



Initial Poverty and Social Analysis

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India: Industrial Corridor Development Program (Subprogram 1)

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 28 May 2021)

Currency unit	–	Indian rupee/s
₹1.00	=	\$0.0136
\$1.00	=	₹73.0360

ABBREVIATIONS

GOI	–	Government of India
NICDIT	–	National Industrial Corridor Development and Implementation Trust
NICDCL	–	National Industrial Corridor Development Corporation Limited

NOTES

- (i) The fiscal year (FY) of the Government of India ends on 31 March. "FY" before a calendar year denotes the year in which the fiscal year ends, e.g., FY2021 ends on 31 March 2021.
- (ii) In this report, "\$" refers to United States dollars.

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Industrial Corridor Development Program
Lending/Financing Modality:	Policy-Based Loan	Department/Division:	SARD/SAPF

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The Government of India's (GoI) commitment to achieving freedom from poverty is outlined in its 7-year strategy document. The proposed Policy Based Loan (PBL) is designed to expand India's manufacturing sector and enhance its competitiveness by developing the industrial corridor program. The corridor undertakes integrated planning, programming, and implementation of transport, industrial, urban, logistics, and skills-related projects, along with institutional and regulatory reforms at the national and state levels. GoI launched Make in India Program in 2014, supplementing the National Manufacturing Policy (NMP) of 2012. During COVID-19 pandemic GoI undertook additional reforms and launched the Atmanirbhar Bharat Abhiyan (Self-Reliant India) in May 2020, focusing on the revival of domestic manufacturing. All these contribute to job creation.

B. Poverty Targeting

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

The proposed modality is a PBL designed under the programmatic approach to support the implementation of the critical policy actions to strengthen the institutional process and structural reforms in India. All of these aim to improve manufacturing competitiveness and promote inclusive and sustainable development outcomes for rural/urban youth, men and women also from the marginalized sections.

C. Poverty and Social Analysis

1. **Key issues and potential beneficiaries.** A combination of domestic and global headwinds in 2018 depressed the economic activity in India, especially in terms of aggregate demand. Despite rapid economic growth, India is still home to 270 million people who live in poverty. The near-term outlook of the economy is fraught with several risks. First, private consumption, which supported economic activity, was slowing down due to many factors. In this context, the performance of large employment generating sectors such as automobiles and real estate remained less than satisfactory. India aims to increase the manufacturing sector growth rate to 12%–14% and raise its share in gross domestic product to 25% generating employment for 100 million people by FY2025.

2. **Impact channels and expected systemic changes.** The outcome of the PBL will be improved investment climate for industrial corridor development. The creation of strong institutions and regulatory framework, enhanced capacity of NICDCL, proper assessment of eligible projects for NICDIT's approval will be the program outcome to be by the number of projects approved and the funds disbursed by NICDIT. The direct beneficiary of the program will be the Department of Promotion of Industry and Internal Trade.

3. **Focus of (and resources allocated in) the transaction TA or due diligence.** The project design will require a thorough assessment of how the program resources will be used to ensure the poorest of the poor's participation in the industrial development processes and opportunities.

4. **Specific analysis for policy-based lending.** The proposed modality is a policy-based loan (PBL) designed under the programmatic approach. There will be two subprograms of US\$250 million each. The programmatic approach will support policy actions in a sequential manner ensuring that reforms are coherently undertaken both at national and state levels and across central line ministries and agencies within the PBL period of 2020–2024.

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?

The analysis reveals only 18.2% of the rural females and 15.9% of the urban females were in the labor force in usual status. The workforce participation for rural women was 17.5% and as low as 14.2% for urban. The unemployment rate among rural and urban women remained 3.8% and 10.8%, respectively.^a Traditionally, women in India earn less, save less, hold less secure jobs, and are more likely to be employed in the informal sector (about 70%) with few protections against dismissal or paid sick leave and limited access to social protection. Besides, emerging evidence on the impact of COVID-19 suggests that women's workforce participation, especially in the manufacturing sector, has further affected disproportionately and differently from men. The government's nationwide lockdown left millions of women unemployed, placing a substantial financial burden on these women, contributing substantially to their household income. Besides, women in India are majorly employed by the informal and unorganized sector, which were worst hit by the lockdown. Besides, women's primary responsibility for household chores, care of women, sick and elderly deterred them from stepping out and earn, despite some opportunities came their way.

