



# Initial Poverty and Social Assessment

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Project Number: 47926  
August 2013

## IND: ReNew Power Investment 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:	<input type="text" value="IND"/>	Project Title:	<input type="text" value="ReNew Power Investment Project"/>
Lending/ Financing Modality:	<input type="text" value="Equity"/>	Department/Division:	<input type="text" value="PSOD/PSIF1"/>

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project is consistent with ADB's Strategy 2020 in relation to environmentally sustainable growth. It relates to two of the five core specializations of the bank, including infrastructure and environment. In particular, the strategy calls for ADB's support for clean energy development to meet growing energy demands in a sustainable manner. The project will also contribute to the bank's operational goal of scaling up private sector development and private sector operations.

The project is also consistent with the India Country Partnership Strategy (CPS) 2013-2017. One of the four strategy pillars of the CPS is support for inclusive and environmentally sustainable growth through an enhanced focus on renewable energy. The 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."

#### B. Targeting Classification

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

The Project is classified as General Intervention as power produced will be evacuated in the main grid for domestic use. The company has a country wide presence in states of Andhra Pradesh, Gujarat, Karnataka, Maharashtra, Rajasthan and Tamil Nadu.

#### C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. India continues its effort to increase power generation capacity. It also needs to diversify its energy mix to ensure the country's energy security. The country increasingly has to import coal and liquefied natural gas to replace the availability of conventional fuels which are diminishing. The primary beneficiaries of the project are the company itself, power consumers (business, industrial, and residential), and host local communities, which will generally benefit during project construction and operation.

2. Impact channels and expected systemic changes. The success of the project will contribute to economic growth by helping the country alleviate power shortage and reduce reliance on imported fossil fuels by using natural energy resources. The project will support private sector development in India by catalyzing private investment through a broad-based, multi-project vehicle.

3. Focus of (and resources allocated in) the PPTA or due diligence. Promotion of renewable

energy is country-wide initiative but the renewable energy resources are not evenly spread across the country. Thus, one of the concerns is that the cost of renewable energy generation will be higher than the conventional energy. The project will be in compliance with local laws and regulations as well as the requirements of ADB's safeguard policy statement (SPS) and other social dimensions on gender and core labor standards.

4. Specific analysis for policy-based lending. N/A

## 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? No gender elements (NGE) is anticipated during construction and operation. However, advancing gender can be initiated through jobs offered to local women as the opportunities which will be discussed further with the client 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? The project is not anticipated to contribute to the promotion of gender equity and/or empowerment of women. The due diligence will identify the mechanisms through which the Borrower engages in stakeholder consultations, including a review of the ongoing CSR initiatives and community engagement, including women.

Yes      No     Please explain. If yes, a gender action plan should be prepared during PPTA or due diligence.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? The Project is not expected to cause any specific cultural or social impact upon or exclude any socioeconomic group, including women, from benefiting from the project.

Yes      No     Please explain If yes, actions and measures should be prepared during PPTA or due diligence.

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. Potential stakeholders include power consumers (business, industrial, residential), national and local government, regulatory agencies, and host local communities. The project affected persons will participate through community consultations conducted by the company.

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? Consultation meetings will be conducted by the company with the relevant stakeholders, especially the poor and vulnerable groups.

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? The local and national NGOs are interested in the project and the borrower has conducted consultation with them.

M Information generation and sharing H Consultation L Collaboration N/A  
Partnership

Indicate in each box the level of participation by marking high (H), medium (M), low (L), or not applicable (N) based on definitions in the ADB's Guide to Participation.

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 Please explain.

Details of the consultation and participation activities and grievance and dispute resolution will be explained in the corporate audit and ESMS.

#### 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 Wind power projects in India are either located on government land which is usually barren in nature and allocated by the government or privately owned where acquisition is done on a willing buyer-willing seller basis. The company will be requested to address involuntary resettlement impacts in compliance with ADB's SPS (2009) and its ESMS.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process? The company will be requested to address involuntary resettlement in compliance with ADB's SPS (2009) and its ESMS.

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 There are no Scheduled Tribes in the states where the company owns its renewable assets

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain?  Yes  No The project will not have any impacts on Indigenous Peoples.

3. Will the project require broad community support of affected indigenous communities?  Yes  No Please explain.

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process? The company will be requested to address indigenous peoples in compliance with ADB's SPS (2009) and its ESMS.

- 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?

- H Creating decent jobs retrenchment                      H Adhering to core labor standards                       Labor  
 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  
 Creating internal social conflicts                       Others, please specify \_\_\_\_\_

Indicate high (H), medium (M), low (L) for selected boxes

2. How are these additional social issues and risks going to be addressed in the project design? Construction and operation of the project are expected to generate jobs for the local residents. The company will mobilize competent consultant to work on developed TOR to address additional social issues in the design phase. It is anticipated that the project will generate jobs for local residents during construction and operation of the project.

#### 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    If no, please explain why.    There is no PPTA under private sector project but there was a TOR developed and the client will mobilize competent consultant to cover social safeguards issues and other social dimension.

2. 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? Due diligence will be undertaken by staff.