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Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 12-Dec-2022 | Report No: PIDA34708



BASIC INFORMATION

A. Basic Project Data

Country India	Project ID P178418	Project Name Tripura Rural Economic Growth and Service Delivery Project	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 12-Dec-2022	Estimated Board Date 31-May-2023	Practice Area (Lead) Agriculture and Food
Financing Instrument Investment Project Financing	Borrower(s) India	Implementing Agency Department of Tribal Welfare, Government of Tripura	

Proposed Development Objective(s)

Enhanced connectivity and access to improved services and economic opportunities for tribal areas in Tripura

Components

- Strengthening Foundations for Economic Development
- Investing in Human Capital Development Services
- Strengthening Institutional Capacities for Service Delivery
- Contingent Emergency Response

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	175.00
Total Financing	175.00
of which IBRD/IDA	140.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	140.00
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Non-World Bank Group Financing

Counterpart Funding	35.00
Borrower/Recipient	35.00

Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)



B. Introduction and Context

Country Context

1. **India's economy will slow down, coming off a strong recovery in FY21/22 (April 2021-March 2022).** The spillovers from the Russia-Ukraine war and the global monetary policy tightening cycle are expected to weigh on India's economic outlook: elevated inflation on the back of higher prices of key commodities, heightened global uncertainty, and rising borrowing costs will affect domestic demand, while slowing global growth will dampen India's export growth. The growth in FY22/23 will slow to 6.9 percent from 8.7 percent in FY21/22.¹ Domestic demand is expected to remain on a moderate recovery path, despite external headwinds. The government's strong capex program will support investment, while private consumption will benefit from consumer spending in high- and middle-income groups. Net exports will continue to drag on growth. The rising merchandise trade deficit will push the current account deficit to 3.2 percent of GDP in FY22/23. Due to recovering demand and elevated food and oil prices, headline inflation is expected to stay above the Reserve Bank of India's (RBI) tolerance range but should gradually ease to 5 percent next year.² The government's gradual fiscal consolidation efforts will be bolstered by strong revenue performance. Goods and Services Tax (GST) collections continue to be strong, having crossed the INR 1 trillion mark every month since July 2021, reaching as high as INR 1.67 trillion in April 2022.

2. **Although India has made remarkable progress in reducing extreme poverty over the past two decades, the COVID-19 pandemic has slowed progress, and poses risks to welfare.** Prior to the pandemic, the share of the population living below US\$2.15 per person per day (2017 PPP) is estimated to have fallen from 22.5 in 2011 to 10 percent 2019.³ This was accompanied by a sharp decline in the incidence of multidimensional poverty, from 27.7 percent in 2005/06 to 16.4 percent in 2019/21.⁴ However, the pace of poverty reduction has slowed in recent years, with key welfare indicators being slow to improve.⁵ More than 40 percent of India's population lived below the lower-middle income poverty line even before the pandemic.⁶ Inequality in consumption has remained stable, with a Gini index of around 35 over the past two decades. Child malnutrition has remained high, with 35.5 percent of children under the age of 5 being stunted and 67 percent of children aged 6-59 months being anemic in 2019-21.⁷ Despite a substantial social protection response from the Government of India (GoI), the COVID-19 pandemic has likely reversed recent welfare gains, exposed vulnerabilities in the labor market, and posed new risks to welfare. Urban unemployment has increased, with an increasing share of self-employed and casual wage workers, suggesting an incomplete and uneven recovery from the pandemic.⁸

3. **As India's third smallest state, Tripura has shown strong economic growth in the past decade.** Its Net State Domestic Product (NSDP) per capita in 2019-20 was estimated to be US\$8,789 in PPP, slightly below the Indian average of US\$9,966 but better than that of other states in the North Eastern Region (NER), including Assam, Meghalaya, and Manipur. The State has also been recording strong growth in its NSDP – an average of 16.3 percent

¹ World Bank real GDP forecasts for FY22/23 published in Macro Poverty Outlook, October 2022.

² Ibid.

³ World Bank Poverty and Inequality Platform. <https://pip.worldbank.org/country-profiles/IND>. In 2004, India's extreme poverty rate was 39.9 percent using the same international poverty line.

⁴ UNDP (United Nations Development Programme), OPHI (Oxford Poverty and Human Development Initiative). 2022. 2022 Global Multidimensional Poverty Index (MPI): Unpacking deprivation bundles to reduce multidimensional poverty. New York.

⁵ World Bank Poverty and Inequality Platform. <https://pip.worldbank.org/country-profiles/IND>.

⁶ US\$3.65 per capita per day (2017 PPP). World Bank Poverty and Inequality Platform. <https://pip.worldbank.org/country-profiles/IND>.

⁷ Government of India, Ministry of Health and Family Welfare, 2022. National Family Health Survey (NFHS - 5), 2019-21 report.

