



1. Operation Information

Operation ID P176447	Operation Name India Responsive Social Protection
Country India	Practice Area (Lead) Social Protection & Jobs

Non-Programmatic DPF

L/C/TF Number(s) IBRD-92800,IDA-69550,IDA-69560	Closing Date (Original) 31-Dec-2022	Total Financing (USD) 499,879,904.00
Bank Approval Date 29-Jun-2021	Closing Date (Actual) 31-Dec-2022	
	IBRD/IDA (USD)	Co-financing (USD)
Original Commitment	500,000,000.00	0.00
Revised Commitment	500,000,000.00	0.00
Actual	499,879,904.00	0.00

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2. Program Objectives and Pillars/Policy Areas

a. Objectives

The Program Development Objective (PDO) was “to strengthen the capability of the state and national governments in India to respond to the needs of informal workers through a resilient and coordinated social protection system” (Program Document, p. 2).



For the purposes of this ICRR, the PDO will be parsed to include three objectives, although only the first two are explicitly referred to in the PDO.

1. **Fostering a resilient and coordinated social protection system.** This objective includes both Pillar 1 measures to support institutional coordination of the social protection system and Pillar 3 efforts to strengthen delivery systems.
2. **Strengthening the capability of the state and national governments in India to respond to the needs of informal workers,** which corresponds to Pillar 2 measures.
3. **Strengthening climate action and environmental resilience reforms to increase the adaptation and mitigation of the most vulnerable,** which corresponds to Pillar 4 measures. According to the Program Document (p .9), while not all PAs addressing this goal "have direct links with social protection efforts, these are important to build environmental resilience and reflect a new World Bank approach in India to include climate-sensitive actions in all national level DPOs."

b. Pillars/Policy Areas

Pillar 1: Institutional Coordination. The pillar was to initiate a reform path to ensure improved coordination of funds and tiers of government for context-specific and climate-responsive social protection in Indian states.

Pillar 2: Expanding the Net for Urban Informal Workers. This pillar aimed to enhance the responsiveness of India's social protection system to urban informal workers, gig workers, and migrants.

Pillar 3: Strengthening Delivery Systems. This pillar was to support delivery system reforms to tighten targeting methodologies and payment chains for maximal digital and portable inclusion.

Pillar 4: Climate Action. This pillar was to support climate action reforms to increase the adaptation and mitigation capacities of the most vulnerable.

c. Comments on Program Cost, Financing and Dates

Program Cost and Financing: Program financing included two International Development Association credits for a total of US\$112.5 million (US\$112.4 million actual) and an International Bank for Reconstruction and Development credit amounting to US\$387.5 million (fully disbursed), for a total of US\$500 million (US\$499.9 million actual). According to the ICR (p. 1), the difference between the approved amount and disbursed amount was due to the exchange rate differences between the SDR and USD.

Program Dates: The program was approved June 29, 2021, became effective September 2, 2021, and closed December 31, 2022.

3. Relevance of Design

a. Relevance of Objectives

The DPF supported the Government of India's (GoI's) efforts to strengthen and expand its social protection system through a series of reforms to address rapid urbanization, structural



transformations in the labor market, and climate change. The operation supported the Gol's goal of creating dynamic and responsive social protection. India needed a more adaptive social protection system to address the needs of a more urban, mobile, and diverse population and foster greater support to sub-national governments to tackle the pandemic, future disasters, and ecological risks. The Bank had conducted significant analytical work that substantiated the need for reforms, and the onset of the pandemic escalated their urgency. The reform package was designed to improve efficiency of delivery and address structural challenges that emerged due to a centralized one-size-fits-all social protection approach, proliferation of national schemes, lack of benefits portability, and limited for support migrants and urban informal workers. The Bank had substantial experience in the priority areas and was well positioned to help the country address the severe economic challenges (ICR, p. 2).

The program objectives were aligned with the most recent World Bank India Country Partnership Framework (CPF, FY18-22). Specifically, the objectives aligned with Pillar 3 of the CPF: Investing in Human Capital and with CPF objective 3.5: Improve coverage and coordination of social protection systems. In particular, Pillar 2 of the program aligned with the CPF Objective 3.5 aim of expanding social security coverage of informal workers. In addition, one of the prior actions that made up the "Institutional Coordination" pillar was included in measures suggested in the CPF, with another being in line with the Systematic Country Diagnosis's finding (p. 67) that "bolstering program performance and coherence of the social protection architecture requires a new relationship between the national government and the states. The diversity across states requires an enabling policy and financing regime whereby state governments have greater flexibility in shaping their social protection systems, while the national government focuses on monitoring and coordinating interventions and facilitating cross-state learning." Finally, the DPF's fourth pillar of action aligned with the CPF's cross-cutting objective of supporting "the Gol's climate mitigation and adaptation efforts across the portfolio" (CPF, p. 29).

