



Initial Poverty and Social Assessment

Project Number: 44926
August 2010

REG: Clean Energy Funds

An initial poverty and social assessment (IPSA) is prepared in the early stage of the project cycle to assess the significance of social issues for a project. In accordance with ADB's public communications policy (PCP, 2005), the IPSA is disclosed upon completion. The final summary social assessment is included as an appendix to the project's report and recommendation of the President.

Asian Development Bank



Initial Poverty and Social Assessment

Project Number: 44926
August 2010

Clean Resources Asia Growth Fund (CRAG Fund)

An initial poverty and social assessment (IPSA) is prepared in the early stage of the project cycle to assess the significance of social issues for a project. In accordance with ADB's public communications policy (PCP, 2005), the IPSA is disclosed upon completion. The final summary social assessment is included as an appendix to the project's report and recommendation of the President.

Asian Development Bank

INITIAL POVERTY AND SOCIAL ANALYSIS

Country/Project Title:	REG: Clean Energy Funds - Clean Resources Asia Growth Fund (CRAG Fund)		
Lending/Financing Modality:	Financial Intermediary	Department/ Division:	PSOD/PSCM

I. POVERTY ISSUES
<p>A. Linkages to the National Poverty Reduction Strategy and Country Partnership Strategy³</p> <p>1. Based on the country poverty assessment, the country partnership strategy and the sector analysis describe how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.</p> <p>The Fund is intended to make private equity investments in clean energy projects and companies in ADB's DMCs. The Fund is aligned with ADB's Strategy 2020, which seeks to reduce poverty and improve living conditions and quality of life in part by scaling up private sector development and supporting environmentally sustainable development, particularly with respect to projects that aim to reduce carbon dioxide emissions and that address climate change.</p> <p>As regards country strategies, the investments are broadly aligned with the various countries to be targeted by the Fund, including PRC, India, and the Philippines. In PRC, the need to improve energy efficiency and redefine its energy mix towards a more environmentally friendly combination is highly recognized by the government. In India, the need to carry out energy infrastructure projects to meet the power requirements of the next decade is being given significant emphasis, and in the Philippines, targets have been set towards achieving reliable and affordable electricity supply.</p>
<p>B. Targeting Classification</p> <p>1. Select the targeting classification of the project: <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>2. Explain the basis for the targeting classification: The Fund will invest in: (i) proven clean technologies for application in Asian markets; (ii) critical elements of the Asia-based supply chain for clean resource technologies; and (iii) high-growth clean technology companies engaged in expanding sales volumes and production capacities. By investing in pollution and waste management technologies, energy efficiency technologies, and supply chain investments, the Fund is expected to contribute to reduced greenhouse gas emissions, leading to improved public health in the localities where investments will be made. Future investments are also expected to create opportunities for employment.</p>
<p>C. Poverty Analysis</p> <p>1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed? N/A</p> <p>2. What resources are allocated in the PPTA/due diligence? N/A</p> <p>3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)? The individual investments being covered by the Fund will spur economic development and contribute to mitigating the impact of climate change, which is often disproportionately felt by the poor.</p>
II. SOCIAL DEVELOPMENT ISSUES
<p>A. Initial Social Analysis</p> <p>Based on existing information:</p> <p>1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project? The impact of the Fund and its individual investments will benefit a broad spectrum of beneficiaries, as developmental impacts are primarily sustainable energy security and economic development. Locally, where individual investments (may) trigger construction, jobs generated will have an impact on the local community.</p> <p>2. What are the potential needs of beneficiaries in relation to the proposed project? None.</p> <p>3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them? None.</p>
<p>B. Consultation and Participation</p> <p>1. Indicate the potential initial stakeholders. Potential initial stakeholders include energy sector players in selected DMCs, government units, and local communities, which will host the projects in which the Fund will invest.</p> <p>2. What type of consultation and participation (C&P) is required during the PPTA or project processing? The consultation and participation aspect will be governed by the Environment and Social Management System that will be adopted by the Fund.</p> <p>3. What level of participation is envisaged for project design? <input checked="" type="checkbox"/> Information sharing <input checked="" type="checkbox"/> Consultation <input type="checkbox"/> Collaborative decision making <input type="checkbox"/> Empowerment⁷</p> <p>4. Will a C&P plan be prepared? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain. Consultation and participation activities for future investments will be outlined in the relevant project documents as guided by the Fund's ESMS.</p>

