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# Project Information Document (PID)

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Appraisal Stage | Date Prepared/Updated: 02-Dec-2021 | Report No: PIDA30768

**BASIC INFORMATION****A. Basic Project Data**

Country India	Project ID P174798	Project Name Fisheries Sector COVID-19 Recovery Project	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 13-Dec-2021	Estimated Board Date 10-Mar-2022	Practice Area (Lead) Environment, Natural Resources & the Blue Economy
Financing Instrument Investment Project Financing	Borrower(s) INDIA	Implementing Agency Department of Fisheries, Ministry of Fisheries, Animal Husbandry and Dairying, National Fisheries Development Board	

## Proposed Development Objective(s)

For recovery from COVID-19 impacts, support the fisheries sector to access working capital and insurance, improve fisheries value-chains, and enhance fish product safety.

## Components

Facilitating Working Capital Finance and Risk Management for Fisheries Sector Microenterprises  
Supporting Microenterprises to Improve Efficiencies of Fisheries Sector Value Chains  
Adoption and Expansion of Fish Product Quality and Safety Assurance Systems  
Project Management, Monitoring and Reporting

The processing of this project is applying the policy requirements exceptions for situations of urgent need of assistance or capacity constraints that are outlined in OP 10.00, paragraph 12.

Yes

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

Total Project Cost	689.36
Total Financing	689.36
of which IBRD/IDA	150.00



Financing Gap		0.00
<b>DETAILS</b>		
<b>World Bank Group Financing</b>		
International Bank for Reconstruction and Development (IBRD)		
		150.00
<b>Non-World Bank Group Financing</b>		
Counterpart Funding		200.00
Borrower/Recipient		200.00
Commercial Financing		289.36
Unguaranteed Commercial Financing		289.36
Other Sources		50.00
FRANCE: Govt. of [MOFA and AFD (C2D)]		50.00

Environmental and Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

## B. Introduction and Context

Country Context

1. **India's Gross Domestic Product (GDP) growth was already slowing when the COVID-19 outbreak unfolded.** Real GDP growth moderated from an average of 7.4 percent during FY15/16-FY18/19 to an estimated 4.0 percent in FY19/20. The growth deceleration was mostly due to (i) shocks to the financial sector, and (ii) decline in private consumption growth. Against this backdrop of pre-existing weaknesses, the outbreak of COVID-19 had a significant impact, with real GDP contracting by 7.3 percent in FY20/21. On the fiscal side, the general government deficit widened significantly in FY20/21, owing to higher spending and low revenues. Given the significant uncertainty pertaining to epidemiological developments, real GDP growth for FY21/22 is likely to be in the range of 7.5 to 12.5 percent. The expected recovery will put India among the world's fastest-growing economies.

2. **Although India has made remarkable progress in reducing absolute poverty in recent years, the COVID-19 outbreak has delayed the course of poverty reduction.** Between 2011-12 and 2017, India's poverty rate is



estimated to have declined from 22.5 percent to values ranging from 8.1 to 11.3 percent. However, recent projections of GDP per capita growth, taking into account the impact of the pandemic, suggest that poverty rates in 2020 have likely reverted to estimated levels in 2016. Labor market indicators from high frequency surveys - including from the Centre for Monitoring Indian Economy (CMIE)- suggest that vulnerability has increased, particularly for urban households. Overall, the pandemic and its economic impacts are estimated to have raised urban poverty, creating a set of “new poor” that are relatively more likely to be engaged in the non-farm sector and to have received at least secondary education.

