



# Initial Poverty and Social Analysis

---

Project Number: 56272-001  
November 2022

## India: Nhava Sheva Container Terminal Financing Project

This document is being disclosed to the public in accordance with ADB's Access to Information Policy.

**Asian Development Bank**



## CURRENCY EQUIVALENTS

(as of 28 October 2022)

Currency unit – Indian rupee/s (₹)

₹1.00 = \$0.0121

\$1.00 = ₹82.4170

## ABBREVIATIONS

|                 |  |
|-----------------|--|
| <b>ADB</b>      | – Asian Development Bank                       |
| <b>COVID-19</b> | – Coronavirus disease                          |
| <b>CSO</b>      | – Civil society organization                   |
| <b>ESCAR</b>    | – Environmental and social compliance audit    |
| <b>ESMP</b>     | – Environmental and social management plan     |
| <b>IESE</b>     | – Initial environmental and social examination |
| <b>JNPA</b>     | – Jawaharlal Nehru Port Authority              |
| <b>JNPCT</b>    | – Jawaharlal Nehru Port Container Terminal     |
| <b>PPP</b>      | – Public private partnership                   |

## NOTE{S}

- (i) The fiscal year (FY) of Nhava Sheva Freeport Terminal Private Limited ends on 31 March. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2022 ends on 31 March 2022.
- (ii) In this report, “\$” refers to United States dollars.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.



## INITIAL POVERTY AND SOCIAL ANALYSIS

|                             |              |                       |   |
|-----------------------------|--------------|-----------------------|---|
| Country:                    | India        | Project Title:        | IND: Nhava Sheva Container Terminal Financing Project                   |
| Lending/Financing Modality: | Project Loan | Department/ Division: | Private Sector Operations Department/ Infrastructure Finance Division 1 |

|   |
|---|
| <b>I. POVERTY IMPACT AND SOCIAL DIMENSIONS</b>  |
| <p><b>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</b></p> <p>The project involves upgrade, operation and maintenance of Jawaharlal Nehru Port Container Terminal (JNPCT) under the public private partnership (PPP) and a 30-year concession awarded to the Borrower (Nhava Sheva Freeport Terminal Private Limited) by the Jawaharlal Nehru Port Authority (JNPA). The transaction is aligned with supporting the operational priorities of ADB's Strategy 2030 in (i) fostering regional cooperation and integration, (ii) Accelerating progress in gender equality, and (ii) tackling climate and disaster resilience. The project will also support ADB's operational goal of scaling up private sector development and private sector operations. The transaction is consistent with the country partnership strategy, 2018-2022 for India, which calls for boosting economic competitiveness to create more and better jobs and addressing environmental degradation through mitigating the negative impacts of climate change and promoting sustainable natural resource use in the project design.</p>   |
| <p><b>B. Poverty Targeting:</b></p> <p><input checked="" type="checkbox"/> General Intervention <input type="checkbox"/> Individual or Household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input type="checkbox"/> Non-Income MDGs (TI-M1, M2, etc.)</p> <p>India is one of the fastest growing large economies, with Maharashtra state being India's second most industrialized state contributing 20% of national industrial output and being one of the key marine transportation hubs in the country. High economic and population growth (from 822 million in 1990 to 1,369 million in 2022<sup>a</sup>) puts pressure on existing infrastructure demanding increased infrastructure capacity to address growing economic and business needs. At the same time, such infrastructure development requires environmentally and socially sustainable solutions to ensure the quality of livelihoods of people are not compromised, and, where possible, improved, based on reuse and enhancement of existing infrastructure.</p>   |
| <p><b>C. Poverty and Social Analysis</b></p> <p><b>1 Key issues and potential beneficiaries.</b> The primary beneficiaries of the project are the company and its employees, the terminal's customers, contractors and suppliers that will be servicing the upgrade and operation of the terminal. Local communities and existing employees and contractors, where possible and desired, will benefit from the enhanced terminal and its operations.</p> <p><b>2. Impact channels and expected systemic changes.</b> The envisaged financing will contribute to decongestion of the port, reduction of greenhouse impact, which will benefit local environment and communities. The project will also bring direct and indirect employment opportunities and enhanced safety for workers and will help the government monetize its existing infrastructure assets (through the PPP partnership).</p> <p><b>3. Focus of (and resources allocated in) the transaction TA or due diligence.</b> Due diligence will focus on identifying and managing environmental and social risks and impacts from construction upgrade works and operation of the terminal; identifying opportunities for local procurement and employment in a gender-inclusive way. To achieve this the borrower will commission a qualified third-party consultant to undertake an Environmental and social compliance audit (ESCA) of existing facilities, as well as an Initial environmental and social examination (IESE) and Environmental and social management plan (ESMP). ADB will work with the Borrower to ensure the project's Environmental and Social Management addresses identified risks and impacts in manner that meets safeguard requirements of ADB and applicable legislation.</p> |
| <b>II. GENDER AND DEVELOPMENT</b>   |
| <p><b>1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program?</b> Before the coronavirus disease pandemic, India had made progress towards development goals despite persisting gender disparities. The health and economic crisis triggered by the COVID-19 pandemic had a tremendous negative impact on widening these gender-based disparities across all sectors, including decline in women's labor force participation and increasing trend of harassment against women. Elements restraining women's participation notably stem from the reluctance of employers hire women because of current or future responsibilities in the home and from labor restrictions such inability to work evening or night shifts.<sup>b</sup> Similar to the transport and construction sectors, maritime logistics remain a nontraditional area of employment for women, where women</p>  |

