

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	State-Level Support for National Flagship Urban Programs
Lending/Financing Modality:	Multitranche Financing Facility	Department/ Division:	South Asia Department/ Urban Development and Water Division

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

While India's incidence of poverty has declined considerably compared to the last century, close to one-third of the population earn incomes below poverty line.<sup>1</sup> Government of India's (GOI) Twelfth Year Plan (TYP, 2013-17) fully supports inclusive planning, infrastructure improvement and poverty reduction. The Asian Development Bank's (ADB) country partnership strategy (CPS, 2013-2017) and assistance program are designed to support GOI's efforts to address these reforms. The proposed multitranche financing facility (MFF), State-Level Support for National Flagship Urban Programs, is fully aligned with GOI's TYP and ADB's CPS by improving basic urban infrastructure and service delivery. The MFF will improve urban water supply, sewerage services, solid waste management, stormwater drainage in select cities with significant economic growth and poverty reduction potential. The MFF will also strengthen urban governance and institutions, management, and support for improved urban service delivery. The MFF will select states with high urbanization (more than 25% urban population) and with urban population more than 13 million. States to be considered for investment support include: Gujarat, Maharashtra, Tamil Nadu, and West Bengal, ADB has engagement in some of these states,<sup>2</sup> while in others ADB has to initiate the process.<sup>3</sup>

#### B. Poverty Targeting

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

The MFF will directly benefit the people residing in the selected project cities. It will be designed to improve basic service delivery for all segments of the population and will specially benefit urban poor/vulnerable groups. Many large cities have slum populations of around 11% of their population. Under the project preparatory technical assistance (PPTA), socio-economic surveys will be conducted to collect city-level poverty data and other socioeconomic information, including the slums/urban poor settlements. The PPTA will further identify low-income communities for service delivery improvements. Through the surveys, the PPTA will determine needs and community willingness to participate in subproject planning and implementation process, and assess willingness to pay for services. The results of the surveys will be used to design pro-poor strategies as part of the project design. The surveys will assess access to basic urban services (water supply and sewerage, solid waste, drainage). The objective will be to provide poor households with individual water supply and sewerage connections. Based on the above, the PPTA will identify options of pro-poor designs, participatory governance and resultant subprojects addressing pro-poor and inclusive growth. Subsidizing water/sewerage tariffs, special slum improvement program etc. are some of the ways that could be thought of based on PPTA assessment.

#### C. Poverty and Social Analysis

**1. Key issues and potential beneficiaries.** Thirty-five percent of urban households in India live below the poverty line (BPL).<sup>4</sup> This amounts to 22 million households of the total 63 million households surveyed in 4,041 statutory cities and towns across the country. Within these, there are significant regional inequalities. Urban populations across the country lack basic services in terms of its complete coverage, equitable distribution, and quality and reliability of water supply and sewerage services. The general urban population that is mainly confined within the municipal boundaries will largely benefit from the project interventions. Beneficiaries of the MFF (including the poor) primarily need improved access to basic services and an enhanced living environment that will result in improved health, savings in their incomes, reduction in some of infrastructure related vulnerabilities, increased economic opportunities due to savings in time and reduced risks, etc.

**2. Impact channels and expected systemic changes.** The MFF will provide substantial improvement in the living standard of the residents of the project cities, especially the poor and households headed by women. These include provision of 24-hour water supply and expansion of sewerage network and property connection including to urban slums. Pro-poor water and sewerage connection policies to be explored including subsidized rates or installment payment methods. Consultation and participation with the main stakeholders, including the urban poor communities, will be designed to ensure inclusiveness in the MFF design.

<sup>1</sup> Notes on Poverty Estimates 2011-12, Planning Commission, Government of India (2011-2012).

<sup>2</sup> ADB has urban operations in West Bengal and not in Maharashtra, Tamil Nadu, and Gujarat.

<sup>3</sup> Once states and cities are confirmed, detailed poverty and social analysis will be conducted under the PPTA.

<sup>4</sup> Socio Economic and Caste Census (SECC), Planning Commission, 2015.

**3. Focus of (and resources allocated in) the PPTA or due diligence.** Affordability, social inclusiveness of the MFF beneficiaries and identifying potential opportunities and strategies in the MFF design that is pro poor and benefit women and children through major stakeholders' consultation and participation.

**4. Specific analysis for policy-based lending.** Not Applicable (NA).

## 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?** Women are key players at the household level as they fetch water. Inadequate toilet facilities forced to defecate openly, exposing women to indignity, increasing the risk of gender-based violence, and creating uneconomic, unhealthy, and unsafe living conditions. There is also limited participation of women in planning and decision making related to urban services.