**3. Immediate relief from the fallout from the COVID-19 pandemic was provided by the Government of India (GoI) through proactive expansion of social safety nets and targeted credit support to small and medium enterprises.** Since the onset of the COVID-19 pandemic the GoI took a variety of initiatives, starting with strengthening of the preventive health care systems, various lockdown measures, immediate relief, and thereafter short-, medium and long-term measures for economic recovery. **In alignment with its global response, the WBG has been closely supporting GoI's strategy, which consists of three phases.** In the first phase, the GoI tackled the health aspects, and partnered with the Bank for a \$1 billion health project. In the second phase, GoI invested \$23 billion in social protection program to support the poor and vulnerable communities during the lockdown, and the Bank provided financing of \$1.65 billion. In the third phase, GoI focused on economic stabilization and reducing the costs of the lockdown. This includes support to MSMEs and their workers during lockdown by committing about 1.5 percent of GDP to MSME finance. The Bank financing of \$750 million is supporting this program to provide liquidity for their balance sheets, to mitigate against potential solvency problems and job losses, and to lay the foundations for a stronger MSME financing ecosystem in the recovery phase; and several other projects to protect sustainable growth and job creation for the poor and vulnerable.

#### Sectoral and Institutional Context

**4. The fisheries sector in India, plays an important role in the socio-economic development of the country.** About 12 million people, mainly poor and historically excluded, are directly employed in the capture or production of fish, and an additional 13 million in associated sector activities. The sector is comprised of predominantly micro, small, medium and a few large enterprises of Indian Major Carps (IMC) dominated aquaculture, shrimp aquaculture and capture fisheries. For the past 15 years, the sector has grown rapidly, and has been a key contributor to poverty reduction in rural areas. In 2018/2019, the sector generated US\$7 billion in export earnings, and overall, contributed US\$30 billion to the national economy (about 1.1 percent of Gross Value Added). The sector is also important to the country’s food and nutrition security as it is a major and expanding source of protein, especially for the poor. Although the sector is characterized by diversity with respect to scale and technology, the overwhelming majority of actors - both in capture fisheries and aquaculture - are microscale enterprises, working with very limited means and technology and producing low volumes for sales in local markets. Due to poor post-harvest practices the estimated loss is US\$8.3 billion as nearly 35 percent of the supply is wasted before it reaches the consumer.

**5. The high growth rates notwithstanding, the sector is facing several challenges.** Among others, these include: (i) a weak governance and regulatory framework that does not enforce environmental sustainability, as well as fish products safety; (ii) open access and lack of a regulatory framework in capture fisheries undermining sustainable marine fishing; (iii) limited incentives for private investment mainly because of constrained access to financing/credit and the generally high-risk perception ascribed to the sector, especially aquaculture; and (iv) informality and fragmentation which undermine value chain efficiency, access to finance including through GoI schemes, and noncompliance with fish product quality and safety standards.

**6. Women's participation in the fisheries sector often goes unrecognized and underpaid** with cases



indicating wage gap of 25-40 percent. Gender-differentiated occupation and income data are lacking, especially in aquaculture, and as a result, past programs have not been able to target using the full potential of the female workforce in the sector. Interventions focusing on women are usually fragmented, do not promote leadership, business skills, entrepreneurship, and ownership of assets by women. Typically, women are not formally specialized in fisheries and targeted skills development programs have been weak. These gender inequities limit overall sector productivity – especially since women constitute nearly half of the workforce in the sector.

**7. The fisheries sector is also extremely vulnerable to climate change and disaster events.** Fishing and aquaculture are climate sensitive. Variation in weather conditions severely affect practices established by long tradition especially as the adaptation and coping abilities of people involved are constrained due to historical disadvantages such as lack of rights to resources and land and widespread poverty. Increasing variations in climate and their associated ecological changes will further intensify the vulnerabilities of the fishing communities. Both direct and indirect impacts include repercussions on productivity of fishers, aquaculturists and fishworkers (together called “fishworkers”), fishery and aquaculture costs and productivity, food security, and fishing communities’ livelihoods and safety. Putting emphasis on environment and natural resources management, especially preventing damage and pollution of the coral reefs is important to increase the climate resilience of the fisheries sector, a crucial component of the national economic recovery.