represent just above 1% of the workforce globally.<sup>c</sup> Further, women shy away from working in these sectors because of barriers such as gender-based discrimination, the harsh work environment of construction sites, exposure to sexual and other forms of harassment, and the shortage of successful women in non-traditional sectors as role models.<sup>d</sup>

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

The project has the potential to enhance gender equality results by fostering a gender sensitive and respectful work environment and gender due diligence will look into gender design features that would promote gender inclusive practices, particularly related to anti-sexual harassment and violence against women.

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? Explain how they will each participate in the project's design.** The expected beneficiaries of the project are the Borrower, their employees and suppliers and contractors, JNPA and customers, as well as local population and businesses that will benefit from employment, procurement and community development activities relating to the project.

2. **Who are the key, active, and relevant CSOs in the project area?** A restrictive nature of the project's location does not provide for active engagement with the CSOs. However, the due diligence and a stakeholder engagement plan that will be required for the project will establish if there are specific CSOs to engage with in the project area.

3. **Are there issues during project design for which participation of the poor and vulnerable is important?**

Yes  No but poor and vulnerable households that maybe affected by the project will be identified during due diligence to ensure their views and concerns are heard. 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?**

The project's stakeholder engagement plan and a grievance redress mechanism will provide for opportunities to account for views and concerns of the local communities and CSOs.

5. **What level of CSO participation is planned during the project design?**

\_ M \_ Information generation and sharing \_\_\_ Consultation \_\_\_ Collaboration \_\_\_ 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 Project is not expected to result in involuntary resettlement impacts. The project, including its associated facilities, will be developed on a brownfield site with highly restricted access and will not require additional land acquisition. The due diligence will ascertain if the project is to result in any social legacies and temporary or permanent impacts to private land or livelihoods.

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

The Project is not expected to result in activities or impacts that may directly or indirectly affect indigenous peoples or vulnerable ethnic minorities, their commercial development of the cultural resources and knowledge of indigenous peoples, physical displacement from traditional or customary lands, and commercial development of natural resources within customary lands. The due diligence, the ESCA and IESE, will ascertain this.

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 (L)  Labor retrenchment  
 Spread of communicable diseases, including HIV/AIDS (L)  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?

JNPA is reallocating and offering voluntary retirement to their workers before the Borrower takes over the terminal. The Environmental and social compliance audit will assess if such worker management is done in accordance with the law and responds to the ADB's labor protection requirements. The Borrower will be required to implement recommendations of the IESE and ESCA. The Project will also be required to comply with the national labor laws and implement ESMP and other necessary social, health and safety policies and procedures that will be designed to comply with the internationally recognized core labor standards, pursuant to ADB's Social Protection Strategy (2001) and mitigate health risks.

#### 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? ADB will engage with the client and will work closely with the independent consultants during the due diligence process to review provided documentation and engage in discussions with relevant specialists.

<sup>a</sup> ADB. 2022. *ADB Basic Statistics 2022*. Manila.

<sup>b</sup> P. Das. 2018. [Auto Sector: Time to Shift Gears](#). *Fortune India*. 11 June.

<sup>c</sup> BIMCO and International Chamber of Shipping. 2021. [Seafarer Workforce Report 2021](#). Athens and London.

<sup>d</sup> R. L. Patel and J. Pitroda. 2016. [The Role of Women In Construction Industry: An Indian Perspective](#). Indian Journal of Technical Education (IJTE) | Special Issue for ICWSTCSC-2016.