

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Delhi Water Supply Improvement Investment Program
Lending/Financing Modality:	Multitranchise Financing Facility	Department/ Division:	South Asia/Urban Development and Water

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 29.8% in 2009-2010 with urban poverty declining by 4.8 percentage points from 25.7% to 20.9% during the above period.¹ The government's continued commitment to poverty reduction is reflected in the goal of inclusive growth that was a critical component of the Eleventh Five Year Plan (11th FYP) and continues to be a pivotal feature in the Approach to the Twelfth Five Year Plan (12th FYP). The government's responses 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 National Capital Territory of Delhi's (NCTD) draft 12th FYP (2012-17) has a vision to develop Delhi into an "Environmentally Sustainable Habitat and a Global Heritage City". To meet the vision, the government of the NCTD has a mission to improve basic service delivery including implementation of water sector reforms, inclusive growth through empowerment of women and welfare of all disadvantaged sections of the society, expansion of health care infrastructure at primary, secondary and tertiary level, and through provision of housing for the economically weaker section. The NCTD Water Supply Master Plan aims at equitable water supply to all of Delhi's population through improved access, reliable and potable water supply. NCTD's draft 12th FYP and the NCTD Water Supply Master Plan objectives are fully consistent with India's draft Country Partnership Strategy (2012-17) *City Focused Development Initiative* and in line with the principal elements of ADB's water policy and ADB's water operational plan. Initiatives undertaken by the Delhi Jal Board, the proposed investment program's executing agency (EA), also comply with ADB's public-private operational plan.

B. Targeting Classification

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

The proposed investment program will directly benefit about 2.6 million people served by the Wazirabad water treatment plant (WTP). Based on current estimates, about 14% of Delhi's population lives in slums. This is also the approximate estimate of the urban poor in Delhi. While 95% of slums have access to water supply, the Delhi Jal Board provides only public standposts and supply through water tankers in these poor settlements. The proposed investment program will undertake detailed investigations to determine the potentials of providing house service connections in the slum households and improve the reliability of the water supply service in these areas. Ongoing socioeconomic surveys by the government of NCTD will inform the plan for improving connectivity and access in slum settlements. The project preparatory technical assistance (TA) will identify poor communities and qualify the access to basic services. The TA will also identify extent to which government programs are effectively utilized and the impact in terms of poverty alleviation. Through the socioeconomic surveys and focus group discussions, the TA will determine community willingness to participate in subproject planning and implementation. Based on the above, the TA will identify options of pro-poor designs, governance and resultant subprojects addressing pro-poor growth.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

Incidence of poverty in Delhi is far lower than the country estimates – 14.2% in Delhi compared to 29.8% in India in 2009-10. State specific poverty lines for 2009-10 indicate that the monthly per capita consumption expenditure (MPCE) for Delhi was Rs. 747.8 for the rural sector and Rs. 1040.3 for the urban sector. The MPCE was higher than India, which was estimated at Rs. 672.8 for the rural sector and Rs. 859.6 for the urban sector.

Poverty levels in Delhi have fallen significantly from 13% in 2004-05 due to the various poverty alleviation schemes implemented by the government of the NCTD and due to the increase in employment opportunities resulting from high growth in the service sector. The low incidence of poverty reflects well on economic opportunities prevalent in the city as the significantly high migration rates have not had a negative impact on incidence of urban poverty. Despite the abundance of employment opportunities, literacy levels in urban Delhi was only 86% implying the need for better awareness among youth to capitalize on existing education facilities to tap available opportunities.

2. Impact channels and expected systemic changes.

¹ Planning Commission, Government of India. 2012. *Government of India, Press Information Bureau: Poverty Estimates for 2009-10*. New Delhi.

Beneficiaries (including the poor) will benefit from improved access to basic services and living environment. The proposed investment program will result in lower incidence of water borne diseases due to improved services, and is expected to lead to better opportunities for the poor by raising their income and improving access to better employment opportunities.

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

Under the TA, Social Development and Gender Specialist (3 person-months) will review existing poverty per capita data, access to basic services by the poor, employment, literacy data and build on the ongoing socio-economic surveys to determine employment benefits and potential labor impacts. The specialist will also assess any poverty-related issues relating to land acquisition and resettlement under Project 1.

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 or program?

The government of NCTD's vision for the 12th FYP focuses on inclusive growth through empowerment of women and welfare of all disadvantaged sections of society. The 12th FYP will ensure provision of basic amenities to the entire population irrespective of their status – authorized or unauthorized settlements. Additionally, the FYP will provide for social services, skill development, and policy initiative for productive employment for economically weaker sections. Specifically related to the water sector, the FYP will address access and equitable water supply to all citizens including women, female-headed households, and the vulnerable.

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

A gender action plan (GAP) will be prepared during the TA for project 1. A separate GAP will be prepared for project 2 based on the outcome and scope of project 2.

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

Yes No

The proposed investment program will improve the access, reliability and quality of water supplied to all households in the project area. There will be no adverse impacts arising from proposed investment program and the benefits to women will include savings in time, especially for those in poor settlements, and improved hygiene and sanitation due to continuous and reliable water availability.

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 main stakeholders of the proposed investment program are the citizens served by the Wazirabad WTP (approximately 2.6 million people) including those living in marginalized areas, private sector, local business, government officials, civil society organizations, construction industry, and development partners.

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 investment program's impact is equitable water supply to Delhi's residents and the outcome is improved water supply services in the area served by the Wazirabad WTP. The project preparation will include detailed surveys and investigations covering all beneficiaries and involving them in designing the access and reliability of the water supply service. The proposed investment program will ensure holistic service coverage and opportunities for all, including the poor and vulnerable.

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 (H) Consultation Collaboration Partnership

NGO and CBOs will be engaged as part of the social assessment undertaken by the TA. The proposed investment program will build on the consultation and community participation exercises undertaken during the TA, with the

support from consultants and NGOs. These include community participation for planning, design and implementation in highly dense and poor settlements. Intensive community consultations will also be carried over to the project implementation stages and user awareness 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

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 WTP reconstruction and rehabilitation work will be undertaken on the existing site while the water network improvement will be undertaken along the existing right of way. However, temporary impacts are expected during the water network improvement, which will be identified and mitigated through a Resettlement Plan.

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

Delhi is generally homogeneous in the random distribution of groups across it. It is inhabited by population that has migrated to the city and does not house indigenous people.

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 (M)
 Spread of communicable diseases, including HIV/AIDS Increase in human trafficking Affordability (L)
 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?

Reconstruction and rehabilitation works is expected to create employment and adhering to core labor standards will be secured through provisions in the construction contracts. Monitoring will be undertaken through the project management consultants. Labor retrenchment may occur if the existing Delhi Jal Board staff working in the Wazirabad area is found incapable of meeting the job description and demand of the concessionaire. Suitable provision will be made in the concession agreement to ensure that the labor is accommodated in other operational regions of the Delhi Jal Board. Affordability is not expected to be a problem and existing willingness to pay and ongoing socio-economic surveys will assess it in detail.

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

Yes No

3. 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?

The TA will include a Social Development and Safeguards Specialist to undertake poverty, social and gender analysis based on existing socioeconomic data. The project management consultant appointed through advance action will include sufficient resources to prepare and implement the participation plan with local NGOs.