



Initial Poverty and Social Analysis

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IND: Inclusive Poultry Value Chain Project

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Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
AIDS	–	acquired immunodeficiency syndrome
HIV	–	human immunodeficiency virus
TA	–	technical assistance

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Inclusive Poultry Value Chain Project
Lending/Financing Modality:	General Corporate Finance	Department/ Division:	Private Sector Operations Department Office of the Director General

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Recognizing the need to address the issues of rural poverty and lack of proper nutrition, the Government of India, Ministry of Agriculture developed the National Action Plan for Eggs and Poultry 2022 for Doubling Farmers Incomes. The program supports the poultry sector development to push farmer livelihood diversification and income improvement as well as tackle malnutrition. ADB's country partnership strategy for India underscores these goals by committing to support the strengthening of agricultural production and private sector investment in agribusiness and value-chain networks. The project reinforces these strategies by ushering the production expansion of a major player in India's poultry sector that will lead to increased poultry contract farming by smallholders leading to increased production of poultry meat.

B. Poverty Targeting

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

Suguna Foods Private Limited (Suguna) has adopted a contract farming model oriented towards small-scale farmers, many of whom belong to the landless, marginal group owning less than 2.5 acres (1 hectare) of land. The contract farmers employ 1 or 2 contractual workers, mostly family members. Suguna also employs thousands of workers for their various facilities, such as, hatcheries, feed mills and processing plants. By supporting the poultry production expansion in India, the project will boost an inclusive poultry value chain that provides employment opportunities and supports sustainable livelihoods in poor rural communities.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

The 2019 ADB Basic Statistics indicates that as of 2011, 21.9% of the Indian population live below the national poverty line. The World Bank group estimated that around 270 million Indian people are poor with around 80% living in rural areas. Poverty incidence in rural areas was higher at 25% compared with 14% in urban areas. The main source of income for the rural poor includes farming activities (30%) and casual labor in farm operations (34%) such as in poultry farming. Potential beneficiaries of the project include the additional workers and contract farmers that Suguna will engage due to its expansion.

2. Impact channels and expected systemic changes.

The expansion in Suguna's production will result in the building of new facilities or upgrading of existing ones thereby necessitating an increase in the workforce and contract farmer partnerships. The growth in production will likewise raise the supply of safe, healthy, affordable chicken meat in the Indian market.

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

The due diligence will focus on issues related to labor involving Suguna's direct workers and contract farmer laborers.

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?

In the Indian rural context where women don't have many safe and socially acceptable employment options, backyard poultry farming provides an important avenue for women to participate in a livelihood activity. When contracting with the family farms, Suguna signs the vast majority (93%) of its supplier contracts with men due to strong cultural norms associated with a "male head of household". Furthermore, employment of female workers in the poultry sector is low.

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 aims to encourage the involvement of women in the company. A gender action plan (GAP) will be prepared.

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

Yes No

The GAP will include the following features: (i) increasing the number of supply contracts signed with women poultry farmers; (ii) increasing the proportion of female workers employed by the company in project operations; and (iii) providing sex-segregated toilets and change facilities at all sub-project sites.

<p>4. Indicate the intended gender mainstreaming category:</p> <p><input type="checkbox"/> GEN (gender equity) <input checked="" type="checkbox"/> EGM (effective gender mainstreaming)</p> <p><input type="checkbox"/> SGE (some gender elements) <input type="checkbox"/> NGE (no gender elements)</p>
III. PARTICIPATION AND EMPOWERMENT
<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.</p> <p>The main stakeholders of the project are the contract farmers and Suguna's workers. They will be met during the site visits.</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?</p> <p>Under the project, Suguna will strengthen stakeholder engagement and community relations.</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?</p> <p><input type="checkbox"/> Information generation and sharing (N) <input type="checkbox"/> Consultation (N) <input type="checkbox"/> Collaboration (N) <input type="checkbox"/> Partnership (N)</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</p> <p>While Suguna engages with their partner poultry farming communities to understand their needs and provide support services, Suguna only engages informally with the neighboring communities through the local authorities. Suguna would thus have to develop its policy on engaging not only with their main stakeholders but also with the communities where they operate.</p>
IV. SOCIAL SAFEGUARDS
<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</p> <p>No involuntary resettlement impacts are envisaged for the project. Land acquisition required for subprojects shall be via negotiated settlement under willing buyer and willing seller arrangements.</p> <p>2. What action plan is required to address involuntary resettlement as part of the transaction TA 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 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</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>The project will not entail any indigenous peoples impact. Suguna's facilities are in agricultural and industrial zones and not in tribal areas.</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>No impacts on indigenous peoples are anticipated.</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the transaction TA 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 type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
V. OTHER SOCIAL ISSUES AND RISKS
<p>1. What other social issues and risks should be considered in the project design?</p> <p><input checked="" type="checkbox"/> Creating decent jobs and employment (H) <input checked="" type="checkbox"/> Adhering to core labor standards (H) <input type="checkbox"/> Labor retrenchment</p> <p><input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS (H) <input checked="" type="checkbox"/> Increase in human trafficking (H)</p> <p><input type="checkbox"/> Affordability <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters</p> <p><input type="checkbox"/> Creating political instability <input type="checkbox"/> Creating internal social conflicts</p> <p><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>Expansion of production will result in the creation of new local jobs. Suguna will be required to ensure compliance with core labor standards and national labor regulations, including protection of migrant workers' rights and welfare. Suguna will also be required to improve its management of occupation health and safety and biosecurity at all facilities.</p>

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

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 consulting firm will be engaged to conduct an independent environmental and social audit. ADB staff will join the consulting team during site visits.