

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Visakhapatnam-Chennai Industrial Corridor Development Program
Lending/ Financing Modality:	Multitranche Financing Facility and a Policy-Based Loan	Department/ Division:	South Asia Department Urban Development and Water Division

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The Government of India's 12th Five Year Plan calls for an inclusive approach to development and stresses the need to improve infrastructure and reduce poverty in India's cities and towns. The country partnership strategy, 2013–2017 of the Asian Development Bank (ADB) for India is closely aligned with the plan, and aims to improve infrastructure and promote economic growth to provide employment. The Planning Commission's approach paper to the plan identifies infrastructure bottlenecks and lack of adequate long-term funds for infrastructure as key binding constraints to realizing more equitable and sustainable growth and bridging the division between regions, sectors, and peoples. In this context, the Visakhapatnam-Chennai Industrial Corridor Development Program (VCICDP) is consistent with the country's and ADB's priorities as it will indirectly contribute to poverty reduction in the state of Andhra Pradesh through support to the Government of Andhra Pradesh (GoAP) for infrastructure development, and policy and institutional reforms to stimulate economic growth and employment generation. The VCICDP will support the GoAP for debottlenecking and enhancing ease of doing business that would make Visakhapatnam-Chennai Industrial Corridor (VCIC) more competitive in attracting industrial investments. ADB would also engage with the GoAP as a strategic partner for master planning and large scale brownfield investments in the medium-term and for developing new economic nodes or cities in the long-term.

#### B. Poverty Targeting

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

The project focuses on creating a globally competitive manufacturing sector supported by world class infrastructure, logistics facilities, and a liberal policy regime that will support economic growth in Andhra Pradesh. The VCICDP will help achieve higher levels of per capita income and better opportunities of well-paying jobs for the people, including the poor and the vulnerable sections of the society and the women. The proposed infrastructure investments would create huge demand for skilled labor across multiple sectors. The VCICDP, in coordination with the Andhra Pradesh State Skill Development Corporation (APSSDC) would prepare a skill development roadmap for the state to cover capacity building of workers, entrepreneurs, students, with special focus on women. These groups will be potential beneficiaries of the projects. Besides, common citizens of the four nodes will be benefitted by adequate urban civic amenities, improved social infrastructure, higher incomes and more job opportunities.

#### C. Poverty and Social Analysis

**1. Key issues and potential beneficiaries.** Andhra Pradesh, with geographical area of 160,205 sq. km, is the 8<sup>th</sup> largest state, and, with a population of 49.4 million, which accounts for 4.08% of the country's population, the 10th most populous state in the country. Of the total population of the state, scheduled castes constitute 17.10% and the scheduled tribes 5.33%. The unemployment figures for both urban and rural areas show upward trends and the state has 9.20% of its population living below poverty line (rural and urban), as determined by the erstwhile planning commission, at Rs.1,009 monthly per capita expenditure for urban population and Rs.860 for rural areas. The project is therefore designed to support the Government of India's gender development and poverty reduction strategy by (i) providing enhanced accessibility to various skill development and employment opportunities for all vulnerable sections including women, (ii) engaging indigenous population and ethnic minorities during project construction and operation; and (iii) increasing accessibility to improved amenities and services through overall inclusive development and sustained economic growth.

**2. Impact channels and expected systemic changes.** The project has a multi-sector impact base by virtue of its design. The policy-based component of the VCICDP will support the government for institutional development and governance reforms in the industrial sector in addition to infrastructure development. The VCICDP will have direct impact on trade and commercial ventures and specific industries being developed in the identified industrial nodes. Besides, the residents, including women, of the areas in the VCIC will have positive changes through improvements in governance and accessibility to infrastructural amenities like good roads, liberal taxation, dedicated power, water supply, solid waste management and other municipal services, and heavy, medium and light transport facilities. Both direct and indirect growth opportunities would also facilitate skill development and employability in the state, especially for women.

