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

Report No.: PID0017448

Program Name	Swachh Bharat Mission Support Program
Region	South Asia
Country	India
Sector	Rural Sanitation
Lending Instrument	Program for Results
Program ID	P153251
{If Add. Fin.} **Parent Program ID**	NA
Borrower(s)	Republic of India
Implementing Agency	Ministry of Drinking Water and Sanitation
Date PID Prepared	December 7, 2014
Estimated Date of Appraisal Completion	April 10, 2015
Estimated Date of Board Approval	June 26, 2105
Concept Review Decision	Following the review of the concept, the decision was taken to proceed with the preparation of the operation.
Other Decision *{Optional}*	

I. Introduction and Context

A. Country Context

1. India has been one of the fastest growing economies during the last decade, but its economy now shows signs of slowing down**.** Between 2004 and 2011[1], India's growth averaged 8.3 percent per year. Expanding social programs lowered the poverty rate by 1.5 percentage points per year in 2004–09, double the rate of the preceding decade. India's growth has, however, recently slipped to a low of 5.3 percent in 2013-14 due to a combination of domestic and external factors, including high inflation; high fiscal deficit and structural weaknesses (particularly supply bottlenecks in infrastructure, power and mining). This slowdown carries high social costs for millions of Indians, and threatens the gains made in poverty reduction over the past decade.

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. Furthermore, 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 were linked to diarrhea alone in

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

2010, within children under-5 years of age, accounting for 13 percent of all under-5 mortality[2]. The recently completed Rapid Survey on Children[3] estimates nearly 44 million children under 5 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. Open defecation has a sharp gender impact, affecting the dignity and safety of women and girls. Therefore, improving access to sanitation services is a development priority for India.

B. Sectoral and Institutional Context

2. India has performed well in extending coverage for rural water supply, but rural sanitation has lagged behind. As of 2011, only about 32 percent of rural households in India have access to improved sanitation (compared to about 90 percent for water). India's large population also means that it shoulders most of the global sanitation challenge. Of the 2.5 billion people lacking sanitation across the world, over 650 million live in India. As of 2010[5], nearly 60 percent (626 million) of the global population practicing open defecation lived in India.

3. Rural sanitation is a state subject in India, but central government provides the bulk of the investments in the sub-sector. The big investments from the Government of India (GoI) in the sector started during the Seventh Five-Year Plan period (1985-90). Investments increased significantly thereafter from the Ninth Plan (1997-2002). Over the 1999-2013 period, GoI and States are reported to have expended INR 150 billion[6] (USD 2.4 billion). State governments contribute about 20-25 percent of the total, and are responsible for implementation of sanitation programs. The Ministry of Drinking Water and Sanitation (MDWS) is the nodal ministry responsible for overall policy, planning, funding and coordination of programs for rural drinking water and sanitation in the country.

4. Institutional arrangements for sanitation service delivery vary across states but the national flagship rural sanitation programs have focused on districts as units for planning and implementation under the guidance of States. The 73rd constitutional amendment (1993) provided for the devolution of both water and sanitation services to the three-tier Panchayat Raj Institutions[7] (rural local governments - PRIs) by conferring a constitutional status of local self-governments to the PRIs and also mandating 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 drinking water, the focus has now shifted to supporting states to achieve higher levels of service, improved sanitation coverage, ending open defecation and achieving cleanliness status.

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[2] CHERG - WHO, 2013
[3] RSOC, 2013-14
[4] WSP (2007). The economic impacts of inadequate sanitation in India. WSP/World Bank, Delhi.
[5] WHO and UNICEF (2012): Progress on drinking Water and Sanitation. WHO/UNICEF, Joint Monitoring Report
[6] MDWS, 2014
[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.

5. The GoI has recently launched a new, ambitious campaign and program to accelerate efforts to achieve universal sanitation coverage, improve cleanliness and eliminate open defecation in India by 2019. The program called "Swachh Bharat Mission" (Clean India Mission) was launched on October 2, 2014 by the Honorable Prime Minister of India. The program is considered India's biggest ever drive to improve sanitation and cleanliness in the country. The program targets both rural and urban areas. For rural areas[8], the objectives are: (i) to make India Open Defecation Free (ODF) by October 2, 2019, by providing access to toilet facilities to all; (ii) to provide toilets, separately for boys and girls in all schools by August 15, 2015; and (iii) to provide toilets to all Anganwadis[9]; and (iv) villages to be kept clean with solid and liquid waste management.

