constructing new ones to increase installed generation capacity to meet fast-growing demand; (ii) expanding and upgrading the transmission grid and substations to ensure that they can transmit all the power generated at the power plants to the load demand centers; (iii) expanding distribution networks to connect more consumers to the electricity grid, particularly in rural areas to achieve the government goal of universal electrification by 2030.</p> <p>The project is included in the Country Operations Business Plan 2020-2022 and is consistent with ADB's Strategy 2030 and Energy Policy (2009) by promoting inclusive growth, energy security, and supporting energy efficiency. According to the government priorities, the project will increase electrification in Myanmar and will contribute to poverty reduction via increasing rural electrification in Ayeyarwady, Bago, Magway, and Kayin regions.</p>
B. Poverty Targeting
<input type="checkbox"/> General Intervention <input type="checkbox"/> Individual or Household (TI-H) <input checked="" type="checkbox"/> Geographic (TI-G) <input type="checkbox"/> Non-Income MDGs (TI-M1, M2, etc.)
<p>The Project will assist Myanmar in supporting improved electricity access and creating reliable supply of electricity to rural areas some of which are most populated areas through the expansion of the distribution systems.¹ The project is classified as geographic targeted as it will contribute to poverty reduction via increasing rural electrification in Ayeyarwady, Bago, Magway, and Kayin regions.</p>
C. Poverty and Social Analysis
<p>1. Key issues and potential beneficiaries.</p> <p>The project will expand and increase reliability of the supply of electricity to new consumers, increase access to electricity services for rural households and consumers. The consumers will benefit from improved access to electricity to support their economic activities. Access to reliable electricity supply will help agricultural production as well as small scale business in rural areas. Poor and vulnerable people especially women will benefit from the project. So primary beneficiaries will be households, small scaled businesses, public institutions such as schools, clinics, temples, etc.</p>
<p>2. Impact channels and expected systemic changes</p> <p>Lack of transmission and distribution infrastructure has been a major constraint in accessing electricity. By expanding and strengthening the distribution systems, the project will provide increased opportunities for small and medium enterprises to expand their own services, improved living conditions for individuals and households, and improved conditions for community-level facilities (e.g. clinics, schools) in the area.</p>
<p>3. Focus of (and resources allocated in) the TA facility or due diligence.</p> <p>Social experts will be engaged to assess potential impacts on poverty alleviation and to conduct a social analysis of potential beneficiaries.</p>
II. GENDER AND DEVELOPMENT
<p>Myanmar has the lowest electrification rate in the region, with current electrification around 39.0% nationwide, and only 21% in rural areas, relegating its remote communities to live permanently without a reliable energy supply (World Bank, 2016). The recent census data maintains 32.4% of households in Myanmar use electricity as their main source of energy for lighting, followed by candles (20.7%). As shown, there is a big difference between urban</p>

¹ Specific project details will be confirmed during PPTA implementation.

<p>(77.5%) and rural areas (14.9%) in the use of electricity as the main source of lighting. The proportion of households using batteries, generators, and solar systems as the main source of lighting is considerable. Four out of five households use wood or charcoal, while in rural areas up to 80% use wood or charcoal for cooking. Overall, only 17.0% of households use energy, such as electricity or liquefied petroleum gas, for cooking. The proportion is larger in urban areas (46.0%) but very low in rural areas (6.0%). Although the entire household is adversely affected by energy constraints, it is particularly damaging to women because they are primarily responsible for food preparation and cooking. Without access to energy, they are typically forced to spend significant amounts of time searching for firewood to meet their cooking and heating needs. According to some estimates, women spend three times the amount of time spent by men in transporting fuel and water. There are also limitations to women's access to extension services and vocational training. According to the 2013 LIFT baseline survey, only 11.0% of households received any vocational or extension training.</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Gender analysis will be conducted as part of the due diligence to identify gender entry points, collect sex-disaggregated data and information to inform the gender designs of the project and prepare gender action plan. The potential gender designs include (i) opportunities for employment of local population (including women) during construction and operation phases, (ii) professional development and training of female staff on the operation and maintenance of DAS, (iii) skills training with a view of ensuring that skills developed will improve prospects for future employment in the job market or energy-based livelihoods and entrepreneurship opportunities, and (iii) gender designs to address the existing gaps in women participation in decision making. The gender-responsive road-map for the households connections will be developed and institutionalized to ensure that targeted supporting measures included for poor and women headed households to be connected to the grid.</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</p> <p>The project will provide more reliable electricity supply to all households/consumers, it will not widen gender inequality.</p>
<p>4. Indicate the intended gender mainstreaming category: <input type="checkbox"/> GEN (gender equity) <input checked="" type="checkbox"/> EGM (effective gender mainstreaming) <input type="checkbox"/> SGE (some gender elements) <input type="checkbox"/> NGE (no gender elements)</p>
<p>III. PARTICIPATION AND EMPOWERMENT</p>
<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>Local communities, affected people, civil society organizations, local leaders, and government at national and local levels.</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>An integral part of social safeguard due diligence, consultations will be carried out in the project areas with all communities, ethnic groups. Consultations will be organized at the community level, regional and national government officials, development partners, nongovernmental organizations, and commune- and village- level officials and beneficiaries. A series of focus group discussions will be undertaken as part of the socio-economic analysis.</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? <input checked="" type="checkbox"/> Information generation and sharing <input type="checkbox"/> Consultation <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</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</p>
<p>IV. SOCIAL SAFEGUARDS</p>
<p>A. Involuntary Resettlement Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The project will construct 48 of 66/33/11 kV substations. This may require land acquisition for substations and restrictions in the continued use of landholdings in the substations. However, the size of substation is typically small and based on previous experience, community land is usually available and allocated for distribution substations, which serve communities. Land acquisition will follow ADB policies and requirement. In addition, the project will</p>

<p>build distribution lines. Lines will be strung on small poles, which usually along the existing road or around fields. Impacts will be due to construction such as loss of crops and tress, which will be compensated if unavoidable. Construction will be primarily scheduled during off-season. Detailed impacts will be assessed during due diligence process and appropriate resettlement and ethnic ground development plans will be prepared in consultation with the affected people and other stakeholders.</p>
<p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?</p> <p><input checked="" 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 type="checkbox"/> None</p>
<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input 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 type="checkbox"/> No This will be verified during the PPTA process. If impacts are severe, the categorization will be updated to A.</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 PPTA or due diligence process?</p> <p><input checked="" 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 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</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>The requirement to comply with core labor standards will be included in the loan covenants/work contracts. Contingent on the findings of social assessment, the requirement for preference for local labor will be included in work contract. Provisions on awareness building on HIV/AIDS and STIs will be included in the contracts.</p>
<p style="text-align: center;">VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</p>
<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, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</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 PPTA or due diligence? Consultants, including resettlement specialist, project economist and stakeholder and CSO communicators.</p> <p>The consultants will conduct the analyses for the following: participation and empowerment; social impacts assessment; employment opportunities; gender issues and Gender Action Plan; ethnic minority issues, if applicable; consultations with project affected peoples, project beneficiaries, stakeholders, civil society organizations to identify issues, propose measures for addressing them through consultations; conduct specific conflict- sensitive consultations in all relevant project areas.</p>

Source: Asian Development Bank.