



Initial Poverty and Social Analysis

October 2019

IND: Bengaluru Smart Energy Efficient Power Distribution Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 7 October 2019)

Currency unit	–	Indian rupee (₹)
₹1.00	=	\$0.01412
\$1.00	=	₹70.819

ABBREVIATIONS

ADB	–	Asian Development Bank
BESCOM	–	Bengaluru Electricity Supply Company Limited

WEIGHTS AND MEASURES

km	–	kilometer
kV	–	kilovolt
q	–	quarter

NOTES

- (i) The fiscal year (FY) of the Government of India and its agencies ends on 31 March. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2019 ends on 31 March 2019.
- (ii) In this report, “\$” refers to United States dollars

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Bengaluru Smart Energy Efficient Power Distribution Project
Lending/Financing Modality:	Project Loan	Department/ Division:	South Asia Department / Energy Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The proposed project will convert high and low voltage overhead power distribution lines to underground line with optical fiber communication cable in urban area covering 7 districts of Bengaluru city. The proposed project will (i) improve energy efficiency by reducing distribution losses, thereby avoiding carbon emission from the system; (ii) improve resilience of the city from the disaster; and (iii) make distribution system much smarter. The national poverty reduction strategy is based on “faster, sustainable and inclusive economic growth.” 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 project is consistent with ADB’s Strategy 2030 which puts operational priority on (i) tackling climate change, building climate and disaster resilience, and (ii) making cities more livable.^a

B. Poverty Targeting

General intervention Individual or household (TI-H) Geographic (TI-G) Non-income MDGs (TI-M1, M2, etc.)

The project will provide electricity supply services to the general public in the project area including low-income households. The improvement of the services will contribute to poverty reduction generally.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

Bengaluru city is in the state of Karnataka and the district of Bengaluru Urban area. In 2012, there were 13 million, a little over one fifth of the state living in poverty, with 21% living below the poverty line. Bengaluru Urban area had a poverty rate of between 0-10% in 2012 with urban areas seeing an increase in consumption inequality.^b The project will improve the distribution system and the expected direct beneficiaries of the project are: (i) residents including low-income households; (ii) students and patients; and (iii) electricity users at commercial and government buildings in the project area. Access to reliable electricity supply service is one of the basic needs of potential beneficiaries. Affordability might be considered a constraint among low-income households to access reliable electricity supply service.

2. Impact channels and expected systemic changes.

The project will provide reliable electricity services to households including low-income households in the project areas. The project will: (i) improve living conditions through adequate and reliable electricity supply services; (ii) improve the resilience of the urban power distribution system from disasters; (iii) remove hazards associated with overhead power lines; (iv) make pedestrian friendly sidewalks by removing power distribution line poles; (v) improve education and medical settings by providing reliable electricity supply services; and (vi) potentially increase incomes through job opportunities created during the construction period.

3. Focus of (and resources allocated in) the transaction TA or due diligence.

The transaction TA will focus on: (i) collecting social and poverty data in the project area; (ii) assessing affordability for accessing the electricity supply services for low income groups; and (iv) conducting needs assessment of livelihood opportunities and identifying effective measures to improve the opportunities for local people including the poor and women.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program?

There is no gender issue in relation to the proposed project and the project can support some gender elements through providing more reliable and better-quality electricity services

2. Does the proposed project or program have the potential to contribute 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

The project will improve access to reliable electricity in urban area in a gender inclusive manner. To make the proposed project more gender responsive, the project team will explore opportunities during the project design in: (i) supporting a gender inclusive energy conservation campaign; (i) supporting a gender inclusive safety awareness

<p>campaign; (iii) conducting corporate gender analysis and creating a corporate gender action plan including setting a gender target for development opportunities during project implementation.</p>
<p>3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The project will not have adverse impacts on women and/or girls or widen gender inequality.</p>
<p>4. Indicate the intended gender mainstreaming category: <input type="checkbox"/> GEN (gender equity) <input type="checkbox"/> EGM (effective gender mainstreaming) <input checked="" type="checkbox"/> SGE (some gender elements) <input type="checkbox"/> NGE (no gender elements)</p>
<p>III. PARTICIPATION AND EMPOWERMENT</p>
<p>1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design. The main stakeholders of the project are Bengaluru Electricity Supply Company, the State Government of Karnataka, as well as communities, and businesses in the project areas. They have been participating in the project design through consultations and a series of review and approval processes. Potentially affected communities have participated in public consultations during the domestic environment impact assessment preparation and will also have an opportunity to engage in the project design through public consultation meetings and other communication channels that will be set during the project preparation stage as well as project implementation</p> <p>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? Accessibility and affordability of electricity supply service among various income groups will be assessed during the transaction TA implementation through a social survey and interviews.</p> <p>3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of civil society organization participation in the project design? <input checked="" type="checkbox"/> (M) Information generation and sharing <input checked="" type="checkbox"/> (M) Consultation <input type="checkbox"/> (N) Collaboration <input type="checkbox"/> (N) Partnership Consultation with residential associations will be conducted to further improve the project design.</p> <p>4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Consultations will be held with poor and vulnerable to ensure they benefit from project interventions such as extending energy supply related services and providing life-line tariff to low-income households if necessary.</p>
<p>IV. SOCIAL SAFEGUARDS</p>
<p>A. Involuntary Resettlement Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No According to the draft feasibility study report, the proposed project will not entail permanent or temporary physical displacement or economic displacement as power and optical fiber communication cable will be laid underground within the existing right of way or roadways. Additional due diligence will be undertaken during the TA to confirm this finding.</p> <p>2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process? <input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix <input type="checkbox"/> Environmental and social management system arrangement <input checked="" 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 The proposed project will be implemented in a large urban area where the vast majority of people are Kannadigas, and there is no significant difference in the lifestyle and socioeconomic status between individuals of the ethnic majority or minorities. The project site is not located close to any ethnic minority towns or villages. Thus, it is not expected to have any impacts on ethnic minorities. Due diligence will be conducted during the transaction TA to confirm this categorization.</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>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

4. What action plan is required to address risks to indigenous peoples as part of the transaction TA 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?

- Creating decent jobs and employment (L) Adhering to core labor standards Labor retrenchment
 (L) Spread of communicable diseases, including HIV/AIDS Increase in human trafficking
 (L)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?

Standard assurances on labor and the spread of communicable diseases will be included in the project agreement. An appropriate assurance on life-line tariff to the low-income households will be included if necessary.

VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA 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?

- Yes No the TOR has been developed for social due diligence to be undertaken.

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 transaction TA or due diligence?

A total of 2 person-months of national social analysis and safeguard specialists will be hired to conduct social due diligence.

Source: Asian Development Bank estimates.

^a ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

^b World Bank. 2017. *Karnataka State Brief: Indicators at a glance*. Washington DC.