



# Program Information Documents (PID)

Appraisal Stage | Date Prepared/Updated: 06-May-2022 | Report No: PIDA259237



**BASIC INFORMATION**

**A. Basic Program Data**

Country India	Project ID P177668	Program Name India State Support Program for Road Safety	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 06-May-2022	Estimated Board Date 16-Jun-2022	Practice Area (Lead) Transport
Financing Instrument Program-for-Results Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Road, Transport and Highways (MORTH)	

Proposed Program Development Objective(s)

The Program Development Objective is to strengthen the capacity for results-based management and improve road safety outcomes in the Participating States

**COST & FINANCING**

**SUMMARY (USD Millions)**

<b>Government program Cost</b>	1,000.00
<b>Total Operation Cost</b>	500.00
Total Program Cost	499.38
Other Costs	0.63
<b>Total Financing</b>	250.00
<b>Financing Gap</b>	250.00

**FINANCING (USD Millions)**

<b>Total World Bank Group Financing</b>	250.00
World Bank Lending	250.00

Decision

The review did authorize the team to appraise and negotiate



## B. Introduction and Context

### Country Context

1. **Growth rebound in FY22 has been quick, pulled up by investment, recovering consumer demand and, more importantly, a low base.** Real GDP growth moderated from an average of 7.4 percent during FY15/16-FY18/19 to an estimated 3.7 percent in FY19/20<sup>1</sup>, mostly due to (i) shocks to the financial sector, and (ii) decline in private consumption growth<sup>2</sup>. Against this backdrop, the outbreak of COVID-19 had a significant impact, with real GDP contracting by 6.6 percent in FY20/21<sup>3</sup>. On the fiscal side, the general government deficit widened significantly in FY20/21, owing to higher spending and low revenues<sup>4</sup>. However, with the easing of Covid-19 restrictions, Goods and Services Tax (GST) collections have crossed INR 1.1 trillion mark every month since July 2021. The robust GST revenues are expected to continue as the economic recovery gathers momentum. The real GDP growth<sup>5</sup> for FY21/22 is likely to be 8.3 percent, on the back of increased capital expenditure by the government and recovering consumer demand. The real GDP in FY21/22 is expected to reach the FY19/20 level. Given the global concerns on significant uncertainty around the pandemic, elevated inflation, geo-political tensions and extended supply disruptions, growth in FY22/23 is expected to be 8 percent<sup>6</sup>. Nonetheless, the expected recovery will put India among the world's fastest-growing economies over the next two years.

2. **Although India has made remarkable progress in reducing absolute poverty in recent years, the COVID-19 outbreak has delayed the course of poverty reduction**<sup>7</sup>. Between 2011-12 and 2020-21, India's poverty rate is estimated to have declined from 22.5 percent<sup>8</sup> to values estimated to range between 9 to 12.3 percent.<sup>9</sup> However, recent projections of GDP per capita growth, taking into account the impact of the pandemic, suggest that poverty rates in 2020 have likely reverted to estimated levels in 2016.<sup>10</sup> Labor market indicators from high frequency surveys -including from the Centre for Monitoring Indian Economy (CMIE)- suggest that vulnerability has increased, particularly for urban households. Overall, the pandemic and its economic impacts are estimated to have raised urban poverty, creating a set of "new poor" that are relatively more likely to be engaged in the non-farm sector and to have received at least secondary education

3. **Road crash deaths in India, which are the highest in the world, are a burden to its demographic dividend and have a tangible impact on poverty and hard-won economic gains.** Crashes on India's roads claim the lives of about 150,000 people and disable another 750,000 people each year. More than half of the crash victims are pedestrians, cyclists, or motorcyclists, the so-called Vulnerable Road Users (VRUs), often the poorer members of society. Road crashes also affect poor rural families disproportionately, with a greater percentage falling into economic distress than others. Economic losses from inaction could be

<sup>1</sup> National Accounts Data, National Statistical Office, Ministry of Statistics and Program Implementation (MOSPI).

<sup>2</sup> National Accounts Data, National Statistical Office, MOSPI.

<sup>3</sup> National Accounts Data, National Statistical Office, MOSPI.

<sup>4</sup> Union budget 2021, 2022, Ministry of Finance.

