Project Information Document/
Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 17-Sep-2018 | Report No: PIDISDSC25448
### BASIC INFORMATION

#### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
<th>Project Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>P167559</td>
<td></td>
<td>Food Processing and Value Addition Pilot Program (P167559)</td>
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<table>
<thead>
<tr>
<th>Region</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
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<tbody>
<tr>
<td>SOUTH ASIA</td>
<td>Aug 26, 2019</td>
<td>Dec 20, 2019</td>
<td>Agriculture</td>
</tr>
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<table>
<thead>
<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
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<tbody>
<tr>
<td>Investment Project Financing</td>
<td>Republic of India</td>
<td>Ministry of Food Processing Industries, Government of India</td>
</tr>
</tbody>
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#### Proposed Development Objective(s)

The main objective of the proposed program is to modernize and enhance the competitiveness of the unorganized segment of the food processing industry in selected States and districts of India.

### PROJECT FINANCING DATA (US$, Millions)

#### SUMMARY

<table>
<thead>
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<th>Total Project Cost</th>
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<tbody>
<tr>
<td>Total Financing</td>
<td>450.00</td>
</tr>
<tr>
<td>of which IBRD/IDA</td>
<td>225.00</td>
</tr>
<tr>
<td>Financing Gap</td>
<td>0.00</td>
</tr>
</tbody>
</table>

#### DETAILS

**World Bank Group Financing**

- International Bank for Reconstruction and Development (IBRD) | 225.00

**Non-World Bank Group Financing**

- Counterpart Funding | 225.00
- Borrower | 225.00
**Environmental Assessment Category**

B - Partial Assessment

**Concept Review Decision**

Track II-The review did authorize the preparation to continue

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Other Decision (as needed)

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**B. Introduction and Context**

**Country Context**

1. **India’s development trajectory builds on major achievements in recent years.** The country has reduced its extreme poverty rate from 46 percent to 21 percent in the two decades up to 2011, with World Bank estimates indicating continued reduction in more recent years. Already the third largest economy in the world in purchasing parity terms, India is expected to grow at over 7 percent per annum\(^1\), with aspirations for a possible 8 percent per annum in the coming years. Wide-ranging and ongoing macroeconomic, fiscal, tax and business environment reforms have supported this progress. For instance, recent business climate reforms helped India improve its Ease of Doing Business ranking by 30 places in 2018. India is promoting cooperative and competitive federalism, marked by a significant devolution of revenues and responsibilities to the states while fostering friendly competition and collaboration among states to drive better performance and overall development. The recent implementation of the Goods and Service Taxes (GST) is an example of both India’s federal model at work and the country’s commitment to reforms. Finally, navigating through the federal system at the sectoral level, India has focused on reshaping the policy approaches to human development, financial inclusion, rural transformation, and infrastructure development to better achieve growth, inclusion, and sustainability.

2. **To deliver on its aspirations, however, India needs to address emerging challenges and overcome certain persistent constraints.** First, while growth has been strong, to safeguard its trajectory, India will need to adapt continuously to a rapidly evolving, competitive global economy and accompanying technological shifts. Second, the country needs to spread more equitably both the gains of economic progress and access to economic opportunities to build a more stable, productive, inclusive and resilient society. This challenge is not only about inclusive growth – ensuring that benefits of growth are distributed across the population in terms of, for example, access to services or social protection – but, importantly, also about inclusion for growth – ensuring that all citizens, particularly women and groups from disadvantaged social backgrounds have access to economic opportunities. The agenda of inclusion for growth offers India a platform for supporting development that enables a convergent India for all people and regions to emerge.

3. **Against this background, modernizing the agro-food system in India can be a powerful source of inclusive and diversified growth.** Agro-processing and other forms of agro-enterprise activity can provide a venue for the accumulation of skills, knowledge, and practices which have been important stepping stones to other forms of industrialization. As experienced in several countries (including China, Brazil and Mexico), modernizing agro-food systems typically stimulates and accompanies broader economic development. This can be achieved by: (a) reducing food costs and supply

\(^1\) The registered growth is driven primarily by robust private consumption, a resilient services sector, and a revival in some industrial activities.
uncertainties and improving the diets of the rural and urban poor, (b) generating growth, increasing and diversifying incomes, and providing employment and entrepreneurial opportunities in both rural and urban areas; and (c) inducing productivity gains by (smallholder) farmers to increase their opportunity for wealth creation and better integrating them into local, national, and international markets. However, the modernization of agro-food systems does not take place automatically and spontaneously. Deliberate and strategic interventions on the part of governments have frequently played important roles in the fostering of technological and institutional change in agro-food systems. These roles have related to the determination and enforcement of ‘rules of the game’ for market competition and cooperation, compensating for market failures, and fostering investment in physical infrastructure and knowledge capital.

