



Initial Poverty and Social Assessment

Project Number: 45924
22 October 2012

Theppana Wind Power Project (THA)

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:	THAILAND	Project Title:	THEPPANA WIND POWER PROJECT
Lending/Financing Modality:	Project Loan	Department/Division:	PSOD/PSIF 2

I. POVERTY ISSUES

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

The project is consistent with ADB's country partnership strategy for Thailand (2007–2011) with its three core strategic areas: infrastructure, environmental sustainability, and capital markets. Thailand's Alternative Energy Development Plan (2012-2021) also emphasizes the country's wind energy potential as against its present total generating capacity which is very minimal. The project also supports the government's long-term objective for the Thailand Clean Technology Fund Investment Plan to utilize CTF resources to support renewable energy projects in the private sector.

The project is expected to contribute in Thailand's initiatives to boost energy security and be a factor as well in the acceleration and expansion of private sector investment in clean energy infrastructure in the country.

The proposed wind power project will be using environmentally friendly technology to produce clean and efficient energy which will contribute to mitigation of air pollution and climate change. The power that will be generated by the project is a basic input to various economic development activities and will directly and indirectly contribute in poverty reduction.

B. Targeting Classification

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

C. Poverty Analysisⁱⁱ

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?
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)? There is no specific pro-poor design in the proposed project but it is expected to generate employment on a limited scale.

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? Power generated by the project will be evacuated to the existing Bumnejarong Substation of the Provincial Electricity Authority (PEA). During the construction and operations phase, villages settled nearby are expected to benefit from increased jobs. Migration of workers population is expected to be minimum as workers will be recruited mostly from the nearby area. The construction workers and power plant personnel will create demand for food and services, thus benefiting the local economy. A number of farmers who will be giving up portions of the land that they are presently utilizing for agricultural production will also be earning income as rental from land.
2. What are the potential needs of beneficiaries in relation to the proposed project?
Although adverse social and environmental impact is seen as minor, there is a need to ensure that contractors comply with national labor laws and regulations including core labor standards. Local people will also benefit from timely dissemination of information on the availability of employment opportunities.
3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them? The local people may not be able to benefit fully from the employment opportunities especially during project construction. There should be timely dissemination of information on the availability of employment opportunities.

B. Consultation and Participation

1. Indicate the potential initial stakeholders.ⁱⁱⁱ

Primarily, the borrower Theppana Wind Farm Company Limited which is 90% owned by Electricity Generating Public Company Limited's (EGCO), the Provincial Electricity Authority (PEA), the ADB and other funding sources, the end users, the nearby community where the project will be located and those individuals whose land will be acquired.

2. What type of consultation and participation (C&P) is required during the PPTA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)? Consultation meeting with affected persons and residents of nearby community

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

Information sharing Consultation Collaborative decision making Empowerment^{iv}

4. Will a C&P plan be prepared during the project design for project implementation? Yes No Please explain. The Environmental and Social Management Plan will include provisions to undertake consultation and participation activities when appropriate.

C. Gender and Development **Proposed Gender Mainstreaming Category^v: No Gender Element**

1. What are the key gender issues in the sector/subsector^{vi} that are likely to be relevant to this project/program? None.

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?^{vii}

Yes No Please explain. It is not common in Thailand for women to work in construction field thus the project has no employment target. The project sponsor, however, adheres to the principle that there will be no discrimination during recruitment of project workers.

3. Could the proposed project have an adverse impact on women and/or girls or to widen gender inequality?^{viii}
 Yes No Please explain. The project is not likely to adversely impact women or to widen gender inequality.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS^{ix}

Issue	Nature of Social Issue	Significant/Limited/No Impact/Not Known ^x	Plan or Other Action Required ^{xi}
Involuntary Resettlement^{xii}	The sponsor entered into lease agreements for the project site.	No impact.	<input type="checkbox"/> Resettlement Plan <input type="checkbox"/> Resettlement Framework <input type="checkbox"/> Screening Checklist in the Banks' Environmental and Social Management System Arrangement ^{xiii} <input checked="" type="checkbox"/> None <input type="checkbox"/> Uncertain
Indigenous Peoples^{xiv}	The investment will be located in an area where the population is predominantly Thai.	No impact.	<input type="checkbox"/> Indigenous Peoples Plan <input type="checkbox"/> Indigenous Peoples Planning Framework <input type="checkbox"/> Screening Checklist in the Banks' Environmental and Social Management System Arrangement ^{xv} <input checked="" type="checkbox"/> None <input type="checkbox"/> Uncertain
Labor <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input checked="" type="checkbox"/> Core Labor Standards ^{xvi}	Positive impact in terms of employment generation during construction and operation.	Limited.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other Action ^{xvii} <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
Affordability	None	No impact.	<input type="checkbox"/> Action <input 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 (conflict, political instability, etc.), please specify	None	No impact.	<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

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 PSOD social specialists will assist the project sponsor in the conduct of safeguards and social analysis.