C. Gender and Development			
<p>1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project/program? The project is an investment in a private equity fund. Specific renewable energy projects will be identified after Board approval. Gender issues will be identified as part of the social assessment to be undertaken for each investment to be financed by the Fund.</p> <p>2. Does the proposed project/program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making? <input checked="" type="checkbox"/> Yes Some indirect gender benefits are expected. <input type="checkbox"/> No Please explain.</p> <p>3. Could the proposed project have an adverse impact on women and/or girls or to widen gender inequality? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain The project is expected to contribute to reduced greenhouse gas emissions leading to improved public health in the localities where investments will be made. As women traditionally care for the family especially the sick, with an improved environment, incidence of illnesses may decrease and therefore giving women more time for income earning or learning opportunities.</p>			
III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS			
Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required¹³
Involuntary Resettlement	The Fund may finance future investments that involve land acquisition and resettlement.	Not Known	<input type="checkbox"/> Resettlement Plan <input type="checkbox"/> Resettlement Framework <input checked="" type="checkbox"/> ESMS <input type="checkbox"/> Uncertain
Indigenous Peoples	The Fund may finance future investments that involve impact to indigenous peoples	Not known	<input type="checkbox"/> Indigenous Peoples Plan <input type="checkbox"/> Indigenous Peoples Framework <input checked="" type="checkbox"/> ESMS <input type="checkbox"/> Uncertain
Labor <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input checked="" type="checkbox"/> Core Labor Standards	The Fund may finance construction and related project operations that will provide employment opportunities to qualified local populations	Limited. Priority given to qualified and skilled workers/ employees in localities where clean energy projects will be developed. The Fund Manager will require its investees to follow internationally recognized labor practices consistent with national labor laws and regulations.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Affordability	Tariffs are often set by the relevant government agency regarding which the Fund Manager may have limited or no influence.	No impacts	<input type="checkbox"/> Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Other Risks and/or Vulnerabilities <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others	None	No impacts	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT			
<p>1. Do the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why.</p> <p>2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, please explain why. Qualified ADB staff will assess the potential environmental and social risks associated with the Fund's expected portfolio and sectors of investment, review the fund manager's system, capacity and track record to manage such E&S risks and ensure that the Fund Manager will adopt an ESMS satisfactory to ADB.</p>			



Initial Poverty and Social Assessment

Project Number: 44926
August 2010

BTS India Clean Energy Fund (BTS Fund)

An initial poverty and social assessment (IPSA) is prepared in the early stage of the project cycle to assess the significance of social issues for a project. In accordance with ADB's public communications policy (PCP, 2005), the IPSA is disclosed upon completion. The final summary social assessment is included as an appendix to the project's report and recommendation of the President.

Asian Development Bank

INITIAL POVERTY AND SOCIAL ANALYSIS

Country/Project Title:	BTS India Clean Energy Fund (BTS Fund)		
Lending/Financing Modality:	Financial Intermediary	Department/ Division:	PSOD/PSCM

I. POVERTY ISSUES
<p>A. Linkages to the National Poverty Reduction Strategy and Country Partnership Strategy</p> <p>1. Based on the country poverty assessment, the country partnership strategy and the sector analysis describe how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.</p> <p>The Fund is intended to make private equity investment in clean energy projects and companies in ADB's DMCs. The Fund is aligned with ADB's Strategy 2020, which seeks to reduce poverty and improve living conditions and quality of life in part by scaling up private sector development and supporting environmentally sustainable development, particularly with respect to projects that aim to reduce carbon dioxide emissions and that address climate change.</p> <p>The investment is broadly aligned with India's country strategy, in which the need to carry out energy infrastructure projects to meet the power requirements of the next decade is being given significant emphasis.</p>
<p>B. Targeting Classification</p> <p>1. Select the targeting classification of the project: <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>2. Explain the basis for the targeting classification: The Fund will invest in renewable energy generation projects, such as wind, biomass, and small hydro projects, and to support growth of SMEs engaged in energy efficiency and allied manufacturing and services for the renewable energy sectors. By promoting efficient energy generation, the Fund is expected to contribute to reduced greenhouse gas emissions leading to improved public health in the localities where investments will be made. Future investments are also expected to create opportunities for employment.</p>
<p>C. Poverty Analysis</p> <p>1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed? N/A</p> <p>2. What resources are allocated in the PPTA/due diligence? N/A</p> <p>3. If GI, is there any opportunity for pro-poor design? The individual investments being covered by the Fund will spur economic development and contribute to mitigating the impact of climate change, which is often disproportionately felt by the poor.</p>
II. SOCIAL DEVELOPMENT ISSUES
<p>A. Initial Social Analysis</p> <p>Based on existing information:</p> <p>1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project? The impact of the Fund and its individual investments will benefit a broad spectrum of beneficiaries, as developmental impacts are primarily sustainable energy security and economic development. Locally, where individual investments (may) trigger construction, jobs generated will have an impact on the local community.</p> <p>2. What are the potential needs of beneficiaries in relation to the proposed project? None.</p> <p>3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them? None.</p>
<p>B. Consultation and Participation</p> <p>1. Indicate the potential initial stakeholders. Potential initial stakeholders include energy sector players in selected DMCs, government units, and local communities, which will host the projects in which the Fund will invest.</p> <p>2. What type of consultation and participation (C&P) is required during the PPTA or project processing? The consultation and participation aspect will be governed by the Environment and Social Management System that will be adopted by the Fund.</p> <p>3. What level of participation is envisaged for project design? <input checked="" type="checkbox"/> Information sharing <input checked="" type="checkbox"/> Consultation <input type="checkbox"/> Collaborative decision making <input type="checkbox"/> Empowerment⁷</p> <p>4. Will a C&P plan be prepared? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain. Consultation and participation activities for future investments will be outlined in the relevant project documents as guided by the Fund's ESMS.</p>

