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**INTERNATIONAL FINANCE CORPORATION**

**MULTILATERAL INVESTMENT GUARANTEE AGENCY**

**COUNTRY PARTNERSHIP FRAMEWORK**

**FOR**

**INDIA**

**FOR THE PERIOD FY18–FY22**

**July 25, 2018**

**India Country Management Unit  
South Asia Region**

**The International Finance Corporation**

**The Multilateral Investment Guarantee Agency**

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### **CURRENCY EQUIVALENTS**

(Exchange Rate Effective as of July 24, 2018)

Currency Unit = Indian Rupee (INR)

69.05 INR = \$US1.00

### **FISCAL YEAR**

April 1 to March 31

### **ABBREVIATIONS AND ACRONYMS**

APA	Alternative Procurement Arrangements	FM	Financial Management
ASA	Advisory Services and Analytics	FMIS	Financial Management Information Systems
ASEAN	Association of Southeast Asian Nations	FSAP	Financial Sector Assessment Program
ART	Anti-Retroviral Therapy	GDP	Gross Domestic Product
CAG	Comptroller and Auditor General	GEF	Global Environment Fund
CLR	Completion and Learning Review	GHG	Greenhouse Gas
CCCB	Climate Change Co-Benefit	GoI	Government of India
CPF	Country Partnership Framework	GP	Global Practice
CPS	Country Partnership Strategy	GST	Goods and Services Tax
CSR	Corporate Social Responsibility	IBRD	International Bank for Reconstruction and Development
DA	Distressed Asset	ICT	Information and Communications Technology
DBT	Direct Benefit Transfer		
DEA	Department of Economic Affairs	IDA	International Development Association
DFAT	Australian Department of Foreign Affairs and Trade	IFC	International Finance Corporation
DFID	U.K. Department for International Development	IEY	Investing in Early Years
DIPP	Department of Industrial Policy and Promotion	IMF	International Monetary Fund
DLI	Disbursement-Linked Indicator	InfraSAP	Infrastructure Sector Assessment
DPF	Development Policy Financing	JMP	Joint Monitoring Program
DRM	Disaster Risk Management		
ECE	Early Childhood Education	ITI	Industrial Training Institute
EU	European Union	LIS	Low Income States
FDI	Foreign Direct Investment	LMIS	Labor Market Information System
FLFP	Female Labor Force Participation	M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals	RBI	Reserve Bank of India

MFD	Maximizing Finance for Development	RE	Renewable Energy
MIGA	Multilateral Investment Guarantee Agency	RWSS	Rural Water Supply and Sanitation
MPA	Multi-Phase Approach	SBL	Single Borrower Limit
MSME	Micro, Small, and Medium Enterprise	SCD	Systematic Country Diagnostic
NAS	National Achievement Survey	SCS	Special Category States
NCAP	National Clean Air Program	SCs	Scheduled Castes
NDA	National Democratic Alliance	SD	Skills Development
NDC	Nationally Determined Contribution	SDG	Sustainable Development Goals
NGO	Non-Governmental Organization	SHG	Self-Help Group
NITI	National Institution for Transforming India	SIDBI	Small Industries Development Bank of India
NIIF	National Infrastructure Investment Fund	SIMO	Skill India Mission Operation
NLTA	Non-Lending Technical Assistance	SME	Small and Medium Enterprise
NPL	Non-Performing Loan	SP	Social Protection
NRDWP	National Rural Drinking Water Program	SSC	Sector Skills Council
NSQF	National Skills Qualifications Framework	STRIVE	Skills Strengthening for Industrial Value Enhancement
NSSO	National Sample Survey Office	STs	Scheduled Tribes
NTFP	Non-Timber Forest Products	T&D	Transmission & Distribution
O&M	Operations & Maintenance	TA	Technical Assistance
ODF	Open Defecation Free	TF	Trust Fund
OOPP	Out-of-Pocket Payments	ULB	Urban Local Body
PFM	Public Financial Management	UNICEF	United Nations Children's Fund
PforR	Program for Results	USAID	U.S. Agency for International Development
PPP	Public-Private Partnership	VC	Venture Capital
PRI	Panchayat Raj Institution	WBG	World Bank Group
PRSF	Partial Risk Sharing Facility	WHO	World Health Organization
RAS	Reimbursable Advisory Services	WUE	Water Use Efficiency

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## FY18-FY22 COUNTRY PARTNERSHIP FRAMEWORK FOR INDIA

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# WORLD BANK GROUP COUNTRY PARTNERSHIP FRAMEWORK FOR INDIA (FY18–22)

## I. INTRODUCTION

1. **India is in a period of unprecedented opportunity, challenge, and ambition in its development, requiring the World Bank Group (WBG) to reposition its partnership with the country.** Having already reached middle income status, India has the aspirations of bettering the lives of all its citizens by becoming a high-middle income country by 2030, well before the centenary of its independence. Importantly, India has added to the speed and scale of this commitment, the principle of sustainability. Its ability to achieve this goal of rapid, sustainable development will have profound implications for the world. Indeed, India's success will be central to the world's collective ambition of achieving the targets of ending extreme poverty and promoting shared prosperity and the 2030 Sustainable Development Goals (SDGs). At the same time, India's growing economic and political stature and the relevance of its experience, know-how and investments to other nations mean that the country is well-positioned to play a greater leadership role in the global arena. This Country Partnership Framework (CPF) -- the first since the country's graduation from IDA to IBRD -- is being formulated to respond to this challenging context of a dynamic and increasingly global India. It charts a path for how the World Bank, IFC and MIGA will leverage their relative strengths and value propositions to answer the call of today's India to deliver stronger development outcomes, nationally and globally.

2. **India's development trajectory builds on significant achievements in recent years.** India has reduced its extreme poverty rate from 46 percent to 21 percent in the two decades up to 2011, with World Bank estimates indicating continued reduction in more recent years. Already the third largest economy in the world in purchasing parity terms, the country is expected to grow at over 7 percent per annum, with aspirations for a possible 8 percent per annum in the coming years. Wide-ranging and ongoing macroeconomic, fiscal, tax and business environment reforms have buttressed this progress. For instance, recent business climate reforms helped India improve its Ease of Doing Business ranking by 30 places in 2018. India is promoting cooperative and competitive federalism, marked by a significant devolution of revenues and responsibilities to the states while fostering friendly competition and collaboration among states to drive better performance and country's overall development. The recent implementation of the Goods and Service Taxes (GST) is an example of both India's federal model at work and the country's commitment to reforms. Finally, navigating through the federal system at the sectoral level, India has focused on reshaping the policy approaches to human development, social protection, financial inclusion, rural transformation, and infrastructure development to better achieve growth, inclusion, and sustainability.

3. **To deliver on its aspirations, however, India needs to address emerging challenges and overcome certain persistent constraints.** First, while growth has been strong, to safeguard its trajectory, India will need to adapt continuously to a rapidly evolving, competitive global economy and accompanying technological shifts. Second, the country needs to spread more equitably both the gains of economic progress and access to economic opportunities in order to build a more stable, productive, inclusive and resilient society. This challenge is not only about inclusive growth – ensuring that benefits of growth are distributed across the population in terms of, for example, access to services or social protection – but, importantly, also about inclusion *for* growth – ensuring that all citizens, particularly women and groups from disadvantaged social backgrounds, and all states of the federation have access to economic

opportunities. The agenda of inclusion for growth offers India a platform for supporting development that enables a convergent India for all people and regions to emerge.

4. **In this context, the WBG's Systematic Country Diagnostic (SCD) distills three key priorities for maintaining the country's trajectory of poverty reduction and high growth.** *First*, India's rapid growth pattern will need to embrace much more efficient use of the country's resources, particularly water and land, to remain sustainable. *Second*, India needs to foster inclusiveness both for poverty reduction and as a key condition for sustaining high rates of economic growth by generating more quality jobs and investing in human capital. Only a robust inclusion agenda will allow the country to productively absorb the 13 million people entering the working age population every year. India needs to build the environment to catalyze firms of all sizes to grow in their market share, fit into global supply chains, and to enhance firm capability. At the same time, India will need to significantly upgrade the reach, quality, timeliness and efficiency of its investments in human capital to widen the beneficiaries of economic growth and build a labor force to keep the country competitive in the 21st century. *Arresting and reversing the decline in labor force participation of women will be central to this agenda.*

5. **The third SCD priority emphasizes the need to strengthen the agility, performance and responsiveness of India's public-sector institutions.** Given the role of the government in India's political economy, the implementation capability of the public sector has large and determinative effects on the magnitude, quality and inclusivity of economic growth. To date, the pace of implementation has lagged behind the ambitions of India's reform agenda with significant service delivery gaps persisting, including the reliability of water and power supply, transport connectivity, and quality of education, that belie its middle-income status. India needs to bring greater efficiency, accountability, and stronger governance. This means making public institutions more competitive and ensuring that policy reforms and input investments better translate to last mile service delivery and development impact. *Central in this reform focus is the interface of the public and private sectors to better enable private sector contributions on India's economic and social development objectives.* Furthermore, as India increasingly decentralizes resources – states' share of government spending increased from 45 percent to over 60 percent in the last eight years – and adopts an approach of cooperative and competitive federalism, states are becoming a more important locus for strengthening capabilities and bridging implementation gaps. Investing in *state capability* across the public-private divide, the federal system, and direct services to citizens is at the heart of addressing the *implementation* challenge which guides the formulation of this CPF.

6. **The success of India's development trajectory will have profound consequences beyond its national borders.** Home to the largest number of poor of any country, India's elimination of poverty is a *sine qua non* to ending global poverty by 2030. The country's growth will be an ever more important contributor to global economic health and trade. Whether India successfully propels its high growth with a low carbon footprint will significantly influence whether the planet can avoid reaching the 2 degrees global warming threshold. On crucial issues ranging from managing scarce water resources to modernizing food systems to improving rural livelihoods to ensuring that megacities become engines of sustainable economic growth and inclusion, India's development trajectory will have a major influence on the rest of the world. Cognizant of its global responsibility, India has pledged to ambitious Nationally Determined Contributions (NDCs) to address climate change; embarked on a global program to promote investment

in solar energy by sponsoring the International Solar Alliance; is developing a global program on resilient infrastructure as well as supporting the capacity of countries in sub-Saharan Africa.

7. **In addition to India’s impacts on global public goods, its growing influence on the delivery and financing of sub-regional public goods in South Asia is an important window for the WBG to leverage.** In particular, the potential of electricity trade, connectivity and logistics, and the expansion of border economic activities in the Northern and Eastern part of South Asia offers the WBG an opportunity to take a *regional focus* in this CPF. While recognizing the politics of regional coordination is challenging in South Asia, opportunities are emerging across several borders of the region and will require agility and foresight to link the CPF to a regional agenda.

8. **Overall, the CPF will meet the development agenda of today’s India through a balanced focus on what areas merit attention and how to engage India to deliver results.** *The disciplined combination of the “Whats” and “Hows” represents the retooled operational model of the CPF.* The “Whats” of the CPF are derived from a triangulation of (i) India’s development priorities as outlined in its FY2017-19 action agenda as well as national missions and programs, (ii) the SCD’s assessment of India’s challenges in sustaining progress towards the twin goals, (iii) the WBG’s comparative advantage in the country; and (iv) lessons derived from decades of WBG engagement in India. Over the upcoming CPF period, the World Bank, IFC and MIGA will focus on three substantive areas: (i) promoting resource efficient growth; (ii) enhancing competitiveness and enabling job creation, and (iii) investing in human capital. These three “What’s” of the CPF will be combined with an application of four distinctive “Hows”: (i) leveraging the private sector; (ii) strengthening public sector institutions; (iii) engaging a Federal India; and (iv) promoting a “Lighthouse India” that connects practical know-how for the benefit of India and the wider world.

9. **The four “Hows” represent a suite of impact multipliers – mutually reinforcing approaches designed to significantly increase the WBG’s value proposition for India.** First, the WBG will continue to shift its emphasis from serving as a “lending Bank” to playing the role of a “leveraging Bank”. In its leveraging role the WBG brings its potential contribution through knowledge, convening, and implementation platforms and by leveraging government’s programs to address development challenges at scale. These will remain going forward in implementing the CPF. At the same time, central to this CPF is a systematic and comprehensive approach to crowd in private sector finance and expertise through complementary and coordinated activities by IBRD, IFC, and MIGA. *Maximizing finance for development through these efforts is a requisite for achieving impact in India and the combined forces of the World Bank Group will be focused on growing the “leveraging Bank” in India.* Second, the WBG will selectively and strategically engage various levels of government to capitalize on the incentives and opportunities afforded by India’s cooperative and competitive federal system. This approach will include selective engagement with transformational national programs, and developing strategic state partnerships to improve implementation capability and address state-specific development priorities. The focus on state partnership involves moving away from a focus on individual operations to a focus on programmatic approaches that enhance state capability. Not all states can be covered in this manner; the focus will be on a cluster of states that are representative of the Indian diversity, including some low-income states and using these states as learning centers – or Lighthouse states -- for others. This approach recognizes that the average size of Indian states is larger than the average size of countries world-wide and that in the context of such sub-national size – where the state of Uttar Pradesh is size of Brazil – a more

programmatic and holistic approach is needed towards state engagement. Third, the WBG will support Gol's efforts to improve the effectiveness of certain public-sector institutions – alleviating institutional rigidities, aligning incentives, improving human capital and accountability mechanisms. Fourth, WBG support for a “Lighthouse India” will create and curate knowledge and know-how generated within the WBG program and India more broadly and systematically disseminate it across India and with the outside world. Lighthouse India will advance new analysis and knowledge creation and ensure that it is articulated, disseminated and socialized in forms that lead to wider application. As India is bending its own arc of progress, the WBG can help illuminate its lessons to others around the world. *Taken together, the “How” multipliers will help WBG activities deliver impact at scale.*

10. **The CPF’s “Whats” and “Hows” reflect a maturing partnership with India.** For a country of the size, scale, and stability like India, dramatic inflection points are not expected when moving from one country partnership to another. Instead, such shifts offer both an opportunity to emphasize and expand aspects of past engagements that have become more relevant and start responding to new circumstances as they appear. Gradualism and evolution therefore define the changes underlying this CPF: from extreme poverty to include upward mobility and protecting against vulnerabilities through social protection systems; from access to basic services to also improving their quality and financing; from standardized national schemes to adaptive programs that respond to state and local conditions; from single-sector interventions to more holistic approaches that address complex challenges; from individual projects of service delivery to institutions of service delivery – all towards achieving impact at scale. WBG operations will be increasingly managed as a portfolio of strategic engagements which combine to catalyze systemic and sustainable improvements towards critical development objectives, retaining agility to redirect resources and efforts based on unfolding learning. Importantly, unlike previous country partnerships, this CPF anchors the WBG’s strategic engagement through the lens of the “hows” of implementation, state capability, and learning.

### **Box 1. India and the World Bank Group: 70 years of Evolving Partnership**

A founding member of both the World Bank and IFC, India continues to be the Bank's largest borrower and country with IFC's largest portfolio exposure and client for advisory services. Whereas the initial emphasis in the 1950s was on infrastructure, development finance, and industry, the thrust of its engagement through the 1960s and 1970s was agriculture in support of the Green Revolution. The 1980s saw a rapid increase in lending and investments across multiple sectors, primarily to public sector enterprises. By the early 1990s, the World Bank's involvement shifted to support for improved macro-economic management and liberalization of the economy, with structural reforms and policy-based lending focusing on poverty reduction and broad based human development. This was followed in the late 1990s by a focus on selected states which focused on fiscal and sectoral reforms, notably energy reforms.

Entering the 21st century, the WBG combined support for poverty reduction and the achievement of the Millennium Development Goals (MDGs) with continued strategic focus on reform-oriented states. At the same time, it expanded its dialogue with and support to the poorer states, with a shift in World Bank/IDA lending during 2004–08 at two levels: first, to national programs for scaling up and achieving the MDGs, including in the areas of primary education, nutrition, and health; and second, to low-income states (LIS) for poverty reduction. World Bank/IDA lending also increased significantly, as did the average size of operations, with several signature projects exceeding US\$1 billion.

During the last decade, besides a continued focus on rapid, inclusive growth and sustainable development through centrally sponsored programs, the WBG expanded its engagement to a larger number of states across several sectors, with increased effectiveness of service delivery as one of the main criteria for engagement. More recently, the last Country Partnership Strategy (CPS) aimed to accelerate poverty reduction and increase shared prosperity through three engagement areas: integration, transformation, and inclusion. It rebalanced the WBG's engagement toward LIS and, at the same time, supported innovative projects in non-LIS states and at the national level. Meanwhile, the government adopted a 'finance-plus approach', recognizing the World Bank's comparative advantage in bringing global knowledge to bear together with its financing. Finally, India graduated to low-middle-income status and transitioned out of IDA.

In the first few decades of its engagement in India, IFC helped establish and finance a number of companies that later became leaders in areas as diverse as financial inclusion, air transport, telecommunications, housing finance and energy. More recently, IFC has developed strategic approaches that have allowed it to create markets and achieve impact with national or sectoral significance. Examples include the microfinance sector, with which IFC engaged at a time of crisis to help build strong and stable microfinance institutions to expand inclusion and develop sector policies and standards. Today approximately 50 percent of disbursements are made through IFC's investee clients. In the capital markets, IFC worked with the regulator to launch offshore and onshore masala/maharaja bonds, build regulatory processes and a yield curve through a series of issuances to address lack of long-tenor, local-currency market instruments. Through this instrument Indian entities accessed international capital markets without exposure to foreign exchange risks. IFC has used a variety of products including PPP and advisory services, and innovative products such as green bonds and treasury tools. Finally, IFC and the World Bank have contributed to developing the renewables energy (RE) market in India. IFC investee generation companies and financial intermediaries have contributed about 20% of the incremental renewable energy generation capacity in India over the last five years.

This CPF builds on this record and lessons of past engagement. The approach going forward will emphasize strengthening implementation capability, providing India with more agile and impactful support from all parts of the WBG, and partnership with India in engaging the rest of the world in pursuit of global development goals.

## II. COUNTRY CONTEXT AND DEVELOPMENT AGENDA

### A. COUNTRY CONTEXT

#### Social and Political Context

11. **India's large, vibrant, and complex democracy has yielded broad political consensus around policies to drive inclusive economic progress.** Over recent decades, successive Indian governments, civil society, and the private sector have expressed a national aspiration and motivation to tackle poverty and create conducive conditions for shared prosperity. In the run-up to national elections scheduled for May–June 2019, discussion on nuances of specific policies and priorities animates the world's largest democracy. However, there is no debate about safeguarding India's economic achievements and expediting its transition from a low-middle-income to a high-middle-income country by 2030. This transition will be driven by a more globally competitive private sector and government that improves its regulatory and service delivery performance. Furthermore, in the context of India's federal system, there is a recognition across the mainstream political spectrum that India's gains as a nation can only be secure if such gains bring convergence rather than divergence of economic welfare among states and among population groups.

12. **India has demonstrated robust, lasting commitment to economic transformation.** Notable long-pending reforms have been launched in recent years, setting the stage and precedent for making other tough but necessary decisions. The government is carrying out several flagship programs to tackle some of the country's largest social challenges. The government has employed policy, technology, and outreach innovations to improve effectiveness and inclusiveness of its programs. For example, financial inclusion reforms have led to the creation of over 300 million bank accounts, while vigorous efforts are ongoing to expand health insurance for the poor and vulnerable and end open defecation.

#### Economic Developments and Outlook

13. **India's long-term gross domestic product (GDP) growth has become more stable, diversified, and resilient.** Economic reforms beginning in the early 1990s unleashed higher growth, leading to India becoming the second fastest growing large economy in the world over the past 25 years. In the past few years, India has intensified reforms, notably in implementing a GST that harmonizes the tax regime across the country—thereby reducing distortions and facilitating domestic trade—and business climate reforms which contributed to India improving by 30 places in global rankings on Ease of Doing Business. Annual growth has exceeded seven percent for the past ten years, driven primarily by robust private consumption, a resilient services sector, and a revival in some industrial activities. At the same time, increases in investment and exports have slowed, making their contribution to growth half of what they were in the years preceding the 2008 global financial crisis. The country's diverse drivers of growth and room for improvement in some areas underpin a strong growth trajectory going forward. India is a middle-income country with aspirations of achieving high-middle-income status by 2030.

14. **Annual growth rates are projected to average 7.5 percent in coming years, overcoming a short-term dip in 2017.** Demonetization and difficulties in rolling out the new GST in 2017 dampened growth to a low of 5.7 percent in the first quarter of Indian FY17/18 (April–June 2017), but growth has since accelerated, reaching 7.2 percent in the quarter ending December 2017. Manufacturing and

construction—sectors reportedly most affected by GST implementation and demonetization—have accelerated in the last two quarters of 2017. Investment rates have similarly increased, though they remain low in comparison to historical levels.

**15. India's strong performance on other macroeconomic and fiscal indicators is expected to continue.** Consumer inflation has declined during the last four years, mainly due to lower food and fuel prices; while inflationary pressures increased during the 2nd half of 2017, it remains below the  $4 \pm 2$  percent target of the Reserve Bank of India (RBI). It is expected to remain moderate if global prices of key commodities such as crude oil do not spike. While India's current account deficit widened in the past year due to strong import growth, it was amply financed by capital, mainly portfolio inflows which increased in the first half of FY17/18. Foreign reserves reached an all-time high of \$411 billion or nearly 10 months of imports in January 2018 and foreign direct investment has remained broadly stable at 3 percent of GDP per year. Except for Indian FY15–16, the overall fiscal deficit relative to GDP has declined consistently since Indian FY11–12, with a modest increase in states' fiscal deficit offset by a decline in that of the center. Similarly, the overall debt to GDP ratio has gradually declined during the last decade due to high growth and a reduced primary deficit. This trend is expected to continue - by Indian FY19/20, the fiscal deficit is expected to decline to 5.6 percent of GDP (from 6.4 percent in Indian FY16/17) and the debt to GDP ratio to 64.9 percent (from 69.2 percent in Indian FY16/17).

**16. Meeting the Government's goal of over eight percent growth per year will require substantial growth in private investment while maintaining long term macroeconomic and fiscal stability.** India faces four key challenges to accelerate growth in the near term. First, private investment is constrained by past leveraging and subdued market demand. Going forward, ensuring policy certainty, bolstering the investment climate, and de-risking the private sector will be important. Second, addressing the stress on bank balance sheets – non-performing loans (NPLs) amount to almost seven percent of GDP -- and reviving bank credit to support growth will be critical. Implementation of the new Insolvency and Bankruptcy Code and recent efforts toward recapitalization of public sector banks that may ease stress on the banking sector and reinvigorate bank credit are important steps but will need to be backed up by wider reforms. Third, exports growth has been constrained by both domestic and external factors, and India's share in world exports has declined or stagnated over the past five years. Among the many preconditions for India to improve its competitiveness are addressing infrastructure deficits and carrying out reforms to land, labor, and financial markets to ensure the continued competitive supply and use of key production inputs. Further, building on recent improvements that contributed to its higher Ease of Doing Business ranking, India can benefit significantly from further strengthening its business environment. Fourth, as India has increased the level of integration with the rest of the world in recent years, it could benefit from the revival in the global economy and trade volumes, both of which are poised to grow at healthy rates in the near term. While oil prices pose less of a risk for the Indian economy, the expected normalization of monetary policy by the United States and other advanced economies is likely to tighten financing conditions.

### **Poverty Trends**

**17. India has achieved significant albeit incomplete progress in reducing poverty in the past two decades, reflecting sustained high growth as well as higher elasticity of poverty reduction to growth.** Using the international poverty line of \$1.90 per person per day (in 2011 purchasing power parity, PPP),

the share of the population living in poverty was more than halved (46 percent in 1993 to 21 percent in 2011). Based on this line, India lifted more than 160 million people out of poverty in recent years, a figure surpassed only by China. World Bank estimates indicating continued poverty reduction in more recent years suggest that India is comfortably on track to eliminate extreme poverty (i.e. below 3 percent of the population) by 2030.<sup>1</sup>

18. **Urbanization and rising labor earnings have driven recent poverty reduction.** Greater integration of the economy meant that rural growth, though still important, was displaced by urban growth as the most important contributor to poverty reduction. From the perspective of household incomes, rising labor earnings due to movement of labor from agriculture to non-farm work and an unprecedented rise in wages for unskilled labor propelled rapid poverty decline between 2005-12. Demographic changes, including a declining dependency ratio, and transfers also contributed, but rising labor earnings were by far the most important source of poverty reduction. Advances into the middle class are at risk, however, for India faces a growing jobs deficit with insufficient creation of good quality jobs and declining employment rates amongst women. At the same time, sustaining mobility through urbanization will require that India improves urban management to address congestion, pollution, and infrastructure challenges that hinder inclusion and productivity gains from agglomeration.

19. **While living standards have improved for almost all Indians, divergences are widening in some key respects.** At 0.36, India's Gini coefficient<sup>2</sup> may appear low by global standards. However, the measure is tainted by the large difference in consumption growth between household survey and national accounts data. Other metrics, such as the top 1 percent's share of wealth or income inequality, suggest that inequality is higher. Consumption growth by the bottom 40 percent improved significantly after 2005, but was lower than the aggregate level. Moreover, poverty reduction among some population groups, such as Scheduled Tribes (STs) and Scheduled Castes (SCs), fared worse, falling increasingly behind that of other social groups. Disparities between urban and rural settings remain a challenge in India (Table 1).

**Table 1. Profile of India's Poor and Bottom 40 percent of the Population**

Share of population (%)	Poor	Non-poor	Bottom 40%	Top 60%
Living in rural areas	82	68	82	64
Scheduled Tribes and Scheduled Castes	43	24	38	21
Illiterate (ages 15+)	45	26	43	24
Completed secondary school and above (ages 15+)	15	37	17	40
Have access to electricity	60	84	65	88
Own cooking stove	28	63	34	69
Own two-wheeler	6	33	10	39
Own a refrigerator	3	26	4	32
Own mobile phone	68	91	74	93

Source: NSS Consumption Expenditure 2011-12, Type 1.

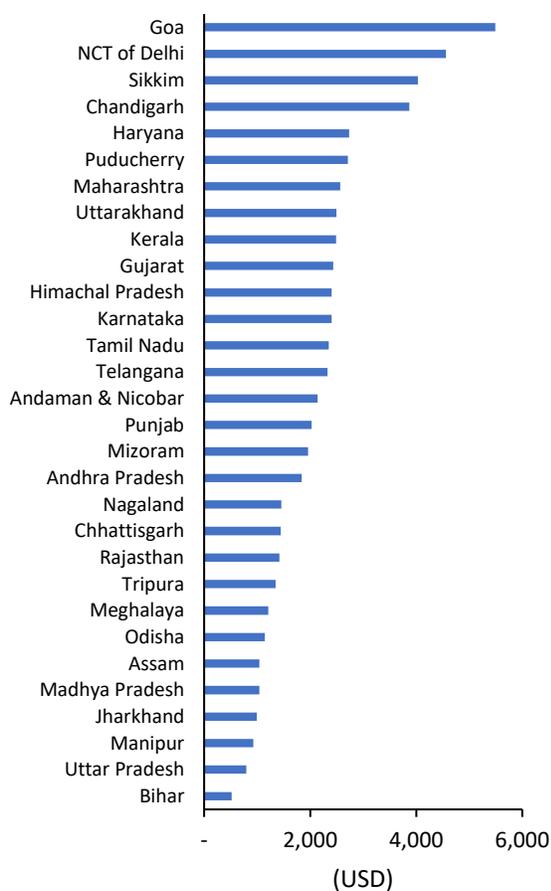
<sup>1</sup> This projection assumes a baseline rate of 21.2 percent at the international poverty line of \$1.90 per person per day (in 2011-12 PPP). However, recently improved consumption data suggest a substantial reduction in poverty—to 12.4 percent in 2011-12, and, with that baseline, if past trends continue, extreme poverty would be eliminated in less than one decade.

<sup>2</sup> The Gini coefficient is an index of consumption inequality, from 0 signaling perfect equality, to 1 for perfect inequality.

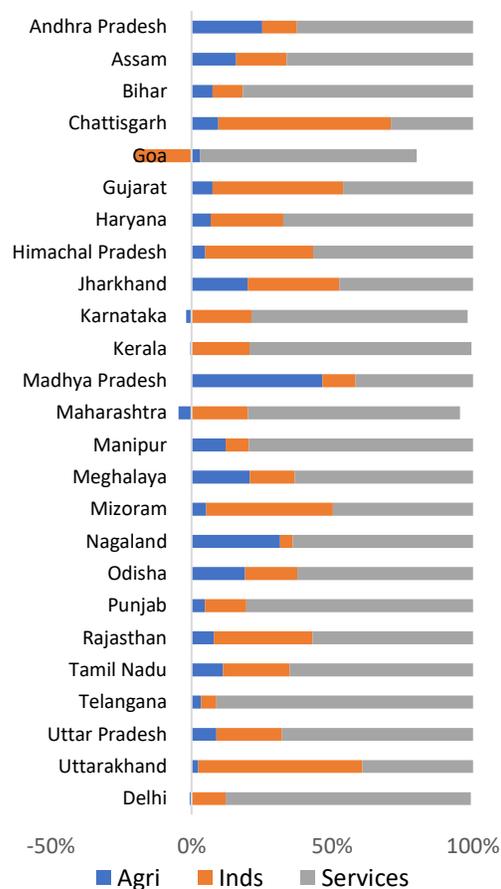
## India's States: The Key Arena for Addressing Development Challenges

20. **The states of India are diverse economies with substantially different growth and poverty characteristics.** Some of India's states would be large countries (Uttar Pradesh, for example, has more people than Brazil) while several states in the Northeast have populations of only a few million people. There are also significant differences in GDP among states: in 2015, the GDP of the five poorest states was only 15 percent of that of the richest state, and just six states—Bihar, Gujarat, Karnataka, Maharashtra, Tamil Nadu, and Uttar Pradesh—accounted for over half of India's total growth (Figure 1). State GDP growth rates in the preceding decade (2005–15) varied from 5.2 percent to 11.5 percent. While services have driven growth in most states, the sectoral composition of growth also varies (Figure 2). For example, between 2012–15, services dominated in states such as Goa and Karnataka, agriculture represented nearly half of growth in Madhya Pradesh, and industry was the primary growth driver in Chhattisgarh and Uttarakhand. At the same time the eight LIS<sup>3</sup> account for 48 percent of the population, but 65 percent of India's poor. With the exceptions of Bihar and Rajasthan, LIS grew more slowly than other states between 2005 and 2015. Poverty reduction in these states was also less responsive to economic growth.

