SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

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<th>Country:</th>
<th>India</th>
<th>Project Title: Tamil Nadu Urban Flagship Investment Program (TNUFIP)</th>
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<td>Lending/Financing</td>
<td>Multiranche Financing Facility (MFF)</td>
<td>Department: South Asia Department/Urban Development and Water Division</td>
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I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: General Intervention

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

India’s urban population of 380 million (31%) contributes 63% of the country’s gross domestic product (GDP). With the growth of urban centers, the urban slum population has also grown by 25.1% during 2001–2011. An estimated 13.7% of the urban population lives below the poverty line, while 17.4% lives in slums. The accelerated pace of urbanization (40% of the population is projected to be urban by 2030) poses a challenge to achieving sustainable infrastructure development, universal access to basic services, and inclusive growth. The Government of India recognizes the importance of inclusive development and the need to improve infrastructure and reduce urban poverty. The Government of India’s Three-Year Action Agenda, 2017–2020 recognizes the importance of urban centers as engines of economic growth. The Asian Development Bank (ADB) country partnership strategy for India, 2018–2022, is closely aligned with India’s strategic priorities outlined in its 15-year vision, 7-year strategy, and 3-year action agenda. Tamil Nadu is the most urbanized among India’s large states with 48.5% of its population living in urban areas. Rapid urban industrial and population growth has resulted in slum growth and severely strained water supply and sewerage facilities that are in need of major investments to ensure full coverage and improved sustainability. The Tamil Nadu Urban Flagship Investment Program will improve urban infrastructure, provide continuous (24/7) access to water supply and sanitation services, enhance urban local governance capacity, and improve urban livability, especially among the poor. The investment program will contribute indirectly to poverty reduction, and inclusive and sustainable growth, and is designed for climate resilience. Improvements in water, sanitation, and climate and disaster resilience will contribute to achievement of Sustainable Development Goals 6 and 13.

B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

1. Key poverty and social issues. Tamil Nadu ranks 7th in human development among India’s states, with a human development index (HDI) score of 0.544 against the national average of 0.504; the inequality-adjusted HDI (396 for Tamil Nadu) reflects a 27.28% average loss compared to the HDI, indicating persistent inequalities and uneven distribution of development benefits in the state. The state’s urban population is currently 48.5%, and this is projected to reach 67.0% by 2030. A 27% increase in the urban population in Tamil Nadu was accompanied by a 150% increase in the reported slum population. Rural poverty (15.83%) is high compared to urban poverty (6.54%). Almost 6 million people live in urban slums in Tamil Nadu (Census 2011). The Vision Tamil Nadu 2023 strategy acknowledges deficiencies in basic urban services and the need for sustainable and inclusive urban spaces as a key policy priority to realise its development goals, which aim to make it India’s most prosperous and progressive state by 2023. The project cities lack comprehensive sewerage systems; most dwellings are connected to individual septic tanks and/or soak pits. Open defecation practices are prevalent in some poor communities. Cities in Tamil Nadu allow poor households to pay connection charges in instalments. Sewer tariffs are based on dwelling area, with poor households benefiting from lower charges levied on smaller living spaces. Poor households benefit from lower charges levied on smaller living spaces.

2. Beneficiaries. The beneficiaries will comprise the poor, including households headed by women. The program will provide sewer connections to approximately 426,600 households across eight urban local bodies (ULBs) (e.g., cities and towns), inclusive of all poor households and those headed by women, and water supply connections to 100% of the population (including the poor and households headed by women) in the project coverage areas of five cities. The average sex ratio of the target population is 1,002. The gender gap in literacy is 9.49% (91.8% for males, and 82.31% for females). The average per capita water consumption in the three project ULBs is 39–120 liters per capita per day (lcpd) compared with the Government of India, Central Public Health and Environmental Engineering Organization’s norm of 135 lcpd. The baseline socioeconomic survey indicates that 8% of respondents lacked a toilet facility in the premises (18% of slum households); of these, 52% defecate in the open, 26% use public toilets, 13% use pay and use toilets, and 5% use neighbours’ toilets. Almost 84% of households surveyed lacked a sewer connection. The survey and focus groups discussions suggest there are gender-based disadvantages associated with using community toilets, including harassment. The survey indicates 7.7% of households are headed by women; 46% belong to a backward class (socially, educationally or economically disadvantaged); 23% to a scheduled caste; 22% to a most backward class, 1% to a scheduled tribe, and 6% to the general category. The average monthly family income is ₹33 (₹21,915) and ranges from less than ₹46 (₹3000) to above ₹461 (₹30,000).

