

ASIAN DEVELOPMENT BANK

TAR: 34047

TECHNICAL ASSISTANCE
(Financed by the Government of the United Kingdom)

TO

INDIA

FOR

PARTICIPATORY POVERTY ASSESSMENT AT THE
STATE LEVEL, PART II

August 2002

CURRENCY EQUIVALENTS

(as of 15 July 2002)

Currency Unit	–	rupee/s (Re/Rs)
\$1.00	=	Rs48.84

ABBREVIATIONS

ADB	–	Asian Development Bank
BPL	–	below the poverty line
DMC	–	developing member country
DFID	–	Department for International Development
NAC	–	national advisory committee
NGO	–	nongovernment organization
PPA	–	participatory poverty assessment
SIC	–	state implementation committee
TA	–	technical assistance

I. INTRODUCTION

1. The Asian Development Bank (ADB) adopted poverty reduction as its strategic development objective in 1992, and recognized this as its overarching goal in 1999. The poverty reduction strategy adopted in 1999 provides general guidelines in conducting poverty analyses and developing an overall framework for formulating ADB's program for its developing member countries (DMCs). The poverty reduction strategy stipulated that beginning in 2000, all new country strategies were to be formulated on the basis of the priorities emerging from in-depth poverty analyses.

2. In India, ADB's lending portfolio includes projects at the central level and operations in reform-oriented states. Poverty assessments for India have, therefore, encompassed both national- and state-level analyses. At the national level, a comprehensive report based on National Sample Survey (NSS) data was prepared in May 2000. This was updated in November 2001¹ by ADB staff consultants using the latest round (1999–2000) of National Sample Survey and census (2001) data. The latest national level data recorded a decline in the percentage of population below the poverty line (BPL) from 36% in 1993-1994 to 26% in 1999-2000. The ADB study revealed that the decline was also in the more exacting absolute dimension and was contributed to a large extent by high growth rates. The size of India's poor population declined from about 317 million in 1993-1994 to a little under 277 million in 1999-2000, a decline of about 40 million over a 6 year period. On a comparable basis the aggregate number of poor remained virtually unchanged between 1983 and 1993-1994.

3. At the state level, the Technical Assistance (TA) on Participatory Poverty Assessment at State Level² (TA-IND-3485) was approved in August 2000. The assessments were carried out in ADB's three focal states of Gujarat, Madhya Pradesh, and Kerala. The state governments welcomed such issue-based, in-depth participatory assessments involving the poor. The Government of India supports the delegation of authority and responsibility from the states to rural and urban local bodies to increase the participation of the poor in policy decisions that affect their lives.

4. The receptiveness of the states and the Government of India's request for ADB to extend its operations to other states of India led ADB to consider expanding the coverage of these assessments to four additional states: Assam, Chhattisgarh, Sikkim, and West Bengal. Further, since the ADB pipeline for the next few years includes projects and programs in these states, it is expected that the Participatory Poverty Assessment at the State Level (PPA) will provide valuable feedback during the processing of some of these proposals. Some of the insights of the study will also feed into country strategy and program (CSP) updates in the subsequent year. In preparation for the TA, a fact-finding mission visited New Delhi and the four states from 26 November to 7 December 2001 to conceptualize the second phase of the (PPA). The mission held extensive discussions with various government departments, other funding agencies, and a wide cross section of stakeholders. The governments of the four additional states showed a keen interest in carrying out participatory assessments. The PPAs to be carried out under the TA will be complementary to the recent efforts by the state governments in that direction. The TA framework resulting from the discussions with stakeholders is attached as Appendix I³.

¹ Sundaram, .K and Tendulkar, S. 2001. *Poverty in India: An assessment and analysis*, Report of the study carried out for ADB, India

² ADB. 2000. *Participatory Poverty Assessment at the State Level*. Manila

³ This TA was first listed in *ADB Business Opportunities* on 15 March 2002.

II. ISSUES

5. State governments have been carrying out conventional poverty assessments and socioeconomic surveys. In Assam, the state carried out a BPL census in 1998. Sikkim has attempted to assess the problems and prospects in its development process through a “vision” document⁴. The state has also prepared a human development report. A BPL census with a wider socioeconomic scope has been completed in the state. Chattisgarh has brought out development profiles of the state and the “Vision 2010” document, which gives a development perspective for the state in 2010. West Bengal also brings out annual economic reviews in addition to a regular quinquennial BPL census. A large number of research studies have also touched upon various facets of poverty in these states. Most of these studies aim at a quantitative assessment of the poverty and socio-economic situation in the states. Participatory studies on poverty will complement existing arrangements as a tool to provide feedback from the people and understand their specific needs.