**Figure 1. Gross State Domestic Product, Per Capita 2015-16 (Current Prices)**



**Figure 2. Sectoral Contribution to GSDP Growth by State (2012–15 avg.)**



<sup>3</sup> Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, and Uttar Pradesh are considered LIS, based on their per capita GDP. The small northeastern Special Category States (Manipur, Meghalaya, Tripura, Nagaland, and Mizoram) also have low per capita GDP

21. **States are increasingly empowered, funded, and encouraged to lead in addressing their specific development challenges.** India is evolving from a traditional emphasis on redistribution to achieve convergence to promoting cooperative and competitive federalism to encourage subnational dynamism to address local challenges. States now have more resources available to play this role as their proportion of total government spending has increased from 45 percent to over 60 percent from FY10/11 to FY16/17, while tied transfers have been cut in half. The devolution of authority, responsibility, and resources to states recognizes that ‘one size fits all’ solutions are often not optimal in a country of such diversity and complexity. The National Institution for Transforming India (NITI) Aayog, the Gol’s premier policy-focused think tank, is actively promoting states’ dynamism through technical support and developing systems to benchmark and compare their performance. For instance, NITI Aayog launched the state health index in 2017 to create ‘peer pressure’ among the states to improve service delivery. The Gol has also developed an extensive ease of doing business rating system for states—analogueous to WBG’s rating system—to spur competition on business climate reforms.

## **B. DEVELOPMENT AGENDA**

### **Government Priorities**

22. **The Gol’s priorities are laid out in its 3-year action agenda (FY2017-19) and various national “missions” and flagship programs in support of key development objectives, while a medium-term vision for New India@2022 is under preparation.** Key Gol priorities are: enhanced agricultural productivity through land, market, and subsidy reforms, with the goal of doubling farmer’s incomes by 2022; enhanced industry, trade and services to boost productivity and create high wage jobs, including a manufacturing and export-based strategy; balanced growth nationwide; and an inclusive society. The Government is seeking to improve the India’s competitiveness through promoting skills development, catalyzing entrepreneurship and strengthening connectivity, including multi-modal transport logistics. Over the long term, the government aims for a GDP of \$7.5 trillion and a poverty rate of five percent by FY2031, with an average annual growth rate of over 8 percent.

23. **National “missions” to improve the well-being of India’s citizens and reduce vulnerability further reflect Gol priorities.** Key missions include making India open defecation free, provision of 24X7 electricity supply, road connectivity to all villages, provision of housing to all poor, and financial inclusion. The Government has additionally launched a National Nutrition Mission and a National Health Protection mission over the past year, reflecting the importance it places on investing in human capital. Finally, the Gol is carrying out several national missions in support of its strong commitment to address climate change and disaster risks, including the National Solar Mission, National Mission for Enhanced Energy Efficiency, the Mission for Sustainable Agriculture, and the Green India Mission.

24. **The overarching framework of the government’s implementation strategy to achieve priorities is rationalization of public expenditure, improved fiscal management and strengthening enablers for growth.** The Gol is supporting competitive and cooperative federalism, with states at the forefront of carrying out reforms; governance reforms focused on anti-corruption, procurement, regulation, and taxation improvements; sector-specific reforms designed to enhance competition, efficiency, productivity and quality; investment in science, technology and innovation ecosystems; improving the business

environment at the national and state levels to promote domestic and foreign investment as well as public-private partnerships.

### **WBG Systematic Country Diagnostic**

25. **The SCD identified three main constraints to sustaining high rates of growth and poverty reduction in the coming five years.** First, growth will need to be sustained, but in a manner, that becomes more resource efficient given the country's low per capita natural resource endowment and the impacts of climate change. Second, growth will also need to be inclusive to maximize utilization of the country's human resources and address inequality. Third, the country will need to strengthen the effectiveness of the public sector especially in delivering services and enabling the private sector to thrive and drive economic growth. These challenges are summarized in the following paragraphs.

26. **India's high growth is integral to progress on the WBG's twin goals, but its growth pattern will need to adjust to become more resource efficient and address the consequences of climate change.** This will require, among others, that land, a particularly scarce resource, is used more productively—in urban areas by the spatial transformation of cities achieving 'agglomeration economies' and in rural areas by increased agricultural productivity. Agriculture needs to shift from its traditional food security orientation to a modern production system resilient to climate change; it also needs to address the complex web of subsidies which, though well-intentioned when introduced, are now counterproductive, delivering neither distributional benefits nor productivity gains. India is among the most water-stressed countries in the world. Water management policies need to shift water allocation to higher-value uses and increase the value of water use within sectors. About 250 million people still lack access to electricity and frequent power outages negatively impact firms' performance and economic growth. More generally, India's rapidly growing economy needs investment in infrastructure of an estimated 8.8 percent of GDP or US\$343 billion a year on a climate-adjusted basis over 2016–30. How India addresses these gaps and meets significant expected growth in energy demand will have important global, national, and local implications.

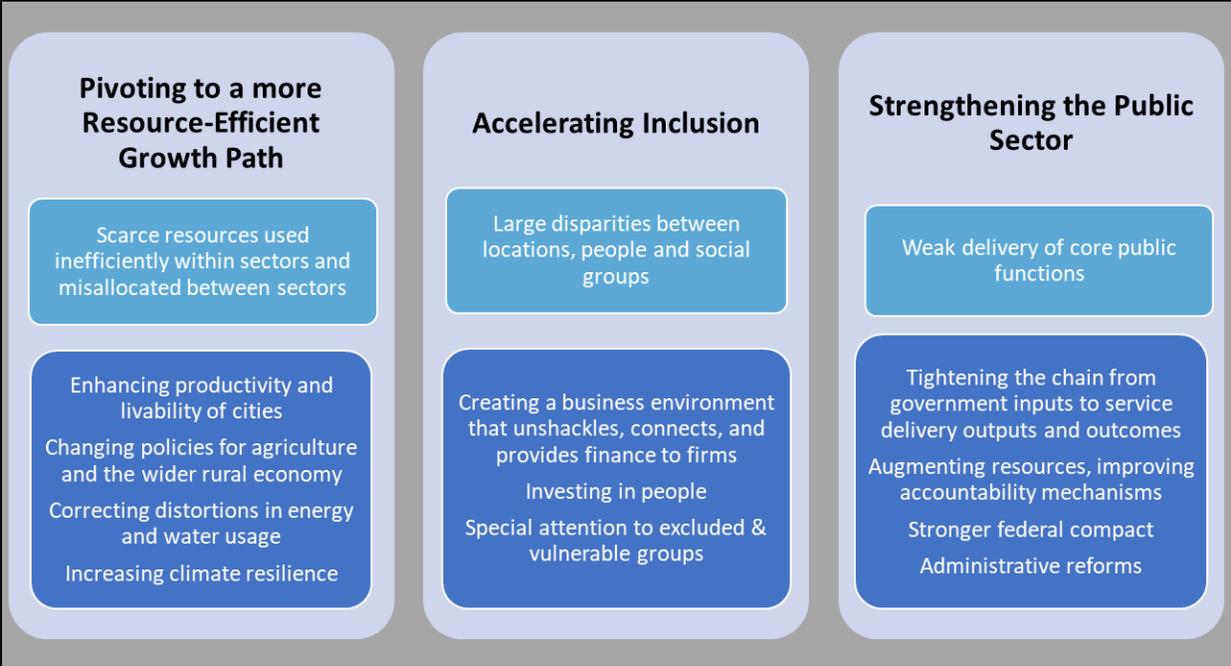
27. **Inclusion through more and better jobs and investment in human capital is critical to sustaining India's positive development trajectory.** An estimated 13 million people enter the working-age population each year but only 3 million new jobs were generated annually between 2005 and 2012. A particular challenge lies in India's declining female labor force participation (FLFP), which is among the lowest in the world despite gains in overcoming gender gaps in education. A more enabling business environment is needed to unshackle the private sector, the engine of growth and job creation. Policies and investments for promoting productivity growth, addressing connectivity deficits (including with respect to roads, ports, and telecoms), expansion of firms' capabilities to innovate, maximizing efficiency gains from technology while handling disruptions arising from technological change, and developing a more skilled workforce are required. India will also need to address the large amount of non-performing loans in public sector banks that significantly constrain credit to the private sector. At the same time, more investment in India's human capital—in health, education, and skills—is urgent and integral to sustaining high growth over time. India needs to do better in 'investing in children's early years'—in health, nutrition, early childhood development—as a critical down payment to long term competitiveness. Stunting affects 30% of under 5 children and nearly 60% from poor household. India's learning outcomes and health indicators have shown little or no improvement despite significant investment, pointing to the need to increase the quality of service provision in these areas. At the same time, India will need to improve the

effectiveness of social protection (SP) systems to increase resilience to shocks and forestall a return to poverty among the vulnerable population.

28. **Meeting the aspirations of a middle-class economy will require a more responsive and effective public sector.** India’s public sector needs to transform itself from a focus on meeting minimum requirements of service delivery to finding ways to ensure higher quality services and regulation that will ensure socioeconomic inclusion and a thriving private sector. While many bold, innovative measures have been launched in various sectors and parts of the country, scalable solutions have remained elusive. Four elements are vital to strengthen the public sector’s capability: (i) enhanced accountability and efficiency to boost returns on public spending and provide better services; (ii) an adequately resourced, right-sized, and right-skilled public administration to carry out its regulatory and service delivery functions; (iii) awareness and ability to interface effectively with the private sector, the engine of job creation; and (iv) a stronger compact among tiers of government regarding respective functions, quality assurance, and financing, particularly given that most public services are managed sub-nationally.

29. **India is positioned to significantly strengthen its important and impactful global development role.** The SCD highlights that India’s size, large poor population, and expected growth will make it an ever more important contributor to the global economy and achievement of global goals, including the SDGs and the WBG’s twin goals. On critical global goods, the nature of India’s growth and development trajectory will have a major impact on the rest of the world. At the same time, India itself aspires to strengthen its global role, including sharing its extensive and highly relevant expertise, experience, and practical know-how with other developing countries.

**Figure 3. SCD Findings: Challenges and Pathways Towards Building a Prosperous India**



### III. THE WORLD BANK GROUP COUNTRY PARTNERSHIP FRAMEWORK: A COMBINED FOCUS ON ‘WHAT’ AND ‘HOW’ THE WBG WILL DELIVER

30. This CPF is defined by a prioritization of ‘what’ substantive areas the WBG will focus on and an articulation of ‘how’ the Group will engage with India. The combination of the ‘Whats’ and ‘Hows’ is the underlying operational model of the CPF. This model represents the integration of multiple needs, priorities, and strategic imperatives for India as it seeks to pivot its development trajectory. The selection of substantive areas and approaches to how the WBG engages is based on: (i) India’s overall development priorities as outlined in its FY2017-19 action agenda, missions, and national programs; (ii) the SCD’s assessment of India’s development challenges, including constraints to achieving the WBG’s twin goals; and (iii) the WBG’s comparative advantage and value proposition in combining financial products, knowledge and convening services, and implementation support. The CPF also explicitly incorporates lessons learned from the FY13–17 CPS—much of which analyzed ‘how’ the WBG has engaged with India—and builds on the large legacy portfolio that will play an integral role in achieving results.

#### Box 2: Lessons Learned in Implementing the Country Partnership Strategy (CPS) for India FY13-17

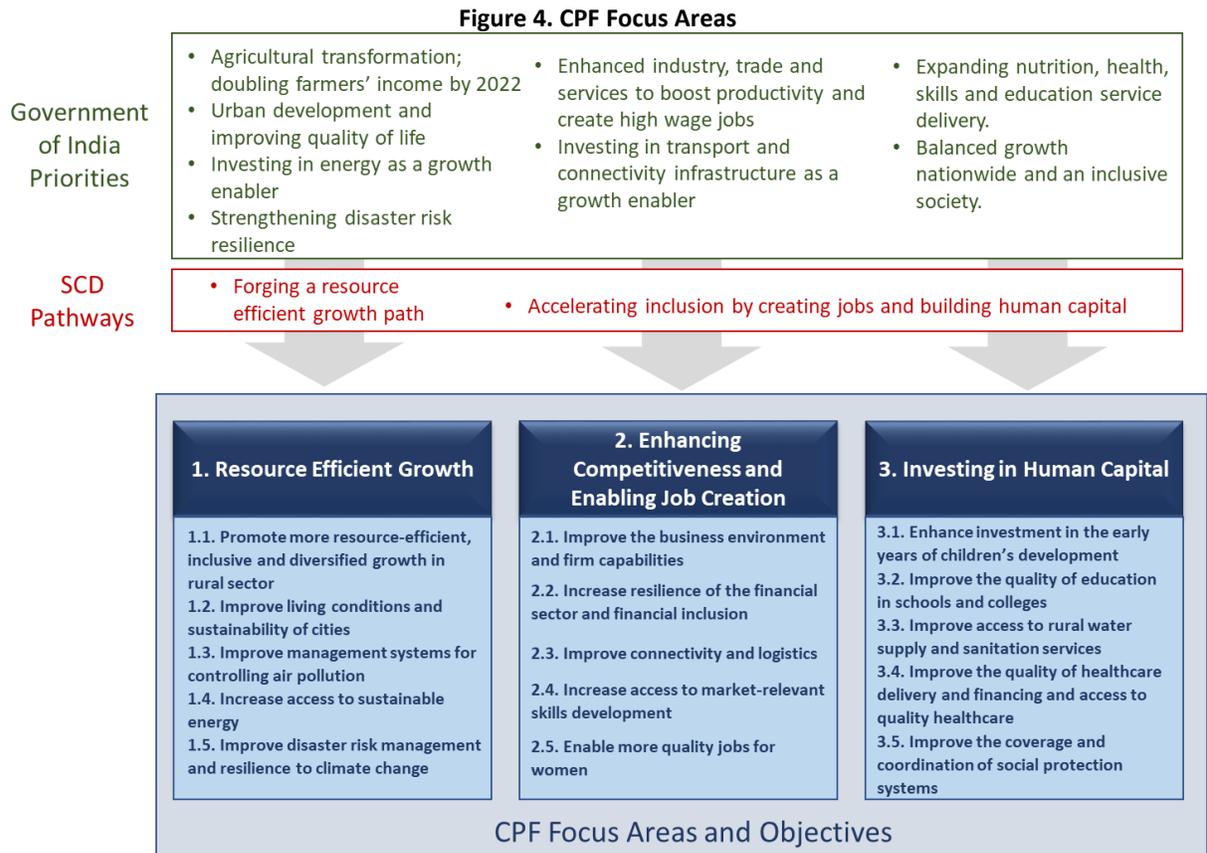
The Completion and Learning Review (CLR) for the FY13–17 India CPS stresses that **delivery of development results depends more on the length and depth of WBG engagement than the amount of financing per se**. While large operations may provide more opportunity for working on policy and implementation, there is little apparent correlation between size of financing and its impact on particular sectors. Instead, development impact tends to be greater under a long-term engagement of multiple operations where the Group is able to build on existing partnerships. For instance, successful rural livelihoods operations in Bihar and agricultural competitiveness operations in Assam were relatively small but delivered good results over time, notwithstanding capacity constraints in these states.

The CLR also emphasizes **the need to ensure that the sum is greater than the parts in state-level engagements**. The World Bank’s portfolio increased by 20 percent in terms of commitments over the past five years, owing almost entirely to growth in state-level operations, especially in LIS and Special Category States (SCS). However, this growth was driven more by proliferation of sector-specific projects rather than a holistic approach to meet states’ development priorities. While the WBG previously fostered synergies in state engagements through cross-sectoral analytical work or policy operations, Non-Lending Technical Assistance (NLTA) in states during FY13–17 tended to focus on preparation of discrete operations. A stronger WBG team engaged in the states, including a more strategic role for state coordinators, greater direct Country Management Unit involvement, and regular attention to portfolio management at the state level will be important for state engagements going forward.

Other lessons learned and reflected in the new CPF’s content and design include: (i) the WBG’s support for national operations involving state or local government implementation should encourage local flexibility, innovations and provide for interstate exchange of experience and learning; (ii) despite the growth in IFC’s portfolio including its facilitation of over 20 PPPs and several joint IBRD-IFC activities, there remains significant potential to further leverage private financing and solutions; (iii) results-based financing is promising, but monitoring and evaluation (M&E) systems need to be in place early on to ensure prompt disbursements; and (iv) given slow implementation of the IBRD/IDA portfolio (with nearly US\$17 billion undisbursed), increased proactivity to address key bottlenecks, in particular land acquisition, procurement planning, continuity in staffing, and other implementation arrangements, is needed.

## A. THE ‘WHATS’: FOCUS AREAS AND OBJECTIVES

31. **The CPF posits three focus areas for WBG’s engagement.** These are (i) promoting resource-efficient growth; (ii) enhancing competitiveness and enabling job creation; and (iii) investing in human capital. These areas align with Gol’s priorities and address two of the SCD pathways to ending poverty and boosting shared prosperity (Figure 3). The third pathway identified in the SCD—strengthening the public sector is reflected in the ‘Hows’ of WBG engagement with India’s federal system and government institutions described in section B. While some of the CPF objectives will be addressed primarily through sectoral interventions, others represent complex challenges requiring reforms and engagement in multiple sectors to achieve success. Taking on multisector challenges reflects the WBG’s comparative advantage in mobilizing wide-ranging instruments across IBRD, IFC, and MIGA as well as diverse sectoral expertise in the Global Practices (GPs). For the three CPF focus areas and associated objectives, a detailed description of intervention logic involving a synopsis of GoI objectives, key challenges to be addressed, WBG activities (World Bank and IFC lending, investment, and knowledge services) and results indicators are provided in Annex 1 (Results Framework).



## **Focus Area 1: Promoting Resource-Efficient Growth**

32. **The WBG will focus on supporting sectors and areas that are critical for facilitating growth and poverty reduction while promoting greater resource efficiency.** These CPF objectives reflect maturing engagement in the rural, urban, and power sectors as well as disaster risk management (DRM). In addition, the WBG will mobilize to address the relatively new but critical issue of air pollution in India's cities. Objectives within this Focus Area are to:

**1.1. Promote more resource-efficient, inclusive, and diversified growth in the rural sector.** The WBG will provide support to improve the welfare of the rural population, consistent with the GoI's priority to double farmers' incomes by 2022. This will include increasing and diversifying income-generating opportunities while improving efficiency in the use of water and land resources in agriculture. The WBG will deepen ongoing support for climate resilience and improved natural resource management through investments in infrastructure, facilitating changes in agricultural approaches, crop diversification, and minimizing agriculture risks through insurance. A distinctive part of the WBG's rural sector work under the new CPF will be to scale up support for resilience through the Agriculture Risk Resilience and Insurance Access Project. The WBG will further support the private sector with regard to food safety, food processing, food/commodity supply and distribution infrastructure. The WBG will continue to support the national government's efforts to promote inclusion in enterprise development in agriculture, aquaculture, forestry and other non-farm sectors, including through the promotion of a commercial and export-oriented modern farming sector. Support for rural livelihoods will evolve to increase income diversification, seek much closer linkages to the formal financial sector and integrate women's self-help groups (SHGs) and MFIs into rural value chains, and promote rural enterprise development. State- level operations combined with knowledge exchanges across states as well as with other countries will help to transfer and scale up good practices.

**1.2. Improve livability and sustainability of cities.** The WBG will help cities become more green, livable, productive, and resilient by investing in affordable and sustainable public transport services, including mass rapid transit systems in large cities; improving water systems; supporting an enabling environment for green buildings; and mobilizing the private sector to address issues in municipal waste management, wastewater recycling and reuse, municipal healthcare, affordable/green housing, energy efficiency. The WBG will also invest in more inclusive and equitable cities through new engagements on affordable/green housing to support the GoI's national 'Housing for All' program, and enhancing access to basic urban services. IFC will also invest directly in cities without sovereign guarantees and support institution building of state and municipal governments through PPPs and other means to promote private investment in public service delivery. Finally, the WBG will engage in urbanization policy issues at the national and state levels through its Urban Knowledge Platform and knowledge exchanges through Lighthouse India (see Section III.B below on the 'Hows'), with focus on improving urban policies, institutions, governance and finance. The WBG will also have selective engagement with national urban development programs which flexibly promote local innovation.

**1.3. Improve management systems for controlling air pollution in select cities.** Air pollution has emerged as an urgent development concern with widespread health impacts and the government's National Clean Air Program (NCAP) provides an important entry point for the WBG's engagement. Activities in

this new area will initially be led by a multi-sector programmatic ASA which may lead to policy and/or results-based lending operations over the course of the CPF. Priorities will include (i) supporting cross-jurisdictional and cross-sector institutional coordination to develop and implement airshed-based Air Quality Management Plans (ii) promoting policies and programs to increase adoption of cleaner technologies in cities, including electric vehicles, and (iii) strengthening the capacity of policy makers, urban local bodies, implementing agencies, and regulators. The World Bank will also actively support knowledge exchanges across countries and cities through the global Pollution Management and Environment Health Multi-Donor Trust Fund being managed by the World Bank. IFC will support these priorities through: (i) lending to sustainable urban mobility companies that provide zero air pollution transport and advisory services to urban municipalities to develop operating models for adopting electric vehicles; (ii) promoting green buildings and EDGE certification programs; and (iii) strengthening adoption of efficient street lighting solutions in cities.

**1.4. Increase access to sustainable energy.** Building on its long-standing engagement in the Indian power sector, the WBG will redouble efforts to carry through on state transmission and distribution (T&D) utility reforms and institutional strengthening to ensure increased access to reliable power in alignment with the GoI's 24x7 Power for All Program. Support for scaling up of renewable energy will be expanded by helping to mobilize private financing through a mix of WBG instruments, as well as providing technical assistance (TA) for market design for renewable energy grid integration and next generation renewable energy technologies. IFC will build on its significant role in promoting renewable energy through investments and PPP transaction advisory work. IFC will explore investments in innovative and de-risked investment vehicles to attract new classes of yield-seeking investors such as pension funds and insurance companies to invest in the sector. The WBG will also support the development of stronger incentive structures, markets and solutions for energy efficiency, as evidenced by the first IBRD guarantee in India to support Energy Efficiency Services Limited which will transform the country's energy efficiency market. Finally, the WBG will support India's leadership role in promoting the International Solar Alliance and will facilitate knowledge exchanges to share India's energy efficiency experience with other countries.

**1.5. Improve disaster risk management.** The WBG will support India in its global leadership role in disaster risk reduction. Building on its strong portfolio of projects and TA to create resilient infrastructure, further support will be provided to build state and local level DRM institutions, and build capacity for disaster risk reduction and emergency preparedness. The WBG will also bring cutting-edge knowledge and global experience in DRM from other countries such as Japan, Mexico, and Turkey.

## **Focus Area 2: Enhancing Competitiveness and Enabling Job Creation**

33. **The WBG will focus on supporting enablers for enhancing India's competitiveness and ability to create more and better jobs.** These objectives and underpinning activities will build on ongoing activities across several sectors but reflect a shift in emphasis toward addressing systemic constraints to job creation. The WBG will seek to:

**2.1. Improve the business environment and select firm capabilities.** The WBG will support national and state-level policy, regulatory, and administrative reforms that reduce unnecessary transaction costs, encourage formality, and create a more level playing field to unleash the private sector's potential to

address key development challenges. The WBG will partner with central and state agencies responsible for the development of firm capabilities to improve the institutional setup promoting start-ups, technology, innovation, quality standards, and managerial skills development. These efforts will focus on sectors where India has potential to be globally competitive (e.g. tourism, biopharmaceuticals, and medical devices). Technical assistance, including through potential Reimbursable Advisory Services (RASes), will focus on benchmarking between states, setting up good regulatory practices, capacity building of relevant government institutions, and addressing market barriers to firms' development. The WBG will also promote knowledge exchange within India and internationally on the use of economic zones and industrial infrastructure. At the firm level, these efforts will be complemented by IFC's ability to intervene directly through its investment and advisory activities.

**2.2. Increase resilience of the financial sector and financial inclusion.** The WBG will maximize finance for development to support the Gol's efforts in addressing the systemic issue of stressed bank balance sheets which constrain bank financing through regulatory reform and advisory work, while IFC will addition provide platforms for distressed assets resolutions. To expand financial inclusion, the WBG will support the development of credit products and provide financing to facilitate long-term funding to underserved rural, micro, small, and medium enterprises (MSMEs), and the infrastructure, and affordable housing sectors, through intermediaries such as MFIs, NBFCs and banks. The Group will also continue to partner in efforts to bring the underbanked and unbanked population into the financial system. In this regard, IFC will continue its efforts to support the MFI space and ramp up its engagement in Fintech related activities, specialized financial institutions, and strengthen rural credit bureaus. Continued support will be provided for product and market innovations to increase financial inclusion with specific focus on rural areas, micro-enterprises, women, and farmers. Mainstreaming Fintech, e-platforms, and other innovations in digitization of payments will be supported, as well as financial structures and incentives to support start-ups. Leveraging on the success of the development of the offshore Masala Bond market, IFC will continue to innovate financial products to further deepen the domestic capital market.

**2.3. Improve connectivity and logistics.** The WBG will finance operations and provide knowledge services to address connectivity constraints in particular supporting: (i) national and state transport systems such as highways, roads, airports, port terminals including making them climate and disaster resilient; (ii) multi-modal transport, including shifts from highways to railways and waterways; and (iii) logistics supply chain infrastructure, including warehouses. The WBG will apply the maximizing finance for development (MFD) approach to prioritize leveraging of private sector finance through innovative PPP structures, risk mitigation, and credit enhancement instruments. IFC will continue to create markets and focus on investments which open-up additional avenues of accessing finance over traditional bank finance (e.g. through capital markets). IFC will continue to explore ways to support the Gol's efforts to address the digital divide by supporting efficient service delivery platforms. The WBG will also provide TA, including through use of RASes, for strengthening the policy environment, regulatory framework, coordination of infrastructure investments, and monitoring of logistics performance.

**2.4. Increase access to quality, market-relevant skills.** The WBG will help to address mismatches between programs, market demand, and worker preferences while supporting the Gol's push to increase the volume and quality of skills training. Working with India's national Skill India Mission as well as

industrial training institutes, the WBG will focus on expanding private sector involvement in curriculum development and private financing for skills training, strengthening institutional mechanisms and capacities for skills development (SD), and incentivizing states to continuously upgrade labor market competencies. IFC will support leading private sector SD companies to strengthen the quality of SD programs, capabilities in vocational training and skills, and the use of digital platforms to enhance reach. The WBG will support India as a knowledge hub for SD, particularly for African nations.

**2.5. Enabling more quality jobs for women.** The WBG will develop engagements to enable female labor force participation and, more generally, economic empowerment. While broad-based support for women's economic empowerment is embedded across several CPF objectives, such as in rural development, financial inclusion, and skills development, activities under this objective will promote business practices that are conducive for women entering, remaining, and progressing in the workforce. IFC partnerships with private companies will promote gender-supportive policies, targets, and practices. The WBG will also support increased investments in women-operated and women owned SMEs and rural enterprises with improved access to financial services and capacity building for women. Analytical work will aim to unpack the challenges underpinning low levels of women employment.

### **Focus Area 3: Investing in Human Capital**

34. **The WBG will maintain its longstanding focus on improving India's human capital as a critical long-term investment required to eliminate extreme poverty and foster India's middle class.** Insofar as India has made substantial progress on access to services critical to human development such as education and health, this CPF will focus more on issues of public service quality and efficiency compared to the preceding CPS. At the same time, the WBG will continue to support measures to provide for affordability of key education, health, and water services which are critical for human development. The WBG's engagements in human development sectors will focus on promoting innovative practices in states, including ways to mobilize more resources into these sectors, and transmission of learning from states' innovations within national programs (such as in nutrition services or primary and secondary education) and/or through cross-state learning (e.g. through several health operations). The WBG will seek to:

**3.1. Enhance investment in the early years of children's development.** Bringing together related sectors—nutrition, early childhood education (ECE), maternal health, and basic sanitation—in a more comprehensive and complementary approach will put children on a solid path toward maximizing their potential. The WBG will focus on: improving coverage and quality of Integrated Child Development Services (ICDS) nutrition services to pregnant/lactating women and children under 3 years of age; improving the design of ECE assessment tools and curriculum; and fostering better integration and coordination of services as well as innovation at the state level. The WBG will focus on select states within the ICDS program to promote innovation as well as support knowledge exchange on effective practices in India and internationally.

**3.2. Improve the quality of education in schools and colleges.** Issues of education access and gender balance have largely been resolved in India, but the pervasive low quality of education has led to poor

learning outcomes. The WBG will build on decades of its engagement in primary and secondary education and grow an emerging focus on tertiary levels. Aligning education systems to prepare youth for future jobs will be an important consideration. WBG activities will focus on strengthening teacher performance through professional development and accountability systems, building institutions and systems to identify ways to improve learning outcomes, and improving governance and quality assurance within schools and colleges. Distinct from an earlier approach of broad support for centrally sponsored schemes for improving access to education, the approach going forward will be to design support for national programs for primary and secondary education in a manner that incentivizes state-level innovation and performance in achieving better learning outcomes. Delivery models that leverage the private sector to deliver quality education will also be promoted. IFC in particular will continue to support private sector provision of quality education at all levels including the use of digital platforms, with a particular focus on rural and small towns.

