

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	India	Project Title:	Strengthening Municipal e-Governance Reforms in Karnataka
Lending/Financing Modality:	Project	Department/ Division:	SARD/SAUW

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Broadly coinciding with acceleration in the rate of economic growth, India's incidence of poverty has registered a decline from 37.2% in 2004-2005 to 29.8% in 2009-2010 (19.3% in urban areas). 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 (11th FYP) and continues to be a pivotal feature in the Approach to the Twelfth Five Year Plan (12th FYP). The government's responses to poverty can be categorized in terms of two related though distinct approaches. One focuses on enhancing economic opportunities that the poor can access, the other targets the poor directly—by specifically expanding economic opportunities for the poor, developing their capabilities to access economic opportunities, and protecting them from various types of shocks.

India's new urbanization strategy calls for the development of 100 'Smart Cities' in the country. This concept, seeks to achieve increased sustainability, employment and quality of life through 3 pillars (i) institutional infrastructure (including governance), (ii) physical infrastructure and (iii) social infrastructure, focusing on the development of human and social capital, education and healthcare systems.

The Asian Development Bank (ADB's) country assistance strategy is closely aligned with the Government of India's approach to the 12th FYP, and has placed high priority in supporting inclusive and environmentally sustainable growth through infrastructure development. Inclusiveness will continue to be a core element of the 2012-2017 urban programs, through the design of project specific-elements linking the poor to the city. Specifically, this project will seek to enhance citizen's participation, particularly the poor, access to information and services. It will also strengthen grievance capture and redressal mechanisms.

#### B. Poverty Targeting

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

A social development specialist will, under the PPTA, assess the impact of past and proposed municipal e-Governance reforms on the poor and various social groups.

#### C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Potential beneficiaries include citizens of all 219 ULBs in Karnataka, city managers and elected officials, and State officials. The project will improve access to information, capacity to address services in all areas of the ULBs.

2. Impact channels and expected systemic changes. Improving and deepening e-Governance reforms will modernize ULB city administration, irreversibly changing practices. It will lead to a more transparent, efficient and citizen-oriented scheme, which emphasizes the importance of performance and clarifies/enhances roles and responsibilities of state and local government actors

3. Focus of (and resources allocated in) the PPTA or due diligence. No issues are identified at this stage. A social development specialist will be recruited to nonetheless assess any positive and negative impacts on the poor. Surveys will be conducted.

4. Specific analysis for policy-based lending. Not applicable

### II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? Karnataka is a populous, large state in the south of India. The 2011 Census found that almost 40% of its population of 61 million lived in urban areas, making it one of India's more urbanized states. The Gender and Development Index is .611, well above the all-India level of .590 but much lower than its southern neighbors. Women's recorded labor force participation rates are low in India compared with other countries, but they are higher in Karnataka than many other states: 39% of rural women and 18% of urban women are in the labor force (compared to nationwide figures of 29% rural and 15% urban). Generally in India, women's representation in industry and services, the higher-growth sectors in recent years, is much lower than in agriculture. In Karnataka, women do somewhat better than in

other states—they have 23.5% of wage employment in the non-agricultural sector, compared to the nationwide figure of 19.1%. In Karnataka in 2007-08, wages of women who were casual workers (by far the largest category of workers) were as low as 45% of men's wages in rural areas and 62% of men's wages in urban areas. Among wage employees (a relatively small proportion of both women and men), women's earnings were only 53% those of men in urban areas and 66% in rural areas. Among the many factors in the persistence of such discrimination is the perception that women are secondary earners and that lower wages for them are therefore justified. In addition, many women are unaware of minimum wage standards and laws against discrimination in employment and wages.

Improved living conditions are important for all, but particularly for poor women. Deficiencies in basic urban services increase the time and effort for household water collection, waste disposal and family hygiene, all responsibilities usually carried by women that can also constrain the time available for income-earning activities.

The 73rd and 74th Constitutional Amendments were a major step forward in ensuring a minimum representation of women in local government (1/3 of all elected representatives and 1/3 of chairpersons). In the most recent panchayat elections in Karnataka, women constituted 43% of those elected, a considerable achievement. Karnataka has amended its legislation to increase the reservation for women in panchayat elections to 50%. Some remaining constraints to effectiveness include the practice of rotating the reserved seats every five years, which limits efforts to build a political career from one election to the next.

2. Does the proposed project or 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

Specific opportunities include: (i) collection of sex disaggregated data for training and complaint redressal, (ii) women-targets for training and development.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

☐ Yes ☒ No Please explain: Not expected. Will be confirmed by social development specialist

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 project, including beneficiaries and negatively affected people? Identify how they will participate in the project design. Potential beneficiaries include citizens of all 219 ULBs in Karnataka, city managers and elected officials, and State officials. Workshops and consultations will be conducted during evaluation and design stages.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded? The project aims to ensure equal access and this will be reflected in its design.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

☒ Information generation and sharing (H) ☒ Consultation (M) ☒ Collaboration (H, for selected modules)  
☐ Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? ☐ Yes ☒ No

CSOs and NGOs are already engaged in the delivery of citizen services under e-Governance programs (such as grievance capture and redressal systems). Where appropriate, their participation will be enhanced and expanded.

### IV. SOCIAL SAFEGUARDS

**A. Involuntary Resettlement Category** ☐ A ☐ B ☒ C ☐ FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? ☐ Yes ☒ No

The project is not expected to require any civil works. Services and equipment will be the focus of the assistance.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

☐ Resettlement plan ☐ Resettlement framework ☐ Social impact matrix  
☐ Environmental and social management system arrangement ☒ None

**B. Indigenous Peoples Category** ☐ A ☐ B ☒ C ☐ FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? ☐ Yes ☒ No

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? ☐ Yes ☒ No

3. Will the project require broad community support of affected indigenous communities? ☐ Yes ☒ No

All activities will be conducted within ULB premises.

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?

☐ Indigenous peoples plan ☐ Indigenous peoples planning framework ☐ Social Impact matrix

☐ Environmental and social management system arrangement ☒ None

**V. OTHER SOCIAL ISSUES AND RISKS**

1. What other social issues and risks should be considered in the project design?

☐ Creating decent jobs and employment ☐ Adhering to core labor standards ☐ Labor retrenchment

☐ Spread of communicable diseases, including HIV/AIDS ☐ Increase in human trafficking ☒ Affordability

☒ Increase in unplanned migration ☐ Increase in vulnerability to natural disasters ☐ Creating political instability

☐ Creating internal social conflicts ☐ Others, please specify \_\_\_\_\_

2. How are these additional social issues and risks going to be addressed in the project design?

**VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT**

1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence 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?

☒ Yes ☐ No

2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the PPTA or due diligence?

2 person-months of social development specialist time.

Safeguards will be screened and categorization (C) reconfirmed during project design by ADB's safeguards specialists.