

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	India	Project Title:	Assam Power Sector Investment Program Tranche 2
Lending/Financing Modality:	Multi tranche Financing Facility (MFF)	Department/Division:	South Asia Department (SARD)/Energy Division (SAEN)

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty Targeting: General Intervention

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

The new investment program is consistent with the government's policies and strategies. It is also consistent with the Asian Development Bank's (ADB) ongoing country partnership strategy (CPS). Additionally, sustained partnerships between ADB and Assam utilities will help sector reforms to be on track. Achieving poverty reduction and social development through faster and more inclusive growth is a priority in India's Twelve Five Year Plan (2012–2017). The CPS of ADB for India for 2009–2012 aims to tackle poverty by supporting faster, more inclusive, and gender equitable economic growth through job creation; targeted improvements in education, health, and other social sectors; the provision of basic and essential services to the poor; and bridging the divide and eliminating the disparities between regions, sectors, and genders. Based on the review of detailed project report and due diligence, the scope of the tranche 2 project will have three components to fulfill the above mentioned objectives: (i) distribution capacity enhancement to reduce losses and enhance the power supply capacity in a division where substations and lines are overloaded; (ii) rehabilitation and renovation of distribution system will replace and rehabilitate aged and degraded parts in the system to reduce losses, improve voltage profile and provide better and reliable service to customers; and (iii) improvements in distribution control and customer services. The project is consistent with the National Poverty Reduction Strategy and ADB's CPS. The project's contribution to poverty reduction and social inclusion will primarily be indirect. Project beneficiaries are widespread across the regions traversed by the project. They will include commercial, industrial, agricultural and household consumers in all regions of Assam State. People directly impacted by project activities will benefit from (i) temporary and permanent jobs; (ii) economic investment and growth; (iii) improvements to basic infrastructure, including roads, water and power supplies, etc.; (iv) livelihood restoration schemes (where applicable); and (v) continued community support from a responsible corporate player.

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

1. Key poverty and social issues. The impact of the investment program components will be reliable access to energy in Assam. This will increase economic opportunities, including temporary jobs during project implementation and construction. The outcome will be increased adequacy reliability and efficiency of power system in Assam. The outputs include improved distribution network efficiency in Assam. Improved power supply and reliability contributes to improved social services, as hospitals, schools and other social utilities are often hardest hit by load shedding and poor power quality. Socially, regular and efficient power supply increases access to electronic media such as TV and radio, enabling more informed, meaningful choices and an enhanced understanding of civic affairs and duties. For economic growth, power sector development could support greater farm mechanization leading to greater agricultural yields, and could benefit the commercial and industrial sectors by promoting access to markets, skills training, entrepreneurship, and an increase in employment opportunities. With regular electrification, there would also be expansion and improvement in household and cottage industries. All these factors have a positive impact on alleviating and reducing poverty.

2. Beneficiaries. The proposed investment will support transmission and distribution system improvements of energy across the 18 electrical circle of the State. The proposed project will help the Assam Power Distribution Company Limited, to remove bottlenecks in the network and high distribution. The project will provide benefit to reduce transmission and distribution loss through system improvement. In addition, the proposed project will improve the system in such a manner that load shedding, transmission loss, voltage fluctuation will reduce to help domestic, industrial, commercial consumer. It also helps to reduce the other mode of power use. In addition the benefit mentioned above, this project will also trickle down the benefit of sizeable number of agriculture domestic, industrial and commercial consumer including the tea estates etc. The proposed project of information technology module through introduction of centralized uniform revenue billing system for all consumers (estimated to be 1.2 million consumers) will improve the system efficiency. The project will also help the below poverty line category beneficiary. The proposed project will also likely to provide benefit to the other central assisted project of Rajib Gandhi Grameen Vaidytkaran Yojana (RGGVY), 95.37% of un-electrified, de-electrified villages are connected and connection is also provided to 8,19,377 below poverty line families.

3. Impact channels. The project will help expand status of power supply across the 18 electrical circle spread over three regions (central, upper and lower) of Assam state. This is expected to result in regional economic growth and development propelled by investment in industry, agriculture and commerce; creation of new and diverse employment opportunities; improved living conditions for local people, including the poor; and investment in basic infrastructure and social services for the poor.