**8. The GoI recognizes and seeks to address the key constraints and challenges to achieve optimal sector performance.** In 2017, the GoI rolled out the “Blue Revolution”, a scheme designed to ensure more focused development and management of the fisheries sector. Among others, Blue Revolution focused on issues related to environmental sustainability of fisheries value chains, creation of a favorable environment for private sector investment, technology modernization and food safety. Blue Revolution closed on March 31, 2020, and in the continued effort to address sector challenges (and double fishers’ and fish farmers’ income), GoI launched the *Pradhan Mantri Matsya Sampada Yojana* (PMMSY), a new flagship scheme for promoting sustainable growth in the fisheries sector. Among others, PMMSY is designed to: (i) promote sustainable, inclusive, equitable, and responsible harnessing of fisheries; (ii) develop and roll out a robust fisheries management and regulatory framework; (iii) enhance fish production and productivity; and (iv) enhance the sector’s contribution to exports (seeking to double exports in 5 years).

**9. Fisheries sector has been severely impacted by COVID-19.** COVID-19 pandemic induced disruptions to global supply chains and diminished demand in international markets have combined to depress fish exports. This has already translated into major losses to the sector, including a loss of exports worth US\$1.3 billion during March-June 2020, an estimated additional loss of US\$2 billion July 2020 – March 2021; and wastage and rotting of fish products worth US\$1.1 billion during March-May 2020 due to disruptions to local demand and supply chains. Although shoots of recovery in the domestic and export markets were seen around September 2020, these were again dampened by the second wave of the pandemic in the country during February-June 2021 and in key international destinations. Reduced domestic demand continues as restaurants and retail markets operate at low capacity.

**10. As a result of the pandemic, losses were experienced across the sector value chain and disproportionately by marginal fishworkers and microenterprises** (together called ‘microenterprises’). The COVID-19 pandemic affected all segments of the value chain. The impacts have been disproportionately more pronounced on the microenterprises involved in aquaculture production, artisanal fishing and retailing as they typically operate at very low margins and are endowed with limited coping mechanisms. Government estimates indicate that upwards of 8 million fishworkers have lost their jobs or income or working capital. In addition, the COVID-19 pandemic has deepened the pre-existing inequalities and vulnerabilities and increased the exposure to domestic violence for women in the fisheries sector.



**11. Without adequate policy attention and quick intervention, impacts of COVID-19 on the fisheries sector are likely to linger and could potentially be aggravated.** Consumer confidence and trust in fish quality and safety could further wane, thereby further dampening demand in the domestic market where more than 90 percent of India's fish output is consumed, and millions of microenterprises would not be able to reengage productively in the sector. Without assistance to reengage in production and protection against possible future losses, this would not only affect their livelihoods and incomes but also impact food and nutrition security of the country. Additionally, there are long-term sustainability risks: desperate attempts to regain lost income might lead to overexploitation and depletion of stocks in capture fisheries, use of unsafe and low-quality inputs in aquaculture and a rush to cut costs (including those related to ensuring hygiene) and increase margins at all levels – thus compromising fish product safety.

**12. GoI recognizes the downside risks posed by COVID-19 to the fisheries sector but its planned support will not be adequate to address the immediate key concerns of fishery microenterprises.** Under *AtmaNirbhar Bharat* (AtNB), GoI's economic package designed to help India tide over the COVID-19 crisis, there are several support mechanisms to foster recovery, including for the fisheries sector. Notable among these are the US\$3 billion PMMSY, grants and credit guarantee for 500 fisheries producers' organizations and extending eligibility to fishers to seek term loans for working capital. However, the high level of sector informality including lack of work-based identity and other demand side constraints dictate that most microenterprises cannot access such credit support. Further, not only the roll-out of PMMSY is slower than anticipated at the design stage due to the COVID-19-induced budget constraints, crucially it does not include activities critical to mitigating impacts of the pandemic, especially on the micro- and small-scale segments. Fisheries sector microenterprises who already lost substantial parts of their investments during the COVID-19 will need to de-risk and manage similar internal and external shocks in future prior to substantial renewed investment and reengagement in production. The COVID-19 impacts on the fisheries sector has been a demand-side shock: consumer demand has reduced, prices have fallen; and will take time to revive. Production cannot be recovered while prices remain low without reducing the losses in the fragmented value chain. Demand cannot be revived without improving the quality and safety of fish available to the consumers. These considerations mean that the PMMSY alone cannot restore the sector unless adequate focus is placed on an insurance mechanism as a means of managing anticipated disease and climate related risks; improving efficiency of the currently fragmented value chains, reducing fish losses and without exploitation of ecological resources; and promoting fish product standards and good production practices.

