



INDIA: Evaluating Bank Assistance for Social Development in the 1990s

A Country Assistance Evaluation

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Acronyms

ASTHR	Asia Technical Department, Human Resources Division
CAE	Country Assistance Evaluation
CBO	Community Based Organization
DPIP	District Poverty Initiative Project
EDI	Economic Development Institute
GOAP	Government of Andhra Pradesh
GOI	Government of India
ICR	Implementation Completion Report
IWDP	Integrated Watershed Development Project
MIS	Management Information System
NDO	New Delhi Office
NGO	Nongovernmental Organization
NTPC	National Thermal Power Corporation
OD	Operational Directive
OED	Operations Evaluation Department
O&M	Operations and Maintenance
OP	Operational Policy
PCR	Project Completion Report
PME	Participatory Monitoring and Evaluation
PRA	Participatory Rural Appraisal
SASSD	South Asia Social Development Sector Unit
SDU	Social Development Unit
ST	Scheduled Tribe
VIP	Village Immersion Program
VWSC	Village Water and Sanitation Committee
WBI	World Bank Institute

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Preface

This paper is one of the background papers prepared as an input to the India Country Assistance Evaluation (CAE, Task Manager: Gianni Zanini) by the Operations Evaluation Department (OED) of the World Bank. This paper is based on primary and secondary sources of information. In 1997 the author conducted impact evaluations of involuntary resettlement in two irrigation projects (in Karnataka and Maharashtra) as part of the OED study *Recent Experience with Involuntary Resettlement*.¹ In 1999 the author did further field research in India as part of the OED Participation Process Review, mainly on the Karnataka Rural Water Supply and Environmental Sanitation project, and an audit of the Upper Krishna II Irrigation project. The author convened a Social Development Workshop with NGOs (nongovernmental organizations) in New Delhi on April 30, 1999 to discuss the Bank's work on social development in recent years. The author also discussed this work with Bank staff at both headquarters and the field office, and reviewed relevant documents. No additional research was undertaken beyond the work mentioned above, including any field research on indigenous peoples or social assessment.² The report covers the period 1994-1999, with selective updates of events in 2000. The draft version of this paper was presented by Jack van Holst Pellekaan in a workshop on April 3, 2000 at the Bank's New Delhi office. Several dozen NGO, government, and other workshop participants provided substantial comments which have been incorporated into this final report.

An earlier version of this paper was reviewed by members of the Bank's India social development team, including Ellen Schaengold, David Marsden, Lars C. Lund, Reidar Kvam and Suryanarayan Satish, and by the Government of India's Ministry of Social Justice and Empowerment. The paper also benefited significantly from the extensive comments at the April 3, 2000 workshop. The author is grateful for all comments received, which have been taken into account in this revised version. However, the views expressed in this paper remain entirely those of the author. They do not necessarily represent the views of OED or the World Bank.

¹ *Recent Experience with Involuntary Resettlement: India—Upper Krishna (Karnataka and Maharashtra)*, OED, Bank Report no. 17542, June 2, 1998.

² The author was not a member of the CAE mission team, so this note is not comparable to reports by team members.

Executive Summary

1. Social development issues received inadequate attention until 1994. Problems had reached unacceptable levels, requiring enormous remedial work by the Bank and the government. There were widespread problems in involuntary resettlement operations, limited stakeholder participation in Bank operations, few social assessments, and little attention to indigenous peoples issues. It is easy to forget how undeveloped and unsophisticated the Bank's work was on social development issues only six short years ago. The Bank has taken major actions to emphasize social development in its operations, first focusing on resettlement, but since 1995, on participation and social assessment, and more recently on indigenous peoples and other issues.

2. Much of the Bank's social development work has not had as much results on the ground as the Bank and NGOs hoped. As the 1998 OED involuntary resettlement evaluation found, the main failings were not due to lack of Bank attention or commitment as to the difficulty of reaching Bank objectives, relying on public sectors agencies with limited capacities, the appropriateness of Bank interventions, and follow through. This is true of the social development agenda more broadly. The Bank needs to find ways to achieve greater government commitment, or else be more selective in its involvement. The Bank cannot afford to compromise its principles; this would be an abdication of responsibility. But the Bank needs to remain engaged, to promote more effective government approaches to poverty alleviation. Most Indian government programs tend to be too centralized, not very participatory, and not very effective at reducing poverty. Because the GOI's anti-poverty programs' \$2 billion of annual resources dwarfs the Bank's program, the Bank's influence on GOI programs may well make more of a difference than improving the Bank's own programs. So far there has been inadequate connection between Bank and government plans and programs.

3. Recent Bank initiatives are promising. The India social development team has made major strides in just the past five years, but the outcomes of those efforts will require a longer time horizon to evaluate with confidence. Even so, there is preliminary evidence of success in some areas, especially participation. Each new round of projects builds upon the lessons of previous efforts to achieve new higher levels of participation. For example, the Karnataka rural water supply project built upon lessons from participation in the Maharashtra water project, which in turn led to improvements in the participatory approach in the Uttar Pradesh water project. Good practices are extending throughout sectors across India. The assumption now is that participatory projects are the norm, not the exception. A broad strategy is emerging for improving government performance through decentralization, increased transparency and accountability, and community empowerment. Given that past strategies have not reduced the number of people living in poverty, this relatively new social development strategy should be given a fair chance to determine its efficacy and sustainability.

4. Nonetheless, social development remains insufficiently mainstreamed and integrated into the core of Bank operations. Civil society observers of the Bank emphasized that the Bank needs to believe in what it promotes, and to demonstrate real commitment.¹ Some NGOs especially feel that there is a lot of talk, but not enough results, and are starting to become skeptical. They believe social development should be about empowerment and social change. These NGOs are pressing for a much more proactive social development agenda, and the Bank is caught in between as

¹ Taped participant comment, India CAE Workshop on Social Development, New Delhi, April 3, 2000.

government has not been able to respond quickly to Bank social development initiatives. More time is needed to see significant improvements, although clearly there has been progress over the last 10 years. The tension is more over the rate of progress. NGOs urge the Bank to take the initiative with other donors to move the social development agenda forward²

5. Although this is a brief review, some conclusions are apparent.

- *The impact of assistance for social development needs to be increased through quality enhancement and working more on the policy level.* Even though the Bank has made major progress on social development in its operations in India, there are many areas of shortcomings and excessive unevenness in the quality and impact of the work. Social development work needs to move more to the policy level. Achieving government ownership and capacity to effectively implement social development are crucial. Holding government accountable, and creating or supporting the local level institutions to do this is the key.
- *The Bank needs to take a more institutional, capacity-building approach, to social development.* The Bank has tended to take a project approach, but that raises questions of sustainability. Institutional structures are the instruments by which social development interventions can be sustained. This means both promoting increased government capacity, and local institutions that represent the interests of the poor and vulnerable.
- *The Bank has progressed further in rethinking its approach to social development than in implementing it.* The DPIP's have been in preparation for five years, and were approved only in 2000. The Inclusive Institutions proposal has not yet been implemented. Many approaches still need to be field tested. The criticism that rhetoric is outpacing results is fair.
- *The quality and impact of social assessments needs to be significantly improved.* Social assessments should be carried out by competent and credible organizations and of sufficient quality to improve the design and implementation of projects. Social assessment needs to be an ongoing process throughout the project, not a one-off data collection effort. The impact that high quality social assessments made reinforces the need for quality.
- *There needs to be more training and capacity-building of all stakeholders in all areas of social development.* Participation, social assessment, indigenous peoples, and involuntary resettlement are all at fairly early stages of development. While some individuals and organizations are quite advanced, most are not. This is generally the case at lower levels of government. The capacity exists in India, much of it in NGOs. Their skills and experience need to be shared much more broadly, especially with government. Tripartite (the Bank, government, and civil society) programs are one means of capacity building. Even Bank staff need to develop their social development skills, especially at the sector and country level.
- *Relations with NGOs and civil society should be better organized, with more continuity and follow-up.* NGOs should not be brought into consultations on a random, occasional basis. Instead, a long-term partnership should be forged. Currently the situation does not reflect a genuine, equal partnership. There should be more systematic communication and

² Taped participant comment, India CAE Workshop on Social Development, New Delhi, April 3, 2000.

interaction. NGOs and communities have a lot of valuable experience, and the Bank should be learning from that experience, trying to strengthen and support it, not reinvent it.

