PROGRAM-FOR-RESULTS INFORMATION DOCUMENT (PID)
APPRAISAL STAGE

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Program Name	Swachh Bharat Mission Support Operation
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Country	India
Sector	Sanitation (85%), Water Supply (10%), Public administration- Water, sanitation and flood protection (5%)
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Implementing Agency	Ministry of Drinking Water and Sanitation
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I. Country Context

1. India has been one of the fastest growing economies during the last decade. Between 2004 and 2011[1], GDP expanded at a rate of 8.3 percent per year while poverty declined by an average 2.5 percentage points per year, a pace significantly faster than earlier periods. Poverty reduction was supported by higher economic growth and greater responsiveness of poverty to growth, including through the expansion of social programs. Increases in non-farm wage employment, especially in construction, greater rural-urban integration, and higher rural wage growth were amongst the key drivers. In the more recent period since 2012, a slowdown in rural real wage growth and volatility in construction activity may however have had a sobering effect on the pace of poverty reduction. The more acceleration of growth to 7.3 percent in 2015, if sustained, may lead to further gains for the poor. Maintaining the growth momentum, and increasing the responsiveness of poverty reduction to growth, are India's key challenges going forward.

2. India's 12th Five Year Plan (2012-17) calls for major investments in infrastructure, including water and sanitation, as one of the pathways to increased growth and poverty reduction. Lack of adequate water supply and sanitation facilities impact the health and economic well-being of millions of Indians, especially those living in rural areas. World Health Organization (WHO) reports/estimates that one in every ten deaths in India is linked to poor sanitation and hygiene. Diarrhea, a preventable disease, is the largest killer accounting for every twentieth death. Nearly 210,000 deaths of children under-5 years of age were linked to diarrhea

[1] This period included the global financial crisis in 2008.

alone in 2010, accounting for 13 percent of all under-5 mortality[2]. The recently completed Rapid Survey on Children[3] estimates nearly 44 million children under five years (about 32 percent of all children under 5 years) to be affected by stunting. According to the 2011 Census of India, close to 70 percent of India's 1.2 billion people live in rural areas, and contribute to about 40 percent of the country's Gross Domestic Product (GDP). It is estimated that the total economic impacts of inadequate sanitation in India is about US$ 53.8 billion a year, equivalent of 6.4 percent of India's GDP in 2006[4] or an annual loss of US$ 48 per person. Moreover, open defecation has had a sharp gender impact, affecting the dignity and safety of women and girls. Therefore, improving access and use of sanitation services is a development priority for India.

II. Sectoral and Institutional Context

3. India has performed well in extending coverage for rural water supply, but rural sanitation has lagged behind. According to 2015 estimates by the WHO and UNICEF's Joint Monitoring Program (JMP), only 28.5 percent of rural households in India have access to improved sanitation (compared to about 93 percent for water). India's large population and the sanitation deficit, also means that it shoulders most of the global sanitation challenge. Of the 2.4 billion people lacking access to improved sanitation globally, about 776 million live in India, with 80 percent of them in rural India. Nearly 60 percent of the global population practicing open defecation (946 million) reside in India.

4. Rural sanitation is a state[5] subject in India, but central government provides the bulk of the investments in this sub-sector. The Government of India (GoI) started to provide investments in the sector started during the Seventh Five-Year Plan period (1985-90) under the national flagship Central Rural Sanitation Program (CRSP). Investments increased significantly thereafter from the Ninth Plan (1997-2002) onwards. Over the 1999-2013 period, GoI and states are reported to have expended INR 150 billion[6] (US$ 2.5 billion) on rural sanitation, of which state governments contributed about 20 to 25 percent, and were responsible for implementation of sanitation programs.

5. The Ministry of Drinking Water and Sanitation (MDWS) is the nodal national ministry responsible for overall policy, planning, funding and coordination of programs for rural drinking water and sanitation in the country. The extent of administrative units and population characteristics supported by the Ministry for the rural sanitation program are provided in Table 1.