**13. Recovery of fisheries sector from the COVID-19 crisis cannot be achieved by stabilization only; it needs a build back better approach that facilitates setting up foundations for improved governance of natural resources, addressing intrinsic weaknesses as well as managing future risks.** To recover from COVID-19 crisis, in the immediate term, the fisheries sector needs to build capacity of the microenterprises to access GoI finance schemes to reengage in production; additional incentives to invest in sustainable production systems and value chains, which would also allow to restore and create jobs in the sector. Similarly, to support early recovery, demand for fish and hence confidence of consumers in safety of fish products needs to be rebuilt. To ensure early recovery is sustained, emphasis is needed on: (i) protection against future risks and shocks which could destabilize recovery; (ii) improved efficiency of value chains to reduce fragmentation and post-harvest losses; (iii) preventing overexploitation of ecological resources while providing recovery support; and (iv) promoting fish product standards, safety, and good production practices. Once the sector is set on the path of recovery, there will be a need to address the larger and medium-term priorities and reforms to transform the sector to higher levels of efficiency, resilience, and sustainability as part of the longer-term WBG engagement strategy in the fisheries sector in India. While these priorities cannot be addressed in this operation that focuses on recovery from impacts of COVID-19 pandemic, it is useful to ensure that, where possible, the build back better intents of



the early recovery initiatives create foundations for such larger reform agenda.

### C. Proposed Development Objective(s)

#### Development Objective(s) (From PAD)

14. For recovery from COVID-19 impacts, support the fisheries sector to access working capital and insurance, improve fisheries value-chains, and enhance fish product safety.

#### Key Results

15. The PDO level indicators are:

- Micro- and small fisheries sector enterprises supported to access to working capital and insurance (number),
- Cluster and product-specific business plans for fisheries sector value-chains assessed satisfactory for achieving improved efficiency and supported with Performance Grants (number),
- Volume of safe fish products supplied to consumers by micro- and small enterprises supported by the project (ton), and,
- Target micro- and small enterprises satisfied on project interventions (percent).

### D. Project Description

16. **The project will target beneficiaries with a focus on vulnerable micro- and small enterprises and promotion of gender actions in three prioritized value chains.** The value chains include (i) aquaculture, (ii) shrimp aquaculture, and (iii) capture fisheries. Only microenterprises in the shrimp value chain would specifically be supported through premium subsidy for adopting insurance. Micro- and small enterprises owned or co-owned by women, and where formal jobs with wage parity is ensured will be prioritized for receiving project support.

**Component 1: Facilitating Working Capital Finance and Risk Management for Fisheries Sector Microenterprises** (total public financing US\$88.7 million comprising of DoF/Goi US\$44.3 million, IBRD US\$33.3 million, AFD US\$11.1 million; and private capital mobilization of US\$113.9 million)

17. This component will support fisheries sector microenterprises by helping them access GoI programs for working capital financing and by establishing a ‘market-based insurance’ scheme. This component will consist of the following subcomponents:

18. (Subcomponent 1-A) Facilitating Access of Fisheries Sector Microenterprises to GoI Programs for Working Capital Financing (US\$50.3 million) will: (a) establish a National Fisheries digital Platform and Mobile Apps for self-registration, self-reporting and verification of gender-disaggregated work-based identities, with appropriate interfaces for digital payment and financial access including interfaces with state platforms for social safety net and benefit transfer with appropriate verification by local authorities; (b) mobilize local functionaries, fisherpersons’ cooperatives, women entrepreneurs, industry and traders’ associations to prepare the required documentation needed to access the relevant GoI schemes; (c) provide bridge courses and mentoring to microenterprises with specific emphasis on women-owned microenterprises to prepare bankable proposals; (d) develop dialogue and agreement with scheduled commercial banks including a “fisheries sector literacy campaign” for staff of the banks and other financial institutions that would include knowledge sharing on available resource-efficient technologies and climate-adaptive fishing practices; (e) undertake periodic evaluation and mitigation of policy barriers with respect to demand and supply-side constraints relevant to access to working capital financing; and, (f) undertake sector-wide and targeted analytics, and stakeholders dialogues addressing issues of broader sector resilience, climate-proofing/adaptation and sustainability including transition



away from open-access regime.

19. *(Subcomponent 1-B) Facilitating adoption of Insurance in Fisheries Sector microenterprises focusing on unserved shrimp producers* (US\$38.4 million) through: (a) increasing accessibility, availability and adoption/usage of insurance mechanism in the fisheries sector, providing regulatory and supervisory framework to set up effective claims management and making insurance for “loss and damage due to diseases and natural calamities” mandatory for relatively larger (>4 ha) shrimp producing microenterprises and all shrimp processing units; (b) developing eligibility and performance criteria aligned with energy efficient and optimum resource management practices for microenterprises to access market-based insurance; (c) setting up requisite market practices and institutional processes in the fisheries sector to meet criteria of insurance companies and standards defined in good aquaculture practices including using legal and nondestructive technologies; (d) providing premium subsidy to relatively smaller (<4ha) shrimp producing microenterprises with specific added subsidy to women-owned microenterprises; and (e) integrating a digital payment system in the National Fisheries Digital Platform with insurance claims management (to compensate the insured fisheries enterprises for assessed losses).

**Component 2: Supporting Microenterprises to Improve Efficiencies of Fisheries Sector Value Chains** (total public financing US\$169.1 million; DoF/Gol US\$84.6 million; IBRD US\$63.4 million; AFD US\$21.1 million; and private capital mobilization of US\$108 million)

20. This component will support: (a) performance grants for microenterprises within the selected value chains to reengage in production and distribution, expand the value chains with specific performance targets on job creation, especially for women, reduction of fish losses, decarbonization and improved energy efficiency and use of renewables; climate resilience; improved hygiene and improved waste/pollution management; (b) advisory services to promote sustainable and resilient intensification, improved quality and safety of produce, and reduced postharvest losses; (c) identification of product/cluster-wise market opportunities and bottlenecks for linking producers to remunerative markets and value chain integration; (d) for select clusters/products, organizing and providing business development advisory services for critical, but missing collective services/productive investments such as logistics, postharvest management, safety and quality management systems; (e) selection, through a national rolling call for grant applications for performance grants, scalable innovative value chain proposals from firms particularly women-owned enterprises, fish cooperatives/associations, and consortia among fishworkers, fish retailers, market agents, input suppliers, research organizations, and service providers; (f) fisheries governance and management systems, and other value chain investments aimed at improving the sector’s resource base and increasing its productivity by promoting resilient value-chain development that support broader ecosystem services; (g) monitoring and documenting implementation performance and achievements of the such grant-financed activities; (g) public disclosure of the documented innovations; and (h) awareness and communication campaigns in support of policy and behavior transformation on issues related to sector sustainability, including promotional events, such as exhibitions, peer learning and experience exchange on reducing value chain fragmentations, enhanced efficiency, decarbonization, resilient fishing practices, and ‘jobs for women’.

