

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Innovative Municipal Financing Facility for India
Lending/Financing Modality:	SDP Loan	Department/Division:	SARD/SAPF

I. POVERTY IMPACT AND SOCIAL DIMENSIONS
<p>A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy</p> <p>Due to poor economic base and capacity at the municipal level, many urban local bodies (ULBs) cannot leverage the market for financing important urban infrastructure to provide good urban services. Along with the development of key urban infrastructure, the Twelfth-Year Plan stresses the importance of strengthening ULBs, quality of governance, and service delivery systems for sustainable urban development. The Plan would concentrate on development of infrastructure such as water supply, sewerage and solid waste management in order to meet the service level benchmarks. ADB's country partnership strategy for 2013–2017 is fully aligned with the government's policy and committed to helping in the development of urban infrastructure to provide quality urban services to all.</p>
<p>B. Targeting Classification</p> <p><input checked="" type="checkbox"/> General Intervention <input type="checkbox"/> Individual or Household (TI-H) <input type="checkbox"/> Geographic (TI-G) <input type="checkbox"/> Non-Income MDGs (TI-M1, M2, etc.)</p>
<p>C. Poverty and Social Analysis</p> <ol style="list-style-type: none"> 1. Key issues and potential beneficiaries. Access to good public utilities at all levels has become cumbersome, time-consuming, and expensive for the public. Inability to access services is an important component of the processes that create, maintain, and deepen poverty, especially human poverty. For example: lack of access of good quality water leads to an increased number of cases and deaths due to acute diarrhea diseases. Similarly, lack of fiscal space forces ULBs to cut spending on urban infrastructure. This, in turn, has a profound impact on human poverty and income poverty indirectly by affecting the quality of human capital, especially for those who cannot afford private provision of some public services. 2. Impact channels and expected systemic changes. The proposed project will help design and build better urban infrastructure to improve service delivery. The project's focus on developing capacity at the ULB level including improved financial management will help ULBs to sustain these initiatives. 3. Focus of (and resources allocated in) the project preparatory technical assistance (PPTA) or due diligence. The proposed project will make all necessary efforts to maximize the impact of the project on issues/challenges/constraints related to poverty and gender. 4. Specific analysis for policy-based lending. The proposed project will also have a component to facilitate changes in policies and current practices to improve ULBs' capacity and financial maneuverability over a period of 2–3 years. This is extremely critical for two reasons: (i) accessing market for finances; and (ii) maintain infrastructures that will be developed under the project. Without such initiatives, the project's impact on poverty is short-lived.
II. GENDER AND DEVELOPMENT
<ol style="list-style-type: none"> 1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? The proposed project will provide important public services (e.g., drinking water, sanitation, healthcare) in an effective and affordable manner. 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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please explain. The absence of a mechanism for effective delivery urban services, and proper targeting of government expenditure are manifested in many important ways which are relevant for women. Women suffer most if urban services such as drinking water and sanitation are not available adequately. Women have to walk a long distance to collect drinking water and spend long time to find a safe place to go. Only a quarter of the total population in India has drinking water in their premise. Women, who have to collect drinking water, are vulnerable to a number of unsafe practices. Only 13% of adult males collect water. Moreover, this will have bigger impact on the women-headed households because it will affect income earning capacity. 3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain 4. Indicate the intended gender mainstreaming category: <input type="checkbox"/> GEN (gender equity theme) <input type="checkbox"/> EGM (effective gender mainstreaming) <input checked="" type="checkbox"/> SGE (some gender elements) <input type="checkbox"/> 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 are the Department of Economic Affairs, the Ministry of Urban Development, and the Department of Expenditure at the central government level; officials from the state governments; nongovernmental organizations (NGOs); academicians; and users of public services. There will be continuous consultations with the government officials. Participatory public consultations and targeted group discussions will be carried out.
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 will be continuous consultations with various stakeholders. There could be needs for direct consultation with users to ensure affordability of urban services.
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? There will be focused consultation with the selected NGOs and users' association (to be identified later) on some issues relevant for the project (see above).
 Information generation and sharing Consultation Collaboration Partnership
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 (see 3 above).

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
In developing infrastructure, the potential impacts on communities being displaced will have to be evaluated and the resettlement will have to be done in accordance with ADB and national norms.
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
While there is a possibility, the impact, if any, is not known yet. However, these impacts will need to be evaluated and the resettlement will have to be done in accordance with ADB and national norms.
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 Adhering to core labor standards 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? The subprojects supported under the proposed project will comply with national labor laws and/or internationally recognized core labor standards.

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
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? TBD