<sup>5</sup> World Bank real GDP forecast published in April 2022.

<sup>6</sup> World Bank real GDP forecasts for FY22/23 published in April 2022.

<sup>7</sup> World Bank projections. The Government of India has deployed significant resources for social assistance, including towards urban poor households and migrants.

<sup>8</sup> Consumption Expenditure Survey 2011-12, National Sample Survey Office (NSSO), Government of India;

<sup>9</sup> World Bank estimates. Macro Poverty Outlook, October 2021.

<sup>10</sup> World Bank estimates. Source: Macro Poverty Outlook, 2020.



substantial – a World Bank report estimates<sup>7</sup> that the costs related to traffic crashes can be as high as 7.5 percent of the national GDP.

4. **The Government of India (GOI) is committed to improving road safety outcomes.** GOI has already developed a National Road Safety Strategy (2018-30), towards a vision of zero crash deaths. Through the adoption of the landmark Motor Vehicles Amendment Act (MVAA), 2019 and commitment to the Stockholm Declaration on road safety (2020), the country aims for enhanced governance and accountability of all stakeholders involved in the road safety system and supports the National Road Safety Strategy.

### Sectoral and Institutional Context

5. **Road safety management at the national and subnational levels is dispersed across government tiers and departments.** While transport and road safety regulations are managed by the Ministry of Road Transport and Highways (MoRTH) at the national level, state governments execute and enforce the road safety interventions, regulations, and access issues. MVAA has mandated the creation of an independent apex body – the National Road Safety Board (NRSB) to oversee the national agenda on road safety. Most states, following the guidelines of the Supreme Court Committee on Road Safety, have established state-level and district-level committees to address road safety issues. However, despite the operationalising of the NRSB, the existing federal institutional structure on road safety lacks adequate statutory backing, technical capacity, budgetary resources, and the mandate to effectively execute road safety plans.

6. **Initiatives to improve road safety have been hampered by weak institutional accountability, coordination, and data-driven management.** GOI and states have launched several initiatives, programs, and action plans over the past decade, but these have been largely ineffective in arresting the upward trend of fatalities (up 13% from 2010-19). Implementation of road safety programs and provisions is hampered by weak coordination, lack of accountability, and not utilizing a data-driven monitoring approach that persists between center-state, state-district-towns, and within departments.

7. **Traditional sources of funding allocation for road safety interventions need to be supplemented through innovation and private sector engagement.** Road safety programs are primarily funded through Central budgetary support, the Central Road Fund, state budgetary allocations, and road safety funds. Perennial shortfalls in budgetary resources for transport infrastructure that would cover only around 75% of the requirements imply a dearth of funds for road safety as well. Additionally, weak institutional management and budgetary coordination have impacted the efficient utilization of road safety dedicated funds and their distribution across the relevant stakeholders based on results-driven priority.

8. **India's unique and diverse topography leads to varying degrees of vulnerability to floods, droughts, cyclones, tsunamis, earthquakes, urban flooding, landslides, avalanches, and forest fire depending on the region.** These have significant impacts not only on road infrastructure but also on road safety. Thus, the relation between road safety and climate change works two ways: impact on roads and the resultant threat to safety as a result of extreme weather events, and impact of driving practices, vehicular usage having an impact on climate change and vehicular GHG emissions.

9. **Selected states in India have demonstrated that positive outcomes can be achieved through systematic coordination and better governance models.** Tamil Nadu, Gujarat, and Rajasthan are already leading the way in demonstrating measurable success in reducing deaths and crashes through unique and

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<sup>7</sup> World Bank. 2017. The High Toll of Traffic Injuries: Unacceptable and Preventable. © World Bank.”



complementary approaches. The effort to replicate these successes requires sustained resources and capacity building across states to improve the country's road safety outcomes significantly.

10. **GOI's State Support Program for Strengthening Road Safety (SSPRS) is a crucial and timely step toward strengthening the institutional framework and its management functions, necessary for achieving the national vision and targets on road safety.** The fourteen states under the program, selected based on their high risk for road safety, will be monitored and evaluated under a common harmonized framework, with results aligned with the national targets in the medium to long term. SSPRS is envisioned to provide the incentive mechanism and standards for states to scale up innovative road safety actions and programs, including knowledge transfer of best practices, and replicate the same framework and fiscal transfer mechanism downstream, thus maximizing impact.