**Component 3: Adoption and Expansion of Fish Product Quality and Safety Assurance Systems** (total public financing US\$122.4 million, DoF/Gol US\$61.2 million; IBRD US\$45.9 million; AFD US\$15.3 million; and private capital mobilization of US\$67.57 million)

21. This component will support: (a) performance grants for the fisheries sector micro and small enterprises, especially women-owned ones, with specific performance targets relevant to supplying safe fish products to domestic consumers, job creation, especially for women, and adoption of the requisite quality assurance systems; (b) development and adoption of fish quality and safety standards, and the relevant traceability and



monitoring systems; (c) development and dissemination of knowledge modules and examples of good practices and appropriate technologies used in the sector across states and geographies; (d) development and dissemination of requisite standard operating protocols (SOPs); (e) awareness and communication campaigns in support of policy and behavior transformation on issues related to sector sustainability and safe fish products; (f) evidence-based advocacy among value chains' stakeholders and financial service providers to promote the safe fish product agenda for domestic consumers; (g) identification and integration of tracking standards in the National Fisheries Digital Platform necessary to ensure traceability including the use of blockchains; (h) strengthening the extension service network to handhold implementation of good practices, traceability protocols, monitoring plans and corrective actions; (i) rolling out a national fish products' quality and safety monitoring and inspection program; (j) promotional events, such as exhibitions, trade fairs, digital promotion platforms, for advancing domestic market for safe and quality fish; and, (k) creation and promotion of a label for fostering and showcasing fish products adhering to food safety and quality management norms, and traceability systems.

**Component 4: Project Management, Monitoring and Reporting** (total financing US\$19.8 million, DoF/Gol US\$8.7 million; IBRD US\$8.3 million; AFD US\$2.8 million)

22. This component will support strengthening of DoF's institutional capacity for Project implementation, through the maintenance of project management units (PMUs) to manage, implement, monitor and evaluate project activities, including: (a) incremental operating costs for the PMUs at DoF and NFDB; (b) preparation and implementation of environmental and social impact assessments (ESIAs) and environmental and social management plans (ESMPs) pursuant to the Environmental and Social Commitment Plan (ESCP); (c) ensuring adequate financial management and procurement management systems; (d) implementation of communications plans and a grievance redressal mechanism; (e) carrying out of monitoring and evaluation activities and third party audits; (f) coordination with state departments of fisheries and other state or national government agencies and other public/private stakeholders including civil society and NGOs that are vital for holistic adoption of good fishery/aquaculture practices; and (g) conducting special evaluation exercises.

Legal Operational Policies

Triggered?

Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

**E. Implementation**

Institutional and Implementation Arrangements

23. **Project's Institutional Design and Implementation Arrangement:** From the Gol perspective, this will be a Central Sector (CS) project. Given the current fiscal context, the states are not expected to commit any budget for this project, and all financing will come from DoF. As far as possible, implementation of the project will take advantage of the institutional arrangements already in place for Gol's PMMSY program. Specific implementation responsibilities including financing, monitoring, reporting and evaluation will be with DoF. Given the need for



focused attention for implementation of this project and to ensure internal capacity building for project management services, DoF will set up a Project Management Unit (PMU) to coordinate project activities on a full-time basis and directly execute most of the subcomponents. To guide the PMU and approve annual action plans, DoF will set up a Steering Committee chaired by the Secretary and including representatives of industry associations and fishworkers' cooperatives/collectives. DoF will delegate execution responsibilities for Subcomponents 1-B to the National Fisheries Development Board (NFDB), who in turn, will set up a PMU for implementation of this subcomponent on a full-time basis from March 2022.