Table 1: Demographic and Administrative Data for India

No. of States and Union Territories	No. of Districts[1]	No. of GPs[2]	No. Villages[1]	Rural Population[3]	Rural Population without sanitation (%)[2]
29 States 7 Union Territories	674	250,264	607,511	833,463,630	61%

Sources: 1) National Rural Drinking Water Program IMIS, 2) SBM-G Baseline Survey 2012, 3) Census of India 2011

6. Institutional arrangements for sanitation service delivery vary across states. The national flagship rural sanitation programs have focused on districts as units for planning and

[2] CHERG - WHO, 2013
[3] RSOC, 2013-14
[4] WSP (2007). The economic impacts of inadequate sanitation in India. WSP/World Bank, Delhi.
[5] Note: Here and throughout the entire document 'state' refers to all 29 states (including Delhi) and the 7 union territories (UTs).
[6] MDWS, 2014

implementation under the guidance of state governments. The 73rd Constitutional Amendment Act (1993) provided for the devolution of both water and sanitation services to the three-tier Panchayat Raj Institutions[7] (elected rural local governments - PRIs) by conferring them constitutional status, and mandating the transfer of 29 subjects to the PRIs, including water supply and sanitation. GoI continues to push this decentralization agenda through its rural water and sanitation program guidelines. While GoI assisted states in achieving near universal access to minimum levels of drinking water supply, the focus has now shifted to supporting states to achieve higher levels of service (e.g. piped water), improved access to and use of sanitation facilities, ending open defecation and achieving overall cleanliness, including solid and liquid waste management.

7. Despite decades of investments and national government support, achievements have fallen short of the goal of a clean and open defecation free (ODF) India. The first national program for sanitation, CRSP, which ran from 1986 to 1999 interpreted sanitation as construction of household toilets, and focused on promoting a single technology for household sanitation (double pit, pour-flush toilets) with the provision of household subsidies for construction. Household access to toilets increased[8] from 10 percent to 20 percent during that period. In 1999, the GoI launched the Total Sanitation Campaign (TSC) and introduced the concept of a "demand-driven, community-led approach to total sanitation", but this too was led by a strong drive to build toilets in a supply driven manner. To accelerate progress, the GoI introduced the Nirmal Gram Puraskar (NGP – Clean Village Award), which incentivized the achievement of total sanitation at the Gram Panchayat (GP) level. During the implementation of the TSC (1999-2012), household access to toilet increased from 20 percent to 32 percent, but actual usage remained low; a large number of the toilets became defunct and incidence of open defecation remained significant. In 2013, the TSC was rebranded as Nirmal Bharat Abhiyan (NBA) with the objective to accelerate coverage through a 'saturation' approach; with increase in financial incentives to households through convergence with the national program guaranteeing right to employment (MGNREGS). Despite all these efforts, household access to toilets at present (2015) is estimated to be about 40 percent (only 32 percent are considered functional[9]).

8. The challenges faced by previous national sanitation programs for effective implementation and where effective, to sustain momentum, were considered by GoI in the formulation of the Swachh Bharat Mission–Gramin (SBM-G) – the program to be supported in this Operation and launched by the Prime Minister of India on October 2nd 2014 (see Section II: Operation Description for description of the National SBM-G program). Under pervious initiatives, effectiveness was predicated upon generating demand for toilets leading to their construction and sustained use by household members. This was to be bolstered with adequate implementation capacities in terms of trained personnel, financial incentives and systems and procedures for planning and monitoring. However, in many districts constructing toilets became the focus of the programs rather than the overall package of demand-responsive construction, behavior change and usage. The incentivization of ODF achievement by GPs through the NGP could not ensure sustained ODF outcomes. Thus, although more than 20,000 GPs achieved ODF

[7] The three-tier PRIs comprise Zilla Parishads (district councils), Panchayat Samitis (block councils) and Gram Panchayats (village councils). All these levels of rural local governments have an elected body and an administrative wing.
[8] Coverage estimates mentioned in this paragraph pertain to nearest inter-decadal Census reports.
[9] Government of India, Ministry of Drinking Water and Sanitation (MDWS), Baseline Survey, 2013

over the 2005-2014 period, studies indicate significant (more than 90 percent according to a Water and Sanitation Program (WSP) sample survey) slip-back (reversion) of ODF achievement. Thus, the difference between access to toilets and the usage of toilets reflect the need for significant effort towards instilling behavior change and positive sanitation outcomes.

9. The design of the SBM-G program learns from these previous attempts and represents a fundamental change in approach by the GoI recognizing the importance of coupling investment in constructing toilets with facilitation of the "softer" support to ensure the usage of toilets, in order to achieve ODF outcomes.

10. Noting the uneven performance across states and districts historically, the SBM-G signals flexibility for states in deciding implementation arrangements, and seeks to ensure the availability of adequate number of people to implement the program at the frontlines (districts, blocks and Gram Panchayats) and the expenditure of funds at this level, through the prescriptions provided within the SBM-G guidelines. Furthermore, taking cognizance of linkages between water supply and toilet usage, the financial incentives for toilets has been enhanced to provide a water storage facility at the toilet; helping to ensure sufficient water for flushing and handwashing. While a change in guidelines is not in itself a greater assurance of achievement and sustenance of results, it does provide an opportunity for MDWS and states to make a comprehensive effort that builds on earlier experiences.

