



# Initial Poverty and Social Analysis

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Project Number: 54165-001  
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## IND: ReNew Power COVID-19 Liquidity Support Project

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**Asian Development Bank**

## **ABBREVIATIONS**

|      |   |                             |
|------|---|-----------------------------|
| ADB  | – | Asian Development Bank      |
| RPPL | – | ReNew Power Private Limited |

## **NOTE**

- (i) In this report, "\$" refers to United States dollars.

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## INITIAL POVERTY AND SOCIAL ANALYSIS

|                             |                |                      |   |
|-----------------------------|----------------|----------------------|---|
| Country:                    | India          | Project Title:       | ReNew Power COVID-19 Liquidity Support Project                          |
| Lending/Financing Modality: | Emergency Loan | Department/Division: | Private Sector Operations Department/ Infrastructure Finance Division 1 |

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project is a \$50 million Asian Development Bank (ADB) loan to ReNew Power Private Limited (RPPL). ADB funds will be used for liquidity support to the renewable projects owned by RPPL, some of which are facing a cash flow mismatch due to the market conditions caused by the onset of COVID-19. The project is aligned with ADB's support to developing member countries and private sector companies' recovery from the COVID-19 pandemic. The project is also consistent with ADB Strategy 2030's operational goal of scaling up private sector development and private sector operations<sup>a</sup>.

#### B. Poverty Targeting

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

The project is classified general intervention and is designed to ensure continued power delivery to domestic grids.

#### C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The existing project aims to contribute in the provision of electricity generation infrastructure and electricity that will supplement government services. Electricity generation facilities are typically located in rural areas where the population is underserved and where poverty incidence is the highest.

Other than threat to public health and safety, the government of India also recognizes the major impact of corona virus disease (COVID-19) on the economy. There is an expected delay in payment of DISCOMs under PPA and power curtailment are expected to have a negative financial impact on independent power producers such as RPPL. The proposed financing to RPPL will be used to fund cash flow mismatch and ensure continued power delivery to domestic grids.

2. Impact channels and expected systemic changes. The project will provide funding to RPPL to continue providing renewable electricity during COVID-19 including the poor and vulnerable.

3. Focus of (and resources allocated in) the transaction TA or due diligence. Due diligence will assess the RPPL's performance in terms of implementation of its existing environmental and social policies and procedures.

### 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? While India is making progress towards development goals, gender disparities are persisting across all sectors, including decline in labor force participation and increasing trend of crimes against women.<sup>b</sup> The health and economic crisis triggered by the COVID-19 pandemic is further widening these gender-based disparities. Compounded economic impacts are felt by women and girls who are generally earning less, saving less, and holding insecure jobs or living close to poverty. The health of women generally is adversely impacted through the reallocation of resources and priorities, including away from sexual and reproductive health services. Unpaid care work has increased, with children out-of-school, heightened care needs of older persons and overwhelmed health services. With restricted movement and social isolation measures, gender-based violence is increasing exponentially.<sup>c</sup>

RPPL, which has 9% female employment, has instigated programs in its company to increase its ability to retain and promote women. A key initiative includes negotiated discounts with day care providers near its office for its staff to reduce the cost of childcare and tailoring elements of its quarterly professional development training to specifically meet the needs of women. In addition, RPPL has implemented a prevention of sexual harassment policy which staff are trained on at onboarding.

RPPL is also strengthening its corporate social responsibility program. In the financial year 2018-2019 it established the ReNew Foundation which has activities that currently span 148 villages, covering 40 project sites in 9 states in the areas of energy-access solutions for schools, digital literacy and women's empowerment focused on entrepreneurship models for sustainable livelihood.

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

Key features of the gender action plan are as follows: (i) RPPL communicates each month to employees about the COVID-19 situation and government or civil society services that staff can access including on domestic violence and mental health; (ii) RPPL supports at least 8 women self-help groups to start facemask production enterprises with training, mentoring, in-kind donations and marketing support; (iii) dry ration food packets are donated by RPPL to at least 10,000 women and their families living near the company's project sites; (iv) at least INR 2.5 million worth of personal protective equipment or other medical equipment is donated by RPPL to local hospitals or clinics; and (v) RPPL continues to maintain the employment of all of its female staff on full salary while working from home. RPPL will submit periodic reports on its implementation of gender measures to ADB.

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

Yes  No

The project will not result to adverse impact to women and/or girls but will rather contribute to provide opportunities for growth to women.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity)  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. Primary beneficiaries will be those underserved in mostly rural but also urban areas where electricity supply is absent or intermittent. It also contributes in the reduction of air pollution and improve air quality, which impacts respiratory health conditions.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable, and excluded groups? RPPL's environmental and social management system includes provisions and procedures for stakeholder engagement, community consultation and grievance resolution.

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? The nature of project limits the opportunities to engage civil society organizations.

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 should they be addressed?  Yes  No

Potential issues related to the participation of the local communities will be assessed during audit and due diligence.

### 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 No expected involuntary resettlement as the proposed emergency loan will not be used to finance any construction or project development activities that will result in physical or economic displacement. To date, no subprojects funded by ADB has led to any involuntary resettlement impact.

2. Strategy to address the impacts. There are no expected IR impacts.

3. What action plan is required to address involuntary resettlement as part of the transaction TA 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 ADB funds will not finance any construction or project development activities that will have impacts to socio-cultural groups who may be considered as Indigenous Peoples as per ADB SPS.

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 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     Adhering to core labor standards (L)     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? The impact of the project on local labor markets is minimal. Core labor standards are ratified in national law and enforced through contractual obligations with employees, service providers and contractors.

#### 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? Not applicable.

- Yes                       No

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? ADB Team will conduct a physical environment and social audit of the company and its existing operations immediately after travel restrictions have been lifted to confirm further the findings of the E&S desk review.

<sup>a</sup> ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

<sup>b</sup> UN Women. 2019. *Progress on The Sustainable Development Goals: The Gender Snapshot 2019*. New York

<sup>c</sup> United Nations. 2020. *Policy Brief: The Impact of COVID-19 on Women*. New York.

Source: Asian Development Bank.