- *Participatory monitoring and evaluation (PM&E) would provide greater accountability to clients, greater transparency, increased learning, and a focus on results.* Too often the Bank has not followed up its worthy efforts which end up wasted. The 1998 OED resettlement evaluation found far too many completion reports with inadequate reporting on resettlement outcomes. The focus had been on acceptable plans at appraisal, but plans do not necessarily lead to results. The social development team has made progress in shifting its focus towards results, but putting PM&E systems in place—especially in projects—would help a great deal.
- *The involuntary resettlement and indigenous peoples policies require raising the issue at the level of policy dialogue to achieve greater Indian government ownership of these issues.* Pursuing these policies on a project by project basis is inefficient. If the Bank cannot succeed in getting its policies and standards applied to non-Bank projects, the Bank is protecting only people affected by projects it assists, at a high cost, and not very effectively. The Bank is raising the issue in policy dialogue, and needs to follow through until government takes ownership of these issues.
- *Integration of social development work yields higher returns.* High quality social assessments contributed to good designs for participation in several projects. The work on indigenous peoples and involuntary resettlement benefited from a more participatory approach. Inclusive Institutions is a promising framework for integrating the social development approach. Whereas previously social development tended to apply to only one theme or component of a project (e.g. resettlement), more recently social development has been the underlying project concept (e.g. the DPIPs). Designing projects starting with social development should be further developed and tested.
- *Social development requires more resources.* Participation, and social development more generally, have been underfunded. For example, about 2 percent of the project budget in the Karnataka water supply project is devoted to participation, but it has made a significant difference to the project. The UP water supply project invested about 7 percent on participation and that has allegedly led to even better participation and project effectiveness. Much of the social assessment work was financed by Strategic Compact funds which have ended, so new sources will be required, if social assessment work is judged worthwhile.
- *Work with international and local development partners to promote the social development agenda.* NGOs and CBOs have much valuable experience on participation and other social development tasks. They have a sustained presence in communities, and therefore outlast Bank projects. They can contribute to the institutional mechanisms that can sustain and advance social development. International partners can help mobilize consensus for promoting the social development agenda, and often have comparative advantages in skills and experience. Even within government, there are individuals and agencies that are internal champions of participation and social development. The Bank should seek opportunities to develop partnerships with all these allies to promote social development.

- *The Bank should stay the course on its participatory, decentralized poverty alleviation strategy.* It is still too early to evaluate the longer-term results and sustainability of this strategy. We can only observe the improved participatory process and differences in short-term outputs and outcomes. Nonetheless, the approach appears to be paying off based on early indicators. The Bank should work with the government to strengthen the panchayat raj system and to make it more participatory, democratic, and responsive to communities.

1. Introduction

1.1 Social development is a relatively recent priority in Bank operations, not just in India. The work of the Participatory Development Learning Group (1991-94) and the Bankwide Resettlement Review (1993-94) contributed to an increased emphasis on social development issues. The social development team within the Asia Technical Department (ASTHR) significantly expanded as a result of problems identified by the India Resettlement Review.¹ Therefore the increase in staff was initially devoted to work primarily on involuntary resettlement issues.

1.2 The Bankwide trend towards decentralizing staff to the field has progressed further in the India Department than for most other countries, and has facilitated the increased emphasis on, and integration of, social development work in the India portfolio. The Social Development Unit (SDU) was established in the New Delhi Office in 1995 to provide increased and more continuous presence on social development issues. The SDU contains the largest cluster of social development specialists of any Bank field office, nine upper-level staff by 1999. Since 1995, the SDU's work has significantly broadened to cover the full range of social development issues, including participation, civil society, indigenous peoples, social assessment, and others. Because most of this work is fairly recent, changes are not readily apparent among completed projects, the typical subject of OED analysis. Therefore this note also examines projects under preparation and implementation to provide a more timely and dynamic evaluation of social development in Bank operations in India.

1.3 Another caveat is that this paper is the first one to cover social development in a country assistance evaluation (CAE). Therefore there is no tested and accepted methodology or format. Rather it is new and evolving. Social development is not a sector in the standard Bank sense, but more like a theme. Unlike sectors, social development does not have established targets, policies, a sector strategy, and other standards or measures by which to be evaluated. Social development has not been evaluated in other countries to provide a comparative framework. Therefore the evaluation has had to infer relative, not absolute, standards. The implicit comparisons are: (1) performance during 1995-99 compared to 1990-94, and (2) performance in India compared to other large Bank clients. That contributes to this paper being more descriptive than evaluative compared to other background papers prepared for the India CAE.

1.4 This note provides a brief overview of social development in Bank operations in India since 1994. The next section outlines significant changes in the India social development team's (part of the South Asia Social Development Sector Unit, SASSD) focus and approach over the last six years. Separate sections on participation, NGOs, involuntary resettlement, indigenous peoples, and social assessment discuss changes in the strategy, strengths and weaknesses in Bank and Borrower approaches, and lessons. This paper is by no means comprehensive. Gender

¹ *Resettlement and Rehabilitation in India: A Status Update of Projects Involving Involuntary Resettlement (2 volumes)*, India Country Department, April 22, 1994.

issues are evaluated in a separate paper.² The Executive Summary contains the conclusions and recommendations.

2. The Changing Focus And Approach To Social Development In India

2.1 The shift in focus of work on social development issues in India has paralleled that of the Bank. It can be generally described as moving beyond “do no harm” to “do good.” The two social safeguard policies—involuntary resettlement and indigenous peoples—were the focus of Bank work on social development starting with the adoption of those policies in the early 1980s until the mid-1990s. Previously projects were designed—and social development components were added—primarily to mitigate negative social impacts, largely because of Bank concern over the negative publicity generated by project failures and shortcomings on these issues. Beginning around 1994 there was a significant expansion of the work on participation and social assessment, to more proactively seek opportunities to promote social development in Bank operations. An important dimension of the work is that it goes beyond projects to encompass conceptual and operational frameworks, thus reflecting an evolution in assisting social development.

2.2 Bank work on social development is evolving quickly, so evaluating it is chasing a moving target. If this review assigned ratings, they would be higher for FY97-00 than FY94-96, which in turn would be higher than for FY90-93. In the last two to three years a latest generation of projects have been designed with social development objectives as their starting point. For example, three District Poverty Initiative Projects (DPIPs, in Rajasthan, Andhra Pradesh, and Madhya Pradesh) two rural development projects (West Bengal, Orissa), and an integrated watershed development project (IWDP II, five states) are designed to empower the poor through participatory formation of community groups.³ The DPIPs represent a fundamental shift in the approach to participation: from product to process, from project to program, and from service delivery to empowerment.⁴ A 1999 QAG review endorsed the DPIP design as appropriate, despite the heavy focus on process.⁵ The DPIPs were approved in 2000. Social development is still a recent agenda in an early developmental stage.

2.3 There has been an effort to better integrate work on social development, among social development issues and with operations more generally. In the past, resettlement components tended to be isolated from the main project, and from other social development issues, such as social assessment. Resettlement was seen as a project add-on, a necessary component to meet Bank policy, but not an integral part of the project. More recent resettlement operations have been conceived of as development projects themselves, not inconvenient add-ons to infrastructure projects. Social assessments also tended to be somewhat isolated, a pre-appraisal information collection activity, rather than a major factor in guiding project design and implementation. Social assessment has recently been broadened to be more inclusive of all social development issues, and

² Ananya Basu, *Gender Concerns in World Bank Operations in India during the 1990s*, background paper for the India CAE, OED, 2000.

³ Joelle Chassard, “India: Participatory Institution Building and Social Fund Projects—A Note on a Framework for Design,” SACIN, April 1999, draft.

⁴ Radhika Srinivasan, “Review of Social Assessments in South Asia: FY 1994-1999,” SASSD, August 16, 1999, p. 26, draft.

⁵ Alexander McCalla, RDV, Office Memorandum to Prem Garg, QAG, August 3, 1999, p. 9.

to provide a project design for participation. The 1999 “Inclusive Institutions” proposal provides a framework for integrating the Bank’s social development work.⁶ The objective is to improve results through capacity-building of accountable and participatory institutions. This complements government and Bank efforts at decentralization. Key tools include participatory monitoring and evaluation (PM&E) and a learning process approach.

3. Participation

3.1 Participation, as a means and an end (empowerment), has become the central focus of the social development strategy for Bank operations in India. In fact, India had the second highest percentage (81 percent) of Bank-assisted projects approved during FY94-98 with community participation among all Bank borrowers with more than 10 projects.⁷ The Bank’s South Asia region aims to reduce poverty by working directly with the poor.⁸ Much of the reason appears to be frustration with previous development efforts that lacked participation. The government of India (GOI), including the state governments, has had significant difficulties in effectively reaching the poor, especially in rural areas. Historically, government departments have been too hierarchical, and field level staff usually lack discretion, to foster community level initiatives. Critics characterized many government officials as not inclined to reach out to communities and to see themselves as public servants, but rather as an authority “above” their clients, and therefore not obligated “to serve” their clients. Instead, they preferred their clients to come to them and petition their help. This mentality and behavior, a remnant of the colonial legacy, has been an obstacle to development project effectiveness, and a frustration to the Bank.

3.2 Government attitudes about participation started to change more rapidly in the early 1990s. The 73rd and 74th Amendments (1992) to the Indian Constitution enhanced the environment for participation by giving greater powers to the three lowest tiers of local government (the panchayat raj system, including zilla and gram panchayats).⁹ The amendments required that the panchayats be elected and one third of the members be women. Decentralizing power is necessary, but not sufficient, to generate broader participation. Many panchayats are controlled by local elites, even when members are elected. Previously panchayats often failed to include women, lower castes, and other marginalized groups, and if they do so now, these members seldom hold officer positions or exercise real power. Nonetheless, the qualitatively different composition of panchayats, with the presence of women and minorities, has made a difference.¹⁰ Further efforts are required to make the local government system a means for more participatory development. That is a major objective of the Inclusive Institutions initiative.

3.3 The Bank’s approach to participation has several elements. First, the Bank has encouraged Indian government agencies to adopt a more results-based, demand-driven, customer-

⁶ “Inclusive Institutions: An Agenda for Operational Learning and Analytical Work in South Asia,” SASSD (South Asia Social Development Team), June 28, 1999, p. 17. This proposed work program includes significant ESW as well as operational support.