⁸ World Bank Macro Poverty Outlook. October 2022. Estimates from PLFS data.



between 2012–2013 to 2019–2020 (Table 1). Around 74 percent of the state’s 3.7 million people⁹ live in rural areas and depend on agriculture and allied activities. The agriculture sector contributes to 23 percent of the Gross State Domestic Product (GSDP). Services contribute to more than half of GSDP, but remain largely small, unorganized, and informal. The State has very low industrialization levels and unemployment rates are high (estimated to be 41 percent pre-pandemic).¹⁰ Tripura is known for its positive performance on the Sustainable Development Goals (SDGs), ranking as a front-runner on all SDGs except health, nutrition, hunger and climate action.¹¹ Tripura (as well as the broader NER) is geopolitically important for India’s strategic shift to the Act East Policy in deepening trade relations with Bangladesh and the Southeast Asian nations as well as for inclusive development. Recent transport infrastructure and regulatory initiatives are in fact unlocking opportunities for the NER.

Sectoral and Institutional Context

4. **Situated in the NER, Tripura is hilly and largely landlocked state surrounded in the north, west, and south by an international border with Bangladesh.** The state is connected to India by a single 22 km national highway which sees frequent disruptions due to rains and landslides. The state’s terrain is largely hilly and forested – more than 50 percent of Tripura’s total area is covered by forests, and 27 percent is cultivable. Tripura’s unique geography and terrain shape its development challenges. Natural trade routes, and communication infrastructure is limited both by international borders and the state’s forested and hilly terrain. Tripura is a largely agrarian state, and the highest population density is found in the state’s more fertile agricultural lands in the western plain and alluvial valley areas, where rice cultivation is prevalent. The remaining population is in sparsely populated and remote areas of the state, dependent on forest livelihoods, livestock rearing, or slash and burn (*jhum*) cultivation. Tripura is a mix of different tribal cultures and ethnic groups with around one third of the population belonging to Scheduled Tribes (ST).¹² Most of the tribal populations reside in remote and hilly areas of the state.

5. **Tripura’s remote and hilly areas exhibit concentrations of poverty and lower development outcomes.** Of Tripura’s 58 administrative blocks, poverty is concentrated in 23, with a further 12 exhibiting characteristics of extreme poverty. These blocks are primarily in hilly and forested terrains of the state, with remote settlements, and housing the largest share of the states tribal population (STs). Poverty among the ST households is higher than for other categories in the state; around 20.9 percent of ST households are estimated to be multidimensionally poor compared to 8.9 percent Scheduled Caste (SC) households, 7.2 percent Other Backward Classes (OBCs) and 9.1 percent general category households. In addition to markedly worse poverty and food insecurity, several studies have confirmed that, generally, tribal populations and areas are worse off in terms of infrastructure, basic service delivery, child nutrition and health, anemia, maternal health, and educational attainment. Data from the National Family Health Survey (2019–21) suggest that a significantly higher proportion of tribal children are anemic (38 percent compared to 27 percent of children belonging to other caste groups) and a significantly higher proportion of children in tribal districts like Dhalai are stunted (46 percent compared to an average of 32 percent for Tripura). The lower development outcomes can be understood in the context of the state’s geography, creating challenging contexts for service delivery, and shaping livelihoods and economic opportunities.

⁹ As per Census 2011

¹⁰ In April 2020, as per Centre for Monitoring Indian Economy (CMIE) estimates.

¹¹ North-Eastern Region District SDG Index and Dashboard: Baseline Report 2021–22.

¹² Scheduled Tribes (STs) comprise 30 percent of Tripura’s population but are concentrated in 23 blocks that also happen to be remote and are classified as Sixth Schedule Areas as per the Indian Constitution. The Sixth Schedule allows formation of Autonomous District Councils that can safeguard tribal rights in tribal dominated areas of the State. It applies to tribal dominated areas in the states of Assam, Tripura, Mizoram and Meghalaya.



6. **Several factors contribute to continued disparities between tribal and non-tribal blocks in the state, constraining economic potential.** The first is **connectivity**. Most of the tribal populations are concentrated in remote, sparsely populated, and hilly areas of the state. While Tripura has 23,792 km of roads it lacks all-weather connectivity to many habitations particularly in the tribal blocks. Limited road connectivity constrains market access, trade, and livelihoods, and presents challenges to accessing services, most notably education and health services. Investments in digitally enabled rural multipurpose transportation hubs in identified clusters can ease access to wholesale markets and processing facilities and improve rural school education. Similarly, better road maintenance can help climate proof investments in the road sector against events such as heat waves, increase in extreme rainfall, and runoff of roads. But to do all this, the planning capability of the road asset manager, the Tripura Public Works Department (PWD) and the transportation services regulator, the Tripura Department of Transportation (DoT), as well as the inter-institutional coordination between them – needs to be strengthened. The second challenge is that of **productivity** and generating agricultural surplus for markets. While most households in the 23 tribal blocks depend on agriculture and allied sectors, there are several notable differences compared to other areas of the state. The hilly landscape and small landholdings limit cultivation which results in low productivity and marketable surpluses¹³ (see Table 2). Tribal households are therefore more likely to engage in livestock, fisheries, rely on forest livelihoods, and, albeit the practice is declining, also exhibit a higher propensity for slash and burn (*jhum*) cultivation. Remoteness of the area constrains agriculture extension services, post-harvest facilities and market access, and limits the options and incomes of small producers. Synergies arising from road and agriculture investments would establish the foundation for economic growth in the state by unlocking opportunities for agriculture trade with domestic and export markets. Furthermore, improved roads and transportation in tribal blocks are also expected to strengthen resilience of food production, and address issues of anaemia and stunting among tribal children.