6. PPA is a feedback mechanism from poor people as primary stakeholders. It helps in understanding poverty from the peoples’ perspective and in the framework of the social, institutional, and political context. PPA empowers people to assess their own poverty and suggest ways of reducing them. It opens channels of communication between policy makers, practitioners, and poor people for assessing poverty reduction strategies, and helps identify changes required in policy, strategies and approaches to reduce poverty. It helps identify effective forms of public and private actions to reduce poverty. The process enhances the accountability of decision makers and helps in framing policies and strategies for poverty reduction that will meet the needs of the poor.

7. To ensure a policy focus, PPAs are often carried out with specific objectives in mind. The themes are formalized based on intensive discussions with the various stakeholders involved i.e., government, funding agency, nongovernmental organisations (NGOs), and sector specialists. A good PPA will be totally representative of the population and cover both urban and rural areas, represent men and women, capture social and cultural diversity, and maintain sectoral balance. Based on stakeholder consultations, TA-3485-IND had attempted an assessment of accessibility, coping strategies and needs of the poor for: (i) physical infrastructure including power, roads, and housing; (ii) natural resources including land, water, forests, and an environment-poverty nexus; (iii) livelihood options, migration, and the role of financial institutions; (iv) social services including health, education, water supply, and sanitation; and (v) delivery systems, governance, participation in decision-making, and empowerment. The PPAs were carried out in rural and urban areas, covered male and female respondents, and provided representation to groups that are vulnerable socially (untouchables, caste groups), ecologically (fishermen, those depending on forest produce), and culturally.

8. TA-3485-IND had some important lessons to offer. On the positive side the TA had (i) strong government commitment and ownership fostered through the institutional mechanisms created in the TA and frequent dialogue with the state governments, (ii) a large number of stakeholder consultations, and (iii) strong involvement of NGOs and other agencies that greatly enriched the process. Some pointers for refinement in the contextual situation of India include the following: (i) a thorough review and feedback from existing quantitative poverty studies is needed rather than taking up another quantitative study to support the qualitative one, and (ii) consensus building is needed on the expectations of the government departments involved. Due to frequent change in the officials manning the various departments, focus areas for study as advised by one set of primary stakeholders do not at times meet the expectations of the

⁴ National Institute of Public Finance and Policy. 2001. *Sikkim: A Vision Document*. New Delhi, India.

changed group of persons. This points to the need for a large-scale consultation process within the government on expected outcomes and sensitization on the strengths and limitations of the participatory processes. (iii) The state governments felt the need for more systematic capacity building on participatory processes. The lessons learned from TA-3485-IND will feed into enriching the process in the new TA. Review of existing studies and capacity building has been included in the new TA. The consultation processes with the state government will be deepened to encompass intermediate-level government staff also. This will ensure sensitization of a broader section in the government. At the same time, the institutional mechanisms that worked well, the large number of stakeholder consultations, and involvement of NGOs, which have proven valuable will be retained.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

9. The TA aims at an in-depth and issue-based assessment of poverty from the perspective of the poor. The process will help decision-makers frame and improve policies and strategies for poverty reduction that will meet the needs of the poor, guide optimal use of public funds for poverty reduction, and ensure better targeting of the poor. The insights available from these studies will also help funding agencies, including ADB, to better understand and recognize the mechanisms and approaches that make projects and processes more pro-poor.

10. To sustain the efforts toward pro-poor participatory planning, the TA will also support capacity building of key stakeholders in the central and local governments.

B. Methodology and Key Activities

11. The poverty assessments will be need-based. The PPA process will be totally inclusive. The process will be driven by the state government and involve all major development practitioners and NGOs. The Department for International Development (DFID) will work closely with ADB in West Bengal. Stakeholder consultations will be held throughout the implementation period. Specific focus themes will be determined based on stakeholder consultations. Appropriate methodologies will be used to glean the knowledge, perspectives and expertise of the poor. Timing of the PPA will be conducive to the participation of the poor.

12. The design and sequencing of the TA will follow a logical pattern of (i) setting up advisory and implementation mechanisms at the national and state level, (ii) formalizing PPA objectives in each state, (iii) selecting an implementation consultant, (iv) identifying the training requirements, (v) sensitizing and/or capacity building of key staff and/or facilitators, (vi) determining criteria for selection of regions/districts to be covered, (vii) identifying broad themes (new issues/topics that surface as the work progresses will also be duly incorporated), (viii) carrying out unbiased field studies using appropriate methodology, (ix) appropriately interpreting qualitative data using modern software and techniques, (x) using appropriate extrapolation techniques and arriving at realistic inferences, and (xi) building a network to exchange ideas and experiences.

