

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	India	Project Title:	National Grid Improvement Project
Lending/Financing Modality:	Project Loans	Department/Division:	South Asia Energy

### I. POVERTY ANALYSIS AND STRATEGY

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

Power sector development is a key pillar and driver of economic growth and development in India. Increasing access to reliable and efficient energy can have a direct bearing on the industrial and commercial productivity and output of a region and nation, help reduce poverty, and improve quality of life, particularly for the most vulnerable segments of society.

Achieving poverty reduction and social development through faster and more inclusive growth is a priority in India's Eleventh Five Year Plan (2007–12). The plan views expansion in gross domestic product not as an end in itself but as a means of reducing poverty and promoting broad-based economic growth through strategic infrastructure development. The Country Partnership Strategy (CPS) prepared by the Asian Development Bank (ADB) for India for 2009–2012 aims to tackle poverty by supporting faster, more inclusive, and gender equitable economic growth through job creation; targeted improvements in education, health, and other social sectors; the provision of basic and essential services to the poor; and bridging the divide and eliminating the disparities between regions, sectors, and genders.

The proposed investment will support the evacuation and transmission of energy across five states with the construction of two terminals (at Champa in Chhattisgarh and Kurukshetra in Haryana) and approximately 1,600 km of total transmission lines between Champa in Chhattisgarh and Jalandhar in Punjab. The project is consistent with the National Poverty Reduction Strategy and ADB's CPS. The project's contribution to poverty reduction and social inclusion will primarily be indirect. Project beneficiaries are widespread across the regions traversed by the project. They will include commercial, industrial, and household consumers in the northern and western regions of India. People directly affected by project activities will benefit from (i) temporary and permanent jobs; (ii) economic investment and growth; (iii) improvements to basic infrastructure, including roads, water and power supplies, etc.; (iv) livelihood restoration schemes (where applicable); and (v) continued community support from a responsible corporate player.

#### B. Poverty Analysis Targeting Classification: General intervention (GI)

**Key issues.** The incidence of poverty is estimated at 44.0% in the state of Chhattisgarh, 37.4% in Madhya Pradesh, and 31.2% in Uttar Pradesh. Poverty levels are considerably lower in Haryana (8.7%) and Punjab (6.2%) and fall below the national average of 26.1%. Nonetheless, poverty is both significant and disproportionately high among some social groups. Given the lack of employment opportunities in some areas, large numbers of young people are forced to migrate to urban centers. The project will help expand power supply across the northern and western regions including these host states. This is expected to result in regional economic growth and development propelled by investment in industry and commerce; creation of new and diverse employment opportunities; improved living conditions for local people, including the poor; and investment in basic infrastructure and social services for the poor.

**Design features.** While the project will improve the power supply system, it will also indirectly improve the overall development of the host regions. The ADB loans will develop a strategy to avoid or minimize negative impacts on people directly or indirectly affected and on vulnerable groups through appropriate management and mitigation.

### II. SOCIAL ANALYSIS AND STRATEGY

#### A. Findings of Social Analysis

**Key issues.** A socioeconomic survey of the population living around the proposed locations of the substations for the terminals indicates that their primary needs include (i) livelihood opportunities, where households are expected to lose their agricultural land; (ii) improvements to such local basic infrastructure as roads, sanitation, and water supply; (iii) skills training and credit facilitation support to enable people to establish or restore an income. The number of directly affected people is estimated at 190 (38 families).

#### B. Consultation and Participation

1. Provide a summary of the consultation and participation (C&P) process during project preparation.

The stakeholder engagement process for the project has been based on a participatory approach. Informal consultations have been carried across various project locations with key informants, including village heads, management committees, and other stakeholders during the pre-implementation phase. A summary of public consultations can be referenced in the

project resettlement plan.<sup>1</sup> A formal and extensive consultation process will continue during the census survey and the socioeconomic and compensation process for both temporary and permanent impacts prior to the commencement of construction works, and thereafter as necessary.

2. What level of C&P is envisaged during the project implementation and monitoring?

Information sharing    Consultation    Collaborative decision making    Empowerment

3. Was a C&P plan prepared?    Yes    No

A C&P plan is not required for the project as a whole. For temporary damages caused during clearing, erection, and maintenance of the transmission line corridor, consultation and participation will be followed in accordance to the project compensation plan for temporary damages of the resettlement plan. Consultation and participation for substation activities will occur at all stages of the project cycle following a structured and systematic process identified in the project resettlement and rehabilitation plan (R&R). Detailed consultations with project stakeholders commence after the issuance of Section IV notification.<sup>2</sup> At this time, all resettlement matters are fully identified, discussed, and addressed in accordance with the law and the R&R plan.

### C. Gender and Development

**Key issues.** Women in all parts of India continue to face distinct inequalities compared with men across a number of human development indicators and socioeconomic variables. The project includes a range of measures to specifically target and benefit women in areas affected by the project. These are described below in more detail.

**Key Actions.** Measures to promote gender equality and women's empowerment will be included in the design of the project. This will include providing women with the opportunity to participate in decision making (to the extent possible), gain access to or use relevant services, resources, assets, or opportunities made available by the project.