**3. Focus of (and resources allocated in) the PPTA or due diligence.** Adequate resources have been provided in the project preparatory technical assistance (PPTA) to carry out social and poverty analysis. Special efforts will be made in the project design to make it pro-poor, socially inclusive through major stakeholders' consultation and participation, and incorporating in the project design the potential activities, opportunities and strategies that are pro poor and benefit women and children and address their concerns. There may be temporary or permanent disruption in terms of settlements during project implementation. Existing civil society organizations (CSO), nongovernment organizations (NGOs), and self-help

groups (SHGs) would be involved in the complete process to ensure inclusion of vulnerable sections of the communities along the proposed corridor. The resettlement plan will include initiatives for livelihood generation measures based on needs assessment. Measures will be included in the contracting documents to encourage hiring of local population during implementation, and providing equal job opportunity to men and women. Relevant issues will be identified by the CSOs, NGOs, and SHGs at the grassroots level, as needed.

**4. Specific analysis for policy-based lending.** The budgetary support to the government would enable policy, institutional, and governance reforms to promote accelerated industrial development which would in its turn encourage skill development, increased employability of local and incoming population and convergence of multi-sector interventions in initiating and sustaining inclusive economic growth and social development of the area. The state government has also established the APSSDC to prepare a skill development road-map for the state to ensure that the training is aligned to relevant national occupation standards and qualification.

## II. GENDER AND DEVELOPMENT

### 1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?

The women, especially from indigenous communities, other vulnerable or distressed sections, are likely to face marginalization when project design fails to comprehend gender issues and concerns, especially in view of involuntary displacement. The project impact zone is also vulnerable to coastal disasters and other climate change impacts, and women and children are likely to face the maximum brunt of the hardships due to disasters. The CSOs and SHGs already working with them or in the area may be involved to give a clearer perspective on the issues and concerns and possible improvements in their way of life.

### 2. Does the proposed project or program have the potential to make a contribution 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 will improve skill development, employability of the women besides better connectivity to health services, higher levels of education, economic opportunities, and social infrastructural facilities for women, thus encouraging financial and socio-economic empowerment and inclusion in the mainstream development process and dialogue at design and planning levels. The project's indirect benefits will include promotion of equitable and gender sensitive economic opportunities and participation of women in decision making processes. Further, women will also be encouraged to take an active role in project design phase, during information dissemination, community consultation, operation and maintenance of civic infrastructures, and overall implementation monitoring to ensure inclusion of gender specific issues and concerns. A gender equality and social inclusion (GESI) action plan will be prepared to ensure participation of women and socially excluded groups in the VCICDP, and adequate resources and implementation mechanism will be provided in the project for effective implementation of the GESI.

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

Yes  No During any resettlement planning, due diligence will be exercised to ensure that women's access to traditional livelihood opportunities especially those linked to land rights and access to assets are less affected and permanent disruptions, if unavoidable, will have associated safety nets to be able to bring back the affected women to a similar position on the development curve if not better in the post-project period. The resettlement plan will be prepared considering the gender sensitivities in the project.

### 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 VCICDP will prepare a community awareness and participation plan (CAPP) focusing on (i) identification of stakeholders and target groups, and baseline surveys; (ii) key message selection and usage of information, education, and communication programs; and (iii) outreach to communities, schools, slums, and workers through various media and consultation activities for sharing information and getting feedback for refining project design and implementation, as appropriate. A GESI action plan will also be prepared to ensure participation of women and socially excluded groups in the project. Adequate resources and implementation mechanism will be provided in the VCICDP to ensure effective implementation of CAPP and GESI.

The project strategy focuses on an integrated approach towards industry, trade and corridor development and management with corresponding area development including that of Vizag as a smart city. The key stakeholders include the executing and implementation agencies of the GoAP, state government, local government authorities, NGOs, community based organizations (CBOs), co-financers, private sector entrepreneurs, affected people including the poor, women, children, indigenous people, ethnic minorities, media, public and political representatives. A complete stakeholder analysis will be done to understand specific issues and concerns to ensure their participation in the project design.