4. Other social and poverty issues. As per 2011 Population Census of Assam, the total population of the state has increased from 26,638,407 to 31,169,272 in the last ten years (2001 to 2011) with a growth rate of 16.93%. This is lower than the overall national growth percentage of 17.64. Assam accounted for 2.58% of India's population. A significant aspect revealed by the census is that the growth rate of female population in Assam has surpassed that of males. Decadal growth rate of female population has been recorded as 18.14% against male percentage 15.81. The sex ratio in the State (number of female per 1,000 male) has increased from 935 to 954. On the contrary, the overall sex ratio at the national level has increased from 933 to 940. Literacy rate in the State rises to 73.18%, an increase of about 9% from previous decade. Of the total population of Assam state, around 85.90% live in the villages of rural areas. Assam ranks thirds in the rate of progress in Human Development Index (HDI) among all the major states in the country achieving 32.1% progress for the period 1999–2008 as per the India Human Development Report, 2011, Planning commission,

Government of India, reflecting the three main components of human development vis-a-vis education, health and per-capita income. As per the report, if Assam maintains the current rate of progress in HDI for another decade there is strong possibility that the overall human development will be ahead of the other states of the country. The report further states that among the three components used for HDI parameter, Assam has shown the highest rate of progress in Income Index and third highest rate of progress in Health Index. Assam was, however, lagging behind the average in Education Index, it has shown marked improvement. With a Hunger Index of 19.83% (as in 2008) and ranked fourth in so far as reducing hunger is concerned, Assam is “doing better than the so-called developed States with high per capita income namely, Tamil Nadu, Maharashtra, Karnataka and Gujarat.”

5. Design features. While the project will improve the power supply system, it will also indirectly improve the overall development of the regions. ADB loans will develop a strategy to avoid or minimize negative impacts on people directly or indirectly affected and on vulnerable groups through appropriate management and mitigation. The proposed project promotes sustained social and economic growth in Assam by improving energy security by increasing the availability of electrical energy through improvement system of energy management. However, the project is not specifically targeted to increase availability of affordable energy at the household level. The proposed project will increase coverage of the electricity supply in Assam. It is therefore recommended that it be classified as a general intervention. The improvement in transmission and distribution system will generate jobs during construction of the new facility during operation and maintenance. The new investment and jobs created in particular will need skilled employees. During and after construction, additional jobs will be created in the service sector for local people.

C. Poverty Impact Analysis for Policy-Based Lending Not Applicable.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and project activities. Consultations were carried out with various stakeholders such as village community, local people, villagers, representative of government officials, and the executing agency during the due diligence activities. Stakeholders were informed about the new proposed project and the stream of information will continue during the implementation of the project.

2. The stakeholder engagement process for the project has been based on a participatory approach. The energy requirement planning, the stakeholders are involved in its planning and development. Formal and informal consultations have been carried across various project locations with key informants, including village heads, management committees, and other stakeholders during the preparation stage. A summary of public consultations has been presented in the resettlement plan. Consultation process will continue during the project implementation and compensation delivery process for impacts prior to the commencement of construction works, and thereafter as necessary. The project is categorized as “B” for involuntary resettlement and “C” for indigenous peoples. Land acquisition was not proposed to be there including no physical displacement. Given the nature of the project, there is no pertinent role for civil society during implementation. Distribution enhancement projects are usually welcomed by the people and community in general.

3. Civil society organizations. As such, the civil society do not have a specific role in the project, however, local democratic elected bodies (Panchyats) have a specific role while right-of-way for the new distribution line are being planned through walk over survey during implementation.

4. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA):

L Information gathering and sharing **M** Consultation **N** Collaboration **N** Partnership

5. Participation plan

Yes.

NO

A C&P plan is not required for the project as a whole because there is no land acquisition required from private sources. For temporary damages caused during refurbishment of old line and construction of new line (clearing, erection, and maintenance) of the distribution line corridor, consultation and participation will be followed in accordance to the project compensation plan for temporary damages of the resettlement plan. Consultation and participation for substation activities in proposed government land will occur at all stages of the project cycle following a structured and systematic process identified in the project resettlement and rehabilitation plan.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: This sub project can be classified as “No Gender Element”. Hence no gender action plan is required.

A. Key issues. The proposed project will help to improve the quality of power supply as a result men and women will be equally beneficial to the project. There is no gender related vulnerability has been noticed during consultations and field visit and/or survey. Attempts will be made by the executing agency and/or the implementation agency and the construction contractor(s) to create job opportunities during construction with equal wage for men and women and additional compensation as vulnerable allowances in case of women headed households that may be affected in the future.

