



# Initial Poverty and Social Analysis

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## India: Abis Climate-Resilient Aquaculture Value Chain Sustainability Linked Blue Loan Project

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## NOTE

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

## ABBREVIATIONS

|       |   |  |
|-------|---|--|
| ADB   | – | Asian Development Bank                   |
| CAPEX | – | capital expenditure                      |
| CSO   | – | civil society organization               |
| ESMS  | – | environment and social management system |
| FAO   | – | Food and Agriculture Organization        |
| MMT   | – | million metric tons                      |
| TRTA  | – | transaction technical assistance         |

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## INITIAL POVERTY AND SOCIAL ANALYSIS

|                             |                   |                      |   |
|-----------------------------|-------------------|----------------------|---|
| Country:                    | India             | Project Title:       | ABIS Climate-Resilient Aquaculture Value Chain Sustainability Linked Blue Loan Project              |
| Lending/Financing Modality: | Corporate Finance | Department/ Division | Private Sector Operations Department<br>Office of the Director General-Agribusiness Investment Team |

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The Asian Development Bank (ADB) is proposing a corporate loan to ABIS Exports (India) Private Ltd. to support the company's capital expenditure (capex) for a new coated fish feed plant in Sukhri, Chhattisgarh with an installed capacity of 600 MT/day. The project will help ABIS in continuously developing innovative products such as the floating fish feed, proven to lessen water pollution in ponds and increase yield due to lessened wastage, as well as support smallholder aquaculture farmers that are largely concentrated in rural and semi-urban areas to engage in their own business and ensure good production through technical assistance that ABIS provides its partners. The project is aligned with ADB strategy 2030 particularly with key operational priorities on (a) addressing remaining poverty and reducing inequalities, (b) accelerating progress in gender equality, (c) tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability and (d) promoting rural development and food security. The project is likewise consistent with the country partnership strategy (2018-2022) for India, which focuses on boosting economic competitiveness to create more and better jobs, providing inclusive access to infrastructure networks and services and addressing climate change and increasing climate resilience.

#### B. Poverty Targeting

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

The project seeks to positively impact fish farmers livelihood as the use of the floating feed will enable farmers to reduce feed consumption by 65% and increase farmer incomes by 45%. It is also envisaged that the project will help develop the local aquaculture sector with an estimated additional 2,500 fish farmers utilizing the feed and reduce water pollution as floating fish feed floats on water surface and is almost fully consumed by fish. Additionally, the transaction technical assistance (TRTA), will provide capacity-building to smallholder farmers to increase climate resilience, and engagement of women in the aquaculture sector.

#### C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Of India's total 1.369 billion population,<sup>a</sup> 28,063,537 or roughly 2% are fish farmers.<sup>b</sup> India's fisheries sector ranks fourth in terms of volume of fish capture and export, and contributes 6% to the total global fish capture<sup>c</sup> and 1.24% to Indian economy.<sup>d</sup> Within the fisheries sector, however, the per capita income is well below the poverty line for 40% of fishers.<sup>e</sup> Wages for fish-workers are sufficient to support a single worker but are not enough to support an average rural family.<sup>f</sup> Inland fish production comprises 71.93% (10.43mmt)<sup>g</sup> of the total fish production in India, which ranges from small-scale subsistence to commercial capture fisheries.<sup>h</sup> Despite the sector's growth, aquaculture is affected by various issues affecting production: disease, absence of species diversification and genetic improvement, poor brood and seed, high input cost, lack of access to institutional credit, credit guarantee and insurance, environmental sustainability and others.<sup>i</sup> The primary beneficiaries of the project are the company, its employees, and clients/partners: commercial fish farmers and smallholder fish farmers, including women. For the company's corporate social responsibility (CSR) program on education, the beneficiaries are children from ABIS partner villages, including children of their employees, who are provided free English-medium education.
2. Impact channels and expected systemic changes. ABIS provides technical support to fish farmers, poultry farmers and other partners through a network of around 800 line supervisors across India. The schools also serve as impact channels.
3. Focus of (and resources allocated in) the transaction TA or due diligence. The TA will complement the investment by building the capacity of 2,700 smallholder fish farmers in India (of which at least 540 are women) for (i) climate resilient farming best practices in aquaculture, adapted to the needs of women and the local context; and (ii) functional financial literacy, including farm budget management, access to credit facilities, and the economics of

climate-resilient capital investment. The capacity building will also help boost women's participation in agriculture and accelerate gender equality by improving their financial and technical capabilities. Training materials, and key insights and lessons from the TA will also be provided to government agencies in India.

## 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?<sup>7</sup> Women make essential contributions in the aquaculture sector, but their contributions are often invisible. Fisherwomen in India spent more than 90% of their working hours in fishing and allied activities, counting as full-time employment for them.<sup>k</sup> While women's participation in fisheries enhanced their empowerment, they still lacked access to resources, credit and technical information.<sup>3</sup> Women's contributions tend to be ignored since fisheries data do not often cover activities in which they are concentrated, such as gleaning, part-time fishing, and post-harvest activities. Gender norms and cultural practices define the areas of women's participation in fisheries. This is compounded by women's lack of education, low literacy rate, poverty, gender role stereotypes, lack of confidence and restricted physical mobility.<sup>l</sup>
- ABIS has a diversity and inclusion policy and an anti-sexual harassment policy compliant with the Indian POSH Act. The company's worker accommodation provides separate toilets, change rooms, lighting and separate dorms for women. Women are also provided with transport to ensure their safety. ABIS has an informal women's network where women can connect over social media. Only 5% of ABIS staff are women, mostly concentrated in field roles. ABIS does have any marketing strategies specifically targeted at female farmers.
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 access to and use of opportunities, services, resources, assets, and participation in decision-making?  Yes  No
- Key features of the gender action plan are as follows: (i) increase in the proportion of technical jobs held by women, (ii) provision of internships for women, (iii) increased procurement from women microbusinesses, (iv) farmer-related marketing collateral includes gender-inclusive messaging, (v) training to female farmers on climate-resilient agricultural best practices, and (vi) training to female farmers on financial literacy.
3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?  
 Yes  No
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 EMPOWERING THE POOR