6. Previous national rural sanitation programs have fallen short of achieving the goal of a clean and ODF India, despite decades of investments and central government support. The first national program for sanitation – the Central Rural Sanitation Program (CRSP) – which ran from 1986-1999 interpreted sanitation as construction of household toilets, and focused on promoting single technology household sanitation model (double pit, pour-flush toilets) and provision of household subsidies for construction. Toilet coverage increased from 10% to 20% 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 with an equally strong drive to build toilets in a supply driven manner. Alongside, GoI introduced the Nirmal Gram Puraskar (NGP – clean village awards), which incentivized the achievement of total sanitation at the Gram Panchayats (village) level. Again, toilet coverage is said to have increased from 20% to 32% during the period 1999-2012, but actual usage remained low; a large number of the toilets became defunct and open defecation continued. In 2013, the TSC was rebranded as Nirmal Bharat Abhiyan (NBA) with the objective to accelerate coverage through a 'saturation' approach. Despite all these efforts, toilet coverage today is estimated at around 40%, out of which only 32% is functional[10] .

7. The Government has committed doing things differently under the new program**.** The Swachh Bharat Mission-Gramin (SBM-G) represents a new thrust to rural sanitation issues in India. This new program represents a significant restructuring of the previous NBA to address some of the implementation challenges highlighted above. The new program has strong political leadership at the highest level; it is time-bound with a stronger results-orientation and improved monitoring of both outputs (toilets) and outcomes (usage). The emphasis is on strengthening implementation and delivery mechanisms down to the GP level; a stronger focus on behaviour change communication; and giving states the flexibility to design delivery mechanisms that take into account local cultures, practices, sensibilities and demands.

8. The World Bank's support to the program will focus on strengthening existing institutions and implementation mechanisms to deliver SBM's goals in selected states. Bank support to the program will target the lowest-income states, which also have the highest number of vulnerable people. Out of the nine low income states, the proposed operation will target five

[8] For rural areas, the mission is called Swachh Bharat Mission – Gramin (SBM-G)
[9] Anganwadis means "Childhood Care and Nutrition Centres"
[10] Government of India, Ministry of Drinking Water and Sanitation (MDWS), Baseline Survey, 2013

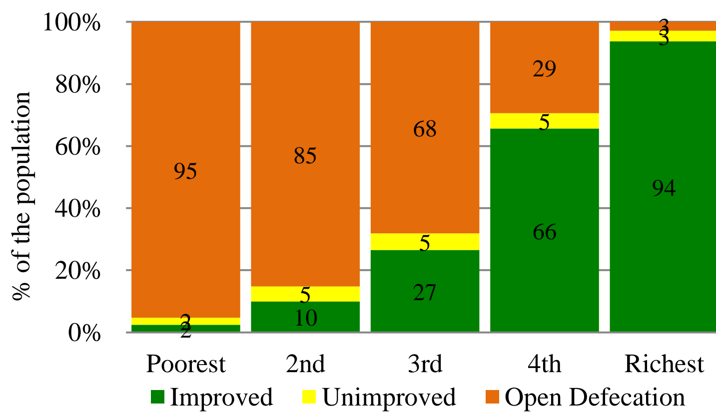
(5) low-income states of Chattisgarh, Madhya Pradesh, Odisha, Rajasthan and West Bengal in the first phase. Rural sanitation coverage in these states are below the national average and account for almost 30 percent of India's rural population that practices open defecation. The other four low income states, namely Assam, Bihar, Jharkhand and Uttar Pradesh are covered by the Rural Water and Sanitation Project in Low Income States, where the project will be restructured to enhance the sanitation component in the project states.