Table 2. Cultivation in Tribal and Non-Tribal Areas in Tripura in 2020-21

Parameter	Tribal	Non-Tribal	Total
Total Geographical Area (in Lakh Ha)	7.13	3.36	10.49
Total Cultivable land (Lakh Ha)	1.20	1.51	2.71
Net Cropped area (Lakh Ha)	1.12	1.43	2.55
Gross cropped Area (Lakh Ha)	1.96	2.91	4.87
Cropping intensity (%)	175%	204%	191%
Total Population (in Lakh Nos.)	13.55	27.51	41.06
Food grain requirement (In Lakh MT)	3.06	6.21	9.27
Total Production of Food grain (in Lakh MT)	2.69	5.99	8.68
Surplus (+)/Deficit (-) (in Lakh MT)	-0.37	-0.22	-0.59

Source: Department of Agriculture and Farmers Welfare, Government of Tripura

7. **Tripura’s economic potential is further undermined by high levels of school dropout rates in the tribal areas.** While Tripura’s overall literacy rates are high (close to 86 percent), and the state reports a 100 percent primary enrollment rate, nearly one in four students drop out before completing secondary schooling, and another 25-30 percent of students do not transition to senior secondary schooling.¹⁴. Tripura has the highest secondary school dropout rate for boys in the country. This is attributed, mostly, to poor economic opportunities, particularly in

¹³ Tripura enacted its Land Revenue and Land Reforms Act in 1960, which allocated land rights among the poor with priority for the Scheduled Tribes, but the average size of their landholding remains low. Small and marginal farmers constitute about 96 percent of the total farmers in the state against 78 percent in the country, with the average size of land holding being about 0.49 ha in 2015–16, against a national average of 1.08 ha.

¹⁴ Secondary school drop-out seems to be a persisting issue for students in tribal areas, as revealed by NITI Aayog’s Aspirational Districts change ranking where Dhalai (a largely tribal district in Tripura) continues to rank poorly (68 out of 111 districts) when compared to others on Key Performance Indicators (KPIs) like secondary school transition and learning outcomes.



agriculture, which force boys to drop out and start working to support their families. It is also due in part to poor learning outcomes at the foundational levels. Students from tribal communities tend to struggle with foundational education as the teaching-learning interactions tend to take place in Bengali instead of their mother tongue (Kokborok). This impacts their ability to develop the required basic language proficiency and reading comprehension skills required during the transition to a Bengali-English medium of instruction in Grade 6. Those who do finish school cannot find jobs because they do not have the skills for trades that have a demand. With several tribal youth wanting to move away from subsistence forest-based or agricultural activities, there is a clear opportunity for market-oriented, school-based vocational education. The dropout rates are also higher in tribal blocks because of physical access and distance issues; lack of sufficient seats in government-managed schools that offer free education; challenges in recruitment and placement of subject specialist, qualified teachers; absence of good quality nodal educational institutions (such as the State Council of Education Research and Training (SCERT) and District Institutes of Education and Training) that can provide in-service professional development support for teachers; and absence of learning assessment data and/or teacher subject knowledge assessment data to inform initiatives in the area of teacher training and remedial education support for students.¹⁵ Furthermore, climate change is seen as affecting children's outreach to schools. Rising temperatures, floods, and other extreme weather events damage education infrastructure and pose a threat to human capital development via deficiency impacts on learning outcomes (inhibiting cognitive skills development, as well as labor capacity) and by impacting health through a higher disease burden.

8. **Gender inequities in livelihoods and education constrain economic potential.** Female-work participation rates (37.5 percent) among the Tripura tribals in 2001 were the second lowest (after Assam) in the NER and were also lower than the all-India average of 44.8 percent for tribal women in 2001.¹⁶ This situation persisted until 2011-12, the last round for which labor force data is available for tribal women in Tripura. This is despite Tripura making advancements in increasing its overall female labor force participation rate (LFPR) between 2001 and 2011-12. Ray (2014)¹⁷ suggests that this may be because tribal women, while productive are engaged in supporting household enterprises: gathering fuel, tending to livestock or poultry, or producing handicrafts that their families then sell. As they are not paid for their work, they do not enter the ranks of workers. On the other hand, among the tribal women who work, there has been a sharp rise in the proportion of casual laborers working on plantations or on Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), the Government of India's (GoI's) public works program. Very few tribal women take up self-employment. Among the constraints they face are lack of skills, poor scale (on account of limited aggregation and value addition), lack of finance, and access to remunerative markets which are further hampered by absence of all-weather connectivity in the remote tribal blocks. Within the education sector, dropout rates for boys are consistently higher than that of girls at all levels of schooling. This is due, in part, to a disconnect between schooling and available jobs to which youth, especially young boys, aspire. Girls are also impacted by constraints in mobility and access to schools.

9. **Tripura's vulnerability to climate change and extreme weather events threatens to further erode development gains, and to exacerbate poverty in the state.** The state faces a high risk of cyclones, intense precipitation, flooding, and resultant landslides. With the overall rising temperatures, dry spells and forest fires have become common. Annual rainfall too is estimated to have increased in the range of 5 percent to 15 percent in

¹⁵ Interviews with tribal students and their parents in the field during project preparation did not indicate the presence of any classroom discrimination (against boys or tribal children in general) that may have prevented them from accessing schooling, particularly secondary and above.