⁷ This data is derived from the Social Development Department database on participation in Bank-assisted projects.

⁸ Report on the “South Asia Region Workshop on the Design of Poverty Alleviation Projects,” New Delhi, October 7-9, 1998, p. 1.

⁹ Personal communication, Sushma Vinayak, SAVE (Society for Action, Vision, and Enterprise), Lucknow, India, May 5, 1999.

¹⁰ Taped participant comment, India CAE Workshop on Social Development, New Delhi, April 3, 2000.

service orientation, shifting the role of government from provider to facilitator. For example, Bank-assisted forestry projects have promoted joint forest management which shifts the government role from policing to facilitating community self-policing (see Box 1). Second, the Bank has enlisted allies to help educate and persuade the elements in the government that are the most skeptical about participatory approaches. The Bank is increasingly involving civil society and communities in Bank-assisted projects. As the report on the design of poverty alleviation projects declares, “The formation of community-based organizations (CBOs) is the key to reaching the poor.”¹¹ This second element complements the first in that involving civil society provides Indian government agencies experience with—and helps reorient them towards—a more participatory approach. In the Karnataka rural water supply and environmental sanitation project, the government became less skeptical about participation as it worked with NGOs and communities in project implementation, and saw first hand the benefits of participation. There have been some tensions (discussed later), but the strategy is bearing fruit. Third, the Bank is choosing projects where implementing agencies are more willing to take a participatory approach. This is most prevalent among irrigation, rural water supply, forestry, and watershed development projects. While selectivity has more often been predicated on commitment to policy reform (for example, in fiscal reform, water or electricity pricing), participation is also a valid criterion for targeting lending.

Box 1: Rejuvenating India’s Decimated Forests through Community Participation: Lessons from the Andhra Pradesh Forestry Project

Across Andhra Pradesh the state government (GOAP) has introduced joint forest management as a participatory approach to sustainable management of forest resources. The Forest Department, once regarded as a rule-bound and hostile bureaucratic police force is now often recognized by rural people as a friendly promoter of their development.

Less than a decade ago Andhra Pradesh forests had become severely degraded by unchecked illegal tree cutting. The GOAP Forest Department had proved unable to effectively control the continued destruction of the forests and the necessity for a new approach was obvious to all. In 1988, the Government of India introduced a new forest policy that radically altered the aims of forest management, from commercial and industrial exploitation to restoring environmental sustainability and meeting the basic needs of people living in or near forests. The policy clearly directed that forests be managed first as an ecological necessity, second as a source of goods for local people, and only third as a source of wood for non-local people. In 1990, the GOI directed states to develop a participatory approach to restore the nation’s degraded forests. In 1992, GOAP issued orders to develop a participatory program for Andhra Pradesh.

The Forestry Department organizes and provides technical and administrative support to village organizations (VSS) established to protect forests. Most VSS have 75-150 members, two per household, one of whom must be a woman. The VSS elects a managing committee of 10-15 members, 50 percent of whom must be women. The Forestry Department gradually transfers responsibility to the managing committee. The VSS and the Forestry Department use participatory rural appraisal (PRA) to develop a microplan for that village, and then sign a legal memorandum detailing duties and entitlements. As compensation, the VSS is entitled to 100 percent of that forest’s produce, 50 percent of beedi leaf sales, and 25 percent of the fees from fines for offenses (e.g. encroachments) detected by the VSS.

Since 1994, the project has formed 6,575 VSS with 1.3 million members covering 1.6 million hectares of forest area, about 25 percent of the forest area in Andhra Pradesh. Women constitute 600,000 of the members and 192 of the VSS chairpersons. Scheduled castes and scheduled tribes account for 550,000 members. About 250 NGOs are working in the project. To date 1,144 savings clubs have been established.

¹¹ Report on the “South Asia Region Workshop on the Design of Poverty Alleviation Projects,” New Delhi, October 7-9, 1998, p. 2.

Modern nursery technology is used to improve the quality of planting stock. VSS members use grafts to accelerate and improve regeneration of the forests. This has led to increased yields of fodder, fuelwood, and non-traditional forest products. The forests yield more than if they were converted to agricultural or grazing land. Over 25,000 hectares of former agricultural land has been restored to forests. Joint forest management has generated employment and reduced migration of labor to rural areas in 78 percent of the VSSs. The project has also promoted alternative sources of energy, improved water harvesting and irrigation, and other village development activities. All of this has taken place in the last five years, and the project is accelerating.

Sources: "Rejuvenating India's Decimated Forests Through Joint Action: Lessons from Andhra Pradesh," Project Brief, South Asia Rural Development Sector Unit, November 1998; Shivdas D. Mukherjee, Principal Chief Conservator of Forests, GOAP, seminar at the World Bank, December 1, 1999.

3.4 The Bank has adopted a more participatory approach in a number of projects in different sectors, principally in irrigation, water supply, forestry, watershed management, land reclamation, health, and education. Every stage of the project, or at least of the community subproject, has the potential for participation. Recent projects have shown increasing levels of participation in preparation, moving from consultation to collaboration.¹² While the frequency of participation in projects is increasing, that does not say anything about the quality or impact of that participation. To be fair, most of the more participatory projects are too recent to assess the impact of participation, but reports indicate that the quality is generally fairly good and improving. Annex 1 lists levels of participation in projects approved during FY94-99.

3.5 Participatory rural appraisal and other techniques are utilized to facilitate communities in prioritizing their needs and in designing projects. For example, in the Karnataka water supply project, communities designed the layout of water systems in their communities, including the location of communal facilities. They contributed financially towards the capital, as well as the operation and maintenance (O&M), costs of the system. The communities monitored contractors' work. When completed, the systems were transferred to the communities. The project required that communities establish village water and sanitation committees (VWSCs), to facilitate community participation and focus responsibility. One of the more impressive examples of a participatory approach has been the Andhra Pradesh Forestry project which has successfully transferred responsibility for forest management to communities.

3.6 Another important recent innovation is participatory monitoring and evaluation (PME). One example is the Village Immersion Program (VIP) of project monitoring used in the Karnataka water supply project.¹³ Each monitoring team spends a 24 hour cycle in each village to understand firsthand the functioning of the project. Villagers join the teams and help collect data by observing tapstands and monitoring water supply quantity, quality, reliability, and access. Another method, participatory evaluation writing, helps determine the extent and quality of beneficiaries participation in development projects and more directly captures their perceptions on the project. In the IWDP, two NGOs organized a three day writing workshop.¹⁴ A total of 41 beneficiaries from 13 villages participated in the exercise. They did not respond to questionnaires or interviews, but instead engaged in an evaluation process where they chose what to say and how to say it.

¹² Trond Vedeld, "Participation in Preparation: Lessons from World Bank-Assisted Projects in India," SASSD, February 1999, draft.

¹³ G.V. Abhyankar, SASRD, "Sustainability Monitoring—The VIP Way: A Ground Level Exercise in Karnataka Rural Water Supply and Environmental Sanitation Project," March 22, 1999.

¹⁴ This example is described in Srinivasan, p. 53.

Evaluation became a forum for negotiation. This provides accountability vis-à-vis donors and project authorities, who can no longer make claims without consideration for the views of the intended beneficiaries and other stakeholders. It is not enough for the agency to meet its own objectives; it has to satisfy its clients. PME is an advanced form of participation: it is not a single injection, but infuses the entire project and keeps all stakeholders focused on participation. It is still relatively rare in the India portfolio, but the fact that it is there at all is a significant advance.

3.7 There have been many benefits to the participatory approach. These include the strengthening of local institutions, creating a more enabling environment for participation, increased transparency and accountability, improved governance, improved participation of and impacts on women, and development of community capacity for development. People of different genders, castes, and faiths have been able to mix more freely in these new and experimental formats, and that has been a breakthrough in overcoming previous constraints. Men have seen women contribute useful ideas and have developed new respect for women, who in turn have increasing self-confidence, a case of the virtuous (not vicious) circle. Women have been able to function in the public sphere, even spending nights away from their father or husband (to attend meetings, training, etc.). VWSCs have generally been better than panchayats at representing community interests, revealing their preferences, and facilitating participation and inclusion. VWSCs function as subcommittees of the gram panchayats, and they have encouraged the panchayats to become more participatory.

3.8 This is not to deny that participation has had significant limitations as well.¹⁵ Participation has often been in project implementation, not in project design. For example, while communities were involved in the design of water systems, the overall project approach and the general parameters of the water systems were already determined, and participation was limited to modifications of the layout in each village. Participation was rarely throughout all project phases, and suffered from a lack of continuity. Participation was also limited to certain components of the project (e.g. involuntary resettlement). Even the DPIP consultations have been reported to not be sufficiently widespread or extensive. Participation has been underfunded in most projects, too rushed without enough time for social mobilization, too blueprinted or standardized, and too focused on achieving physical outputs (such as schools), not software outcomes (quality of teaching, building community capacity).¹⁶

3.9 Bank institutional processes have limited participation. Task managers need greater incentives and resources to adopt participatory approaches. For example, participation is weak in power and energy projects, even though it is still necessary. Procurement has been an obstacle. Observers felt that Bank efforts at participation were still too general, not very specific or well worked out, too ad hoc, and with too little learning.¹⁷

3.10 The Bank has not been very successful in promoting an enabling environment for participation. There are limits to what the Bank can do to promote genuine participation because it cannot be done externally or through a government where it may become too compromised.¹⁸ Some government officials have focused on participation as a means of reducing costs, or

¹⁵ A good source of lessons on participation in projects in India is G. Abhyankar et. al., "Lessons Learnt from Decentralized Projects in India," SASSD, February 7, 1999, draft.