<p>C. Gender and Development</p> <p>1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project/program? The project is an investment in a private equity fund. Specific renewable energy projects will be identified after Board</p>
--

approval. Gender issues will be identified as part of the social assessment to be undertaken for each investment to be financed by the Fund.

2. Does the proposed project/program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making?
 Yes Some indirect gender benefits are expected. No Please explain.

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

Yes No Please explain The project is expected to contribute to reduced greenhouse gas emissions leading to improved public health in the localities where investments will be made. As women traditionally care for the family especially the sick, with an improved environment, incidence of illnesses may decrease and therefore giving women more time for income earning or learning opportunities.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
Involuntary Resettlement	The Fund may finance future investments that may involve land acquisition and resettlement.	Not Known	<input type="checkbox"/> Resettlement Plan <input type="checkbox"/> Resettlement Framework <input checked="" type="checkbox"/> ESMS <input type="checkbox"/> Uncertain
Indigenous Peoples	The Fund may finance future investments that may involve impact to Indigenous Peoples	Not known	<input type="checkbox"/> Indigenous Peoples Plan <input type="checkbox"/> Indigenous Peoples Framework <input checked="" type="checkbox"/> ESMS <input type="checkbox"/> Uncertain
Labor <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input checked="" type="checkbox"/> Core Labor Standards	The Fund may finance construction and related project operations that will provide employment opportunities to qualified local populations.	Limited. Priority given to qualified and skilled workers/ employees in localities where clean energy projects will be developed. The Fund Manager will require its investees to follow internationally recognized labor practices consistent with national labor laws and regulations.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Affordability	Tariffs are often set by the relevant government agency to which the Fund Manager may have limited or no influence.	No impacts	<input type="checkbox"/> Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Other Risks and/or Vulnerabilities <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others	None	No impacts	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain

IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s?
 Yes No If no, please explain why.

2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence? Yes No If no, please explain why. Qualified ADB staff will assess the potential environmental and social risks associated with the Fund's expected portfolio and sectors of investment, review the fund manager's system, capacity and track record to manage such E&S risks and ensure that the Fund Manager will adopt an ESMS satisfactory to ADB.



Initial Poverty and Social Assessment

Project Number: 44926
August 2010

Renewable Energy Asia Fund (REA Fund)

An initial poverty and social assessment (IPSA) is prepared in the early stage of the project cycle to assess the significance of social issues for a project. In accordance with ADB's public communications policy (PCP, 2005), the IPSA is disclosed upon completion. The final summary social assessment is included as an appendix to the project's report and recommendation of the President.

Asian Development Bank

INITIAL POVERTY AND SOCIAL ANALYSIS

Country/Project Title: Renewable Energy Asia Fund (REA Fund)

Lending/Financing Modality: Financial Intermediary Department/Division: PSOD/PSCM

I. POVERTY ISSUES

A. Linkages to the National Poverty Reduction Strategy and Country Partnership Strategy³

1. Based on the country poverty assessment, the country partnership strategy and the sector analysis describe how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.

The Fund is intended to make private equity investment in clean energy projects and companies in ADB's sDMCs. The Fund is aligned with ADB's Strategy 2020, which seeks to reduce poverty and improve living conditions and quality of life in part by scaling up private sector development and supporting environmentally sustainable development, particularly with respect to projects that aim to reduce carbon dioxide emissions and that address climate change.