<p>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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The program is categorized as effective gender mainstreaming. Under the institutional framework, the National Masterplan will include elderly, women, children, and differently-abled (ECWD) -friendly multi-modal connectivity to economic zones, guidelines to reskill local labor force, etc., on gender equality and social inclusion needs assessment by NICDCL. The improved manufacturing through industrial corridors will create massive job opportunities in urban and rural areas, including for women. The framework document developed on inclusive worker housing also incorporates requirements of the EWCD. The policy reforms can aim at increasing women's workforce participation, including mobility of goods produced by women-led micro, small and medium enterprises, with improved connectivity. The states' single window mechanism proposed could also have inclusive provisions for women entrepreneurs in the pilot nodes. The guidelines adopted by NICDCL to reskill local labor force has the potential to include available market opportunities for women entrepreneurs. The integrated National Masterplan on multi-modal connectivity could keep provisions for EWCD-friendly features. An in-depth analysis of gender equality and social inclusion features would be carried out at the due diligence.</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</p>
<p>4. Indicate the intended gender mainstreaming category:</p> <p><input type="checkbox"/> GEN (gender equity) <input checked="" type="checkbox"/> EGM (effective gender mainstreaming) <input type="checkbox"/> SGE (some gender elements) <input type="checkbox"/> NGE (no gender elements)</p>
<p>III. PARTICIPATION AND EMPOWERMENT</p>
<p>1. The program will be anchored on a continued dialogue and communication, both with main vulnerable groups and civil society organizations, as needed. Social exchange and information dissemination will be crucial in developing an effective and responsive solution.</p> <p>2. The project team will keep adequate contact with civil society organizations to ensure that project information is disseminated, mainly to the poor, vulnerable, and excluded groups. Appropriate tools and methods to achieve enhanced participation by the low and excluded groups of the society will be developed at the processing stage.</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"/> (N) Not applicable <input checked="" type="checkbox"/> (L) Information generation and sharing <input type="checkbox"/> (L) Consultation <input type="checkbox"/> (L) Collaboration <input type="checkbox"/> (L) Partnership</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>Empirical poverty and social analysis will navigate the project to achieve its outcome and outputs. During the due diligence and SPRSS preparation, the level of CSO engagement, consultation, collaboration, and partnership will be adequately assessed.</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</p> <p>Based on initial information, the project will not result in any land acquisition or involuntary resettlement impacts. ADB funds will be used to finance policy actions that will not cause physical or economic displacement. Initial findings will be reconfirmed during due diligence.</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 <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>Impacts on Indigenous Peoples are not anticipated. Due diligence will confirm that the proposed project will not interfere with nor impact the property, livelihood, and socio-cultural and belief practices of any ethnic minority groups.</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 program will not result in displacement of any ethnic minority group from their traditional land or commercial development of any natural resources within customary land.</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>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 <input checked="" type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment</p> <p><input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability</p> <p><input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability</p> <p><input type="checkbox"/> Creating internal social conflicts <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? The project will ensure that policies are in place to ensure project selection will include criteria to ensure creating jobs and adherence to core labor standards.</p>
VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT
<p>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?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>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?</p> <p>Resources will be through Capacity Development for Industrial Corridor Development Project (reference COBP 2021-2023) and possible assistance from Front Office TA on environmental and social safeguards.</p>

^a Government of India, Ministry of Statistics and Programme Implementation. 2019. *Annual Report Periodic Labour Force Survey (2017-2018)*. Delhi.