Sectoral and Institutional Context

4. There are big opportunities for India as a food supplier and a consumer. As a food supplier, India, with the second largest arable land in the world, and with diverse agro-climatic zones across the country, has tremendous production advantages in agriculture, with the potential to cultivate a vast range of agricultural products. At present, India is the largest producer of milk in the world, and the world’s second largest producer of fruits and vegetables. This strong position in agriculture provides a large and varied raw material base for food processing. These advantages if leveraged optimally, can lead to India becoming a leading food supplier to the world. As a food consumer, with a population of 1.34 billion, growing at about 1.2 percent per annum, India is a large and growing market for food products - more than 12 percent per annum. With a significant shift in India’s demographic profile in favor of younger, more urban population, increasing surplus incomes and changing socio-economic environment, food consumption patterns are set to change, in favor of processed food which are convenient, hygienic and of consistent quality. Moreover, with the globalization of markets, India can increase its share of export food products. During FY11–16, India’s exports of processed food and related products (inclusive of animal products) grew at a Compound Annual Growth Rate (CAGR) of 11.74 percent, reaching US$ 16.2 billion.

5. Though the Indian food processing industry is large in size, it is still at a nascent stage in terms of development. The Indian food processing industry accounts for approximately 14 percent of manufacturing GDP and approximately 13 percent of manufacturing employment, with a total of 6.87 million workers (2015-2016 census) employed in the sector. It is one of the largest industries in India and is ranked fifth in terms of production, consumption, and exports. It contributes around 8.80 and 8.39 percent of Gross Value Added (GVA) in manufacturing and agriculture respectively, 13 percent of India’s exports and six percent of total industrial investment. As per the estimates for FY15, food processing sector stood at US$258 billion. The growing size of food industry, in terms of value of output, is expected to reach US$575 billion by 2025. However, despite a large and diverse agriculture and food base, the degree of processing is very low. While processing of food to consumable standards are as high as 80 percent in some developed countries, the overall processing level in India has barely reached 10 percent. Therefore, India’s food processing sector is comparatively small and its share in exports of processed food in world trade remains insignificant at about 1.22 percent or US$9.34 billion. In addition, inadequate storage, transport, handling and processing is leading to unacceptable level of wastages and value loss; agri-produce losses in supply chain are estimated at US$15 billion annually.

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2 In 2015-2016, milk production was estimated at 155.5 million tons, the total production in horticulture (fruits & vegetables) was estimated at 282.5 million tons, and total food grains production reached 270.10 MT. India is also one of the leading producers of spices, fish, poultry, livestock and plantation crops.
3 62.5 percent of the population are between ages of 15 – 59 years (2011 Census).
4 Confederation of Indian Industry (CII), 2017.
5 MoFPI, 2017.
6 According to the Ministry of Food Processing Industries (MoFPI), the highest share of the processed food is in the dairy sector, where 35 percent of total produce is processed. Only 2 percent of perishables (fruits and vegetables) are processed, 2017.
7 Compared to 5.5 percent of global exports of processed foods for China and 2.9 percent for Brazil.
8 Central Institute of Post-Harvest Engineering and Technology (CIPHET),2015.
6. **India’s food processing industry is highly fragmented with the unorganized sector still a key contributor.** About 42 percent of the output comes from the unorganized sector (also referred to as unregistered enterprises)\(^9\). These are small-scale food processing units that include hundreds of thousands of rice mills and hullers, flour mills and oil seeds mills, and several thousands of traditional bakeries, food units and fruits, vegetable and spice processing units. According to the latest National Sample Survey data of June 2015-2016, the number of enterprises in this segment is about 2.38 million - mostly involved in primary processing. These are facing a slow growth and even a decreasing trend. However, despite this trend, they generate a considerable number of jobs (estimated in 2015-2016 at some 5.1 million people of which 24.7 percent are female) and represent a significant pool from which high-growth potential enterprises can arise. Most of these units are also located in rural areas (69 percent) contributing to reducing regional disparities through the creation of employment opportunities in rural areas and mobilizing local resources more readily than large-scale industries.