¹⁶ Government of Tripura (2007): Tripura Human Development Report. Agartala: Government of Tripura

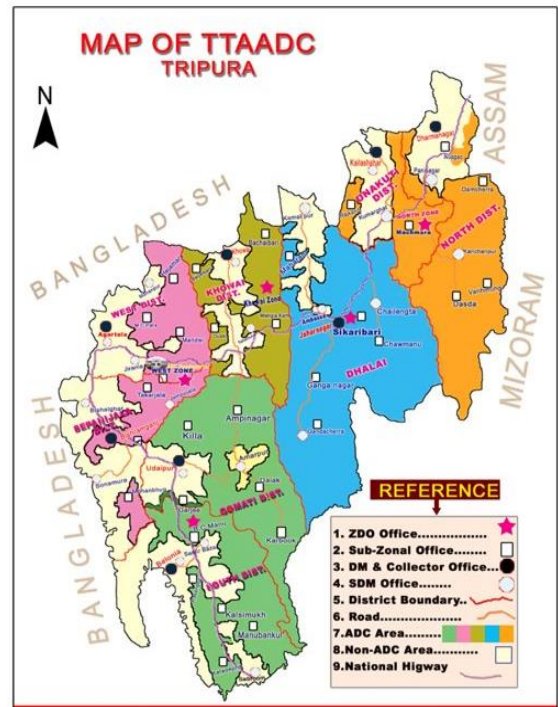
¹⁷ Ray, A.K., (2014), 'Empowerment of Rural Women through Livelihood Opportunities in Incense (agarbatti) Sector in Tripura, India', *European Academic Research*, Vol.2, Issue. 2.



majority of the districts. Climate stressors impact rural systems and services, which in this Project include road and education infrastructure and agriculture-related services and activities. Climate change has the potential to damage road infrastructure through higher temperatures and more severe storms and flooding by affecting the reliability and capacity of these systems. This may affect mobility of rural communities of Tripura, particularly in the education and agriculture sectors. Furthermore, this could result in production losses in agriculture, pisciculture, and livestock, localized school closures, reduced cognitive learning abilities and lower labor productivity particularly for the indigenous communities. Tripura’s State Climate Change Action Plan emphasizes that the state’s vulnerability to climate change is intimately related to its geographical location and indigenous populations and calls for an integration of mitigation and adaptation agendas across sectors for inclusive growth and sustainable development.

10. **Tripura’s institutional arrangements reflect its unique history and local self-governance structures.** As of 2012, Tripura is divided into eight districts and 58 development blocks The STs live mostly in 23 of the 58 blocks which are administered by the Tripura Tribal Areas Autonomous District Council (TTAADC) and locally elected Village Committees. Of the remaining blocks, 6 are under traditional *Panchayati Raj* Institutions (PRIs), and 29 blocks, considered mixed, have both PRIs and Village Committees. The TTAADC administers the tribal areas of the State and is present in nearly 70 percent of the blocks in Tripura, including mixed ones (see all colored areas in the map). It is responsible for planning and implementing schemes and programs in line with the local needs and tribal customs and selecting beneficiaries.

11. **Institutional bottlenecks impede economic growth and service delivery in the tribal blocks.** While the TTAADC is completely autonomous, it receives funds from the state government as share in taxes, local panchayat funds, and share in department funds flowing to TTAADC areas as part of the tribal sub-plan. But there are several institutional challenges that impede the quality of spending. *First*, the TTAADC is not directly responsible for delivering the programs; only working with relevant departments to ensure tribal needs are kept in mind. This presents a unique institutional arrangement, where the TTAADC runs in parallel to the state delivery agencies.¹⁸ *Second*, while the TTAADC elected representatives are mandated with integrating tribal needs in planning, their own capacity to fully engage with citizens for effective planning and utilization of budgetary allocations is weak. *Finally*, while there are some systems for grievance redress such as a newly launched Chief Minister Helpline, investments in databases for accurate beneficiary identification and selection/targeting systems for result-based monitoring and those that ensure public accountability, can go a long way in integrating tribals in Tripura’s development narrative and vision.



¹⁸ For example, TTAADC runs *anganwadis* and primary schools in tribal areas, and lays the foundation for tribal children joining secondary schools run by the state education department. Coordination and convergence between the TTAADC structures and the State education department is therefore critical to deliver education services more effectively. But there is limited coordination on how to address challenges like the transition from Kokborok (indigenous language for tribal children used as a medium of instruction in TTAADC schools) to Bengali or Hindi. Similarly, agriculture or public works department (PWD) officers mandated with constructing and maintaining roads and who are seconded to TTAADC, find themselves having dual lines of reporting which affects their performance.



