



# Initial Poverty and Social Assessment

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Project Number: 47920  
November 2013

## IND: Solar and Wind Power Development Project

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:	INDIA	Project Title:	Welspun Renewable Energy Limited Solar and Wind Power Development Project
Lending/Financing Modality:	Equity Investment/General Corporate Finance	Department/ Division:	Private Sector Operations Department/ Infrastructure Finance Division 1

<b>I. POVERTY IMPACT AND SOCIAL DIMENSIONS</b>
<p><b>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</b></p> <p>The proposed solar and wind project is consistent with Strategy 2020 of the Asian Development Bank (ADB)<sup>a</sup> falling under infrastructure and environment, two of the five core areas of operations. The proposed project is also expected to directly contribute in scaling up of private sector development and private sector operations and providing support for environmentally sustainable development.</p> <p>The investment is aligned with the India country partnership strategy (CPS), 2009–2012<sup>b</sup> and the proposed CPS for 2013–2016, as it will help catalyze investments for renewable energy development.</p>
<p><b>B. Targeting Classification:</b></p> <p><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>The proposed project will directly and indirectly contribute to poverty reduction locally through the creation of temporary and permanent jobs.</p>
<p><b>C. Poverty and Social Analysis</b></p> <p>1. Key issues and potential beneficiaries. The need for additional power in India remains chronic as quality of service remains suboptimal and rural areas remain underserved. The additional clean energy supply generated by the project will contribute in providing businesses and households energy security for production of goods and services. However, with the widespread poverty and growing labor force in India, employment during operations of various solar and wind power projects are not expected to significantly mitigate the rise in unemployment.</p> <p>2. Impact channels and expected systemic changes. The additional clean energy supply generated by the solar 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.</p> <p>3. Focus of (and resources allocated in) the PPTA or due diligence. The project will involve development of wind and solar power projects in several states in India. During due diligence, the project sponsor's safeguards, community health, safety and security, community engagement and social sustainability practices and measures will be assessed through a corporate and project level environment and social audit.</p> <p>4. Specific analysis for policy-based lending. Not Applicable</p>
<b>II. GENDER AND DEVELOPMENT</b>
<p>1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? The proposed ADB assistance is through an equity investment in a renewable power generation company. Power generated by WREL projects will be sold to the state grid and power will be transmitted and distributed by state level transmission and distribution companies. As such direct benefits to women in states where power from WREL projects will be distributed cannot be quantified. Relevant gender issues at the corporate and project site levels are therefore limited to equal access to job opportunities during construction and operations stage and women's representation and access to any community activities or programs which are directly related to WREL projects.</p> <p>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? <input checked="" type="checkbox"/> Yes, to a limited extent   Opportunities for increasing the employment of women for project related jobs at the site level will be explored during due diligence. The gender diversity of WREL's corporate staff will also be covered during due diligence and targets for increase the number of female staff employed by WREL will be explored will be explored.</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>4. Indicate the intended gender mainstreaming category:  <input checked="" type="checkbox"/> SGE (some gender elements)</p>

<b>III. PARTICIPATION AND EMPOWERMENT</b>
<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. The project is an equity investment in a renewable energy company which has a portfolio of power projects in several states. At the project level, the stakeholders include local government authorities, transmission and distribution companies, villagers in project affected areas, individuals who will be employed during construction and operation of wind and solar projects and funding sources. As part of the audit of WREL's environmental and social performance during due diligence, local communities where a few selected WREL projects are located will be visited and key informant interviews will be conducted to determine whether WREL's systems and processes, including community programs, are effective. Through the results of the audit, WREL's environmental and social management system (ESMS) will be enhanced as required.</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? By ensuring that WREL adopts and implements a satisfactory ESMS, the concerns of the poor, vulnerable and excluded will be addressed in the project specific environmental and social assessments and plans which WREL will prepare during project implementation stage.</p> <p>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? There are no specific projects will be financed as the transaction is an equity investment. During project implementation, WREL will implement an ESMS which will include CSOs as stakeholders if present in the project area.</p> <p><input checked="" type="checkbox"/> Information generation and sharing (Low)   <input type="checkbox"/> Consultation   <input type="checkbox"/> Collaboration   <input type="checkbox"/> Partnership</p> <p>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?   <input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No</p>
<b>IV. SOCIAL SAFEGUARDS</b>
<p><b>A. Involuntary Resettlement Category</b>   <input type="checkbox"/> A   <input type="checkbox"/> B   <input checked="" 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 type="checkbox"/> Yes   <input checked="" type="checkbox"/> No   Wind and solar power projects in India are typically located in barren and non-productive state-owned land or existing solar parks. Where private land is required, WREL will seek to purchase through negotiated settlement. Physical or economic displacement of individuals or households is unlikely.</p> <p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?  <input checked="" type="checkbox"/> Environmental and social management system arrangement</p>
<p><b>B. Indigenous Peoples Category</b>   <input type="checkbox"/> A   <input type="checkbox"/> B   <input checked="" type="checkbox"/> C   <input type="checkbox"/> FI</p> <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples?   <input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain?   <input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No</p> <p>3. Will the project require broad community support of affected indigenous communities?   <input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?  <input checked="" type="checkbox"/> Environmental and social management system arrangement</p>
<b>V. OTHER SOCIAL ISSUES AND RISKS</b>
<p>1. What other social issues and risks should be considered in the project design?  <input checked="" type="checkbox"/> Creating decent jobs and employment (Low)   <input checked="" type="checkbox"/> Adhering to core labor standards (Low)</p> <p>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 standards as well as crafting of relevant measures to comply with the core labor standards.</p>
<b>VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</b>
<p>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?  <input checked="" type="checkbox"/> Yes   <input type="checkbox"/> No</p>
<p>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? Consultancy services engaged to conduct a corporate and project level environmental and social performance audit of WREL. In addition, the ADB Project Team will conduct due diligence and meetings with WREL covering social safeguards, labor, gender, and other social aspects of the project.</p>

## Sources:

- <sup>a</sup> ADB. 2008. Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020. Manila.
- <sup>b</sup> ADB. 2009. Country Partnership Strategy: India, 2009–2012. Manila.
- <sup>c</sup> ADB. 2011. Report and Recommendation of the President to the Board of Directors: Proposed Guarantee Facility to India for the Solar Power Generation Project. Manila.