¹⁶ Personal communication, K.S. Gopal, Centre for Environment Concerns, Hyderabad, India, April 14, 1999.

¹⁷ Taped participant comment, India CAE Workshop on Social Development, New Delhi, April 3, 2000.

¹⁸ Taped participant comment, India CAE Workshop on Social Development, New Delhi, April 3, 2000.

transferring O&M responsibilities. Governments have also been concerned about losing funds, jobs, and power. Some NGOs characterize the government attitude as “This is what we are doing. You are invited to participate.” They do not see this as genuine participation and question government ownership of participation during implementation. They feel they have often been treated more as contractors than true partners. Some even see community participation leading to their own exploitation.¹⁹ While NGOs acknowledge government conceptual clarity about participation at the state government level, they perceive relatively little at the district level or below, mainly due to a lack of capacity.

3.11 Unwillingness to address the political aspects of participation has been another reason for the weakness and limited outcomes of the Bank’s efforts to promote participatory approaches. There has been a lack of analysis of power relations which undermines efforts to address the imbalance. Even different interests within communities has been insufficiently addressed.²⁰ PRA has been utilized too often for information extraction or as a tool rather than for capacity building and empowerment.²¹ Participation can only go so far without institutional restructuring and bureaucratic reorientation. Many government staff need to work on their attitudes and organizational culture. There needs to be much more training of all stakeholders—communities, NGOs, and government agencies—on participatory methods. Government staff are often not even participatory within their own organizations, so it is difficult to expect them to promote participation with clients if they do not experience it themselves.

4. Non-government Organizations

4.1 As the Bank shifts to a more decentralized, participatory approach, NGOs are playing an increasingly important role in Bank operations.²² India has one of the most developed NGO sectors in the world. India had more projects (56 approved during FY74-96) with NGO and CBO participation in Bank-assisted projects than any other country.²³ Over half these projects are in the agriculture and health sectors, although NGO participation is increasing among education, forestry, and water supply projects. Some notable cases are the Uttar Pradesh Sodic Lands and Uttar Pradesh Rural Water Supply projects, and the Eighth Population Project.²⁴ Even in highly problematic resettlement operations, NGOs have been brought in by the Bank to help, including the Upper Krishna II (Karnataka), Maharashtra III, and Gujarat Medium II Irrigation projects, the Coal Sector Social and Environmental Mitigation project, and others.

4.2 The Bank is only beginning to tap the full potential of NGOs. Much of what was said about participation applies to NGOs. There are additional issues concerning NGOs. The Bank has shifted from interacting principally with NGOs—especially intermediate NGOs that are more able to dialogue effectively with the Bank—to a broader interaction with civil society and much

¹⁹ Taped participant comment, India CAE Workshop on Social Development, New Delhi, April 3, 2000.

²⁰ Taped participant comment, India CAE Workshop on Social Development, New Delhi, April 3, 2000.

²¹ Parmesh Shah and Trond Vedeld, “Participatory Approaches in the Integrated Watershed Development Project (Hills) II,” SASSD, April 28, 1999, draft.

²² For an overview of Bank collaboration with NGOs in India, see Christopher Gibbs, Claudia Fumo, and Thomas Kuby, *Nongovernmental Organizations in World Bank-Supported Projects: A Review*, OED, February 1, 1999.

²³ “NGO Involvement in Six Bank-Supported Projects in India,” OED, April 1998, p. 1.

²⁴ *Ibid.*, for the first two projects: see especially the first and second attachments. For the third project, see Kirrin Gill, *If We Walk Together: Communities, NGOs, and Government in Partnership for Health – The Hyderabad Experience*, SASHP, 1999.

more interaction with CBOs.²⁵ For example, the DPIPs are designed to work with and directly fund community groups, which in turn can contract NGOs, if they desire, to deliver services.²⁶ Bypassing NGOs to work directly with community groups threatens their position as intermediaries between donors and community groups. NGOs warn that CBOs often lack the strength or skills to resist government pressure. The Bank has increased its interaction with operational NGOs and CBOs—compared to greater interaction with advocacy NGOs previously—which makes sense for its decentralized, participatory approach.

4.3 There are tensions between advocacy and operational NGOs, and their respective views of the Bank. NGOs implementing Bank-assisted projects generally have a more positive view of the Bank's work on participation and social development.²⁷ They can see firsthand the changes in the Bank's approach in the past few years. They question whether the advocacy NGOs have enough evidence from the field to judge the Bank accurately. Advocacy NGOs, on the other hand, question whether contractual relationships with the Bank has compromised the objectivity and independent perspective of operational NGOs working with the Bank, reducing them to little more than subcontractors.

4.4 NGOs seek a much better partnership with the Bank. All NGOs resent being considered contractors and want to be treated as partners. They emphasized the need for better collaborative mechanisms to support a sustained relationship. They found half day sessions to not be meaningful. NGOs were too often brought in too late, and too much money was spent before there was sufficient absorptive capacity. They felt that the Bank was pushing the task of participation onto NGOs. They encouraged better use of resources and wished the Bank would build upon the experience of NGOs and community organizers. They feel the Bank has not listened adequately to them, and therefore has insufficiently taken advantage of the lessons NGOs have learned about participation. Some NGOs expressed frustration that they were wasting time teaching a new Bank staff person each mission.

4.5 All of this has left NGOs, mainly advocacy NGOs, questioning whether they are being somewhat left behind, or at least not quite the focus of attention they previously enjoyed. They see Bank participation efforts as shifting towards primary (directly affected) stakeholders. They perceive more Bank progress on participation in projects than at the policy level. While they acknowledge that the Bank is making progress, they note the gap between Bank statements and documents, and the reality in the field. They do not want participation to be at the whim of the Bank or government, but a legal right protected by law.

4.6 Part of the problem has been the poor, and often adversarial, relationship between NGOs and the national and state governments of India. Government has been skeptical about the role of NGOs—in Bank operations and more generally—and has been ambivalent in supporting the Bank's move to increase NGO involvement, especially at the policy level. One workshop participant mentioned that the minister of Andhra Pradesh had said that government can work directly with the people, and does not need NGOs.²⁸ Many NGOs question whether government agencies are genuinely committed to empowering communities which would create competing

²⁵ Intermediate NGOs are usually larger, more established NGOs that link donors, including governments, with grassroots NGOs and CBOs operating at the village level.

²⁶ McCalla, p. 5.

²⁷ This was observed during the Social Development Workshop, New Delhi, April 30, 1999.

²⁸ Taped participant comment, India CAE Workshop on Social Development, New Delhi, April 3, 2000.

bases of power. State governments generally lack the capacity to take NGOs on as partners, so NGOs see building that capacity as critical. NGOs criticize the government for being too bureaucratic in their selection of NGO partners which prevents them from getting the best NGOs. Even when governments do turn to them, NGOs often feel it is not done in a welcoming way.

4.7 Bank-NGO-government dialogue has not developed very far. NGOs see a big gap between government and Bank perceptions about NGOs. They agree that the Bank can play a valuable role in supporting an enabling environment, and serving as a bridge between NGOs and the government. There has not been much of a system of mutual accountability. They see the Bank as having a critical role to play in facilitating, and on occasion even mediating, reduction of these tensions to catalyze more effective tripartite (government, civil society, and Bank) partnerships. They felt that the Bank should be more proactive in encouraging NGOs and CBOs. There is little doubt that the Bank has helped expand the role and influence of NGOs in India, and that NGOs appreciate that.

5. Involuntary Resettlement

5.1 Involuntary resettlement is one of the most controversial and challenging social development issues and India has been the world's hottest flashpoint on this issue. Intense public resistance to resettlement, by both displaced people and their NGO allies—and slow government improvement in capacity, commitment, and performance—have been major obstacles to expanding, or even continuing, Bank work in some sectors in India (e.g. projects involving large dams). While other social and environmental issues are also problematic, poor performance on resettlement has been more damaging to the government and the Bank than in any other country.

5.2 India had the largest number of people displaced by Bank-assisted operations until 1994, and remains second only to China. On average, about 100,000 people per year have been displaced by Bank-assisted projects during the last 20 years.²⁹ Most of these were displaced by the large water storage reservoirs of irrigation projects, although coal mining, thermal plant, highway, and urban projects have also displaced large numbers of people. The India resettlement review (1993-94) revealed pervasive problems with resettlement in the lending portfolio.³⁰ The Narmada project was not an exception, and therefore the India social development team dedicated most of its attention during 1993-94 to improving performance on resettlement.

5.3 The Bank cancelled, suspended, or restructured the largest resettlement operations which displaced almost 800,000 people.³¹ Given that these five projects were already well into implementation, it was too late to undo some of the damage done, but there has been substantial amelioration in some projects. For example, in the Hyderabad Water Supply and Sanitation project, several resettlement plans had not been implemented and resettlement was on the verge

²⁹ *Resettlement and Development: The Bankwide Review of Projects Involving Involuntary Resettlement 1986-1993*, ENV, April 1994, for data through 1993. Bankwide resettlement database for data since 1993.