7. **Rapid growth of the food processing industry is of enormous significance for India’s development.** The food-processing sector promotes vital linkages and synergies between the two pillars of the country’s economy, industry and agriculture. Both on the demand and supply sides of the sector, the poor are major stakeholders\(^10\). On the demand side, the efficiency of post-harvest and agricultural marketing operations is a major determinant of the prices paid by the urban and rural poor for food and thus a key factor in household food security; the share of food and beverages in household consumption is India is estimated at 44.63 percent\(^11\). Moreover, value addition enables remunerative prices to farmers and generates employment for the poor either through self- or wage employment, especially in the lean season\(^12\). In recent years, the food processing sector in terms of value addition has been growing at an average annual growth rate of 2.88 percent as compared to 1.88 percent in agriculture. Significant acceleration in the growth of the food processing sector is necessary (and inevitable) to enhance shelf life and reduce wastage, add value, diversify job opportunities and increase farmers income. Enabling firms in the unorganized segment of the food processing industry to transition to higher growth trajectories can play a leading role in achieving these objectives.

8. **Constraints in the growth of the unorganized food processing industry segment.** Despite the diversity of production systems and the different degrees of obstacles, the unorganized food processing industry in India is facing shared challenges that limits its development and weakens the performance of its enterprises. These challenges include: (a) lack of productivity and innovation due to limited skills and access to modern technology and machinery for production and packaging; (b) deficient quality and food safety control systems, including lack of basic awareness on good hygienic practices (GHP) and good manufacturing practices (GMP)\(^13\); (c) inadequacy of information and difficulties in promoting typical products; unorganized food processing enterprises are unable to access food growth markets\(^14\) because of low levels of formal relationship with large firms impacting their ability to leverage up-stream markets and also have stable and secure business contracts; and (d) limited access to credit from formal financial institutions to expand production capacities\(^15\). In addition, some enterprises are faced with weak infrastructure, particularly the lack of electricity supply and the absence of a cold chain system leading to major food safety hazards impacting public health as well as economic and trade performance. The sector is also faced with a lack of an enabling environment, especially training infrastructure and services aimed at ensuring innovation, continuing human resource development and capacity building for the food

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\(^9\) These are small-scale food processing enterprises which are not registered under Sections 2m(i) and 2m(ii) of the Factories Act, 1948.

\(^10\) 270 million people in India lives below the poverty line; of which 80 percent are in rural areas.

\(^11\) World Bank Global Consumption Database.

\(^12\) Food processing is employment intensive and creates 1.8 jobs directly and 6.4 indirectly across the supply chain for every Rs. 1 million invested (MOFPI, 2005).

\(^13\) Best estimates of current Food-Born-Diseases burden in India are estimated at about 100 million cases per year with and economic costs in the range of USD 12 billion to US$55 billion, Wageningen Economic Research and ILRI, 2017.

\(^14\) In the context of a dynamic and increasing size of urban food consumption market - prepared meals and dishes, bakery products, frozen meat products and healthy beverages recording highest growth - access to market intelligence and share in growth markets becomes critical.

\(^15\) For food processing enterprises, outstanding loan as percentage of operating expenses stands at 4.2 for unregistered enterprises as compared to 16.5 for registered enterprises, evidencing low level of deployment of capital.
industry. The National Institute for Food Technology and Entrepreneurship Management (NIFTEM) and the Indian Institute of Food Processing Technology (IIFPT), two institutions under MOFPI, mandated to promote entrepreneurship and access to modern technology have limited institutional capacity at State and District-level to handhold enterprises.

