



Initial Poverty and Social Analysis

May 2019

IND: Uttarakhand Transmission Strengthening and Distribution Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 9 April 2019)

Currency unit	–	Indian rupee (₹)
₹1.00	=	\$0.01437
\$1.00	=	₹69.56350

ABBREVIATIONS

ADB	–	Asian Development Bank
bu	–	billion units
CEA	–	Central Electricity Authority
CPS	–	country partnership strategy
FY	–	fiscal year
GOU	–	Government of Uttarakhand
JFPR	-	Japan Fund for Poverty Reduction
MNRE	–	Ministry of New and Renewable Energy
MOP	–	Ministry of Power
UPCL	–	Uttarakhand Power Corporation Ltd.

NOTES

- (i) The fiscal year (FY) of the Government of India and its agencies ends on 31st of March. "FY" before a calendar year denotes the year in which the fiscal year ends, e.g., FY2019 ends on 31 March 2019.
- (ii) In this report, "\$" refers to United States dollars.

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Uttarakhand Transmission Strengthening and Distribution Program
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

Uttarakhand is one of India's fastest growing states, mainly driven by the non-farm sector. Poverty reduction has been rapid in recent years, but despite this some of Uttarakhand's central and southern districts recorded higher levels of poverty than in its other regions and consumption inequality increased in urban areas.¹ Whilst rural electrification has improved in recent years² for those who do have an electricity connection, the majority receive service of poor quality, with limited hours of supply and frequent blackouts and voltage fluctuations. In addition, there are still off-grid rural communities. Poor and unreliable electricity supply contributes to slower socio-economic development in rural areas.

The construction of the extra high voltage transmission investments between Khandukhal and Rampura will provide additional transmission capacity from the power generated by the upcoming hydropower plants in Alakananda Valley supporting the evacuation of clean energy generated to load centers within the state and outside. The modernization of existing distribution infrastructure by adopting underground cabling will allow UPCL to expand their distribution network and optimize their day to day operations by adopting new technology, improving customer service, public safety, and promoting energy efficiency and demand side management. These measures 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 the country partnership strategy of Asian Development Bank (ADB) to promote inclusive socioeconomic development through improved infrastructure facilities in lagging regions of India. The project also has a targeted intervention for livelihood improvement for rural communities through developing eco-entrepreneurship establishments and 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 which has reduced poverty in recent years, however, this has centered around the three plains districts, whilst the remaining 10 hill districts have not benefited in the same way. The improvement of energy services will contribute to poverty reduction generally, whilst community based eco-energy projects to improve forest biodiversity will support rural employment and women directly. At least 30 households are anticipated to benefit from the eco-energy projects.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The project aims to strengthen the transmission infrastructure of the state and enhance the distribution network capacity to improve energy supply in Dehradun, the capital city of Uttarakhand. Rural communities in the state of Uttarakhand will also benefit from targeted eco-entrepreneurship interventions. In 2012, there were one million poor in Uttarakhand state, with a poverty rate of 22%.³ There are also 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 improving energy supply in the state and directly targeting rural women and the poor through eco-entrepreneurship interventions.

2. Impact channels and expected systemic changes. Strengthening the transmission infrastructure of the state and enhancing 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. Further, the proposed project also will improve local communities' quality of life by providing cleaner and efficient energy supply and offering direct eco-entrepreneurship opportunities.

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.

¹ World Bank. Uttarakhand State Brief: Indicators at a glance.(accessed 20 June 2017).

² [Saubhagya](#).

³ World Bank. Uttarakhand State Brief: Indicators at a glance.(accessed 20 June 2017).

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? Half of Uttarakhand's workforce is farm-based and since 2005, job creation has been weak, especially for women, who have dropped out of the labour force in large numbers. Women in Uttarakhand face many barriers to progress, with the state's child sex ratio among the lowest in the country and declining. While more adult women in Uttarakhand have completed secondary school than the national average, they lag the state's adult men in schooling⁴ as well as employment as a result of low education.</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'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>The proposed project will have a targeted intervention to support energy-based micro/small enterprises. Community based pine-needle energy projects will be supported to improve forest biodiversity, by developing eco-entrepreneurial establishments providing employment for rural communities especially women using indigenously available resources.</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 not have an adverse impact on women as the project will provide more reliable and better-quality electricity supply.</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>	
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. Utility, electricity consumers, men and women, especially those from poor communities, state government, nongovernment organizations, community-based organizations, micro financial institutions, private sector entrepreneurs.</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? Poverty as well as livelihoods mapping will identify energy-based entrepreneurial activities that can be supported. 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.</p>	
<p>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? [M] Information generation and sharing [M] Consultation [M] Collaboration [L] Partnership</p> <p>There are a number 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 community centered sustainable rural development component will be implemented in close collaboration with nongovernment organizations.</p>	
<p>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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>During the consultation process of the livelihood improvement component of the project and during any resettlement activities, consultations will be held with poor and vulnerable to ensure they benefit from project interventions.</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 Construction of the 400KV, 190 km transmission Line and civil works for bay extensions within the existing substations are anticipated to result in economic displacement. The line traverses through two states such as Uttarakhand and Uttar Pradesh of which 105.44 kms of line pass through Uttarakhand and 63.23 kms of line pass through Uttar Pradesh. The proposed right of way will be 48 meters which will impact approximately 775.82 hectares of land in terms of loss of crops and trees. Approximately, 20.96 hectares of land will fall under the towers and 0.15 ha of land will be permanently required for tower footings. Land will not be acquired either for towers or tower footings but compensation will be given commensurate to the impacts. The transmission line will not cause any permanent land acquisition and there will be no physical displacement. Impacts are limited to loss of crops and trees. 33kV/11kV Underground cabling may also result in temporary impacts to roadside</p>	

⁴ World Bank. Uttarakhand State Brief: Indicators at a glance.(accessed 20 June 2017).

businesses, namely temporary structures such as kiosks. The underground cable lines will be laid under the existing roads and will not require additional rights of way for construction. The roads will be restored after the construction and the access will be resumed thereafter. In the high-density area, HDD methods will be used to minimize impacts. There may be temporary disruption in terms of restriction of access to shops during construction which may go up to 2 days of construction, leading to a loss of income, if alternate access is not made. Design measures will seek to avoid physical displacement and all impacts will be confirmed during due diligence.

2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?

- Resettlement plan Resettlement framework Social impact matrix
 Environmental and social management system arrangement None

B. Indigenous Peoples Category A B C 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? Yes No The line does not pass through any tribal area or designated notified area. Most of the people are mainstreamed and belong to various caste strata. No such indigenous peoples are found to be affected, hence, the project will be categorized as "C" for Indigenous Peoples. Potential impacts to these Indigenous communities will be confirmed during due diligence.

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? Yes No Impacts to Indigenous communities will be confirmed during due diligence, however it is anticipated that the transmission will follow existing right of way (ROWs) to minimize impacts on Indigenous households and communities. The impacts will be limited to crop and trees, and no scheduled territories or natural and cultural resources are anticipated to be affected.

3. Will the project require broad community support of affected indigenous communities? Yes No

4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process?

- Indigenous peoples plan Indigenous peoples planning framework Social impact matrix
 Environmental and social management system arrangement None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

- Creating decent jobs and employment Adhering to core labor standards Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS Increase in human trafficking Affordability
 Increase in unplanned migration Increase in vulnerability to natural disasters Creating political instability
 Creating internal social conflicts 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 and operation. 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. Worker camps (if necessary) will be set up outside of local urban areas, and human trafficking will be strictly prohibited.

VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT

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?

Yes No TA was processed, and this 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.