13. The TA implementation will start with a meeting at the national level followed by state-level inception meetings to initiate the PPA process in the states. The draft PPA reports will be discussed at national and state levels before finalization. A plan for poverty reduction at the state level will be drawn up subsequent to the TA and efforts will be made to develop monitoring indicators to serve as yardsticks for implementation of this plan.

C. Cost and Financing

14. The total estimated cost of the TA is \$950,000, of which \$750,000 will be financed by ADB on a grant basis from the United Kingdom Cooperation Fund (Poverty-Focused) for Technical Assistance, established by ADB and DFID in July 2001. The fund supports poverty-related studies and participatory assessments. The governments of Assam, Chhattisgarh, Sikkim, and West Bengal will provide counterpart contributions including local staff salaries, administrative support, and other overhead expenses in kind estimated at \$200,000. The cost estimates and financing plan are provided in Appendix 2.

D. Implementation Arrangements

15. The Planning Commission, Government of India will be the Executing Agency for this TA. Implementation arrangements will follow a three-tier structure. The pattern will be similar to that of TA-3485-IND. A state implementation committee (SIC), formed in each of the four states, will be the implementing agencies. Each SIC, chaired by the nodal agency to be identified by the state governments, will comprise representatives of relevant departments of the state government (including departments of finance, rural development, urban development, tribal affairs, and state planning board), NGOs, and research institutions.

16. The SICs will guide and supervise the PPA process, which will be undertaken by implementation consultants. A domestic apex NGO or research institution will coordinate the implementation of PPAs and the quantitative data review and analyses that will supplement the PPAs in the four participating states. The implementation consultants will provide four experts under the TA: a process manager, a field coordinator, a social economist, and a PPA expert. International consultants will be selectively used to support integration of international best practices. The international consultants will be recruited on an individual basis. The outline terms of reference are given in Appendix 3. Consultants will be engaged in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants. Quality- and cost based selection methods will be used, and simplified technical proposals will need to be submitted. PPAs will be undertaken at the state level over a 10 month period. PPAs will be carried out in about 12 of the 23 districts in Assam, all 4 districts in Sikkim, 8 of the 16 districts in Chhattisgarh, and 9 of the 18 districts of West Bengal.

17. Each SIC will be guided by a suitably constituted national advisory committee (NAC). The NAC will draw its membership from the Department of Economic Affairs, Planning Commission, department of rural development, urban development, National Sample Survey Organization, NGOs, and academia. A representative from each of the four states, preferably from the SICs, will also join the NAC. The NAC will convene at least twice during TA implementation, at the inception and the finalization of the TA. At the inception meeting, the NAC will provide overall guidance on the design of the state-level PPAs. This meeting will be followed by state-level inception meetings, during which detailed work programs and terms of references (TORs) will be drawn for implementation consultants. At the end of the PPA exercises, a final report, incorporating the findings of the PPAs will be prepared under the guidance of the SIC, by the implementation consultant. The report will be presented at a NAC meeting. A committee of three resource persons will be hired to review the reports from all four states and provide policy recommendations in accordance with each state's development objectives and capabilities.

18. The TA will be carried out over a 12 month period, commencing in October 2002 and ending in September 2003. In addition to the inception meeting at the national and state levels, there will be three review missions to each of the four states—one during initiation of work by

the implementation consultant, a mid-course review, and a final review during presentation of the draft findings at the state level.