9. **Recognizing that improvements in the capacity of the food processing industry can provide a strong catalytic force to economic growth and poverty reduction, directly and indirectly, the Government of India (GoI) has placed the food processing industry at the forefront of its development agenda.** In 2005, the Ministry of Food Processing Industries (MOFPI) released a vision document (Vision 2015) that set out targets for enhancing the level of processing of perishable, value addition by the sector and increase India’s share in global food trade. To achieve these targets, GoI earmarked a number of investments that were to be implemented through specific schemes. Among these schemes, enacted by MOFPI, are the Mega Food Parks and the Agri Export Zones which aimed at encouraging greater flow of investment for strengthening supply chain, expansion and modernization of processing capacity of the sector and creating enabling conditions for promoting growth of the food processing sector in the country. More recently (2017), GoI launched a new Central Scheme - National Mission on Food Processing (Pradhan Mantri Kisan Sampada Yojana - PMKSY). The latter incorporates in a single umbrella, the seven schemes of Mega Food Parks, Integrated Cold Chain and Value Addition Infrastructure, Creation/Expansion of Food Processing and Preservation Capacities, Infrastructure for Agro-Processing Clusters, Creation of Backward and Forward Linkages, Food Safety and Quality Assurance Infrastructure, and Human Resources and Institutions. The objective of the umbrella scheme is to create additional jobs especially in rural India and help achieve GoI’s goal of doubling farmer income through modernization of food processing sector, reduction in wastage of agricultural produce, increase in processing levels and enhancing export of food products. **The PMKSY scheme is however mostly directed towards the organized food sector and is largely by-passing the sizeable presence of unorganized micro and small food processing enterprises.**

10. **The proposed Program will support the GoI to accelerate its strategy towards modernization of agro-food systems in India.** The objective of this strategy is to enhance the competitiveness of food, feed, and fiber systems—as a powerful source of growth and income generation—and to do so in a manner in which the unorganized food sector are major beneficiaries. This is a major challenge, not only because of the long-standing constraints faced by these micro and small enterprises (i.e., weak infrastructure, lack of skills, limited access to finance, etc.) but also because major changes in the global agro-food market are tilted toward those economic agents who have capital, superior organizational and marketing skills, and an acute understanding of consumer requirements. Those lacking such assets and capabilities risk being (further) marginalized.

**Relationship to CPF**

11. **The proposed program is fully aligned with the World Bank Country Partnership Strategy (CPF: FY18-FY22).** It contributes to the two CPF pillars of “Resource Efficient Growth” and “Enhancing Competitiveness and Enabling Jobs Creation”. It will specifically support:

a) **Objective 1.1: “Promote more resource inclusive and diversified rural growth”** by assisting the GoI to accelerate the growth of food processing sector to minimize wastage in agri-produce, increase and diversify employment opportunities in rural areas, enhance income of the farmers, and contribute to increasing the supply of safe, nutritious and quality food to India’s growing population;

b) **Objective 2.1: “Improve the business and firm capabilities”** by supporting the unorganized food processing enterprises build much need physical and knowledge capital to remain competitive and access both domestic and international markets; and
c) **Objective 2.5: “Enable more quality jobs for women”** by promoting business practices that are conducive for women entering, remaining, and progressing in the workforce, and supporting increased investments in women-operated and women owned food processing enterprises.

12. **The proposed program contributes to GoI strategic priorities of agricultural transformation and doubling farmer incomes by 2022; and of improving firm capabilities and competitiveness of strategic sectors of the economy.** Global experience shows that the growth of the food processing industry is a key component of food systems transformation, with accompanying shifts to higher value agriculture, enhanced value-added, job creation and higher incomes. Food processing is also a focus sector identified by GoI to promote private investment and business growth as part of the Make in India initiative. The project will support a flagship program by MoFPI to accelerate growth of the sector; namely the Central Scheme of National Mission on Food Processing (PMKSY).

13. **The proposed program is also well positioned to contribute to India’s National action plan on climate change (NAPCC).** The program will support measures that will increase awareness among the food processing industry on the threat posed by climate change; promote the use of energy efficient industrial building and eco-friendly processing technologies (less emitting of GHG); the use of alternative sources of energy; and development, sharing and transfer of eco-technologies.

C. **Proposed Development Objective(s)**

14. **The main objective of the proposed program is to modernize and enhance the competitiveness of the unorganized segment of the food processing industry in selected States and districts of India.** This will be achieved by supporting the creation of more favorable economic, financial, and regulatory frameworks for micro- and small-scale food processing enterprises (MSEs) to upgrade, grow and compete on domestic and global markets. The Program is expected to benefit approximately 90,000 MSEs; generating an additional some 135,000 jobs.

Key Results (From PCN)

15. **Key Performance Indicators (KPIs) include:**

   a) Number of food processing MSEs adopting modern technology.
   b) Enhanced compliance with food quality and safety requirements and standards.
   c) Increased market share for food processing enterprises supported by the program.

16. In addition, the following two indicators regarding direct beneficiaries would be measured:

   d) Number of food processing MSEs benefiting from the program interventions, of which women entrepreneurs.
   e) Degree of food processing MSEs’ satisfaction with the quality of services provided by support institutions, as a partial measure of citizens’ engagement in the Program.

