

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Program Title:	Madhya Pradesh Urban Service Improvement Program
Lending/Financing Modality:	Results-based lending	Department/ Division:	SARD/SAUW

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

India's incidence of poverty has registered a decline from 37.2% in 2004-05 to 21.9% in 2011-12. The government's continued commitment to poverty reduction is reflected in the goal of inclusive growth that was a critical component of the Eleventh Five Year Plan (11thFYP) and continues to be a pivotal feature in the Twelfth Five Year Plan(2012-17) (12thFYP).¹ The 12thFYP seeks to achieve faster, sustainable and inclusive growth and targets reduction in poverty incidence at 10 percentage points by 2017. Along with the development of key urban infrastructure, the 12thFYP stresses the importance of strengthening urban local bodies (ULBs), quality of governance, and service delivery systems for sustainable urban development.

Future improvement of urban services in Madhya Pradesh is guided by the "Madhya Pradesh Vision 2018" document that lays out the broad policy objectives for good governance, accelerated economic growth and social development for the period 2013-18.² It includes provision of drinking water in all urban centers, enriching the quality of life in cities and towns by improving civic infrastructure, including public and household sanitation facilities, and seeks to strive for a balance between developmental priorities and sustainable use of natural resources as its mission statements for urban development. The country partnership strategy (CPS) for 2013-17³ supports the FYP and conforms to the poverty reduction target and the sector development objectives. The proposed program objectives are consistent with the Madhya Pradesh Vision 2018 and CPS' strategic objectives, focusing on areas that articulate the need for infrastructure development including access to basic services and encouraging environmental sustainability. The proposed program contributes to the national poverty reduction strategy and the CPS by improving access to improved water supply, sanitation and solid waste management facilities in smaller ULBs of the State.

B. Poverty Targeting

☒General Intervention ☐Individual or Household (TI-H) ☐Geographic (TI-G) ☐Non-Income MDGs (TI-M1,M2,etc.)

Access to good public utilities at all levels has become cumbersome, time-consuming, and expensive for the public. Inability to access services is an important component of the processes that create, maintain, and deepen poverty. The proposed program will provide improved and sustainable urban basic services (water supply, sanitation and solid waste management) to approximately 2 million people in selected clusters of the State, and enhance the capacity and strengthen institutional systems. The program preparatory technical assistance (TA) will identify poor and vulnerable households through an intensive consultative and participatory process. The TA will also identify extent to which government programs are effectively utilized and their impact in terms of poverty alleviation. Using both quantitative and qualitative approach the TA will determine community willingness to participate in subprogram planning and implementation. The TA will also examine options of pro-poor designs, governance and resultant subprogram addressing pro-poor growth. The income and non-income dimensions will be addressed by setting up affordable charges for all beneficiaries and by maintaining and providing standardized urban service levels to all population. All program components are coordinated for more efficient service delivery, therefore lowering the cost of urban service provision and contributing to the poverty reduction and inclusive growth strategy.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The state poverty ratio is 31%, constituted by 21% from the urban areas and 35.7% from the rural areas. Poverty incidence in Madhya Pradesh is one of the highest among the states in the country. The state specific poverty lines for 2011-2012 indicate that the monthly per capita consumption expenditure (MPCE) for Madhya Pradesh was among the lowest. It was estimated Rs.1024 for rural areas and Rs. 1842 in urban areas. The MPCE was lower than the India average, which was estimated at Rs.1287 for rural and Rs. 2477 in urban areas.⁴ The state also has a large and growing urban population. Presently, it is about 20 million and is likely to reach 25 million by the year 2021.

Access to basic services is poor in the state. Less than a quarter (23.9%) of households (HHs) has drinking water facility within the premises. Despite the initiatives undertaken, a large number of ULBs remain uncovered by urban

¹ Government of India. Planning Commission. 2012. *Twelfth Five Year Plan (2012-2017): Faster, More Inclusive and Sustainable Growth*. New Delhi.

² Government of Madhya Pradesh. 2013. *Madhya Pradesh Vision 2018*. Bhopal.

³ ADB. 2013. *India Country Partnership Strategy 2013-2017*. Manila, Philippines.

⁴ Government of India, Planning Commission. July 2013. *Press Note on Poverty Estimates, 2011-2012*. New Delhi.

basic services comprising water supply, sanitation and solid waste management. Of the 377 ULBs in the state more than half (50.4%) are not covered through water supply. Moreover, of the HHs having water supply facilities more than 20% of them did not get sufficient water throughout the year for all HH activities during 2012. The situation with liquid and solid waste disposal is also a cause of concern. As high as 93% of towns do not have wastewater or sanitation facilities. About one third (32%) of HHs in the state's urban areas do not have garbage disposal arrangement. Further, the constraints for realization of full benefits include unchanged behaviors and established hygiene and sanitation habits leading to under-utilization of the use of urban services. Residents of the program area especially women and girls will be the main beneficiaries. The program will expand improved water supply to include pockets where low income and vulnerable HHs concentrate.

2. Impact channels and expected systemic changes. Successful implementation of program will provide improved and sustainable urban services. It will help design and build better urban infrastructure that will improve service delivery, improve institutional and financial management. It will help the participating ULBs to sustain these initiatives. With improved urban services, girls/women will have more time at their disposal. Improved access to urban services will contribute to economic growth, which can have poverty reduction impacts. Residents will be benefitted through improved access to basic services and living environment thereby improving hygiene and sanitation resulting in lower incidence of water borne diseases. The time saved during collection of water and disposal of garbage will enable them to engage in other activities including rest, recreation, skill development and income generating activities. With improved health conditions the number of days of wage loss owing to ill health will also decrease. Thus the program is expected to lead to better opportunities for poor especially women by raising their income and improving access to better employment opportunities.

