



## Initial Poverty and Social Analysis

---

September 2019

### IND: Meghalaya Power Distribution Sector Improvement Project

This document is being disclosed to the public in accordance with ADB's Access to Information Policy.

Asian Development Bank

**CURRENCY EQUIVALENTS**

(as of 2 September 2019)

Currency unit	–	Indian rupee/s (₹)
₹1.00	=	\$0.01393
\$1.00	=	₹71.74070

**ABBREVIATIONS**

ADB	–	Asian Development Bank
AT&C	–	aggregate technical and commercial
HDI	–	human development index
kV	–	kilovolt
MeSEB	–	Meghalaya State Electricity Board

**NOTE**

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: Meghalaya Distribution Sector Improvement Project

Lending/Financing Modality: Project Department/Division: South Asia / Energy

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Meghalaya is a state in northeastern India with a population of approximately 3 million. Infrastructural constraints have prevented the economy of the state from creating high-income jobs at a pace commensurate with the rest of India. Meghalaya has 6,098 villages electrified with 477,118 consumers, of which approximately 72.5% of the households are in rural areas and the remaining in urban areas. While rural electrification has improved in recent years for those who have an electricity connection, the majority receive poor quality service, with limited hours of supply, frequent blackouts and voltage fluctuations.<sup>a</sup> In addition, there are still off-grid rural communities. Poor and unreliable electricity supply contributes to slower socio-economic development in rural areas. The existing distribution network is overloaded, majority of 33/11 kilovolt (kV) substations in rural areas are without control rooms and still operated using drop out fuses. They are causing inconvenience to operate during heavy rain and mist, which is prevalent in majority areas of the state. The consumers in rural areas are connected to lengthy low voltage distribution lines that contribute to technical losses, low power quality and high level of interruptions.

In March 2017, Meghalaya State Electricity Board (MeSEB) signed an agreement with Ministry of Power and Government of Meghalaya to reduce their aggregate technical and commercial (AT&C) losses from 34.76% in fiscal year 2015 to 15% in FY2020. The proposed project aims to provide smart meters of distribution consumers, upgrade and modernize distribution network in Central, East and West Garo Hill circles and prepare distribution sector road map. This will help MeECL to achieve AT&C targets and benefit the general public by improving reliability or the energy service. The poverty reduction impacts will be further strengthened by implementing targeted interventions in project communities that promote energy-based livelihood activities among vulnerable groups and enable them to access electricity services.

The proposed investment is aligned with India country partnership strategy for 2018–2022 for inclusive infrastructure in hinterlands and low-income states, and support economic growth in less-developed regions of the country. The project is also included in India country operations business plan for 2019–2021. This will be the first distribution sector intervention for ADB in northeast India and the first in energy sector for Meghalaya. The outputs of the proposed intervention are also well aligned with operational priorities 2, 3 and 5 of ADB's strategy 2030 for promoting rural development, tackling climate change, and accelerating gender equality.

#### B. Poverty Targeting

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

The improvement of the services will contribute to poverty reduction generally. While addressing issues in distribution sector there is an opportunity for a rural energy supply intervention to provide electricity access and support income generation encompassing social and gender inclusion.

#### C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. In the Human Development Index (HDI) of India for the year 2011, Meghalaya is ranked 26th with 0.585 (medium) HDI value. According to Community & Rural Development Department, Government of Meghalaya, the proportion of households living below the poverty line is 48.9%. The project will seek to improve the quality, reliability, and efficiency of power supply in targeted areas in the state of Meghalaya which leads to sustainable economic growth and poverty reduction. Access to reliable electricity supply will help manufacturing and service industries, agricultural production, as well as small scale skilled activities such as local crafts. Poor and vulnerable people, especially women currently without access or with limited access to power, are likely to benefit from the proposed project. The primary beneficiaries are the consumers of electricity in rural areas of Meghalaya and the urban area. The Project will contribute towards the reliability of power supply among the existing consumers and will help in providing uninterrupted electricity supply to social infrastructure such as schools, hospitals, and parts.

