

INITIAL POVERTY AND SOCIAL ANALYSIS

Country: Project Title:

Lending/Financing Modality: Department/Division:

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The transaction is consistent with India Country Partnership Strategy 2013-2017^a, which highlights investment in financial infrastructure, including investment funds, as a priority area. As control investors in India's middle market segment, the Fund will actively manage its investee companies to scale them sustainably, thereby contributing to capital mobilization, job creation, and private sector growth.

B. Poverty Targeting:

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

The Fund has a diverse sector focus with potential investments in finance (non-banking finance companies, microfinance, affordable housing), health (services, non-pharmaceutical), consumer, and technology sectors.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The transaction will primarily benefit the Fund's portfolio companies, majority of which will have the Fund as a control investor.
2. Impact channels and expected systemic changes. The Fund will directly contribute in the expansion and growth of its portfolio companies, which may translate to wider reach to underserved groups in India particularly in finance and health, depending on the sector focus of the selected portfolio company.
3. Focus of (and resources allocated in) the PPTA or due diligence. Due diligence will assess the Fund's likely portfolio for potential risks and impacts on involuntary resettlement, indigenous peoples, and measures to ensure compliance with core labor standards as well as to advance women participation in workplace.
4. Specific analysis for policy-based lending. Not applicable.

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? The Fund will explore opportunities to invest in portfolio companies that provide products and services which address women's needs and that is likewise aligned with the Fund's investment strategy.
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 Please explain. The Fund's portfolio selection is market-driven, but will consider potential investments advancing gender equity that meets its investment criteria.
3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?
 Yes No Please explain. As fund manager, True North advances the principle of equal opportunity across its portfolio companies.
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.
True North considers the following as key stakeholders of its portfolio companies: customers, employees, shareholder, suppliers, community, and the overall environment. Portfolio companies are expected to manage expectations of key stakeholders, and have mechanisms in place for adequate communication and consultation.
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 Fund Manager, conducts a social impact assessment of its investments in portfolio companies in previous fund vehicles. ADB will explore application of this in the proposed Fund.

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?

NA Information generation and sharing NA Consultation NA Collaboration NA

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 Fund's portfolio selection is market-driven and based on an investment criteria, hence participation of the poor and excluded is limited.

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 The Fund's portfolio is not final at this stage to exclude all impacts on involuntary resettlement although this is highly unlikely given the Fund's sector focus on finance and health. Projects with significant IR impacts will be excluded from the ambit of ADB's investment.

2. What action plan is required to address involuntary resettlement as part of the PPTA 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

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? Yes No The Fund's sector focus is on finance and health

3. Will the project require broad community support of affected indigenous communities? Yes No ADB will opt out of any investments that will have significant impacts on indigenous peoples.

4. What action plan is required to address risks to indigenous peoples as part of the PPTA 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 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 Fund and its portfolio companies shall comply with national labor laws, and pursuant to ADB Social Protection Strategy (2001), shall take measures to comply with internationally recognized core labor standards.

VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

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?

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 PPTA or due diligence?

ADB staff will conduct due diligence to assess poverty, social, and gender dimensions of the project as well determine social safeguards risk, if any.

Source:

^aADB. 2013. Country Partnership Strategy: India, 2013–2017. Manila.