Gender action plan    Other actions or measures    No action or measure

The R&R Plan (applicable to resettlement activities associated with the substations) includes measures to benefit women of affected people and those living near the substation sites. Measures will be designed upon carrying out a full socioeconomic assessment of affected people. The project includes a range of measures to promote gender equality and women's empowerment. In terms of institutional support, the project (i) will ensure that women are protected from health risks associated with the spread of transmissible diseases (including HIV/AIDS and sexually transmitted diseases) across all major construction camps and areas; and (ii) inform local government and nongovernment organizations responsible for gender equality and women's empowerment to ensure that ongoing and/or upcoming employment and livelihood enhancement programs targeting women and other vulnerable groups are extended to local communities in the project area. Key social and gender-related design features include (i) gender-inclusive consultative processes and women's equitable participation in decision making throughout the project cycle; (ii) additional assistance provided for affected households headed by women, in accordance with the resettlement framework, including women-targeted educational programs (supported by the Industrial Training Institute, for example); (iii) equal opportunities for women in accessing employment opportunities in civil works contracts, (iv) providing equal pay for work of equal value; and (iv) ensuring the incorporation of women's needs and concerns in all aspects of project design and infrastructure development (e.g., sanitation).

<sup>1</sup> Project resettlement impacts will be managed and mitigated through an integrated resettlement plan adhering to ADB's Safeguard Policy Statement (2009), which combines a resettlement and rehabilitation plan for substation related impacts (section 1 of the resettlement plan) and a compensation plan for temporary damages (section 2 of the plan), where impacts involve clearance and maintenance of the transmission line corridor.

<sup>2</sup> Section IV notification follows the land acquisition process of the Government of India's Land Acquisition Act (LAA) of 1894. Issuance of section IV serves as the cut-off date for eligibility of persons affected by the project.

<b>III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS</b>			
<b>Issue</b>	<b>Significant/Limited/ No Impact</b>	<b>Strategy to Address Issue</b>	<b>Plan or Other Measures</b>
<b>Involuntary Resettlement</b>	The project is classified as category B for involuntary resettlement. None of affected people will be physically relocated from their homes. Resettlement impacts for substation facilities are limited to economic displacement of private landowners due to loss of or access to land, crops, and other physical assets. The number of affected people is 190, of which 170 will be significantly impacted. A total of 101.7 acres of private land is required for the establishment of the two substation facilities (Champa and Kurukshetra). Land will not be acquired for any portion of the transmission line right-of-way. Impacts for this component are classified as temporary and insignificant in nature. Affected peoples will be compensated for economic assets in a fair and equitable manner.	Resettlement will be managed under POWERGRID's corporate environmental and social management system. The resettlement plan identifies the entitlements, compensation rates, livelihood restoration measures, and community development activities that will be implemented to prevent, minimize, mitigate, and manage impacts to affected peoples. Women will be given equal opportunity (e.g., employment) and preference (e.g., training, livelihood assistance) to benefit from the project.	<input checked="" type="checkbox"/> Resettlement Plan <input type="checkbox"/> Resettlement Framework <input checked="" type="checkbox"/> Environment and Social Management System <input type="checkbox"/> No Action
<b>Indigenous Peoples</b>	No indigenous peoples or groups are expected to be directly or indirectly affected by the project.	Provisions to mitigate against unforeseen impacts on indigenous people are included in the entitlement matrix of the project resettlement plan. This includes recognition of their vulnerability, special compensation, and assistance and livelihood restoration measures.	<input type="checkbox"/> Indigenous Peoples Plan <input type="checkbox"/> Indigenous Peoples Framework <input type="checkbox"/> Environment and Social Management System
<b>Labor</b> <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input checked="" type="checkbox"/> Core Labor Standards	The project will generate a significant number of temporary jobs during the installation/erection (mobile units) of the transmission lines and the substations. A few hundred permanent skilled, semi-skilled, and unskilled jobs where the substation facilities will be located will be sourced locally.	Local people will be given preference for temporary and permanent jobs. The loan agreement will include specific assurances (i) requiring the enforcement of relevant labor standards at all work camps and sites managed by POWERGRID or its contractors, (ii) ensuring that workers are protected in terms of occupational health, safety, and security risks.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other action <input type="checkbox"/> No action
<b>Affordability</b>	Not applicable.	Not applicable.	<input type="checkbox"/> Action <input checked="" type="checkbox"/> No action
<b>Other Risks and/or Vulnerabilities</b> <input checked="" type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human trafficking	Appropriate steps should be taken to address the threat of project workers contracting and/or spreading HIV/AIDS, particularly where they are working in large groups and close to local communities.	Specific and standard assurances will be added to the loan agreement to ensure that POWERGRID and its contractors will provide workers with information and training about the risks of HIV/AIDS and how to prevent contracting or spreading it, as and when deemed necessary.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other action <input type="checkbox"/> No action
<b>IV. MONITORING AND EVALUATION</b>			
Are social indicators included in the design and monitoring framework to facilitate monitoring of gender and social development activities and/or social impacts during project implementation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
A designated POWERGRID project monitoring team (corporate, regional, and local level) will routinely review and report on project performance of ADB-financed components to ensure that the project is implemented in accordance with ADB Safeguard Policy Statement (2009) guidelines.			