³⁰ *India Resettlement Review*, India Country Department (SA2DR), April 22, 1994 (two vols.).

³¹ Projects include the Sardar Sarovar dam project (130,000 people; cancelled by GOI after failure to meet Bank conditionalities), Maharashtra Composite Irrigation III Project (168,000 people; restructured), Upper Krishna II Irrigation Project (240,000 people; suspended twice), Andhra Pradesh Irrigation II Project (176,000 people; resettlement rolled over to the AP III Irrigation Project), and Hyderabad Water Supply Project (62,000 people; restructured).

of failure, but intensive remedial work finally salvaged a good resettlement outcome.³² The Upper Krishna II Irrigation project was suspended twice because of problems with resettlement, but performance greatly improved after the second suspension.³³ The high percentage of projects with unsatisfactory resettlement outcomes led the Bank to rethink its approach.

5.4 The Bank developed a multiprong approach to improving resettlement. First, the Bank urged the adoption of national, state, and sector-wide resettlement policies that mandate higher standards broadly, a more efficient approach than fixing resettlement on a project-by-project basis. While not all the policies have been adopted or fully implemented, the effort has raised awareness of the issue among senior government officials, civil servants, and affected people. An informed public helps bring the pressure of public opinion to bear on resettlement performance. Second, the Economic Development Institute (EDI) conducted an extensive training program for the past six years. EDI, now the WBI (World Bank Institute) has withdrawn from further support, but the Indian resettlement institutes trained by EDI continue to train additional cadres of resettlement officers. Third, members of the social development team in ASTHR (prior to the creation of SASSD), including two members who shortly thereafter became the leaders of the SDU, produced *India: Handbook for Resettlement and Rehabilitation*, which provided the foundation for the Bankwide Resettlement and Rehabilitation Guidebook.³⁴ More of the Bank's resettlement expertise has gone into work on India than any other country, and much of this work has contributed to the development of Bank resettlement policy and practice globally. Fourth, the Bank intensified its supervision of resettlement operations, mainly by increasing resettlement specialist staff in the resident mission. This improved the frequency and continuity of resettlement supervision.

5.5 Project level results through FY97, as reported by project and implementation completion reports (PCRs and ICRs), have been largely disappointing. The 1993 OED resettlement review found that only 3 out of 11 projects with evaluations of resettlement operations had satisfactory resettlement outcomes.³⁵ Even one of those three was disputed by the Environment Department and a second one had no supporting evidence for its satisfactory rating. The 1998 OED resettlement review found that 4 out of 13 projects had satisfactory resettlement outcomes, an improvement from 27 to 31 percent of projects.³⁶ Three of these four affected less than 1,000 people. All large resettlement operations failed. All the Inspection Panel cases in India have included complaints about resettlement. This does not necessarily mean that recent Bank work on resettlement has been a failure, but that Bank efforts were unable to salvage resettlement operations prepared and largely implemented before the Bank started making major efforts to improve resettlement performance. Responsibility for implementation lies with the government, but outcomes are the result of many factors. Projects approved since 1994 should have better resettlement outcomes as they paid better attention to resettlement issues during preparation. Resettlement outcomes of projects completed since 1996 have not been reviewed. Statements on resettlement outcomes from 1994-97 PCRs and ICRs are attached in Annex 2.³⁷

³² *Hyderabad Water Supply and Sanitation Project: Implementation Completion Report*, SASIN, September 21, 1998.

³³ *Recent Experience with Involuntary Resettlement: India—Upper Krishna (Karnataka and Maharashtra)*, OED, June 2, 1998.

³⁴ The Bank's Resettlement and Rehabilitation Guidebook can be found at: <http://essd.worldbank.org/sdv/guidebk/index.htm>.

³⁵ *Early Experience with Involuntary Resettlement: Overview*, OED, June 30, 1993, Annex A, pp. 34-36.

³⁶ Warren A. Van Wicklin III, OEDCR, Office Memorandum to Roger Slade, OEDST, March 4, 1998.

³⁷ The resettlement thematic group in the SDV anchor is undertaking a review of FY97-00 ICRs to update the data.

Table 1: Resettlement Outcomes in Bank-Assisted Projects in India (FY84-97)

Year of OED Report	Years Projects Were Completed	Total Number of Projects with Involuntary Resettlement	Number of Projects with Satisfactory Resettlement Outcomes	Number of Projects with Unsatisfactory Resettlement Outcomes	Percent of Projects with Satisfactory Resettlement Outcomes
1993	1984-1991	11	3	8	27%
1998	1991-1996	13	4	9	31%

Sources: For the 1993 data, *Early Experience with Involuntary Resettlement: Overview*, OED, June 30, 1993, Annex A, pp. 34-36., and for the 1998 data, Warren A. Van Wicklin III, OEDCR, Office Memorandum to Roger Slade, OEDST, March 4, 1998.

5.6 There are many reasons for the widespread failure to improve resettlement outcomes, many due to the Indian state governments and resettlement agencies. Some problems are at the policy level. Few states or sectors have adopted resettlement policies, or more importantly, implemented and enforced them. There is still insufficiently broad-based Indian government commitment to resettlement that meets the standards of the Bank's resettlement policy. Indian policy, and much practice, generally amounts to compensation plus entitlements. It is very weak on income restoration. It varies from state to state, and project to project.

5.7 There is weak government ownership of resettlement issues. Resettlement plans drafted by NGOs or consultants often have little ownership by the implementing agencies. Indian resettlement officers feel that Bank resettlement policy varies from project to project.³⁸ Many state governments believe the Bank's resettlement standards are too expensive for them, that the Bank sometimes requires retroactive application of its policy, and that the Bank is creating islands of relative privilege.³⁹ Indian state government sensitivity to resettlement issues is so strong that the World Commission on Dams hearings to be held in India had to be moved to Sri Lanka. The ongoing controversy over the Narmada dam casts a shadow on resettlement work in India.⁴⁰ The Bank's resettlement policy has been applied to very few, if any, projects not assisted by the Bank. Therefore Bank-assisted projects have the dubious distinction of being less bad than many other resettlement projects in India. The Bank has been caught between NGOs and resettlers on one side, and the government on the other. NGO observers appreciate the efforts the Bank has made to improve resettlement performance, but perceive limited impact so far.

5.8 Other problems are more operational. There has been rapid turnover of trained resettlement staff, so benefits from training have been limited. Many displaced people do not receive the full compensation to which they are entitled, sometimes because corrupt resettlement officers take a percentage of the compensation due displaced people. Or they have had to take their case to court, as did 96 percent of the people displaced by the Karnataka I/Upper Krishna II Irrigation projects.⁴¹ The Indian government has found it difficult to translate broad policy

³⁸ "Communicating the Bank's Resettlement Requirements," SASSD, 1999.

³⁹ Taped participant comment, India CAE Workshop on Social Development, New Delhi, April 3, 2000.

⁴⁰ For example, see the article by the famous novelist, Arundhati Roy, "The Greater Common Good," *Outlook*, May 24, 1999, pp. 54-72. *Outlook* is the Indian equivalent of *Time* or *Newsweek*. This article stirred up the resettlement issue again.

⁴¹ *Recent Experience with Involuntary Resettlement: India—Upper Krishna (Karnataka and Maharashtra)*, OED, June 2, 1998.

principles into specific actions on the ground. The same limited ability of Indian public sector agencies to deliver other services has plagued resettlement where there is even less commitment to what are widely perceived to be externally imposed conditions.

5.9 Part of the problem has been the Bank's approach. The Bank has been entrapped in a "culture of approval" where the emphasis was on getting the resettlement plan and project approved, rather than on implementation or capacity building.⁴² There was too much emphasis on getting the documentation, not government understanding or commitment. The focus was on getting the framework right, but not following through on supervision, institutions on the ground, and resettlement outcomes.

5.10 While the Bank's focus has shifted towards implementation, it has not yet led to much improvement in performance so far. For example, the Coal Sector Rehabilitation Project was cancelled in July 2000 after several years of intensive remedial efforts because of Coal India's inability to implement key provisions of its agreements with the Bank. A poor implementation record has often led the Bank and the government to shy away from projects with resettlement.⁴³ This has deterred important investments, or led to domestic financing of projects, to avoid Bank policies. This is a perverse and troubling outcome. Resolution of Bank and Indian government differences over resettlement policies is necessary, or the Bank policy will continue to have these sorts of unintended, counterproductive effects. A constructive dialogue is critical. Resettlement remains the most troubled dimension of Bank work on social development in India.

5.11 The Bank social development team realizes the limits of its impact, and has been significantly revising its approach the last three years. New projects in highways, urban, coal mining, and other sectors have taken different approaches. The Coal Sector and Mumbai Urban Transport projects designed resettlement as a separate project to avoid the "add-on" phenomena, and to focus project resources exclusively on resettlement.⁴⁴ The NTPC project established an Independent Monitoring Panel to ensure that resettlement agreements and plans are implemented satisfactorily. There has been more effort to assess and/or develop resettlement agency capacity and/or commitment prior to project approval. The main approach has been to focus on accountable institutions that will take responsibility for producing satisfactory resettlement outcomes, not just responding to Bank pressure. Government ownership of results is the key. Only time will tell if these new approaches have the desired impact. Involuntary resettlement will probably remain the most difficult and problematic area of the Bank's social development agenda in India. The Bank will have to more carefully determine which projects have sufficient benefits to justify the resources and risks necessary to achieve satisfactory resettlement.