### PforR Program Scope

11. **The SSPRS is the cornerstone underpinning the World Bank's PforR program- India State-Support Program for Road Safety (ISSPRS).** The government program (SSPRS) which covers 14 participating states has been split into two portions, covering seven states each to be financed through parallel loan programs administered by the Asian Development Bank (ADB) and the World Bank, respectively. The World Bank PforR operation (ISSPRS), of US\$500 million, will implement the government's program in Andhra Pradesh, Gujarat, Odisha, Tamil Nadu, Telangana, Uttar Pradesh, and West Bengal. The division of states under the two loan programs (World Bank and ADB) is based on the strategic prior engagement with the states, ensuring an even mix of low and high-capacity states in terms of road safety management and geographical distribution. The World Bank loan will finance US\$250 million of the PforR program with the remaining portion funded by the GoI. The PforR Program will support all areas of the government's program except for high-value contracts, and civil works that pose significant social and environmental challenges and risks. The design of the program will provide the opportunity to catalyze and champion various thematic reforms, priority areas, institutional development, and innovations for sustaining the efforts and goals toward GOI's national and international road safety commitments.

12. **The ISSPRS will focus on strengthening the institutional framework to mainstream best management practices on road safety.** The target for the participating states is to establish a central/lead road institution with requisite financial and administrative autonomy that will coordinate and collaborate with various state/local government departments and other non-state stakeholders. This would help prepare the ground for integrated and results-focused strategic planning and budgeting for road safety in states, the desired outcome of the road safety PforR program. Another critical focus of the interventions is to create an enabling environment for sustainable financing of road safety through mobilization of private capital and investment in the areas of resilient infrastructure development, enforcement, and post-crash care.

13. **The proposed ISSPRS will support the implementation of the Government program by adopting an integrated framework to enhance road safety achievements in select seven states over the program horizon of 6 years.** As a subset of the Government program, the boundaries of the PforR Program have been defined as per the table below:



Table 1. PforR Program Boundary

Title	The Government Program (p) <i>State Support Program for Strengthening Road Safety (SSPRS)</i>	The PforR Program (P) <i>India State Support Program for Road Safety (ISSPRS)</i>	Reasons for non-alignment
<b>Objective</b>	State Support Programme for strengthening Road Safety incentivizing states for performance with grant disbursement based on efforts and outcomes with annual targets for reduction in fatalities.	The Program Development Objective is <i>to strengthen the capacity for results-based management and improve road safety outcomes in the Participating States</i>	The objective of the PforR program is aligned with the government program and additionally emphasizes on strengthened institutional framework including state and center management functions on road safety
<b>Duration</b>	6 Years (2023-2028)	6 Years (2023-2028)	Fully aligned
<b>Geographic Coverage</b>	14 States	7 states: Andhra Pradesh, Gujarat, Odisha, Tamil Nadu, Telangana, Uttar Pradesh, and West Bengal	SSPRS is split into two programs each covering seven states to be financed by the World Bank and ADB
<b>Results Areas</b>	Program KPIs for grant disbursement to the states are based on four themes: <ol style="list-style-type: none"><li>1. Road Engineering</li><li>2. Vehicle Safety and Engineering</li><li>3. Enforcement</li><li>4. Post-Crash Care</li></ol>	Supporting all four themes of the government program and includes an additional results area focused on institutional management and governance	Aligned to strengthen state road safety institutions and their management capacity
<b>Overall Financing</b>	The overall budget of the government program is US\$1 billion.	The total cost of the PforR Program (a subset of the government program focusing on seven out of fourteen states) is US\$500 million minus exclusions including high-value contracts, and activities posing a significant environmental and social risk. World Bank will finance US\$250 million of the PforR program. The key consultancies, IVA and PMC, and capacity support to the states are outside of the PforR program and will be funded by GOI	The remainder of the Government program, US\$500 million, will be funded by GOI with parallel financing of US\$250 by the Asian Development Bank.