D. **Concept Description**

17. **Key challenges to be addressed and program approach.** Although there are many promising dynamics which support growth of India’s food processing industries (supply side advantages, untapped market, rising export opportunities, and policy support), there are still significant constraints which, if not addressed, can impede the sector growth prospects, and lead to further decline of the unorganized segment. MSEs within this segment often lack managerial capacities and have insufficient knowledge of business processes as well as of operational and production cycles. Furthermore, their performance is often hindered by poor technologies utilized and limited access to finance
needed to expand production capacities. Such small-scale processing enterprises also find it difficult to deal with policy and regulatory challenges that impact the sector and thus, be competitive in domestic and international markets.

18. The proposed Program aims at tackling these challenges in a holistic way to enable these enterprises to produce innovative, cost effective, safe, reliable, and quality products in sufficient volumes. This will be achieved by developing the supply-side of the unorganized sector through clustering and upgrading of micro and small enterprises (MSEs) and collective and individual actions to improve management, quality, safety, production and sustainability practices. The Program will also build on the comparative advantages of the prioritized food sub-sectors in participating States and develop sustainable and integrated support systems through leveraging national/global knowledge, for boosting existing food processing MSEs as well as start-ups in rural and urban areas.

19. In addressing these constraints, the Program will include a spectrum of actions for Maximizing Finance for Development (MFD) by: (a) increasing the space for private sector activity through improving the policy and regulatory environment for growth of food processing SMEs (b) considering options for using public financing to improve private incentives and to reduce transaction costs and risks - including blended finance solutions by, for example, supporting development of lead-buyer arrangements; partnerships to scale up innovative private sector service providers; establishing sector-wide standards that enable more private debt and equity to follow to SMEs; and incentivizing commercial financial institutions to enhance lending to SMEs in the sector; and (c) supporting essential public goods and services such as building human capital through skills training in food processing and related areas, and complementary public infrastructure (food safety testing labs, Common Facility Centers for small enterprises). The Program will also focus on WB corporate cross-cutting priorities as well as on National and State priorities on social issues; especially (i) gender issues and empowerment of vulnerable groups (women and youth), and effective management of social safeguards; (ii) mitigation and adaptation to climate change and adherence to environmental safeguards; and (iii) public health and nutrition by enhancing the proportion of processed foods that meet food safety and quality standards.

20. **Geographical scope.** The Program will be national. However, each State willing to participate in the Program, will have to meet certain readiness criteria for implementation, including: (a) alignment of overall state agricultural sector strategy with priority value chains/food processing segments of the State; (b) submit a strategic development plan for upgradation and modernization of unorganized enterprises, including developing interventions to comply with standards for food safety; (c) clear market demand for identified sub-segments of food processing to be supported; (d) clusters identified and well-defined gap assessment of integrating unorganized enterprises to the clusters; (d) commitment of State Government towards budgetary allocation and release of State share to the Program; (e) implementation mechanism in-place with identified nodal agency and support organizations; and (f) recommendations from consultations with private sector and commercial financial institutions incorporated. The Program will be open to enterprises across all segments of food-processing except sub-segments of carbonates and bottled water\(^\text{16}\). Priority will be given to enterprises in identified high-growth segments.

21. Based on the above approach, the Program is designed with three interrelated technical components: (i) Enabling the business environment for the food processing industry; (ii) Strengthening capacities of support systems for food processing MSEs; and (iii) Empowering food processing MSEs to improve performance and competitiveness. The fourth Program component will focus on Program management and M&E.

\(^{16}\) MOFPI does not foresee to invest in developing these sub-sectors based on their focus on improving nutrition and environmental sustainability parameters within the food processing sector.
SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

At this stage it is uncertain whether the project implementation will be limited to a few states or will be pan India. Even if limited to a few states, the geographic spread would be very wide. Project implementation will cover varied geographies and different agro-climatic zones in India. Certain project areas could be located in biodiversity hotspots, in areas around tropical and sub-tropical forests, grasslands and riparian habitats. Certain locations may be exposed to a higher risk of climate change impacts, such as, drought, floods etc.

B. Borrower’s Institutional Capacity for Safeguard Policies

The Ministry of Food Processing is a new borrower with no prior experience of implementing a Bank project. There is no institutional memory, awareness and experience of Bank’s safeguard policies. Certain issues regarding food safety etc. are known to the borrower, but overall, the capacity to address safeguards related risks and impacts is very low.

