

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	India	Project Title:	GRIL Phase II Highway Equipment Finance Project
Lending/Financing Modality:	Corporate Finance	Department / Division:	Private Sector Operations Department / Infrastructure Finance Division 1

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: general intervention

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

The Asian Development Bank (ADB) will provide a \$20 million unsecured loan to G R Infraprojects Limited (GRIL) to fund procurement of equipment for construction of roads. This is consistent with the following operational priorities of ADB's Strategy 2030: (i) addressing remaining poverty and reducing inequalities, (ii) accelerating progress in gender equality, and (iii) making cities more livable.^a The project is consistent with the country partnership strategy for India, 2018–2022, specifically with pillar 1 (boosting economic competitiveness to create more and better jobs by expanding infrastructure networks for transport and corridors) and pillar 2 (providing inclusive access to infrastructure networks and social services by improving the infrastructure bottlenecks in lagging regions).^b The project is aligned with the Government of India's Bharatmala Pariyojana, which aims to upgrade 65,000 kilometers of the road network in India.

B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

1. **Key poverty and social issues.** India continues to need significant investment in its infrastructure to promote interstate and intrastate connectivity, and efficient trade and commuter networks. This is especially the case in rural areas because of suboptimal service and availability. Poor quality or lack of road infrastructure, especially in rural areas, promotes uneven development and limits regional economic growth. The project will contribute to poverty reduction through increased access to infrastructure, services, and markets. It will result in increased accessibility and shorter travel duration, in addition to reducing travel costs and improving road safety. The project will directly and indirectly contribute to poverty reduction locally through the creation of temporary and permanent employment. The project will diversify local employment opportunities and further assist private sector development through increased access to markets and resources.

2. **Beneficiaries.** Potential beneficiaries will be underserved populations in mostly rural but also urban areas, which will have better access to markets and resources. Businesses will also generally benefit because of increased flows of goods and services, which will promote employment growth. Employment opportunities within GRIL are also expected as part of this project, with about 1,000 new positions potentially available as a result of the purchase of the new road building equipment and the need for operators. As ADB's second loan to GRIL, this investment builds on previous benefits accrued through the first loan, which also supported procurement of road building equipment.

3. **Impact channels.** In the long term, the project will provide beneficiaries with access to better and more affordable infrastructure and services, and better opportunities to raise their income and improve their sustainable employment. It will also improve road safety and reduce accidents.

4. **Other social and poverty issues.** The borrower, GRIL, actively provides employment opportunities to local communities where conditions allow and where requisite skills are available. GRIL works with local government and nongovernment organizations in the delivery of community development programs toward delivery of community development projects in the areas where it operates.

5. **Design features.** GRIL is as a key construction entity serving government contracts in road building. The design of the project is focused on financing the procurement of specific road building equipment. Additional benefits will accrue through the onward activities that GRIL will undertake with the equipment purchased, as the project supports the development of road infrastructure. This is expected to contribute to improved access to services and markets, particularly for some underserved areas.

II. PARTICIPATION AND EMPOWERING THE POOR

1. **Participatory approaches and project activities.** Participatory approaches adopted by GRIL focus on when equipment is deployed to sites. Through these approaches, the company engages with communities and other stakeholders in developing and implementing mitigation measures as part of its construction or project development activities, and also in planning and implementing community development activities. The site management team maintains an open communication channel and communicates with stakeholders periodically to manage concerns and grievances (if any) and to share and/or gather feedback on community development programs. These will be enhanced in specific procedures to manage community-related risks.