C. *Relationship to CPS and World Bank Group Twin Goals*

9. The proposed World Bank support to SBM-G is consistent with the current Country Partnership Strategy (CPS) for India (2013-2017). The CPS outlines Bank support to India under the three pillars of integration, transformation and inclusion – with a cross-cutting focus on improving governance, environmental sustainability and gender equality. In addition, the CPS is based on GoI's "Finance-Plus" approach whereby the value-added by the Bank goes beyond financing and contributes to the transfer of knowledge and international best practices, reform of processes and systems, strengthening of institutional capacity, and exploring innovative financing mechanisms. The proposed Program is fully aligned with all of these objectives.

10. The proposed operation is also aligned with the Bank's global twin goals of ending extreme poverty and boosting shared prosperity. While India has made significant progress in poverty reduction, it remains home to one-third of the global poor. Bank support to the program will target the lowest-income states, which also have the highest number of vulnerable people. Available access data also shows that sanitation coverage is lowest among the poor (Table 1). Although the benefits of improved sanitation accrue to all citizens (poor and non-poor), the poorest and vulnerable households are likely to benefit the most from improved health outcomes at the community level as a result of improved sanitation and hygiene. Finally, the proposed operation will also place critical importance on the issues of gender and social inclusion by targeting sanitation improvements in marginalized communities, and integrating gender-based planning, monitoring and reporting, as well as citizen engagement in the design and implementation of the program.

Figure 1: Rural Sanitation Coverage in India per Wealth Quintile (percentage)



Source: JMP 2013 Update

II. Program Development Objective(s)

A. Program Development Objective(s) (PDO)

11. The development objective for the Bank-supported portion of SBM-G program (hereinafter referred to as the "Program Development Objective or "PDO") is stated as follows*: to strengthen capacity of implementing agencies in planning, implementing and monitoring of the SBM-G program for reducing open defecation in rural areas in select states.*

B. Key Program Results

12. The proposed Program is expected to contribute to four key result areas to support achieving the SBM-G goals. These results areas have been identified based on a preliminary assessment of where the World Bank's results based support can leverage the Government's own SBM-G investments. The key results areas are:

- Result Area 1: Reduce open defecation at GP level
- Result Area 2: Achieve and sustain ODF[11] status at GP level
- Result Area 3: Strengthened institutional capacity for planning and implementation of SBM-G program
- Result Area 4: Improved monitoring and evaluation system for SBM-G program implementation.

13. The following preliminary list of outcome indicators has been identified to measure the achievement of the PDO. This list and indicator definitions will be further developed during preparation.

- Direct project beneficiaries (number), of which female (%);
- People provided with access to improved sanitation facilities (number);
- GPs in a district achieving open defecation free (ODF) status (number);
- GPs in a district that sustain ODF (number)
- Districts reporting periodically on the progress achieved (number)
- Districts following SBM-G Principles[12] in implementation of their approved sanitation plans (number).

14. A set of intermediate results indicators will be identified and defined during preparation to measure and track intermediate results or intervening steps towards the PDO, including indicators to track citizen engagement and actions on gender issues emerging from the social assessment. Two types of indicators will be carefully defined in consultation with MDWS and participating states: those that are linked to disbursements, referred to as '*disbursement-linked indicators'* (DLIs), and those that are not linked to disbursements, referred to as 'other

[11] ODF: No one goes out in the open in the GP/ village. All households have access to and use improved sanitation facilities, all schools have separate toilet units for boys and girls and toilets are clean and functional, anganwadis have sanitation facilities, community toilets are functional and water is available in sanitation facilities for cleaning and flushing. SBM-G guidelines will be followed.

[12] As defined by MDWS

intermediate results indicators.' The achievement of DLIs will trigger Bank disbursements to the Program. However, once disbursed, Bank funds would supplement State's own resources to implement all Program activities linked to the above results areas.