**3.3. Increase access to improved rural water supply and sanitation.** Through a portfolio spanning seven states across India, the WBG will strengthen the capacity of state and local institutions for efficient and sustainable water and sanitation service delivery, scaling up performance-based service delivery models, engaging the private sector to enhance efficiency, increasing customer voice for accountability, and providing quality assurance through robust M&E systems. The WBG will continue its support for the national Swachh Bharat Mission to eradicate open defecation through its Program-for-Results (PforR) operation and TA. While the World Bank will carry through on its existing portfolio, new lending operations will be considered only insofar as they provide for innovative approaches, improve service delivery institutions, or markedly improve sustainability of service delivery.

**3.4. Improve the quality of health service delivery and financing as well as access to quality healthcare.** The WBG will support increased access to quality healthcare, through improvements in public sector provision and private sector activities. Priorities include strengthening standards of service, as well as planning, execution, and monitoring systems to increase effectiveness and efficiency of public and private investments in the sector. The WBG will continue to provide finance for the national HIV/AIDs and tuberculosis (TB) control programs and expand its ASA to support the GoI's initiatives in universal health coverage and health insurance. The World Bank's health sector work will build on ongoing and prior operations in mostly LIS/SCS while including new operations to focus on emerging health concerns associated with middle income status. To address the significant financing gap in delivery of healthcare at all levels, IFC will continue to mobilize private sector capital to expand affordable, quality healthcare and create a mass market for lower income populations. IFC's activities will include direct investments in private sector ventures and health care service providers, PPPs, as well as advisory services for the central and state governments.

**3.5. Improve the coverage and coordination of social protection systems in select states.** The WBG will expand its lending operations and ASA to strengthen delivery systems, including direct benefit transfer (DBT) systems, and improve coordination of various SP schemes at the state level. Support will also be provided to the national Rural Development Ministry and select states in the design, piloting, and scaling up of social registries to improve beneficiary identification and targeting. ASAs will help to strengthen state capability to coordinate benefit delivery by adopting digital payment systems, and facilitate transfer of good practices across states through the Lighthouse India initiative.

## B. THE 'HOWS': FOUR APPROACHES FOR SMARTER ENGAGEMENT

35. **How the WBG partners with India is critical for delivering results at scale.** India's huge development needs far outstrip what the WBG can provide, putting a premium on the Group's ability to leverage internal and external resources. Lessons learned from the WBG's engagement (see Box 2) underscore several opportunities for amplifying the Group's effectiveness: increasing leveraging of private sector finance and expertise, supporting innovation in India's federal system, and fashioning more coherent, systemic interventions, especially at the state level. In addition, the WBG's engagement in India should reflect the country's increasing prominence in achieving global development goals, as was noted in the SCD. The WBG is well positioned to partner with India to facilitate a mutually beneficial flow of development experience and knowledge between India and the world.

36. **The WBG will focus on four catalytic 'Hows' of engagement to serve as impact multipliers.** The four approaches to how the Group will deliver are:

- **Leveraging the private sector** - recognizing the critical role of private capital and solutions to address India's development challenges, capitalizing on complementarity of IBRD, IFC, and MIGA instruments, and employing the MFD approach in alignment with the WBG's overall financing strategy<sup>4</sup>;
- **Engaging a federal India** - identifying entry points and change levers at various levels of India's federal system to target catalytic contributions, including strategic partnerships with select states;
- **Strengthening public sector institutions** – improving institutions in sectors and sub-sectors through increasing capability and better aligning incentives as well as strengthening core government systems; and
- **Supporting a Lighthouse India** - analyzing, curating, and disseminating the country's vast experience and knowledge internally between states as well as externally with the rest of the world.



37. **These 'Hows' are integral to both overall implementation of the CPF and achieving results on specific objectives.** First, all new operations, as well as ongoing operations where possible, will be expected to articulate specific applications of the 'How' approaches. The 'Hows' are not 'filters' for approval of lending or investments but are rather tactical tools to make operations more effective in achieving sustained impact. At the same time, the WBG will not proceed with activities that do not adequately consider how to employ the 'Hows'. Second, the four approaches are embedded in the

<sup>4</sup> See The Forward Look: A Vision for the World Bank Group in 2030 (2016), and the Maximizing Finance for Development: Leveraging the Private Sector for Growth and Sustainable Development (2017)

strategies to achieve CPF objectives outlined in the Results Framework in Annex 1. Third, the cumulative impact of the 'Hows' will constitute an important signal of progress in the WBG's engagement in India. The 'Hows' will be monitored to provide for adaptive learning to improve WBG activities going forward.

#### **How #1: Leveraging the Private Sector**

38. **IBRD, IFC, and MIGA will deliver on their distinctive roles and strengths in leveraging private sector finance and expertise, working collaboratively and coherently as 'One World Bank Group'.** IBRD will continue to focus on policy and institutional frameworks as well as building on its first ever use of partial risk guarantees in India to crowd in private finance for an energy efficient operation in FY18. IFC will use its investment and advisory services to focus on creating markets, building the capacity of private sector firms to create jobs and to deliver products and services, and facilitate a more efficient interface between the public and private sectors. MIGA is looking to engage in India, focusing on building a portfolio of credit enhancement guarantees covering infrastructure, institutions, and sub-sovereigns, as appropriate in support of infrastructure projects, while also making its services available to Indian companies investing in other countries, specifically in Africa and Asia.

39. **The WBG will systematically apply the MFD approach to leverage private sector solutions.** The MFD approach seeks to help countries maximize development resources by drawing on private financing and sustainable private sector solutions to provide value for money and meet the highest environmental, social, and fiscal responsibility standards, while reserving scarce public financing for areas where private sector engagement is not optimal or available. The MFD approach builds on substantial experience across the WBG in helping governments crowd in the private sector to help meet development goals. The private sector plays a substantially bigger role as both a financier and a source of knowledge, expertise, and innovation that can yield transformative solutions. Under the approach, the public sector is supported to develop legal and regulatory frameworks as well policy reforms, engage new partners to achieve development goals, and serves as a source of financing when private solutions are not available. The "cascade" approach to MFD sequences questions to present a framework for decision making, and asks first whether there is a sustainable private sector solution that limits public debt and contingent liabilities. If not, policy or regulatory gaps are considered, and the WBG seeks to provide support by: (i) designing and implementing upstream reforms aimed at addressing perceived risks or market failures that prevent a sustainable private sector response or engagement (World Bank development policy financing and sector reform operations are examples of possible instruments, as well as IFC and World Bank advisory services that address sector constraints and market creation); (ii) attracting the private sector through WBG risk-sharing instruments; or (iii) co-financing with the use of public resources, including through public-private partnership (PPP) mechanisms.

40. **The WBG will use its convening power, structuring expertise, investment, and advisory services for commercial transactions to facilitate leveraging of private finance and expertise.** More generally, the WBG will seek to develop avenues for private sector participation in public service delivery sectors, including in utilities, to tap financing, knowhow and provide for greater market discipline to spur performance. At the systemic level, the WBG will build on its current engagements to further develop market mechanisms, such as the corporate bond market, to increase financing for development. The WBG will, upon request, provide advisory services to reform public sector financial institutions to provide for better use of public resources. The WBG will explore partnership with domestic financial institutions, such

as the National Infrastructure Investment Fund and associated credit enhancement facility, to leverage private capital for India’s development needs. IFC will also work with central, state and local governments, as well as credible private sector partners, to create markets, generate jobs, strengthen competitiveness, and maximize impact in providing private sector solutions to address key development challenges. Finally, the WBG will build on findings of the 2017 Financial Sector Assessment Program (FSAP), including through carrying out an Infrastructure Sector Assessment (InfraSAP) to identify key gaps and potential reforms to facilitate investment in critical sectors.

### **Box 3. Maximizing Finance for Development: Priority Sectors**

**To help maximize finance for development (MFD) in India, the WBG has identified three areas for priority application of the cascade approach: (i) addressing NPLs/Public sector bank constraints; (ii) providing affordable/green housing; and (iii) meeting energy needs through renewable energy and energy efficiency. \***

***Distressed Asset Resolution.*** The WBG will support the Gol’s efforts to address the twin balance sheet challenge caused by NPLs. With NPLs amounting to some seven percent of GDP, this is a systemic issue for India which severely constrains credit, investment, growth, and job creation, and progress towards fiscal consolidation. The Gol has implemented a series of important reforms to revamp the regulatory environment for resolution of distressed assets (DA), including introducing a new Insolvency and Bankruptcy Code, amending the Banking Law to give wide-ranging legislative powers to the RBI to issue directions to lenders to initiate insolvency proceedings to recover NPLs and more stringent recognition and provisioning of NPLs. The World Bank and IFC are engaged in a programmatic approach to develop a market for distressed asset (DA) resolution in support of Gol’s efforts. The World Bank is providing technical assistance to strengthen India’s credit infrastructure, including its collateral registry and insolvency regime, while IFC is supporting a range of DA solutions through its Distressed Asset Recovery Program (DARP). IFC has invested in a non-banking financial company that lends to stressed small and medium enterprises, and in an asset reconstruction company that targets DA resolution in the retail and micro, small and medium enterprises sector. IFC is now in the process of creating the first dedicated platform to target mid-to-large distressed corporates at scale, including many of the forty companies already identified by the RBI as priority resolution targets. IFC will invest up to US\$100 million while the two sponsors will invest \$100 million each into India Resurgence Fund, aiming to reach a total size of US\$1 billion by mobilizing additional resources from the private sector. The Fund will focus on restructuring large businesses in financial distress by bringing in operational capabilities, aggregating debt, injecting fresh capital, identifying non-core assets, as well as potentially mobilizing strategic partners. Going forward, the WBG will continue to intensify both the upstream work (such as advisory engagements with the Insolvency and Bankruptcy Board of India (IBBI), as well as the investment activities that IFC and WB are currently undertaking or plan to take. The WB and IFC are also ready to assist the government in rationalizing key public sector assets. Together, this will help provide more credit to SMEs and corporates that will strengthen private sector investment and job creation.

***Providing affordable/green housing:*** India faces multiple challenges on the affordable housing front—availability, energy usage and lack of mortgage finance. India faces a serious housing shortage, particularly in the affordable housing segment. An estimated 275 million people (22 percent of the population) lack access to adequate housing. Addressing this shortage requires the construction of over 60 million new housing units, of which 19 million is in urban areas and 11 million is in the affordable price range. Moreover, mortgage penetration in India is only 9 percent of GDP, reflecting enormous unmet demand for housing finance, particularly in the lower income segment. In response to this challenge, Gol has announced an ambitious goal of achieving “Housing for all” by 2022 and has taken a series of steps towards achieving this goal. At the same time, the importance of a climate-smart housing sector is widely recognized, particularly in the context of India’s commitments to reduce greenhouse gas emissions through household energy consumption as well as through land use, construction activities and by way of materials sourcing, usage and logistics-driven impacts by 33-35 percent by 2030. Lastly, HFCs in India are reluctant to lend to the lower-income customers given the challenges in making effective and cost-efficient credit assessments and the perceived higher risk profile of this segment which features a preponderance of self-employed borrowers or those employed in informal sector.

To support the Gol's objectives and achieve meaningful impact in affordable housing, the WBG has identified key institutional gaps that include: (i) greater attention to supply-side constraints by centrally sponsored schemes; (ii) strengthening local government capacity and autonomy to lead large-scale affordable housing development; and (iii) policy and institutional coordination to promote integration, innovation and knowledge transfer. Recognizing that the creators of large future urban stock of affordable housing units will be housing boards, municipalities and urban local bodies (which have access to unencumbered urban land as well as the ability to expedite approval processes), the WB will increasingly work with these state level bodies and assist them, financially as well as through knowledge transfer and capacity building, to build rapidly and offer homes (using appropriate technology) to the target class either on their own or through PPPs.

IFC, in turn, is supporting HFCs for on-lending to retail buyers of affordable housing, as well as developers of affordable and green housing via several projects which will help demonstrate the viability of such housing as a commercial proposition for private sector developers and financiers. IFC's engagement in the sector is expected to create strong cascading impact in the nascent affordable and green housing markets. IFC will also support the eco-system for affordable housing and green buildings. It has formed the Sustainable Housing Consortium which has representation from leading developers, financiers and the Gol. IFC's EDGE certification program for green buildings has been well accepted by stakeholders as a robust yet simple tool for design and construction of such buildings. IFC also leverages EDGE to support the HFCs' efforts to promote and finance green developments by conducting workshops for developers to educate them on green technology. This has benefited the developer community and increased the green building financing pipeline for the HFCs.

**Meeting Energy Needs through Renewable Energy and Energy Efficiency.** As part of its goals to provide 24x7 power while mitigating climate change impacts, the Gol has undertaken to install 175 GW of renewable energy (RE) capacity by 2022, including 100 GW from solar power. Importantly, while government support is necessary to give impetus to RE projects in the early stages, renewable electricity needs to reach grid parity to allow for scaling up to reach the 175 GW capacity target. Mobilization of private financing at scale is critical to achieving these objectives. At the systems level, the World Bank will provide analytical and advisory work to improve forecasting, balancing, and market design for renewable energy integration, grid codes and regulatory development, and increased transmission infrastructure. Technical support will also be provided for next generation renewable technologies to address grid integration challenges through hybrid (wind-solar-storage), storage (wind-storage, solar-storage, or hybrid-storage), and floating solar photovoltaic projects and investments in other balancing technologies, including hydropower and gas. At the transactions level, WB and IFC will leverage their financing to underwrite commercial investment in renewable energy and energy efficiency. Examples include the IBRD Grid-Connected Rooftop Solar Program, which has kick-started the solar rooftop market with loans worth US\$350 million sanctioned to seven companies for installations of 575 MW solar rooftops and a partial risk sharing facility for Energy Efficiency Services Limited. This followed IFC's earlier successful demonstration of structuring bankable rooftop PPPs in Gujarat and Odisha. IFC will also explore investments in innovative financing vehicles to help attract yield seeking investors such as pension funds and insurance companies to invest in the sector.

The *Rewa Ultra Mega Solar Power Project* is an example of the power of leveraging the WBG and maximizing finance for development for impact and innovation. The Project is developing one of the world's largest solar power plants (producing 750 MW) in Madhya Pradesh, one of India's LIS. The World Bank provided a loan for evacuation infrastructure, while the IFC's PPP team provided innovative transaction advisory support to introduce best practices and structure the project to attract private capital. IFC also provided \$440 million of own and mobilized local currency investment to the developers building the solar park. The Project included many first-time features, including guaranteed energy offtake, termination compensation, payment security mechanisms, unique bidding guidelines and other features in line with international best practices. It also helped create a market of open-access institutional off-takers alongside utilities, operationalizing inter-state open-access for solar power in India. Finally, the project is the first in India where the renewable energy tariff was lower than that of other conventional sources: the record low tariff of about USD cents 4.4/unit is a tipping point for grid parity of solar power in India. The WBG is now seeking to replicate this success on a state-by-state basis by working with Ministry of New and Renewable Energy to provide both financing (through the shared infrastructure project) and advisory support for further solar park development.

41. **The WBG will seek to leverage the private sector in specific transactions.** The WBG will seek to improve bankability of investment projects that are attractive to the market. This focus will include addressing bottlenecks such as timely handling of permits, clearances, and approvals. The WBG will also provide advisory services to select states and the national government to structure PPPs by introducing best practices for attracting private investment on competitive terms and advising on approaches to mitigate risks and bring investment-ready projects to the market. Finally, the IFC will also continue to support private entities engaging in specific PPP transactions. Leveraging private sector finance and solutions will be a key approach to achieving several CPF objectives, with particular focus on addressing NPLs, providing affordable housing at scale, and scaling up generation of renewable energy (see Box 3).

## **How #2: Engaging a Federal India**

42. **The WBG will engage at national, state, and local levels, recognizing the respective roles these tiers of government play in India’s federal system.** At the *national level*, the Group will partner with key national transformative programs such as improving rural connectivity, skill developments, affordable housing, SME financing etc.; the WBG’s value addition will focus on supporting development solutions and effectiveness in implementation – largely through flexibility to states to innovate and drive performance -- to help national programs bring better practices to scale. The Group will also partner with GoI institutions, especially NITI Aayog, to generate comparative information about states’ performance to facilitate state-level reforms, building on the successful development of business climate and health performance indices. The CPF will effect a move towards emphasizing states as the primary unit driving development, consistent with India’s competitive federalism: rather than working through centrally sponsored schemes, the WBG will support “states at the center” of development. At the *state level*, the WBG will build greater synergies across operations, including harmonizing approaches toward implementation arrangements. IFC will also intensify its engagement with state and municipal governments to provide institution-building advisory services and to mobilize private sector financing. The WBG will capitalize on working in the same sector across several states to promote innovation and learning for the benefit of other states and to inform national programs and policies, including through the Lighthouse Initiative described below. For instance, the WBG will engage in state level projects to develop health systems in at least six states from LIS to more prosperous states which face different health challenges; learning will be shared across these operations and with the center. At the local level, the WBG will partner with local governments and other service providers to improve planning, coordination and implementation capacity to address local challenges, such as providing for water and sanitation.

43. **Under its “states at the center” focus, the WBG will maintain its presence in the LIS/SCS while supporting innovation across a range of states.** In keeping with the shift carried out under the preceding strategy, the World Bank will continue to have at least 30 percent of the value of total commitments<sup>5</sup> in its portfolio to these states during the CPF period. IFC will continue its focus on the LIS/SCS, including through the use of PPPs, which have proven to be an effective mode of engagement in these states. At the same time, the World Bank will also continue to support the GoI’s ‘Finance Plus’ approach to targeting investments that contribute to institutional development and innovation, including in higher-income and higher-performing states. Through engaging in different state milieus, the diverse and at times

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<sup>5</sup> This calculation includes state-specific operations, as well as estimated state shares of national and/or multi-state operations dedicated to LIS/SCS.

fragmented wisdom of India's experience can be harnessed and harvested for the benefit of all states, consistent with the country's vision of cooperative and competitive federalism.

44. **A key new feature for the WBG's approach in India will be the development of strategic state partnerships to serve as laboratories for effective implementation practices around CPF objectives and themes.** These deeper partnerships are predicated on the importance of states in tackling their unique challenges as well as opportunity for testing approaches that can be transmitted to other states in India's federal system. A state partnership entails a joint commitment by the WBG and the states toward addressing critical, often more complex development challenges, developing innovative solutions, and ensuring greater coordination and synergies across its activities. Most important, strategic state partnerships are to provide a platform for improving states' implementation capability. The approach to state partnerships will also draw on WBG experience in other countries with large important subnational units, notably Brazil, Indonesia, and China.

45. **Strategic state partnerships will have similar features, though WBG activities will vary in accordance with the state's priorities as well as its economic and poverty profile.** A partnership will entail analysis of states' growth and poverty drivers as well as fiscal position, agreeing on a set of priority operations and ASA to address the state's circumstances. The partnership will be underpinned by a core partnership operation (likely a PforR or a Development Policy Financing [DPF] series) and/or a comprehensive TA activity (potentially including RASes), depending on the development challenges of a given state. The core partnership operation will provide for cohesive interventions across multiple sectors and work holistically on core public sector management and service delivery to citizens. For example, a partnership in an LIS will likely focus on supporting core capabilities to deliver basic services (e.g. providing access to quality education, health, water and sanitation, and connectivity through roads) through technical assistance, a core operation focused on service delivery, and some sector specific lending operations. With respect to middle income and higher income states where delivery of basic services may be stronger, the focus would be on next-level challenges, such as innovative approaches to financing infrastructure, delivered through a mix of lending and knowledge services, but with relatively greater emphasis on the latter. RASes can be explored in relatively higher income states. Expected levels of financing for the state partnership will be established based on the state's fiscal assessment and an agreed set of activities. Teams of senior WBG staff will be designated to manage strategic state partnerships. Activities under the partnership will be supported by six-monthly portfolio reviews led jointly by senior state officials, WBG country management, and the Department of Economic Affairs (DEA), Ministry of Finance.

46. **Strategic state partnerships will reflect India's diversity and develop organically.** The WBG will aim to establish three to five strategic partnerships with states at different stages of development, including at least two LIS/SCS. Selection of these states for partnerships will be premised on general criteria of high-level political commitment to and ownership of reforms aimed at their inclusive, strong, and sustainable growth by increasing private sector and foreign investment, creating jobs, and reducing poverty; and the presence of a critical mass of ongoing and planned WBG operations and ASA. Three more specific criteria for selection will also be applied: (i) a well-defined substantive implementation capability gap in sector(s) or among core government functions which the state wishes to tackle with WBG support; (ii) scope for activities which innovate and have significant inter-state learning and scale-up potential; and

(iii) demonstrated fiscal responsibility<sup>6</sup> reflecting quality of governance and ability to borrow. The WBG and states will learn from the experience of an initial few state partnerships to adjust the model and expand to other states over the CPF period.

### **How #3: Strengthening Public Sector Institutions**

47. **The WBG will systematically focus on improving the implementation capability of public sector institutions at the sector level.** This focus will be on capability of specific institutions in sectors where the WBG is engaged: line departments and agencies, such as departments of health, or state-owned enterprises such as power, water and transport utilities and public-sector banks. Capability means having effective systems to assess drivers of good performance and problems in service delivery, plan and implement programs to improve performance, as well as seek citizen feedback and monitor to make adjustments and sustain improved institutional performance. Improved performance includes increased transparency and ensuring proper use of public resources. Strengthening public sector institutions necessarily involves changing incentives, which in turn requires understanding political economy challenges. The WBG will invest in its understanding of drivers of the status quo and incentives to welcoming or blocking potential changes in order to effectively engage public sector institutions.

48. **Specific features of institutional strengthening will depend on the nature of constraints to achieving outcomes in corresponding institutions or sector.** Activities are likely to focus on deployment of human and financial resources; decision-making and accountability mechanisms, including channels for citizen engagement; and effective engagement of the private sector. More generally, the WBG will support a shift towards injecting more market competition to incentivize performance by creating level playing field among public and private entities in sectors. It will also involve, where appropriate, restructuring of public institutions to facilitate access to private financing whereby market discipline would in turn spur better management and performance. For instance, the SD area is characterized by public training institutions with incentives to secure budget resources to deliver a large volume of training with limited quality assurance. Effectiveness can be improved by institutional changes to create greater opportunity for private sector involvement with curricula and delivery, flexibility in financing arrangements, and more robust M&E arrangements to learn what works and replicate.

49. **The focus on institutions in sectors will be complemented by a suite of WBG activities to modernize core public sector capabilities, particularly at state and local levels.** Support for core capability will include lending and TA to (i) strengthen public financial management (PFM) and procurement systems, primarily at the state level; (ii) improve debt management practices at national and state levels; (iii) develop accountability mechanisms, including support for digital platforms to remove discretion for routine interactions between government, businesses and citizens, as well as enabling citizen engagement channels; and (iv) strengthen planning, budgeting, and M&E at state levels. All these approaches will be supported through use of e-governance tools to modernize operations and improve performance. The World Bank will also seek to develop a deeper, long-term engagement with the National Statistical Organization to support capacity improvements and partner on analytical tools to marshal data for better policy-making, including utilizing the consumption expenditure survey to be released in 2019. Finally, many of these core competencies of public sector institutions—financial management, accountability mechanisms, data collection—will be a focus of WBG activities to develop rural Panchayat

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<sup>6</sup> Following benchmarks set in India's Fiscal Responsibility and Budget Management Act for multiple years.

Raj Institutions (PRIs) and Urban Local Bodies, with the goal of increasing the capability of these local governments to shoulder greater service delivery responsibilities.

50. **IFC will strengthen state governments' capability through demand-driven advisory services, particularly for PPP engagements.** PPP transaction advisory services will be provided in response to requests from governments. The focus of these advisory services will be on addressing development gaps and assisting state entities in mobilizing private capital through best practice PPPs. These services could be in sectors such as renewable energy, transport (including roads, railways, airports, ports), logistics and urban management; all sectors where IFC has intensive global experience of providing PPP transaction advisory services. In addition, IFC will continue to provide institution-building advisory services to state and municipal governments, such as financially-linked "Government-to-Person" (G2P) payments at scale and the creation of an enabling environment for green buildings and housing. IFC will also build on its strong track record worldwide in municipal finance to seek to strengthen the capacity of municipal governments and institutions to undertake large and complex investment projects.

#### **How #4: Supporting a Lighthouse India**

51. **The WBG will support a 'Lighthouse India' initiative to systematically create, curate, and disseminate knowledge and know-how generated through the country's development experience.** The WBG will seek to institutionalize knowledge sharing from both its own activities (see paras 71-74), including by leveraging networks of knowledge institutions and think tanks, use of information and communication technology for enhancing dissemination, and building capacity of the government partners to effectively document and share good practices. Examples for the WBG's enhanced support for knowledge sharing include setting up the Urban Knowledge Platform, a PFM Community of Practice across states to share, learn, and implement good practices and a Knowledge Hub/Center for sharing innovative approaches for DBTs. Only through efficient transfer of knowledge will WBG activities have impact at scale.

52. **Support for a Lighthouse India will include amplifying the country's role as a leader on key global goods and leveraging its development experience for two-way learning with the rest of the world.** For instance, the World Bank will provide technical support to the International Solar Alliance, an international organization co-led by India and France to facilitate adoption of solar power. It will also partner with India in its leading role in promoting disaster resilience, particularly in infrastructure development. The WBG will facilitate South-South knowledge cooperation in line with the government's strategic plan for expanding development cooperation, such as developing an India-Africa partnership and cooperation of countries in the South Asia region. Support will include documenting and sharing India's experience on global platforms/events, supporting study tours, expert exchanges among India and other countries, and facilitating deeper collaboration for transfer of development experience and investments between India and other countries. Some of the thematic areas of demand from other countries to learn from India include: agriculture, rural development, local governance, skill development, PFM, delivery of social protection programs, and energy efficiency. Finally, the WBG will support India in becoming a more effective development partner for other countries, leveraging the Group's global presence and experience in supporting the launch of development cooperation platforms for other middle-income countries. IFC and MIGA will look to support the scaling up of India's development experience and private investments in Africa and Asia.

53. **Support on the global stage will be complemented by efforts to foster greater regional cooperation.** The WBG will support sustained dialogue among policy influencers and the private sector to sharpen awareness and strengthen coalitions for action on common development challenges within and across countries. The WBG will also exploit windows of opportunity through regional activities as well as India-specific lending and ASA in areas which also benefit regional cooperation. Particular areas of focus will include: (i) putting in place the building blocks of a regional electricity market (connected with Central Asia and potentially East Asia); (ii) developing transport infrastructure and strengthening policy and institutional (trade facilitation) arrangements to move South Asia toward Association of Southeast Asian Nations (ASEAN) levels of intra-regional trade and investment; and (iii) improving the management of shared natural resources and disaster risks through collaborative cross-border institutional arrangements. WBG operations supporting connectivity, power, and trade within regions, particularly in the Northeast, will have indirect benefits that support regional cooperation.

54. **The impacts of the ‘How’ approaches will collectively constitute an important measure of success for the CPF.** The application of the ‘Hows’ are integral to the intervention logic to achieving CPF objectives and are correspondingly reflected in the Results Framework. At the same time, the WBG will monitor achievements in applying the ‘Hows’ across its engagement. At the operational level, the WBG will systematically track the application of the approaches, registering the instances of applying the MFD approach, creating markets, developing state partnerships, institutional strengthening including mechanisms for citizen feedback, and the number of formal arrangements for institutionalizing knowledge exchange and exchanges themselves. More importantly, the WBG will qualitatively assess the impact of the approaches unto themselves in making the Group a more effective development partner (see paragraph 75 on monitoring the CPF).

**Table 2. Qualitative Measurement of the ‘Hows’**

‘How’ Approaches	Impacts to be Measured
Leveraging the Private Sector	<ul style="list-style-type: none"> <li>• Improvements in market mechanisms that leveraging the private sector</li> <li>• Volume of financial resources that leveraged or mobilized through products inclusive of loans, equity, and credit enhancement products</li> <li>• Innovations in leveraging financing</li> </ul>
Engaging a Federal India	<ul style="list-style-type: none"> <li>• Qualitative assessments of improvements in state implementation capability in a key area (also to include relevant quantitative measurements from operations, including core partnership operations)</li> </ul>
Strengthening Public Sector Institutions	<ul style="list-style-type: none"> <li>• Institutional improvements in sectors</li> <li>• Improvements in core public sector functions of PFM, debt management, local government institutional strengthening, and quality of statistical systems (including results from operations supporting core governance such as reduction in budget variance, increase in share of procurement contracts publicly available, and reduction in the cost of collection of state level taxes in select states)</li> </ul>
Supporting a Lighthouse India	<ul style="list-style-type: none"> <li>• Qualitative assessments of the impact of knowledge exchanges on government programs or policies, and south-south knowledge cooperation.</li> <li>• Progress toward institutionalizing practices and platforms for knowledge sharing</li> </ul>

## C. CROSS-CUTTING THEMES

55. **WBG activities will be informed by, and achieve results toward, three cross-cutting themes.** These themes are: pursuing climate smart engagement to support India's climate change mitigation and adaptation efforts; systematically addressing gender-based inclusion gaps; and harnessing high-impact technologies for development. Work on climate change and gender are aligned with WBG corporate priorities. Impacts in these areas, such as reduction of greenhouse gas (GHG) emissions, are reflected in the intervention logic and results indicators for specific CPF objectives (see Annex 1, Results Framework).<sup>7</sup>

### Climate Smart Engagement

56. **The WBG will support the Gol's climate mitigation and adaptation efforts across the portfolio.** India is highly vulnerable to climate change while its development choices will have a global impact. Climate change effects are estimated to have the potential to push 45 million people into poverty in India. At the same time, the country is a world leader in promoting policies and practices to address climate change, such as its championing of renewable energy through the International Solar Alliance. The WBG will support India's efforts to address climate change through a mix of climate-focused operations and ASA across CPF objectives. In addition, the WBG will employ the 'How' of leveraging the private sector to support the development of market mechanisms to tap private sector financing and knowhow to tackle India's climate change-related challenges (see Box 4).