The operation was consistent with the Bank's India COVID-19 strategy to "build back better." The India CPF was adjusted to respond to the COVID-19 crisis. The Bank, in consultation with the Gol, developed a COVID-19 response strategy aimed at providing social protection to those displaced by the economic shock, with a focus on mitigating the crisis on the poor and vulnerable (ICR, p. 2). During the rollout of this strategy, the need became apparent for additional Bank support to improve coverage and responsiveness of the Indian social protection system towards informal workers, with an emphasis on accelerating portable benefits and fostering greater support to sub-national governments to tackle the ongoing pandemic and future disaster and ecological risks (ICR, p. 3).

The PDO were clearly stated and all terms well defined, but the PDO as formulated did not fully reflect the actual project goals. The Program Document (p. 19) elaborates on the PDO, bringing a higher degree of specificity:

- Strengthening capability: "implies organizational guidelines, systems and institutional/legal mechanisms which allow government agencies to respond to demands for social protection to ensure strong coverage of the vulnerable."
- Coordinated social protection system: "fostering an integrated institutional framework to implement a whole-of-society and whole-of-government approach for social protection and resilience, whereby pre-existing programs and platforms are leveraged by engaging all tiers of government including community groups."
- Responsive social protection: "government fund-flows and systems for safety nets should respond to the diversity in risk profiles across states, and that government programs should address new needs



and risks faced by the workforce due to increasing urbanization, extreme weather events, macro-economic transformations, and the pandemic."

The fourth pillar on climate action was not explicitly part of the PDO statement, but it was described in the Program Document as "climate action reforms to build adaptation and mitigation capacities for the most vulnerable." Moreover, as noted in Section 2a, while the PDO as phrased had only a single objective of strengthening the capability of the state and national governments in India to respond to the needs of informal workers, only one of the four pillars supported activities specifically geared to addressing the needs of informal workers, with two others focusing on the broader goal of a "resilient and coordinated social protection system," and the last only partially related in its scope and aims to social protection.

b. Relevance of Prior Actions

Rationale

Objective 1: Fostering a resilient and coordinated social protection system
Prior Action 1: The Ministry of Finance has increased devolution to state governments and direct grants to local governments, with an increase in central grants to states for disaster management (and 40 percent of State Disaster Response Funds earmarked for response and relief activities, including livelihood support and cash transfers, among other for disaster relief).
Prior Action 2: The Ministry of Finance has incorporated the food subsidy into the Budget 2021/22 as part of the Department of Food and Public Distribution demand for grants.
Prior Action 3: The Ministry of Finance has initiated a detailed exercise to rationalize and reduce the number of centrally sponsored schemes.
Prior Action 6: The Ministry of Electronics and Information Technology has formulated a draft scheme with incentives to boost digital transactions in India.
Prior Action 7: The Ministry of Consumer Affairs, Food and Public Distribution has launched a mobile-based application for migrants to locate the nearest fair price shop to receive food grains.
Objective 2: Strengthening the capability of the state and national governments in India to respond to the needs of informal workers
Prior Action 4: The Ministry of Housing and Urban Affairs has launched the National Urban Digital Mission, which will upgrade data infrastructure and create data exchange platforms for urban municipalities.
Prior Action 5: The Ministry of Housing and Urban Affairs has launched a new credit/loan program for urban street vendors.
Objective 3: Strengthening climate action and environmental resilience reforms to increase the adaptation and mitigation capacities of the most vulnerable
Prior Action 8: The Ministry of Finance has enhanced weightage given to forest and ecology, climate vulnerabilities, and disaster risk of each state in allocating central government grants to state governments for disaster management.
Prior Action 9: The Ministry of Finance has developed central challenge grants for cities with populations above one million based on achievement of air quality parameters.
Prior Action 10: The Ministry of Environment, Forests, and Climate Change has created a multi-sectoral committee to monitor progress of India's implementation of the Paris Agreement.



Prior Action 11: The Ministry of Environment, Forests and Climate Change has created a portal that captures key adaptation and mitigation actions taken by various ministries and helps disseminate amongst citizens information on key climate change matters in India

PDO1: Fostering a resilient and coordinated social protection system. This PDO was to be achieved by a portmanteau of policy actions aimed at: (i) streamlining schemes and fund-flows for social protection, fiscal devolution for local governments, and enhanced allocations for cash transfers in ecologically precarious and disaster-prone zones; (ii) tightening targeting methodologies and payment chains for maximal digital and portable inclusion; and (iii) supporting climate action reforms.