**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?** Economic and social benefits of development depend on the capacity of the service providers to successfully offer equitable services to all sections of the community on the one hand and the ability of the community to

<p>access such services on the other hand. Consultation with all the social groups, especially with the marginalized and excluded communities, will enlighten on issues associated with voluntary or involuntary resettlement and other social issues such as HIV/AIDs, human trafficking, child labor, environment and social safeguard issues, as well as disclosure of information. Workshops, community mobilization, and consultation would be conducted throughout the project period, for discussion on the potential needs of the community. CSOs would be involved on perceived benefits, concerns and capacity building needs.</p>
<p><b>3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?</b>  <input checked="" type="checkbox"/> H Information generation and sharing <input checked="" type="checkbox"/> H Consultation <input type="checkbox"/> N Collaboration <input type="checkbox"/> N Partnership  The number of active CSOs in terms of presence and involvement in different social issues is quite high in the state and their participation in the project design and implementation is crucial for information dissemination, facilitating collaboration with community units and structures, mobilizing support for the project and encouraging positive public opinion through building partnerships, and creating an enabling environment for the consultations, meetings and workshops on one hand and the successful participation and consequent community empowerment on the other.</p>
<p><b>4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Inclusion of socially excluded and poor is important: (i) participation of women and the poor for access to civic infrastructural facility at an affordable cost, (ii) better access to the interior buffer section of the area, (iii) skill development scope for better job opportunity. The CAPP will be effectively designed and implemented to ensure widespread and meaningful participation of the poor and the excluded.</p>
<p><b>IV. SOCIAL SAFEGUARDS</b></p>
<p><b>A. Involuntary Resettlement Category</b> <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p>
<p><b>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The project is category A for involuntary resettlement. The involuntary resettlement impacts would be addressed through proper design and effective implementation of the RPs.</p>
<p><b>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?</b>  <input checked="" type="checkbox"/> Resettlement plan <input checked="" type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix  <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p><b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p>
<p><b>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p><b>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The project is likely to be category C for indigenous peoples. Due diligence will be carried out to assess impacts on the indigenous peoples. Any indigenous peoples living within urban areas are mainstreamed into their localities.</p>
<p><b>3. Will the project require broad community support of affected indigenous communities?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Due diligence will be carried out to assess impacts on the indigenous peoples.</p>
<p><b>4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?</b>  <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social Impact matrix  <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
<p><b>V. OTHER SOCIAL ISSUES AND RISKS</b></p>
<p><b>1. What other social issues and risks should be considered in the project design?</b>  <input checked="" type="checkbox"/> L Creating decent jobs and employment <input type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment  <input type="checkbox"/> Spread of communicable diseases, including HIV/AIDs <input type="checkbox"/> Increase in human trafficking <input checked="" type="checkbox"/> M Affordability  <input type="checkbox"/> Increase in unplanned migration <input checked="" type="checkbox"/> H Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability  <input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____</p>
<p><b>2. How are these additional social issues and risks going to be addressed in the project design?</b> Proper design will be made at appropriate phase of project preparatory period, especially for natural disasters and climate change vulnerabilities.</p>
<p><b>VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</b></p>
<p><b>1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA 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?</b>  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Project preparatory experts, including Resettlement Expert, Social and Gender Expert, have been mobilized to carry out necessary due diligence. The Mission team will ensure proper due diligence as per ADB procedures.</p>
<p><b>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 PPTA or due diligence?</b> Project preparatory experts, including Resettlement Expert, Environment Expert, Social and Gender Expert, have been mobilized to carry out necessary due diligence. The Mission team will ensure proper due diligence as per ADB procedures. Adequate resources have also been provided to conduct surveys, consultations, and workshops, etc.</p>