



Initial Poverty and Social Analysis

October 2018

India: Promoting Public-Private Partnership in Madhya Pradesh Road Sector Project

This document is being disclosed to the public in accordance with ADB's Public Communications Policy 2011.

Asian Development Bank

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Promoting Public-Private Partnership in Madhya Pradesh Road Sector Project
Lending/Financing Modality:	Sector Lending	Department/ Division:	South Asia Department/ Transport and Communications Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

India's incidence of poverty has registered a decline from 37.2% in 2004–2005 to 21.9% in 2011–2012, with urban poverty declining by 12 percentage points from 25.7% to 13.7% during the same period.^a The government's commitment to poverty reduction is reflected in the government's Three-Year Action Agenda (FY2017–2019). The government's response to poverty focuses on (i) enhancing economic opportunities that the poor can access, and (ii) targeting the poor directly by specifically expanding economic opportunities for the poor, developing their capabilities to access economic opportunities, and protecting them from various types of shocks.

The country partnership strategy (CPS) for India, 2018–2022 aims to support the government's goal of faster, inclusive, and sustainable growth accompanied by rapid economic transformation and job creation. ADB assistance is articulated through the three strategic pillars of the CPS: boosting economic competitiveness to create more and better jobs, providing inclusive access to infrastructure networks and services, and addressing climate change and increasing climate resilience. The inadequacy of India's infrastructure is constraining the country's growth. ADB's support to India in road sector development as a core infrastructure operation fosters inclusive economic growth, and, since 2003, has focused on the relatively poorer and weaker capacity states to support the government's efforts to reduce disparities between regions of the country.

B. Poverty Targeting

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs

The project is designed to improve transport connectivity in the state by rehabilitating and upgrading about 2,200 kilometers (km) of state highways and major district roads, which serve districts and sub-district areas of the predominantly rural state of Madhya Pradesh. The project will improve connectivity, facilitate access to services, and accelerate economic growth in the state by way of (i) improved road transport operations along with more efficient road maintenance, and (ii) eliminate selected road bottlenecks. Improved roads will help the poor to integrate into the structure of the local economy, and benefit from non-farm employment, diversified agriculture production, and trading activities. The improved roads will enable better access to basic services such as health care and education, and will improve the quality of life of the poor in the project influence areas.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

Madhya Pradesh is the second largest state in the country, with an area of about 308,000 square km and a population of about 72.6 million. Agriculture is the mainstay of the state's economy and about 72% of the people live in rural areas. Madhya Pradesh is among the poorer states in the country, and its per capita income is about 63% of the national average. Based on 2011–2012 data, nearly 31.7% of the population is estimated as living below poverty line with rural poverty ratio (35.7%) exceeding the urban poverty ratio (21%).^b The human development index of the state is 0.45 as against 0.50 for the country.^c Madhya Pradesh is among the most food insecure states of the country—with the state falling in the 'extremely alarming' category, according to the India State Hunger Index.

2. Impact channels and expected systemic changes.

The proposed project will improve various classifications of roads in the rural areas of the state. Beneficiaries, including the poor, will benefit from improved access to basic services and living environment. The proposed project will also result in improved livelihood and trade opportunities for the non-urban population.

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

The due diligence provides for a social and gender expert input of 5 person-months. The expert will review existing social and community aspects of the project (sample roads), poverty data, employment, and literacy data, to determine employment benefits and potential social impacts. The expert will also assess any poverty-related issues relating to land acquisition and resettlement.

4. Specific analysis for policy-based lending. Not applicable.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this Project?

Project preparation will explore how to maximize the benefits of all-weather roads for women's access to educational and health services. Consultations with women will be undertaken to help ensure that greater connectivity will address

women's needs such as access to secondary education facilities, health services, and markets; income-generating opportunities and employment; and road safety.

2. Does the proposed project 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

Based on social analysis of previous ADB loans to the state, women have consistently cited that building and improving roads will increase women's mobility, and will provide better access to health services, schools, and job markets. The proposed project will improve access to basic services for women and increase employment opportunities.

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

Yes No

Since the objective of the project is to improve road connectivity in the district roads of the state, the proposed project will not widen gender inequality or have an adverse impact on women and girls. On the other hand, there will be gender benefits due to improved access to basic services and increased employment opportunities.