57. **The WBG will aim to increase the proportion of climate change co-benefits (CCCBs) from new commitments during the CPF period.** IBRD and IFC will prioritize operations which contribute to climate change adaptation and mitigation and ensure that design of operations maximizes climate benefits while giving due consideration to cost efficiency and implementation capability. Appraisal of all operations will include a calculation of the CCCBs. For the first three years of the CPF period, IBRD commitments will meet the World Bank's targets for CCCBs of 28 percent with an aspiration to achieve higher levels of at least 35 percent co-benefits per year (IBRD CCCBs were 37 percent in FY17 and are expected to exceed 50 percent in FY18). At the same time, in line with WBG global commitments, IFC will scale climate-related investments to reach 28% of IFC's annual financing by 2020. Targets for the CPF's last two years will be determined at the mid-term Performance and Learning Review.

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<sup>7</sup> The WBG corporate priority on ensuring citizen engagement across WBG operations is addressed through the systematic application of the 'How' of strengthening public sector institutions.

#### Box 4. WBG Partnership with India to Address Climate Change

**India has committed to ambitious Nationally Determined Contributions (NDCs)** within the framework of the Paris Agreement on Climate Change. Its key NDCs are:

1. To reduce the emissions intensity of its GDP by 33 to 35 percent by 2030 from the 2005 level requiring major effort to improve energy efficiency and reduce the energy and emissions intensity of India's growth;
2. To achieve about 40 percent cumulative electric power installed capacity from non-fossil fuel based energy resources by 2030 requiring massive investments in renewable energy;
3. To create an additional carbon sink of 2.5 to 3 billion tons of CO<sub>2</sub> equivalent through additional forest and tree cover by 2030 requiring intensification of reforestation and afforestation efforts; and
4. To better adapt to climate change by enhancing investments in development programs in sectors vulnerable to climate change, particularly agriculture, water resources, Himalayan region, coastal regions, health and disaster risk management.

The Gol's National Action Plan on Climate Change outlines a range of policies and programs, including eight national missions, to achieve the NDCs.

**The WBG will support achievement of the NDCs with across several CPF objectives.** The CPF's first focus area, resource efficient growth, comprises five objectives which all include climate-smart activities. With respect to improving energy efficiency, the WBG is providing a \$220 million loan and an \$80 million guarantee to support the India Energy Efficiency Scale-Up Program which will scale up energy saving measures in residential and public sectors, and strengthen the Energy Efficiency Services Limited, including by enhancing its access to private sector financing. The WBG is also will support the Gol's goal of installing 175 GW of RE capacity by 2022. This includes support for the 750 MW Rewa solar park in Madhya Pradesh (see Box 3). The World Bank is also partnering with the State Bank of India to provide US\$625 million financing for up to 40MW of grid- connected rooftop solar generation. On mitigation, reducing the carbon footprint and GHG emissions, including through promotion of electrification of transport, will be central to achieving objectives to improve livability of cities and reduce urban air pollution. The WBG will also facilitate large increases in renewable power generation as part of its sustainable energy objective and support the development of green housing. On the adaptation side, focus will be given to adopting climate resilient agricultural practices, with recently launched operations in Tamil Nadu and Maharashtra. Disaster preparedness efforts will include technical support to develop resilient infrastructure. WBG activities to improve connectivity and logistics will improve the resilience of key transport and logistics infrastructure and provide for mitigation effects from increased transport efficiency. IFC will lead key, innovative, proof-of-concept climate change interventions through its clients and with the private sector, introducing best practices in environment and sustainability and enforcing climate change targets across sectors where it is active.

**The WBG will provide technical expertise to develop market mechanisms to finance climate mitigation activities.** Carbon pricing instruments can internalize the cost of carbon emissions from various economic activities and open the opportunity to design funds or other financial instruments for the funding of the NDC. The Partnership for Market Readiness—an effort managed by the WBG and involving about 30 countries—seeks to build market infrastructure and transfer knowledge and experiences to design more effective markets instruments to address climate mitigation. The WBG will work closely with public and private financial institutions, such as the Gol's NIIF, to design market instruments to address the climate mitigation challenge and the limited capital available for NDC financing. Work with NIIF would focus on monetizing climate assets generated by NIIF's portfolio, and reducing the overall cost of capital to finance the infrastructure that is needed for the implementation of India's NDCs.

## Addressing Gender Gaps

58. **The CPF will focus on measures to address India's gender gaps throughout the portfolio and through specific targeted activities.** Given the broad range of gender challenges in India, the CPF will work on gender issues with strategic operational potential for the India portfolio (see Box 5 on Gender Issues). Analytical and operational focus will be on women's economic empowerment using the life cycle approach to women's economic participation<sup>8</sup>; gender gaps in access to assets and markets; low human capital among women, in particular due to nutritional deficiencies and educational attainment gaps; and women's voice and agency in personal and public spheres. Consistent with WBG corporate priorities, IBRD will aim to carry out gender tagging for all new operations, supported by a dedicated focal point on the country team. Tagging involves analysis of gender gaps as they relate to the proposed operation, design and execution of actions to address these gaps, and monitoring of benefits for women.

## Harnessing High-Impact Technology

59. **The WBG will help India maximize efficiency gains from technology while also anticipating potential disruptions arising from technological change.** With 1 billion mobile phone users, fast growing e-platforms and a highly tech-savvy population, India's digital revolution will impact the country's development path. Although technology is not a substitute for good policies and implementation, if harnessed it can greatly accelerate development. In recent years, India has excelled in using technology, particularly information technology, to spur development. The WBG will continue to support smart applications of technology across multiple CPF objectives, such as promoting digital technologies and post-harvest and processing technologies to modernize farm production and increase rural productivity. Smart technologies in cities and vehicle electrification, are important elements of the CPF's broader sustainability focus. The WBG's efforts to improve the business climate and strengthen financial sector resilience and access to finance will leverage digital financial innovations and digitization of government-to-person and government-to-business transactions. The WBG will also support investment in technology and innovation ecosystems, including expanding firms' capabilities to innovate, upgrading and expanding technology centers in India, and facilitating innovation in biopharmaceutical products and medical devices. Finally, as noted above, the WBG will initiate analytical work explore the social and economic development challenges and opportunities of so-called disruptive technologies', focusing on implications for policies, regulations, jobs, and skills.

60. **IFC will continue to have a particular focus on investing in disruptive technology which holds the promise of transforming traditional business models.** Despite inadequate infrastructure, India has 462 million people connected to the internet, with 20% annual increase in recent years. This has led to a growth in the online consumer market with an estimated digital commerce market growing at 60% per annum. In response to this opportunity, IFC will continue to invest in edutech, healthtech, e-logistics, and Business-to-Business (B2B) technology platforms as well as Venture Capital (VC) funds that support these technologies. These efforts will build on IFC's ongoing portfolio. For instance, IFC has invested in several eCommerce platforms that are bringing digital connectivity to Small and Medium Enterprises (SMEs), enabling online transactions, improved business productivity, comprehensive data tracking and transparency, as access to finance for small business owners. Examples include Power2SME, a digital

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<sup>8</sup> A life cycle approach recognizes that different interventions and evidence are required to improve the human capital, economic empowerment, and voice and agency of women and girls at different stages of their lives.

#### Box 5. Overview of Gender Issues

**India has enjoyed strong growth with decades of commitment to inclusion, but some gender gaps remain, particularly with respect to economic participation.** In the World Economic Forum's Global Gender Gap report for 2017, India ranked 108 out of a total of 144 countries, with the greatest challenges lying in women's economic participation. According to the Economic Survey 2017-2018, the percentage of women who work has declined overtime, from 36% of women being employed in 2005-06 to 24% in 2015-16. In order to understand spatial variations, it is important to note that in 2015-16, LFPR for rural women stood at 26.7% as compared with 16.2% for their urban counterparts (Annual Employment-Unemployment Survey 2015-2016) However, according to the latest available ILO estimates, the female LFPR for India stands at 27% in 2017. The SCD notes that data from the NSS and other research find that, alongside factors such as women dropping out of the labor force when incomes rise safety concerns and social norms about house and care work lower women's mobility and participation in paid work. In addition, the SCD observes that by one estimate, GDP growth could accelerate by one percentage point if India were to close just half its female LFPR gap with that expected by its level of income.

**Greater inclusion with respect to women's entrepreneurship and access to finance is important.** Women in India fully or partially own around three million enterprises which contribute to about 3% of industrial output and employ about 8 million people. Roughly three in every four of such enterprises belong to the services sector, and almost 98% of women owned businesses are micro enterprises. It is estimated that the total financial requirement for women owned businesses in India in 2012 was \$158 billion, but these firms accessed only around \$42 billion from formal lenders, mainly from microfinance institutions. Women tend to use microfinance – indeed, more than 90 percent of India's 90 million plus microfinance clients are women – but these small loans are in some cases not sufficient to help women grow their businesses, which would in turn generate more employment. More generally, estimates indicate relatively low levels of female ownership of land and other real property. The GoI has been seeking to address the challenge of access to finance, including through a Standup India scheme, which will facilitate two entrepreneurial projects on an average of one for each category (Women and SC/ST) of entrepreneurs per bank branch (source: IFC 2014).

**India has made progress on human development outcomes for women, but there continue to be areas for improvement.** Thrust on providing primary education has yielded results with India successfully achieving gender parity in enrolment in primary education. The Gross Enrollment Ratio (GER) for all persons in elementary education increased from 81.6% in 2000-01 to 96.9% in 2015-16. At this level, the GER for boys and girls increased by 4.5 (from 90.3% to 94.8%) and 26.4 (from 72.4% to 99.2%) percentage point respectively during the stipulated period (MHRD data). GER for secondary education stands at 79.16% for boys and 80.97% for girls in 2016-17 (MHRD data). Greater efforts are now being made by the Government of India to enroll and retain girls into secondary and higher secondary schools. According to the Census 2011, the sex ratio stands at 940 females per 1000 males; this figure compares favorably with 2001 Census data, when the sex ratio was 933 females per 1000 males. According to the sample registration system (SRS) data released by the office of Registrar General of India, India's maternal mortality rate has witnessed marked improvement in recent years: the rate reduced from 254 deaths per 100,000 live births in 2004-06 to 130 deaths per 100,000 births in 2014-2016. GoI improvements to rural health infrastructure and national programs to prompt women to opt for institutional deliveries have contributed to this significant improvement.

**Women have considerable voice in local institutions.** Women account for nearly 1.4 million elected representatives in rural Panchayati Raj Institutions, or about 44 percent of all such representatives, and similarly 43 percent of gram panchayats (2018 Economic Survey). In addition, India is home to nearly 8.5 million self-help groups of women, which have not only connected women to finance and economic opportunities, but more importantly have given women voice and a sense of agency. In both cases, consistent state and national public policy has promoted women's empowerment through these bodies.

Sources: IFC. 2014. *Improving Access to Finance for Women-owned Businesses in India: A Research Report on Opportunities, Challenges, and the Way Forward*. New Delhi: International Finance Corporation; Verick, S. & Ruchika Chaudhary. 2014. *Female Labour Force Participation in India and Beyond*. New Delhi: IL; World Bank. 2018. *India Systematic Country Diagnostic*: New Delhi: World Bank; World Economic Forum. 2017. *The Global Gender Gap Report. Economic Survey, 2017-18, Government of India*; Annual Employment-Unemployment Survey 2015-2016, Ministry of Labor and Employment, 2015-16.

platform for manufacturing SMEs to buy raw materials and Bizongo, a technology platform that helps SMEs in the packaging industry achieve higher sales and enhanced plant capacity utilization. IFC's investments in e-logistics are similarly transforming supply chains across India e.g. Blackbuck, an online marketplace helps small fleet owners find and bid for shipping jobs from large customers, and also supports fleet owners in managing operating expenses through the use of e-tolls and digital fuel cards. In addition, IFC's investment in Byju is enabling deep, conceptual learning for students from kindergarten to 12<sup>th</sup> Grade across 1700 towns in India through personalized learning paths. IFC plans to continue identifying and supporting such innovative technology disruptors that promise to ease access and affordability of essential services such as education and healthcare through the use of artificial intelligence. IFC's investments in VC funds bring a multiplier effect to its direct investing work e.g. Pi Ventures invests in businesses that use artificial intelligence for affordable and early detection of cardiac diseases and cancers, creating strong impact in the markets they serve.

#### **D. STAKEHOLDER CONSULTATIONS**

61. **A survey of stakeholders and extensive consultations with national and state governments, private sector, development partners, think tanks, and nongovernmental organizations (NGOs) guided the formulation of the CPF.** A 2018 survey about perceptions of development priorities and the World Bank Group's performance in FY18 which underscored the importance of education and skills, rural development, and generating jobs (see Box 6). Consultations emphasized the need to improve public sector implementation capability and the importance of increased and strategic state-level engagement. Stakeholders recognized the WBG's value addition as a leveraging and knowledge institution and supported better transfer of successful approaches across states and globally; this observation was echoed in survey results which pointed to greater demand for knowledge services from the WBG. The consultations also pointed to the need for a forward looking, strategic approach, including anticipating challenges and opportunities from disruptive technologies and innovations. Relative priorities differed across stakeholder groups. For instance, representatives of low-income northeastern states prioritized water resources management, flood management, and strengthening connectivity, skills, and enterprise development. NGO representatives voiced support for strengthening local governance, well-being of differently-abled people, affordable housing, job creation in rural areas, and strengthening data collection and monitoring systems. Private sector actors highlighted demand for policy and regulatory certainty, stronger market linkages, improved logistics, deepening of capital markets, and access to finance and credit enhancement. Researchers and advocates from think tanks suggested that the World Bank should deepen its analytical work in the context of India's and global development issues and debates.

### Box 6. 2018 India Country Opinion Survey Highlights

Respondents to the FY18 India survey stated that the most important development priorities for India were education and skills development, job creation and employment, agriculture and rural development, poverty reduction, and health and sanitation. Questions on the most important contributors to poverty reduction and where the WBG should focus its resources highlighted these same five areas, with priority given to agriculture and rural development, education and skills development, and job creation and employment. A plurality of respondents stated that the WBG should offer more knowledge products (33 percent), whereas 31 percent stated that the combination of knowledge and financial services was appropriate for India and 21 percent stated that more financial services should be provided; this contrasts with the 2015 survey where the respective responses were 18 percent, 20 percent, and 50 percent. Survey data shows that persons who collaborate with the WBG are significantly more positive about the Group than those who do not. The WBG receives very positive ratings for its relationships on the ground and is viewed as a long-term partner which is respectful and straightforward. The survey represents a small snapshot of stakeholders across India, with the biggest percentage of respondents consisting of civil society representatives.

*Source:* FY18 India Country Opinion Survey, The World Bank Group.

## E. IMPLEMENTING THE FY18-FY22 COUNTRY PARTNERSHIP FRAMEWORK

### Financial Envelope

62. **The IBRD-financed portion of the CPF program is based on lending of US\$3.5-4 billion per year.** This volume of lending would be subject to the World Bank Board-approved Single Borrower Limit (SBL) of US\$ 21 billion, allowing for the additional room that could be made available (if at any stage the SBL becomes a constraint to lending) through India's agreement to purchase up to US\$ 4.3 billion in Special Private Placement Bonds (SPPBs) issued by IBRD. Average lending of US\$ 3.5-4 billion per year is slightly more than the average volume of combined IBRD and IDA lending during the preceding five years (US\$ 16.5 billion in FY13–17, or US\$ 3.3 billion per year). This aspiration, in the early part of the CPF period, could be achieved through front loading of the IBRD headroom. New lending will build upon the current portfolio of US\$ 27.4 billion in IDA and IBRD commitments; while the total number of operations is not expected to grow substantially beyond the level of 103 operations as of July 2018, the amount of commitments in IDA will decline as those operations close, while IBRD commitments will increase.

63. **The World Bank will be proactive in managing the financing envelope for IBRD.** Consistent with commitments to improve portfolio performance (see paragraph 73), rigor in cancelling where warranted all or part of slow-disbursing loans which reflect inefficient use of capital will provide modest additional IBRD headroom. The World Bank will also further explore piloting approaches to facilitate early payback of loans, particularly when risks are minimal after completion of operations.

64. **IFC's expects to invest US\$2–4 billion per year in own and mobilized financing, or some US\$10–13.5 billion over the CPF period, depending on economic and market conditions and judicious application of MFD principles.** This would constitute a significant upscaling of IFC's program, reflecting its intent to address, at scale, the most significant development challenges in areas where the private sector can provide solutions and deliver the greatest impact. Insofar its charter mandates that IFC be a minority investor charged with playing a catalytic role, it has built-in mechanisms and systems to leverage capital from private sector and other partners. IFC will use its full suite of investment products and expertise, and

its advisory services, including PPPs, to create markets and to crowd in the private sector, and promote private sector-led inclusive, strong and sustainable growth.

65. **MIGA expects to provide guarantees during the CPF period, with the volume of financing dependent on market interest.** MIGA is exploring supporting infrastructure and energy projects using its credit enhancement guarantee products to support commercial financing. In the event of client receptivity to these instruments in India, MIGA anticipates that the volume of guarantees will ramp up given the scale of the country and infrastructure needs. MIGA will also make its service available to Indian companies to support expanding investments in other developing countries.

### **Country Procurement and Financial Management Systems**

66. **Procurement policies, procedures, and practices vary significantly across states and among ministries and agencies, though central entities operate within the procurement rules contained in General Financial Rules, 2017.** Procurement capacity is also limited in some states and central government departments, while state-owned enterprises perform better overall and, in some cases, have world class systems. Procurement remains unduly slow in many World Bank-financed projects owing to capacity constraints. In particular, operations which finance infrastructure often experience delays and cost overruns with contract enforcement a persistent, significant problem. The government has identified contract dispute resolution as a priority and correspondingly has recently brought amendments to the Arbitration law and proposed establishing a national Arbitration Council. At the same time, there are positive trends in the increasing use of e-procurement across the country, which will improve efficiency and transparency. The World Bank is supporting improvement of procurement capacity through specific reforms included in PFM projects and ongoing mass training initiatives on procurement and contract management capacity enhancement. Finally, capacity building in construction project management and a certificate course in contract dispute resolution will be rolled out during this CPF.

67. **WBG-financed operations increasingly employ country procurement systems.** Most contracts procured by India's public sector, including those financed by World Bank financing, fall under either national procurement procedures or the Government e-Marketplace for shopping. Procurements above a threshold of US\$40 million for works and US\$3 million for goods follow World Bank International Competitive Bidding procedures. If the Indian supplier market matures, thresholds for national procurement procedures may be revised upward during the CPF period. In addition, one Indian agency, PowerGrid, a state-owned utility, has been assessed and deemed prima facie eligible for alternative procurement arrangements (APA), which provide for using the agency's own procurement procedures in IPF projects. Efforts are ongoing to bring more agencies into similar levels of readiness for piloting APA. PforR projects in the portfolio fully use country procurement systems. Training to build the capacity of auditors recently began, with a view to engage them in conducting the post-procurement review of WBG-financed projects.

### **Financial Management**

68. **The WBG relies extensively on country financial management systems in operations that it finances.** Project and entity audits are conducted by the Comptroller and Auditor General (CAG). For projects implemented by institutions outside government departments, such as Special Purpose Vehicles,

financial management arrangements are suitably strengthened to mitigate financial management risks. Project-specific arrangements may include separate project bank accounts, strengthening staffing, and internal and/or external audits by private firms. Such arrangements, in many instances, are also done with the objective of strengthening institutional financial management capacity.

69. **The WBG will support further strengthening of PFM policies, systems, and capacities at national and state levels through TA and lending operations.** India's PFM framework is grounded in the constitution and guided by central government policies and regulations and has evolved over the years. Budgeting follows a structured and well-defined process, systems for accounting and reporting of receipts and payments are automated, and audit reports are issued by the CAG on a timely basis. An important development in recent years has been adoption of direct cash transfers to transfer individual benefits across large national programs, thereby contributing to improved cash management, more efficient targeting and delivery of entitlements, and potentially enhanced transparency and disclosure. The World Bank's continued focus will be on issues including: (a) improving the credibility of the budget; (b) enhancing the quality of expenditure reporting between the center, states, and implementing units for national schemes; (c) modernizing the budget and account code classification system (Chart of Accounts); (d) strengthening internal audit; and (e) enhancing legislative (Public Accounts Committee) scrutiny of CAG audit reports and public awareness.

70. **At the sub-national level, the PFM framework is largely guided by policies laid down at the center, but varies significantly in its effectiveness and capacities.** Some states have made significant investments in PFM systems—especially in information technology to strengthen, among others, core treasury information systems, human resources management information systems, cash management, e-collections and payments, and electronic interfaces with commercial banks and the RBI. The WBG will support the transfer of such good PFM systems and practices across states, while continuing to support the states to implement new reforms to address remaining challenges such as the overdependence of some states on transfers from the center; payment delays due to fiscal stress and unsustainable debt; the lack of well-functioning financial management information systems; and weak internal audit systems and human resources.

### **Managing Implementation**

71. **The World Bank Group will use its full range of instruments to achieve CPF objectives.** While Investment Project Financing will continue to be the World Bank's primary lending instrument, the World Bank's program will seek to expand the proportion of PforR operations from its current level of 10 percent in terms of numbers and 12 percent of commitment volume. PforR operations are expected to be used to incentivize better service delivery, such as in the education sector. In contrast to the preceding CPS period where only two DPFs were approved, the World Bank will more actively explore using the instrument to address institutional and regulatory constraints, beginning with DPF operations to reform power distribution and water companies. The India program also expects to use the newly available multi-phase approach (MPA) to financing operations. The World Bank will continue RAS arrangements building on its first ever RAS in the country with the RBI in 2016–17. RASes will be pursued where there is government demand at the national level, such as in promoting logistics and core financial management as well as in states. The World Bank will also continue to provide NLTA and carry out analytical work as part of its

knowledge services. Similarly, IFC will continue to employ a mix of investments and advisory services to deliver on CPF objectives.

72. **The World Bank will work closely with DEA to ensure strategic focus and coordination of the pipeline of operations.** The World Bank and DEA will work together to ensure efficient allocation of resources in advance of beginning preparation. It is expected that approximately 15 new operations will enter and commensurate number exit the portfolio each year, meaning that the portfolio size will remain stable over the CPF period. New operations will underpin innovations envisaged in this CPF such as core state partnership operations and expanding work in relatively new areas, such as controlling air pollution. The time to prepare new operations is expected to be reduced owing to new DEA requirements that all projects reach appraisal within 18 months of the date in which the operation is proposed for World Bank funding, failing which a GoI Screening Committee would need to sanction the project again. The tighter timeframe should also ensure ownership by implementing agencies.

73. **The World Bank in partnership with DEA will improve portfolio performance through rigor in ensuring timeliness and quality at entry of operations and greater proactivity during implementation.** While the IDA and IBRD portfolios perform well in achieving development outcomes, the World Bank will work to improve the timeliness of implementation.<sup>9</sup> The World Bank and DEA will continue to apply readiness criteria before approving operations. Criteria may evolve, but presently include having all implementing arrangements in place including the full complement of key staff, readiness to award at least 30 percent of contracts for works and 100 percent of the consultancies (for example, independent verification agency for disbursement linked indicator-based operations), and identifying early milestones including key pre-procurement actions, if any, to ensure efficient and timely start-up. The World Bank in close coordination with DEA will closely monitor portfolio performance through regular thematic and state/region specific reviews and be more aggressive in applying remedies, including suspension and partial or complete cancellation, for stagnant operations where there is no longer client commitment. At the same time, the WBG will maintain its policy of zero tolerance of corruption during implementation, maintaining robust detection and deterrence mechanisms as part of fiduciary support across the portfolio. Mechanisms include improving transparency and effectiveness through e-procurement and other technology platforms and support to contracting entities in addressing conflict of interest and carrying out due diligence.

### **Advisory Services and Analytics**

74. **ASA – the WBG’s knowledge services -- will be central to achieving CPF objectives.** The WBG will carry out ASA to inform policy debate, provide analytical underpinnings and learning for operations and strategy, facilitate the scale up of innovative solutions as a complement to Lighthouse India, and improve state capability. These knowledge services will be provided to national and state governments as well as other stakeholders through just-in time policy notes, deeper analytical pieces on systemic issues, harnessing its convening power for knowledge generation and exchange among stakeholders, TA programs, and evidence-based assessments of programs. Three principles will drive the WBG’s approach to delivering high quality knowledge services: (i) a sustained focus on ‘Knowledge in Implementation’ from

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<sup>9</sup> The CPS CLR notes 87% of 31 operations evaluated during FY12-17 were rated moderately satisfactory or better. However, undisbursed balances have increased (until a slight decline in FY17), standing at \$16.4 billion at the beginning of FY18 while projects on average take almost eight years to implement and 28 months after Board approval to reach 10% disbursement.

both WBG-financed activities and more generally India's experience, (ii) leveraging the WBG's global reach and expertise to inform ASA on India's challenges, and (iii) partnering as much as practical with Indian institutions in generating and transmitting ASA.

**75. The WBG will have a robust ASA program to inform policy debate on pressing issues of today and emerging challenges of tomorrow.** The WBG will broaden and deepen policy dialogue on a wide range of issues, including urbanization policy, controlling air pollution, and women's empowerment through corresponding multi-sectoral knowledge platforms which will both serve as conveners and generators of knowledge. The WBG will continue its biannual series of India Development Updates, which provide macroeconomic monitoring and analysis of key trends. The WBG will also importantly expand its analytical work on poverty, benefiting from the expected completion of the updated household income and expenditure survey in FY19. In addition to contributing to topical issues, the WBG will also produce substantial analysis on India's evolving challenges for India, particularly in the areas of disruptive technologies and trends that affect Jobs. In particular, the WBG will leverage its flagship publications *Trouble in Making? Future of Manufacturing Led Development*, *The Innovation Paradox*, and the upcoming World Development Report on the Future of Work to provide insights for India.

**76. Analysis and advisory services will continue to improve strategies to achieve CPF objectives and the design of operations.** The WBG will continue to undertake analytical work within the scope of project preparation and as stand-alone ASA to develop understanding of sector challenges, political economy issues driving sub-optimal outcomes. ASA to provide analytical underpinnings will be required given the expected modest increase in development policy financing and PforR operations. The World Bank will carry out impact assessments to allow for learning from innovations as well as develop tools for more rapid feedback on implementation of operations and its poverty impacts. Knowledge in implementation from World Bank -financed projects will be systematically analyzed, captured and shared across states to scale-up good practices.

**77. The WBG will provide technical assistance and advisory services to improve state capability.** This support will be provided through leveraging trust funds managed by the WBG, NLTA, and expanding the use of RASes. Important areas of World Bank TA will include supporting debt management at national and state levels, strengthening financial resilience through support for implementing aspects of the Bankruptcy and Insolvency Code, development of tools to benchmark states' performance in logistics and service delivery, and partnership with the National Statistics Office. IFC will expand its advisory services to specifically support PPP transactions, market development, access to financial services and good quality jobs for women in private sector. Likewise, IFC will strengthen states' capacity to leverage private sector finance for public services. Finally, the WBG will support capacity building at scale through structured training programs delivered in partnership with Indian training institutions, including through mass online learning courses such as ongoing training on public procurement.

**Table 3. Highlights of WBG Advisory Services and Analytics**

Transversal Topics and Themes		
Poverty Analysis India Development Updates Disruptive Technologies and Future of Jobs Gender Knowledge Platform		Governance and Service Delivery Building Capacity in Indian States Lighthouse India
Promoting Resource Efficient Growth	Enhancing Competitiveness and Enabling Job Creation	Investing in Human Capital
Agriculture, Value Chain Development, and Food Processing  India Urban Knowledge Platform  Urban Air Quality Improvement Programmatic ASA  Electricity Distribution Reforms, Renewable Energy and Energy Efficiency  Climate Mitigation Action Support  Strengthening Disaster Risk Management	Support for Debt Management to Government of India  Post FSAP, Financial Sector Programmatic Support  Infrastructure Finance Sectoral Assessment  Jobs and Spatial Transformation  Ease of Doing Business  State Level Logistics Performance Indicators (RAS)  Knowledge Partnership with Reserve Bank of India (RAS)	Investing in Early Years  Universal Health Care  Skills Development  Education: Improving Quality and Teacher Performance  Rural Water and Sanitation Service Delivery Institutions and Models  Building Institutional Capacity for Human Development Service Delivery

**Learning from Implementation**

78. **The WBG India country team will leverage experience and lessons learned on how the WBG can be most effective in large countries with strong subnational units.** such as Brazil, China, and Indonesia. Topics for the exchanges will include: designing operations to provide feedback between implementation at state level and national policy; reconciling differing priorities for WBG partnership at state versus national and local levels; building strategic state partnerships; and how to balance the commitments among states with different development needs.

79. **The WBG will in conjunction with the GoI carry out regular monitoring of progress toward objectives and in applying the ‘Hows’ in order to learn and adapt more responsively to achieve results.** Country management will track progress on achieving CPF results (see Annex 1, Results Framework) as well capitalize on operations’ M&E to make adjustments in new operations and the overall portfolio. The WBG will consult with external stakeholders among public sector institutions, the private sector, NGOs, and the think tank community about progress on implementing the CPF, particularly in assessing the impact of the ‘Hows’. These efforts will complement the requisite mid-term Performance and Learning Review which will provide an update to the CPF. Updates are expected to include adjustments to objectives that presently are relatively new areas of engagement for the WBG, such as work on air quality in select cities and enabling access to more quality jobs for women.