IV. THE PRESIDENT'S DECISION

19. The President, acting under the authority delegated by the Board, has approved ADB administering technical assistance not exceeding the equivalent of \$750,000 to the Government of India to be financed on a grant basis by the Government of the United Kingdom for the Participatory Poverty Assessment at the State Level, Part II, and hereby reports this action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/ Targets	Monitoring Mechanisms	Assumptions and Risks
<p>Goal</p> <p>Strengthen the process of planning for poverty reduction and improve implementation and monitoring framework</p>	<p>Qualitative improvements in poverty analyses</p>	<p>Consultation and dialog with various stakeholders and aid partners</p> <p>Mid-term and final Review missions</p> <p>Regular monitoring by Asian Development Bank staff</p>	<p>State and national governments employ findings of the TA to improve poverty related policy making</p> <p>Staff who are included for capacity building are not transferred before they support institutionalization of the process</p> <p>Effective coordination between aid partners and state governments</p>
<p>Purpose</p> <p>Strengthen poverty assessments by incorporating poor people's feedback and integrate "voices of the poor" into the policy-making process</p> <p>Build capacity for institutionalization of the process</p> <p>Improve effectiveness of poverty reduction strategies and policies by incorporating some of the insights from the TA</p> <p>Synthesize insights from existing poverty analyses and ensure synergies</p>	<p>Participatory Poverty Assessment to be used as supplementary tool in poverty analyses</p> <p>Results of the technical assistance to serve as a basis for building a common framework for poverty reduction efforts</p>	<p>Consultation and dialog with local stakeholders and aid partners</p> <p>Review missions</p> <p>Inception, interim, and final reports</p>	<p>Poverty assessments to incorporate people's perspective</p> <p>State commitment to incorporate the results of the TA into policy and planning processes</p> <p>The people trained support institutionalization of the process</p>
<p>Outputs</p> <p>Analytical framework for poverty reduction process</p> <p>Insights and inputs for country strategy and program</p> <p>Significant contributions to the state annual plan process</p>	<p>Successful setting up and regular meetings of the state implementation committee</p> <p>Insightful PPA reports</p>	<p>Consultation and dialog</p> <p>Review mission</p> <p>Inception, interim, and final reports</p>	<p>State ownership and commitment to the PPA process</p> <p>Coordination among the stakeholders</p>

Design Summary	Performance Indicators/ Targets	Monitoring Mechanisms	Assumptions and Risks
<p>Activities and Inputs</p> <p>Consultancy of 70 person-months amounting to \$510,000 for</p> <ul style="list-style-type: none"> • capacity building of key stakeholders at local, intermediate, and state levels in participatory approaches; • capacity building of teams carrying out the fieldwork; • PPA field work to capture voices and choices of the poor; • Review of existing studies to capture relevant insights and gaps; and • stakeholder meetings as required 	<p>Training programs</p> <p>Regular attendance at meetings of the committees and by the stakeholders</p>	<p>Consultation and dialogue</p> <p>Review mission</p> <p>Inception, interim, and final reports</p>	<p>Identification of good research institutions/ nongovernment organisations to do the participatory poverty assessments</p> <p>Continued commitment and proactive support by the government</p>

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
A. United Kingdom Cooperation Fund Financing			
1. Consultants (remuneration)	50	460	510
2. Training, Seminars, Stakeholder Forums, and Conferences (honorarium, travel, resource persons)	10	180	190
3. Miscellaneous Administration and Support Services		25	25
4. Contingencies		25	25
Subtotal (A)	60	690	750
B. Government Financing			
1. Counterpart Staff		100	100
2. Studies, Surveys, and Reports		50	50
3. Administrative Support and Other Facilities		20	20
4. Contingencies		30	30
Subtotal (B)		200	200
Total	60	890	950

Source: Asian Development Bank estimates.

**OUTLINE TERMS OF REFERENCE OF THE IMPLEMENTATION CONSULTANT
(70 person months for the 4 states) Domestic: 68 months, International: 2 months.**

A. Description:

1. Each of the four participating states will have an implementation consultant (IC), which will be an experienced or reputable nongovernment organization (NGO) or a research institute. It should have (i) rich experience in poverty and social assessments, (ii) significant experience in using participatory methods. (iii) the ability to liaise with the government and important stakeholders, (iv) ability to network with other NGOs and research institutes. (v) experience working at the grassroots level and with other multilateral and bilateral agencies, (vi) the expertise and resources to carry out extensive field work by organizing and managing teams of facilitators (for participatory poverty assessment), and (vii) ability to analyze data collected by field teams using modern software techniques for drawing appropriate inferences from perceptions gathered from the field.
2. Each implementation consultant will be located in the state capital and will need to do extensive travel within the districts, towns, and villages of the state.
3. The activities will take place during a period of 10 months. Objectives are to organize and manage (i) a participatory inquiry for PPA, (ii) thoroughly review poverty and program evaluation studies and highlight key insights and gaps as background work for the PPA process, and (iii) provide capacity building of identified stakeholders and teams in participatory methods.