**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 Please explain. The project will improve water service delivery and hygiene and urban sanitation practices therefore reducing burdens on women and freeing up time for productive pursuits. The project gender action plan (GAP) will focus on providing access of basic urban services to female heads of households (FHH), and promoting women's employment and participation in decision making at both the institutional and community levels supported under the program. Monitoring and evaluation systems will generate gender disaggregated data to enable tracking of gender impacts. Program activities will include robust community outreach programs targeting women as enablers of change.

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

Yes  No Please explain. The proposed MFF will improve the access, reliability and quality of basic services to all households in the project areas. There will be no adverse impacts arising from proposed MFF and the benefits to women will include improved hygiene, sanitation as well as personal dignity due to improved water supply and septage management.

**4. Indicate the intended gender mainstreaming category:**

GEN (gender equity)  EGM (effective gender mainstreaming)  
 SGE (some gender elements)  NGE (no gender elements)

## II. 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.** Main stakeholders include the MFF beneficiaries and affected persons, representatives of government agencies (local/district/state/central) and other private partners/entities responsible for project design, implementation, monitoring and evaluation (consultants, contractors, nongovernment organizations, etc.) and donors.

**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?** Stakeholder analysis will be done by the PPTA consultant to identify potential MFF beneficiaries, development partners and required roles and responsibility to ensure inclusion of the poor and excluded as the MFF beneficiaries in all selected cities.

**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-H  Collaboration-M  Partnership-M

**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 Please explain. High level of consultation with major stakeholders from both government and non-government agencies (CSO) as well as with the MFF beneficiaries (including the urban poor) will be mandatory to be conducted during the PPTA stage and to be continued during the MFF implementation. Project specific consultation and participation plan with clear tasks and responsibilities of the MFF stakeholders will be prepared by the PPTA to ensure social inclusiveness. The PPTA will have a dedicated consultant that focus on community consultation, awareness participation during project design and implementation.

## III. 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 Limited involuntary land acquisition and resettlement impacts are envisaged during the construction activities. However, widespread temporary livelihood impacts exist among titled shop owners and non-titled street vendors typical in Indian urban sector projects. There will also be a need for less frequent acquisition of land lost by titled owners. The PPTA will identify suitable government owned lands to the extent possible and Category A impacts will be avoided and or mitigated. The PPTA will assess and confirm each of

the potential sites to determine actual involuntary resettlement impacts.
<p><b>2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?</b></p> <p><input checked="" type="checkbox"/> Resettlement plan                      <input checked="" type="checkbox"/> Resettlement framework                      <input type="checkbox"/> Social impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement                      <input type="checkbox"/> None</p>
<p><b>B. Indigenous Peoples Category</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. <b>Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>2. <b>Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain, and provide information on the potential benefits and/or expected impacts, as well as the actions/measures to be conducted during PPTA or due diligence to address the concerns of indigenous peoples. Indicative proposed infrastructures under the MFF are mostly within the core urban areas under the government lands. The PPTA will assess and confirm the actual IP impacts.</p> <p>3. <b>Will the project require broad community support of affected indigenous communities?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>Please explain.</b> Impacts on indigenous peoples are not anticipated.</p> <p>4. <b>What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?</b></p> <p><input type="checkbox"/> Indigenous peoples plan    <input type="checkbox"/> Indigenous peoples planning framework – not applicable    <input type="checkbox"/> Social Impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement                      <input checked="" type="checkbox"/> None</p>
<b>IV. OTHER SOCIAL ISSUES AND RISKS</b>
<p>1. <b>What other social issues and risks should be considered in the project design?</b></p> <p><input checked="" type="checkbox"/> Creating decent jobs and employment - M <input checked="" type="checkbox"/> Adhering to core labor standards - H <input checked="" type="checkbox"/> Labor retrenchment</p> <p><input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS - H <input type="checkbox"/> Increase in human trafficking <input checked="" type="checkbox"/> Affordability- H</p> <p><input type="checkbox"/> Increase in unplanned migration    <input type="checkbox"/> Increase in vulnerability to natural disasters    <input type="checkbox"/> Creating political instability</p> <p><input type="checkbox"/> Creating internal social conflicts    <input type="checkbox"/> Others, please specify _____</p> <p>2. <b>How are these additional social issues and risks going to be addressed in the project design?</b> The MFF will include dissemination of information on HIV/AIDS and sexually transmitted diseases (STD) for non-local labor and communities in and around the construction sites. Safeguards and contract documents will stipulate the requirement to adhere to core labor standards. Specific program will be designed to ensure affordable water/sewerage tariffs for the slums and urban poor communities. Labor retrenchment issues from possible institutional reforms to be explicitly addressed and carefully considered in program design.</p>
<b>VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT</b>
<p>1. <b>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?</b></p> <p><input checked="" type="checkbox"/> Yes                      <input type="checkbox"/> No</p>
<p>2. <b>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?</b> Consultants, survey budget and public/stakeholders consultation workshops.</p>