



Preliminary Poverty and Social Analysis

Project Number: 57191-001
October 2023

India: SAEL Gujarat Solar Power Project

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PRELIMINARY POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	SAEL Gujarat Solar Power Project
Lending/Financing Modality:	Project Finance	Department/Division	Private Sector Operations Department Infrastructure Finance Division 1

1. Poverty Analysis

The state of Gujarat has the longest coastline in India, making it particularly vulnerable to climate change.ⁱ Home to 62.83 million people, the rising sea level, temperature fluctuations, and recurrent disasters impose immediate threat to lives and livelihoods. Climate change mitigation through investing in renewable energy can help reduce poverty by reducing their vulnerability and disaster risk losses. The project supports the state of Gujarat to mitigate the pervasive impacts of climate change by reducing greenhouse gas (GHG) emissions through the development of a 400 MW solar-photovoltaic (PV) power plant.

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

The poverty targeting classification of the project is general intervention. The project's direct beneficiaries are the households connected to the national grid in the state of Gujarat. These households will also benefit from the project's lower tariff of (₹2.71/kWh), which is significantly lower than GUVNL's average purchase power cost (₹4.39/kWh for the financial year ending 31 March 2023).¹ At least 2,000 jobs will be created during construction of the solar power plant and additional 40 jobs during its operations.

3. Preliminary assessment of the project's impact channels

The project will provide electricity at a lower cost to households of Gujarat. The Project will construct power distribution lines with the length of around 5.5 kilometers at its own cost and connect to the substation in Khavda, Gujarat through internal sub-station in order to supply the grid with 400 MW of power.

4. Social Analysis

About 2.4% of India's households remain unelectrified and many suffer from intermittent power supply. Energy demand continues to increase and in step with this, India's energy policies and targets have continued to evolve. While large-scale renewable energy development in India contributes to regional economic development through job creation and a steady electricity supply to institutions, businesses, and households, it also faces challenges with land access and impacts on biodiversity. The social impacts of the project, including impacts on Indigenous Peoples and involuntary resettlement, if any, will be assessed through the environment and social due diligence. Management plans will be developed to address any social impacts identified.

5. 5.1 Gender and Development

Women's participation in the Indian labor market is remarkably low, ranking 142nd out of 146 globally.ⁱⁱ In 2022, less than a quarter of women were active in the workforce, contrasting with 73% of men.ⁱⁱⁱ The energy sector is a nontraditional area of employment for women and tends to employ few women. While women are entering the solar energy field in India, they constitute a mere 1% in technical fields such as operations and maintenance.^{iv} Representation for women remains low in

¹ Gujarat Electricity Regulatory Commission. 2023. [Determination of Average Pooled Power Purchase Cost \(APPC\) for the Financial Year 2022-23](#). Gandhinagar.

India due to multi-dimensional challenges including limited training in science, technology, engineering and management, lack of suitable job opportunities and flexibility, safety and security concerns, misperceptions of women's capabilities in some roles, insufficient human resource policies beyond legally mandated requirements; societal norms and practices at workplaces that fail to factor in the differentiated needs of women, and consciousness among employees.^v

The project has the potential to advance gender equality through enhanced gender inclusive design features in the new solar plant, greater inclusion of women in skilled jobs, adoption of a gender and diversity policy, and enhancement of gender equality awareness among the employees of the project through trainings. The project is not expected to have any adverse impact on women and/or girls. The intended gender mainstreaming category is Effective Gender Mainstreaming (EGM).

5.2 Participation and Empowering the Poor

Initial information on the site indicates that there are no residential areas nearby, so limited community engagement is envisioned, which will be confirmed during the due diligence. The main stakeholders of the project are the workers. Local governments (district, panchayat, village) and regulatory authorities, as required, are also part of the stakeholders. An internal and external stakeholder engagement plan and grievance redress mechanism will be developed for the project. Engagement with the nearby communities will be important, particularly during construction for hiring local workers for the project and to ensure community health and safety measures are in place during the delivery of construction materials on site. No civil society organization (CSO) engagement is foreseen for the project.

5.3 Social Safeguards

In accordance with Asian Development Bank's 2009 Safeguard Policy Statement safeguard requirements, an independent consultant was engaged to undertake a social compliance audit (SCA) and an initial environmental and social examination (IESE) to review the land acquisition process undertaken and assess impacts to date on involuntary resettlement, indigenous peoples, and community stakeholders. Based on the SCA and IESE, the total 740 hectares (ha) land allocated for the project is part of a 6,650 ha government-owned land under the administration of Kachchh District Collector, leased out to Gujarat State Electricity Corporation Limited (GSECL) for the development of the 3,325 MW Solar Park. The solar park is within the 30 gigawatt (GW) renewable energy park being developed by Gujarat Power Corporation Ltd (GPCL).

The allotted land is classified as *unsurveyed desert terrain devoid of human settlements*. Historically, the allotted land had not been settled in or used as it is unsuitable for habitation. The land allocation to the project did not lead to involuntary resettlement.

For Indigenous Peoples, the project area does not fall within the areas defined in the Fifth Schedule^{vi} as designated by the Ministry of Tribal Affairs, Government of India, and has no presence of Indigenous communities. The land allocation to the project has no impact on scheduled tribes or Indigenous Peoples and their traditional or customary land.

5.4 Other Social Issues and Risk

At the peak of construction, the project is expected to hire 800-1000 workers on site, which are foreseen to be mostly migrants from other nearby regions. The migration of mostly male workers may have a potential risk of spreading communicable diseases, gender-based violence, and increased social conflicts affecting community members and workers. There may also be increased unplanned migration due to increased economic activities in the district and increase in prices of goods and rental prices. Labor management plans and community health and safety plans will be developed to address these. A retrenchment plan will be developed and adherence to core labor standards and local labor laws will be observed in the project.

- 6. Social Plans to be Developed as part of the Poverty and Social Analysis.** A construction and operation environment and social management plan (ESMP) will be developed to manage the environmental, health and safety and social and labour related impacts identified in the required

IESE. The ESMP will include project-level labor management plan (including labour influx management guidelines, workers accommodation plan, retrenchment plan), contractor and supplier management plan, internal and external stakeholder engagement plan, and internal and external grievance redress mechanism.

7. **Transaction Due Diligence Resource Requirement**

The Borrower will be required to hire 3rd party E&S specialists to undertake the necessary due diligence. ADB will support this process as required. Borrower will be required to submit regular monitoring reports to ADB to confirm Project compliance with ADB and national regulatory and legal requirements and to report the status of the implementation of the ESMP and other management plans.

ⁱ YKA Policy Insights. 2023. [How Gujarat Can Become Zero Se Hero In Climate Action](#). March 22.

ⁱⁱ World Economic Forum. 2023. [Global Gender Gap Index India](#).

ⁱⁱⁱ World Bank. 2023. [India Gender Landscape](#) (accessed 27 September 2023).

^{iv} IEA and CEEW. 2019. [Women working in the rooftop solar sector](#). Paris: IEA.

^v NRDC India. 2023. [Green Jobs for Gender Equality](#).

^{vi} The Fifth Schedule provides for the administration and special protection of tribal areas in India.