

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Second West Bengal Development Finance Program
Lending/Financing Modality:	Program loan	Department/Division:	South Asia Department/Public Management, Financial Sector, & Trade Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

While the poverty ratio in India has decreased significantly from 45.3% in 1993-1994 to 21.9% by 2011-2012, nearly 270 million continue to live in abject poverty. A major priority area for the 12th Plan is achieving further poverty reduction and social development through faster, more inclusive, and sustainable growth. The Asian Development Bank (ADB) country partnership strategy for 2013–2017, which aligns with the development strategy of the government, aims to tackle poverty by (i) operations in lagging states; (ii) skills development initiatives; (iii) employment-friendly growth through improvements in agricultural productivity and irrigation, and direct and indirect support to small and medium-sized enterprises; and (iv) the creation of fiscal space for investments in health and education, and improvements in quality and outreach of service delivery. To reinforce the Government of India's efforts to bridge interstate economic disparities, improve service delivery, and create conditions for inclusive growth, ADB engages with states that have weak capacity and are plagued by fiscal imbalances (West Bengal is one of these). The loans for improved public resource management can help such states improve income and development status through greater emphasis on the creation of capital assets, which, in turn, leads to higher growth, provides more employment opportunities, and improved access to public services. The reforms proposed under the recent policy-based loans go to the core of development, especially inclusive development, with the state budget as the main policy instrument to pursue development goals of the elected state government.

B. Targeting Classification

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

The proposed program will help the Government of West Bengal (GOWB) facilitate equal access of affordable public services to all in the state.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

Both public and private investment (especially public-private partnerships in the social sector) is inadequate to improve service delivery in the state. This also constrains growth and employment.

2. Impact channels and expected systemic changes.

Higher investment to improve growth, employment, and service delivery, especially in health and education.

3. Focus of (and resources allocated in) the PPTA or due diligence.

A detailed poverty analysis was carried out during the preparatory stage of the West Bengal Development Finance Program.

4. Specific analysis for policy-based lending.

The program will help the state of West Bengal improve development funding through greater allocation for capital outlays, which will help create capital assets. Reforms are also proposed to improve private investment. This is another prerequisite to improve both human and income poverty in the state. In addition, consolidation of public expenditure through strengthening public financial management and improving revenue collection will help the state invest more on economic and social infrastructure and sustain higher growth and employment with improved service delivery.

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? West Bengal's performance in achieving the millennium development goal (MDG) targets for improving maternal health, reducing infant mortality and reducing child mortality have improved but are still below the MDG targets for 2015. States like Kerala and Tamil Nadu have already achieved the desired maternal mortality rate and infant mortality rate ratios in line with MDG targets. Gender parity index (GPI) for enrolment (2011–2012) increased slightly from 1.03 at the primary level to 1.09 at the secondary level, but fell sharply to 0.78 at the tertiary level, indicating significant female dropouts. Moreover, the GPI at the tertiary level was significantly below the national average. Share of females in wage employment has declined between

2009-2010 and 2011-2012 to 19.1%, and is now below the national average of 19.3%. Several states like Andhra Pradesh, Chattisgarh, Karnataka, Kerala, and Meghalaya have fared much better in comparison.

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 primary aim of this program is to step-up access to affordable public services. The program will support linking pro-poor and gender responsive medium-term expenditure frameworks (MTEFs) to actual budget allocations. Therefore, it is expected that there will be greater coverage for women and children that will positively impact health-related indicators like maternal mortality rate and infant mortality rate. Similarly, in the education sector, the program's support will help improve education services to be made more accessible and available across gender lines through various channels.

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

Yes No

not applicable

4. Indicate the intended gender mainstreaming category:

GEN (gender equity theme) 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 potential stakeholder groups include central policymakers at the Department of Economic Affairs, Department of Expenditure, Government of India; Government of West Bengal (GOWB) officials based in various departments; nongovernmental organizations; and academicians in West Bengal. The main beneficiaries are the people of West Bengal. There are no negatively-affected people.

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?

There are no such issues in the proposed program that will require participation of the poor.

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?

Information generation and sharing Consultation Collaboration Partnership
not applicable

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? Yes No

not applicable

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? Yes No

not applicable

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

Resettlement plan Resettlement framework Social impact matrix
 Environmental and social management system arrangement None

B. Indigenous Peoples Category A B C FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? Yes No

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? Yes No

not applicable

3. Will the project require broad community support of affected indigenous communities? Yes No
not applicable

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?
 Indigenous peoples plan Indigenous peoples planning framework Social impact matrix
 Environmental and social management system arrangement None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

Creating decent jobs and employment(N) Adhering to core labor standards(N) Labor retrenchment(N)
 Spread of communicable diseases, including HIV/AIDS (N) Increase in human trafficking (N) Affordability(N)
 Increase in unplanned migration(N) Increase in vulnerability to natural disasters(N) Creating political instability(N)
 Creating internal social conflicts(N) Others, please specify(N) not applicable

2. How are these additional social issues and risks going to be addressed in the project design?
TBD

VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

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 (vi) other social risks. Are the relevant specialists identified?

Yes No

A detailed analysis was carried out in 2012 for the West Bengal Development Finance Program. Some data and/or tables will be updated. Staff consultant has already been engaged.

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?

A staff consultant has been hired to update some data on gender and poverty analysis.