11. The design of the proposed Operation is based on global and regional lessons learned, and supports the GoI's program, by incentivizing performance of states and their implementing agencies, for achievement of the SBM-G primary goal of reducing open defecation and sustaining behavior change of communities. The Operation provides technical assistance for intensive behavior change activities and strengthening the capacities of the implementing agencies to roll out the program in a time bound manner and measure collective outcomes. Furthermore, for the first time, an incentive scheme is introduced that not only supports financial assistance to states for infrastructure investments, but also supports institutional processes and measures the outcomes of those investments.

III. Operation Scope

12. The Operation is designed to accelerate and sustain behavior change in rural households and villages – stopping open defecation, using safe technologies and adopting hygienic behaviors – directly benefitting more than 60 percent of India's rural population (more than 550 million persons). The proposed Operation will support the entire national SBM-G program over a five year period (2016-2020), coinciding with the time-frame of the national program.

13. The scope of the Bank supported Operation consists of two categories of activities: (a) performance incentives for sanitation improvement in rural areas (PforR) that includes all activities of SBM-G such as in-depth behavior change interventions, access and usage of toilets, construction and maintenance of community toilets, sustaining open defecation free status in villages, improved solid and liquid waste management. The second category of activities include program management support at the national level for strengthening institutional capacities on program management, advocacy and communications, and implementing a credible and robust

monitoring and evaluation system to measure results of SBM-G (IPF).

Government Program [SBM-G]

14. This new program attempts a significant re-casting of the previous NBA program to address some of the core implementation challenges previously highlighted in Section I.B. Unlike past programs, SBM-G is backed by strong political leadership at the highest level; it is time-bound with a stronger results-orientation, targeting the monitoring of both outputs (access to sanitation) and outcomes (usage). Emphasis has been placed on strengthening institutional delivery mechanisms down to the GP level. There is also a stronger focus on behavior change interventions, and states have been accorded greater flexibility to adopt their own delivery mechanisms.

15. The vision for SBM-G is to "improve the levels of cleanliness in rural areas through Solid and Liquid Waste Management (SLWM) and make Gram Panchayats Open Defecation Free (ODF), clean and sanitized by 2019". The national program also has a provision for incentivizing better performing states that achieve the SBM-G goals, however this window of funding has not been operationalized. Only the AIP based funding is being provided to the states by MDWS. With the support of the Bank's Program (PforR) of the incentive window will be operationalized.

Bank Finance Program [PforR]

16. The proposed Bank Operation supports SBM-G by channeling US$1.475 billion through the incentive grant window of SBM-G in support of SBM-G's objective of recognizing and rewarding the performance of states on achieving key sanitation outcomes (i.e. reducing open defecation, sustaining ODF and improving SLWM). Program funds will be disbursed to MDWS on achievement of Disbursement Linked Indicators (DLIs) and MDWS will release grant funds to states, based on their performance.

17. Independent verification assessments, to be carried out by a third party, and a strong M&E system, are the core foundations of the Program. These two components shall provide the basis for measurement of the states' performance on selected indicators, both the DLIs and those in the results framework.

Performance based Incentive Grant

18. There are four DLIs specific to the Program: (a) reduction in the prevalence of open defecation; (b) sustaining ODF status in villages; (c) increase in the rural population with improved SLWM; and (d) operationalization of Performance Incentive Grant Scheme by MDWS. There will be two distinct but related financing flows: (a) the Bank will disburse finances to the MDWS on states aggregated achievement of DLIs; and, (b) the MDWS will release grant funds to states, based on the state specific performance.

19. The principles of disbursement of funds from the Bank to MDWS include: (a) recognizing and measuring the performance of states in terms of substantially reducing OD, sustaining ODF status at the village level, and improving solid and liquid waste management; (b) allocating resources across DLIs, so as to respond to the differential challenges faced by states –

which range from those with low coverage and use, to those that have high coverage and usage; and (c) rewarding performing states linked to their annual achievements in reducing OD, sustaining ODF and SLWM.

20. *Annual Disbursements Across Years*. For an incentive grant to work successfully, it is imperative that good performers are rewarded with substantial resources. In year 1, a set of agreed actions by MDWS shall trigger disbursement; whereas in Years 2 to 5, a per-capita incentive amount will be released to MDWS, based on aggregated performance of States' on DLI 1, 2 and 3. At mid-term, the allocations across the DLIs will be reviewed.

