



# Initial Poverty and Social Analysis

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Project Number: 46919 (EI7386)  
August 2012

## INDIA: Hydro and Wind Power Development Project Project

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**Asian Development Bank**

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Hydro and Wind Power Development Project
Lending/Financing Modality:	Equity Investment	Department/ Division:	Private Sector Operations Department/ Infrastructure Finance Division 1

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

One of the four strategy pillars of the Country Partnership Strategy (CPS) 2009-2012<sup>a</sup> is support for inclusive and environmentally sustainable growth through an enhanced focus on renewable energy which the proposed project is aligned with. The draft CPS 2013-2017 maintains this focus with a call for the “expansion of clean and renewable energy development (solar, hydro, wind, biomass)” and “more commercial approaches to support the deployment of advanced, energy efficient, and renewable energy technology including solar and wind energy.” In the draft “Twelfth Five Year Plan 2012-2017<sup>a</sup>,” the Government of India (GOI) has identified adding 30,000 MW of renewable energy capacity as one of the indicators. The proposed project will contribute in achieving GOI’s target as well as its goal of providing reliable energy supply from clean and renewable sources. 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.)

The proposed project will directly and indirectly contribute to poverty reduction locally through the creation of temporary and permanent jobs.

#### C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Two subprojects were initially identified and are located in the states of Maharashtra and Himachal Pradesh (Construction of the Tidong Hydro Power subproject in Kinnaur District, Himachal Pradesh and the Chilarawedi Wind Power subproject in Satara District, Maharashtra). Compared to the rest of the country, Himachal Pradesh is a rich state and is one of the leading states in the country in terms of literacy. About 76% of the total working population is engaged in agriculture and horticulture. Fruits and cash crops, like seed potatoes, ginger, vegetable seeds, apples, stone fruits, etc. are grown in the district. Wheat, maize and rice are the major food crops. The people of Kinnaur enjoy good infrastructure in terms of road, electricity, hospitals and education institutions. The people directly affected by the project have an average annual income of approximately Rs75,000 per annum and their main source of livelihood is from apple orchard cultivations. They also cultivate vegetables and dry fruits for self-consumption. It is expected that these subprojects will generate temporary and permanent jobs for the local population and negative socio-economic impacts are expected to be localized and short term.

2. Impact channels and expected systemic changes. The additional clean energy supply generated by the hydro power and wind projects that will be constructed and operated may indirectly benefit the poor and vulnerable groups through jobs that will be created by different industries and businesses.

3. Focus of (and resources allocated in) the PPTA or due diligence. During due diligence, poor and vulnerable groups in the subproject areas will be identified to ensure that they will participate and benefit in the community development activities that will be implemented by the project sponsor. During construction, local communities including women may be engaged to provide labor. The project sponsor’s community health, safety and security practices and measures should be assessed to ensure that potential impacts and risks to the community are minimized and mitigated.

4. Specific analysis for policy-based lending. Not Applicable

### II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? Employment opportunities during construction and operation should be made available both to male and female community members/workers. Other issues will be identified during due diligence.

2. Does the proposed project or program have the potential to make a contribution 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?  Yes    No   The proposed project has limited potential for gender-inclusive design but possible means will be explored to ensure that opportunities to be involved and benefit during project construction and operation will be given to women.

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

Yes  No

4. Indicate the intended gender mainstreaming category:

GEN (gender equity theme)  EGM (effective gender mainstreaming)

SGE (some gender elements)  NGE (no gender elements)

### III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design. The project stakeholders include the businesses and households that will be served due to additional power that will be generated by the proposed project, renewable energy developers, individuals who will be employed during construction and operation of wind and solar projects and funding sources.

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? A number of consultations have been conducted with local communities to ensure that issues especially by the poor and vulnerable groups will be addressed. Application for no objection certificates from various communities also provides a venue to seek commitment from the project sponsor to assist them in various local development activities and projects.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

Information generation and sharing L  Consultation  Collaboration  Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed?  Yes  No

### IV. SOCIAL SAFEGUARDS

**A. Involuntary Resettlement Category**  A  B  C  FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?  Yes  No Tidong Hydro Power subproject is already in advanced stage of construction. Twenty eight households were affected by the acquisition of 3.20 hectares of private land including four temporary structures and trees. The project did not require any physical relocation. Private lands required for the Chilarewadi wind subproject were acquired on a willing buyer-willing seller basis. These private lands are not suitable for cultivation, thus, no economic displacement is expected.

2. What action plan is required to address involuntary resettlement as part of the PPTA 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 population of Kinnaur district has been categorized as Scheduled Tribe (ST) although they are not a vulnerable group as their economic, social and cultural status is same as any other non-IP group. None of them will be adversely affected by the project. With respect to the Chilarewadi subproject, the population is predominantly Maratha and there are no scheduled tribes in the project area.

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain?  Yes  No

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 PPTA 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 L  Adhering to core labor standards L  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

2. How are these additional social issues and risks going to be addressed in the project design? ESMS will include compliance with the national labor laws as well as crafting of relevant measures to comply with the internationally recognized core labor standards.

**VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT**

1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (vi) other social risks. Are the relevant specialists identified?

Yes       No

3. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the PPTA or due diligence? The ADB Team will conduct due diligence and meetings with the project sponsor covering social safeguards, labor, gender, and other social aspects of the project.

Sources:

<sup>a</sup> ADB. 2009. Country Partnership Strategy: India, 2009–2012. Manila.

<sup>b</sup> Government of India. 2012. DRAFT Twelfth Five Year Plan (2012–2017): Faster, More Inclusive and Sustainable Growth. Planning Commission. Available from [http://planningcommission.gov.in/plans/planrel/12thplan/pdf/vol\\_1.pdf](http://planningcommission.gov.in/plans/planrel/12thplan/pdf/vol_1.pdf)