6. Indigenous Peoples

6.1 Another Bank social safeguard policy, indigenous peoples (OD 4.20), has received much less attention than involuntary resettlement, except when involuntary resettlement has involved indigenous peoples, such as in the Narmada dam project. In this sense, there is a strong linkage

⁴² Taped participant comment, India CAE Workshop on Social Development, New Delhi, April 3, 2000.

⁴³ Taped participant comment, India CAE Workshop on Social Development, New Delhi, April 3, 2000.

⁴⁴ During implementation the Mumbai Urban Rehabilitation project was dropped and is now a component in the Mumbai Urban Transport project.

between the two issues and policies. An important difference between the policies is that indigenous peoples have an identity separate from the project, unlike involuntary resettlement.

6.2 The 73rd Amendment to the Indian Constitution that underpins work on participation also provides an argument for stronger rights for indigenous peoples. This demonstrates the centrality of participation to the entire social development agenda. The Bank and Indian government interpret the policy as applying to scheduled tribes (STs). Because the V and VI Schedules of the Indian Constitution explicitly address the situation of STs and provide them legal rights, India is ahead of many other countries on this issue. Given the government already provides preferential policies for STs, they question the value added of the Bank's policy.

6.3 STs represent 8.08 percent of the Indian population.⁴⁵ Over half of them live in the large central states of India, where they account for less than 15 percent of the population (except for Orissa and Madhya Pradesh where they account for 22-23 percent). In Northeast India, STs account for a majority of the people in several states. Some of these states are autonomous regions and some of the assumptions about indigenous peoples are not very applicable. In those states, STs are a majority, have high literacy and education rates, most households have at least one member with a government job, and economic exploitation by non-tribal people is negligible.⁴⁶ In other states, however, STs suffer disproportionately in the projects that displace or otherwise negatively impact them. The same areas that contain STs often contain valuable mineral, coal, water, or forest resources.

6.4 Indian state governments have not demonstrated much commitment to the Bank's agenda on indigenous peoples. Government commitments in plans were often not implemented. Until recently, Bank-assisted projects seldom contained Indigenous Peoples Development Plans (IPDP) as required by OD 4.20. NGO observers recognize that the Bank has raised the issue with the Indian government, but not very successfully.⁴⁷ They wish the Bank would take a stronger position to protect the rights of indigenous peoples.

6.5 The Bank has taken several actions in recent years to improve the effectiveness of its work in this area. The country director has raised the issue in policy dialogue with the government. The Bank has shifted the focus from "do no harm" to "do good" in projects where STs are beneficiaries of, not potential victims to be protected in, Bank assisted projects. For example, the Andhra Pradesh (AP) and Madhya Pradesh Forestry projects have promoted STs and other forest dwellers as joint managers of forests and their resources in developing a community-based approach to natural resource management. The AP Forestry project has a separate Tribal Development Component. This demonstrates the complementarity of the participation and indigenous peoples agendas. Several recent projects have contained IPDPs, including the Rubber Project, coal sector projects, etc. Other projects (rural development, IWDP) include STs among the beneficiary population. The India Eco-Development Project is a similar example of joint stewardship of natural resources. Rather than pre-appraisal consultation, the entire project uses a process approach where dialogue with STs during implementation helps elaborate the project design. Due to misunderstandings about the consultation process (among other things), several

⁴⁵ Suryanarayan Satish, "The World Bank Policy on Indigenous Peoples: India Consultations on the Approach Paper for Revision of Operational Directive OD 4.20," SASSD, August 1999, p. 14.

⁴⁶ *Ibid.*, p. 21.

⁴⁷ Comment by Manoj Pradan, NGO Forum, New Delhi, at the Social Development Workshop, New Delhi, April 30, 1999.

people filed a Request for Inspection with the Inspection Panel. This further heightened awareness of this issue in the India portfolio.

6.6 From August to October 1998 the Bank conducted stakeholder consultations on the draft operational policy on indigenous peoples (OP 4.10). More than 200 people participated in one national and five regional consultations. Government and non-government representatives co-chaired the regional consultations. The rich discussions generated a large number of suggestions for the draft OP. Participants recommended a more proactive approach with language that did not have a mitigation tone, but rather addressed the development goals and aspirations of STs. The old approach had an “add-on” feel, and they wanted ST concerns to be central and integrated into Bank operations. They urged clearer definitions of rights, extension of the policy to indirect impacts, and clarity in who makes decisions about projects affecting STs. They also urged a review of compliance with the OD in order to determine what this might imply for the new OP. The consultations raised the profile of the issue in India, and did contribute to revisions in the text of the OP, which is still in draft form and has not yet gone to the Bank’s Board of Directors.

6.7 Previously, the inability of the Bank to persuade the Indian government of the merits of the Bank’s policy led many observers, NGOs and others, to question Bank efforts in this area. They appreciate the Bank’s policy and efforts, but think that either the Bank should make a difference, or rethink a policy that has achieved so little compliance. The consultations for the new policy have responded to this critique and—in addition to recent advances in project treatment of STs—have given the Bank another chance to improve its reputation on indigenous peoples issues. The Bank appears to have turned the corner, but observers are waiting to see if this translates into results on the ground.

7. Social Assessment

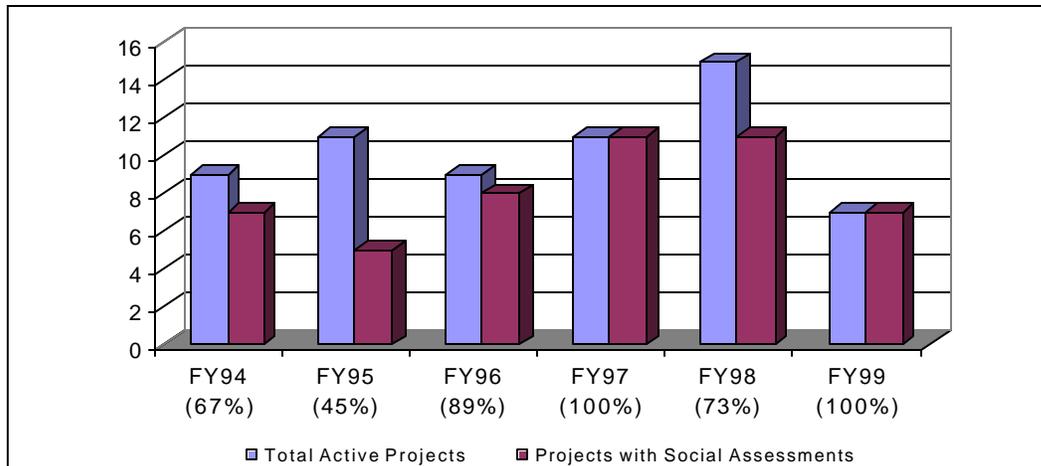
7.1 Social assessment is a process which provides an integrated framework for prioritizing, gathering, analyzing, and using social analysis in the design and implementation of Bank-assisted operations.⁴⁸ Since social assessment can cover participation, NGOs, resettlement, indigenous peoples, and other social development issues, it provides a useful tool or platform for addressing them. Social assessment helps promote participation (especially of NGOs), poverty targeting, attention to resettlement, and institutional capacity for implementation. Social assessment is the key instrument for promoting social development, but it has to be integrated with project design, implementation, and monitoring and evaluation. The Inclusive Institutions initiative is based partially on this broader and more integrated concept of social assessment.

7.2 Social assessment has been a rapidly increasing element of the Bank’s social development work generally, particularly in India. The Bank did not issue its first social assessment guidelines until May 1994, and those were voluntary. There used to be a section of OMS 2.20 on social appraisal, but that has not been reissued as part of the conversion to OP 10.04. Nonetheless, work on social assessment expanded rapidly in the mid-1990s and continued to increase until FY97, when all projects approved that fiscal year had social assessments (see figure 1). Almost 80 percent of the projects approved during FY94-99, 49 out of 62, had social assessments,

⁴⁸ Gloria Davis, Office Memorandum, “Social Assessment,” ENVSP, May 10, 1994, cited in Srinivasan.

including all the health (14) and education (5) projects. Annex 3 contains a list of projects approved during FY94-99 and whether or not they had social assessments.

Figure 1: Social Assessments in Bank-Assisted Projects in India (FY94-99)



Source: Radhika Srinivasan, "Review of Social Assessments in South Asia: FY 1994-1999," SASSD, August 16, 1999, p. 21.

7.3 The increase in the quantity of social assessments has not been matched by an equivalent increase in quality. There have been several problems. First, the quality has been uneven, and some have been judged as poor quality, most trenchantly by members of the social development team. Social assessments were believed to reflect a weak capacity to conceptualize differences in the views and interests of various stakeholders.⁴⁹ Second, social assessments have been mainly diagnostic with variable translation into specific recommendations for projects. One of the biggest limitations has been in diagnosing institutional weaknesses with sufficient precision to enable tailoring of project design to build capacity for effective project management. The weak link was in making relevant recommendations on implementation arrangements when stakeholder consultations revealed barriers to equitable access. Often this would have required addressing larger political issues concerning representativeness and power relations.⁵⁰ Some social assessments have skirted thorny political issues and therefore have not addressed key issues that later plagued project implementation. Social assessments pale compared to the need.⁵¹

7.4 The good social assessments have made substantial contributions to projects. For example, the social assessments for the DPIP and the Uttar Pradesh Sodic Lands projects were high quality, and they contributed to the design of participation into these projects. Participation has helped to get the UP Sodic Lands project off to an excellent start. There is synergy between good social assessments, good participation, and good project outcomes. Integration of social development work has a multiplier effect.