1. Who are the main stakeholders of the project, including beneficiaries and affected people? The primary stakeholders are the company's management and employees, as well as its clients/partners who are mainly commercial fish farmers and smallholder fish farmers, including women. The management and employees are expected to implement the project itself, including the implementation of the ESMS and the TRTA. The clients will participate in the TRTA as partners and beneficiaries of the capacity-building program.
2. Who are the key, active, and relevant CSOs in the project area?
3. Are there issues during project design for which participation of the poor and vulnerable is important?  
 Yes  No If yes, what are these issues?
4. How will the project ensure the participation of beneficiaries and affected people, particularly the poor and vulnerable and/or CSOs, during project design to address these issues?  
Currently, CSO participation in the company's current activities is minimal. A technical assistance (TA) is planned for the project on capacity-building of smallholder fish farmers on climate change adaptation. The TA encourages the participation of CSOs and CSO consortium in implementing the TA particularly in delivering the training program.
5. What level of CSO participation is planned during the project design?  
   Information generation and sharing    NA    Consultation    NA    Collaboration    M Partnership

## 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 land acquired for the project was converted from purchased agricultural land of 20 smallholder farmers in Sukhri, Rajnandgaon District, Chhattisgarh. The land was acquired in 2015 through a willing buyer willing seller agreement with landowners and compensated based on the prevailing market rates. Land acquisition was not done in anticipation of ADB financing.

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

Formalization and documentation of land acquisition procedure where the company will ensure that future land requirements will be procured through willing buyer, willing seller agreement and that they will avoid buying land that have encumbrances.

**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 project is not foreseen to have impacts on indigenous peoples as the area where the Plant is being constructed is not a tribal land and no known scheduled tribes use the area for residence, socio-cultural and economic activities. Is broad community support triggered?

3. Will the project require broad community support of affected indigenous communities?  Yes  No

The project site is not located in tribal lands and will not impact Indigenous Peoples socio-cultural and economic life.

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

Formalization and documentation of land acquisition procedure where the company will ensure that future land requirements will not be within tribal lands.

**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 (H)  Adhering to core labor standards (H)

2. How are these additional social issues and risks going to be addressed in the project design?

As part of the due diligence, the company is required to develop policies and procedures that adhere to the core labor standards. When the Plant starts operating in early 2023, it is expected that 400+ new jobs will be created for the local workforce.

**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 the participation plan during the transaction TA or due diligence? Mainly ABIS staff. The ESG Head is primarily responsible for ensuring that the ESMS is cascaded to the facility/ asset level while the Plant Head is in charge of ensuring E&S compliance at the plant level. For the TRTA, ADB staff and consultants will be involved.

<sup>a</sup> ADB. 2022. [Basic 2022 Statistics](#). Manila

<sup>b</sup> Government of India's Ministry of Fisheries, Animal Husbandry & Dairying. 2020. [Handbook on Fisheries Statistics:2020](#). New Delhi.

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- <sup>c</sup> Food and Agriculture Organization (FAO). 2021. [\*The State of World Fisheries and Aquaculture 2020. Sustainability in Action\*](#). Rome.
- <sup>d</sup> Government of India's Ministry of Fisheries, Animal Husbandry & Dairying. 2020. [\*Handbook on Fisheries Statistics:2020\*](#). New Delhi.
- <sup>e</sup> Ibid.
- <sup>f</sup> M. Rajeev & P. Nagendran. 2021. [\*Analysing Core Indicators of Decent Work for the Indian Fisheries Sector - Do Richer States Perform Better?\*](#) Economic and Political Weekly. Vol. 56, Issue No. 41. Mumbai.
- <sup>g</sup> Government of India's Ministry of Fisheries, Animal Husbandry & Dairying, (2020) [\*Handbook on Fisheries Statistics:2020\*](#). New Delhi.
- <sup>h</sup> FAO and International Collective in Support of Fishworkers (ICSF). 2022. [\*A Review of Governance and Tenure in Inland Capture Fisheries and Aquaculture Systems of India\*](#). Chennai.
- <sup>i</sup> India's National Fisheries Development Board (2020). [\*National Fisheries Policy 2020\*](#). New Delhi.
- <sup>j</sup> The inclusive and sustainable growth assessment and country gender strategy as part of the country partnership strategy identify key gender issues in the respective countries.
- <sup>k</sup> Food and Agriculture Organization of the United Nations. 2022. [\*Women and Men in Small-scale Fisheries and Aquaculture in Asia\*](#). Bangkok. 2022
- <sup>l</sup> FAO. 2022. [\*Women and Men in Small-scale Fisheries and Aquaculture in Asia\*](#). Bangkok. 2022