## Partnerships and Development Partner Coordination

80. **The WBG will collaborate with multilateral and bilateral development organizations, industry associations, foundations, national universities and think tanks.** While development partner coordination is led by the DEA, the WBG will work to provide complementarity and synergies with other organizations to maximize impact. The World Bank will continue to finance two projects and carry through on preparations of four other projects in collaboration with the Asian Infrastructure Investment Bank. The WBG will similarly explore opportunities for technical cooperation and complementary financing with the Asian Development Bank and the New Development Bank. The World Bank will continue to share approaches on technical issues and pursue further partnerships with bilateral agencies including the Japanese International Cooperation Agency, particularly with respect to transport infrastructure, the U.K. Department for International Development (DFID), the U.S. Agency for International Development, and Australian Department of Foreign Affairs and Trade (DFAT). The WBG also will work with United Nations agencies, particularly the United Nations Children’s Fund (UNICEF) on maternal and neonatal care and early childhood development. The World Bank and IFC will build on their ongoing partnerships with the Bill and Melinda Gates Foundation and the Tata Trust to support innovations addressing health, water, sanitation, and rural livelihood development issues. The World Bank and IFC will also continue to partner with DFID, DFAT, and the European Union on regional programs that benefit India. The WBG will seek to expand partnerships with local think tanks, research institutes, and universities, with a particular focus on poverty analysis, agricultural innovations, water resource management, and urban development. IFC will also strengthen partnerships with industry associations to engage with a broader audience on private sector development issues. These partnerships will be critical in contributing to public debate around policies, and addressing cross-sector development challenges identified in the CPF. Partnerships with local think tanks and research institutions will also be pursued to facilitate expansion of knowledge sharing across states and in exchanging development experience between India and other countries.

#### IV. MANAGING RISKS

81. **The overall risk rating for implementing the CPF is moderate.** An assessment of risks is complicated in a federal country like India, with generally lower risk at the federal level and higher risks in some states which may have greater capability challenges. Political risks are connected with a potential pause in some activities associated with the conduct of elections in key states over the CPF period and nationwide in 2019. However, while elections may yield changes in government,

Risk Category	Rating (H, S, M or L)
Political and governance	Moderate
Macroeconomic	Moderate
Sector strategies and policies	Moderate
Technical design	Moderate
Institutional capacity for implementation and sustainability	Substantial
Fiduciary	Moderate
Environment and social	Moderate
Stakeholders	Low
<b>Overall</b>	<b>Moderate</b>

there is high confidence that the major thrust of India’s development priorities and needs will remain consistent, posing little risk for carrying out the CPF program. India’s macroeconomic fundamentals are strong despite challenges in the domestic banking sector and a possibly less benign global environment if key countries adopt protectionist measures that affect trade. Macroeconomic risk will be closely monitored during the CPF period and mitigated in part by WBG activities to strengthen financial resilience. Sector strategies and policies vary greatly. In a few sectors there are significant policy issues, such as support for agriculture and the role of local government, which are in turn a focus of WBG activities. However, in most sectors government policy and strategies do not pose a risk to achievement of most objectives. There are pockets of relatively higher risk in terms of fiduciary (including corruption) or safeguards risks in certain sectors in certain states, particularly LIS, owing to capacity issues. The World Bank intends to provide proactive support and training to mitigate and minimize fiduciary and safeguards risks in specific operations.

82. **Technical design risk is assessed as moderate overall though there will be challenges to ensuring results on the ‘Hows’ and introduction of new, multi-sectoral objectives.** While the approaches of leveraging, strategic state partnerships, institution building, and knowledge exchange are not new *per se*, the CPF establishes a higher standard in achieving results on these aspects of implementation. The quantum of increase in leveraging may be limited, depending on market conditions and evolving demand for financing, particularly with respect to IBRD. Similarly, the scope for achieving results in strengthening institutions will often be limited by political economy factors as well as the five-year time horizon for a CPF, whereas institution building is an inherently long-term endeavor. Nevertheless, while these risks are evident, the reward from progress in these implementation approaches make them worthwhile. The design risks associated with the four ‘Hows’ will be mitigated by socializing the approaches among Indian counterparts and the country team and regular reviews of what is working. An additional design risk is setting ambitious objectives for new areas of engagement and for which there is as yet limited operational underpinning and hence reasonable certainty of achieving substantial results: addressing air pollution; support for more quality jobs for women; and developing firms’ capabilities. Mitigation of risks to achieving these objectives will be a robust ASA agenda to underpin future operations as well as to promote policy dialogue and leverage existing operations which can contribute to impacts. Finally, the CPF has several multi-sectoral objectives (e.g. investing in early years, controlling air pollution etc.) which are more complex to implement and require extensive coordination among government agencies, other

stakeholders, and across the WBG itself. These risks will be mitigated by emphasizing implementation arrangements and institutional adjustments that take into account political economy, and ensuring high level attention to enforce cooperation across sectors.

83. **The primary risk to implementation of the CPF is institutional capacity for implementation and sustainability.** This risk is primarily at the state level where implementing agencies in some states may have capacity constraints in carrying out procurement of more complex works and services and manage corresponding contracts. Some of the LIS face market constraints limiting the number and quality of vendors/suppliers likely to bid for contracts in some sectors, particularly for consultancies and in the construction industry. These risks at state levels are expected to be mitigated by analytical work regarding market conditions in sectors and states that negatively impact implementation as well as the continuation of large-scale online courses and face-to-face capacity building on procurement and financial management in states. From a portfolio implementation standpoint, implementation risks will be closely monitored and mitigated through stronger coordination with DEA and states to ensure a strategic fit, particularly with the four 'Hows', in selecting operations for financing. World Bank and IFC country management will continue to focus on ensuring readiness and quality at entry, increasing proactivity in implementation and timely exit of operations.

## ANNEXES

### Annex 1. Country Partnership Framework Results Matrix<sup>10</sup>

#### Focus Area 1: Resource Efficient Growth

The WBG will support India's efforts to achieve growth rates of over eight percent with a focus on facilitating a transition of India's growth pattern toward greater resource efficiency. This focus is driven by India's circumstances of having relatively scarce endowment of natural resources, particularly water and land. Sustaining high growth to drive poverty reduction and boost shared prosperity will necessarily require improvements in productivity and efficient management of resources, as is noted in the SCD.

The WBG will target objectives in areas where productivity gains and resource efficiency represents an important challenge now and over the medium term for India. It will aim to:

- Promote more resource-efficient, inclusive, and diversified growth in the rural sector;
- Improve the livability and sustainability of cities;
- Improve management systems for controlling air pollution;
- Increase access to sustainable energy; and
- Improve disaster risk management.

Achieving results will require a multi-sectoral approach that effectively leverages the whole of the WBG. Results in these areas will contribute to improved productivity, better use of natural and physical resources, and increased resilience for India's economy and citizenry. Key aspects of resource efficiency will also be integral to India's achievement of its nationally defined contributions to addressing global climate change.

#### Objective 1.1: Promote more resource-efficient, inclusive, and diversified growth in the rural sector

##### *Intervention Logic*

**India faces challenges in achieving inclusive and diversified rural growth that benefits the bottom 40 percent of the population as well as increasing resource constraints in agriculture.** The country faces decelerating productivity growth of food grains, and jobs are not being generated fast enough in rural areas to absorb labor out of agriculture and low productivity rural jobs. This has resulted in limited structural transformation. Incomes in rural areas need to be boosted through higher agriculture growth and generation of more jobs through rural enterprise and ecosystem development. At the same time, India's agriculture sector has been on a resource-intensive path that raises concern about sustainability. Inefficient resource use also generates negative environmental impacts such as loss of arable land and biodiversity, declining groundwater tables, and pollution of water resources. The adverse effects of climate change are expected to aggravate further resource constraints and disproportionately affect the poor, potentially rolling back the progress registered in poverty reduction and food security. Key factors driving inefficient resource use include an over dependence on traditional crops (rice and wheat), limited cropping systems diversification, low agricultural productivity, insufficient investments in irrigation and post-harvest technology and poorly integrated value chains.

**The GoI has prioritized doubling farmers' income through increasing agricultural productivity, diversification towards high-value crops, improved terms of trade for farmers, and promoting non-farm activities.** National missions on sustainable agriculture; climate resilient agriculture; the Blue

<sup>10</sup> The baseline and targets for CPF objective indicators and supplementary progress indicators are based on activities financed by the WBG in India.

Revolution; green India, water conservation, irrigation access, and water use efficiency (WUE); and rural livelihoods provide an extensive framework for improving rural sector performance and benefits to people living in rural areas. The WBG will continue to partner with the GoI in implementing these priorities, placing greater emphasis on state capacity building and enhanced engagement with LIS or within the context of strategic state partnerships as they emerge. The Group will seek to catalyze the transfer of expertise, know-how, and innovation based on global good practices in climate-smart agriculture, aquaculture, forestry management, irrigation, WUE, and water resources management.

**The WBG will promote a more diversified rural growth.** The WBG will support GoI's reorientation of agriculture and fishery policies from production targets to income growth with a focus on sustainable productivity gains, shifting toward high-value crops and boosting agribusiness by supporting the development of inclusive value chains. It will finance investments that provide farmers with productive assets, better access to services, and improved connections to serve local, national, and export markets. This will include support for (i) modernizing farm production by unlocking the use of digital technologies and promoting mechanization; (ii) irrigation and drainage to improve the sustainability of agricultural growth and climate change resilience; (iii) promoting value-addition through post-harvest and processing technology; and (iv) promoting nutrition sensitive agriculture and aquaculture practices and strengthening food safety systems in the country. Efforts will be made to build needed services at state level, including agricultural research, extension and education services, and production-related services (for example, food safety, certifications, and agricultural/fishery/non-timber forest products (NTFP) marketing support services); promote various forms of producers' organizations to increase their bargaining power and thus help to establish business practices adapted to global challenges; and strengthen institutions and water users' associations for improved first- and last-mile service delivery.

**The WBG will also build on the complementarity between the World Bank and IFC to leverage investments and value addition of the private sector with regard to water management,** specifically towards: (i) the professionalization of water management agencies to ensure sustainable service delivery at scale; (ii) the development of new markets in services delivery in rural areas; and (iii) the promotion of water efficient micro-irrigation solutions and services, with a special focus on smallholder farmers. In addition, the Bank and IFC will continue to work together to promote viable PPP models for outsourcing of operations and maintenance (O&M) in the water sector.

**IFC will promote commercial and export-oriented modern farming practices in the rural sector.** IFC will support companies in the farm inputs segment (i.e., fertilizer, seeds, hatcheries, fish feed and other inputs) coupled with advisory services focusing on improving farm yields, productivity, and water efficiency, as well as outsourcing irrigation service delivery through PPP arrangements, where applicable. To improve food safety in India, IFC will continue exploring scalable investments in food processing, food/commodity supply and distribution infrastructure (transportation, cold chains, storage facilities, etc.), as well as food safety testing laboratories. The focus on food processing also aligns well with the focus on creating value added employment in agribusiness sector. In addition, it will increase its focus on the rapidly growing packaged food and beverage segments to cater to the growing demands of the emerging middle class. By engaging through investments and advisory services, IFC will help institute operational best practices and compel adherence to quality standards that would increase consumer access to safe and high-quality food products. Finally, to support the demographic consumption trends, IFC will continue to focus on investments in the animal- and vegetable-based protein supply chains (poultry, aquaculture and aqua-feed operations, as well as modern, industrial pulses processing operations). IFC will benchmark these investments to global standards in terms of production efficiency, use of antibiotics/chemicals, animal health, and food safety.

**The WBG will also support the GoI's efforts to promote inclusion in enterprise development in agriculture, aquaculture, forestry, and other non-farm sectors,** with emphasis on enhancing entrepreneurship rates and access to jobs for vulnerable groups (landless, women, youth, and scheduled castes and tribes). World Bank operations supporting livelihoods in select states including Jharkhand, Rajasthan, and Tamil Nadu will provide investments to (i) facilitate enterprise development through building capacity to deliver regulatory and support services including investment promotion in focus sectors, business development services, technology upgrading, product design, and innovation; and (ii) facilitate competitiveness of lagging regions and populations through cluster development, financial inclusion, skills development, and market linkage interventions. In implementing these activities, an explicit effort will be made to (a) leverage the institutional platform of women's SHGs and their federations that have been systematically built up over the last 15 years of the WBG's investment to drive greater inclusion of women; and (b) build upon and scale-up efforts to leverage private and public-sector financing, including from MFIs.

**The WBG will support steps to improve efficiency in use of natural resources, particularly water, as well as adaptation to impacts of climate change.** The WBG will support ongoing efforts by the GoI to (i) improve the management of water resources through reforms and capacity strengthening; (ii) develop efficient, sustainable and performance-based service delivery models for the water sector; (iii) improve hydrological data information systems (including water quantity and quality) to monitor performance and use; (iv) foster investments in WUE, including irrigation and drainage; (v) promote efficient rural enterprise models and associated value chains for inland aquaculture, forestry including timber and NTFP, and agroforestry to reduce pressure on land resources and build resilience in the rural economy; (vi) implement the agroforestry and 'trees outside forests' programs as part of the national commitments on carbon sequestration; and (vii) build farmers' capacity to adapt and mitigate the impacts of climate change including promotion of climate-smart agriculture practices inland aquaculture and improvement of the degraded forests, agroforestry, and plantation forests to restore and enhance ecosystems, preserve biodiversity, and reduce GHG emissions.

**State-level operations combined with knowledge exchange will underpin results.** State operations to support a combination of climate resilience, water efficiency, sustainable productivity increases, and greater value capture and income for the rural population from agriculture will work in both LIS and more advanced states which still have pockets of relative poverty. State engagements will include Andhra Pradesh, the Northeastern states, Himachal Pradesh, Odisha, Maharashtra, Rajasthan, and Tamil Nadu. The WBG will also support effective aquaculture and forestry management through a national level intervention on efficient and sustainable aquaculture (Uttar Pradesh, Bihar, and Odisha) and through state-level improved forest management operations (Chhattisgarh, Himachal Pradesh, Madhya Pradesh, Meghalaya, Uttarakhand, and the Northeastern states). The Lighthouse India approach will be a major part of the intervention strategy, with knowledge exchange built into its state-level projects to facilitate the transfer of good practices, particularly with respect to climate resilience, efficient water usage, agribusiness, and forest management.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
Indicator 1.1.1: Water Use Efficiency (WUE) in agriculture in select states (weighted average gross returns per cubic meter of water used)	<b>Milestone 1.1.1: Number of water users provided with new/improved irrigation and drainage services</b> Baseline (2017): 362,061 Target (2022): 1,008,000 (IBRD)	<b>IBRD Financial Services Ongoing</b> Rajasthan Rural Livelihoods Project; North East Rural Livelihoods Project; National Rural Livelihoods; National Dairy Support Project; Uttar Pradesh Sodic Lands Reclamation III

<p>Baseline (2016): INR 16.0 per cubic meter water used Target (2019): INR 26.4 per cubic meter water used (IBRD)</p> <p><b>Indicator 1.1.2: Water use expected to be avoided (cubic meters/per year)</b> Baseline (2017): 0 Target (2022): 40 million m<sup>3</sup> (IFC)</p> <p><b>Indicator 1.1.3: Additional land area where sustainable land management practices have been adopted in select states</b> Baseline (2017): 0 Target (2022): 74,000 ha (IBRD)</p> <p><b>Indicator 1.1.4: Number of targeted households in select states with at least 50% increase in income</b> Baseline (2017): 0 Target (2022): 500,000 (IBRD)</p> <p><b>Indicator 1.1.5: Percentage of targeted SHG households that have at least one additional source of income</b> Baseline (2017): 0 Target (2022): 20% (IBRD)</p>	<p><b>Milestone 1.1.2: Number of additional Gram Panchayats which have adopted participatory groundwater management</b> Baseline (2018): 0 Target (2022): 1,000 (IBRD)</p> <p><b>Milestone 1.1.3: Number of farmers adopting improved agricultural technology</b> Baseline (2017): 0 <i>Of which female: 0</i> Target (2022): 1.49 million <i>Of which female: 0.48 million</i> (IBRD)</p> <p><b>Milestone 1.1.4: Number of farmers reached with additional productive assets or services</b> Baseline (2017): 0 Target (2022): 1.86 million (IBRD)</p> <p>Baseline (2017): 500,000 Target (2022): 600,000 (IFC)</p>	<p>Project; Maharashtra Agricultural Competitiveness Project; Maharashtra Project on Climate Resilient Agriculture; Karnataka Watershed Development II; Rajasthan Agricultural Competitiveness Project; Uttarakhand Decentralized Watershed Development II Project; Sustainable Livelihoods and Adaptation to Climate Change; Neeranchal National Watershed Project; Telangana Rural Inclusive Growth Project; National Agricultural Higher Education Project; Himachal Pradesh Horticulture Development Project; India: Andhra Pradesh Rural Inclusive Growth Project; Assam Agribusiness and Rural Transformation Project; Tamil Nadu Rural Transformation Project; Tamil Nadu Irrigated Agriculture Modernization Project; Jharkhand Opportunities for Harnessing Rural Growth Project; Bihar Transformative Development Project; Dam Rehabilitation and Improvement Project; Water Sector Improvement Project; West Bengal Accelerated Development of Minor Irrigation; National Hydrology Project; and Biodiversity Conservation and Rural Livelihoods Improvement;</p> <p><b>Pipeline</b> AP Integrated Irrigation and Agriculture Transformation Project; Odisha Integrated Irrigation Project for Climate Resilient Agriculture; Integrated Project for Source Sustainability and Climate Resilient Rain-fed Agriculture in Himachal Pradesh; and Agriculture Risk Resilience and Insurance Access Project</p> <p><b>IBRD Knowledge Services</b> Rajasthan - Diagnostic Study on Groundwater-Energy-Agriculture Nexus; Improving Irrigation Systems for Agriculture; Water Resources Efficient Growth Paths</p> <p><b>IFC</b> IFC investments in farm input segment, food processing, supply and distribution, and animal protein supply chains; IFC Advisory Services in water efficiency and improving farm yields/productivity; and Advisory Services programs on quality standards and food safety</p>
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## Objective 1.2: Improve the livability and sustainability of cities in select states

### *Intervention Logic*

**Urbanization offers a pathway to rapid poverty alleviation, sustained economic growth, and achievement of middle income status.** According to the 2011 Census, India's urbanization rate was 31 percent; however, per the Agglomeration Index, 55 percent of Indians already live in cities. By 2030, 70 percent of new employment will be generated in cities and the number of urban households in the middle class will more than quadruple. Indian cities will need to accommodate 18 million new urban dwellers per year, create economic opportunities and provide urban services, while ensuring environmental sustainability and prudent management of natural resources like land and water.

**However, there are several constraints to maximizing the potential afforded by urbanization.** Pressures on land, infrastructure, services, housing and the environment are acute. Access to basic urban services—water, sanitation, public transport, energy, and health care, among others—remains deficient in most cities. For instance, few Indian cities supply 24x7 water services. Urban housing remains unaffordable—even for middle-income groups—with a backlog of 19 million units and rising of which 11 million is in the affordable price range.<sup>11</sup> In major cities, population growth has been fastest on the peripheries. There is a need to stimulate the supply of affordable housing by working with large banks/HFCs to design new pooled instruments and fill the financing gap for residential green construction, including through green bonds.

**The institutional framework for urban management could be improved in order to facilitate more livable and sustainable cities.** Despite the 74th Amendment, urban local bodies are largely unable to meet the challenges of urban planning, management, and service provision due to lack of resources, capacity, and adequate empowerment. This lack of resource mobilization is reflected in the significant underinvestment by urban local bodies. Against the High-Powered Expert Committee for Estimating the Investment Requirements for Urban Infrastructure Services' (2011) estimate of US\$600 billion over a 30-year horizon, cities have been investing less than US\$5 billion annually. On an average, cities borrow funds for less than 3 percent of their annual requirement; the bulk of this borrowing is through short-term loans from commercial banks. This does not expose cities to a systemic credit culture and does not bring in the much-needed fiscal discipline.

**The SCD highlights that India needs to pay particular attention to the spatial transformation of cities to harness the benefits of agglomeration economies, better conserve natural resources, and enhance livability in urban areas.** Addressing these problems will require policies that can unleash the economic forces of agglomeration, while managing those of congestion. This will call for guiding the physical development and shaping the city footprint through adequate planning, catalytic infrastructure investments, improving connectivity within cities and between them and rural areas, use of approaches such as transit-oriented development, and adoption of smart technologies for enhancing sustainability.

**The GoI is implementing two national flagship programs—Smart Cities and Atal Mission for Rejuvenation and Urban Transformation (AMRUT)—to tackle infrastructure creation and provide better services through resource transfers and capacity building.** These programs aim to incentivize states and cities to adopt reforms for improvement in service delivery, mobilization of resources, and making municipal functioning more transparent and accountable. The 14th Finance Commission has expanded the share of national tax resources available for urban local bodies, a fourfold increase in

<sup>11</sup> Estimated by IFC at US\$8,000-11,000, excluding the cost of land.

grants to urban local bodies, for INR 871.4 billion during the period 2015–20. Additionally, the national housing program, *Pradhan Mantri Awas Yojna*, aims to provide affordable housing for all urban poor. \_

**The WBG will strategically and selectively expand the engagement in the urban sector with primary focus on lifting the urban policy dialogue, institutional strengthening, and leveraging finance for urban development.** The WBG will focus on three priority areas that merit attention to unleash growth potential and enhance livability of cities. These are (i) improving urban governance and finance, by helping cities strengthen core public management functions and mobilize private and commercial finance, where appropriate; (ii) investing in more inclusive and equitable cities, especially to enhance access to housing and services; and (iii) shaping city forms to create urban footprints that are more green, livable, and productive through emphasis on green transport and improved air quality.

**The WBG will provide support for improving urban governance and finance through deepening engagement with select states and cities.** Fulfilling the true potential of the 74th amendment and improving urban governance and finance will require enabling frameworks for fiscal and functional devolution matched with enhanced resources and capacities as well as stronger mandates of public accountability of Urban Local Bodies (ULBs). Much of this agenda lies with the states and cities, who will be the key constituencies of the World Bank's engagement. IFC and IBRD working as one WBG will focus on (i) strategically supporting national programs such as Smart Cities by engaging both center and select states/cities and linking them up through policy, institutional and investment coordination, (ii) strengthening urban management and service delivery through select state-level engagements to reform and strengthen local government systems and institutions, including within the context of strategic state partnerships; (iii) helping mobilize private capital in specific areas such as municipal waste management, wastewater recycling and reuse, municipal healthcare, urban transport, affordable/green housing, energy efficiency; and (iv) direct investment in cities without sovereign guarantee. IFC in particular will develop new business with municipalities and support PPPs to attract larger flows of financial resources and pioneer new instruments to promote private investment in public service delivery.

**Targeted support will be provided by the WBG to promote more inclusive and equitable cities.** The focus of engagement will be on (i) land and housing, as a new priority area of engagement, aimed at taking a comprehensive view of the sector challenges and opportunities, informing GoI policies in select areas (e.g. rental housing) and national programs (Housing for All); (ii) investing in modern affordable public transport services as well as safe walking and cycling facilities; (iii) enhancing access to basic urban services such as water supply, sanitation, health; and (iv) strengthening urban safety net systems to benefit large groups of vulnerable urban poor.

**The WBG will support GoI objectives to develop affordable housing.** To improve the livability and sustainability of Indian cities, the WBG will maximize finance for development to focus on filling the urban affordable/affordable housing gap. WBG activities in this sector will: (i) focus on supply-side constraints by centrally sponsored schemes; (ii) strengthen local government capacity and autonomy to lead large-scale affordable housing development; and (iii) improve policy and institutional coordination to promote integration, innovation and knowledge transfer. Recognizing that the creators of large future urban stock of affordable housing units will be housing boards, municipalities and urban local bodies (which have access to unencumbered urban land as well as the ability to expedite approval processes), the WBG will work support these entities with operations, knowledge transfer and capacity building to build rapidly and offer homes (using appropriate technology) to the target class either on their own or through PPPs. IFC, in turn, is supporting both HFCs for on-lending to retail buyers of affordable housing and developers of affordable/green housing to demonstrate the viability of affordable/green housing as a commercial proposition. IFC's engagement in the sector is

expected to create strong cascading impact in the nascent affordable and green housing markets. IFC will also support the eco-system for affordable housing and green buildings.

**The WBG will complement work on housing to help in other areas to create urban footprints that are more green, livable, productive, and resilient.** This will include support for (i) addressing select dimensions of Smart City proposals, such as electronic waste management, electric vehicles, and roof-top solar (Gujarat, Odisha and Maharashtra); (ii) mass rapid transit investments and transit-oriented development initiatives in mega and mid-sized cities and (iii) putting in place an enabling environment for green buildings. IFC advisory services will support PPP transactions for scaling up roof-top solar and efficient street lighting which will contribute to reduce GHG emissions.

**Urban knowledge platforms and the Lighthouse India initiative will facilitate policy dialogue, advocacy, and knowledge flows between states and cities in India and bring relevant global experience.** Partnerships will be developed with in-country think tanks and capacity-building institutions, and relevant global good practices and experience will be brought in. The WBG will bring its range of lending and knowledge instruments to support national, state, and city governments to develop policies and implement programs in the urban sector. Through the new projects under preparation, the WBG is discussing innovative design, institutional, and financing approaches. These include setting up the first commuter rail company in Mumbai for urban transportation and the first corporatized water utility in Simla.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p><b>Indicator 1.2.1: Number of people provided with improved living conditions<sup>12</sup> in selected states/cities</b>                      Baseline (2018): 0                      Target (2022): 800,000 people (IBRD)</p> <p>Baseline (2018):0                      Target (2022): 1 million (ex-affordable housing) (IFC)</p> <p><b>Indicator 1.2.2: Number of affordable/green housing units supported by IFC invested housing finance companies and developers</b>                      Baseline (2018): 0                      Target (2022): 1 million units (IFC)</p>	<p><b>Milestone 1.2.1: Number of participating ULBs reporting increase in own source revenues</b>                      Baseline (2018): 0                      Target (2022): 36 (IBRD)</p>	<p><b>IBRD Financial Services</b>  <i>Ongoing</i>                      Capacity Building for Urban Development; Sustainable Urban Transport Project (Global Environment Fund (GEF) financed); Efficient and Sustainable City Bus Services Project; India Low-Income Housing Finance; Madhya Pradesh Urban Development Project; Tamil Nadu Sustainable Urban Development Project; AP and Telangana Municipal Development Project; Uttarakhand Water Supply Program for Peri Urban Areas; Karnataka Urban Water Supply Modernization Project</p> <p><i>Pipeline</i>                      India Smart Cities Program; National Urban Green Mobility Scheme; Jharkhand Urban Development Project; Amaravati SCCD Project; Mumbai Urban Transport Project 3; Shimla Water Supply and Sewerage Service Delivery Reform Development Policy Loan series</p> <p><b>IBRD Knowledge Services</b></p>

<sup>12</sup> Cumulative number of people living in urban areas that have been provided with access to improved services, housing, tenure, neighborhoods, public spaces, parks, resilience, and/or urban environment conditions, through the direct interventions of operations supported by the World Bank. 'Improvement' is defined as (a) providing access to a service to those who do not have it, and/or (b) improving the quality or reliability of a service. Services include any urban services delivered under a Social, Urban, Rural, and Resilience project or intervention—water supply, sanitation, sewerage, sidewalks, roads, and so on. (Source: Core Sector Indicators and Definitions, World Bank, 2014)

<p><b>Indicator 1.2.3: GHG emissions expected to be reduced (metric tons/year) in cities supported by IFC</b>  Baseline (2018):0  Target (2022): 840,000 metric tons/year (IFC)</p>		<p>India Urban Platform</p> <p><b>IFC</b>  PPP for roof-top solar in Odisha and Gujarat; PPP for affordable housing in Odisha; PPP for municipal healthcare network in Odisha; PPP for energy efficient street lighting in Odisha, and Rajasthan; PPP for municipal waste management in Odisha, Haridwar, Varanasi and Mathura (as part of the Clean Ganges program, in collaboration with World Bank); IFC Investments in green buildings; IFC solid waste management; IFC Cities program; and IFC Affordable housing investments</p>
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**Objective 1.3: Improve management systems for controlling air pollution**

*Intervention Logic*

**Air pollution has emerged as a key public health issue for India, with potentially significant constraints on its economic and social development objectives.** Worsening exposure both outdoors and indoors to PM<sub>2.5</sub>, the most widely identified pollutant of concern, led to 1 in 6 deaths in 2016. More people die each year in India from illnesses exacerbated by air pollution than from HIV/AIDS, TB, malaria, and diarrheal diseases combined.<sup>13</sup> It disproportionately impacts the poor as they are more likely to live and work in polluted environments and less able to get treatment or to cope with the economic shock to their household brought on by illness. Air pollution is identified as a key development challenge in the SCD, including because the livability of cities and agriculture productivity are adversely impacted by air pollution.

**Urban air pollution management is complex because a range of sectors and economic activities within and beyond city boundaries contribute to the problem.** An airshed-based management approach that embraces several sectors, including residential, commercial, industry, energy, transport, and agriculture as well as various levels of government agencies over time, is needed. There is a need to promote cross-jurisdictional coordination to control pollution within an airshed. At the same time, institutional arrangements below state pollution control boards need to be established at the city level for improved decision making. There is lack of capacity among stakeholders to monitor and regulate enforcement of air quality standards, to adopt and finance clean technologies and processes. In addition to institutional and management challenges, greater efforts are required for adopting cleaner production technologies and processes across public sector entities (e.g. power plants and municipal landfills), private sector operations (e.g. industry and hotels), and households (biomass burning).