3. Impact channels. The program will bring the desired changes through rehabilitation and expansion of sewage collection and treatment systems, and improved access to reliable and smart water supply and improved urban governance and institutional capacity. The program will provide water supply, sanitation, and wastewater disposal for the poor and other residents of program areas. The water supply, sewerage and sanitation components will benefit all households, and impact the most disadvantaged and underserved. The program’s “finance plus” feature will implement a performance-based governance reforms component. Performance-linked incentives will encourage ULBs to carry out priority governance reforms (e.g., revenue generation, financial management, and gender-related).

4. Other social and poverty issues. The program will directly address water, sanitation, and drainage service gaps including in slums. It will also have indirect benefits related to social, economic, health, and environmental impacts. The program will also influence strategic and practical gender needs. Access to development programs (especially on health, poverty alleviation, education, safety, and social welfare) will be addressed by other urban development programs and line departments. The program is aligned to the Atal Mission for Rejuvenation and Urban and where feasible, efforts will be made to develop synergies with other development programs to maximise project benefits for the target population.

5. Design features. The design features include pro-poor, socially inclusive and gender-responsive elements. All project ULBs endorse pro-poor connections and tariff policies, although these may vary among ULBs. The project provides individual
I. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and project activities. A community awareness and participation plan (CAPP) was developed to ensure an inclusive and participatory approach to project planning, implementation and monitoring. The activities, key messages and methodology were planned to actively and effectively involve key stakeholders. Stakeholder mapping and a baseline socioeconomic survey were carried out to identify stakeholders and plan relevant information and communication strategies. The CAPP includes outreach activities involving school students, community groups and self-help groups.

2. Civil society organizations. Nongovernment organizations and civil society organizations will be involved in awareness programs and consultation activities as part of CAPP implementation.

3. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA):
   - H: Information gathering and sharing
   - H: Consultation
   - M: Collaboration
   - L: Partnership

4. Participation plan. Yes. A project-level CAPP has been prepared to strengthen stakeholder participation. A gender and community development and participation assistant within the construction management and supervision consultant (CMSC) and governance improvement and awareness consultant (GIAC) will be mobilised to implement and monitor CAPP activities, with adequate resources ($50,000) provided for CAPP activities.

II. GENDER AND DEVELOPMENT

Gender mainstreaming category: EGM (effective gender mainstreaming)

A. Key issues. The baseline socioeconomic survey indicates women and girls are the primary caregivers, and primarily responsible for water collection, management and household sanitation. Respondents who lacked house service connections and are dependent on public taps or tankers, spent an average of 57 minutes per day in water collection, although the time spent varies (e.g., by size of family, distance from water source, and time of year). This represents a loss of productive time. The lack of access to water and sanitation services also increased risk and incidence of harassment and gender-based violence, with 62.5% of respondents in Chennai confirming they suffered harassment while using public toilets. The focus group discussions with community members indicated issues including an absence of underground drainage and/or sewerage systems, household latrines, and water and/or electricity supplies in public toilets; exposure to open drains and associated health risks; difficulties faced by women, children and elderly in using community toilets; open defecation and sanitation services which cause sewer water to overflow and remain on roads if not cleaned regularly. Discussions reflect poor services and associated adverse impacts experienced by community members, especially females and the elderly.

B. Key actions.
   - Gender action plan
   - Other actions or measures
   - No action or measure

   A gender action plan (GAP) was prepared for tranche 1 to contribute to (i) human capital development by creating awareness and opportunities for women’s participation in project activities; (ii) economic empowerment by ensuring project-related employment opportunities are accessed equitably; (iii) affirmative actions to ensure women are represented in decision-making at all levels of project planning and implementation; (iv) gender capacity building of all stakeholders, specifically in the context of gender in urban infrastructure, sexual harassment policies, other relevant central and state government legislation, and gender-responsive monitoring and impact assessments to ensure that all beneficiary data is disaggregated by gender, and progress similarly monitored and updated. The estimated number of female beneficiaries in tranche 1 (outputs 1 and 2) is 163,000 out of a total of 328,000 beneficiaries.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: A B C FI

1. Key impacts. Resettlement plans are prepared for all proposed subprojects under tranche 1: sewerage subprojects in Chennai, Coimbatore, Tirunelveli, Tiruchirappalli, Rajapalayam, and Vellore, and a water supply subproject in Chennai. The anticipated impact includes 100% residential structure loss leading to relocation of 87 vulnerable affected persons (40 males and 47 females) to new government housing and the potential temporary loss of income for 408 (341 male, 57 female, 10 absentee, whose shops or stalls were closed on the date of survey) hawkers and vendors on proposed pipe alignments. No private land acquisition is anticipated for the sample subprojects; all sites identified for subproject components are municipal or government lands (463,811 square meters). Temporary impacts to mobile vendors and shops along roads with linear works will be avoided through careful environmental management plan implementation.