PA1 intended to ensure that state governments had more access to flexible financing for social protection to respond to future shocks. According to the Program Document (p. 7), India's rapid but uneven economic growth deepened differences between states in terms of their social protection needs and risk profiles, highlighting a need for a social protection system that accommodated heterogeneity and context-specificity. This fiscal reform built on the lessons learned in the "Second Accelerating India's COVID-19 Social Protection Response" DPF and supported the implementation of the Fifteenth Finance Commission (FFC) recommendations for broader use of State Disaster Relief Fund grants. This gave states more flexibility in responding to the pandemic and made possible a localized approach to dealing with challenges (ICR, p. 6). Rating: Highly Satisfactory

PA2 was aligned with FFC recommendations aimed at heightened transparency, accountability, and governance of allocated funds. Food Corporation India (FCI) manages the national food distribution system, covering 800 million Indians. Prior to the reform, a large portion of its funding came from the National Small Savings Fund as five-year loans, constituting an off-balance sheet expenditure to the government, that were repaid in installments. This expenditure transparency measure brought off-budget borrowings on budget, and thus increased the predictability of subsidy funds for the food distribution system. It also indicated long-term government commitment to prioritizing access to food (ICR, p. 7). According to the Program Document (p. 21), this was an important step to benchmark social safety net spending. Rating: Highly Satisfactory

PA3 supported the government's decentralization agenda. At the outset of COVID-19, there were 403 centrally sponsored social protection schemes, most requiring states to finance a share of expenditures. This measure taken by the Ministry of Finance was in congruence with PA1 and aligned with the recommendations of the FFC to further decentralize safety net programs. The prior action involved a national review of all centrally sponsored schemes to benchmark duplication and rationalize based on recommendations of the FFC fiscal path. According to the Program Document (p. 22), the goal was to make the schemes more impactful and outcome-oriented by: (i) consolidating schemes to provide a holistic implementation, (ii) enhancing expenditure efficiency by eliminating infructuous schemes, (iii) removing incongruence, and (iv) transparently determining the funding share to improve predictability. The Prior Action, however, did not specify what "initiating" the exercise entailed. Rating: Satisfactory.

PA6 aimed to make digital banking more accessible as a means to make social protection payments more efficient. Digital payments were believed to be key to tighten the payments chain for social protection programs, and to enable easy and portable pan-national access to cash transfers and social insurance contributions in India (PD, p. 25). While most of the country had seen a boom in digital connectivity, pockets of the population, including rural populations, urban informal workers, and interstate migrants, were unable to access digital platforms. This one-year government program lowered barriers for the poor and vulnerable to access the RuPay debit card, which the Federal Reserve Bank had initiated nearly a decade earlier. The card included added benefits such as free personal accidental death and permanent total disability insurance coverage. The



application of fintech to the least digitalized segment of the population removed banking barriers and enhanced speed, accuracy, and efficiency of social protection benefits payments (ICR, p. 8). Rating: Highly Satisfactory

PA7 introduced a mobile-based application to address interstate migrant needs and to allow flexibility in procuring food grains. This app was built on the lessons learned in the prior development policy financing "Second Accelerating India's COVID-19 Social Protection Response," specifically on portability of social protection benefits in the new Indian economy. In theory, the One Nation One Ration Card (ONORC) Initiative allowed beneficiaries to purchase rations at Fair Price Shops (FPS) nationwide. In practice, survey data showed that the majority of card holders were not aware of the portability option. This PA launched the "Mera Ration App" through the Unified Mobile Application for New-Age Governance (UNMANG), enabling card holders to locate a fair price shop anywhere in India. This was to help enhance awareness of and access to the portability options for the migrant workforce (ICR, p. 8). Rating: Satisfactory

PDO2: Strengthening the capability of the state and national governments in India to respond to the needs of informal workers

PA4 aimed to increase access to safety nets and social insurance for urban informal workers through development of tailored digital tools and platforms for inclusion of urban populations into social protection systems. The National Urban Digital Mission (NUDM) is a government program whose purpose is to upgrade data infrastructure and create data exchange platforms for urban municipalities to improve the governance and efficiency of service delivery. Digital registries were developed to capture and compile detailed information on citizens, such as ownership of assets or presence of females in the household, that would feed data platforms as a single source and identify beneficiaries and informal workers requiring support. Availability of data was viewed as a mechanism to inform program design and allow for a tailored response (ICR, p. 7). Rating: Highly satisfactory

PA5 expanded social protection coverage to urban street vendors. In India, urban street vendors represent a majority share of employment in large cities, constituting about 10 million informal, self-employed, micro-enterprise owners. The onset of COVID-19 exposed their vulnerability, inflicting significant suffering and income loss. Building on Prior Action 4, this reform introduced a new credit/loan scheme, Pradhan Mantri Street Vendor Atmanirbhar Nidhi (SVANIDHI), to redress urban street vendors' reversals in a timely manner and to help municipal governments deliver services to their workforce (ICR, p. 7). Rating: Highly satisfactory

PDO3: Strengthening climate action and environmental resilience reforms to increase the adaptation and mitigation of the most vulnerable