7.5 There are several reasons for the uneven quality among social assessments. Part of the problem has been the choice of people or organizations contracted to undertake the social

⁴⁹ Comment by A.K. Roy, Hazards Centre, New Delhi, at the Social Development Workshop, New Delhi, April 30, 1999.

⁵⁰ Srinivasan, p. 45.

⁵¹ Taped participant comment, India CAE Workshop on Social Development, New Delhi, April 3, 2000. The context of the statement was that the quality and impact of social assessments, on average and in totality, fall far short of the need.

assessments. Project implementing agencies have reserved the right to decide who conducts the social assessment. Agencies tend to select people or organizations they already know, are comfortable with, and that are unlikely to cause them difficulty. This lack of independence has sometimes precluded objective, high-quality social assessments. There are organizations in India capable of good social assessments, but project authorities rightly fear that they would be more demanding on social mitigation measures, participation, and so on. Even when the social assessments are of sufficient quality, some lacked credibility (due to the source) or did not change or add much to the project concept, design, or implementation. Some observers saw social assessments as being delegated to junior staff, and wondered how seriously they were being taken.⁵² Until there is greater implementing agency commitment to improve social development outcomes, social assessments are unlikely to improve.

7.6 The social development team realizes this need and is designing strategies to overcome present mixed performance. The social assessment review was an attempt to identify problems that could be rectified. Attention is focusing on the selection process to get credible social assessments. More quality control needs to be exercised to consistently achieve high quality. There needs to be greater integration of the recommendations of social assessments into project design, and greater integration of the social assessment into the project. Follow-up throughout implementation is critical. Social assessment should not be seen as a one-off, data-gathering exercise, but as an MIS tool to help monitor and guide the project. Ownership of social assessments is critical. Neither ownership nor quality can be significantly compromised if social assessment is to serve a useful function. Both the project agency and the affected people should be active partners in the social assessment process. They need to understand and appreciate the value of high-quality social assessments. Stakeholders too rarely receive feedback from the social assessments. This will require significant changes from past practice, but is in line with the Inclusive Institutions approach.

⁵² Taped participant comment, India CAE Workshop on Social Development, New Delhi, April 3, 2000.

Annex 1

Primary Stakeholder Participation in Bank-Assisted Projects in India, FY94-99

<i>PROJECT NAME</i>	<i>FY</i>	<i>SECTOR</i>	<i>PARTICIPATION</i>
Cataract Blindness Control	1994	Population Health & Nutrition	Consultation
Family Welf. (Assam, Rajasthan, Karnakata)	1994	Population Health & Nutrition	Collaboration
Haryana Water Resources Consolidation	1994	Agriculture	Empowerment
Forestry Research, Education & Extension	1994	Agriculture	Empowerment
Andhra Pradesh Forestry	1994	Agriculture	Empowerment
District Primary Education	1995	Education	Collaboration
Madhya Pradesh Forestry	1995	Agriculture	Collaboration
Madras Water Supply II	1995	Water Supply & Sanitation	Consultation
Indus Pollution Prevention	1995	Environment	Consultation
Assam Rural Infrastructure	1995	Agriculture	Empowerment
Andhra Pradesh 1st Ref. Health	1995	Population Health & Nutrition	Information sharing
Bombay Sewage Disposal	1996	Water Supply & Sanitation	Collaboration
Uttar Pradesh Rural Water	1996	Water Supply & Sanitation	Collaboration
District Primary Education II	1996	Education	Collaboration
Coal Environment & Social Mitigation	1996	Mining & other Extractive	Collaboration
Orissa Power Sector	1996	Energy	Consultation
Hydrology Project	1996	Agriculture	Joint assessment
State Health Systems II	1996	Population Health & Nutrition	Joint assessment
Ilfs-Infrastructure Finance	1996	Finance	Joint assessment
Orissa Water Resources Consolidation	1996	Agriculture	Shared decision-making
Malaria Control	1997	Population Health & Nutrition	Collaboration
Reproductive Health I	1997	Population Health & Nutrition	Collaboration
Andhra Pradesh Irrigation III	1997	Agriculture	Collaboration
Eco-development	1997	Agriculture	Collaboration
Rural Women's Development	1997	Population Health & Nutrition	Collaboration
State Highways I (Andhra Pradesh)	1997	Transportation	Consultation
TA ST's Rd Infrastructure Development	1997	Transportation	Consultation
Environment Capacity Building TA	1997	Environment	Information sharing
Andhra Pradesh Emergency Cyclone	1997	Transportation	Shared decision-making
Coal Sector Rehabilitation	1998	Mining	Collaboration
Orissa Health System	1998	Population, Health & Nutrition	Consultation
National Agricultural Technology	1998	Agriculture	Collaboration
Uttar Pradesh Forestry	1998	Agriculture	Collaboration
Uttar Pradesh Diversified Agr. Support	1998	Agriculture	Collaboration
Women & Child Development	1998	Population, Health & Nutrition	Collaboration
DPIP III (Bihar)	1998	Education	Collaboration
Andhra Pradesh Economic Restructuring	1998	Social Sector	Collaboration
Kerala Forestry	1998	Agriculture	Collaboration
Uttar Pradesh Basic Education II	1998	Education	Collaboration

Source: SDV database, based on content analysis of appraisal documents.

Note: SDV defines six levels of participation, in ascending order from “least influence to most influence.” The six levels are as follows:

- | | | | |
|--------|-----|------------------------|---|
| (i.) | (1) | information sharing | public meetings, translating into local languages |
| (ii.) | (2) | consultation | consultative meetings |
| (iii.) | (3) | joint assessment | participatory assessments and evaluations |
| (iv.) | (4) | shared decision-making | participatory planning, workshops, public reviews |
| (v.) | (5) | collaboration | joint committees, working groups, task forces |
| (vi.) | (6) | empowerment | handover and self-management; capacity-building |

**Bank-Supported Projects in India Involving Resettlement
for which Evaluation Reports are Available, FY94-97**

Country	Project	Loan/ Credit Number	Project Approval Date	Project Closing Date	Sector	Number of People Displaced	Report	Resettlement Result ¹	Resettlement Results as Reported in ICR/PCR ²
SAS									
India	Andhra Pradesh Irrigation II	L2662 C1665	3/20/86	8/24/94	AGR	176,142	ICR 15708	UNSAT	Only families below the poverty line were eligible for resettlement and rehabilitation. Economic rehabilitation programs based on minor irrigation and women's groups have been successful, but livestock schemes were inadequately planned and less successful. People displaced by canal and road construction were not eligible for R&R.
India	Chandrapur Thermal Power	L2544	5/16/85	3/31/94	IEN	3,500	PCR 15246	UNSAT	Government rescinded resettlement rights. Local political leaders forced cash compensation on displaced people, most of which was spent on weddings, liquor, and gambling. The Bank intervened to demand purchase of land and construction of houses. Monitoring of this plan is being undertaken by Bank staff.
India	Coal Mining and Coal Quality Imp.	L2796	4/21/87	9/30/95	IEN	13,863	ICR 16518	SAT	Gevra mine: A recent NGO-implemented random survey shows that project-affected people have attained an average increase of 130% in their incomes.
India	Dudhichua Coal	L2393	3/20/84	12/31/92	IEN	378	PCR 13938	SAT	NCL employed 225 out of 378 project affected people. Most of the project affected population experienced a considerable improvement in their standard of living.
India	Gujarat Medium Irrigation II	C1496	6/12/84	3/31/94	AGR	140,352	PCR 14768	UNSAT	By the credit closing date, 1000 families below the poverty line (out of 4,893 eligible) had been assisted. The government continues to provide support for economic rehabilitation of the remaining families. Landless families were not eligible for rehabilitation.
India	Jharia Coking Coal	L2498	3/7/85	12/31/93	IEN	4,266	PCR 15238	UNSAT	BCCL provided employment for 247 project affected people. Those jobs pay 8-10 times the minimum wage and are a significant

¹ SAT and UNSAT scores are based on the ICR or PCR except in cases where other sources of information were available, including resettlement ratings and project specific information in previous resettlement reports to the Board. NA means not answerable due to lack of information.

² This is the statement in the ICR or PCR which most accurately describes the change in incomes, assets, or living standards of people displaced by the project.