3. Focus of (and resources allocated in) the PPTA or due diligence. The challenge to strengthening the urban services will require review of existing demographic and socio-economic data, including status of access to basic services institutional requirements, and creating an enabling framework for related elements to come together into a coherent operating model (e.g., institution and enforcement of urban rules and regulations, regular municipal services and urban infrastructure maintenance, community participation etc.). The TA will assess (i) the program soundness, results and links with disbursement, and expenditure and financing under a potential results-based lending modality and (ii) monitoring and evaluation, fiduciary, procurement, environment, and social safeguard systems.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this program or program? Access to basic services for all including poor and women is essential to attain social development goals and ensure equal opportunity to participate in a country's economy. Improve access to these services will enhance their standard of living and facilitate their participation in the urban labor market. At a first glance, urban infrastructure—including drinking water and solid-waste management among others—appears to be gender-neutral in the benefits it accrues to households. However, on careful examination, it is clear that absence of a mechanism for effective delivery of urban services, and proper targeting of government expenditure are manifested in many important ways that are relevant to women. Women suffer most if urban services such as drinking water and sanitation are inadequate. It is women and girls who fetch water in majority of cases.

On average, HH members spend more than 15 minutes a day to fetch drinking water from outside the premises and another 14 minutes is spent as waiting time at the source. Women, who have to collect drinking water, are vulnerable to a number of unsafe practices. Similarly, it is women who deal with disposal of solid waste generated within the HH. Increased access to drinking water and solid-waste disposal will reduce the drudgery of women. Moreover, this will have a significant impact on the HHs headed by women as it affects their income earning capacity. Properly designed urban infrastructure can reduce the drudgery of women from collecting water and indirectly improve the quality of life of women and their economic status.

2. Does the proposed program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making? ☒ Yes ☐ No Please explain.

3. Could the proposed program have an adverse impact on women and/or girls or widen gender inequality?
☐ Yes ☒ No Please explain

4. Indicate the intended gender mainstreaming category:

☐ GEN (gender equity) ☒ EGM (effective gender mainstreaming)
☐ SGE (some gender elements) ☐ NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the program, including beneficiaries and negatively affected people? Identify how they will participate in the program design. The main stakeholders are the residents of about four service clusters (approx. 2 million people) including beneficiaries, affected people especially women, poor and vulnerable households. Other stakeholders include representatives from government agencies, private partners/entities responsible for project design, implementation, monitoring and evaluation (consultants, contractors,

<p>NGOs, etc.) and donors. These stakeholders will be involved in consultations during the TA to ensure participatory approach in program design and strengthen inclusiveness.</p> <p>2. How can the program contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the program design require participation of the poor and excluded?</p> <p>Participatory process will be used to ensure an inclusive program design. Consultations will be undertaken to provide program information and seek stakeholders' views and preferences especially with users to ensure affordability, access and reliability of urban services. Measures will be taken to include and promote gender equality in the program design so that women have equitable opportunities and participation in decision-making process.</p> <p>3. What are the key, active, and relevant civil society organizations (CSOs) in the program area? What is the level of CSO participation in the program design?</p> <p>The key CSOs in the program area would be identified during the PPTA.</p> <p><input checked="" type="checkbox"/> Information generation and sharing (H) <input checked="" type="checkbox"/> Consultation(H) <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership</p> <p>4. Are there issues during program design for which participation of the poor and excluded is important? What are they and how will they be addressed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
IV. SOCIAL SAFEGUARDS
<p>A. Involuntary Resettlement Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C</p> <p>1. Does the program have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>There are no anticipated significant adverse impacts involving involuntary land acquisition. Any potential impacts will be identified, evaluated and mitigated through a Resettlement Plan.</p> <p>2. What actions are required to address involuntary resettlement as part of the PPTA or assessment process?</p> <p><input checked="" type="checkbox"/> Program safeguard system assessment and actions <input type="checkbox"/> None</p>
<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C</p> <p>1. Does the proposed program have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>There are no potential issue specifically affecting indigenous people. The TA will assess and confirm that there are no adverse impacts on indigenous people.</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>3. Will the program require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. What actions are required to address risks to indigenous peoples as part of the PPTA or the program assessment process? <input checked="" type="checkbox"/> Program safeguard system assessment and actions <input type="checkbox"/> None</p>
V. OTHER SOCIAL ISSUES AND RISKS
<p>1. What other social issues and risks should be considered in the program design?</p> <p><input checked="" type="checkbox"/> Creating decent jobs and employment(M) <input checked="" type="checkbox"/> Adhering to core labor standards (H) <input type="checkbox"/> Labor retrenchment</p> <p><input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input checked="" type="checkbox"/> Affordability (M) <input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability</p> <p><input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the program design?</p> <p>Successful implementation of the program is expected to create employment. Adherence to core labor standards will be secured through provisions in the construction/performance-based contracts. Willingness to pay and affordability assessments will be carried out through the socioeconomic surveys.</p>
VI. PPTA OR ASSESSMENT RESOURCE REQUIREMENT
<p>1. Do the terms of reference for the PPTA (or program assessments) contain key information needed to be gathered during PPTA or the program assessment process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. What resources (e.g., consultants, survey budget, and budget for workshop(s)) are allocated for conducting poverty, social and/or gender analyses, and participation plan during the PPTA or the program assessments? The Social Development and Gender Specialist will be mobilized (3 person-months) to undertake poverty, social and gender analysis. Participation plan and gender actions will be prepared and incorporated into the program action plan to maximize program benefits for women. Program management and design and supervision consultants will be appointed through advance action. Sufficient resources will be allocated for surveys, meetings and consultations.</p>