B. Key actions.

Gender action plan Other actions or measures No action or measure

The project will not have any targeted impact on women except some potential employment scope. However, as a part of social due diligence, focused group discussions were carried out among the women groups in the surrounding villages of the project to create awareness about the upcoming development activities.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: A B C FI

1. Key impacts. The proposed land measuring 0.13 hectares for the substation proposed to be located in government land and it is part of the 4.33 hectares land belongs to Guwahati Metropolitan Development Authority. The refurbishment and/or rehabilitation and renovation of 3,511 kilometers (km) of 33, 11 kilovolt (kV) and low voltage distribution line including 14.1 km of underground cabling and 155.7 km of 33 and 11 kV of new line for enhancement of capacity distribution (single/double pole based transmission and distribution (T&D) lines will not have any impact on land. Temporary impacts on loss of crops on the right-of-way of T&D lines are foreseen with minimum impacts. The underground cabling of 11 kV and low voltage lines in Guwahati city may be impacted upon around 30 numbers of mobile vendors who are carrying out their business for livelihood in foot path as temporary impact. There will not be any structure loss (commercial or residential).

2. Strategy to address the impacts. A resettlement plan has been prepared for the tranche 2 project components as per the revised resettlement framework based on the Government of India's new Land Acquisition Act, 2013. The resettlement framework is consistent with the India Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013, and ADB's Safeguard Policy Statement 2009.

3. Plan or other Actions

- | | |
|---|---|
| <input checked="" type="checkbox"/> Resettlement plan
<input type="checkbox"/> Resettlement framework
<input type="checkbox"/> Environmental and social management system arrangement
<input type="checkbox"/> No action | <input type="checkbox"/> Combined resettlement and indigenous peoples plan
<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Social impact matrix |
|---|---|

B. Indigenous Peoples

Safeguard Category: A B C FI

1. Key impacts. No indigenous peoples or groups are expected to be directly or indirectly affected by the project. The schedule tribes are not affected but they will enjoy the economic benefit of the project. The refurbishment of old line and construction of new line will improve the transmission and distribution, thus improvement of quality of power supply rural feeder separation will help to improve the life of tribal people. They will be provided with improved quality power supply (will avoid frequent tripping, avoid low voltage, avoid load shedding) or new connections. The children of the tribal will have better quality of life like longer study period etc. The project will provide uninterrupted power supply for residential, commercial, industrial consumer etc. less voltage fluctuation which will facilitate better commercial, industrial activity which ultimately will adds to more disposable income, prosperity and growth.

Is broad community support triggered? Yes No

2. Strategy to address the impacts. No action is required for tranche 2 subproject since there will be no impact on indigenous peoples. However, the Indigenous Peoples Planning Framework has been prepared for the entire facility program which will include tranche 2 also to address any likely issues, if any, during the implementation.

3. Plan or other actions

- | | |
|---|---|
| <input type="checkbox"/> Indigenous peoples plan
<input type="checkbox"/> Indigenous peoples planning framework
<input type="checkbox"/> Environmental and social management system arrangement
<input type="checkbox"/> Social impact matrix
<input checked="" type="checkbox"/> No action | <input type="checkbox"/> Combined resettlement plan and indigenous peoples plan
<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary |
|---|---|

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. Indicated as high (H), medium (M), and low or not significant (L).

L unemployment L underemployment L retrenchment M core labor standards

2. Labor market impact. The project will generate a significant number of temporary jobs during the installation and/or erection of the T&D lines and the substation. A few hundred permanent skilled, semi-skilled, and unskilled jobs where the new and old lines will be located will be sourced locally. 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

No particular issue is expected.

C. Communicable Diseases and Other Social Risks

1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):

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

2. Risks to people in project area.

Appropriate steps should be taken to address the threat of project workers contracting and/or spreading HIV/AIDs, particularly where they are working in large groups and close to local communities. Specific and standard assurances will be added to the loan agreement to ensure that Assam Power Distribution Company Limited will provide workers with information and training about the

risks of HIV/AIDS and how to prevent contracting or spreading it, as and when deemed necessary.
VI. MONITORING AND EVALUATION
<p>1. Targets and indicators: Target indicators would be general in nature such as (i) number of employment or jobs generated during project construction for unskilled, semi-skilled and skilled labor, (ii) number of people compensated for land and crops etc.</p> <p>2. Required human resources. Project management unit (PMU) staff, project implementation unit (PIU) staff and Project Management Consultant staff. However, these are already available as this is a tranche 2 loan and the institutions and/or staff will be responsible for its implementation.</p> <p>3. Information in the project administration manual. Safeguards, gender, health, labor etc.</p> <p>4. Monitoring tools. Designated project monitoring team of PMU and PIU (corporate and 18 electric circle level) will routinely review and report on project performance of ADB-financed components and resettlement plan to ensure that the project is implemented in accordance with ADB Safeguard Policy Statement (2009) guidelines.</p>