PA8 supported implementation of key fiscal reform recommendations made by the FFC for the period 2021-2026 by providing states funds for livelihood and social assistance, recovery and reconstruction, and preparedness and capacity building in ecologically vulnerable regions of the country (PD, p. 26). Recognizing the spike in disasters and ecological risks across the country, this reform increased the weighting from 7 to 10 percent, for forest cover and ecological zones such as mangroves, in the disaster-risk index used for the allocations of grants to state governments for disaster management in PA1. The new methodology (replacing an expenditure-based approach) increased pre-positioned financing earmarked for supporting vulnerable households affected by climate shocks. States with high forest cover and ecologically and climatically vulnerable zones would receive more funds. In addition, increased weighting for disaster risk meant that disaster-prone states would now receive additional grants to rapidly respond to shocks, including climate-



related disasters. This fiscal reform was reflected in the Union budget legislatively approved by the Indian Parliament (ICR, p. 8). Rating: Highly satisfactory.

PA9 established central challenge grants for cities with populations exceeding one million based on achievement of air quality parameters. In India, respiratory illnesses represent one the top five causes of morbidity and disproportionately affect the poor. Ambient air pollution exacerbates this phenomenon. The introduction of ambient air pollution parameters into challenge grants incentivized states to adopt the necessary measures for reducing air pollution and nudged positive behaviors and activities to manage environmental risks (ICR, p. 9). Rating: Highly satisfactory

PA10 aimed to strengthen the monitoring framework of the country’s climate action plan and ensure a coordinated and efficient response to climate change. In the medium term, it aimed to enhance the ability of the Gol to prepare, respond, and adapt to climate shocks through collaborative efforts between various departments, allowing for more effective adaptation and mitigation to climate change and natural disasters on vulnerable communities (ICR, p. 9). Rating: Satisfactory

PA11 introduced the India Climate Knowledge Portal to disseminate information on climate change and government mitigation initiatives, thus increasing transparency and providing the foundation of a comprehensive database with linkages to disaster risk management and early warning systems, social protection data, and household vulnerability (ICR, p. 9). According to the Program Document, the portal was meant to be a “single point Information resource that provides information on the different climate initiatives taken by various line ministries, enabling users to access updated status on these initiatives.” The knowledge portal was to include information on: (i) India’s climate profile, (ii) the national policy framework and India’s Nationally Determined Contributions under the Paris Agreement, (iii) adaptation and mitigation actions, (iv) bilateral and multilateral cooperation, and (v) international climate negotiations. It aims to help in disseminating knowledge among citizens about all the major steps the government is taking at both national and international levels to address climate change issues (Program Document, p. 29). Rating: Satisfactory

Rating

Highly Satisfactory

4. Relevance of Results Indicators

Rationale

Description	PAAs	RI Relevance	Baseline	Target	Actual	Actual as % of targeted change	RI Achievement Rating
Objective 1: Fostering a resilient and coordinated social protection system							
RI1: Percentage share of States who have received direct grant from central gov’t following recommendations of FCC	1	HS	0	100%	100%	100%	High



RI2: Size of Central FFC Grants made to States for annual budget period (in INR crore)	1	HS	149,924	220,843	220,843	100%	High
RI3: Amount of NSSF loan assistance to Food Corporation of India (INR Crore)	2	S	84,636	0	0	100%	High
RI4: National government has rationalized centrally sponsored schemes.	3	MS	No	Yes	Yes	100%	High (due to additional evidence provided in the ICR)
RI8: Digital payments volumes (in million).	6	MU	43,383.28	47,000	91,920	More than 100%	Modest (downgraded from High due to lower relevance of the RI)
RI9: Number of informal workers receiving benefits per month from the ONORC initiative (in million).	7	S	13	20	35	More than 100%	High
Objective 2: Strengthening the capability of the state and national governments in India to respond to the needs of informal workers							
RI5: Percentage of urban municipalities receiving benefits through NUDM.	4	MU	0	33	58.54	More than 100%	Modest (downgraded from High due to lower relevance of the RI)
RI6: Percentage of street vendors receiving benefits from SVANIDHI.	5	HS	40	55	113	More than 100%	High
RI7: Gender-sensitive program coverage measured by proportion of female informal workers in total beneficiary pool of SVANIDHI.	5	HS	40	50	44.4	44.4%	Modest
Objective 3: Strengthening climate action and environmental resilience reforms to increase the adaptation and mitigation capacities of the most vulnerable							
RI10: Share of States receiving transfer from Central Government based on forest, ecology, and disaster risk index.	8	S	0	33	100	More than 100%	High



RI11: Percentage of million plus cities that have received funds in 2022-2023	9	HS	0	10	34.6	More than 100%	High
RI12: Responsibilities of concerned ministry for implementing Paris agreement have been defined.	10, 11	MU	No	Yes	Yes	100%	Modest (downgraded from High due to lower relevance of the RI)

The DPO used 13 results indicators (RIs) to track the outcomes of the 11 PAs. The RIs were, for the most part, highly relevant to the proposed actions, but in some cases could have been refined to better capture the contribution of the PA to achievement of the PDO.