B. Duties and Responsibilities:

4. The Implementation consultant will have three broad sets of responsibilities.
5. Capacity building for participatory assessments will require 8 person-months of services to (i) identify training needs and issues for participatory approaches, and sensitization, (ii) build capacity of identified stakeholders, (iii) build capacity of facilitators, and (iv) provide a one week orientation on use of software for analyzing qualitative data.
6. Review of existing state level studies and secondary data on poverty will require 8 person-months of services to consolidate issues and insights and identify gaps that need to be addressed.
7. Executing the PPA will entail 54 person-months of services for the 4 states, and will include:
 - (i) organizing and managing facilitation of local communities/groups of poor women, men, and children in rural and urban areas for PPA; .
 - (ii) adopting participatory methodology for facilitating poor communities/groups in both rural and urban areas;

- (iii) adopting an appropriate field design and sampling frame for reasonable coverage of the districts, blocks, villages, towns,. and other localities where poverty is concentrated and poor people reside (the sampling frame should also be representative of socially, culturally and ecologically vulnerable groups);
 - (iv) arranging for preparing an extensive checklist of issues related to poverty, both generic and topical, to be covered for PPA;
 - (v) arranging a team of researchers for carrying out the PPA at the local level, analyzing data and writing the field report;
 - (vi) ensuring that the teams carry out participatory inquiry based on the principles of PPA and cover both exploratory and topical issues;
 - (vii) ensuring that field exercises for PPA are carried out at a time convenient to poor communities/groups without causing major disturbance to them;
 - (viii) arranging and managing a series of workshops and seminars such as orientation workshop, training workshops on PPA, peer review sessions, workshops for sharing findings, wrap-up workshops, and other seminars/workshops as required;
 - (ix) ensuring that the quality of PPA is not compromised, especially with regard to its approach, process, output, and reporting;
 - (x) ensuring validation and cross-checking of PPA exercises carried out in the field;
 - (xi) ensuring that innovative ways are adopted for organizing qualitative and quantitative data from fieldwork for meaningful comparisons that accurately represent the poor people's perceptions.
 - (xii) arranging to document the process and outputs of PPA at the micro, intermediate, and macro levels.
8. Outputs of the PPA expected from the IC are:
- (i) a state participatory poverty assessment report, (the report will document policy prescriptions emerging from the study and options spelled out by the poor),
 - (ii) a report highlighting major insights and gaps from review of literature,
 - (iii) a report on methodology used,
 - (iv) a video film documenting highlights of the study, and
 - (v) a report on capacity building accomplished
9. To accomplish the above tasks, the implementation consultant in each of the four participating states will organize a team of four experts.

10. Four process managers will be hired, one for each state, the total estimated time is 15 person-months (4 person-months for Assam, Chattisgarh and West Bengal, and 3 person-months for Sikkim). Each process manager will:
 - (i) provide overall guidance and direction to the study;
 - (ii) oversee the logistics, coordinate stakeholders workshops, and liaise with the government for the PPA;
 - (iii) smooth implementation of the quantitative reviews by the Poverty Specialist;
 - (iv) ensure quality control of the process and output;
 - (v) ensure consolidation and collation of findings of the PPA and follow up on any gaps to ensure consistency; and
 - (vi) ensure synthesis of insights and policy implications of the review study and PPA by the joint cooperative effort of the entire team.

11. Four field coordinators will be hired for the PPA, one in each participating state. The total estimated time needed is 18 person-months (5 person-months each for Assam, Chattisgarh and West Bengal, and 3 for Sikkim). Each field coordinator will:
 - (i) plan the field study, research teams, criteria for selection of facilitators and representative site selection, in consultation with the state implementation committee and important stakeholders;
 - (ii) select facilitators and organize training workshops;
 - (iii) pilot test a field study and build in necessary insights, organize stakeholders' interactions through out the process, and ensure feedback;
 - (iv) ensure quality control during fieldwork and proper documentation of field observations; and
 - (v) ensure collation of field findings using appropriate modern software

12. Four PPA specialists will be hired, one for each state. The total time will be 20 person-months. The specialists will:
 - (i) plan the PPA process and training modules for facilitators/ team;
 - (ii) decide on appropriate PPA methodologies to be used in the field;
 - (iii) plan systematic documentation of field-level information and processes;
 - (iv) use systematic techniques to arrive at conclusions and policy suggestions;
 - (v) support preparation of the state PPA report; and
 - (vi) support preparation of the process report on PPA.

13. Four social economists will be hired, one for each state. The total time expected will be 15 person-months (4 person-months each for Assam, Chhattisgarh, and West Bengal, and 3 for Sikkim).
 - (i) review poverty studies and highlight gaps and issues in a review report on poverty;
 - (ii) participate in stakeholders' consultations, discuss with the government and on the basis of this and review of studies, support preparation of themes for the PPA; and
 - (iii) work closely with the PPA specialist and process manager to prepare the synthesis report.

14. An international consultant will be hired in consultation with Asian Development Bank and Department for International Development for 2 person-months. The consultant will have expertise in PPA, and following international best practices will provide guidance for
 - (i) Capacity building;
 - (ii) Consultation on sound methodologies for organizing and interpreting the PPAs.