21. *MDWS release of Performance Incentive Grants to States*. The releases of incentive grants from MDWS to the States, will mirror the Program's disbursements to the MDWS, and shall be based on the following principles:

- The MDWS will notify the Performance Incentive Grant Scheme, and issue this to states as supplement to the SBM-G Guidelines.
- States will be rewarded for their performance across DLIs (DLI 1,2&3);
- In order to signal performance to the right level of institutions, states will pass on a substantial portion (more than 95 percent) of the Incentive Grant Funds received from the MDWS, to the appropriate implementing levels of districts, Blocks, GPs etc.
- The end-use of the incentive grants will be limited to activities permitted under the SBM-G, as detailed in the SBM-G program guidelines. In addition, replacing defunct toilets will be permitted.
- All the states showing performance on DLIs shall be rewarded based on their year on year performance, reported by the IVA survey. This is expected to pass on a substantial sum of resources to very good performers.
- The incentive reward to states would be normalized based on the relevant rural population calculated on a per capita amount.

IV. Program Development Objective(s)

22. The development objective for the Operation (hereinafter referred to as the "Program Development Objective" or "PDO") is *to reduce open defecation in rural areas, and strengthen MDWS capacity to manage the national SBM-G program.*

V. Environmental and Social Systems Assessment

23. An Environmental and Social Systems Assessment (ESSA) of the SBM-G program was undertaken by the Bank as per the requirements of Bank policy 'Program-for-Results financing' review the capacity of existing national government systems to plan and implement effective measures for environmental and social impact management of the program, and determine if any measures would be required to strengthen them. The key findings of this assessment are based on surveys and consultations carried out in the five states with high incidence of open defecation in rural areas and high density of population were selected based on analysis of information/data

available from MDWS[10]. The study found that the national and state systems though adequate to implement the program, need to be strengthened to address environmental and social management issues.

Environmental Systems:

24. The national and state governments have well-developed environment legislations, though the implementation setup to address environmental challenges of SBM-G Program need to be strengthened.

25. *Environmental Benefits and Risks*. The risk screening suggests that the overall environmental impact of the program is likely to be positive, owing to benefits such as improved access to sanitation. GoI guidelines have been promoting IHHL designs for different onsite conditions as well as SLWM. SBM-G program now focuses on usage also. Well planned and managed sanitation interventions can lead to several positive impacts like: (a) improvement in village sanitation levels and environment, (b) reduced contamination of water sources, (c) improvement in personal hygiene and overall health of the communities covered under the program. However, environmental risks and vulnerability in the past have resulted due to various reasons including non-adherence of guidelines during planning and implementation, improper post-construction management of toilets and black water management, and inadequate planning and technology selection. Risks that can possibly emerge due to improper planning, execution and management are: (a) contamination of groundwater supplies due to poorly designed/managed sanitation facilities, (b) incomplete technical and O&M knowledge and guidance to PRIs and GP/village level implementing institutions about the domestic, institutional sanitation facilities and SLWM systems may pose general environmental and health problems, (c) potential impacts on natural construction resources, and natural and cultural heritage sites located nearby, (d) potential occupational and public safety risks for sanitation workers in the GPs. Therefore, capacities need to be built, systems strengthened and streamlined, and required regulations followed. Nonetheless it is still expected that the overall outcome of the program will have a positive bearing on the environment, and that the proposed activities are unlikely to have any significant adverse impacts on protected or environmentally sensitive areas or culturally and archaeologically significant sites.

26. *Environmental Risk Management.* The Program Action Plan shall focus on strengthening capacity for environmental management including guidelines, procedures and monitoring framework. Moreover, SLWM is an integral part of the program as a result area and will ensure focused implementation of solid waste and liquid waste management solutions. The IPF component resources will be used to address the same.

27. The proposed Action Plan under the Operation shall strengthen the existing guidelines with sustainable technological options for onsite sanitation and SLWM, thereby reducing the risk of contamination of water resources and improving the current sanitation conditions in rural areas. Any water extracted from the water sources for construction activities and for maintenance of infrastructure constructed under the Operation is not envisaged to be significant to adversely

[10] In four out of five states (of Chhattisgarh, Rajasthan, West Bengal, Orissa and Madhya Pradesh) incidence of OD in rural areas were to the tune of ~80%. In West Bengal, the figure for the same was ~51%. Also, four states (Except Rajasthan) were low income.

affect any riparian's possible water use. Therefore, considering the program's focus on reduction in open defecation and overall rural village sanitation, it is the Team's assessment that the activities under the proposed Operation shall (a) not adversely change the quality and quantity of water flows to the other riparian, and (b) not be adversely affected by other riparian's possible water use.