Objective 1: Fostering a resilient and coordinated social protection system

RI1 and RI2: Both indicators tracked the success of the prior action at supporting devolution of social protection funds to the state level by measuring both the percentage of states and the grant size, giving a complete picture of how the PA affected devolution of social protection funds. Rating: Highly Satisfactory

RI3: This indicator was associated with PA2, whose aim was to increase the transparency of Public Distribution System funding by replacing the portion of funding provided by loans with budgetary allocations. The RI tracked the percentage of loan financing but not the impact of this measure on budgetary allocations. Rating: Satisfactory

RI4: The indicator was partly adequate to measure the impact of the PA. However, the indicator does not define what is meant by “the national government has rationalized centrally sponsored schemes.” A more useful indicator would have been a numerical or percentage target for reduction in the number of schemes, and in fact, the ICR reported such data. Rating: Moderately Satisfactory

RI8 measured total increase in digital transactions as a measure of achievement of a PA by which a draft scheme was to be formulated with incentives to boost digital transactions among the poor and vulnerable in India. However, it is unclear how much of this increase was attributable to the PA, as the RI did not measure the extent to which there was an increase in digital transactions specifically among the target population. Rating: Moderately Unsatisfactory

RI9: The purpose of the PA associated with this RI was to help any migrant identify a local fair price shop (FPS) where he/she could access food grains through an app designed for this purpose. This was to address lack of awareness as, according to survey data, only 34 percent of households with ration cards were aware of the initiative, and only 11 percent of ration card-holding households had tried to use an alternative FPS to procure food grains (Program Document, p. 26). In addition, according to the project team, Bank analytics identified lack of information as a key constraint that was preventing uptake. The



indicator measured the rise in portable transactions, which plausibly could have been because of ease of locating participating shops. Rating: Unsatisfactory

Objective 2: Strengthening the capability of the state and national governments in India to respond to the needs of informal workers

RI5 was intended to track the success of the new National Urban Digital Mission (NUDM) through the share of municipalities "availing of the digital infrastructure upgradation made possible through NUDM" (PD, p. 24). However, the wording of the RI, "percentage of urban municipalities receiving benefits through NUDM," was vague. It is unclear what is meant in this context by "benefits," which, the project team clarified for IEG, is not related to monetary benefits, as money is not transferred through NUDM. The Program Document (p. 24) describes a "shared digital infrastructure" to be developed as a "public good," including "state-of-the-art digital urban platforms to manage the core digital urban data," with the ultimate aim of using these platforms to develop a range of systems for each of 4400 Indian towns and cities. Neither the Program Document nor the ICR, however, specify what phase of development and/or utilization of these platforms is necessary to list a municipality as "receiving benefits," or which of the several intended platforms and systems are necessary in order to define a municipality as receiving benefits through NUDM. Rating: Moderately Unsatisfactory

RI6 directly tracked the outcomes of PA5, which initiated a new credit program for street vendors in urban areas. The RI target was based on an estimate by the Ministry of Housing Affairs of the total population of street vendors in India, and receipt of benefits was tracked using data generated by the SVANIDHI program. Rating: Highly satisfactory

RI7 directly tracked the gender balance of the new credit/loan program. A gender RI for PA5 was highly relevant, as data showed that women in the informal urban sector were engaged in sectors such as domestic work, street vending, and home-based work, which were not covered by pre-existing social security measures. The Program Document explains that, over the long run, the reforms were expected to increase social protection coverage in urban areas, "particularly for women who are an important share of the self-employed street vending workforce in Indian cities" (PD, p. 24). Rating: Highly Satisfactory

Objective 3: Strengthening climate action and environmental resilience reforms to increase the adaptation and mitigation capacities of the most vulnerable

RI10 directly measured successful implementation of PA8 by tracking the share of states that received funds for forest and disaster risk and ecological concerns. However, as the indicator did not track the amounts received, it is difficult to know whether the PA achieved its goal of "enhancing" central grants to states for forest and disaster risk and ecological concerns to make significant resources available for cities (PD, p. 28). Rating: Satisfactory

RI11 tracked successful implementation of challenge grants by the receipt of funds by municipalities under PA9. Challenge grants were to be awarded to urban local bodies based on achievements of measurable results, a combination of process-based indicators and improvement in air quality, and thus RI11, taken from program data on receipt of grants, was indicative of actual accomplishments in reducing air pollution. Rating: Highly Satisfactory

RI12: This indicator partly measures the outcome of one of the two prior actions associated with it (PA10), verifying the accomplishment of one of the responsibilities assigned to the multi-sector committee. According to paragraph 61 of the program document, the Apex Committee for