2. Impact channels and expected systemic changes. Government's target of power cut free state and better performance of electricity distribution business in Meghalaya will be supported by the project.<sup>b</sup> Strengthening the distribution network will enable a reliable and quality electricity supply which will promote economic development and poverty reduction through new employment and enterprise opportunities. The project will: (i) increase distribution network capacity in Central, East Garo Hills and West Garo Hills increased, and upgrade and modernize existing networks; (ii) complete smart meters for distribution customers installed and pilot project for online billing and

connection services; (iii) prepare distribution sector road map for Meghalaya; and (iv) install stable access to electricity by renewable mini grid and support rural income generation.
3. Focus of (and resources allocated in) the transaction TA or due diligence. Resources are allocated to undertake social and livelihoods assessments, and to prepare social and gender plans for the project.
<b>II. GENDER AND DEVELOPMENT</b>
1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program? Women in Meghalaya is generally active in all economic activities including in all workforce. They are not usually marginalized. However, women in rural parts of Meghalaya face many barriers to pursue their carrier due to poor access to infrastructures and social services, lack of economic, livelihood and income generating opportunities.
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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No To make the proposed project more gender responsive, the project team will explore opportunities during the project design. One of the project outputs, which is the rural renewable mini grid component, will ensure stable electricity supply for rural community with a gender target and support income generation using community-based renewable energy with a gender target as well.
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 The project will not have an adverse impact on women as the project will provide more reliable and better-quality electricity supply.
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)
<b>III. PARTICIPATION AND EMPOWERMENT</b>
1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design. State government, nongovernment organizations, community-based organizations, utility, electricity consumers, businesses and affected men and women, especially those from poor communities.
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? As an 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 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? <input checked="" type="checkbox"/> (M) Information generation and sharing <input checked="" type="checkbox"/> (M) Consultation <input checked="" type="checkbox"/> (L) Collaboration <input type="checkbox"/> (N) Partnership There are several 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 community centered sustainable rural development component will be implemented in close collaboration 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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Consultations will be held with poor and vulnerable to ensure they benefit from project interventions.
<b>IV. SOCIAL SAFEGUARDS</b>
<b>A. Involuntary Resettlement Category</b> <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI
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 There are total of 23 proposed new 33/11kV substations which will require a total of 2.88 hectares of land. <sup>c</sup> Land for each substation will be acquired through negotiated settlement which is willing-buyer and willing seller mechanism. Any structures and settlements will be avoided. The land acquisition for the 33/11 kV substations are in progress. It is also assumed that some of the land will belong to community or village land which can be donated. Being a distribution project, having positive impacts, there would be less chance of any failure in negotiations. Additionally, there will be a total of 295 kilometers of 33 kV overhead distribution lines and 647 kilometers of 11 kV overhead lines. All the lines are pole based and most of the 11 kV lines and some part of 33 kV lines will be planned along the existing roads. Impacts related to lines are anticipated during construction in terms of loss of crops and trees which will be compensated, if unavoidable. The impact area is quite small in terms of right of way, which is maximum 4 to 5 meters, although there is no specific right of way exist for the low voltage lines. Attempts will be made to keep the construction activities during the off season. Major cultivation found in the

area are beetle nuts, broom stick and vegetables. The project impacts are minimal as far as involuntary resettlement is concerned. Further details will be clearly identified through due diligence.
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 <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None
<b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The proposed project covers the tribal area of Meghalaya which falls under the sixth scheduled area under the constitution of India. Major tribes found in the project area are Garo, Khasi and Jaintia. However, it may be noted that these tribes are the dominant population in the area and are mainstreamed population. Construction of small substations and low voltage lines will not affect dignity, human rights, livelihood system or culture of the people. Impacts are mostly positive in nature and very much indirect. Due diligence will be conducted and indigenous peoples plan will be prepared.
2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The project in general, falls within the notified tribal area as per the constitution of India as Meghalaya is considered as a tribal state. Therefore, by default, it affects territories of the indigenous people.
3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process? A combined resettlement and indigenous peoples plan will be prepared based on due diligence and consultation. <input checked="" 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 type="checkbox"/> None
<b>V. OTHER SOCIAL ISSUES AND RISKS</b>
1. What other social issues and risks should be considered in the project design? <input checked="" type="checkbox"/> (L) Creating decent jobs and employment <input checked="" type="checkbox"/> (L) Adhering to core labor standards <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> (L) Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input 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 _____
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. Standard assurances on labor and working conditions will be included in civil work contracts. Workers will be educated on the prevention of sexually transmitted infections, including HIV/AIDS.
<b>VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</b>
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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No TA was processed and the information gathering will be undertaken as part of the due diligence for the project. In addition, it would be supplemented by the due diligence for grant financing for information dissemination and livelihood improvement.
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? TA was processed and this will be undertaken as part of the due diligence for the project. In addition, the poverty, social and gender analysis will be undertaken as part of the preparation of grant financing.

<sup>a</sup> [Saubhagya](#).

<sup>b</sup> Government of India, Ministry of Power. 2015. *24x7 Power for All Meghalaya*. Delhi.

<sup>c</sup> 1,200 square meter of land is required for each substation.

Source: Asian Development Bank.