2. Strategy to address the impacts. Draft resettlement plans and resettlement framework are prepared.

3. Plan or other Actions.
   - Resettlement plan
   - Combined resettlement and indigenous peoples plan
   - Resettlement framework
   - Combined resettlement framework and indigenous peoples planning
   - Environmental and social management framework
   - Social impact matrix
   - No action

B. Indigenous Peoples

Safeguard Category: A B C FI

Key impacts. Based on site visits, surveys and consultations, no tranche 1 communities have indigenous peoples as defined by ADB’s Safeguard Policy Statement (2009).

Is broad community support triggered? Yes No
2. **Strategy to address the impacts.** An indigenous peoples planning framework has been developed to guide preparation of Indigenous Peoples Plans if Safeguard Requirement 3 (SR3) is triggered in future tranches.

3. Plan or other actions.
- [ ] Indigenous peoples plan
- [ ] Environmental and social management system arrangement
- [ ] Social impact matrix
- [ ] No action

- [ ] Combined resettlement plan and indigenous peoples plan
- [ ] Combined resettlement framework and indigenous peoples planning framework
- [ ] Indigenous peoples plan elements integrated in project with a summary

V. **ADDRESSING OTHER SOCIAL RISKS**

A. **Risks in the Labor Market**
1. **Relevance of the project for the country’s or region’s or sector’s labor market, indicated as high (H), medium (M), and low or not significant (L).**

2. **Labor market impact.** Agreements with contractors will include all relevant clauses on core labor standards with special emphasis on child and female labor. The agreements will also consider opportunities for local communities, including supervisors and engineers. Regular monitoring will be undertaken to oversee compliance.

B. **Affordability**

Connection cost is fully covered by the project. Project ULBs endorse pro-poor connection and tariff policies for economically weaker sections of the population, although these may vary among ULBs. Potential water tariff increases will consider affordability concerns, and suitable payment methods for the poor and households headed by women that best fit their needs will be developed in consultation with women and community-based organizations. Tariffs will be based on volumetric consumption. The poor currently pay a higher-than-average proportion of their incomes on water, and options for further cross-subsidization of tariffs for water supply and sewerage will be considered.

C. **Communicable Diseases and Other Social Risks**

1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):
   - Communicable diseases (L)
   - Human trafficking (NA)
   - Others (please specify)

2. **Risks to people in project area.** Construction workers will be made aware of communicable diseases such as HIV/AIDS. Construction workers and local communities surrounding the project sites will be made aware of the risk of sexually transmitted infections, including HIV. The project will partner with the State AIDS Control Society to help raise awareness among contractors, laborers, and local communities regarding this risk. Contract agreements will include clauses prohibiting employment of child laborers and requiring equal remuneration and (other relevant clauses) for female workers.

VI. **MONITORING AND EVALUATION**

1. **Targets and indicators.** The design and monitoring framework and the gender action plan identify key indicators and targets that address poverty reduction and social inclusion.

2. **Required human resources.** Safeguard officers will be mobilized at the program management unit (PMU) to monitor implementation of resettlement plans and the environmental management plan. A gender and community development assistant within the CMSC and GIAC consultant will be mobilized to implement and monitor GAP and CAPP activities.

3. **Information in the project administration manual.** The required monitoring mechanisms are included in the facility administration manual. The CMSC and GIAC will be responsible for submitting periodic (quarterly) progress reports on the GAP and the CAPP to the PMU. The PMU will be responsible for preparing quarterly progress reports, including compliance with safeguards and progress on the GAP and the CAPP. Semi-annual safeguards monitoring reports will also be prepared.

4. **Monitoring tools.** The project performance management system (PPMS) will update progress data. All beneficiary data will be included in the PPMS, disaggregated (by gender, ethnicity, social, and economic status), and updated quarterly. GAP and CAPP activities will be implemented by the CMSC and GIAC. The midterm review will evaluate the scope of the loan, implementation arrangements, safeguard issues, GAP progress, achievement of targets, contract management progress and other issues, including midcourse corrections. An evaluation will be undertaken on project closure.

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b. The investment program is closely aligned with government priorities and its urban flagship programs including its 15-year vision, a 7-year strategy, and a 3-year action agenda (footnote c).


e. United Nations Development Programme. 2011. *Inequality-adjusted Human Development Index for India’s States.* Delhi.


g. 2011 Census Data. *Census of India.*