14. The detailed descriptions of the results areas and the associated activities are provided in the following paragraphs:



15. **RA 1: Building State institutional capacities and systems to reduce road crash deaths and injuries:** RA1 focuses on strengthening the institutional capacity and systems of Participating States to roll out and implement the policy and institutional reform agenda engendered through the Program, through (a) operationalizing the State Road Safety Lead Agencies, including with representatives from the relevant stakeholder departments in the Participating States; (b) implementing the iRAD crash database management in all Participating States and use it for identifying high-risk areas; (c) incentivizing women's representation in management and executive roles in State Road Safety Lead Agencies; (d) carrying out training to Program management staff and road safety stakeholders for better road safety results; and (e) improving efficiency and enhanced utilization of state budget for road safety programs in all Participating States

16. **RA 2: Improving road engineering to enhance the safety performance of state highways and urban roads:** This RA focuses on improving road engineering by conducting risk mapping of existing State Highways and urban roads in Participating States to systematically identify road safety issues, by: (a) risk mapping through a reactive approach utilizing crash data to identify high-risk sections and spots, and/or proactive risk mapping through road safety audits or equivalent; (b) supporting innovative pilots of women's safety plans to integrate urban design, spatial planning, and infrastructure elements of women's safety, including, inter alia: (i) infrastructure-based interventions such as improvements in street lighting, upgrading sidewalks for greater pedestrian safety and installing emergency alarms; (ii) gender-disaggregated planning, monitoring, and reporting systems that track harassment against women; (iii) engaging women-led groups and women grass-root leaders in road safety stakeholder consultations; and (iv) delivering targeted sensitization training for Participating State's transport employees at the policy level and frontline.

17. **RA 3: Improving State vehicle and driver safety systems:** This RA focuses on (a) Improving vehicle and driver safety through (i) the issuance of new driver licenses from automated testing centers; and (ii) the improvement of vehicle fitness and reduction of emissions by setting up Automated Vehicle Inspection and Certification Centers, and (b) Providing technical support to the Participating States to create a medium-term human resources roadmap for improving women's recruitment and career advancement in newer job roles in the Driver Training & Automated Vehicle Inspection and Certification Centers.

18. **RA 4: Strengthening State Road policing effectiveness and efficiency:** RA 4 aims at strengthening Participating States' capacity for automated enforcement of traffic laws related to speed and the use of IT systems for monitoring road safety risk factors, including but not limited to, helmet wearing, seatbelt wearing, and drunk-driving

19. **RA 5: Improving post-crash care by strengthening state emergency medical and rehabilitation services:** RA 5 aims to improve pre-hospital emergency care for road crash victims in the Participating States, through (a) setting up a universal helpline number in the Participating States for crash victims to access police, fire, and ambulance services; (b) reduction in the response time for ambulances to reach the crash spot by increasing the network of basic and advanced life support ambulances in the Participating States; and (c) carrying out of training for personnel from the police, transport, fire, and other departments to provide first responder care to road crash victims on the spot.

### C. Proposed Program Development Objective(s)

#### Program Development Objective(s)





20. The Program Development Objective is *to strengthen the capacity for results-based management and improve road safety outcomes in the Participating States.*
21. PDO level results indicators include the following:
- Development of coordinated data-informed, and results-oriented financing and budget plan for road safety
  - Annual road traffic crash fatalities in Participating States

#### D. Environmental and Social Effects

22. **Environmental and Social Systems Assessment (ESSA)** was carried out in line with the World Bank Guidance for conducting ESSAs for Program for Results (PforR) financing operations. The ESSA assesses the gaps in the existing institutional, operational and regulatory systems and capacities to manage Environmental and Social (E&S) risks and recommends measures for strengthening them. The ESSA process involved a desk review of relevant documents, technical studies/reports, and information related to the working of the MoRTH and key departments involved in the participating states on road safety. This was complemented with virtual and face-to-face consultations with relevant experts and officials from the Department of Transport, Public Works Department (PWD)/ Roads and Buildings (R&B), Department of Health and Family Welfare, and State Police Department in the seven participating states. The ESSA identified key gaps and opportunities for further strengthening the existing institutional, operational, and regulatory systems and capacities pertaining to E&S issues under State Road Safety Program. The draft ESSA report was shared with MoRTH and key departments of the participating states. In addition, the draft report was presented in a national multi-stakeholder consultation workshop held in Delhi for the feedback and suggestions wherein a wide range of stakeholders consisting of non-governmental organizations (NGOs) from states and at the national level, Central and State Government officials from health, police, transport, urban participated. The ESSA report is revised to incorporate the comments and suggestions received from states and the consultation workshop. The key findings of ESSA are summarized below.

