

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	National Green Energy Corridor Investment Project
Lending/Financing Modality:	Project Loan	Department/ Division:	SARD / SAEN

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Poverty reduction and social development through faster and more inclusive growth is the goal of the 12th Five-Year Plan (FYP) of the government. The Planning Commission's approach paper to the 12th FYP identifies infrastructure bottlenecks and lack of adequate long-term funds for infrastructure as key binding constraints to realizing more equitable and sustainable growth and bridging the division between regions, sectors, and peoples.

The benefits of improving the power sector are manifold. Technical improvements and sector reforms lead to improved reliability and increased access to electricity for commercial, industrial and among household consumers. Benefits translate into wider poverty reduction and pro-poor initiatives. These result from, among other things, more widespread and equitable economic growth and diversification of opportunities brought about by the skilled job creation, skills training, entrepreneurship, and increased access to markets. These are also brought about by improved social services, such as hospitals and schools; the widespread use of (electronic) media, such as TV and radio, which enable people to make more informed, educated decisions, all of which have a direct positive impact on the livelihood improvement and health, particularly among those hit hardest by lack of power supply and accessibility. In India, power sector development supports greater agricultural mechanization, a key economic sector in the country that is poised to grow as the poor and less privileged work their way out of poverty and the middle class expands. All of these are demonstrable benefits resulting from the expansion of increased and more reliable power supply.

The government has embarked on an ambitious program to add about 30 GW of renewable energy capacity addition during the 12th FYP period. The successful implementation of these projects and their integration into the national grid depend upon commensurately ambitious transmission system investments to accommodate the additional power flows from renewable energy and the smooth integration of these intermittent power sources into the power supply mix. The proposed project will finance transmission system upgrades to help evacuate energy from renewable energy rich states to the rest of the country, as well as smart-grid investments to manage the effect of intermittent renewable energy sources on grid stability. The project is consistent with the National Poverty Reduction Strategy and ADB's Country Partnership Strategy. The project will indirectly contribute to poverty reduction locally and in the regions it traverses through (i) improvements to basic infrastructure of power supplies, (ii) economic investment and growth, and (iii) the creation of temporary and permanent jobs.

B. Targeting Classification

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

The availability of electric power, and more broadly infrastructure, has an indirect but strong link with reducing poverty and promoting economic growth. Though the Project will have a number of indirect benefits to end-users in terms of its effect on people's well being and standards of living, power sector interventions in general are not viewed as the single contributing factor for achieving generalized poverty reduction and alleviation. The classification therefore recognizes that while power itself will not explicitly decrease poverty, it is a critical stepping stone to attracting other means of economic investment and development that will provide the foundation for concrete poverty reduction strategies in the future.

C. Poverty and Social Analysis

1. **Key issues and potential beneficiaries.** The primary beneficiaries are the consumers of electricity in various places in India where project components will arise, as this Project aims to facilitate the transmission of power from Renewable Energy Sources in a few states to all over the India through the national grid. This constitutes residential, commercial and industrial users. Poor and vulnerable consumers (including hospitals, schools, and other social utilities) are often hardest hit by inadequate power supply, load shedding, and poor quality of power.

2. **Impact channels and expected systemic changes.** The needs of electricity consumers in India are access to ample, reliable electricity supplies. The proposed Project indirectly benefits electricity consumers by increasing transmission capacity and allowing additional renewable energy generated in renewable energy resource rich states to reach load centers on the national grid.

3. Focus of (and resources allocated in) the PPTA or due diligence. A social development specialist will be engaged under the proposed S-PPTA to conduct poverty and social analysis and to carry out safeguards planning.

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? The proposed project is expected to be gender neutral, as all benefits from transmission system expansion are indirect.

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 Please explain. Transmission system expansion benefits are indirect.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? Improved power supply does not adversely impact anyone. However, regarding gender issues, the project's loan agreement will include a standard assurance related to core labor standards for contractors, including gender equal pay for equal type of work, an awareness program on HIV and sexually transmitted diseases and human trafficking.

Yes No Please explain

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? The key stakeholders include executing agency, implementing agency, central government, local government authorities, non-government organizations (NGOs), community based organizations (CBOs), co-financers, private sector entrepreneurs, affected people including the poor, women, children, indigenous people, etc.. All the stakeholders will be consulted throughout the implementation of S-PPTA and the ensuing investment

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? The stakeholders will be consulted through meetings, interviews, workshops and surveys throughout project design. Consultation with the poor will be focused on issues associated with environmental, involuntary resettlement and other social issues that may affect them

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 Consultation Collaboration Partnership

The civil society organizations in the project areas will be identified after determination of the program components. The civil society organization will be consulted throughout project design and implementation of the ensuing project on issues related to environmental, social and other issues that may affect them.

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

Consultations will be carried out during the design stage and throughout project implementation.

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 The magnitude of impacts will be assessed during due diligence. Necessary measures will be taken to ensure the potential involuntary resettlement issue will be addressed.

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

No scheduled tribes who may be considered as Indigenous Peoples, based on the 2009 SPS operational definition, are anticipated to be affected by the project. Though if encountered, full plans will be developed.

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? Temporary employment opportunities will be available to unskilled laborers for 2 to 3 years. Standard assurances on labor standards will be included in civil works contracts.
- M Creating decent jobs and employment M Adhering to core labor standards 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
- Creating internal social conflicts Others, please specify _____
2. How are these additional social issues and risks going to be addressed in the project design? Limited employment opportunities will be available during construction period. Provisions of core labor standards will be incorporated in legal documents. Preventive measures to avoid spread of communicable diseases, including HIV/AIDS, will be stipulated in the construction contracts.

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? A S-PPTA was approved in 2013 for this project and the activities would be carried out under that.
- 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? Consultants will integrate concepts, principles and measures to ensure that poverty, social exclusion and other negative and adverse potential impacts of projects are prevented and mitigated. Women are an integral part of the development process and shall be included in all aspects of this process through measures that ensure un-biased, free, informed participation in a way and manner that does not discriminate against their needs or preferences and in a manner free from intimidation or coercion.