Social Systems:

28. The assessment was to review the social policies and legal framework and capacity of government institution and systems to deliver quality services to achieve the social development outcomes. Findings indicates that Government has enabling policies and laws to achieve the outcomes. However, translating them into practice remains a challenge.

29. *Social Benefits and Risks*. Initial findings of the ESSA suggest that the overall social impacts of the Program is likely positive. The nature of the Program is such that the associated social risks are moderate; which include:

- *Capacity:* Adequate staff and limited perspective on social aspects of SBM is a key challenge to ensure its implementation.
- *Social inclusion, participation, transparency and accountability:* In principle, the SBM has macro-level mandate with a community saturation approach. However, baseline data shows that despite the past sanitation programs of the government, vulnerable BPL and APL households still lack access to toilet facilities at an alarming rate. Therefore, bridging the gap in practice, sound systems of social accountability and monitoring needs to be developed.
- *Land management*: SBM is not a land intensive program and currently no land related disputes were observed as the focus in on IHHL for which families use their existing land or Panchayat diverts its land for the landless. However, for community complexes and village level SLWM, land required will be provided by GPs and needs to be documented.
- *Decentralized Planning*: The GP level overall plans of sanitation are to be made through an inclusive participatory process, whereby local planning needs to be further strengthened.
- *Monitoring*: Current practice covers physical and financial progress, the monthly Progress Report had provisions for tracking SC/ST/BPL beneficiaries. While SBM-G has provisions for ODF verification, social audits, overall progress (physical and financial) etc., can be further strengthened.
- *Grievance redressal:* The existing grievance management system is mostly inaccessible. The system needs to be strengthened to make it more responsive and approachable.
- *Operation and maintenance:* At IHHL traditional cultural practices are reinforced and increases the work load of women. Sanitary complexes, continues to be seen as job to be done by specific communities. While SBM-G clearly lays out that O&M responsibilities (particularly pertaining to community toilets) are collective responsibility of the community, there is a need for community sensitization and monitoring of maintenance to ensure that caste or gender based discrimination are not

promoted.

30. *Social Risk Management.* The key Program Action Plan is to strengthen systems to enhance inclusion, participation, transparency and monitoring. The IPF component resources will be used to address the same.

VI. Financing

31. The estimated cost of the national program is US$22 billion over five years. The GoI has already made a budgetary allocation of US$690 million (Rs. 4,150 Cr.) for FY 2015-16. It is expected that GoI budgetary allocations will increase year to year, depending on expenditure performance by states. The Bank's contribution to the National program will be US$1.5 billion over five years; which represents about seven percent of the total estimated program expenditure. All funding will flow through a distinct SBM-G budget line item. Details are in Table 2 below.

Table 2: Cost and Financing

Sources	**Amount**	**Percent of Total**
GoI funding to states under SBM-G	US$15.4 billion	70.0 %
States matching contribution under SBM-G	US$5.1 billion	23.2%
World Bank *Performance Incentive Grant (PforR): US$1.475 billion* *Program Management Support Project (IPF): US$25 million*	US$1.5 billion	6.8%
Total	**US$22 billion**	**100%**

VII. Institutional and Implementation Arrangements

32. The operation will follow the SBM-G implementation arrangement. SBM-G has a five-tier implementation mechanism at the national-state-district-block-village level. At the national level, MDWS is the nodal agency for supporting the Program in the states, including reaching agreement and supporting the states' AIPs, and coordinating with other national agencies.

33. At the national level, the operation will strengthen the Program Management Unit (PMU) at MDWS. A Program Management Consultant (PMC) with key experts will be hired to enhance program management support, advocacy and behavior change, communications, and monitoring and evaluation. An Independent Verification Agency (IVA) will be engaged to conduct the national annual rural sanitation survey. A Quality Assurance Agency (QAA) will also be engaged at the MDWS for overseeing the quality of the survey and the verification process.

34. As states have the primary responsibility for the program delivery, a State Swachh Bharat Mission is housed in the nodal department implementing the rural sanitation program in the state. The State Mission supervises the implementation of the program in the districts, facilitates convergence among other departments, ensures preparation of the AIP for each district, and consolidates these plans into the state AIP for agreement with the National SBM.

35. There is a District SBM-G unit in each implementing district. Districts are the implementation unit for planning, implementation and monitoring, deployment of social mobilization, rolling out of behavior change interventions, facilitating the marketing of products,

dissemination of agreed procurement arrangements, training and capacity building. Block Program Management Units and GPs or Village Water and Sanitation Committees are the implementing units at the sub-district levels. The new guidelines suggest the deployment of personnel at district and block levels for supporting implementation to address the capacity deficits that constrain the implementation capacity of institutions at different levels.

VIII. Contact points

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