2. **Civil society organizations.** GRIL undertakes corporate social responsibility activities and ensures participation of civil society organizations in broader operational areas not directly related to the loan-financed activities. While internal

<p>personnel will be aware of the procurement and delivery of the equipment, this, by its nature will not require the participation of civil society organizations.</p> <p>3. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA):</p> <p><input type="checkbox"/> Information gathering and sharing (NA) <input type="checkbox"/> Consultation (NA) <input type="checkbox"/> Collaboration (NA) <input type="checkbox"/> Partnership (NA)</p> <p>4. Participation plan.</p> <p><input type="checkbox"/> Yes. <input checked="" type="checkbox"/> No.</p> <p>GRIL has in place a participation and consultation procedure that guides its interactions internally and externally, including guidance on management of complaints and grievances from workers and community members. This will be enhanced to manage the loan's intended purpose and will indirectly support the borrower's other engagements to manage risk at sites and internally with engagements regarding health and safety risks.</p>									
<p>III. GENDER AND DEVELOPMENT</p>									
<p>Gender mainstreaming category: some gender elements</p>									
<p>A. Key issues. While India is making progress toward meeting its development goals, gender disparities persist across sectors.^c India was ranked 112th out of the 153 countries in the overall Global Gender Gap Index 2020, and since 2006, the gap collectively (economic, education, health, and political participation) has grown significantly wider.^d ADB's country partnership strategy for India, 2018–2022 aims to accelerate the country's inclusive economic transformation, female empowerment, and social inclusion (footnote b). The construction and transport sectors have very low female participation rates. In the construction industry in India, because of inherent gender biases, there is a paucity of women in technical and managerial roles, particularly civil engineers, architects, structural engineers, electrical engineers, and maintenance and supervisory staff, with just 1.4% of these types of roles held by women.^e The transport sector is also a nontraditional area of employment for women.^f Sex-disaggregated data on employment in transport bodies in India is limited,^g and existing data indicates that the proportion of women in transport and storage is less than 1% of the total workforce.^h Construction can be a high-risk environment for gender-based violence and harassment affecting community members, workers, and service users. During construction, female workers are vulnerable to various forms of harassment, exploitation, and abuse, aggravated by traditionally male work environments. In India, 74% of female construction workers surveyed reported experiencing sexual harassment in the workplace.ⁱ GRIL has a prevention of sexual harassment policy and a gender diversity policy.</p>									
<p>B. Key actions. Gender measures include (i) internships for women in the technical, engineering, or finance fields; (ii) revision of the safety standard operating procedure to include a requirement to sensitize staff on the prevention of sexual harassment policy and the gender diversity policy; and (iii) displaying of posters at work sites of zero tolerance of sexual abuse, exploitation, and harassment, including contact details for complaints.</p> <p><input type="checkbox"/> Gender action plan <input checked="" type="checkbox"/> Other actions or measures <input type="checkbox"/> No action or measures</p>									
<p>IV. ADDRESSING SOCIAL SAFEGUARD ISSUES</p>									
<p>A. Involuntary Resettlement Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. ADB's funds will be used solely for the procurement of road construction and maintenance equipment to ensure minimal reliance on hired or leased equipment. No land acquisition and/or involuntary resettlement impacts are envisaged. However, indirect land acquisition impacts associated with government acquisition and legacy issues may arise and may affect locations in which ADB-funded construction equipment has been deployed.</p> <p>2. Strategy to address the impacts. No land acquisition or involuntary resettlement impacts are envisaged as a result of use of ADB proceeds by the company. GRIL will enhance its stakeholder engagement procedures to manage community engagements and complaints and support access to government grievance channels, and to work with government to avoid situations of forced eviction.</p> <p>3. Plan or other Actions.</p> <table border="0" style="width: 100%;"> <tr> <td><input type="checkbox"/> Resettlement plan (Temporary)</td> <td><input type="checkbox"/> Combined resettlement and indigenous peoples plan</td> </tr> <tr> <td><input type="checkbox"/> Resettlement framework</td> <td><input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework</td> </tr> <tr> <td><input type="checkbox"/> Environmental and social management system arrangement</td> <td><input type="checkbox"/> Social impact matrix</td> </tr> <tr> <td colspan="2"><input checked="" type="checkbox"/> No action</td> </tr> </table>		<input type="checkbox"/> Resettlement plan (Temporary)	<input type="checkbox"/> Combined resettlement and indigenous peoples plan	<input type="checkbox"/> Resettlement framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework	<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Social impact matrix	<input checked="" type="checkbox"/> No action	
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<p>B. Indigenous Peoples Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. ADB's funds will be used solely for the procurement of road construction and maintenance equipment to minimize reliance on hired or leased equipment. No impacts on indigenous peoples are envisaged.</p> <p>Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. Strategy to address the impacts. None required.</p>									