24. **The PMU Arrangements.** The PMU in DoF will be headed by a Project Director (at Joint Secretary level) and will have 3 Divisions responsible for: (a) Technical, Inclusion, Gender, Environment and Climate Change aspects; (ii) Communication, Advocacy, Labeling and Knowledge Services, and, (iii) Financial Management, Procurement, M&E and the National Fisheries Digital Platform. Each division will be headed by an Additional Project Directors (at the level of Additional/Deputy Commissioners at DoF). The PMU at NFDB, with the Chief Executive Officer as Project Director, will have 3 Divisions headed by Additional Project Directors responsible for: (i) Market Insurance Scheme, Awareness and Outreach, (ii) Coordination with Stakeholders, and (iii) Financial Management, Procurement and M&E. Departments of Fisheries as per existing PMMSY arrangements will be designated as State Implementing Agencies as and when required during implementation of the project.

#### F. Environmental and Social

25. The project financing will provide support to the fisheries sector reeling under COVID-19 pandemic. This includes extending insurance coverage to shrimp aquaculture, access to and convergence with government schemes for working capital financing, digital platforms and apps, advocacy and branding, TA and performance grants for safe fish production, fish-waste management, and setting up systems for safe fish production and traceability. The activities will largely benefit the community and support build long-term sustainability of the fisheries sector. While several positive impacts are anticipated, a few potential adverse risks are identified, such as, possible exclusion of vulnerable communities/individuals in accessing credit and other services, low women participation, generation of additional wastes at farm level and processing units and unsolicited use of chemicals on the production side.

26. Given that investments in infrastructure and other physical public assets are not part of the project and the nature of project support is mainly through 'soft' interventions, the environmental and social risks of the project are rated as 'Moderate'. An Environment and Social Commitment Plan (ESCP) and a Stakeholder Engagement Plan (SEP) has been prepared and disclosed in country on March 16, 2021. The primary agreement in the ESCP is to prepare an Environmental and Social Management Framework (ESMF) within 60 days of project effectiveness. The ESCP also records the requirement for preparing any sub-project level instruments, that may be needed as per the ESF. The co-financiers of the project, the AFD will also apply the World Bank ESF for their part of project financing. At project appraisal, the following Environment and Social Standards (ESSs) are considered relevant.

27. ESS1: Assessment and Management of Environment and Social Risks and Impacts. As per the Environmental and Social Framework (ESF), and specifically the Environment and Social Standards (ESSs), an Environmental and Social Assessment (ESA) will be carried out by the project as part of ESMF preparation to identify, assess the environmental and social risks and impacts related to project interventions. The preparation of the ESA and ESMF will involve limited primary field work, desk review, and wide-ranging consultations with a diverse set of stakeholders. Once approved, the ESMF will be disclosed publicly in the country and on the Bank's website. The ESMF will lay down processes to screen, identify, assess, mitigate, and minimize any risk and adverse



impact on the community and environment (i.e., ESIA) for identified subprojects. Implementation arrangements at the cluster or village level with respect to environment and social safeguards will be detailed out in the ESMF.

28. **ESS2: Labor and Working Conditions:** There is no large infrastructure and civil works envisaged under this project. Therefore, no labor camp for migrant laborers is anticipated hence, the risk for gender-based violence, child/bonded labor, and hazardous work and/ or accidents is assessed as low. However, the implementing agencies will employ staff to work on the project; will engage consultants for work related to core functions of the project and there will be primary suppliers, for whom the provision of ESS2 will apply.

29. **ESS3. Resource Efficiency and Pollution Prevention Management:** The project is likely to result in improved resource efficiency and management of wastes generated at the fish-farm level, as well as, along the fish value chain. Good International Industry Practices will be promoted through mainstreaming into the eligibility and selection criteria for performance grant schemes, developing quality standards and SOPs, creating awareness amongst fishers and by building the brand around safe and sustainable fisheries.

30. **ESS 4. Community Health and Safety:** The project does not include any civil works contracts or similar activities; and therefore, there is no third-party risk of traffic, accidents, hazardous substances associated with project interventions. Potential impacts related to food safety and hygiene are mainstreamed in the project through proposed investments on traceability and safe food products in the entire value chain. However, safety and vulnerability of women in the fishworker communities is a concern and the project will prepare a SEA/SH and Gender Action Plan as part of sub-project specific ESAs and specify the identified appropriate mitigation measures for each of the recipient of performance grants.

