



Initial Poverty and Social Analysis

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India: AJ Solar Power Project

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	AJ Solar Power Project
Lending/Financing Modality:	Project loan	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>While India grew at an average rate of more than 7% since 2012, it is necessary to address infrastructure bottlenecks. One of these is power generation capacity, which needs to keep pace with rapid economic growth but constrained by financial difficulties of power utilities. About 25% of India's households remain unelectrified and more suffer from intermittent power supply. The proposed loan for the development of an 80MW solar project in Surendranagar Gujarat presents an opportunity to continue support to the renewable energy sector in India. This is consistent with the Country Partnership Strategy Pillar 2 on inclusive provision of infrastructure networks and services and Pillar 3 on addressing climate change and increasing climate resilience by promoting stable power supply and increasing the proportion of renewable energy generation. In addition, the long-term financing to be provided will boost private sector investment since domestic financial institutions have largely reached their exposure limits for the energy sector.</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>The proposed loan to AEW India West One Private Limited (AWP) will be used to construct 80MW solar photovoltaic based power plant in Surendranagar, Gujarat, India. The project will generate approximately 188 gigawatt-hours of clean energy per year and help the state of Gujarat procure solar power at the lowest cost and ultimately benefit consumers.</p>
<p>C. Poverty and Social Analysis</p> <p>1. Key issues and potential beneficiaries. While India is among the fastest growing large economies, 25% of India's households lacks electric connectivity and more households suffer from intermittent power supply. The Government of India also targets to reduce emission intensity by investing in non-fossil fuel based electric power generation. With the project, local employment will be boosted and will contribute to local economy through domestic purchases.</p> <p>2. Impact channels and expected systemic changes. The long-term financing will be provided to AWP, a special purpose vehicle for the project. With the operation of the Project, the State of Gujarat will have access to the lowest recorded tariff of \$0.027/kWh (which will be adjusted for any cost increase due to taxes and duties). The project will help the Government of India to meet its target to attain cumulative renewable energy capacity of 175MW by 2022.</p> <p>3. Focus of (and resources allocated in) the transaction TA or due diligence. Due diligence will focus on the land transaction process and other affected individuals, including IPs and other vulnerable groups that may be affected due to the construction and operations of the project. Stakeholder engagement activities will also be reviewed to ensure that these are compliant with Asian Development Bank's Safeguards Policy Statement 2009. A socio-economic baseline study will also be undertaken.</p>
II. GENDER AND DEVELOPMENT
<p>1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program? While India is making progress towards development goals, gender disparities are persisting across sectors. India ranks 112th out of the 153 countries on the overall Global Gender Gap Index 2020 and since 2006, the gap collectively (economic, education, health, political participation) has gotten significantly wider.^a Women in India form a significant percentage of the overall workforce in unorganized sectors like agriculture and construction but their participation in organized sectors such as energy is limited. Globally, female representation in renewables energy sector is only 32%. Though such data is not available for India, a study conducted by International Renewable Energy Agency in 2019 suggests that women comprise only 11% of workforce in solar rooftop companies in India. Women's representation in technical roles, particularly in operations and maintenance is very low (~1%). Low representation of women in the sector is attributed to a lack of access to opportunities for women due to safety and security concerns at project sites and misperceptions of women's capabilities in some roles; insufficient human resource policies beyond legally mandated requirements; and societal norms and practices at workplaces that fail to factor in the differentiated needs of women.^b</p>

<p>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 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>Due diligence will identify potential gender mainstreaming measures that may be incorporated in the project design. Gender measures may include targets for increased female representation in operational roles and internships.</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>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 EMPOWERING THE POOR
<p>1. Who are the main stakeholders of the project, including beneficiaries and affected people? Explain how they will each participate in the project's design. The main stakeholders of the project are AWP, its employees, landowners and other individuals utilizing the land, villagers residing around the project site, and the electric consumers in Gujarat. The client will conduct stakeholder engagement activities to present the project and its potential impacts to the people. A grievance redress mechanism will be set-up to provide venue for feedbacks and grievance to the client. An ESIA will also be undertaken to determine socio-economic baseline and assess potential impacts for consideration in the ESMP and other management plans that may be needed.</p> <p>2. Who are the key, active, and relevant CSOs in the project area? There are no CSOs operating in the project area based on the socio-economic survey.</p> <p>3. Are there issues during project design for which participation of the poor and vulnerable is important? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what are these issues?</p> <p>4. How will the project ensure the participation of beneficiaries and affected people, particularly the poor and vulnerable and/or CSOs, during project design to address these issues? The beneficiaries and other affected people will be reached out during the preparation of the ESIA and Land Acquisition Audit. It is also expected that the client will conduct consultation activities.</p> <p>5. What level of CSO participation is planned during the project design? <input checked="" type="checkbox"/> Information generation and sharing <input type="checkbox"/> Consultation <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p>
IV. SOCIAL SAFEGUARDS
<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>While the client has surveyed about 332 acres of land (against 300 acres of land which will be required for solar plant) from 116 landowners for a period of 29 years and 6 months, there is a possibility that there will be economically displaced persons given that the lands are currently being cultivated. In addition, the location of transmission line towers is yet to be determined and may also result to economic or physical displacement.</p> <p>2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process? <input checked="" type="checkbox"/> Resettlement plan (livelihood restoration plan for economically affected persons) <input checked="" type="checkbox"/> Resettlement framework (for the transmission line) <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input 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>No IP or Scheduled Tribe/Caste owned land were leased and no expected adverse effect to distinct and vulnerable IPs.</p>

<p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The project will not result to commercial development of the cultural resources and knowledge of Indigenous Peoples, physical displacement from traditional or customary lands, and commercial development of natural resources within customary lands.</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</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 type="checkbox"/> Creating decent jobs and employment <input checked="" type="checkbox"/> Adhering to core labor standards (L) <input type="checkbox"/> Labor retrenchment</p> <p><input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS (L) <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? An ESMP and other necessary management plans will be prepared based on the result of the ESIA</p>
VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT
<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 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 the participation plan during the transaction TA or due diligence? The client engaged the services of a consulting firm to conduct ESIA and assist in developing necessary management plans.</p>

AWP = AEW India West One Private Limited; CSO = civil society organizations; ESIA = environment and social impact assessment; ESMP = environment and social management plan; MW = megawatt; TA = technical assistance.

^a World Economic Forum. 2020. "[Insight Report Global Gender Gap Report](#)". Geneva.

^b International Energy Agency and Council on Energy, Environment and Water. 2019. "[Women working in rooftop solar sector: A look at India's transition to clean energy](#)". Paris.

Source: Asian Development Bank.