

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	<input type="text" value="India"/>	Project Title:	<input type="text" value="ReNew Clean Energy Projects"/>
Lending/Financing Modality:	Project finance to seven ReNew Special Purpose Vehicles controlled by ReNew Power Ventures Private Limited	Department/ Division:	Private Sector Operations Department / Private Sector Infrastructure Division 1

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

India's Twelfth Five Year Plan, 2012–2017 targets an addition of about 89 gigawatts (GW) of energy capacity, including 30 GW from renewable sources. In February 2015, India announced ambitious renewable energy targets of 200 GW by 2022: 100 GW of installed solar capacity, 60 GW of installed wind capacity, and the rest from other renewable sources. The project supports infrastructure and environment, two of the five core operational areas of the Asian Development Bank (ADB), as reaffirmed by the Midterm Review of Strategy 2020.^a Moreover, the project supports three of the five key thrusts of ADB's country partnership strategy, 2013–2017 for India: (i) infrastructure development, (ii) job creation and access to jobs, and (iii) environmental sustainability.^b The project is consistent with ADB's Energy Policy, which states that support for renewable energy projects will be prioritized and broadened.^c The project is aligned with ADB's corporate targets for scaling up support for climate finance, from the annual \$3 billion in 2015 to \$6 billion by 2020.^d

B. Targeting Classification:

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

The project will contribute to poverty reduction through the provision of electricity generation infrastructure resulting in increased electricity availability to the population. Electricity generation from solar and wind parks by its very nature typically occurs in rural areas where the population is underserved and where poverty incidence is highest. In addition, the project will directly and indirectly contribute to poverty reduction locally through the creation of a temporary and permanent employment and availability of additional electricity that will enhance the sustainability of non-agricultural sectors.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

India's electricity needs continue to be unmet and rural areas are underserved by suboptimal service and availability. Unavailability of electricity, especially in rural areas, promotes uneven development and limits regional economic growth. Census 2011 found that electricity as a source of lighting in urban areas had reached 92.7% of households, but only 55.3% of rural households were able to access it. Potential project beneficiaries will be those underserved in mostly rural but also urban areas where electricity supply is absent or intermittent. The proposed solar and wind subprojects across the six states (Andhra Pradesh, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, and Telangana) will, in addition to contributing to the electricity needs of the states, diversify local employment opportunities and further assist private sector development in the renewable energy subsector.
2. Impact channels and expected systemic changes.

In the short term, the project will provide beneficiaries with access to better and more affordable services and better opportunities to raise their income and improve their sustainable employment. In the long term, the use of renewable energy sources reduces the threat for beneficiaries of environmental and climate related risks that would adversely affect their social and economic life.
3. Focus of (and resources allocated in) the PPTA or due diligence.

Environmental and social impact assessments will be carried out for each of the seven subprojects that will be funded through the loan. Due diligence will assess poverty and social issues that need to be carefully reviewed during project design, including private land purchase arrangements.

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?

Electricity generated by the borrower will be sold into each state's grid and will be transmitted and distributed by state level transmission and distribution companies. As such direct benefits to women in states where electricity

from the borrower's subprojects will be distributed cannot be quantified. Some of the critical constraints faced by women that will however be considered as part of the borrower's subprojects as potential indirect benefits include: reduction of the burden borne by women for collecting household biomass fuels and increased participation of women in non-agriculture sector employment through additional electricity supply improving economic conditions.

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

While the project outputs present potential indirect benefits, opportunities for subprojects to directly contribute to promotion of gender equity are expected to be limited. However, such opportunities will be further explored and discussed with the borrower as part of diligence.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes No

The due diligence will include a review of ReNew's human resource policies to assess provisions relating to gender equality. In addition, the borrower's corporate social responsibility policy will be reviewed to identify measures which seek to promote gender equality and women's empowerment.

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.

At the subproject level, stakeholders include local government agencies, , villagers in project areas, elected representatives and village leaders, landowners whose lands will be procured for the subprojects and individuals who will be employed during construction and operation of solar and wind projects. As part of the environmental and social assessments, stakeholder consultations will include local communities, landowners whose lands will be procured, in addition to the community leaders and government agencies.

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 concerns of the poor, vulnerable and excluded will be addressed in the project specific environmental and social assessments and plans.

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?

[L] Information generation and sharing [L] Consultation Collaboration Partnership

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

The borrower's private land purchase arrangements will be assessed during due diligence to ensure that any asymmetry in price negotiations with poor and vulnerable landowners does not result in adverse social or economic impacts.

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

ReNew is expected to have no recourse to government expropriation for its land needs. Involuntary physical displacement is therefore not expected and all permanent land acquisition is by voluntary sale on a willing-seller, willing-buyer basis. Restrictions on land use from wind turbine construction and operation are typically very limited, and impacts are managed through the borrower's ESMS. Due diligence will assess the extent to which land purchase procedures are standardized internally and in compliance with local laws.

<p>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?</p> <p><input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix</p> <p><input checked="" type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p>B. Indigenous Peoples Category <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>The borrower's land acquisition procedure includes measures to avoid siting subprojects on land customarily owned or used by Scheduled Tribes (STs). Scheduled areas with concentrations of STs are expected to be avoided for location of subprojects. This will be further assessed during the due diligence.</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>Locations with potential impacts on indigenous peoples are expected to be avoided during the selection of subproject sites, and will be confirmed during due diligence.</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?</p> <p><input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix</p> <p><input checked="" type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p style="text-align: center;">V. OTHER SOCIAL ISSUES AND RISKS</p>
<p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> [L] Creating decent jobs and employment <input checked="" type="checkbox"/> [M] Adhering to core labor standards <input type="checkbox"/> Labor retrenchment</p> <p><input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability</p> <p><input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability</p> <p><input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design?</p> <p>The borrower's ESMS will be assessed for compliance with the national labor standards and the core labor standards. Deployment of qualified staff to monitor the social issues and risks, including compliance to labor standards will be discussed and agreed with the borrower during due diligence.</p>
<p style="text-align: center;">VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</p>
<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 (v) other social risks. Are the relevant specialists identified?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The terms of reference for the environment and social assessments include the requirements to carry out social and poverty analysis in addition to social safeguards risks.</p>
<p>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?</p> <p>The scope of works for environment and social assessments include deployment of social development specialists to carry out the social, poverty and gender analysis of the subprojects, in addition to the social safeguards specialist.</p>

^a ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila.

^b ADB. 2013. *Country Partnership Strategy: India, 2013–2017*. Manila.

^c ADB. 2009. *Energy Policy*. Manila.

^d ADB. 2015. "ADB to Double Annual Climate Financing to \$6 Billion for Asia-Pacific by 2020." Manila.
<https://www.adb.org/news/adb-double-annual-climate-financing-6-billion-asia-pacific-2020>