**Reducing air pollution is an increasing priority for the GoI.** In December 2017, the Ministry of Environment, Forests, and Climate Change announced the National Clean Air Program (NCAP) to improve air quality across the country. Focused on about 100 cities where air pollution standards are not being met, the NCAP provides cities an overall framework for developing and implementing air quality management plans, with guidance on critical policies and tools. A High-level Task Force has been set up in the Prime Minister’s Office to coordinate actions on air pollution management relating to crop stubble burning in states neighboring Delhi. A special financial scheme was announced as part of the 2018 Union Budget to support the efforts of the governments of Haryana, Punjab, Uttar Pradesh, and

<sup>13</sup> GBD 2016 Risk Factors Collaborators. 2017. “Global, Regional, and National Comparative Risk Assessment of 84 Behavioural, Environmental and Occupational, and Metabolic Risks or Clusters of Risks, 1990–2016: A Systematic Analysis for the Global Burden of Disease Study 2016.” The Lancet 390: 1345–422.

the National Capital Territory of Delhi to subsidize cost of machinery required for in-situ management of crop residue, and thereby reduce air pollution from residue burning. Moreover, air pollution management is linked to India's ambitious NDC targets on climate change.

**The World Bank Group is well positioned to provide support to tackle this challenge, with its convening power to bring together different sectors and levels of government.** The WBG has worked on multi-sectoral projects to address air quality in a diverse set of countries. The WBGs commitment to climate change mitigation goals also provide a platform for the WBG to help national, state, and city governments to reduce air pollution. As a global knowledge broker the WBG can facilitate knowledge exchange across countries and cities. The Pollution Management and Environmental Health MDTF managed by the World Bank is supporting cities in China, Vietnam, South Africa and other countries to manage air pollution and can facilitate knowledge exchange.

**The WBG's engagement with the government on air quality management is evolving.** The WBG has engaged stakeholders in national and state governments and in the private sector and facilitated knowledge exchange events. A programmatic multi-sector ASA—the India Urban Air Quality Program—was initiated in 2017 and is now working with three cities/states. The ASA will also further the national-level dialogue on the NCAP, Natural Gas Policy, and agricultural emissions, as well as help fill research gaps in collaboration with Indian institutions. Finally, the ASA will help raise the profile of the agenda through media outreach. TA to support city/state and national-level will also be provided through the Pollution Management and Environmental Health Program and potentially other Trust Funds (TFs). Through ongoing and new projects in the energy, environment, and MSME sectors the WBG will contribute to reducing GHG emissions with improving air quality as a co-benefit. Going forward, the WBG will build the ongoing ASA program, and experiences with related projects. The WBG's support will focus on three important areas: promoting institutional strengthening, policies and programs to promote adoption of cleaner technologies, and stakeholder capacity strengthening to manage air pollution. Because the WBG recently began its engagement on air pollution, results indicators are limited. These indicators will be updated at the PLR stage.

**The WBG will assist to implement policies and programs to increase adoption of cleaner technologies.** The scope and design of these policies will be informed by the ongoing ASA and TF-supported activities, and their implementation will be supported through city-/state-level engagements. The multi-sector ASA will help improve knowledge and build consensus on institutional arrangements to support implementation of airshed approaches. Support for implementation of the identified institutional mechanisms through operations may be extended, where possible. IFC will lend to sustainable urban mobility companies that provide zero air pollution transport and continue to focus on working with urban municipalities to develop operating models for charging infrastructure to encourage faster adoption of electric vehicles through its advisory services. Furthermore, IFC promote green buildings and EDGE certification programs, as well as strengthen the adoption of efficient street lighting solutions in cities.

**WBG activities will also focus on strengthening capacity of regulators, implementing agencies, and financial institutions.** Capacity building will focus on skills and systems to monitor air quality levels, provide inputs for preparation of airshed/city-level air quality actions plans based on robust source-apportionment studies and cost-benefit assessments of different interventions, and monitor the enforcement of these plans. It will also focus on capacity to appraise and finance, including leveraging private sector financing as well as adoption of cleaner technologies. The WBG will help assess capacity needs and support capacity strengthening through ongoing ASA and new lending operations.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p><b>Indicator 1.3.1: Number of AQM plans under implementation by cities supported by the World Bank</b>            Baseline: (2018): 0            Target: (2022): 3            (IBRD)</p>	<p><b>Milestone 1.3.1: Volume of private sector finance leveraged for cleaner technologies and processes</b>            Baseline: (2018): INR 1480 million            Target: (2020): INR 3550 million            (IBRD)</p>	<p><b>IBRD Financial Services</b>  <i>Ongoing</i>            Financing Energy Efficiency at SMEs</p> <p><i>Pipeline</i>            Urban Air Quality Support Operation</p> <p><b>IBRD Knowledge Services</b>  <i>Ongoing</i>            India Urban Air Quality Improvement Program; and Pollution Management and Environmental Health TA</p>
<p><b>Objective 1.4: Increase access to sustainable energy</b></p>		
<p><i>Intervention Logic</i></p> <p><b>With over 315 GW of installed capacity (as of May 2017) the Indian power system is among the largest in the world, but per capita consumption of electricity is less than one-third of the world average.</b> Ensuring access to power remains a major Gol priority, even though India has made enormous progress in the past few years significantly reducing the estimated 240 million people that were not connected to the national electrical grid in 2016. Yet, disruptions in supply of electricity remains mainly due to heavily indebted state government-owned electricity distribution companies (Discoms). Total accrued financial losses by the state Discoms are estimated to be US\$70 billion<sup>14</sup>. Improving management at Discoms to increase commercial orientation and management and accountability for performance is important.</p> <p><b>Providing sustainable electricity access to all is a national priority.</b> Since 2013, the Gol has been implementing the 24x7 (Power for All) program to provide reliable electricity supply for all by 2019. Subsequently, in September 2017, a new program, Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya), was started to provide electricity connections to all unconnected households in rural and urban areas. Recognizing that the commercial performance of the Discoms is central to the issue of access, in 2015 a national program to support debt restructuring in return for financial and commercial turnaround of the Discoms—Ujjwal DISCOM Assurance Yojna —was launched. Further, the Gol is fully committed to promote and scale up renewable energy, and in its NDC, India aims to increase to 40 percent, the share of installed electric power capacity from non-fossil-fuel-based energy resources by 2030. This includes plans to quadruple the country’s (non-hydropower) renewable energy capacity to 175 GW by 2022. Energy efficiency is also a government priority and will be central to India achieving its NDCs.</p> <p><b>The SCD’s focus on pivoting toward resource efficient growth is aligned to the Gol’s objective and the WBG is well positioned to support given its extensive experience in the Indian electricity sector as well as global experience.</b> The WBG has a corporate priority to support countries to address the challenges of climate change through private sector investment, lending, TA, and knowledge services. Further, bringing together various instruments of support from the World Bank, IFC, and MIGA will help to maximize finance for development of the Indian electricity sector.</p> <p><b>The WBG will strategically focus on three broad areas: increased access to reliable power for all citizens, scaling-up renewable energy generation, and promoting energy efficiency.</b> Across all these</p>		

<sup>14</sup> As per UDAY notifications issued by Ministry of Power, November 2015, and December 2017.

areas the WBG will deepen its support to achieve results by first strengthening the institutional capacity and governance of the power T&D utilities to achieve improvements in financial and operational performance and, second, by leveraging private finance for power sector development. Cross-sector analytical and policy support for addressing the electricity-water-agriculture nexus will be the priority area of the World Bank's engagement, for not only addressing the financial sustainability of the electricity sector, but also for meeting the needs of the agriculture sector, while minimizing impacts on water resources. The World Bank will also actively support regional electricity trade, improved access, and the realization of national and regional economic benefit through this trade. Investing in renewables and energy efficiency will result in significant reduction in GHG emissions and climate benefits.

**The World Bank's focus on reforms and institutional strengthening of Discoms will be key to increase access to reliable power.** The World Bank is currently supporting the states of Andhra Pradesh, Rajasthan, and Jharkhand, and six northeastern states where anchor investments in transmission and distribution (T&D) infrastructure are enabling the World Bank to support improvements in the commercial and operational performance of the Discoms, while enabling wheeling and access to electricity for consumers. Further state level engagements are being discussed with the Ministry of Power, for the World Bank to partner with select Discoms to demonstrate different models of performance improvement and commercialization. At the same time, IFC will explore investments in T&D companies, where markets are already deregulated and privatized, in pre-privatization capital in T&D companies, and corporate loans or joint ventures with state-owned entities, and together with the World Bank will identify suitable states to test reform-linked investments to revitalize T&D companies.<sup>15</sup> IFC through the Lighting Asia/India program (currently focused in Uttar Pradesh, Bihar, Rajasthan, Odisha, and Assam) will continue to work with the private sector to accelerate access to electricity by promoting modern off-grid lighting systems and efficient appliances in rural areas. Discom reform is another potential area for the WBG to apply its MFD approach to addressing key development gaps.

**The mobilization of affordable financing at scale will be critical for India meeting its renewable energy targets.** The WBG will support the mobilization of commercial financing by leveraging its own resources to de-risk and underwrite commercial investments in renewable energy, investing in emerging technologies, and through analytical and advisory work to support the development of India's renewable energy markets. Over the next five years, IFC will invest over US\$1 billion into the renewables energy sector using a variety of innovative products such as green bonds, PPPs and financial intermediaries. IFC is also exploring investments in innovative financing vehicles to help attract yield seeking investors like pension funds and insurance companies to invest in the sector. The current portfolio supports advisory services and commercial investments in solar energy, solar parks, and solar rooftops in government, commercial, and industrial segments and market development in renewables (solar) through policy dialogue and strengthening key institutions. The ongoing Program for Results Grid-Connected Rooftop Solar Program, is a good example of market development and leveraging the private sector. Through the IFC's earlier successful demonstration of structuring bankable rooftop PPPs in Gujarat and Odisha followed by the World Bank's credit line to the State Bank of India leading to loans worth US\$350 million sanctioned to seven companies for installations of 575 MW solar rooftops, the WBG kick-started the solar rooftop market. Further market development is in progress in 14 states where capacity building and handholding is underway. IFC is also collaborating with the GRPV team on its existing and potential rooftop solar PPP advisory projects. The WBG will provide TA to support the

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<sup>15</sup> A case in point for joint World Bank-IFC operation has been IFC's engagement with Power Grid in 2012. The project was prepared by a joint World Bank-IFC team and enabled the World Bank Group to build upon a successful lending and capacity building relationship, and continue assisting Power Grid at a stage of its corporate development when it needed to rely more on its own financial performance and less on sovereign support.

integration of variable renewable energy with existing systems and markets. The significant increase in renewable energy will challenge existing grid and market operations and require additional investments in forecasting, balancing, market design for renewable energy integration, grid codes and regulatory development, and increased transmission infrastructure. Support will also be provided for next generation renewable technologies to address grid integration challenges through hybrid (wind-solar-storage), storage (wind-storage, solar-storage, or hybrid-storage), and floating solar photovoltaic projects and investments in other balancing technologies, including hydropower and gas. The WBG will seek to replicate the model of the Rewa Solar Park in Madhya Pradesh (see Box 3, main text) which entailed providing infrastructure loans to the state for evacuation infrastructure, while IFC provides tendering transaction advisory and raises private financing from capital markets.

**The WBG will expand support to the National Mission for Enhanced Energy Efficiency by developing policy frameworks, incentive structures, market mechanisms, and financing solutions for energy efficiency.** The private sector ESCO-implemented energy efficiency projects in industry, buildings, and street lighting will be supported through partial credit guarantees under the ongoing Partial Risk Sharing Facility (PRSF) for Energy Efficiency, financed by the Climate Fund and GEF. IFC will provide finance and advisory services to energy or resource intensive companies, focusing on energy efficiency, and resource-efficient production and water solutions. Further support will be provided to scale up energy efficiency in residential and public sectors through financing and TA to the Energy Efficiency Services Limited (EESL). It will support EESL’s investment program for LED lights, street lights, and ceiling fans and strengthening its institutional capacity, enhancing access to commercial financing, and helping EESL transform the broader energy efficiency market in India. The World Bank will also facilitate knowledge exchanges to help scale up good practices across states and with other countries, such as the ongoing India-Saudi Arabia knowledge collaboration on energy efficiency.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p><b>Indicator 1.4.1: Energy wheeled through transmission system (GWh)</b> Baseline (2018): 76,170 GWh Target (2022): 104,000 GWh (IBRD)</p> <p><b>Indicator 1.4.2: Power Generation - number of people/consumers reached through IFC investments</b> Baseline (2017): 13 million Target (2022): 31 million (IFC)</p> <p><b>Indicator 1.4.3: Total generation capacity of RE (MW)</b> Baseline (2017): 0 Target (2022): 2.160 MW (IBRD)</p> <p><b>Indicator 1.4.4: GHG emissions expected to be reduced (metric tons/year)</b> Baseline (2017): 0</p>	<p><b>Milestone 1.4.1: Total number of ESCO-implemented energy efficiency investments whose loans received partial credit guarantee from PRSF (managed by Small Industries Development Bank of India)</b> Baseline (2017): 9 Target (2020): 340 (IBRD)</p> <p><b>Milestone 1.4.2: Number of consumers with prepaid/smart meters</b> Baseline (2017): 45,665 Target (2022): 350,000 (IBRD)</p>	<p><b>IBRD Financial Services</b> <i>Ongoing</i> North Eastern Region Power System Improvement Project; Second Programmatic Electricity Distribution Reform Development Policy Loan for Rajasthan; 24x7 Power for All - Andhra Pradesh; The Shared Infrastructure for Solar Parks Project; Grid-Connected Rooftop Solar Program; Vishnugad Pipalkoti Hydro Electric Project; Partial Risk Sharing Facility (PRSF) for Energy Efficiency; INDIA - Financing Energy Efficiency at SMEs; Coal-Fired Generation Rehabilitation; Fifth Power System Development Project; and India Energy Efficiency Scale Up Program;</p> <p><i>Pipeline</i> Jharkhand Power System Improvement Project; Innovations in Hybrid and Solar Technologies Project; and Program to Establish Pilots for Access through Renewable Energy</p>

<p>Target (2022): 1.27 million (IBRD)</p> <p>Baseline (2017): 2.2 million</p> <p>Target (2022): 5 million (IFC)</p>		<p><b>IBRD Knowledge Services</b> TA on Distribution Reforms, Variable Renewable Energy Integrations and Capacity Development on Solar Rooftops</p> <p><b>IFC</b> Investments in RE projects including wind, ground mounted solar, rooftop solar projects; IFC Lighting Asia (India); and IFC Energy and Water Efficiency with firms</p>
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**Objective 1.5: Improve disaster risk management**

*Intervention Logic*

**As a powerful emerging economy, India faces the challenge of sustaining rapid economic growth while lowering the GHG intensity of its growth and reducing the vulnerability of its large population and growing stock of infrastructure.** India is highly vulnerable to the impact of climate change and related extreme events, including floods, cyclones, landslides, heatwaves, and droughts. The intensity and frequency of these events is likely to increase with climate change. The country has the largest number of people exposed to natural hazards (which also includes earthquakes) in the world (1.02 billion or 82 percent of the entire population). The estimated average annual economic loss from natural disasters is US\$9.8 billion (UNISDR GAR 2015). While India is the fourth largest emitter of GHGs, it has among the lowest per capita emissions.

**India has placed a high commitment to address disaster risks and related challenges associated with climate change.** The Gol’s National Disaster Management Plan (NDMP) provides the framework and direction for all phases of the disaster management cycle. Work on disaster risk management is complemented by the Gol’s expansive efforts to mitigate and adapt to climate change, evidenced by its National Action Plan on Climate Change and eight associated missions (see Box on WBG partnership with India in addressing climate change in the CPF main text). The Gol has identified several challenges which need to be addressed to improve disaster and climate resilience, including institutional capacity building, emergency preparedness, land use planning/enforcement, resilience of infrastructure, and generation and use of risk information.

**The SCD indicates that disaster and climate change-related risks could be mitigated through a more resource-efficient growth path that would enhance adaptive capacity.** The WBG is well positioned to support the Gol in its efforts to strengthen institutional capacity for disaster risk reduction and emergency preparedness as well as support climate change adaptation and mitigation. Built on decades of experience in the country, the WBG is strategically positioned to identify specific vulnerabilities of the country and prioritize solutions to minimize the long-term impact of natural disasters and climate change. The WBG can leverage its global experience in supporting middle-income countries such as Mexico and Turkey to address similar challenges, as well as bringing cutting-edge global knowledge from countries such as Japan with vast experience in the field.

**Supporting India in its global leadership role in disaster risk reduction will be a priority area of the WBG’s engagement.** India’s NDMP is consistent with the approaches promoted globally by the United Nations, particularly the priorities under the Sendai Framework for Disaster Risk Reduction 2015-2030: i) understanding disaster risk; ii) strengthening disaster risk governance to manage disaster risk; iii) investing in disaster risk reduction for resilience; and iv) enhancing disaster preparedness for effective response and to ‘Build Back Better’ in recovery, rehabilitation, and reconstruction. The WBG will

provide support for implementation of the NDMP. Assessing risks and incorporating disaster risk information into development planning will continue to be the centerpiece of the World Bank's engagement. The World Bank will provide support to the state- and local-level DRM institutions to build capacity and systems to manage emergencies. For making current and future investments risk-resilient, all ongoing and new projects will be aligned with the NDMP and focus on ensuring resilience of future infrastructure by improving design and construction standards and investing in risk reduction infrastructure to manage the risks of floods, cyclones, and earthquakes.

Objective Indicators	Supplementary Progress Indicators	WBG Program
<p><b>Indicator 1.5.1:</b> <b>Kilometers of rural roads rehabilitated and improved up to resilient standards to provide rural connectivity</b> Baseline (2018): 831 km Target (2022): 3,150 km (IBRD)</p> <p><b>Indicator 1.5.2:</b> <b>Proportion of the targeted coastal population covered by the early warning dissemination systems</b> Baseline (2018): 0 Target (2022): 100% (IBRD)</p>	<p><b>Milestone 1.5.1: Number of state-level institutions with increased capacity for disaster risk management</b> Baseline (2018): 0 Target (2022): 13 (IBRD)</p> <p><b>Milestone 1.5.2: Number of market instruments designed and implemented for climate change mitigation action</b> Baseline (2018): 2 (Perform Achieve and Trade scheme, Renewable Energy Certificate mechanism designed) Target (2022): 4 (2 additional market instruments designed) (IBRD)</p>	<p><b>IBRD Financial Services</b></p> <p><i>Ongoing</i> National Cyclone Risk Mitigation Project I and Additional Financing; National Cyclone Risk Mitigation Phase II; Bihar: Kosi Flood Recovery Project; Bihar Kosi Basin Development Project; Tamil Nadu and Puducherry Coastal Disaster Risk Reduction Project; Uttarakhand Disaster Recovery Project; Odisha Disaster Recovery Project; Jhelum and Tawi Flood Recovery Project; Andhra Pradesh Disaster Recovery Project;</p> <p><i>Pipeline</i> Uttarakhand Disaster Recovery Project - Additional Financing; Assam Flood, Erosion and River Management Modernization Project; West Bengal Major Irrigation and Flood Management Project; Enhancing Coastal and Ocean Resource Efficiency Project; and Himachal Pradesh: Forests for Prosperity Project</p> <p><b>IBRD Knowledge Services</b> Climate Mitigation Action Support, including the Partnership for Market Readiness to design market instruments for climate mitigation; Clean Cooking Initiative; and South Asia Water Initiative: Flood Management Information System in Bihar</p>

## Focus Area 2: Enhancing Competitiveness and Enabling Job Creation

The WBG will support India to strengthen key enablers for job creation to meet the challenges of 13 million new persons entering the working age population every year and the need for greater inclusivity in employment, particularly for women. While Focus Area 1 includes growth enablers that will also contribute to jobs, Focus Area 2 focuses on particular aspects of competitiveness of India's economy that are important for unshackling India's firms. The SCD notes the importance of improving the business environment, strengthening skills, and building firm capabilities to achieve this task. The SCD further underscores the importance of facilitating broad participation. Correspondingly the WBG will support India's efforts to:

- Improve the business environment and select firm capabilities
- Increase resilience of the financial sector and financial inclusion
- Improve connectivity and logistics
- Increase access to quality, market-relevant skills development
- Enable access to more quality jobs for women

### Objective 2.1: Improve the business environment and select firm capabilities

#### *Intervention Logic*

**India's economy is disproportionately made up of small, informal, and unproductive firms that tend to stagnate over time.** As noted in the SCD, by staying small, the majority of firms are less equipped to tap into finance and technology that drive innovation and productivity gains. These firm dynamics are an important hindrance to job creation. Addressing this issue requires interventions at the level of the business environment (policies and infrastructure), as well as those at the level of capabilities of firms. Greater ease of regulatory compliance will increase the incentives to formalize, as will factor market reforms—such as more flexible labor regulation. The possibility of gaining access to financial and technical support programs that help firms become more productive will strengthen incentives for firms to become formal.

**The GoI is working on reforms to make it easier, cheaper, and faster** to do business in India. A strong enabling environment is characterized by low market entry and exit barriers; adequate access to land, capital, and labor; low barriers to trade and investment; and a general absence of distortive product and factor market regulations. India has adopted ambitious targets to reduce regulatory red tape and improve the business environment. The GoI has mounted an extensive program to reduce the regulatory burden through business process reengineering, policy reforms, and inspections reforms at both the federal and state levels. In particular, the GoI's ongoing Ease of Doing Business Program, supported by the WBG, seeks to increase regulatory ease and predictability.

**The WBG will continue to support business regulatory environment reforms.** The WBG will partner with governments at central and state levels to deepen policy and administrative reforms that help reduce unnecessary transaction costs, encourage formality, and create a more level playing field for small, medium, and large companies alike. The primary counterpart for the Ease of Doing Business reform agenda is the Department of Industrial Policy and Promotion (DIPP), and the WBG will provide TA for capacity building at relevant government institutions, benchmarking between states and promoting good regulatory practices (ASA). In addition, the WBG will advance the dialogue on distortions around factor and product markets, and it will develop the basis of a modern business regulatory framework through the testing and progressive introduction of regulatory impact assessments. It will also underpin this agenda through future state-level lending operations (DPFs or PforRs) in the context of strategic state partnerships.

**The WBG will support GoI efforts to improve capabilities and entrepreneurship in select market segments.** The WBG will partner at the central level with DIPP, the Ministry for Micro, Small and Medium Enterprises, and other specialized agencies responsible for developing firm capabilities. At the state level the WBG will continue its partnership with the Industries and MSMEs departments to improve the effectiveness of the institutional setup promoting start-ups, technology absorption and innovation, use of quality standards, and the development of managerial skills, with particular focus on strategic sectors where India has strong potential to be globally competitive. Through ongoing investment lending operations, the WBG will focus on upgrading and expanding the footprint of technology centers in India and in facilitating innovation in biopharmaceutical products and medical devices that address public health priorities. The WBG will also support the development of India’s tourism sector, focusing on issues of market access through improved visa administration; streamlining regulations and licensing and building permit procedures affecting sector expansion; aligning institutions and incentives to improve sector coordination and market development; strengthening basic services in and around tourism centers; and developing relevant skills and gender-sensitive economic linkages programs. This work will be supported through ASA and an investment lending operation in Uttar Pradesh with potential expansion to other states. In addition, the WBG expects to have an RAS on Start-Up India, and future ASA and lending operations addressing specific market barriers to firm development at the state level. The WBG will leverage its flagship publications (i) *Trouble in the Making? The Future of Manufacturing-Led Development*; and (ii) *The innovation Paradox* as entry points in the policy dialogue around the future of job creation and economic development.

**The WBG will also provide knowledge services to support the development of industrial infrastructure and service.** The WBG will promote knowledge exchange within India and from around the world on economic zones and industrial infrastructure to address the land and infrastructure constraints. In keeping with the evolution of industrial zoning regimes, the WBG will focus on PPPs, where industrial infrastructure increasingly is developed and operated by the private sector. At the state level, ASA and potential lending operations will help address policy gaps and distortions, build regulatory capacity, and seek to crowd in more private investment in infrastructure and services.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p><b>Indicator 2.1.1: Doing Business composite measure of barriers to competition and distortions: distance from frontier (frontier = 100)</b></p> <p>Baseline (2017): 60.76 Target (2022): 66.27 (IBRD &amp; IFC)</p> <p><b>Indicator 2.1.2: Number of individual enterprises accessing services at technology centers (annual)</b></p> <p>Baseline (2017): 5,700 Target (2022): 6,900 (IBRD)</p>	<p><b>Milestone 2.1.1: Number of business environment reforms implemented</b></p> <p>Baseline (2017): 0 Target (2020): 20 (IBRD &amp; IFC)</p> <p><b>Milestone 2.1.2: Number of technology centers or technology transfer offices built</b></p> <p>Baseline (2018): 0 Target (2020): 18 (IBRD)</p>	<p><b>IBRD Financial Services</b></p> <p><i>Ongoing</i></p> <p>Technology Centers Systems Project; Innovate in India for Inclusiveness; and MSME Growth innovation and Inclusive Finance Project</p> <p><b>IBRD Knowledge Services</b></p> <p><i>Ongoing</i></p> <p>India Ease of Doing Business (with IFC) India Insolvency (with IFC); State Policies and Firm Dynamics; Barriers to Internal Mobility; India Services Competitiveness; Maximizing Finance for Sustainable Tourism Development; and RAS for State Level Logistics</p>

## Objective 2.2: Increase resilience of the financial sector and financial inclusion

### *Intervention Logic*

**Continuing to improve access to finance is integral to India achieving sustained economic growth, inclusion, and elimination of poverty.** The SCD and the 2017 FSAP note several key constraints to a deeper and more resilient financial sector. Issues include, among others, financial system yet to be made more efficient and effective, the need to address non-performing assets on banks' balance sheets, a need for greater depth and penetration of financial markets, products, and services; and informality of the economy.

**The underdeveloped and over-directed financial sector constrains flows of finance to its most productive uses.** Nonperforming loans hamper private credit which is lower in India compared to peer countries. Only 22 percent of the MSMEs access formal credit, largely due to the informality of the firms. There are still 400 million unbanked or underbanked people, primarily the poor in rural/remote locations. Inadequate long-term finance precludes the needed investments into infrastructure and housing. Addressing these challenges is critical because a well-performing financial sector is integral to (a) channeling capital to enlarge economic possibilities, particularly to the high-potential and socially critical sectors such as MSMEs or housing, (b) ensuring that the capital is efficiently used and leads to higher efficiency of using all other resources, and (c) extending the reach of financial inclusion across society to support equalization of growth opportunities for individuals.

**The Gol has initiated a number of policies and approaches toward improved access to finance** by various segments of the population, for instance on financial inclusion, housing finance, and digitalization which are bearing positive results. The 'Pradhan Mantri Jan-Dhan Yojana (PMJDY)' national mission for financial inclusion and the Jan Dhan-Aadhaar-Mobile (JAM) initiative are particularly notable. The Gol is also pursuing important initiatives in the area of infrastructure finance, through the establishment of the National Infrastructure Investment Fund and the National Credit Guarantee Trust Company. Financial sector supervision is being strengthened, and plans are in motion to consolidate and recapitalize the banking sector, including the announcement in late 2017 to provide around US\$32 billion of new capital to public sector banks.

**The WBG will maximize finance for development to support the Gol in its efforts to build a more diversified, resilient, and efficient financial system.** The WBG will provide TA on unlocking infrastructure finance, expanding housing finance, financing of MSMEs, systemic design of provision of development finance, financial infrastructure (e.g., collateral registries to include movable assets), broadening credit reporting to capture individual credit data for SHGs and MSMEs including through expanding available data sources, insolvency and bankruptcy resolution, management of nonperforming assets, and financial sector supervision. Select investments by IFC and the World Bank, will also be targeted at supporting the government in addressing the systemic issue of stressed bank balance sheets which constrain bank financing for the real economy. In particular, the IFC will expand its Distressed Asset Recovery Program launched in 2015 to target larger corporate entities, including through support to the India Resurgence Fund which aims to leverage US\$900 million for its own US\$100 million investment. Finally, World Bank TA will also include the InfraSAP to identify binding constraints, both financial and nonfinancial, to deliver infrastructure sustainably and at scale.

**The WBG will support the development of credit products and provide financing to facilitate long-term funding to the underserved rural, MSME, infrastructure, and housing sectors.** Through its lending, the WBG will address needs of particular borrower segments which are underserved and also critical for generating jobs. For example, in addition to the ongoing MSME support project which focuses on start-ups, young firms, and the manufacturing sector, all generating new jobs, the IFC will

promote disruptive solutions, continue its efforts to support the MFI space and ramp up its engagement in Fintech related activities, specialized financial institutions, and strengthen rural credit bureaus. The WBG will also seek to partner with other domestic financial institutions to expand financing channels, particularly for infrastructure and housing. The WBG will also partner with select states to apply market principles of lending, while crowding in the private financial sector and ensuring last mile access of financial products and services to the ultimate users, e.g. promoting Northeast states digital financial inclusion. Financial sector TA is expected to provide analytical underpinnings for design of financial and real sector operations.

**These activities are expected to increase the confidence of financial institutions to lend to key sectors** such as infrastructure and MSMEs, by providing certainty of time bound resolution, providing consistent, predictable outcomes for secured lenders in the event of nonpayment by borrowers, and covering a broader range of potential borrowers in the credit reporting system. The efforts should seek to increase a share of nonbank/market financing in the overall financing mix for the target segments.