Implementation of Paris Agreement (AIPA)'s mandate includes: (i) defining responsibilities of concerned ministries for achieving India's NDC goals, (ii) developing policies and programmes to make India's domestic climate actions compliant with its international obligations, (iii) developing Monitoring, Reporting and Verification (MRV) protocol for National Inventory Management System (NIMS) under Paris Agreement, (iv) coordinating communication of NDCs, National Communications, Biennial Update Reports and Biennial Transparency Reports to UNFCCC, (v) regulating carbon markets in India post-2020 period and issuing guidelines on carbon pricing, market mechanism, and similar other instruments that have a bearing on climate change and NDCs, and (vi) enhancing private sector's contributions for combating climate change and providing guidance to help align their actions with domestic priorities. The RI uses the most basic function of the Committee as an indicator of outcomes of PA10, and does not provide any measure of PA11. Rating: Moderately Unsatisfactory

Rating

Satisfactory

5. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

Fostering a resilient and coordinated social protection system

Rationale

The major PDO-related achievements all related to the devolution of federal budgets to the state level. Specifically, 100 percent of states received a direct grant from the GoI from a baseline of 0 percent (RI1), with the total value of grants at 100 percent of target (RI2). As per RI3, the government fully repaid Food Distribution India loans by the end of fiscal year 2021, after which there were no further loans, as the funds flow moved to the central government budget. According to the ICR (p. 11), "this reform built predictability and central government commitment into a more cost-effective and dynamic safety net system." The government initiated an exercise that led to rationalization of centrally sponsored social protection schemes (RI4), leading to a reduction in the number of schemes from 460 to 310. According to the ICR (p. 16), "rationalization of the 460 centrally sponsored schemes to 313 schemes, combined with the fiscal devolution to states, contributed to streamlining fund flows for social protection, thus giving states an increased ability to respond to disasters and provide social assistance."

and provide social assistance."

This objective had six results indicators, all of which were fully achieved. Of these, four of the results indicators had a relevance rating of Highly Satisfactory or Satisfactory. One RI (RI4) had a relevance rating of Moderately Satisfactory, but additional quantitative information was provided in the ICR making it clear that the PA had substantially contributed to the PDO, for which reason IEG decided to rate this RI as fully achieved, despite the insufficient clarity of the RI as phrased. One additional RI was given a Moderately Unsatisfactory rating as it measured changes in the general population and not specifically in the target



population, although it is plausible that the PA contributed to at least some of the change.. Consequently, achievement of this RIs was downgraded to Negligible.

With achievement of five RIs rated High and one rated Modest, achievement of the objective is rated Satisfactory.

Rating

Satisfactory

OBJECTIVE 2

Objective

Strengthening the capability of the state and national governments in India to respond to the needs of informal workers

Rationale

Achievement of this objective was based on two prior actions whose aim was to expand access to social protection for informal workers. Of the three results indicators, two were fully achieved. 58.54 percent (against a target of 33 percent) of urban municipalities received benefits through the National Urban Digital Mission, which improved the digital infrastructure of urban municipalities. However, the relevance of this indicator (RI5) was rated Moderately Unsatisfactory due to the lack of clarity with regard to what the RI was measuring. The SVANIDHI social protection scheme was expanded, with 113 percent of street vendors (from a population originally defined as an estimated 5 million) receiving benefits from the scheme, surpassing the target of 54 percent (RI6). However, the target of 50 percent of SVANIDHI beneficiaries being female (RI7) was only partially achieved, at 44.4 percent against a baseline of 40 percent.

With achievement of one RI rated High and two rated Modest, achievement of the objective is rated Moderately Satisfactory.

Rating

Moderately Satisfactory

OBJECTIVE 3

Objective



Strengthening climate action and environmental resilience reforms to increase the adaptation and mitigation of the most vulnerable

Rationale

Of the three RIs under this objective, two were highly relevant and were surpassed, resulting in transfers of funds to states both based on forest, ecology, and disaster risk index and for successful bids for air pollution reduction challenge grants. However, RI12 did not adequately measure the contribution of the PAs associated with it (PAs 10 and 11) and thus was rated of Moderately Unsatisfactory relevance. In consequence, according to IEG guidelines, achievement of RI12 was rated Modest.

With achievement of two RIs High and one rated Modest, achievement of the objective is Satisfactory.

Rating

Satisfactory

Overall Achievement of Objectives (Efficacy)

Rationale

Efficacy is rated satisfactory, with two objectives rated Satisfactory and one rated Moderately Satisfactory.