12. **Remoteness of the tribal blocks challenge delivery of productive and social services.** For example, the Fisheries and Animal Husbandry Departments, the Agriculture Technology and Management Agency (ATMA) and the Krishi Vigyan Kendra (KVK), the primary extension agencies have limited reach to the tribal blocks and lack the capacity to mainstream new technologies among farmers and improve productivity. Data and field visits point to the lack of agri extension, post-harvest facilities, and market access as being more acute problems in tribal blocks as compared to the non-tribal blocks. Generating bigger marketable surpluses from tribal producers will require strengthening of the production base in agri-horticulture, fishery, and livestock sectors. In the education sector, management of human resources and teachers in remote areas, particularly those trained and certified to teach multilevel and multilingual foundational learning curricula remains a challenge. Finally, the capability of the road asset manager, the Tripura Public Works Department (PWD) and the transportation services regulator, the Tripura Department of Transportation (DoT), and the inter-institutional coordination between them is weak. As a result, the quality of roads to the tribal blocks are poor, and limited connectivity further exacerbates challenges of remoteness, market access and economic potential.

13. **Tripura has developed a notable institutional fabric of community-led institutions, but these operate with little support.** The GoI is implementing the Deen Dayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM) in the State for creating strong community institutions led by women, with an emphasis on financial inclusion as a foundational strategy for poverty reduction and livelihoods enhancement. Tripura has approximately 38000 women Self Help Groups (SHGs) that cover women in 400,000 rural households indicating an outreach of 50-60 percent of all rural households in the State. However, only about one in two SHGs are linked to banks and draw an average credit in the range of Rs 100,000-150,000 (approximately Rs. 9,000-12,000 per SHG member). This is grossly inadequate for meaningful investments for unlocking opportunities for transformative livelihoods activities. Similarly, although Banks in Tripura have issued around 290,000 Kisan Credit Cards (KCC) and have an outstanding loan of Rs. 7.2 billion against them, a high non-performing asset rate of 15-20 percent suggests low incremental growth. To fill this gap, Tripura’s Rural Livelihood Mission (TRLM) under NRLM has been providing a Community Investment Fund (CIF) to SHGs and is in the process of establishing cluster (sub-block) level federations (CLFs) for providing additional financing and allied services to SHG-focused women producers through a network of CLFs and Village Organization (VOs). However, data indicate lower-than-average level of community mobilization and bank linkages in tribal blocks.¹⁹ Similarly, Tripura has in place school management committees (SMCs) with tribal parents as members – but these operate with little support. Additional capacity building to CLFs and SMCs can help them participate more effectively in making village level livelihood and school plans, respectively, and monitor development interventions.

14. **Tripura has set itself ambitious targets in its Vision 2047.** This document envisions targets to attain when Tripura completes 75 years of statehood, and includes eliminating malnutrition, increasing farmers’ real income fivefold and ensuring zero dropout rates. It will not be able to achieve these without addressing the complex challenges that lead to poorer development outcomes in its tribal blocks. The targeting of the tribal blocks as ‘aspirational’ blocks is in line with the GoI’s plan of identifying areas that need more emphasis both in planning and delivery. However, it is also strategic as many of the ambitious goals set out by the GoT in its Vision 2047 may be difficult to accomplish unless it achieves improvements in incomes and development outcomes in its most challenging areas

15. **The Government of Tripura has requested the World Bank for a multi-sector investment to target the tribal**

¹⁹ The 23 tribal blocks in Tripura show 40 percent coverage for SHGs and account for one-fourth of all SHGs in the state (about 10,500). Of these SHGs, only about 12-15 percent (1545) are linked to banks against a statewide average of 40-50 percent. Likewise, out of 37 CLFs formed by the TRLM, only about 5 have been established till date in 3 tribal blocks of Tripura.



blocks for convergence in investments for inclusive growth and human capital development. The state has designated this project to specifically focus its interventions in the most underdeveloped tribal blocks to systematically address the underlying constraints to development in an integrated manner. State government departments have been mandated to spend at least 8 percent of their funds, including those received under Central flagship programs, for these 12 blocks.²⁰ While the proposed Project will focus all its core interventions in the 12 aspirational tribal blocks, in some cases (especially for the agriculture interventions and those targeted at institutional strengthening), the project will cover all 23 tribal blocks to ensure that the State is able to fully leverage the project investments for all its tribal areas.

Relevance to Higher Level Objectives

16. **The project is consistent with the World Bank Group Country Partnership Framework (CPF FY18-22²¹) across all its three pillars.** The project components will help: (i) *support resource efficient growth* through use of innovative, climate resilient agriculture, crop diversification, water and natural resources management, and use of locally sourced materials in turn reducing the carbon footprint (CPF Pillar 1); (ii) *enhance competitiveness and enable job creation* by emphasizing economic integration (which in turn will be achieved by improving transport logistics and market linkages which can serve agriculture and create opportunities for skill development and self-employment) (CPF Pillar 2); and (iii) *invest in human capital and improvements in service delivery* by improving road connectivity and quality of education/teaching practices in schools (CPF Pillar 3).

17. **The Project utilizes the ‘Hows’ of the India CPF** specific to ‘Strengthening Public Institutions’ through its emphasis on building capacity of several agencies (transport, education, agriculture and allied, and tribal welfare) and elected tribal institutions in Tripura. It will support a ‘Lighthouse India’ by showcasing multisectoral interventions that can help other states in the NER (and elsewhere) facing similar tribal challenges. The Project is also in line with the CPF’s strategy of ‘Engaging with Federal India’ as it will serve to demonstrate how a multi-sectoral approach can be undertaken in a special category state such as Tripura, in view of its hilly and difficult terrain, high tribal share in the State’s population and economic backwardness.

