



Initial Poverty and Social Analysis

Project Number: 55075-001
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IND: Administration of Equity Investment for Euler Motors Private Limited

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 8 February 2021)

Currency unit	–	Indian rupee/s ₹
₹ 1.00	=	\$ 0.014
\$1.00	=	₹ 72.87

ABBREVIATIONS

COM	–	Cost of Mobility
CSO	–	civil society organization
EV	–	electric vehicle
LCV	–	light commercial vehicle
MAAS	–	Mobility-as-a-service
TCO	–	Total Cost of Ownership
SCV	–	small commercial vehicle
STEM	–	science, technology, engineering, and math disciplines

NOTE

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

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Administration of Equity Investment for Euler Motors Private Limited
Lending/Financing Modality:	\$ 1.6m Equity	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

The Government of India underscores climate change mitigation as one of the pillars for sustainable development under the “Strategy for New India @ 75^a and a development strategy objective under the ADB CPS (2018-2022)^b for India. The investment of ADB Ventures in Euler Motors Private Limited reflects consistency with the country strategy towards sustainable development as well as with ADB’s CPS for India. Further it is aligned with ADB’s Strategy 2030^c which puts operational priority on (i) tackling climate change, building climate and disaster resilience, and (ii) making cities more livable. The ADB Ventures equity financing of up to \$ 1,650,000, in Indian rupee equivalent, will support the expansion plans of EMPL, particularly in the areas of expansion of production unit that may require establishing new manufacturing plant within India, setting up of sales and service center for its L5 vehicles, setting up of Charging Station Networks across Delhi NCR and Bangalore, and in Research and Development towards 4-wheeler cargo vehicle. The project will enhance service to last-mile delivery consumers, improve clients’ income, and increase the uptake of EVs in India contributing to the reduction of the country’s carbon footprint and in addressing climate change.

B. Poverty Targeting

General intervention Individual or household (TI-H) Geographic (TI-G) Non-income MDGs (TI-M1, M2, etc.)
 The project will directly cater to the needs of the electric LCV buyers and client companies in the e-commerce, e-grocery, and third-party logistics space servicing last-mile deliveries. The expansion and improvement of the EMPL operations and services will ultimately aid in the mitigation of country’s poverty.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The project focuses on electric LCV buyers and fleet operators in the e-commerce, e-grocery, and third-party logistics space servicing last-mile deliveries in India and later on in Southeast Asia who previously could not enjoy the lowest TOC and COM that EMPL can provide because of their cutting-edge technology and business model. Due diligence will determine how women and the poor will benefit from the project.
2. Impact channels and expected systemic changes. EMPL aims to offer more efficient and cheaper electric LCV in the EV sector of India increasing EV uptake and contributing to the reduction of the country’s carbon footprint and in addressing climate change. The project will benefit primarily the electric LCV buyers and client companies in the e-commerce, e-grocery, and third-party logistics space servicing last-mile deliveries fleet operators offering last-mile deliveries. While EMPL’s technology and business model assures its electric LCV buyers with the lowest total cost of ownership (TCO) at \$26k reduction by over 4 years compared to its competitors in the market, its client companies in the e-commerce, e-grocery, and third-party logistics space servicing last-mile deliveries can enjoy lowest Cost of Mobility (COM) at around 20% to 30% lower than its competitors.
3. Focus of (and resources allocated in) the transaction TA or due diligence. Due diligence will focus on EMPL’s corporate-level and/or site-based systems and processes in managing environmental and social risks and the impacts of its operations. The Company’s labor policies and practices, its compliance with the national labor laws, standards set by the certification bodies, and its gender responsiveness will also be reviewed and verified.
4. Specific analysis for policy-based lending. Not Applicable.

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?

Women’s presence in the Indian labour market is one of the lowest participation rates in the world (145th), with only one-quarter of women in India, while 82% of men are engaged actively in the labour market.^c In similar vein, women in the auto sector only account for 15% of the workforce with most of them working in sales, marketing, human resource, logistics, administration, and finance. Women are reluctant to join the auto sector because salary scales favor men, and employers do not want to hire women because of current or future responsibilities in the home and challenges such inability to work evening or night shifts.^d Women in STEM also suffer the same condition, with only 30% are women ^e despite the fact that 40% of Indians who graduate in science, technology, engineering and math (STEM) disciplines are women.^f Nonetheless, recent developments have shown that technology firms in India, have been introducing models that will attract and retain women in tech industry, from explicitly reaching out to female students in their workshop to launching mentorship programme that has been responsible for the increased performance ratings and promotions of their women mentees.^g

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 proposed project will target to provide women job opportunities in the EV industry. Due diligence will verify EMPL's commitments and capacities to enhance gender equality at the workplace and contribute to better awareness of sexual harassment issues. Gender and development indicators to be incorporated in the project design will be discussed with the client as part of the due diligence process.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? Yes No
The project will not have an adverse impact on women and/or girls nor will it widen gender inequality.

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. The Company shareholders, investors, senior managers, employees, contractors in the DMCs, and customers are the main stakeholders of the project.

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 Project will support the growth of EMPL business which includes assembling and selling of electric LCVs and operating a fleet of these vehicles providing Mobility-as-a-service (MaaS) for last mile deliveries. The company's employees, women employees, company's clients and staff, and women staff are expected to directly benefit from the project. The poor, vulnerable and excluded groups are not expected to participate in the project design.

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?

- L Information generation and sharing N Consultation N Collaboration N Partnership

EMPL website is made accessible to all including any CSO who may be interested.

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

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

2. 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

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 L 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 compliance to several relevant national labour laws

2. How are these additional social issues and risks going to be addressed in the project design? A Corrective Action Plan has been prepared.

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

A dedicated social safeguards consultant and one gender consultant who are assigned to the project have identified areas for clarification on the part of the Company during the due diligence phase.

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? One social safeguards consultant and one gender consultant have been conducting the necessary poverty, social, and/or gender analysis, and participation plan during the transaction TA or due diligence phase.

^a Strategy for New India @75. India. https://niti.gov.in/writereaddata/files/Strategy_for_New_India.pdf

^b ADB. 2017. Country Partnership Strategy: India, 2018–2022 — Accelerating Inclusive Economic Transformation. Manila.

^c ADB. 2018. Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific. Manila.

^d World Economic Forum. 2020. “[Insight Report Global Gender Gap Report](#)”. Geneva. 2020.

^e Das, P. 2018. “[Auto sector: Time to shift gears](#).” Fortune India.

^f World Economic Forum. 2020. “[Insight Report Global Gender Gap Report](#)”. Geneva. 2020.

^g Sindwani, Prema 2020. “[India tops the world in producing female graduates in STEM but ranks 19th in employing them](#).” Business Insider, India. (accessed 17 November 2020)

^h Rathor, S., Misra, A., Phadnis, S., and Shankar, A. 2020. “[Why Indian Women may Dominate the Tech World of Tomorrow](#).” TNN Times of India, India. (accessed 17 November 2020)