31. **ESS6. Biodiversity Conservation and Sustainable Management of Living Natural Resources:** The project will support improving aquaculture production. All project financed activities will take place within the existing/established footprint of aquaculture operations. The performance grant agreements will specify use of Performance Grants will be limited to repair or upgrade of existing water area under aquaculture and enlargement of such water area will not be permitted. ESMF will include provisions for screening the location of all eligible sub-projects to exclude those located in legally protected and internationally recognized areas of high biodiversity value and potential critical habitats; and will include specific measures to avoid or minimize negative impacts on modified or natural habitats. The project will support culture of ornamental fish species in aquaculture farms (but not live capture and trade in wild stock) which might involve import of brood stock. The ESMF will ensure that eligible sub-projects implement the necessary measures for preventing the accidental release of alien species into natural habitats. A separate Biodiversity Management Plan is not required.

32. **ESS7 Indigenous Peoples:** The tribal communities in India are increasingly taking up inland fishing. The government has been providing technical training and support to the tribal communities. While the project interventions will not cause any adverse impacts on the lands, livelihoods, resources, and cultural properties of tribal community, the ESA/ESMF will explore mechanisms to enhance participation and flow of project benefits to the tribal communities, and Tribal Development Plans will be prepared and implemented for each sub-project located in areas where tribal population is present.

33. **ESS10 Stakeholder Engagement.** Given the travel restriction due to COVID situation, DoF and NFDB have undertaken virtual stakeholder consultation with secondary stakeholders and one face to face consultation with fisherfolks. The project has prepared Stakeholder Engagement Plan (SEP) that includes multiple channels of communication and engagement with project stakeholders, including information campaigns, stakeholder meetings, review meetings, web disclosure, and beneficiary feedback mechanisms through the National Fisheries Digital Platform throughout the life of the project. This will be done through print media, audiovisual, telephone, and a website, as well as periodic surveys and consultations. The SEP also includes establishment of an accessible



and inclusive grievance redress mechanism that would be rolled out during project implementation.

34. **Gender Based Violence (GBV):** As a part of the ESMF preparation process and based on consultations with stakeholders and the GBV risk assessment tool, the GBV risk rating for the project is 'Low.' The project itself has explicit gender and inclusion objectives and targets. During ESA/ESMF preparation, consultations with women stakeholders will be undertaken to better understand the barriers and challenges faced by them and to devise strategies for lowering the risk of GBV and to seek opportunities for enhancing gender and inclusion mainstreaming in the sector. The project will support regular sensitization and awareness drives for community on safety, harassment, GBV-related issues, legal recourse procedures and mitigation channels in collaboration with the relevant departments. The PMU at DoF will include a gender expert to facilitate sensitization, GBV risk mitigation and strengthen the GRM mechanism by establishing multiple channels to initiate a complaint including confidential reporting in local language with safe and ethical documenting of GBV cases. Any contract documents under the project will include a Code of Conduct in line with GBV requirements. Additionally, under all agreements for performance grants will include specific requirements to adhere to *Vishakha Guidelines* and specific requirement to create safe workplace for women. The National Fisheries Digital Platform will have enhanced security firewalls to protect personal data of all women beneficiaries.

35. **Citizens' Engagement (CE):** Citizen engagement shall be ensured through community participation, including as planned as part of the SEP. Communities will be engaged through community consultation/focus group discussions with different stakeholders. Information leaflets and booklets will be specially printed for this purpose. A grievance redress system will be designed to address complaints associated with access to information, identification of beneficiaries, stated benefits, etc., during the planning and implementation stages of each of the project components. A CE indicator is included in the project's results framework.

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### Implementing Agencies



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