III. Program Description

15. The overall objective of SBM-G is to accelerate efforts to achieve universal sanitation coverage, enhance cleanliness and eliminate open defecation in rural areas. Both GoI and States have demonstrated commitment to these objectives, and are currently updating policies and guidelines for program implementation, allocating requisite financial resources and putting in place mechanisms to strengthen delivery. The time horizon for SBM-G is five years (2014-2019), with a total estimated resource commitment of US$22 billion for the entire national program**.**

16. The Bank's Program will support a slice of SBM-G and shall strengthen the implementation arrangements with improved monitoring systems following a programmatic approach. In the first phase, five states have been proposed that have the low sanitation coverage and account to about a third of India's open defecation problem. Participative approaches will be applied at all institutional tiers to ensure that interventions are appropriate and effective and create sufficient incentives to the implementing agencies for achieving the SBM-G goals. Support to demand stimulation for collective behavior change at the local level will be key. Construction of new sanitation facilities will not be a standalone intervention. A well designed and structured TA will support the program implementation.

17. The institutional and financing arrangements will follow the SBM-G guidelines of Government of India**.** Funds will flow from the center to the state governments and further to the districts and GPs following the state's implementation plan. Fund allocations will be as per the national and state plans and as outlined in the SBM-G guidelines. These funds will be used to finance SBM-G components. It will be the responsibility of the state governments to consolidate the district plans (which in turn would consolidate GP plans) and submits to the MDWS for annual allocations. On approval of state plans the state government would allocate funding to the appropriate tiers (district and GPs). The amount of funds allocated to different activities will be based on the anticipated funds required for meeting the DLI targets and results that are verified and completed. The exact implementation arrangements will be finalized during program implementation.

18. The boundary of the proposed Program will focus on four areas that are directly linked to the underlying weaknesses in SBM-G program implementation and delivery:

1. *Institutional strengthening for program management support including monitoring and communications at the national level:* This includes strengthening of policies, systems and procedures including for planning, monitoring and rolling out of the national level communications campaign will be supported. This will be coordinated with the ongoing Bank financed Low Income States (LIS) Rural Water Supply and Sanitation project in four states and Bank executed TA support

2. *Institutional capacity building for program implementation including behavior change*

communications in states: Strengthening implementation capacity of sector institutions at state, district, block and village level*s* in each of the five selected states will be a major thrust of the Program. This may include, but not be limited to (i) structured capacity building programs for functionaries that include both formal trainings, hand holding support to GPs and peer to peer learnings; (ii) capacity building on strategies for demand stimulation, social mobilization and triggering for collective behavior change; (iii) innovative tools and techniques for behavior change communications using traditional and non-traditional partners; (iv) knowledge and trainings on technological options for rural sanitation – both household and community sanitation, SLWM, operation and maintenance of services and facilities. Strengthening program *governance and accountability systems,* including support for strengthening citizen feedback, grievance redress mechanisms and social audits mechanisms will also be key.

3. *Independent performance assessment system and M&*E: Setting up of a robust and credible verification system for performance assessment to be undertaken by an independent agency will be essential. Performance assessment results will be disclosed annually. *Concurrent surveys* will be undertaken on a rolling basis in states. Improving the *current M&E systems* at the state, district, block and village level to capture timely, relevant and reliable information on program implementation progress and results and to facilitate regular evaluation of program effectiveness will be a key area of support.

4. *Incentives for sanitation service improvements as part of a performance grant mechanism* will be provided to states based on the number of districts and GPs that achieve and sustain ODF status. A set of indicators for measuring sustainability of ODF will be developed during Program preparation. The end use of the funds could be for sanitation service improvements, such as construction of improved community sanitation facilities, rehabilitation of defunct toilets, construction of solid and liquid waste collection and treatment systems in selected villages, construction of water supply facilities to provide for water availability, including for storing, hand-washing and cleaning of toilets. Operation and maintenance of sanitation facilities will be incorporated. The first part of the funding would be released based on an initial assessment of needs and after capacity building has been sufficiently rolled out. The second and third round of funding would be based on performance and would be released in the third and fourth year based on the sustenance of the results achieved in the preceding years. The availability of these performance grants is expected to become an attractive incentive among the states and further among districts and GPs to pursue the SBM-G goals.

