

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Azerbaijan	Project Title:	P47008: Renewable Energy (Biomass Cogeneration) Development Project
Lending/Financing Modality:	Project	Department/ Division:	CWRD/CWEN

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

The country made significant progress in reducing poverty. Poverty incidence fell from 49.67% in 2001 to 7.6% in 2011. Despite this achievement, challenges remain in improving the living conditions of its population. Accessibility and reliability of public utilities has been identified as among the constraints to development.

The Government's State Program on Poverty Reduction and Economic Development (2008-2015), identified energy sector improvement as among its strategic goals to reduce poverty. The proposed project is fully consistent with the goal. The proposed project is expected to be included in the upcoming Country Partnership Strategy for Azerbaijan (2013-2017), which is under preparation. It is consistent with ADB's Strategy 2020 and ADB Energy Policy (2009) by promoting inclusive growth, regional integration, energy security, and supporting energy efficiency and renewable energy.

B. Targeting Classification

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

The proposed infrastructure project contributes to the power and heat supply reliability improvement through national grid and centralized heating supply system, benefitting the poor and non-poor households nation-wide.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The potential primary beneficiaries of the project would be the general population in urban and rural areas and industries resulting from improved power and heat supply reliability. These users require affordable and reliable power and heating supply.

2. Impact channels and expected systemic changes.

Poor and non-poor households will benefit from improved access to improved/more reliable electricity and heating and improved community services that depend on electricity. Improvement in centralized heating supply may have some effect in reducing household expenditure on fuel for heating.

3. Focus of (and resources allocated in) the PPTA or due diligence. Opportunity for pro-poor design will be identified during the PPTA activities.

4. Specific analysis for policy-based lending. Not applicable

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 will incorporate gender-sensitive HIV/AIDS and communicable disease awareness as well as health promotion campaigns for construction workers and communities adjacent to the construction site. Vulnerable groups, especially young women with limited access to information material, will benefit from the health promotion campaign.

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. By its nature the project is likely to directly improve women's, children's and men's access to reliable electricity and heating. A gender action plan will be prepared during the PPTA

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

☐ Yes ☒ No Please explain

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
<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. The main stakeholders are the general households, business community, public and social institutions in the project area.</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? Stakeholders' consultations through community meetings, discussions, and interviews will be conducted during the PPTA.</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? M- Information generation and sharing L- Consultation N- Collaboration N- 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No Issues related to tariffs/affordability of electricity and heating by the poor needs to have a meaningful discussion with the poorer households to ensure that they also benefit from the project outputs.</p>
IV. SOCIAL SAFEGUARDS
A. Involuntary Resettlement Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI
<p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input type="checkbox"/> Yes <input type="checkbox"/> No The project will have no or very limited risk of land acquisition and resettlement. The 2 biomass cogeneration plants will be sited in state-owned land. Heating systems will also be placed in existing ROWs/easements. There is enough flexibility in the selection of the sites to avoid LAR issues. However, a due diligence assessment of LAR risks will be made during the PPTA.</p> <p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process? <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>
B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI
<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 The project site is not inhabited by communities that can be defined as IPs based on SPS. However, the PPTA will include a due diligence assessment to confirm.</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 is not situated in areas inhabited by communities definable as IPs.</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process? <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>
V. OTHER SOCIAL ISSUES AND RISKS
<p>1. What other social issues and risks should be considered in the project design? L- Creating decent jobs and employment L- Adhering to core labor standards <input type="checkbox"/> Labor retrenchment L- Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking M- 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 _____ Indicate high (H), medium (M), low (L) for selected boxes</p> <p>2. How are these additional social issues and risks going to be addressed in the project design?</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, (iii) participation dimensions; (iv) social safeguards; and (vi) other social risks. Are the relevant specialists identified? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why.</p> <p>3. 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? 3-pm of Social Dev't and Resettlement Specialist input to conduct social safeguards due diligence and poverty, gender analysis.</p>