Overall Efficacy Rating

Satisfactory

6. Outcome

Rationale

The operation was rated as having highly relevant prior actions, and satisfactory efficacy, leading to an Outcome rating of Satisfactory.

a. Rating

Satisfactory

7. Risk to Development Outcome

Program outcomes are likely to be sustained. According to the ICR (p. 17), GoI leadership has consistently shown strong commitment to prioritizing social protection to improve efficiency of delivery, coverage, and



access. This has been reflected through ongoing efforts to continuously expand India's safety net architecture to become more dynamic and inclusive by catering to a diversity of needs across states and vulnerable groups. The reforms introduced by the DPF were based on prior DPFs and strong analytical work and were aligned with GoI priorities, which ensured government commitment and ownership. Reforms under Pillar 1 are direct reflections of India's Fifth Finance Commission's recommendations, which are part of the constitutional mandate. Achieved results are likely to be sustained in the medium term. Moreover, since the DPF leveraged pre-existing systems, and social protection benefits are funded through the government budget without donor assistance, program outcomes should be sustained beyond the operation.

8. Assessment of Bank Performance

a. Bank Performance – Design

Rationale

The operation's design was grounded in detailed analysis. According to the ICR (p. 17), prior actions were thoroughly grounded in recent analytical work led by the highly technical and well-grounded India social protection team in collaboration with various academicians and experts. The DPF design incorporated surveys and rapid reviews by two national think-tanks for the Bank. This analytical work contributed to increased Bank credibility and helped the Bank team engage in meaningful dialogue with GoI counterparts around the reforms and fast-track the preparation. The operation also built on the Bank's deep engagement with various ministries and institutions as well as with state authorities on social protection reforms, including with the FFC on the fiscal reforms. Moreover, the Bank team consulted with development partners and worked closely with ministries and state governments/agencies in the design of coordinated actions and planned outcomes. Donor engagement was facilitated by the depth and extensiveness of the analytic work on social protection undertaken by the Bank, which culminated in the multi-stakeholder workshop on "Schemes to Systems" in Delhi in December 2019. In addition, the operation's design incorporated lessons from the previous DPF series and supported key reforms that were designed to address challenges in implementation of Bank support for adequate coverage of vulnerable populations, coordination of institutions, efficiency of delivery, and benefits portability.

Project design recognized and provided for mitigation of substantial macroeconomic and institutional capacity risks through technical assistance during implementation complemented with monitoring and evaluation during implementation. The monitoring and evaluation (M&E) framework leveraged knowledge partnerships to track impacts and results. The World Bank built on earlier collaboration with knowledge partners such as Jameel Poverty Action Lab, Evidence for Policy Design, Infrastructure Development Finance Committee, and Center for Policy Research on taking stock of India's social protection programs through ongoing Advisory Services and Analytics. The Bank team also relied on Center for Monitoring the Indian Economy (CMIE) panel surveys; administrative data on program releases and bank account transactions maintained by DBT Mission (the government's nodal point for the management of direct benefit transfer programs) and the National Disaster Management Authority to triangulate results; administrative data on coverage under the One Nation One Ration initiative by the Public Distribution System line agency; and administrative data from the Ministry of Economy and Finance to leverage information for the Climate Action Pillar (ICR, p.18).



Some of the RIs were not adequate indicators of the associated PA's contributions toward achievement of the PDOs. Once third of RIs were not sufficiently attributable to PAs and/or did not adequately demonstrate progress towards achievement of the PDOs.

Rating

Satisfactory

b. Bank Performance – Implementation

Rationale

According to the ICR (p. 18), the Bank team closely monitored implementation. The Bank maintained frequent bilateral contact with the ministries to monitor program results, despite the pandemic and lockdowns. Nonetheless, results indicators were not all tracked consistently, as administrative data from ministries were not always available. However, in the one RI where data were not available at program close, an adequate proxy measure was found. Monitoring responsibilities were mapped and shared with development partners; for example, the Asian Development Bank (ADB) tracked the ONORC Initiative, and the Bank focused on survey data collection through CMIE by including a specific social protection module. Regular donor discussions were organized and facilitated by a Secretariat financed under ADB-financed technical assistance.

Rating

Highly Satisfactory

c. Overall Bank Performance

Rationale

Bank Performance was satisfactory, based on the Quality at Entry and on the Bank's important role both in the preparation of the DPF itself and in closely coordinating with the government in defining reform priorities and with partners to coordinate a comprehensive program of technical assistance. The Bank team designed an operation that was appropriately selective rather than overly ambitious in pursuing key initiatives. The general strategy to preserve previous gains and achieve improvements while pushing the reform agenda was appropriate to the development context and pivotal to the success of the operation. However, some of the observed results (as measured by the results indicators) were not adequately attributable to the PAs, and at times RIs did not adequately trace causal chains from PA to outcomes.

