



# Program Information Document (PID)

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Concept Stage | Date Prepared/Updated: 26-Feb-2020 | Report No: PIDC28658



**BASIC INFORMATION**

**A. Basic Project Data**

Country India	Project ID P173369	Project Name India State Support Program for Strengthening Road Safety (P173369)	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Board Date Jun 24, 2020	Practice Area (Lead) Transport	Financing Instrument Development Policy Financing
Borrower(s) Ministry of Finance	Implementing Agency Ministry of Road Transport and Highways		

**Proposed Development Objective(s)**

Support the Government of India to strengthen its institutional capacity, and improve policy and fiscal framework for sustainable reduction in road crash related deaths and serious injuries

**Financing (in US\$, Millions)**

**SUMMARY**

<b>Total Financing</b>	250.00
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**DETAILS**

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

**Decision**

The review did authorize the preparation to continue

**B. Introduction and Context**

Country Context

1. **India’s road fatalities undermine its demographic dividend and have a tangible impact on poverty and income** Road traffic crashes claim approximately 1.35 million lives globally each year (as per World Health Organization (WHO) estimates) and injure up to 50 million people. The major contributors to these numbers are low-to-middle income countries, including India, with more than a tenth of the global road fatalities. Crashes on India’s roads claim the lives of about 150,000 people each year, leaving five times that number injured or maimed for life. Road safety also has a tangible impact on poverty. Many crash victims (accounting for about half of all



fatalities and serious injuries in India) are pedestrians, cyclists, or motorcyclists - the so called vulnerable road users (VRUs). These are also primarily males of working age from the poorer strata of society, whose death or long-term disability due to a crash can represent a loss of productive age population. Road crashes also have a direct impact on human capital. Apart from the enormous suffering they cause, road crashes are estimated to cost the Indian economy between 3% and 5% of national GDP a year. Making roads safer directly supports the World Bank's goals to reduce poverty and to increase shared prosperity.

2. **The Government of India (GoI) is committed to improving its road safety outcomes.** In 2015, India committed to both the Brasilia Declaration to reduce the number of road fatalities by 50 percent by 2020, and to the United Nation's Sustainable Development Goals (SDGs), that enjoin member states to improve safety to the vulnerable and provide access, to safe, affordable, accessible and sustainable transport systems for all by 2030. Since then, GoI started several initiatives in improving its road safety management, infrastructure, vehicle standards and road user safety. All these efforts culminated in the enactment of the landmark Motor Vehicles Amendment Act (MVAA), 2019, in August 2019 which inter alia mandates creation of an independent apex body - the National Road Safety Board (NRSB) that would set the national agenda and carry out the often-difficult coordination between the numerous agencies responsible for road safety in India, has provisions for holding all entities in road construction and maintenance accountable, etc. The Ministry of Road Transport and Highways (MoRTH), GoI's central ministry responsible for road transport, is in the process of finalizing its National Road Safety Strategy - *Towards Vision Zero, 2030* which aims to unify the national vision towards the goal of "vision zero" by providing a framework for governments (at central and state level) and other stakeholders to establish their own road safety action plans, objectives and interventions to meet the set targets by 2030.

3. **In light of GoI's commitment to improving road safety outcomes in India and its ambitious long-term vision, key constraints need to be addressed in a systematic manner.** The road safety challenge in India is exacerbated by rapid motorization driven by growing urbanization<sup>1</sup> and rising disposable incomes and aspirations, inadequate public transport, inadequate facilities for VRUs and a heterogeneous traffic mix. The Bank has been promoting road safety activities at the national state and city levels through knowledge support and dedicated road safety components of state road sector projects, since early 2000. The Bank's experience shows that while some of the constraints exacerbating the road safety challenges have been now addressed through the enactment of the MVAA, the challenges of quick operationalization of the NRSB and establishment of its counterparts in all states, and incentivizing states to systematically improve their road safety performance remain. Several states have voiced reservations about fully implementing the MVAA provisions<sup>2</sup> and systematic support along with capacity building and advocacy is needed to quell their apprehensions.