C. Environmental and Social Safeguards Specialists on the Team

Mridula Singh, Social Specialist
Anupam Joshi, Environmental Specialist

D. Policies that might apply

<table>
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<tr>
<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
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<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>Yes</td>
<td>This policy is triggered as project interventions will require addressing a range of safeguards issues, such as, potential localized adverse impacts of food processing activities, food safety, sustainable supply chain management, disposal of wastes/effluents and pollution control requirements etc. An Environmental Assessment will be undertaken to develop EMP, ESMF and any other related safeguard document that may be required per the EA.</td>
</tr>
<tr>
<td>Performance Standards for Private Sector Activities OP/BP 4.03</td>
<td>Yes</td>
<td>This policy is triggered, as project components may have substantial role of private sector and part of operational assets may be owned, constructed, and/or operated by the private sector. Some sub-projects may involve medium- or long-term management contracts, leases, privatizations, concessions, and projects within the Build-Own-Transfer (BOT) family. Depending on the project design, a Financial Intermediary may also be involved.</td>
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<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>TBD</td>
<td>This policy may/may not be triggered. As project locations are not yet clear, the triggering of this policy will be assessed during the EA.</td>
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<tr>
<td>Policy Code</td>
<td>Triggered Status</td>
<td>Description</td>
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<tr>
<td>Forests OP/BP 4.36</td>
<td>No</td>
<td>The project does not include activities and investments that will have a bearing on the management of forests. No large-scale deforestation and illegal extraction of timber is expected in support of project activities.</td>
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<tr>
<td>Pest Management OP 4.09</td>
<td>TBD</td>
<td>This policy may/may not be triggered. Whether or not proposed project activities will result in increased use of pesticides and/or other agro-chemicals will be assessed under the proposed EA.</td>
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<tr>
<td>Physical Cultural Resources OP/BP 4.11</td>
<td>TBD</td>
<td>This policy may/may not be triggered. Whether or not proposed project activities will have an impact of physical cultural resources will be assessed under the proposed EA.</td>
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<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
<td>TBD</td>
<td>The policy may/may not be applicable. The assessment of the geographical location of sub-projects will establish whether the implementation will cover Scheduled Areas, blocks and villages in select states to determine the requirement to prepare Indigenous People Development Framework.</td>
</tr>
<tr>
<td>Involuntary Resettlement OP/BP 4.12</td>
<td>TBD</td>
<td>This policy may/may not be applicable. the assessment will of nature of investment supported through the Financial Intermediary or by other implementing partners will determine the requirement to prepare Resettlement Policy Framework. A Social Management Framework will be prepared to address the social risks related to bringing the unorganized food processing sector that employs unorganized labour within the fold of formal sector; assumption of increase employment and business opportunities for women and vulnerable; and access to credit facilities that may require collateral. The weak policy and regulatory environment on transparency, accountability and grievance management of Financial Institutions may create barriers for the unorganized community to access benefits and lead to elite capture.</td>
</tr>
<tr>
<td>Safety of Dams OP/BP 4.37</td>
<td>No</td>
<td>This policy is not triggered. The project will not invest in construction of any new dams or undertake rehabilitation of an existing dam or its associated irrigation delivery system, (canals arising out of a dam).</td>
</tr>
<tr>
<td>Projects on International Waterways OP/BP 7.50</td>
<td>TBD</td>
<td>This policy may/may not be triggered. Given that project locations are not known at this stage, the triggering of this policy will be determined as more information on the location of the project is known.</td>
</tr>
<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
<td>No</td>
<td>This policy is not triggered. The project will not be implemented in any disputed areas.</td>
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E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Feb 20, 2019

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

The safeguards preparation plan is linked with the project processing timelines and the choice of financing instrument.

CONTACT POINT

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## APPROVAL

<table>
<thead>
<tr>
<th>Task Team Leader(s):</th>
<th>Adarsh Kumar, Chakib Jenane</th>
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### Approved By

<table>
<thead>
<tr>
<th>Practice Manager/Manager:</th>
<th>Mary Kathryn Hollifield</th>
<th>03-Oct-2018</th>
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<tr>
<td>Country Director:</td>
<td>Hisham A. Abdo Kahin</td>
<td>08-Oct-2018</td>
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