3. Plan or other actions. <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Social impact matrix <input checked="" type="checkbox"/> No action		<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary
V. ADDRESSING OTHER SOCIAL RISKS		
A. Risks in the Labor Market 1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L). <input checked="" type="checkbox"/> unemployment (L) <input type="checkbox"/> underemployment <input checked="" type="checkbox"/> retrenchment (L) <input checked="" type="checkbox"/> core labor standards (M) 2. Labor market impact. Construction projects (including use of equipment and machinery) require a significant number of workers during construction and operations. The impact of this project on local labor markets is therefore expected to be <i>medium</i> . GRIL core labor standards are ratified in national law and enforced through contractual obligations with employees, service providers, and contractors. GRIL undertakes actions in line with Indian labour law which is consistent with ADB's requirements with regard to the International Labour Organization's core labor standards. While not ratified by the Indian government, the ILO core labour standards regarding right to association and collective bargaining, are permissible under Indian laws regarding unionization.		
B. Affordability Not applicable.		
C. Communicable Diseases and Other Social Risks 1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA): <input checked="" type="checkbox"/> Communicable diseases (L) <input type="checkbox"/> Human trafficking (NA) <input checked="" type="checkbox"/> Others (please specify) indirect project activities leading to risk (L) 2. Risks to people in project area. While the loan will not in itself create risks to people in the project area, onward activities associated with the use of the machinery will incur some risk. Given the workforce requirements during construction periods, the risk of GRIL's operations contributing to the spread of communicable diseases is <i>medium</i> to <i>high</i> . Many workers are drawn from the local population, which limits the risk of the project contributing to other social risks such as communal discord and in-migration. However, there will be instances of influx of other migrant workers in some projects, which increases the social risks.		
VI. MONITORING AND EVALUATION		
1. Targets and indicators. Key targets and indicators relate to total stock of equipment and machinery, number of employees, gender equality through increased opportunities for women and gender-related training, and total length of roads constructed, 2. Required human resources. GRIL will utilize existing personnel to monitor progress of the procurement of the equipment and will also undertake activities associated with reducing the risks related to broader operational activities that utilize the equipment. 3. Information in the project administration manual. Not applicable. 4. Monitoring tools. GRIL will be required to submit an annual environmental and social performance report to ADB in addition to annual reporting regarding its performance against specific development objective metrics.		
<p>^a ADB. 2018. Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific. Manila.</p> <p>^b ADB. 2017. Country Partnership Strategy: India, 2018–2022—Accelerating Inclusive Economic Transformation. Manila.</p> <p>^c World Economic Forum. 2020. Global Gender Gap Report 2020. Geneva.</p> <p>^d United Nations Entity for Gender Equality and the Empowerment of Women. 2019. Progress on the Sustainable Development Goals: The Gender Snapshot 2019. New York.</p> <p>^e S. Choudhari. 2019. Women Workforce in the Male-Dominated Construction Industry In India. <i>BW Businessworld</i>. 9 February.</p> <p>^f Institute for Transportation and Development Policy and Safetipin. 2017. Women and Transport in Indian Cities. New Delhi.</p> <p>^g World Bank. 2011. A Gender Assessment of Public Transport in Mumbai. Washington, D.C.</p> <p>^h Confederation of Indian Industry. 2015. Employment Potential of the Road Transport Sector. New Delhi.</p> <p>ⁱ CDC Group PLC, European Bank for Reconstruction and Development, International Finance Corporation, and Social Development Direct. 2020. Addressing Gender-Based Violence and Harassment (GBVH) in the Construction Sector. Washington, D.C.</p> <p>Source: Asian Development Bank.</p>		