

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	India	Project Title:	Madhya Pradesh Power Transmission and Distribution System Improvement Project
Lending/Financing Modality:	Project Loan	Department/Division:	South Asia Department/Energy Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Targeting classification: General intervention

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

Power sector development is a key driver of economic growth and development in India. Access to reliable and sufficient energy increases agricultural, industrial, and commercial productivity; and enhances economic growth. Economic growth helps reduce poverty and improve quality of life, particularly for the most vulnerable segments of society. The proposed investment will support transmission and distribution (T&D) system improvements of Madhya Pradesh Power Transmission Company (MP Transco) and three distribution companies. The objective of the project is to minimize the potential demand–supply gap by removing existing bottlenecks and expanding the T&D system in Madhya Pradesh. The project is included in the country operations and business plan, 2013–2015 of the Asian Development Bank (ADB).

B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

1. Key poverty and social issues. According to the 2011 census, the population of Madhya Pradesh increased by over 10 million during FY2001–FY2011. Currently at 72 million, the population density of the state is about 230 per square kilometer, which is much less than the national average. The literacy rate in the state is about 70%, which is very close to the national average. According to the 2011 census data, the urban proportion has gone up from 14.9% in 1951 to 27.6% in 2011. Madhya Pradesh is one of the most economically backward states in the country, with 37.4% of people identified as below the poverty line. It also has a lower ranking in the Human Development Index—0.394 in comparison to the national average of 0.472. Madhya Pradesh registered a significant 12.0% fall in poverty over FY2005–FY2010 against the national average of 7.3%.

2. Beneficiaries. The beneficiaries of the project are electricity consumers in Madhya Pradesh. The project will also help the below poverty line category beneficiary, providing subsidized electricity. A good quality, electricity supply without load shedding is also crucial to meeting the basic human needs of health and education. Poor and vulnerable consumers, as well as public utilities such as hospitals and schools, are often particularly disadvantaged by an inadequate power supply, load shedding, and poor power quality; and will therefore benefit directly from the project.

3. Impact channels. Access to electricity directly benefits consumers through more leisure time, time savings, more time for education, and better security. In addition, electricity supply enhances business opportunities and economic growth.

4. Other social and poverty issues. In Madhya Pradesh, the comparison between rural and urban areas revealed that families in rural areas are more deprived in terms of family income.

5. Design features. The project aims to increase the supply of power and thus raise incomes and standard of living and reduce dependency on more costly and polluting sources of energy. The project, which includes construction of T&D lines and T&D substations, will require both technical and nontechnical workers. It will create employment for poor people living near the proposed project areas.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Summarize the participatory approaches and the proposed project activities that strengthen inclusiveness and empowerment of the poor and vulnerable in project implementation. A series of participatory consultations were held with stakeholders and beneficiaries from various socioeconomic groups in the project areas. Focus group discussions were organized at various locations with randomly selected groups of men and women. Key stakeholder interviews were conducted with *gram panchayat sarpanch* (village or small-town head), schoolteachers, farmers, traders, businesspeople, and health workers. Some 50% of the focus group discussions were held exclusively for women. They were positive about the need for the investment, especially for better amenities reaching households in the project districts. The consultation process will continue during project implementation.

2. If civil society has a specific role in the project, summarize the actions taken to ensure their participation. Consultations were carried out with the civil society organizations during resettlement planning.

3. Explain how the project ensures adequate participation of civil society organizations in project implementation. Consultations will be carried out with the civil society organizations during implementation.

4. What forms of civil society organization participation is envisaged during project implementation?

- Information gathering and sharing Consultation Collaboration Partnership

5. Will a project level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons particularly the poor and vulnerable?

- Yes No

A separate Consultation and Participation plan is not required for the project, but a systematic process is identified in the resettlement plan.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: No gender elements

A. Key issues. Women-specific focus group discussions were held. The project benefits men and women but women are particularly benefitted by time savings in terms of health care, leisure, better education opportunities, self-development, and security. Women's groups expressed their strong support for the project.