**The WBG will continue to create markets to increase financial inclusion.** Support at the national and subnational levels will be targeted at expanding access to a diverse suite of financial services and its usage, with specific focus on rural areas, micro-entrepreneurs, women, and farmers. The WBG will mainstream disruptive technologies, fintech, and e-platforms to support India in leapfrogging forward to use these technologies to benefit the poor. Advisory services will support initiatives which leverage innovations in digital financial technologies and digitization of government-to-person payments. TA will support financial structures to incentivize start-ups and scale-ups at national and state levels as well as providing of support services such as accelerators and boot camp providers.

**The WBG will continue to partner in efforts to bring the underbanked and unbanked population into the financial system.** It will continue to support private sector commercial banks to downscaling, to be more efficient and effective in assisting enterprises to become formalized and grow in size to create more stable, high-paid jobs. Leveraging on its success in the development of the Masala Bond market, IFC will continue to explore market and product innovations to further strengthening and developing the domestic capital market to mobilize domestic savings. While continuing its nationwide support to develop microfinance institutions, and standards IFC will pay special attention to build and strengthen more specialized market institutions (such as specialized non-banking financial companies and insurance companies), to increase the variety and sophistication of financial products, particularly those which target helping low-productive firms reach economies of scale and give better options for the poor to save and invest. Finally, IFC will work with like-minded, credible partners to use financial intermediation as a tool to address issues such as gender inequality, SCS, affordable housing, and climate change, since such challenges impact the poor far more adversely than they do the general population.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p><b>Indicator 2.2.1: Number of people reached with financial services</b> Baseline (2017): 22 million Target: (2022): 94 million (IFC)</p>	<p><b>Milestone 2.2.1: Average time for processing credit for startups</b> Baseline (Jun 2017): 2.89 months Target (2020): 1 month (IBRD)</p>	<p><b>IBRD Financial Services</b> <i>Ongoing</i> MSME Growth Innovation and Inclusive Finance; Low Income Housing Finance; and Uttar Pradesh Pro-Poor Tourism Development Project</p>
<p><b>Indicator 2.2.2: Number of SMEs reached with financial services</b> Baseline (2017) 0.4 million</p>		<p><i>Pipeline</i> NIIF/Credit Enhancement Fund Support</p>

<p>Target: (2022) 0.6 million (IFC)</p> <p><b>Indicator 2.2.3:</b> Value of funds released through improved insolvency and bankruptcy resolution regime and programs. Baseline (2018): 0 Target (2022): US\$500 million (IFC)</p>		<p><b>IBRD Knowledge Services</b>  Infrastructure Finance Sectoral Assessment and state’s role and development finance</p> <p><b>IFC</b>  Digital financial inclusion; Banking on Women Program; IFC MFI/ Small Finance Bank transformation; SME transformation programs with Banks and NBFCs; Very small and early stage/ start-up banking AS support; Agri-finance advisory services and value chain financing advisory; Insolvency advisory; Distressed Asset Recovery Program (DARP)</p>
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**Objective 2.3: Improve connectivity and logistics**

*Intervention Logic*

**India’s logistics and connectivity infrastructure struggles to keep pace with the country’s needs, creating a drag on competitiveness and growth prospects.** The country’s supply of transport infrastructure is growing at 2–3 percent annually while increase in demand is about 10 percent. Overdependence on surface transport, particularly on highways (more than 70 percent of freight is carried on roads), leads to congestion as well as safety and air pollution challenges. The average speed of movement of domestic freight is only about 250 km/day by roads and 20 km/hour by rail, which is half or less than the daily/hourly average in other BRICS countries. Moreover, logistics remains a key challenge for economic growth and increasing competition, with 10-15% of product costs attributed to logistics. At the same time, the diversity of supply chain actors at the national, state, and local levels as well as a huge unorganized sector add to the difficulty of improving connectivity. The SCD notes that India’s greater domestic and global integration are essential to accelerating inclusion, creating good jobs, and in helping firms to grow and become more productive. To build well-integrated markets and connect to the global economy, India needs to develop a high-quality, low-cost modern logistics system with an improved and better utilized transport network that is aligned with its industrial development objectives such as Make in India.

**The Gol recognizes the urgency for addressing connectivity constraints.** The Gol has designated the Ministry of Industry and Commerce to lead the logistic agenda and formulate policies and programs in active collaboration with other infrastructure ministries while the Ministry of Transport has launched several initiatives such as the logistic efficiency enhancement program; the integrated logistics and economic corridor development in its newly formulated *Bharatmala* program; and a recent multimodal logistic park development program in partnership with states.

**The WBG will support Gol efforts to improve connectivity in three areas.** First, it will continue support for transportation infrastructure, improving national and state highway systems, with greater emphasis on sustainable and market-oriented institutional structures and asset management strategies to improve climate and disaster resilience as well as combine infrastructure with operations and other services, and development of economic corridors. Second, the WBG will intensify support for multi-modal transport support, including promoting the modal shift from highways to railways and waterways, promoting integrated multi-modal transport, and setting up multi-modal transport corridors. Third, it will support logistics supply chain Infrastructure, including investments in multi-modal transport corridors, multi modal logistic parks, inland container depots and warehouses, as well as logistics services which improve the efficiency of goods and people’s movement. which are also highly amenable to private sector investment and engagement. The WBG would explore opportunities

to set up such logistic facilities by leveraging its engagement in the development corridor projects such as the Eastern Dedicated Freight corridor and National Waterway 1 and multi-modal logistic parks such as the Varanasi Freight Village.

**In pursuit of these objectives, the WBG will prioritize leveraging of private sector financing.** This will include efforts to strengthen the framework for private sector participation through innovative contracting such as hybrid annuity or other forms of PPP and risk mitigation/credit enhancement instruments, such as guarantees as proposed for the Rajasthan State Highway Development Project or development and operation of logistic facilities, e.g. Varanasi Freight Village. World Bank activities like National Waterway 1 and Varanasi Freight Village will also on a case-by-case basis promote more commercially oriented entities (special purpose vehicles) that will provide a platform for tapping into private financing and expertise. IFC through a programmatic engagement with national Ministry of Shipping and the Inland Waterways Authority will mobilize private sector entry into riverine transport, on the Ganges (as National Waterway 1). A first transaction for river terminals at Kolkata and Patna was awarded last year, and IFC has subsequently been mandated for two more PPP terminal transactions. IFC will continue to deepen and broaden the Masala bond market, attracting international investment in the infrastructure sector. IFC will consider investments in (i) projects that improve the availability of transportation infrastructure including airports, port terminals, roads and other assets that increase the throughput of goods and people transport (ii) logistics services which improve the efficiency of transportation and (iii) open up additional avenues of accessing finance (e.g. through capital markets) over traditional bank finance. IFC will also explore ways to support the Gol's efforts to address the digital divide by supporting efficient service delivery platforms.

**The WBG will also support improvements in governments' institutional capability.** Support to operations and policy dialogue at the central level will focus on enhancing the coordination of infrastructure investment, policy reforms, and dialogue among the ministries, regulatory agencies, and private sector operators. The WBG will support the government in setting up performance monitoring indicators to inform policy. State level indicators, once developed, are intended to highlight ways to improve logistics performance of specific parts of the country through policy reform and/or investments under the responsibility of the states and/ or the federal government. In addition, a more robust set of indicators to monitor performance in providing for connectivity and logistics at the state level is expected to inform policy making and future investment decisions and foster the coordination among ministries and stakeholders, in particular, private sector operators.

**The WBG will facilitate more knowledge exchange to disseminate innovative and impactful reforms among states and between the state and national level.** The WBG will harness competitive federalism among states to encourage better performance in improving connectivity and logistics, building on the experience of supporting state-level reforms in the business environment. The WBG's national and state highway programs will focus on capturing knowledge on what works well in particular states in terms of policy, institutions, and improving integration between the transport network and logistics, and on disseminating this information across the country under the Lighthouse India program. To facilitate and ensure a greater impact of knowledge exchange, the WBG will partner with relevant private sector associations such as the Federation of Indian Chambers of Commerce & Industry, the Confederation of Indian Industry, and professional associations and academic institutions.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p><b>Indicator 2.3.1: Percentage of core rural road network in good condition<sup>16</sup></b> Baseline (2018): 64% Target (2021): 68% (IBRD)</p> <p><b>Indicator 2.3.2: Freight traffic carried on Eastern Dedicated Freight Corridor III</b> Baseline (2017): 0 Target (2022): 22 billion net ton km per year (IBRD)</p> <p><b>Indicator 2.3.3: Number of multi-modal logistic centers established</b> Baseline (2018): 0 Improvement (2022): 3 (IBRD)</p>	<p><b>Milestone 2.3.1: Number of states who have set up an improved<sup>17</sup> transport performance monitoring system</b> Baseline (2018): None Target (2022): 5 states (IBRD)</p> <p><b>Milestone 2.3.2: Private sector financing mobilized for transport and logistic facilities</b> Baseline (2018): 0 Target (2022): US\$685 million (IBRD)</p>	<p><b>IBRD Financial Services</b></p> <p><i>Ongoing</i> Assam State Roads Project; Andhra Pradesh and Telangana Road Sector Project; Sustainable Urban Transport Project (GEF); Second Karnataka State Highway Improvement Project; Eastern Dedicated Freight Corridor I, II, and III; Second Gujarat State Highway Project; National Highways Inter-Conn; NHA Technical Assistance Project; PMGSY Rural Roads Project; Rajasthan Road Sector Modernization; Kerala State Transport Project II; Efficient and Sustainable City Bus Service; Tamil Nadu Roads II; Mizoram State Roads II- Reg Connectivity; Capacity Augmentation of National Waterway 1; and Bihar Rural Roads.</p> <p><i>Pipeline</i> Varanasi Freight Village; UP core road network development program; Rajasthan State Highways Dev Program II; Assam Inland Water Transport Project; Mumbai Urban Transport Project 3; Himachal Pradesh State Roads Transformation Program; and West Bengal Transport and Logistics Improvement Project</p> <p><b>IBRD Knowledge Services</b> RAS: State-level Logistics Performance Indicators</p> <p><b>IFC</b> PPP transaction for river terminals; Mobilizing private sector entry into riverine transport, on Ganges; Logistics/supply chain diagnostics; Transaction advisory by PPP for Delhi Mumbai Industrial Corridor (DMIC) and PPP on DMIC; Investment transactions in roads, other transportation infrastructure and logistics companies</p>

<sup>16</sup> Core rural roads network comprises 1.1 million km out of the total 4.6 million km of rural roads. Good condition is with a pavement condition index rating of greater than 2 using Pradhan Mantri Gram Sadak Yojana (PMGSY) methodology.

<sup>17</sup> The objective is to build an integrated monitoring system to measure performance across several indicators using: (a) existing, readily available data sources; (b) data from primary sources (for example, data from logistics operators); and (c) surveys (based on LPI questionnaire), currently available statistical information (for example, customs, industry, ports, and operators) and state-level dashboards (for example Ease of Doing Business). The World Bank has direct experience in conducting the surveys and developing the models proposed.

## Objective 2.4: Increase access to quality, market-relevant skills development

### *Intervention Logic*

**India is experiencing major shifts in its labor force from agriculture to the service and manufacturing sectors, which in turn affects the skills mix required by the labor market.** India faces an acute need for improved skills in its labor force, with nearly two-thirds of firms reporting difficulty finding qualified employees and nearly half of all employers having unfilled job vacancies due to talent shortages (South Asia companion piece to the World Bank's World Development Report on Education). Requirements for a more and differently skilled workforce are set to grow as work is disrupted by rapid technological change. The SCD highlights the need to upgrade India's human capital by encouraging smart investments to equalize opportunities for populations and regions for addressing depleted talent pools and labor shortages in high-skilled jobs and investing in skills that drive up salaries.

**Linkages among skills development (SD) programs, market demand, and worker preferences need to be strengthened.** Publicly funded SD programs are often not adequately connected with employers and industry standards, thereby reducing their market relevance. Limited involvement of sub-national governments in SD programs, so far, has led to poor monitoring and limited responsiveness to the local needs of the labor market. Availability of training remains a challenge: only about 4.69 percent of the total workforce in India have undergone formal skill training. The target is to skill 400 million new and existing workers by 2022, while the existing capacity for skilling programs offers opportunities for about 7 million individuals in any given year<sup>18</sup>. Dropouts, especially among vulnerable and minority youth populations, need combined education and skills training to make them successful in finding work or pursuing further education, with better coordinated certification frameworks. Institutional coordination among some 20 ministries involved in SD could also be improved as well as with consistent application of, the National Skills Qualification Framework (NSQF). These programs also do not get captured in the national Labor Market Information System (LMIS). SD sector issues have been compounded by a lack of capacity at training centers and frequent poor quality of SD programs offered by private training partners, with insufficient quality assurance. Finally, there is a challenge in providing access to SD programs across population groups in terms of socioeconomic background, gender, and location (rural versus urban).

**The GoI in its new National Policy for Skills Development and Entrepreneurship (2015) seeks to address these deficiencies** through making quality skills training aspirational for both youth and employers, with a focus on occupational standards and developing outcome-based, market-relevant approaches and strengthened national and state delivery mechanisms supported by robust Management Information System for demand and supply projections.

**Through a suite of operations which have been initiated in the past eighteen months, the World Bank Group will address the mismatches between programs, market demand, and worker preferences while supporting the GoI's push to increase the volume and quality of skills training.** World Bank operations supporting the Skill India Mission Operation (SANKALP), industrial skills training (Skills Strengthening for Industrial Value Enhancement, STRIVE), and training for vulnerable segments of the population (Nai Manzil) will focus on (i) expanding the involvement of the private sector in curriculum development as well as seeking to leverage private financing for skills training; (ii) strengthening institutional mechanisms for improved SD policies, national qualification frameworks, and quality assurance mechanisms; and (iii) strengthening capacity to finance, deliver, evaluate, train, and accredit SD programs at national and state levels to improve skills and placement of trainees, especially women

<sup>18</sup> National Policy for Skill Development and Entrepreneurship 2015, Government of India

and disadvantaged sections (including minorities), in the labor force. World Bank-financed operations will aim to ensure female participation in SD programs at 33 percent (above the FLFP rate of 27 percent) although the baseline will be set once monitoring systems are adequate to track these figures across the large number of SD programs. IFC will tackle issues of market failure in SD and jobs through investments in leading private sector SD companies, working with such companies to improve the quality of their SD programs to increase market acceptability and through expanding digital capabilities in vocational training and skilling.

**The WBG will seek to leverage the private sector more fully to develop market-relevant SD systems.**

Market relevance will be ensured through preparation and adoption of training packages that are aligned to the National Skills Qualifications Framework (NSQF), which are approved by a council that has representatives from the private sector. Private sector led Sector Skills Councils (SSCs) have limited funds for sustainability and effective functioning; the World Bank projects deepen the efforts of such industry-led bodies for SD through resource enhancement. Through SANKALP, the World Bank is supporting a Skills Fund to tap into available corporate social responsibility funds. IFC will also continue to explore ways to support innovative public-private collaboration, in coordination with the National Skills Development Corporation (NSDC).

**The WBG will accord priority attention to strengthening public sector institutions and convergence in the public sector.**

In partnership with the newly created Ministry of Skills Development and Entrepreneurship, the World Bank will support the strengthening of public institutions like the National Skills Development Agency and the National Council for Vocational Education and Training in being responsive to employer demands through the preparation and adoption of training packages that are market relevant and aligned to the NSQF. Robust M&E systems, through the creation of an LMIS, will help precisely track demand and supply requirements. The development of a globally competitive manufacturing sector in India requires creating a cadre of comprehensively skilled technicians. The World Bank will support quality vocational training through performance-led Industrial Training Institutes (ITIs). The World Bank will also support improved completion of secondary education and market-driven skills training for youth from minority communities through skilling with open-based education through the National Institute of Open Schooling.

**The WBG will support a differentiated approach to SD within states, which in turn builds on the incentives generated by India's competitive federalism.**

The World Bank programs support state-specific, tailor-made interventions such as establishment of priority ITIs through consolidation and rationalization of trades at strategically located ITIs and supporting state-specific skills policies. There is special focus on incentivizing states through State Incentive Grants that grade and incentivize states and institutions for improved institutional strengthening (functional State Skills Development Missions) as well as market-driven efforts through effective coordination with national and state skills councils, especially to factor in the needs of disadvantaged populations, including young girls and women, scheduled castes and tribes, and minority youth. World Bank projects will support results-based financing for states and ITIs as an optimal way to improve capacities and performance of the skills training ecosystem.

**The WBG will promote India as a knowledge hub for SD.**

The World Bank will assist India in sharing its SD knowledge base with African countries through the Lighthouse India program that aims to transfer India's knowledge base and expertise in SD through helping African countries formulate and implement effective SD programs to produce market-relevant skilled labor as per industry demand in Africa. Innovative initiatives at the state level and with the private sector will be shared through knowledge tools like skills portals and outreach efforts to employers and workers.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p><b>Indicator 2.4.1: Number of trainees who have successfully completed the National Skills Qualification Framework (NSQF) aligned, market-relevant, short-term skills development programs and other nationally recognized programs and were certified<sup>19</sup></b>            Baseline (2017): 1 million  <i>Of which female trainees: 0.32 million (estimate)</i>            Target (2022): 14 million  <i>Of which female trainees: 4.7 million</i>            (IBRD)</p> <p><b>Indicator 2.4.2: Percentage increase in the number of graduates from ITIs that have signed performance-based grant agreements under the STRIVE program</b>            Baseline (2017): 0            Target (2022): 20%            (IBRD)</p>	<p><b>Milestone 2.4.1: Number of NSQF aligned qualification packs translated into teaching-learning materials</b>            Baseline (2017): None            Target (2021): 1,000            (IBRD)</p> <p><b>Milestone 2.4.2: Improved performance of states on institutional strengthening, market relevance of skills development programs, and access to and completion of training by marginalized populations</b>            Baseline (2017): None            Target (2021): At least 5 states participating in Skill India Mission Operation (SANKALP) have improved their State Incentive Grant scores by 15 points over the previous year            (IBRD)</p> <p><b>Milestone 2.4.3: Number of states conducting tracer surveys of graduates</b>            Baseline (2017): None            Target (2021): At least 7 states have conducted tracer surveys of graduates of government ITIs            (IBRD)</p>	<p><b>IBRD Financial Services</b>  <b>Ongoing</b>            Skill India Mission Operation (SANKALP); STRIVE Operation; Nai Manzil - Education and Skills Training for Minorities Project; India: Vocational Training Improvement Project; Technical Education Quality Improvement Project (TEQIP) III; Uttarakhand Workforce Development Project</p> <p><b>IBRD Knowledge Services</b>            India: Skills Development: TA for Enhancing Quality Assurance, Market Relevance and M&amp;E Systems (Korea World Bank Group Partnership Facility Trust Fund); Preparing Early Care Givers and Creche Workers for Supporting Sustained Women’s Participation in the Labor Force; Skills Programmatic Task; and Lighthouse India-India Africa Partnership on Skills Development</p> <p><b>IFC</b>            IFC will engage and invest in private sector entities and PPPs that provide skills development</p>

<sup>19</sup> Market-relevant, upgraded SD programs are SD programs approved by the National Skills Qualifications Committee, or programs that result in a certification by an SSC or the National Skills Certification Board. Numbers include those trained through central and state SD programs as reported in the LMIS.

## Objective 2.5: Enabling access to more quality jobs for women

### *Intervention Logic*

**India's low female labor force participation (FLFP) rate of 27 percent is a challenge to the country's competitiveness.** The International Monetary Fund (IMF) data suggests that if female employment were brought on par with male employment in India, the nation's GDP would expand by as much as 27 percent. Greater involvement from women in the labor force also has a significant social impact—paid employment is known to increase women's agency and empowerment<sup>20</sup>. In addition to the socioeconomic benefits of increasing the number of jobs for women, better quality of jobs for women is also linked to improved business performance and stronger economic growth, with quality entailing pay parity, promotion opportunities, and an enabling environment that encourages retention of female employees, such as supportive work schedules and childcare policies. Female economic empowerment has been undermined by relatively low access to finance. For financial institutions, weaknesses in understanding how best to tap into the women's market coupled with the heterogeneity of this market has contributed to financing gaps; according to one study, there is a US\$158 billion financing gap for women-owned MSMEs<sup>21</sup>. There is increasing awareness of women's role in increasing private sector competitiveness, with more companies seeking to recruit, retain, and promote women and create deeper access to the women's market.

**Low FLFP and limited economic empowerment among women are due to several factors.** Causes are the large amount of unpaid care and housework that women perform (even when not in the formal workforce), the role of caregiving in women's employment outcomes social norms, the lack of job creation that attracts women. FLFP declines strongly along the rural-urban gradation.

**The GoI prioritizes participation in the labor force as well as creation of employment and entrepreneurship opportunities for women.** This is reflected through supportive regulations such as the Maternity Benefits Act 2017 and Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act 2013, streamlined focus on women entrepreneurs through the PM Mudra Yojana and several such initiatives. The World Bank will seek to use its policy and analytical expertise, combined with IFC's strong experience in working with the private sector to create markets in India, and its ability to leverage global knowledge and experience to support the GoI's efforts to generate more quality jobs for women.

**IFC will partner with private sector companies to enhance women's participation in the labor force by working with them to demonstrate the business case for investing in women.** This will include building peer partnerships to demonstrate best practices for hiring, retaining and promoting women. The World Bank will continue its Skill India Mission Operation (SIMO) which supports the Government's Skill Development strategy, provide childcare-related investment and advisory services (including with MSMEs) and deploy employment-related tools, trainings and research. The IFC will also support increased investments in women-operated and women owned SMEs and rural enterprises with improved access to financial services.

**The WBG promote the development of women-centric business propositions to increase access to financial and non-financial services for women and women-owned MSMEs and leveraging SHG platforms.** The World Bank's livelihoods portfolio will continue to assist women beneficiaries in achieving scalability, increased diversification in production and improved access to markets and jobs in select farm/non-farm sectors, while new operations will focus on strengthening female entrepreneurship and women's access to jobs. Improving access to finance for women-centric

<sup>20</sup> World Bank 2011 and 2012

<sup>21</sup> IFC 2014

businesses may facilitate the creation of jobs for women. This will include programmatic work on Banking on women, WBG-SIDBI MSME Project, SHG credit reporting program, women’s entrepreneurship trainings and gender lens investing. Programmatic work on Lighting Asia, agri-competitiveness projects and corporate governance will further highlight ways to deepen quality jobs by working with women as distributors, entrepreneurs and consumers.

**The WBG will further work on ensuring equity through projects to create economic opportunities for women.** Analytical work and knowledge products that embed gender into the design of projects and seek data to demonstrate their viability (such as the Low-Income Housing Finance Project and the Agriculture Risk Insurance Project) will provide insights into informal and unregulated sectors. The World Bank’s Gender Platform, Lighthouse India Initiative, and the Urban Knowledge Platform will contribute toward understanding the constraints that impact women in work spaces, both formal and informal, and testing the scalability and replicability of new knowledge on enabling access to more and better jobs. Internal knowledge platforms will be created in sync with the CPF timeline to generate and exchange knowledge, push frontiers, and engender the WBG portfolio in India. The WBG will also deepen the awareness of GoI policies that support this objective (e.g. the Maternity Benefits Amendment Act 2017) through analytical work, focusing on ensuring effective implementation of labor laws and policies to provide safe working spaces for women.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p><b>Indicator 2.5.1: Number of IFC clients who achieve a 20% increase in jobs for women</b> Baseline: (2018): 0 Target (2022): 5 (IFC)</p> <p><b>Indicator 2.5.2: Increased access to financial services for women and women-owned MSMEs (as measured by value of loans outstanding to women)</b> Baseline (2016): US\$280 million Target (2022): US\$682 million (IFC)</p>	<p><b>Milestone 2.5.1: Number of companies working on recruitment, retention and promotion of women</b> Baseline (2018): 0 Target (2022): 20 (Direct engagements with 5 IFC clients and peer partnerships with 15 companies (IFC)</p> <p><b>Milestone 2.5.2: Number of women entrepreneurs reached with services provided by World Bank-financed operations</b> Baseline (2018): 0 Target (2020): 18,000 (IBRD)</p>	<p><b>IBRD Financial Services</b> <i>Ongoing</i> Skill India Mission Operation; national and state level rural livelihoods and transformation projects; Low Income Housing Finance Project; UP pro poor tourism development; and Tejaswini: Socioeconomic Empowerment of Adolescent Girls and Young Women</p> <p><b>IBRD Knowledge Services</b> Gender Platform; Social Observatory for Rural Food and Nutrition Security in Livelihoods Projects; Impact evaluations of Jeevika Multi-sectoral Convergence Initiative in Bihar; and Impact of Social Accountability Interventions on Healthcare Delivery and Outcomes in Uttar Pradesh Social Inclusion</p> <p><b>IFC</b> Childcare-related investment and advisory support; Credit gap assessment of women-led/owned MSMEs report; Mini-MBA for women entrepreneurs; Banking on Women credit line; Women’s Employment Program; Lighting Asia (India); and Health PPP Projects</p>

### Focus Area 3: Investing in Human Capital

The WBG will support India's development of human capital with a relatively stronger focus on improving the quality of services while continuing to support efforts to ensure access to key services. The approach recognizes India's significant strides in making basic education and health services broadly available, but that quality of service lags as evidenced by persistent poor human development outcomes. The four 'Hows', particularly strengthening public sector institutions, will be critical to achieving these objectives. Under this focus area the WBG will seek to:

- Enhance investment in the early years of children's development
- Improve the quality of education in schools and colleges
- Increase access to improved rural water supply and sanitation services
- Improve the quality of health service delivery and financing as well as access to quality healthcare
- Improve the coverage and coordination of social protection systems

#### Objective 3.1: Enhance investment in the early years of children's development

##### *Intervention Logic*

**Investing in the early years of a child's life is one of the most effective long-term development strategies.** This includes both direct and indirect investments from conception until children entering school, including nutritional, cognitive, and socioemotional capacities to learn, innovate, and compete. Evidence from a range of countries suggests that early nutrition programs can raise adult wages by between 5 percent and 50 percent depending on the setting<sup>22</sup> Similarly, ECE has marked economic returns. It has been estimated that a INR 1 invested in two years of ECE yields a return of INR 25.

**India has made impressive progress over the past 20 years, but challenges remain.** Maternal mortality has declined almost 60 percent since 1997-98 and the incidence of child stunting, or low height-for-age, has reduced by one-third between 1992-92 and 2013-14. Yet, stunting still affects 38 percent of under-5 children and 51 percent of children from poor households. Primary school enrollment in India has been nearly universal for a decade. The Gross Enrollment Ratio (GER) for all persons in elementary education increased from 81.6% in 2000-01 to 96.9% in 2015-16 (MHRD data). Evidence of learning in school, even from young ages, points to the need to strengthen education systems. The Annual Status of Education Report for 2016 shows that only 13 percent of rural children in grade 2 can read at the expected level in 2016.

**The challenges to improving the effectiveness of investments in the early years fall into three categories: availability, coordination of services, and household behavior change.** (a) **Availability of nutrition and childhood development services.** The national ICDS Program is one of the earliest and the world's largest early childhood development program. It is mandated to provide health, nutrition, ECE, and childcare and safety in an integrated manner, but due to institutional constraints and limitations the scheme has focused primarily on immunizations and nutrition. There are limited early learning and stimulation interventions for children under 3. Less than 17 percent of government schools provide one or two years of pre-primary education, and private sector provision of ECE, while rapidly growing, is fragmented and quality is uncertain. (b) **Coordination and integration of services.** The value of investments in young children is maximized when the necessary investments are integrated. However, while ICDS provides nutritional support to the vulnerable in some districts, these do not always coincide with areas of focus for other agencies with respect to hygiene and ECE interventions.

<sup>22</sup> Shekhar, Meera et. al. 2016. *An Investment Framework for Nutrition: Reaching the Global Targets for Stunting, Anemia, Breastfeeding and Wasting*. Washington DC: World Bank.

In addition, there are multiple ministries responsible for different aspects of ECE. (c) **Household behavior change.** Household behavior must incorporate the practices necessary to ensure the health and wellbeing of young children. Unfortunately, maternal, infant, and young children feeding practices are inconsistent. Similarly, household sanitation and hygiene practices and health seeking behaviors need improvement. These challenges are underscored in the SCD.

**This objective directly supports the Gol's commitment to achieve the SDGs related to nutrition and ECE.** In particular, the objective addresses SDG 2.2, ending malnutrition by 2030, reaching international targets for stunting and wasting for children under 5 and addressing nutritional needs of adolescent girls and pregnant and lactating women (PLW). The objective also addresses SDG 4.2, ensuring all girls and boys have access to quality early childhood development by 2030. World Bank support will complement the government's recently announced National Nutrition Mission as well as the National Early Childhood Care and Education policy. IFC will continue to explore opportunities for supporting innovative ECE providers that can disseminate innovative pedagogical practices in the local market.

**During the CPF period, World Bank activities will focus on: (a) improving the coverage and quality of ICDS nutrition services to PLW and children under age 3; (b) improving the design of ECE assessment tools and curriculum; (c) fostering better integration and coordination of services at the state level; and (d) analysis of constraints to improved services and sharing learning from innovations in India and internationally.** The WBG will continue to partner at both the central and state level using both lending operations and TA and ASA. Focused attention will be provided to one or two states emphasizing a coordinated approach to early years services.