As regards country strategies, the investments are broadly aligned with the various countries to be targeted by the Fund, including, specifically, India and the Philippines. In India, the need to carry out energy infrastructure projects to meet the power requirement of the next decade is being given significant emphasis, and in the Philippines, targets have been set towards achieving reliable and affordable electricity supply.

B. Targeting Classification

1. Select the targeting classification of the project:

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

2. Explain the basis for the targeting classification:

The Fund will invest in development stage (post-permitting, pre-construction) renewable energy projects/project developers using proven technologies in, primarily, India and the Philippines, generating project revenue through green electricity, carbon credits, and/or energy by-products. By investing in these areas the Fund is expected to contribute to reduced greenhouse gas emissions leading to improved public health in the localities where investments will be made. Future investments are also expected to create opportunities for employment.

C. Poverty Analysis

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed? N/A

2. What resources are allocated in the PPTA/due diligence? N/A

3. If GI, is there any opportunity for pro-poor design? The individual investments being covered by the Fund will spur economic development and contribute to mitigating the impact of climate change, which is often disproportionately felt by the poor.

II. SOCIAL DEVELOPMENT ISSUES

A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project? The impact of the Fund and its individual investments will benefit a broad spectrum of beneficiaries, as developmental impacts are primarily sustainable energy security and economic development. Locally, where individual investments (may) trigger construction, job generated will have an impact on the local community.

2. What are the potential needs of beneficiaries in relation to the proposed project? None.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them? None.

B. Consultation and Participation

1. Indicate the potential initial stakeholders.

Potential initial stakeholders include energy sector players in selected DMCs, government units, and local communities, which will host the projects in which the Fund will invest.

2. What type of consultation and participation (C&P) is required during the PPTA or project processing? The consultation and participation aspect will be governed by the Environment and Social Management System that will be adopted by the Fund.

3. What level of participation is envisaged for project design?

Information sharing Consultation Collaborative decision making Empowerment⁷

4. Will a C&P plan be prepared? Yes No Please explain. Consultation and participation activities for future investments will be outlined in the relevant project documents as guided by the Fund's ESMS.

C. Gender and Development

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project/program?
The project is an investment in a private equity fund. Specific renewable energy projects will be identified after Board approval. Gender issues will be identified as part of the social assessment to be undertaken for each investment to be financed by the Fund.
2. Does the proposed project/program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making?⁹
 Yes Some indirect gender benefits are expected. No Please explain.
3. Could the proposed project have an adverse impact on women and/or girls or to widen gender inequality?
 Yes No Please explain The project is expected to contribute to reduced greenhouse gas emissions leading to improved public health in the localities where investments will be made. As women traditionally care for the family especially the sick, with an improved environment, incidence of illnesses may decrease and therefore giving women more time for income earning or learning opportunities.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
Involuntary Resettlement	The Fund may finance future investments that may involve land acquisition and resettlement.	Not Known	<input type="checkbox"/> Resettlement Plan <input type="checkbox"/> Resettlement Framework <input checked="" type="checkbox"/> ESMS <input type="checkbox"/> Uncertain
Indigenous Peoples	The Fund may finance future investments that may involve impact to Indigenous Peoples	Not known	<input type="checkbox"/> Indigenous Peoples Plan <input type="checkbox"/> Indigenous Peoples Framework <input checked="" type="checkbox"/> ESMS <input type="checkbox"/> Uncertain
Labor <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input checked="" type="checkbox"/> Core Labor Standards	The Fund may finance construction and related project operations that will provide employment opportunities to qualified local populations.	Limited. Priority given to qualified and skilled workers/ employees in localities where clean energy projects will be developed. The Fund Manager will require its investees to follow internationally recognized labor practices consistent with national labor laws and regulations.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other Action <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Affordability	Tariffs are often set by the relevant government agency to which the Fund Manager may have limited or no influence.	No impacts	<input type="checkbox"/> Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Other Risks and/or Vulnerabilities <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others	None	No impacts	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain

IV. PPTA/DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the TOR for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist/s?
 Yes No If no, please explain why.
2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and C&P during the PPTA/due diligence? Yes No If no, please explain why. Qualified ADB staff will assess the potential environmental and social risks associated with the Fund's expected portfolio and sectors of investment, review the fund manager's system, capacity and track record to manage such E&S risks and ensure that the Fund Manager will adopt an ESMS satisfactory to ADB.