#### Relationship to CPF

4. The Country Partnership Framework (CPF) for India, 2018-2022, under its focus area 2 will support sectors and areas that are critical for enhancing competitiveness and enabling job creation. Improving safe connectivity and enhancing logistic efficiency are an integral part of this agenda. Furthermore, under the CPF focus area 1 supporting resource efficient growth, sustainable urban mobility and improved risk and disaster management capability are critically important elements. The CPF specifically calls for strengthening the policy environment, regulatory framework, coordination of investments and systematic monitoring to take forward these agendas, which the proposed policy operations would be directly supporting. The proposed operation would also aim at strengthening state level institutions, systems and processes by directly supporting the state capability building

<sup>1</sup> According to a McKinsey study, about 600 million people are expected to live in India's cities by 2030.

<sup>2</sup> <https://www.livemint.com/politics/policy/more-states-may-move-to-revise-hefty-fines-under-new-motor-vehicles-law-1568226885246.html>.



objective, one of the areas of central focus of the CPF. The current India transport portfolio has one ongoing national highway, five state highways and three rural roads operations with road safety as important components. Three other state highway operations and one national highway operation in the current pipeline have also significantly large road safety components. All of these operations include specific national/state level road safety policy and strategy formulation, multi-sectoral road safety demonstration corridors/projects and integrated infrastructure safety measures. In particular, national initiatives like the nationwide Integrated Road Accident Database system, the digital safety enforcement and traffic management system, NHSS and large multi-sectoral road safety programs in states like Uttar Pradesh, Tamil Nadu, Gujarat and Kerala with high share of road fatalities would leverage the proposed operation.

### C. Proposed Development Objective(s)

The Program Development Objective (PDO) of the proposed operation is **to support the Government of India to strengthen its institutional capacity, and improve policy and fiscal framework for sustainable reduction in road crash related deaths and serious injuries**. The DPF would help implement Government of India's national program on road safety<sup>3</sup> in a phased manner through policy reforms, regulations and establishing institutional framework at the national level and implementation support at the state level.

5. The operation would be structured either as a standalone operation or as a programmatic series of two operations, focusing on prioritized areas. The first DPF should help establish standards and institutions for road safety largely emanating from the recently amended Motor Vehicle Act 2019 (MVAA). The second DPF would focus on embedding associated policy and institutional reforms at the state level and subsequent rule making required for the implementation of the various policy/legal provisions of the MVAA.

#### Key Results

6. **Key results expected from this operation** include: (i) enhancing Government of India's institutional and financial capacity to manage and operationalize road safety policies, and (ii) incentivizing states to improve road safety performance through strengthening fiscal framework and institutional capacity on road safety. **Key result indicators** for both pillars are: number of states aggregated under the harmonized national crash data management system, number of states that provide compensation coverage through the MVAf to uninsured victims, number of states with legally mandated authority and fund established, percentage of total road infrastructure budget dedicated for safety specific activities, length of road where automatic electronic monitoring is deployed, percentage of state core road network analyzed and recorded on safety metrics, amongst others. The policy and results matrix in addition includes indicators with **specific reference to an enhanced role of women** in for instance, management of crash database systems and emergency response facilities, automatic enforcement management facilities, etc.

### D. Concept Description

7. The proposed operation is a part of the Bank's programmatic engagement to support the Government of India's program to incentivize the states for sustained improvements in road safety performance and outcomes through a standalone operation or a programmatic series of two single-tranche programmatic DPFs aimed at enhancing the Government of India's institutional capacity, policy and fiscal framework to sustainably reduce road

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<sup>3</sup> India State Support Program on Road Safety (ISSPRS).



crash related deaths and serious injuries in the short to medium term.

8. The proposed DPF operations will be structured around two inter-linked pillars addressing and building capacity for road safety management at the central and at the state level, respectively. The **first pillar on enhancing Government of India's institutional and financial management capacity at the national level to manage and operationalize road safety policies** aims at establishing and making the NRSB the independent and empowering lead authority on road safety management in the country. This includes triggers for the second DPF to ensure that the NRSB is adequately resourced and staffed with a long-term strategic vision approved by the government. The pillar also includes other prior actions that e.g. emphasize improving the road safety policy reform and legal framework which would hold accountable relevant parties for not complying with regulations and standards, establishment of a dedicated Motor Vehicle Accident Fund (MVAf) specifically designed to provide financial relief and cover the cost of treatment for uninsured road crash victims, regulatory changes for the safety of new and used vehicles in the Indian vehicle fleet through new regulatory standards that involve adaption of newer safety technologies, ensure timely recall of defective vehicles and standardize periodic maintenance of in-used fleet of vehicles.