19. *Principles of Bank Engagement.* There is a preliminary agreement between the Bank and the GoI on framework and principles for collaboration under SBM-G. First, the Bank supported portion will be fully aligned with SBM-G and will seek to strengthen its implementation and delivery. Second, Bank support will contribute to addressing the challenge of open defecation at a collective level in the rural areas, i.e. at Gram Panchayat level. Thirdly, the Program will adopt a state wide approach in each of the five (5) states with implementation support to districts and GPs/ villages using the GP as a unit of measuring 'collective' results. Finally, Bank disbursements will be made against achievement of a pre-agreed set of DLIs. The choice of

DLIs will be based on four factors: (i) signaling role of the indicator, that is, whether it signals a critical action/output along the results chain; (ii) perceived need to introduce a strong financial incentive to deliver the result; (iii) practical aspects of verifying achievement; and (iv) capacity of the participating states to achieve the DLI during the implementation period of the Program. Table 2 shows indicative DLI categories which will be explored in detail during preparation.

Table 2 – Indicative DLI categories under each Results Area

Result Area	Indicative DLI categories (to be refined)
Result Area 1 Reducing ODF status at GP level	• Number of GPs significantly reducing OD at district level • Number of households gained access to improved sanitation facilities
Result Area 2 Achieving and sustaining GP wide ODF status at district level	• Number of GPs maintaining ODF status at district level
Result Area 3 Strengthened institutional capacity for planning and implementation of SBM-G program	• Number of districts following SBM-G Principles[13] in implementation of their sanitation plans ; • BCC implemented and mobilizers in place • Annual Plans implemented and disclosed • Funds released on time
Result Area 4 Improved monitoring and evaluation system for SBM-G program	• Annual independent performance assessment system in place and implemented

20. *Estimated Program Costs and IDA Financing.* GoI's allocation to the national program is estimated at USD22 billion over the five year period. For the selected five states where Bank support will be concentrated, the total allocation is estimated to be around 30 percent of the national allocation over five years (i.e. USD 6.5 billion)[14]. The Bank will finance USD500 million, as IDA credit for the four categories outlined above. The bulk of this investment will be benefit the five selected states, covering a total of 160 districts, 50,000 plus GPs and an estimated population of 220 million.

21. *Leveraging other Bank–Executed Trust Funds and Initiatives.* Bank support to SBM-G will include a parallel and structured technical assistance package managed by the Water and Sanitation Program (WSP). The objectives, scope and funding for this parallel package will be worked out during preparation, taking into account that there is a significant demand from participating states and by the national government. Collaboration with the Leadership, Learning and Innovation (LLI) and beta. Bank units to explore options for supporting the Program has been initiated. In particular, WSP's contribution will be significantly enhanced to assist MDWS

[13] As defined by MDWS
[14] Exact funding envelop to be confirmed during preparation stage

and, state governments to develop their state sanitation strategies, regular rapid assessments, evaluations and studies of program implementation, and provide increased capacities by bringing in global best practices, innovations, learnings and demonstrating new approaches for scaling up. Documentation, knowledge sharing, study tours and exposure visits would also complement program implementation. WSP will also help facilitate a platform for cross-learning across different approaches from on-going Bank supported rural water supply and sanitation projects such as from the Low Income States Projects, Maharashtra, Rural Livelihood Projects and other similar Bank and non-Bank supported projects from other countries.

IV. Initial Environmental and Social Screening

22. An environmental and social systems assessment (ESSA) is currently underway to identify the adequacy of the environment and social systems. The proposed Program is likely to have social and environmental positive impacts, owing to benefits such as improved access and sustained usage of toilets, and improved solid and liquid management. The key risks are (i) weak implementation of policies to ensure social inclusion; (ii) non-availability of private land with poor and vulnerable household for toilets; (iii) weak participatory process involving women and other vulnerable groups at planning and implementation; (iv) lack of transparency and accountability and poor conflict management; (v) limited triggering of collective behavioral change, (vi) inadequate and non-transparent follow-up on grievances and (vii) weak systems to monitor outcomes. The Program will build upon the experience from the on-going national and state interpretations/additions to these to ensure social inclusion, participation, transparency, accountability including citizen's feedback. The grievance management system will be enhanced to address complaints associated with access to information, stated benefits, etc. through the planning and implementation stage of the program.

V. Tentative financing

Source:	($m.)
Borrower/Recipient	6500
IBRD	-
IDA	500
Others (specify)	-
Total	7000

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