Overall Bank Performance Rating

Satisfactory



9. Other Impacts

a. Social and Poverty

Overall, this operation helped alleviate and prevent further social and economic distress from COVID-19 and future shocks among the most vulnerable groups. The focus on the urban poor (informal workers, gig workers, and interstate migrants) and supported reforms directly improved: (a) access to subsidized food for 35 million informal workers and interstate migrants (PA7); (b) income support for 2.9 million urban street vendors (out of 5 million) through increased access to credit/loans (PA5); and (c) access to banking services and use of digital payments for informal workers (PA6). Among the most vulnerable groups, tribal communities who have the highest rate of poverty in India also benefited from this operation and the benefits generated through portability, in turn alleviating the burden of poverty (ICR, p. 15).

b. Environmental

The program generated resources that should positively impact ecologies and natural resources. Under Pillar 4, reforms contributed to climate adaptation measures and should have positive environmental impact. With Prior Action 8, states received more direct grants for disaster response, and with an increasing share of transfers to states earmarked for ecology, climate vulnerabilities, and disaster risk. This reform should encourage states to preserve their forests and ecological zones. Prior Action 9 provided challenge grants for large cities (over 1 million population) to tackle air pollution and improve health outcomes. Finally, Prior Actions 10 and 11 strengthened the institutional framework for a more coordinated response on climate change through the multisectoral committee monitoring the NDCs and the climate knowledge portal; both reforms are expected to contribute to positive environmental outcomes and support the climate agenda (ICR, p. 16).

c. Gender

While not achieving the one gender-disaggregated results indicator target (RI7), the operation made progress in achieving gender parity for the SVANIDHI Initiative as well as supporting women through its other social protection schemes. Under PA5, 2.513 million women benefited from a scheme for street vendors. Direct transfer of benefits to women through the Public Distribution System and SVANIDHI measures were aimed at redressing gender-based vulnerabilities. Enhanced grants to states and local governments for climate-responsive safety nets, disaster relief, and response to the second wave of the COVID-19 crisis were designed to benefit women, as most states targeted female-headed households as key beneficiary groups. Similarly, the Mera Ration mobile app (PA7) eased the burden on women in charge of everyday household food. The National Urban Digital Mission (PA4) registries captured gender-disaggregated women workers and women-headed households, who are prioritized for future benefit delivery. The National Social Assistance program has leveraged support for widows and elderly females, targeting households living below the poverty line. Finally, most social assistance programs providing cash transfer or food support use additional targeting weights for women-headed households in their eligibility criteria, as women-headed households tend to be poorer than male headed households (ICR, p.16).



d. Other

10. Quality of ICR

Rationale

The ICR was clear, candid, and results oriented. For the most part, it presented robust evidence to establish program outcomes, as well as well-thought out, generalizable lessons learned. At times, the ICR could have been more introspective about the extent to which results indicators provided adequate evidence of progress towards outcomes.

a. Rating

Substantial

11. Ratings

Ratings	ICR	IEG	Reason for Disagreement/Comments
Outcome	Satisfactory	Satisfactory	
Bank Performance	Highly Satisfactory	Satisfactory	Results framework design included indicators that did not adequately reflect the contribution of the prior actions toward achievement of the PDOs.
Relevance of Results Indicators	---	Satisfactory	
Quality of ICR	---	Substantial	

12. Lessons

Lessons from the ICR (p. 19):

DPFs can be used to respond to emergency situations when there is strong evidence behind the prior actions. India had a social protection system in place that was fragmented and lacked coordination. Even prior to COVID-19, the Bank team was already engaged in ongoing dialogue with GoI counterparts around the necessary reforms to address structural challenges. When the crisis hit, the GOI was able to ramp up the necessary social spending, capitalizing on existing systems. The COVID-19 crisis highlighted the urgency for developing a harmonized system. Strong analytical work and ensuing credibility with the GoI enabled the Bank



team to swiftly prepare and roll out an emergency DPF and, more importantly, to gain the Gol's ownership of the prior actions.

The use of different Bank instruments (DPF and PforR) can help strengthen state engagement. The prior social protection DPF series and this standalone DPF drew from the extensive knowledge gained from Bank operations and analytical work. In turn, the emergency DPFs were complemented with state-level operations (PforRs) that leveraged the reforms that were implemented through these DPFs, such as devolution of funds to state level. Most follow-up operations were designed to increase coverage and strengthen state capacity for implementing social protection delivery systems. This also contributed to enhancing the Bank's engagement with the Gol in the related thematic areas.

Maintaining coordination and collaboration are cornerstones to scaling up social protection interventions. Collaboration across sectors supported a coherent reform program. This operation supported 12 reforms in social protection, public financial management (PFM), governance, and climate action. It was challenging to link PFM and climate action reforms to social protection reforms; however, since the DPF was addressing structural challenges to increase resilience, a multi-sectoral approach was necessary. A coherent program design was achieved largely due to a grounded analytical work, a strong technical Bank team, and strong country leadership. These factors facilitated policy dialogue across sectors and prompted a shared vision.

13. Project Performance Assessment Report (PPAR) Recommended?

No