B. Key actions. Equal compensation and assistance will be paid to men- and women-headed households for similar impacts. There are provisions for additional assistance to women-headed households. The project will ensure (i) protection for workers from health risks, (ii) women's equitable participation throughout the project cycle, (iii) equal opportunities for women in accessing employment opportunities, and (iv) provision of equal pay for work of equal value.

Gender action plan Other actions or measures No action or measure

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: A B C FI

1. Key impacts. The proposed project's land requirement for all 31 transmission substations is estimated to be 136 hectares. All the substations will be located on government land. The transmission lines will not pass through any forest area. No transmission tower will be located in forest dwellers' land. MP Transco defines the right-of-way and location of towers on the basis of transect walk (walk over survey) in a participatory manner. The proposed land requirement for all 149 substations for the three distributing companies is estimated to be 27 hectares. All the substations will be located on government land. Government ownership of the land has been verified. The distribution lines will not pass through any forest area. The distribution lines mainly follow the roads and canals. Executing agencies will obtain permission for right-of-way and project activities will not have any impact on land.

2. Strategy to address the impacts. The resettlement plan identifies the entitlements, compensation rates, and other mitigation measures that will be implemented for temporary crop damage.

3. Plan or other Actions

Resettlement plan Combined resettlement and indigenous peoples plan
 Resettlement framework Combined resettlement framework and indigenous peoples planning framework
 Environmental and social management system arrangement Social impact matrix
 No action

B. Indigenous Peoples

Safeguard Category: A B C FI

1. Key impacts. Yes No

No indigenous peoples or groups are expected to be directly or indirectly affected by the project. The T&D improvements will help improve the life of tribal people. They will be provided with uninterrupted power supply or new connections. The children of the tribal people will have better quality of life such as longer study periods.

2. Strategy to address the impacts. Provisions to mitigate against unforeseen impacts on indigenous people are included in the resettlement plan.

3. Plan or other actions.

Indigenous peoples plan Combined resettlement plan and indigenous peoples plan
 Indigenous peoples planning framework Combined resettlement framework and indigenous peoples planning framework
 Environmental and social management system arrangement Indigenous peoples plan elements integrated in project with a summary
 Social impact matrix
 No action

V. ADDRESSING OTHER SOCIAL RISKS

A. Risks in the Labor Market

1. Relevance of the project for the country's or region's or sector's labor market

unemployment underemployment retrenchment core labor standards

2. Labor market impact. The project does not cause any significant negative impact on the labor market. Local people will be given preference for temporary and permanent jobs. The loan agreement will include specific assurances (i) requiring the enforcement of relevant labor standards at all work camps and sites or its contractors; and (ii) ensuring that workers are protected in terms of occupational health, safety, and security risks.

B. Affordability

The poorest groups are provided with subsidized electricity. Peoples' willingness to pay for improved service is high.

C. Communicable Diseases and Other Social Risks

1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA):

Communicable diseases - L Human trafficking - L
 Others (please specify) _____

2. Describe the related risks of the project on people in project area.

Both executing agencies and the contractors will adopt preventive and mitigating measures to ensure the health and safety of their labor force and the local population, and to educate workers on the risks of communicable diseases.

VI. MONITORING AND EVALUATION

1. **Targets and indicators:** The implementation targets and indicators for monitoring would include (i) provision of subsidized power to below poverty line households; (ii) employment opportunities from the project's construction activities for the poor; and (iii) compliance with core labor standards and HIV/AIDS awareness programs.
2. **Required human resources:** The project management units (PMUs) of the respective executing agencies will establish a monitoring mechanism with qualified and competent staff to engage in monitoring.
3. **Information in PAM:** Semiannual review reports by PMUs.
4. **Monitoring tools:** Internal monitoring by PMUs and verifications by ADB review missions.