9. The **second pillar on incentivizing states to improve road safety performance through strengthening fiscal framework and institutional capacity on road safety** focuses on the establishment of a multi-departmental state road authority which is adequately staffed with an approved operational budget and requires the state authority to have its own earmarked road safety fund to receive contributions from the center and additional sources, with provision for disbursements to all relevant stakeholders. The programmatic approach allows the overall project to focus on the priority states which disproportionately affect a large share of the total road deaths. Prior actions under this pillar emphasize the adoption of a national-level policy on the use of ITS technology for traffic surveillance and enforcement, and use of GIS-based crash data systems for data sharing and analytics, on having state-level policies on arrangements between the MVAf and medical facilities to provide treatment for acutely injured victims, and on policies to ensure streamlined emergency response care to all victims including provision for on-call services and universal helpline numbers.

## **E. Poverty and Social Impacts, and Environmental, Forests, and Other Natural Resource Aspects**

### Poverty and Social Impacts

10. **The overall poverty and social impacts of the policies supported by this operation are expected to be positive.** The actions supported by this operation seek to enhance GoI's institutional capacity, policy and fiscal framework to sustainably reduce road crash related deaths and serious injuries in the short to medium term. The compounded result of the prior actions supported under the program are expected to differentially and positively impact capacities of states to respond to different kinds of road risks in urban, peri-urban areas and rural areas, and to have positive poverty and social effects especially for VRUs in respect of travel patterns, insurance claims and response mechanisms. These outcomes can lead to net (monetary and multidimensional) poverty reduction and evaluating these potential impacts prior to policy reform can inform the choice, design, and sequencing of alternative policy options. To better understand the poverty and social impacts of the proposed policy actions, a Poverty Social Impact Assessment (PSIA) will be undertaken, documenting these expected impacts from a social, gender and distributional perspective. The PSIA is expected to contribute to: (i) dissecting the existing linkages between poor road safety outcomes, over-representation of VRUs in crashes and its impact on poor and vulnerable households, risks of injury amongst the poor, and income shocks experienced by households of VRUs involved in a crash; (ii) assessing inter-state variations related to institutional capacity to respond to the needs of



VRUs, and existing coordination mechanism amongst departments at the state, district and sub-district level; and (iii) exploring plausible, qualitative linkages between road safety and prevalence of gender-based violence, safety and security issues. The operation is expected to have a **significant gender dimension** through (i) specific prior actions that emphasize mechanisms for insurance/social protection, especially to compensate women in lower-income household categories for loss of household income due to death or disability of the main bread-earner (disproportionately male) in a road accident and (ii) prior actions, triggers, and result indicators that incentivize and measure an enhanced role of women in activities related to policy areas covered by the operation, e.g. management of crash database systems and emergency response facilities, and employment in automatic enforcement management facilities.

#### Environmental, Forests, and Other Natural Resource Aspects

11. Improvement of roads, improved speed management are key parts of a road safety management program and have clear correlations with an expected reduction in the amount of pollutants emitted from operation of vehicle fleets. Given that in most parts of India air pollution and area-wide pollution of water and land is a severe challenge now, a better optimized road safety program including improved enforcement of vehicles maintenance and obsolescence will have positive impacts. The speed management, road improvement, and improved enforcement of vehicle standards and vehicle fleet maintenance will also reduce energy/fuel consumption compared to a BAU scenario, and consequently reduce GHG emission footprint. It is expected that road safety audits (of road standards, design, layout and operation) and subsequent improvements will address potential conflicts arising out of land use plan/controls, design of road furniture and road landscape including appropriate landscaping of medians, noise barriers and roadside landscaping, illumination using renewable energy as may be appropriate, and address potential landslide hazards along the roads – each of these have local environmental benefits. The policy frameworks and plans for improved road safety will address the relatively neglected third-party safety and local environmental damages during construction and maintenance of roads and highways. The NRSB and the state road safety authorities would have appropriate skills, expertise, plans and resources to integrate aspects of pollution management, inspection and maintenance of vehicle fleet, and will address the potential large-scale risks to environment, ecology and communities including road users that arise from storage, handling and transport of hazardous chemicals, hazardous wastes and inflammables through coordination and specific support to the state pollution control boards in ensuring compliance of the respective regulations.

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**APPROVAL**

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