

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Karnataka State Highways Improvement III Project
Lending/Financing Modality:	Project loan	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 29.8% in 2009-2010 with urban poverty declining by 4.8 percentage points from 25.7% to 20.9% during the above period. 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 Twelfth Five Year Plan (12th FYP). 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.

Asian Development Bank's (ADB) country partnership strategy (CPS) for India, 2013-2017, is anchored to the Government of India's 12th Five Year Plan and ADB's Strategy 2020. The CPS is designed to assist India achieve the 12th FYP goal of 'faster, more inclusive, and sustainable growth'. The inadequacy of India's infrastructure is constraining the country's growth. ADB's support to India in infrastructure development focuses on improving the "core network" to foster more rapid growth, attract private investment, improve connectivity, and increase productivity, competitiveness, and access to services. Since 2003, ADB has focused on the relatively poorer and weak capacity states ("lagging states") to support the Government's efforts to promote inclusive development in the country.

B. Targeting Classification

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

The Project will improve and rehabilitate state highways and major district roads, which inter-state movement and district connectivity of Karnataka. The Project will improve connectivity, facilitate access to services, and accelerate economic growth in the state by way of (1) improved road transport operations along with more efficient road maintenance, and (2) eliminate selected road bottlenecks. Improved roads will foster development and help the poor to integrate into the structure of the local economy, and benefit from non-farm employment, diversified agriculture production, and industrial/ 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 influenced areas.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

While Karnataka has recorded the high growth rates in terms of gross domestic product, (GDP) and per capita GDP in the last decade, poverty in Karnataka continues to be the highest among the Southern States, at about 19% of its population (2009-2010). For the same period, Karnataka's urban poverty stood at about 23.5% or 5.09 million, which is above India's average. A recent assessment of the Finance Ministry has rated Karnataka as a "less developed state." While efforts have yielded results (decreasing poverty both in percentage and absolute numbers from 32.6% or 6.38 million, in 2004-2005), these need to be further intensified, particularly as the State is rapidly urbanizing, and connectivity becomes a key driver for distributing development. Human Development Index (HDI) of the state is 0.519 as against the 0.55 for the country.

2. Impact channels and expected systemic changes.

The proposed Project will improve state highways and district roads in the state and 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 non-urban population. Furthermore, by focusing on better road asset management, the Project will enable better service standards to be maintained.

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

The PPTA provides for a Social & Gender Expert and a Resettlement Expert with input of 6 person-months each. The experts will review existing social & community aspects of the Project, poverty data, employment, and literacy data, to determine employment benefits and potential social impacts. The experts 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 or program?

The 12th FYP of the government of India takes cognizance of the deprivation and vulnerability of women and children, and states that the government will endeavor to provide nurturing, protective and safe environment for women to facilitate their entry into public spaces. As per 2011 Census, Sex Ratio in Karnataka is 973, while the national average is 940. Government of Karnataka's Vision 2020 seeks to enhance opportunities and empower women across economic, social and political sphere. Correcting gender disparities in wages and employment remains a major challenge that the government wishes to address. Although Bangalore fares better, women's recorded labor force participation rates are low in India and Karnataka with 39% of rural women and 18% of urban women are in the labor force. The state has made explicit policy commitments to women and women's empowerment, including commitments to (i) 50% participation of women in local decision-making, (ii) increased home ownership by low-income women, and (iii) increasing women's access to public sector employment through 30% reservations for recruitment to all government jobs. During due diligence, sex disaggregated data will be collected for relevant indicators.

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 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 state of Karnataka, 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, Panchayats (rural local government), KPWD, 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. Adversely impacted stakeholders would primarily be those who lose land or livelihood. 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 the state of Karnataka, 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. The 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?

M Information generation and sharing **M** Consultation **C**ollaboration **P**artnership

The proposed Project will build on the consultation and community participation exercises undertaken during the PPTA, with the support from PPTA consultants NGOs, and CBOs. These include community participation for planning, design and implementation in highly dense and poor settlements. 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

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 NGOs will also be consulted. Consultations will also be undertaken with the affected households and communities during the course of 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 state highways and major district roads, 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 still will be R&R requirements and also temporary impacts during the construction phase. These will be assessed during the PPTA stage and addressed through the RPs.

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

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

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

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

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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

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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?

Under the PPTA, there is a provision for a Social & Gender Expert (6 person months) and Resettlement Expert (6 person-months), to address safeguards matters as well as to undertake poverty, social and gender analysis based on existing socioeconomic data and consultations. The project management consultant appointed through advance action will

include sufficient resources to ensure implementation of required plans and actions identified and developed under the PPTA.