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 primary beneficiaries of the project are the road users, communities in the vicinity of the project influence area, villagers, rural local government, other development partners active in India's transport sector development, and business and community groups. The poor and the excluded also get an easy access to roads, which further help them in reaching markets and other services. The project has the potential to negatively affect those who will lose land or livelihood due to land acquisition. However, the project's focus is on improving and rehabilitating existing roads, thus land acquisition will be limited to areas where roads need some geometric improvement, bridge approaches, or bypasses to avoid infringing existing settlements. Adverse impacts will be mitigated through proper stakeholder consultations and incorporated into the resettlement plan.

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?

The proposed project's objective is improved road connectivity in district areas of the state of Madhya Pradesh, leading to improved access to basic services, trade, and employment. Primary concerns for poor and vulnerable stakeholders would be loss of land and/or livelihood as a result of land acquisition activities. Project preparation will include investigations and consultations covering all beneficiaries, including the poor and vulnerable stakeholders.

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?

H Information generation and sharing **H** Consultation **M** Collaboration **L** Partnership

The proposed project will build on the consultation and community participation exercises undertaken during the detailed project reports preparation, with the support from civil society, nongovernment and community-based organizations. These include community participation for planning, design, and implementation in highly dense and poor settlements, involuntary resettlement and indigenous peoples safeguard planning and grievance redress. Community consultations will also be carried over to the project implementation stages and user awareness, including road safety, will be included as an important activity.

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

Community meetings and focus group discussions will be organized as part of the poverty and social analysis. The local consultative meetings will involve all relevant stakeholders including representatives of the poor and other socially excluded groups (e.g., women, scheduled tribes, etc.) to disseminate the information as well as to get the feedback about the project design and its potential impacts. Other key stakeholders such as the relevant line departments, local government representatives, and nongovernment organizations will also be consulted. Consultations will also be undertaken with the affected households and communities during the census survey and socioeconomic survey along the project roads for the preparation of the safeguard plans.

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

The project involves improvement and rehabilitation of existing roads of various classifications, so the extent of land acquisition will be limited to areas needing geometric improvement, bridge approaches, or bypasses to avoid infringing existing settlements. Nevertheless, there is still the potential for significant resettlement and rehabilitation requirements due to encroachment and also temporary impacts during the construction phase. These will be assessed during the due diligence stage and addressed through resettlement plans. A resettlement framework will be prepared for the sector lending project.

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

Madhya Pradesh has a significant tribal population, which constitutes more than one-fifth of its total population and 40% of India's total tribal population. Madhya Pradesh is home to the largest number of scheduled tribes in India and is often called the tribal state of India. There are 46 recognized scheduled tribes, three of which are identified as special primitive tribal groups.^e The tribal population is largely concentrated in and around the forest area of Madhya Pradesh. During due diligence, attention will be focused on assessing whether the project will trigger ADB Safeguard Policy Statement's Safeguard Requirements 3: Indigenous Peoples. An indigenous peoples planning framework will be prepared for the proposed sector project.

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

3. Will the project require broad community support of affected indigenous communities? Yes No

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 (L) Adhering to core labor standards (L) Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS Increase in human trafficking Affordability
 Increase in unplanned migration Increase in vulnerability to natural disasters Creating political instability
 Creating internal social conflicts Others, please specify _____

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

Road improvement and rehabilitation work is expected to create employment and adherence to core labor standards will be secured through provisions in the construction contracts. Monitoring will be undertaken through the project management consultants.

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

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?

As part of the due diligence, a social expert (5 person-months) will address safeguards matters as well as undertake poverty, social, and gender analysis based on existing socioeconomic data and consultations.

Sources:

^a Government of India, Planning Commission. 2013. [Press Note on Poverty Estimates for 2011-12](#). New Delhi.

^b Footnote 1, p. 6.

^c UNDP India. 2011. [Inequality-adjusted Human Development Index for India's States](#). New Delhi.

^d Government of India, National Institution for Transforming India Aayog. 2017. [Three Year Action Agenda 2017-2018 to 2019-2020](#). New Delhi.

^e Government of India, Ministry of Tribal Affairs. 2013. [Statistical Profile of Scheduled Tribes in India](#). New Delhi.