18. **The Project is consistent with the World Bank’s new Global Crises Response Framework (GCRF) and responds to all its four pillars.** Its interventions in agriculture will support agriculture production and producers in the State and strengthen food security (Pillar 1 of the GCF framework). The Project will compensate learning losses by providing improved school infrastructure, learning environments, and enhancing job readiness for secondary grade students; it will also address gender inequality by improving livelihood opportunities for women’s SHGs and improving vocational education for boys (Pillar 2). The Project’s investments in climate resilient agriculture, crop diversification and use of locally sourced materials for roads construction will help strengthen resilience (Pillar 3). And its investments in institutional strengthening and capacity building will help strengthen Tripura’s policies and institutions for building back better (Pillar 4).

19. **The Project design aligns with GoT’s Vision Statement for 2047 and GoI’s policies.** The latter comprise the Doubling Farmers’ Income Policy; the National Education Policy (NEP); a Strategy for New India@75 and Act East Policy which emphasizes transport connectivity for NER and its mainstreaming to tap the potential for economic growth, trade relations and regional connectivity. The Project also has special relevance to India’s post-COVID economic recovery package (titled *Atma Nirbhar Bharat: Self-Reliant India*) to address the economic slowdown

²⁰ GoT identified 12 aspirational blocks in Tripura -- Chawmanu, Mungiakami, Korbuk, Ampu, Shilachari, Rupaichari, Tulasikhar, Dasda, Damchara, Raisyabari, Dambur Nagar and Ganga Nagar. Most of them are located in South Tripura, North Tripura and Dhalai districts. Out of the 8 blocks in Dhalai District, 4 (Ganga Nager, Dambur Nager, Raisyabari and Chawmanu) overlap with NITI Aayog’s list of aspirational blocks.

²¹ CPF: FY18-22; Report No. 126667-IN, July 25, 2018 discussed at the Board on September 20, 2018.



caused by COVID and refocus on future growth.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

Enhanced connectivity and access to improved services and economic opportunities for tribal areas

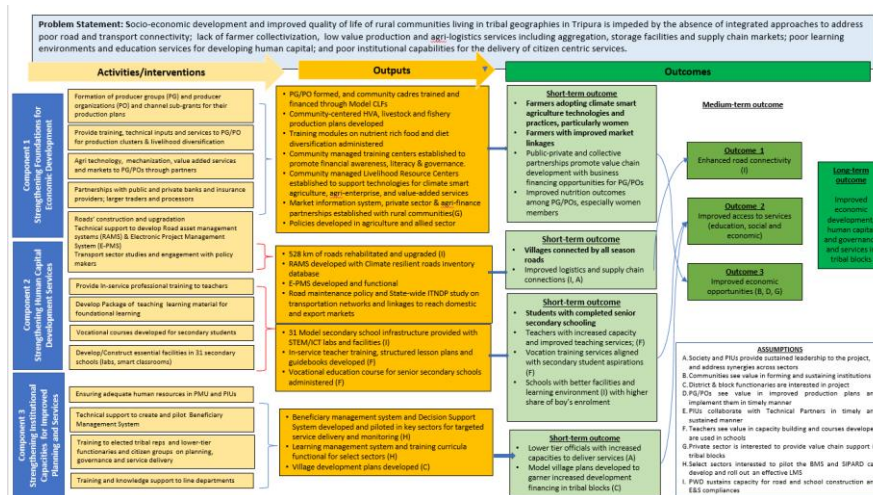
PDO Level Indicators

- Farmers reached with climate resilient technologies and practices, disaggregated by gender and SC/ST (Number)
- Farmers with improved market linkages, disaggregated by gender and SC/ST (Number)
- Villages connected by all season roads (Number)
- Students completing senior secondary schooling (Percentage)
- Direct beneficiaries, disaggregated by gender and SC/ST (Number)

Key Results

20. **The PDO will be achieved through the Theory of Change, illustrated in Figure 2.** The *activities* in the three thematic areas of (a) economic development, (b) human capital development services, and (c) institutional capacity development for service delivery are expected to produce outputs resulting in mutually reinforcing intermediate outcomes. For example, improved road infrastructure will help connect tribal school-age children to schools and tribal farmers to collection points and agriculture markets. Similarly, more market-relevant materials/vocational training financed under the education component will help improve market orientation, technology enablement, increase productivity, and/or enhance focus on higher-value crops/produce. This will open new opportunities for income generation and learning in the tribal areas. In the medium term, the Project is expected to result in reduced travel times, higher retention in secondary education, enhanced economic opportunities and improved institutional capabilities in the tribal blocks. In the long term, these investments are expected to improve human capital, income, governance, and service delivery in the most impoverished areas of the State. In addition, at mid-term and project closing the impact of the agricultural and road connectivity interventions on farmgate prices will be evaluated.

Figure 2: TRESP’s Theory of Change





D. Project Description

The total project costs are estimated to be US\$175 million, of which US\$140 million is proposed for World Bank financing.