Country	Project	Loan/ Credit Number	Project Approval Date	Project Closing Date	Sector	Number of People Displaced	Report	Resettlement Result ¹	Resettlement Results as Reported in ICR/PCR ²
									improvement of former incomes. At this point a deadlock has been reached since the company refuses to hire any additional displaced people.
India	Kerala Power	L2582	6/13/85	12/31/94	IEN	102	ICR 15546	SAT	Resettlement involved no more than 17 families and their claim for compensation was satisfactorily met through a court award.
India	Maharashtra Composite Irrigation III	C1621	7/15/85	12/31/96	AGR	168,000	ICR 16688	UNSAT	Affected persons had already been resettled from dams constructed under previous projects, but unsatisfactorily. Implementation of the housing, irrigation, and income generation components of the Economic Rehabilitation Program have yet to commence.
India	Narmada River: Gujarat Sardar Sarovar Dam	C1552 L2497		3/29/93	AGR	131,245	PCR 14159	UNSAT	Displaced people are likely to recover an acceptable living standard if adequate irrigation schemes or special integrated rural development programs are developed. No such programs exist yet.
India	Narmada River: Gujarat Water Delivery and Drainage	C1553	3/7/85	7/1/92	AGR	169,500	PCR 14160	UNSAT	Of the 68,000 people who have already lost land, it is difficult to say precisely how these families have been affected. The situation is likely to improve when irrigation is ultimately provided in 5 to 10 years.
India	Nhava Sheva Port	L2387	3/13/84	6/30/92	TWU	10,000	PCR 12189	NA	
India	Renewable Resources Development	L3544	12/17/92	12/31/95	IEN	612	ICR 15619	SAT	TNPL was able to complete the agreed resettlement action plan in a satisfactory manner and according to schedule. The plan involved regular consultation of affected people, provision of economic opportunities through employment and training, and irrigation which allows farmers to now harvest two or three crops a year compared to one before.
India	Second Farakka Thermal	L2442	6/29/84	12/31/91	IEN	35,000	PCR 15243	UNSAT	A total of 449 people have been employed by NTPC, 165 became contractors, and 2075 obtained temporary jobs with the contractors. The situation of the remaining displaced people will be addressed by the retrofit. Law and order problems were due to the tension between NTPC and project affected people, particularly coming from unrealistic expectations for employment by NTPC.
India	Third Bombay Water	C2769 L1750	12/16/86	6/30/96	TWU		ICR 16650	UNSAT	There was a failure to address the issues associated with land acquisition/resettlement and plan effective measures for resettlement of affected families.
India	Upper	L2278	5/10/83	3/30/95	IEN	17,000	ICR	NA	The lack of a baseline survey of the displaced people prior to

Country	Project	Loan/ Credit Number	Project Approval Date	Project Closing Date	Sector	Number of People Displaced	Report	Resettlement Result ¹	Resettlement Results as Reported in ICR/PCR ²
	Indravati Hydro	C1356					15676		resettlement makes it almost impossible to assess changes in their standards of living.

Bank-Assisted Projects in India with Social Assessments, FY94-99

Country	FY	Project Title	Sector	Projects with Social Assessments
India	1994	Haryana WCRP	Agriculture	X
India	1994	Water Resources Consolidation	Agriculture	X
India	1994	Forestry Research	Agriculture	
India	1994	Andhra Pradesh Forestry	Agriculture	X
India	1994	National Leprosy Elimination	Health	X
India	1994	Blindness Control	Health	X
India	1994	Population IX	Health	X
India	1994	Container Transport	Transportation	
India	1994	Maharashtra Earthquake	Urban Development	X
India	1995	Tamil Nadu WCRP	Agriculture	X
India	1995	Agric Human Resources Dev.	Agriculture	
India	1995	Madhya Pradesh Forestry	Agriculture	X
India	1995	Assam Rural Infrastructure	Agriculture	X
India	1995	District Primary Education	Education	X
India	1995	ODS I	Environment	
India	1995	Industrial Pollution Prevention	Environment	
India	1995	ODS II	Environment	
India	1995	Financial Sector Development	Finance	
India	1995	Andhra Pradesh 1st Ref. Health S	Health	X
India	1995	Madras Water Supply II	Water Supply & Sanitation	
India	1996	Orissa WCRP	Agriculture	X
India	1996	District Primary Education 2	Education	X
India	1996	Orissa Power Sector	Electric Power & Energy	X
India	1996	Hydrology Project	Environment	
India	1996	Ilfs-Infras Finance	Finance	X
India	1996	State Health Sys II	Health	X
India	1996	Coal Environment & Social Mitigation	Mining	X
India	1996	Bombay Sewage Disposal	Water Supply & Sanitation	X
India	1996	Uttar Pradesh Rural Water	Water Supply & Sanitation	X
India	1997	Eco-development	Agriculture	X
India	1997	Andhra Pradesh Irrigation III	Agriculture	X
India	1997	Environmental Capacity Building TA	Environment	X
India	1997	Tuberculosis Control	Health	X
India	1997	Malaria Control	Health	X
India	1997	Reproductive Health 1	Health	X
India	1997	Rural Women's Development	Health	X
India	1997	State Highways I (Andhra Pradesh)	Transportation	X
India	1997	Andhra Pradesh State Highways	Transportation	X
India	1997	TA ST's Rd Infra Development	Transportation	X
India	1997	Andhra Pradesh Emergency Cyclone	Transportation	X

Country	FY	Project Title	Sector	Projects with Social Assessments
India	1998	National Agricultural Technology	Agriculture	
India	1998	Uttar Pradesh Forestry	Agriculture	X
India	1998	Uttar Pradesh Diversified Agr. Support	Agriculture	X
India	1998	Andhra Pradesh Economic Restructuring	Agriculture	
India	1998	Kerala Forestry	Agriculture	X
India	1998	DPIP III (Bihar)	Education	X
India	1998	Uttar Pradesh Basic Education II	Education	X
India	1998	Haryana Power APL-I	Electric Power & Energy	X
India	1998	Powergrid II	Electric Power & Energy	X
India	1998	Renewable Energy II	Electric Power & Energy	
India	1998	Energy Efficiency	Electric Power & Energy	
India	1998	State Health Sys III (Orissa)	Health	X
India	1998	Orissa Health Systems	Health	X
India	1998	Women & Child Development	Health	X
India	1998	Haryana State Highway	Transportation	X
India	1999	Watershed Management (Hills II)	Agriculture	X
India	1999	Uttar Pradesh Sodic Lands II	Agriculture	X
India	1999	Rajasthan DPIP I	Education	X
India	1999	Andhra Pradesh Power APL I	Electric Power & Energy	X
India	1999	Aids Prevention II	Health	X
India	1999	Maharashtra Health System	Health	X
India	1999	Tamil Nadu Urban Development II	Urban Development	X

Source: Radhika Srinivasan, "Review of Social Assessments in South Asia: FY1994-1999," SASSD, August 16, 1999.

Summary of Discussion at CAE Workshop on Social Development

April 3, 2000

Introduction

- It was emphasized that social development was still evolving as component of the Bank's development perspective.
- A social development unit was established in New Delhi in 1995. Bank assistance for social development had expanded considerably since then.
- Social development work in India focused on five areas, namely participation, NGOs and civil society, social assessment, involuntary settlement, and indigenous people. The latter two of these are also part of the Bank's safeguard policies.
- Participation had become the central focus of social development in India so far, although re-settlement issues had also occupied a substantial amount of attention.
- Social assessment is the platform for integrating social development issues.
- The paper made nine recommendations, with the focus on the importance of increased integration of social development into all aspects of the Bank's operational work.

Discussion

Analytical Issues

- It was noted that the Bank's approach in social development had moved from "do no harm" to "do good."
- It was also noted, however, that the Bank's dialogue with civil society had been weak so far and this was reflected in relatively little "learning" by the Bank from previous experiences. Even the DPIP preparation had not adequately used the analysis and experience of civil society.
- While participation involving NGOs had been an important focus, it was felt that the in many cases it had not been genuine participation. The participatory process had often been forced without adequate dialogue with the states.
- In the past the Bank had ignored the role of local bodies such as the Panchayats; while there were improvements (e.g., DPIP involvement with Panchayats), the Bank should in the future pay more attention to all stakeholders and local institutions since they were taking on more important roles and will be important partners.
- A dissenting analytical perspective presented in the discussion suggested that the Bank's objective of a participatory approach to development was impossible in an undemocratic society such as India. Hence it should be abandoned and replaced with a corporation established by the state to generate employment with the objective of improving the livelihoods of the poor. The basic precept for this approach was that "development was about throwing out the poor."

Implementation Issues

- While the Bank had spoken often about openness of documentation, CASs had not been available in the past and hence consultation did not occur.
- While participation was welcomed, it clearly had been a limited success according to some at the workshop, but there was also a plea for more participation in project identification, design and appraisal.
- There was concern about the lack of senior staff in project discussions and supervision to ensure a sound participatory approach to project implementation. AP Forestry was cited as having had a participatory process that had resulted in much paper but little real involvement of the people in the substance – the tool of participation had not been used to its full extent. The outcome had been an inadequate assessment of what the people wanted.
- There was a disconnect between the Bank's objectives for social development and the resources it devoted to this objective. While, as alleged above, civil society experience had not been used for the DPIPs, it was now also claimed that there was inadequate dissemination of information about the DPIP. Furthermore, capacity building had been watered down (Rajasthan DPIP).
- In general the Bank need to be more pro-active in ensuring the engagement of NGOs in project implementation, sometimes despite the views of the states. This needed a high level of Bank involvement.
- Attention was drawn to the disconnect between the Bank's attention to detail in project design, investment planning, procurement and disbursements compared with the lack of detailed analysis of social development.
- Another disconnect between the Bank's objectives such as social development and the resources allocated to those objectives. Examples of weak resettlement results because of this disconnect.