23. **Environment and Social Benefits and Risks.** The proposed Program will have positive health and safety impacts by reducing road accident-related deaths and injury through incentive-based support to the state governments to improve - institutional mechanism and capacity, road engineering, vehicle safety, traffic rules enforcement mechanism, driver behavior, and post-crash care. Activities such as building awareness towards road safety among road users, children, and the community will have long-term benefits in road safety behavior among them. While activities such as black spot-fixing, appropriate signages, speed-reducing measures, instituting measures for reducing driver fatigue, etc. along with enhanced enforcement and filling the gap of available Basic Life Support and Advanced Life Support ambulances, their response time will benefit by reducing fatalities and in turn will benefit by saving human lives and assets. Nonetheless, the following areas have been identified where potential environmental and social risks and impacts are expected. The key environmental risks emerge from (i) Construction-related Environmental, Health and Safety (EHS) risks and impacts as the result of corrective measures taken at identified black spots/accident risk spots based on risk mapping including installation of safety features such as signages, markings, lane separations, pedestrian crossings, etc. and construction/rehabilitation of driver training and automated testing/fitness centers; (ii) Disposal of e-devices/tools for road safety and traffic rule compliance monitoring and accident reporting including disposal of used batteries after its installation and use; (iii) Scrapping old or severely damaged vehicles





including ambulances when procurement of new vehicles/ambulances takes place, and (iv) Potential environmental risks/impacts due to accidents involving vehicles carrying hazardous chemicals. The key social risk emanates from (i) temporary disturbances to a small number of hawkers, and vendors while correcting black spots, development/ widening of the footpath; and (ii) weak community engagement process by the participating departments and the varying degree to which they engage with road users while planning and implementing the rectification measures while fixing black spots.

24. **Key Environmental and Social Gaps.** The key gaps identified include (a) absence of dedicated environment and social safeguards specialists at state departments; (b) lack of comprehensive E&S risk screening for small scale civil works; (c) inconsistent disposal of e-waste through the authorized recyclers; (d) insufficient review of vendors' compliance with applicable environmental legislation in the bidding process; (e) segregation of accident data involving vehicles carrying hazardous substances; (f) staff capacity in the departments to identify, assess and manage potential environmental risks and focus on training on E&S aspects; (g) varying degree of compliance with labor laws by the civil contractors in absence of limited monitoring on this aspect; and (h) lack of systematic recording, monitoring and reporting on grievances related to road safety.

25. **Excluded Activities:** The State Support for Road Safety Program of the government has eligibility criteria that excludes any new major construction or civil works involving the land acquisition or resettlement such as the construction of flyover, foot over bridge, building infrastructure, testing sites, etc. Along with those, the following activities that have the potential to cause high or substantial E&S risks and impacts will not be financed under this PforR:

- Any land acquisition, physical relocation, or involuntary resettlement impacts.
- Program activities that involve large-scale civil works or works that may have an adverse and irreversible impact on the environment.
- Program activities in the forest or ecologically sensitive areas.
- Activities that are not in compliance with Central and State environmental legislation.
- Activities that involve the use of child or bonded or forced labor or labor involved in any hazardous activities.
- Activities that involve the destruction or damage to any physical and cultural resources.

26. The current Road Safety program in participating states leverage the existing country system to receive, resolve and manage grievances, and includes (a) Chief Minister's (CMs) grievances portals; (b) State and Department-specific grievance redress mechanism; (c) Centralized Public Grievance Redress and Monitoring System (CPGRAMS) at national level; and (d) using of Right to Information (RTI) Act. The current grievance redress mechanism in the participating states have multiple options to register grievances and get redressal and includes both online and manual systems. Most of the road users and community in general largely use the CM's grievance portal and/or the manual written complaints at the local district offices of the departments.



**E. Financing**

Table 2. PforR Program Financing Summary

Source	Amount (US\$, Million)	Percentage of Total PforR program
International Bank for Reconstruction and Development (IBRD)	250.00	50%
<b>Total Program Financing</b>	<b>250.00</b>	

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