Project Beneficiaries

21. The project is expected to directly benefit at least 142,000 households in 23 blocks through a set of integrated and targeted interventions that address core and binding constraints to development in these areas. Within this, estimated 75,000 households in select 250 villages will benefit from direct investments in livelihoods, improved access to finance and extension services, mechanization equipment, productivity enhancement, post-harvest facilities, a marketing and digitization support services, while another 100,000 households will benefit indirectly through livelihood incubation support. An estimated 67,700 children will benefit directly through school infrastructure improvements, and 427,000 students will benefit from improved student-teacher interactions because of capacity building of teachers through relevant teacher learning materials. Improvement in road infrastructure will benefit inhabitants in 148 villages that will be connected by all season roads. The total number of direct project beneficiary households is estimated at minimum 142,000.

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	Yes
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

The Environmental and Social (E&S) risk of TRESP is rated as “Substantial”.

22. The Project supports civil works for rehabilitation/upgradation of 528 kilometers of 150 existing rural roads, upgradation in 31 senior secondary schools and post-harvest infrastructure for aggregation, storage and value addition. The environmental risk has been rated Substantial primarily due to i) geographic locations, where many roads pass through low altitude hills, rubber plantations and forests where few roads may need tree felling and other permissions from the forest department, and; ii) weak capacity of implementing agencies in managing E&S risks. The proposed rural roads are of small chainages on existing alignments and the civil works for school buildings will be executed within perimeters of existing schools. Therefore, impacts on land, forests, waterbodies, biodiversity as well as health and safety of workers and communities are expected to be localized and small scale. Potential risks from agriculture and allied activities are expected to be local and predictable with low footprint. These risks could arise from improper and overuse of agrochemicals and pesticides and lead to air, soil and water degradation. The Social risk is Substantial. Even though Land Acquisition is not expected under TRESP, civil works in about 20 percent of the rural roads will potentially involve voluntary donation of small land parcels. The Project might also require



shifting of temporary roadside structures and vendors²², which may entail risks of inadequacies in meaningful consultations, broad community support, social and cultural compatibility of project interventions and exclusion²³ in project planning and benefits. Based on stakeholder consultations and GBV risk assessment tools for education and major civil works, the SEA/SH risks are assessed Moderate. These risks are driven mainly by mix gender labor force, construction in schools and remote locations, and gender imbalance among school teachers/staff.

23. The E&S risks and impacts will be managed through an Environmental and Social Management Framework (ESMF), including the Resettlement Policy Framework (RPF), Stakeholder Engagement Plan, Labor Management Procedures (LMP), and Environment and Social Commitment Plan (ESCP). Sub-project specific ESMPs will be prepared using the generic ESMPs in the ESMF. The ESCP includes commitment of borrowers on ESMF, ESMPs as well as other ESS specific mitigation plans. Activities falling in critical/natural habitats, environmentally sensitive zones, Ramsar sites are excluded from project financing. The exclusion / negative list will also include any subprojects involving physical displacement of tribal households, adverse impacts on customary tribal lands, natural resources and cultural properties, and opposition of tribal leaders as well as community institutions.

24. The Project will be implemented by the Society for TRESP (The Borrower). The Borrower and Implementing Agencies' institutional capacities for implementation of activities as per World Bank's Environmental and Social Standards is lacking as they have not implemented any World Bank supported project in the past. The PWD has considerable experience in construction and maintenance of rural roads under the central government's *Pradhan Mantri Gram Sadak Yojana* (Rural Roads) scheme. The Borrower and Implementing Agencies do not have dedicated environmental and social staff with the required skills and experience in implementing E&S mitigation procedures. Key measures to strengthen institutional capacity are recruitment of qualified E&S specialists in PMU and selected PIUs, and training and implementation support on ESMF/ESMP implementation by Bank's ES Team. The Borrower has carried out field visits and stakeholder consultations in different tribal blocks to disseminate project information and solicit stakeholder feedback. Stakeholder consultations have highlighted strong community demand for good quality roads connecting remote villages with public services and markets, poor condition of school buildings and teaching and learning facilities, lack of knowledge on improved agriculture production practices and access to remunerative commodity markets, stronger community desire to monitor construction and participate in village planning. This feedback has been incorporated in project planning, community engagement, village, and beneficiary selection processes, as well as in ESMF, RPF, SEP and LMP.

25. **Gender.** The Project will leverage the platform provided by NRLM in Tripura to increase the share of tribal women taking up self-employment. Women SHG members, community leaders and rural producers are the primary stakeholder and significant beneficiaries of the project. The key gender strategies mainstreamed in the Project comprise: mobilization of women SHG members and producers in PGs/POs membership and leadership, and as CRPs; building their capacity for production and post-harvest operations; ensuring women's participation in production and agribusiness planning; providing agribusiness financing to women producers; and training them on financial products, services, and agri-markets. The Project will also support interventions to build women's awareness and capacity to improve their food and nutrition practices and security. In addition, the investments in

22 Schedule VI areas of Tripura are administered by the TTADC, which enjoys special legal, financial and executive powers, and is responsible for planning and implementing schemes/ programs in line with the tribal rights, customs and local needs.