- i See also ADB. 2006. *Poverty Handbook, Analysis and Processes to Support ADB Operations, A Working Document*. Manila. <http://adb.org/Documents/Handbooks/Analysis-Processes/default.asp>. Further reference on poverty analysis tools is also given in ADB. 2001. *Handbook for Integrating Poverty Impact Assessment in Economic Analysis of Projects*. http://adb.org/Documents/Handbooks/PIA_Eco_Analysis/default.asp.
- ii If a project is classified as GI, TI-G, or MDG-TI, no full poverty analysis is required; further social analysis, however, may be required if there are indigenous persons, gender, relocation, or other social issues identified at the IPSA stage and in line with the requirements set forth in specific OMs.
- iii An initial stakeholder analysis is typically developed to identify interest groups, and their interests and capacities to support or hinder implementation. If an initial stakeholder analysis and consultation and participation (C&P) plan cannot be prepared as part of PPTA fact finding, they can instead be included in the consultant's TOR and provided in their inception report.)
- iv Empowerment is when beneficiaries and other key groups initiate action and take control over development decisions and resources. See ADB. 2006. *Strengthening Participation for Development Results: Staff Guide to Consultation and Participation*. Manila.
- v Indicate one of the four categories – gender equity theme, effective gender mainstreaming, some gender benefits, and no gender elements. For details of gender categories, see ADB. 2010. *Guidelines for Gender Mainstreaming Categories for ADB Projects*. <http://www.adb.org/Gender/gender-categories.asp>
- vi For key issues already identified, see country gender assessment of the respective country and/or country gender strategy as part of the country partnership strategy.
- vii If women are substantially engaged/involved in the sector, or if the project **outcome directly** addresses gender equality and/or women's empowerment by **narrowing gender disparities** through access to social services; and/or economic and financial resources and opportunities, and/or basic rural and urban infrastructure; and/or enhancing voices and rights; and, the outcome statement of the project design and monitoring framework explicitly mentions gender equality and women's empowerment and/or, the outcome performance indicators include gender indicators, it should be classified with a gender (GEN) theme or at least treated as having "gender mainstreaming" potential.
- viii Examples of negative gender impacts include women's loss of traditional land rights or employment/livelihood opportunities as a result of project activities or policy changes. Negative impacts on women related to resettlement, or negative impacts on indigenous women, should be addressed under the relevant safeguard policy statement.
- ix See ADB. 2007. *Handbook on Social Analysis*. Manila (Section III.D.2 and Appendixes 7–10) for more information on assessing the significance of social safeguard and other social issues in proposed projects.
- x If not known, a contingency should be included in the PPTA budget to investigate the possible need for a plan or other action.
- xi If any of the potential social issues are considered significant, further social analysis should be done during the preparation of the project, and an appropriate mitigation plan (or other measures) should be included in the project design.
- xii A project's involuntary resettlement category is determined by the category of its most sensitive component in terms of involuntary resettlement impacts. The involuntary resettlement impacts of an ADB-supported project are considered significant if 200 or more persons will experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive assets (income generating). See ADB. 2009. *Safeguard Policy Statement*. Manila. June 2009., and *Operations Manual Section F1/OP* para 9, Manila. 20 January 2010. Use this checklist to determine the significance of involuntary resettlement impacts: <http://www.adb.org/Documents/Guidelines/Resettlement/IR-Categorization-Form-Jan2010.doc>
- xiii Environment and Social Management System (ESMS) are required to be put in place for FIs and GCFs which will have potential social safeguards impacts. An ESMS will be maintained as part of the overall management system to meet national laws and/or ADB's requirements. See ADB. 2009. *Safeguard Policy Statement*. Manila, and *Operations Manual Section F1/OP* para 53-62, Manila. 20 January 2010 and ADB. 2009. *Safeguard Policy Statement, Appendix 4, Safeguard Requirements 4: Special Requirements for Different Finance Modalities*, para 13 – 20. Manila, June 2009.
- xiv A project's Indigenous Peoples category is determined by the category of its most sensitive component in terms of impacts on Indigenous Peoples. The significance of impacts of an ADB supported project on Indigenous Peoples is determined by assessing (i) the magnitude of impact in terms of (a) customary rights of use and access to land and natural resources; (b) socioeconomic status; (c) cultural and communal integrity; (d) health, education, livelihood, and social security status; and (e) the recognition of indigenous knowledge; and (ii) the level of vulnerability of the affected Indigenous Peoples community. The level of detail and comprehensiveness of the IPP are commensurate with the significance of potential impacts on Indigenous Peoples. See ADB. 2009. *Safeguard Policy Statement*. Manila, and *Operations Manual Section F1/OP* para 11, Manila. 20 January 2010. Use this checklist to determine the significance of impacts on indigenous peoples: <http://www.adb.org/Documents/Guidelines/IndigenousPeoples/IP-Categorization-Form-Jan2010.doc>
- xv See footnote 15.
- xvi Core labor standards are a set of four internationally recognized basic rights and principles at work: (i) freedom of association and the effective recognition of the right to collective bargaining, (ii) elimination of all forms of forced or compulsory labor, (iii) effective abolition of child labor, and (iv) elimination of discrimination in respect of employment and occupation. See ADB. 2006. *Core Labor Standards Handbook*. Manila.

^{xvii} For other actions, refer to ADB. 2007. *Handbook on Social Analysis*. Manila (Appendix 9); and ADB. 2006. *Core Labor Standards Handbook*. Manila.