23 Such as particularly vulnerable tribal groups (PVTGs), shifting cultivators (Jhumias), landless, wage labor dependent households, minority households and antayodaya households



feeder roads are expected to aid women's mobility. The results framework and the MIS will track and report on gender disaggregated beneficiary indicators across project components. Process monitoring and thematic studies will cover the impact on, and constraints faced by women beneficiaries in rural value chains.

26. As discussed earlier, dropout rates for boys are consistently higher than that of girls at all levels of schooling. In fact, Tripura has the highest secondary school dropout rate for boys in the country. This is attributed to poor economic opportunities, particularly in agriculture, which force boys to drop out and start working to support their families. To address this, the Project will support the provision of school-based vocational education in senior secondary (two trades per school) and secondary schools (one trade per school). It will plan for skill development in trades that adolescent boys aspire for and for which there is demand, which in turn will be ascertained through the State's Skill Development Mission and students' aptitude and aspirations (obtained through provision of school-based career counseling support). Thirty-one senior secondary schools in the aspirational tribal blocks will be strengthened with vocational education laboratories, besides other essential facilities. The improvement in road connectivity in these blocks and a reduction in commute time will help boys and girls enrolled in spoke schools (secondary and elementary) associated with these 31 hub schools to better leverage the vocational education facilities. The project will track boys' share in enrolment at senior secondary level (percentage) as a specific intermediate results indicator to assess the impact of vocational skill provision at senior secondary level.

27. **Citizen engagement.** The Project will prioritize citizen's engagement via capacity enhancement, outreach, and participation of the primary beneficiaries in the process of village planning. Under component 3, community representatives including members of women's SHGs, and SMCs will receive training, on how to engage with the village development planning process and ensure that it builds on their needs. In the past few years, Tripura has also put in place several initiatives to reach its citizens and strengthen citizen engagement and grievance redress processes. For example, in 2020, the GoT passed the Tripura Guaranteed Services to Citizens Act (TGCSA) with an aim of improving accountability of service delivery. TGCSA assures citizens of time-bound service delivery and of a formal appellate process which can penalize responsible government officials in case of non-compliance. Currently, 18 departments provide 77 TGCSA services ranging from approvals, licenses, birth and death certificates, scholarships etc. through a network of nearly 1600 Citizen Service Centers (CSCs) in the State. These are internet enabled kiosks, managed by village entrepreneurs, which citizens can approach to issue documents required for key services, for a minor fee. Similarly, Tripura launched a Chief Minister's (CM's) Helpline in 2021, that could be used as one-stop call center for registering grievances for any service. The Project will support and strengthen both these initiatives by (i) investing in a multi-modal, multi-lingual, mobile based citizen service application that would enable citizens to apply for key services in real-time and provide feedback; and (ii) strengthening the CM's Helpline by reinforcing service-level agreements (SLAs)/protocols for delivery of each service so automated alerts can be sent to departments found delaying on resolution.

28. **Maximizing Finance for Development (MFD).** The Project will facilitate partnerships with the private sector for improved delivery of services, provision of inputs, technical support, and higher value market outlets. For example, partnerships with private input suppliers will enable agronomic support, demonstrations of improved practices and advisories on improved post-harvest practices to producers. Further, buyer-seller meets for producer groups will help establish direct links with traders in larger, higher value markets. The Project will build infrastructure (e.g., packhouses, roads) and support the logistics and supply chain connections to support producer groups and their federations to provide the seasonal volumes and quality levels demanded by the larger traders and processors.



Specifically in the livestock sector, the Project will promote specialization in value chains and enterprise development and facilitate long term agreements with feed providers from outside the state to improve availability of animal feed in the state. Finally, the Project will fill an important gap in the tribal blocks of linking community institutions with formal financial institutions and digital payment service providers for agriculture-related financial services.

Institutional and Implementation Arrangements

29. Project Implementation Structure. The lead Executing Agency of the Project will be the Tribal Welfare Department, through an autonomous registered Society, designated with the project oversight and coordination on behalf of the Government. The Executing Agency will (a) oversee and coordinate the implementation of activities under the project to ensure coordination and cooperation between different departments; (b) prepare, consolidate, and submit to the Bank the Project Reports, interim unaudited financial reports and other reports as may be required by the Bank; and (c) ensure coordination among PIUs and across levels of government.

30. Project Management and Implementation Oversight. The Project will be implemented by multiple line departments/agencies (PIUs) i.e. Departments of Education (DoE), Public Works Department (PWD), Department of Agriculture (integrated with Directorate of Horticulture), Animal Resources Development Department (ARRD), Department of Fisheries and Tripura Rural Livelihood Mission (TRLM) through a society created under the Tribal Welfare Department, Tripura named "TRESP Society" registered under the Societies Registration Act 1860. The PMU under the Project will be responsible for the overall implementation of the Project. The governance arrangements for the Project are assessed as robust and include a two layered management mechanism: (i) a Governing Body (GB) chaired by the Chief Secretary with participation of the Principal Secretaries of all participating line departments; and (ii) an Executive Committee (EC) chaired by the Secretaries-in-charge of TWD involving the participating line departments. The PMU will be headed by an IAS officer designated as the Chief Executive Officer & Project Director (CEO & PD) and the Principal Secretary/Secretary-in-Charge, Tribal Welfare, Govt. of Tripura, shall be the Chairman of the Executive Committee.

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