- **Coverage and quality of ICDS nutrition services.** The ICDS System Strengthening and Nutrition Project and its extension, the National Nutrition Mission Project, will expand coverage to all states and union territories of India, developing the systems and capacities linked with greater community engagement to ensure greater focus on children under 3 years and PLW women. The projects will also strengthen convergent actions required for convergent nutrition action plans at the state, district, and block levels. There will be a focus on behavior change and communication together with M&E systems to inform policy making, consistent with the new National Nutrition Mission.
- **Design of ECE assessment tools and curriculum.** Through TA provided to five states and union territories including Jharkhand, Maharashtra, the National Capital Territory of Delhi, Rajasthan, and Sikkim, the WBG will support piloting innovative models for ECE provision. These will be based on co-locating ICDS centers at government schools where possible, developing appropriate training and learning materials, providing teacher training, and utilizing innovative assessment tools to support children. The TA is expected to help states and the center move toward large scale implementation of the broad directions in the national ECCE policy.
- **Integration and coordination of services.** The WBG will work to support the integration and coordination of services through several related activities. First, integration components will be included in the National Nutrition Mission Project and through state-specific projects such as the Bihar Transformative Development Project which seeks to improve access to and use of nutrition and sanitation services through SHGs under the Jeevika Program. Second, several multi-sectoral engagements have significant nutrition-relevant elements which will be leveraged. These include the national Swachh Bharat Mission Support Operation and state rural water supply and sanitation (RWSS) projects, the National Rural Livelihoods Mission Project and the SP projects in Bihar and Jharkhand. State dialogue, TA, and possibly future operational support in one or two focus states will be initiated during the CPF period to deepen the coordinated provision of services at the state level that can provide lessons for future integration.

- Analysis of constraints and sharing knowledge.** While key actions and services to improve child nutrition and provide effective ECE are well known, the implementation modalities, governance, and administrative aspects applicable to local conditions require greater understanding. The WBG will support analysis and knowledge sharing across states and with the center to address these gaps. The Investing in Early Years (IEY) programmatic ASA will bring together several analytic tasks to better understand local strategies for improving nutrition and ECE, including a focus on the Northeastern states and an integration of at-scale food fortification. Several impact evaluations will provide evidence for ongoing innovations, including the Jeevika multi-sectoral convergence initiative being scaled up in Bihar, an evaluation of a pilot in Madhya Pradesh combining a creche within ICDS centers, and an evaluation of early childhood development initiatives piloted in Odisha. The collective lessons from these initiatives will be shared and disseminated with states and the center on an ongoing basis, together with evidence from successful international innovations such as Peru’s success in reducing stunting through a comprehensive nutrition strategy. IFC will continue to disseminate the lessons learned from “Tackling Childcare”, making a relevant link to investments by promoting cross-border expansion of international childcare groups with potential for bring best practices to the Indian market, as well as continue to support local providers through investment projects aiming to promote market consolidation and pedagogic innovation.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p><b>Indicator 3.1.1: Percentage of children ages 6-23 months receiving age-appropriate foods<sup>23</sup> in selected districts</b> Baseline (2018): 42.7<sup>24</sup> and 19.9<sup>25</sup> Target (2022): 55.0 and 30.0 (IBRD)</p> <p><b>Indicator 3.1.2: Number of pregnant/lactating women (PLW) and children under 3 years with access to ICDS services in selected districts</b> Baseline (2018): 56,000 Target (2022): 64,000 (IBRD)</p> <p><b>Of which female children under 3 years:</b> Baseline (2018): 8,300 Target (2022): 8,700 (IBRD)</p>	<p><b>Milestone 3.1.1: Percentage of Anganwadi workers who meet at least 60% of their targeted number of home visits to PLW and children under 3 years in the previous month in selected districts</b> Baseline (2018): 10% Target (2022): 50% (IBRD)</p> <p><b>Milestone 3.1.2: Number of states with early childhood education curriculum framework developed for children 3-6 years<sup>26</sup></b> Baseline (2018): 0 Target (2020): 5 (IBRD)</p> <p><b>Milestone 3.1.3: Number of pilot schools/ICDS centers administering the School Readiness Instrument and Early Childhood Education Quality Assessment Scale in selected states</b> Baseline (2018): 0 Target (2020): 3,000 (IBRD)</p>	<p><b>IBRD Financial Services</b> <i>Ongoing</i> ICDS System Strengthening and Nutrition Improvement Project and Additional Financing supporting the National Nutrition Mission; Karnataka Multisectoral Nutrition Pilot; and Bihar Transformative Development Project</p> <p><i>Pipeline</i> Early Childhood Education in Jharkhand (or component in state operation)</p> <p><b>IBRD Knowledge Services</b> Investing in the Early Years Programmatic ASA; Partnership for Nutrition; Evaluating Integration in ICDS in Madhya Pradesh; Impact Evaluation of Bihar Jeevika Multisector Convergence Initiative; Development of Evaluation Tools for Early Child Education; and Quality Improvement in Early Childhood Education</p>

<sup>23</sup> Receiving solid or semi-solid food and breastmilk for children ages 6–8 months; receiving foods from 4 or more food groups for children 6–23 months.

<sup>24</sup> Percentage of children ages 6–8 months receiving solid or semi-solid food and breastmilk.

<sup>25</sup> Percentage of children ages 6–23 months receiving foods from 4 or more food groups.

<sup>26</sup> Curriculum includes training learning materials and play materials designed and ready for statewide distribution.

### Objective 3.2: Improve the quality of education in schools and colleges

#### *Intervention Logic*

**Better quality education is an important investment in a more prosperous India over the long term.**

A better educated population is integral to creating the human capital needed to reduce poverty and sustain growth, particularly as India moves toward a more diverse economy typical of a MIC.

**India faces a learning crisis, as does the world, as evidenced in recent years by poor learning levels globally. However, India is taking steps to improve quality and learning outcomes at every level of the education system.** Owing to concerted efforts in recent decades, issues of access and gender balance have largely been resolved, but the challenge of ensuring quality education has grown more acute. In drafting its New Education Policy to supersede the earlier policy which was last modified in 1992, as well as in formulating its national education programs, the GoI is prioritizing improved quality and learning in schools, as well as quality assurance and better governance in tertiary education. Both the SCD and the GoI have identified several challenges for improving quality. These include low teacher capacity and limited incentives for performance, weak accountability mechanisms that contribute to absenteeism, ineffective use of teaching time, and inadequate skills. There are also system-level issues such as inadequate structures for measuring and tracking student learning in schools over time. The private sector can be an effective partner that can bring about systemic changes through effective public-private collaboration and use of technology. At the tertiary level, there are additional challenges with governance in educational establishments and quality assurance mechanisms. Until these challenges are addressed, schools and colleges will continue to fail learners, and systems will continue to fail schools, colleges, and learners.

**The World Bank Group is well positioned to support the GoI in its efforts to address these challenges, building on its longstanding experience with education reforms in India,** including multiple operations supporting national programs targeting primary, secondary, and tertiary levels. The WBG's track record of policy and financing work at national and state levels provides a practical and analytical basis for partnering with India to improve its learning outcomes. The WBG also can leverage global knowledge encapsulated in its 2018 World Development Report, *Learning to Realize the Promise of Education*, as well as its experience in supporting governments on school reforms in a host of large MICs with strong subnational units, such as Brazil, Mexico, and Vietnam.

**WBG activities will focus on (i) strengthening teacher performance; (ii) building institutions and systems to identify improvements in learning outcomes and inform practice; and (iii) enhancing governance and quality assurance within schools and colleges.** The Group will work at the central level to partner with the GoI on programs that incentivize state level performance as well as directly with state governments (such as Bihar, Madhya Pradesh, and Odisha) to help them tackle implementation challenges, since most issues with education service delivery occur at the state level. The WBG will also explore delivery models that leverage the private sector to deliver quality education at all levels. This includes promoting effective complementarities through public-private collaboration and the provision of supplementary education services, such as leveraging technology to enhance learning outcomes and building on lessons derived from other IFC investments in the Ed Tech space. IFC will work with private sector providers to expand access to quality affordable education and related services that contribute to better learning outcomes and employment opportunities. Finally, the WBG will leverage the experiences of particular states as a way to drive improvements in other states through effective knowledge exchange. The WBG will identify so-called Lighthouse states that offer examples of innovative approaches to improving quality, affordability and learning that are suitable for adoption or adaptation by other Indian states. In addition, where appropriate, there will be an emphasis on

showcasing India as an example for other countries. For example, through TEQIP III, India is participating in an international study that involves benchmarking the performance of engineering students and identifying correlates of performance. The WBG will seek to facilitate sharing of this experience in tertiary learning assessment with other countries as part of Lighthouse India.

- **Teacher performance.** Three school education projects—SSA III (Sarva Shiksha Abhiyan III -- Third Elementary Education Project, which is closing in FY18), forthcoming support to elementary education and secondary education in focus states, and Bihar’s Enhancing Teacher Effectiveness project—will continue to strengthen professional development and accountability systems for teachers. Avenues for innovation include designing quantifiable benchmarks for teacher performance and collaborating with NUEPA’s recently-created school leadership training program to strengthen the leadership skills of principals as well as the approaches to governance within schools. During the CPF period, the WBG will follow up with operations to support reforms at elementary and secondary levels, with a focus on local innovation to inform national programs. IFC will also continue to explore opportunities to invest in providers of ancillary services with potential to benefit public and private institutions at the tertiary level, the WBG will continue to support improved faculty performance through direct (professional development) and indirect (such as such as autonomy and quality assurance systems) interventions. Such activities are already being supported under the Madhya Pradesh and Odisha Higher Education Project and TEQIP III.
- **Building institutions and systems to deliver quality in education.** Current assessment systems will be strengthened to allow for the identification of improvements or deterioration in learning levels over time. The focus also will be on preparing India for participation in international benchmarking exercises such as the Program for International Student Assessment.<sup>27</sup> At the tertiary level, the Gol has established two indirect mechanisms that emphasize learning and employability: ranking of colleges and accreditation. During this CPF period, the focus will be on encouraging colleges to become accredited by working closely with state governments in Madhya Pradesh and Odisha and at the national level, through TEQIP III. These activities will also include a focus on private colleges. IFC will continue to support private sector provision of quality education at all levels including the use of digital platforms, with a particular focus on rural and small towns.
- **Governance reforms providing quality assurance at the tertiary level.** All World Bank projects at the tertiary level will support measures to improve quality assurance, strengthen the role of the Board of Governors, and improve transparency in college functions such as staffing choices and procurement. Institutions that are able to demonstrate sufficient quality will receive autonomous status which in turn will allow them to exercise greater managerial control to innovate and be responsive to market needs.

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<sup>27</sup> Activities for school education include: (i) strengthening the technical quality of assessment systems across the school cycle; (ii) building long-term capacity at the national and state levels to undertake assessments; and (iii) strengthening stakeholders’ ability to use assessment data to improve teacher training programs, curriculum, classroom interactions and ultimately student learning.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p><b>Indicator 3.2.1: Percentage of students in focus states successfully completing secondary education<sup>28</sup></b> Baseline (2015–16): 53%<sup>29</sup> Target (2022): 55% (IBRD)</p> <p><b>Indicator 3.2.2: Percentage improvement in lowest state score on national learning outcomes assessment (NAS Class 5 language and mathematics, or equivalent)</b> Baseline (2018): Language - 43% and Mathematics - 39% Target (2022): 3 percentage point improvement over baseline (IBRD)</p> <p><b>Indicator 3.2.3: Number of supported institutes with University Grants Commission autonomy</b> Baseline (2018): 71 Target (2021): 98 (IBRD)</p>	<p><b>Milestone 3.2.1: Percentage of schoolteachers who have received in-service training in the last academic year in focus states<sup>30</sup></b> Baseline (2016–17): Elementary - 20% Secondary (in focus states) - 11% Target (2022): Elementary - 40% Secondary (in focus states) - 40% (IBRD)</p> <p><b>Milestone 3.2.2: Learning standards at the secondary level finalized and adopted in at least 75% of focus states</b> Baseline (2018): No national learning standards for secondary grades Target (2021): NAS grade 10 based on learning standards for secondary grades finalized and adopted in at least 75% of focus states (IBRD)</p> <p><b>Milestone 3.2.3: Improved national measurement of learning outcomes in school education</b> Baseline (2018): Technically valid data on learning achievement levels over time is unavailable in NAS reports Target (2021): NAS reports provide technically valid data on learning achievement levels over time (IBRD)</p>	<p><b>IBRD Financial Services</b></p> <p><b>Ongoing</b> Elementary Education: Enhancing Teacher Effectiveness in Bihar; Sarva Shiksha Abhiyan III (Third Elementary Education Project); Madhya Pradesh Higher Education Quality Improvement Project; Odisha Higher Education Project for Excellence and Equity; and TEQIP III</p> <p><b>Pipeline</b> Elementary Education: Enhancing Quality Improvement and Teacher Effectiveness (EQUITE); and Strengthening Secondary Education in Select States</p> <p><b>IBRD Knowledge Services</b> Promoting Quality in Early Childhood Education; Improving Teacher Performance through Outcome Linked Indicators; South Asia Region Companion to the 2018 World Development Report; Student learning assessment in higher education (TEQIP III); Behavioral interventions for first-generation college goers (TEQIP III); Technical support to the NITI Project; and Sustainable Action for Transforming Human Capital</p> <p><b>IFC</b> Investments in private sector entities that provide quality education services, digital education</p>

<sup>28</sup> Successful completion is calculated as the number of students passing the grade 10 exam (in year t) as a proportion of those enrolled in grade 9 (in year t-2), adjusted for repeaters. Select states include Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, and Tripura.

<sup>29</sup> Baseline has been calculated for 2015–16; the most recent year for which data is available from the U-DISE.

<sup>30</sup> Project under preparation; baseline will be available in early June 2018. Baseline figures are based on U-DISE data.

### Objective 3.3: Increase access to improved rural water supply and sanitation services

#### *Intervention Logic*

**Improved water supply and sanitation services<sup>31</sup> contribute to health and economic welfare of the rural population.** Increasing access to improved and sustainable water supply and sanitation services are critical prerequisites to developing human capital to unleash the growth potential of rural areas. Assessments by the World Health Organization (WHO) show that the lack of access to safe drinking water and adequate sanitation services increase the risk of diseases, especially diarrhea, and estimate that one in every ten deaths in India is linked to poor sanitation and hygiene practices. Also, several studies show the correlation between inadequate sanitation and ‘stunting’ for India. The recently completed Rapid Survey on Children estimates nearly 44 million children under 5 years (about 32 percent of all children under 5 years) to be affected by stunting.<sup>32</sup> Moreover, lack of safe drinking water and open defecation has a sharp gender impact, affecting the time spent in collecting water and the dignity and safety of women and girls. The SCD also highlights that poor water supply and sanitation contributes to undernutrition by transmitting pathogens and infections that inhibit nutritional uptake. The SCD further points out the need to reassess the country’s water and sanitation policies and strengthen public sector institutions, especially the frontline service delivery agencies, to ensure services are delivered to citizens.

**Despite several programs and initiatives in the past, water supply and sanitation service delivery in rural India continues to be a key challenge. Rural water supply:** Although 90 percent of the rural population have access to improved water sources, only 50 percent have access within premises, and only 34 percent are covered with piped water supply.<sup>33</sup> Moreover, such access does not always yield reliable, sustainable, and affordable services. Large numbers of rural habitations slip to a ‘partially covered’ status, mainly due to sources going dry or systems working below capacity due to poor O&M. A depleting groundwater table and deteriorating groundwater quality are further threats to sustainability. Although the 73<sup>rd</sup> Constitutional Amendment promotes service provision to be decentralized to local governments (PRIs), most of the work of designing, implementing and operating RWSS schemes continues to be with the state engineering agencies which also adversely impacts accountability. **Rural sanitation:** As per the last JMP update of 2017, about 41 percent of the rural households have access to improved sanitation facilities with a significant decline in open defecation from 80% in 2001 to 56% in 2015<sup>34</sup>. The flagship government program Swachh Bharat Mission-Gramin (SBM-G, Clean India Mission), launched in 2014, has reported increased rural sanitation coverage to about 82% of the households while 58% of villages have been declared as open defecation free (ODF) by 2017-18. Earlier national programs, including Total Sanitation Campaign and Nirmal Bharat Abhyan, increased expenditures in rural sanitation, but mainly focused on toilet construction. Significant ‘slippages’ in coverage were observed, coupled with low usage, mainly due to lack of understanding of the linkages between sanitation, hygiene practices, and related diseases at the community level.

**India is working to increase access to piped water supply and reduce open defecation.** The GoI has promoted flagship programs to improve services: (a) National Rural Drinking Water Program (NRDWP) for extending piped water coverage to 90 percent habitations by 2022, including 80 percent household coverage; (b) Restructuring of NRDWP in November 2017, to introduce a performance-based element in fiscal transfers from the GoI to states to address sustainability of schemes; and (c) Swachh Bharat

<sup>31</sup> Improved services as per definition of access to improved sources, Joint Monitoring Program (JMP) 2017, WHO and UNICEF.

<sup>32</sup> Rapid Survey on Children, Ministry of Women and Child Development, GoI, 2013–14.

<sup>33</sup> JMP 2017. Estimates on the use of water, sanitation, and hygiene in India. Revised July 2017.

<sup>34</sup> JMP 2017. Estimates on the use of water, sanitation, and hygiene in India. Revised July 2017.

Mission to address behavior change challenges to achieve Open Defecation Free (ODF) status countrywide and increase access to solid and liquid waste management, by October 2, 2019.

**The World Bank Group is supporting the GoI and states in their efforts to address the challenges in the RWSS sector.** The key lessons from the World Bank’s support in ; piloting and scaling up the RWSS reform program during the last two decades are: (a) the need to use PRI-based decentralized institutional models for the design, implementation, and management of RWSS services and behavior change programs; (b) sustainability can be enhanced through inclusive, community-based, participatory approaches to RWSS service delivery; and (c) building the capacity of state RWSS departments, sector institutions, local governments, support organizations, local private sector, and communities is critical to successful outcomes.

**Going forward, the WBG will focus on strengthening institutions and building capacity for expanding access to improved, sustainable, and affordable water supply and sanitation services.** The WBG is currently working in seven states (Kerala, Maharashtra, Punjab, and the LIS of Uttar Pradesh, Bihar, Jharkhand, and Assam) to support service delivery improvement and address implementation challenges. These projects are improving piped water coverage for efficient and sustainable services, along with building the capacity of the state-, district-, and village-level sector institutions to design, implement, and manage RWSS schemes, including multi-village schemes to address water scarcity and sustainability issues. The World Bank is also supporting SBM-G—a flagship program of the GoI—through a PforR Operation and TA program to achieve and sustain ODF status by bringing behavior change of people toward toilet usage. TA is helping to strengthen delivery institutions and systems at the national level and in select states, in planning, implementing, and monitoring. These ongoing projects will primarily contribute to key outcomes under the CPF period for increase in access to improved and sustainable RWSS services. Under the Lighthouse India initiative, the World Bank will facilitate knowledge sharing and peer-to-peer learning across states. ‘Swachha Sangraha’ a GoI Knowledge Management Platform developed under the SBM-TA will promote exchange of knowledge in implementation in rural sanitation. Lessons learned from ongoing operations may be utilized for potential further operations, likely focusing on further strengthening local institutions, engaging the private sector to enhance efficiency, and increasing quality assurance through robust M&E systems. The WBG will also leverage global knowledge in supporting governments on RWSS programs, particularly from Brazil and Vietnam.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p><b>Indicator 3.3.1: Number of people provided with access to improved water sources in focus states</b> Baseline (2017): 2.5 million Target (2022): 12 million (IBRD)</p> <p><b>Indicator 3.3.2: Number of people provided with access to improved sanitation services in focus states</b> Baseline (2017): 2.37 million Target (2022): 6.65 million (IBRD)</p>	<p><b>Milestone 3.3.1: Percentage of habitations with 50% or more O&amp;M cost recovery in focus states</b> Baseline (2017): 0% Target (2019): 50% (IBRD)</p> <p><b>Milestone 3.3.2: Reduction in prevalence of open defecation (number of additional people who stop practicing open defecation)</b><sup>35</sup></p>	<p><b>IBRD Financial Services Ongoing</b> Kerala RWSS; Maharashtra RWSS; Punjab RWSS; RWSS-LIS (UP, Bihar, Jharkhand, and Assam); Sanitation: SBM-G support operation; and Uttar Pradesh Water Sector Restructuring Project Phase 2</p> <p><b>IBRD Knowledge Services</b> Rural Water Strengthening service delivery models for</p>

<sup>35</sup> Based on the indicator value from the World Bank supported Swachh Bharat Mission Support Operation.

	Baseline (2017): TBD <sup>36</sup> Target (2020): 95 million (IBRD)  <b>Milestone 3.3.3: Number of districts using improved planning processes in select states</b> Baseline (2017): 2 Target (2020): 12 (IBRD)	efficient services; and SBM TA: Strengthening SBM-G program delivery institutions at the national level and in select states in planning, implementing, and monitoring
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**Objective 3.4: Improve the quality of health service delivery and financing as well as access to quality healthcare**

*Intervention Logic*

**The key systemic challenges in India’s health sector are the quality of health care, access to quality services, and inequity and vulnerabilities arising from how health is financed.** The SCD finds that the average Indian village has nearly six health care providers and the cost of a single interaction with a private primary care provider ranges from US\$0.5 to US\$2, amounts that are relatively affordable. However, services procured often lack quality: for instance, only 4 in 10 people reporting symptoms of a heart attack to a health care provider would be correctly diagnosed as heart attack cases while 80 percent of children with viral diarrhea would be incorrectly given antibiotics. Potential solutions may include coming from scaling-up innovative remote diagnostic approaches. In addition to quality issues, financing of health is largely borne by households’ out-of-pocket payments (OOPP), an inefficient and inequitable form of health financing (over 64 percent of health expenditures were OOPP (National Health Accounts Estimates for India 2013–14, Ministry of Health and Family Welfare). The SCD notes that an estimated 49 million people are pushed into poverty by health expenditures and OOPP contribute to about a fifth of the poverty headcount rate in India.

**The focus on quality, affordability in health service delivery and financing mechanisms supports the Gol’s approach to the health sector.** India has stressed SDG 3: ‘Ensure healthy lives and promote well-being for all at all ages’ and in particular SDG 3.8, to achieve universal health coverage. Toward this end, the Gol has just announced the Pradhan Mantri Swasthya Suraksha (Prime Minister’s Health Assurance) Mission to provide benefit coverage to 100 million families, with a 16-fold increase in the benefit coverage from the current scheme. In addition to alignment with Gol efforts, this objective corresponds to SCD findings which emphasize the importance of improved quality and addressing inequity in health care provision.

**The WBG will address health service delivery quality challenges through private sector and public-sector solutions.** With a focus on incentivizing performance by institutional changes to service delivery in the public sector, the World Bank will engage in a series of tailored engagements in at least six states which have varied health challenges and levels of development of health systems. In the LIS of Uttar Pradesh, Uttarakhand, Nagaland, and Jharkhand, emphasis will be on basic management systems: in Uttar Pradesh, building the quality assurance function of the state government and revamping district hospitals; in Uttarakhand, on improving clusters of facilities in selected districts by outsourcing them to the private sector; in Nagaland, on upgrading facilities and improving accountability through community mobilization; and in Jharkhand, focusing on quality assurance of health facilities and other

<sup>36</sup> The baseline value of number of people living in Open Defecation Free villages will be established by the first round of National Annual Rural Sanitation Survey conducted under the World Bank supported Swachh Bharat Mission Support Operation. The target value will be compared to this baseline.

essential health systems. Planned operations in the more advanced states of Tamil Nadu and Andhra Pradesh will address how to adapt health systems to the growing burden of non-communicable diseases, an emerging challenge common to lower-middle-income economies. These engagements will also generate knowledge and provide examples for other states to learn from, harnessing the incentives of a competitive federal system. The WBG will support Lighthouse India knowledge exchanges. In addition, health sector improvements may be a focus area for a core state partnership operation. The World Bank will also provide advisory support to the National Health Mission, the Prime Minister's Health Assurance Mission and NITI Aayog's role to accelerate convergence in—as well as competitive pressure to improve—health outcomes, particularly through the implementation of the National Health Performance Index. Finally, the World Bank will continue to support national TB and HIV/AIDS programs, which have substantial flexibility built into how states implement these programs.

**While IBRD supports improvements in the public sector, the WBG will leverage the private sector by continuing to invest in access to quality care.** While providing for the population's health is a primary responsibility of government, the gap in service provision in India at present is too large to be filled by the public sector alone. IFC will continue to mobilize private sector capital to expand affordable, quality healthcare and create a mass market for lower income populations. IFC's interventions will be through direct investments in private sector ventures, delivering advisory services for the central and state governments, as well as through PPPs where appropriate. IFC will focus on investing in health care service providers that contribute to making the system more effective, efficient, rational, safe, affordable, and ethical, increasing quality healthcare services to 31 million people living in Frontier states. Apart from concentrating on expanding primary and secondary services in underserved and rural regions, these initiatives will concentrate on treating the rising burden of disease from NCDs. IFC investments in health care service providers will prioritize (a) creating a mass market for lower income people in Tier II–III locations and frontier states by supporting established service providers and developing new ones; (b) supporting the expansion of affordable, quality primary care; and (c) supporting earlier stage and innovative models for health care. To help address health benefit payments leakages, IFC will also invest in direct digital payment systems, facilitating receipt of payments by 20 million health beneficiaries and workers. IFC will also invest in health product companies to support an increase in the production and distribution of affordable, higher-quality drugs as well as support innovative and disruptive technologies and local manufacture of medical equipment. IFC will also provide advisory support to pursue where appropriate PPPs which ensure quality, promote equity, reduce costs, and enhance affordability, and align with national and/or state health programs and development priorities.

**The WBG will support GoI efforts to improve the quality of health financing.** The WBG will support efforts to shift towards the public sector bearing a larger share of health expenditures, providing for scale efficiencies, and improving the effectiveness and efficiency of public sector expenditures to yield better outcomes. The World Bank will provide advisory support, including to a knowledge hub for exchanging experience on government sponsored health insurance schemes to improve performance, especially in serving the poor. Where appropriate, the WBG will support PPPs for quality care and expanded health insurance coverage in LIS. Through its support to India's TB and HIV/AIDS control programs, the WBG will partner with GoI to sustain funding for addressing HIV/AIDS and significantly increase financing for TB, thereby improving the allocative efficiency of health financing by redirecting expenditures to diseases with large externalities which more strongly justifies public intervention. A new TB operation will support the GoI goal of ending TB by 2025 by expanding the benefits of the government program (free drugs and diagnostics, nutritional and treatment adherence support, and counseling) for any TB patient regardless of whether treatment providers are public or private.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p><b>Indicator 3.4.1: Number of public facilities with quality certification in selected states</b> Baseline (2017): 25 Target (2022): 84 (IBRD)</p>	<p><b>Milestone 3.4.1: Number of public facilities with an agreed quality improvement plan</b> Baseline (2017): 76 Target (2022): 150 (IBRD)</p>	<p><b>IBRD Financial Services</b> <i>Ongoing</i> Uttar Pradesh Health Systems Strengthening Project; Uttarakhand Health System Development Project; Nagaland Health Project; National Aids Control Support Project; and Accelerating Universal Access to Early and Effective Tuberculosis Care</p>
<p><b>Indicator 3.4.2 Number of persons with improved access to quality healthcare services</b> Baseline (2017): 0 Target (2022): 10 million (IFC)</p>	<p><b>Milestone 3.4.2: Percentage of high risk groups diagnosed</b> Baseline (2016): 40% Target (2019): 90% (IBRD)</p>	<p><i>Pipeline</i> Tamil Nadu Health System Reform Project; Jharkhand Health System Project; AP Health System Project; successor project supporting TB treatment and prevention; and Uttar Pradesh Health Systems Strengthening Project Additional Financing</p>
<p><b>Indicator 3.4.3: Percentage of HIV/AIDS high risk groups receiving anti-retroviral therapy (ART)</b> Baseline (2016): 50% Target (2019): 90% (IBRD)</p>	<p><b>Milestone 3.4.3: Number of states with formal mechanism to support TB patients in the private sector</b> Baseline (2017): 3 (Gujarat, Maharashtra and Bihar) Target (2022): 20 (IBRD)</p>	
<p><b>Indicator 3.4.4: TB case notification rate</b> Baseline (2016): 128 per 100,000 population Target (2022): 250 per 100,000 population (IBRD)</p>	<p><b>Milestone 3.4.4: Number of states strengthening<sup>37</sup> the quality of health financing arrangements</b> Baseline (2018): 2 (Odisha, Uttarakhand) Target (2021): 5 (IBRD)</p>	<p><b>IBRD Knowledge services</b> <i>Ongoing</i> Programmatic ASA on Universal Health Care; India District Hospitals Strategic ASA; and Government Sponsored Health Insurance Scheme Knowledge Hub</p> <p><b>IFC</b> Healthcare PPPs and investment in healthcare providers and delivery services, pharmaceutical companies, producers of vaccines, and in medical technology and devices</p>

<sup>37</sup> 'Strengthening' consists of at least one of the following: (i) Health insurance benefit package is expanded; (ii) Introduction of results-based budgeting; (iii) Expansion of strategic purchasing.

### Objective 3.5: Improve the coverage and coordination of social protection systems

#### *Intervention Logic*

**Improving the effectiveness of India's social assistance programs is critical, particularly given the large scale of expenditures on SP.** India has a wide variety of social assistance programs accounting for around 2.2 percent of GDP annually just at the national level, with significant additional spending by individual states. Despite these outlays, the SCD notes that coverage by programs remains an ongoing challenge, particularly in LIS, both for protective programs, as well as preventive instruments such as insurance for the poor and informal sector. The SP system is largely unprepared to address the needs of mobile populations—a group that is likely to continue to grow as economic reforms deepen.

The current SP system comprises nearly 97 schemes leading to challenges in coordination across multiple agencies in the system for delivering SP. There is limited flexibility for states to tailor and design schemes best suited to their local needs. Many central schemes emphasize safety nets which protect the chronic poor and have less emphasis on preventive programs such as social insurance. Administrative coordination is a challenge, leading to different beneficiary registers, which are not all linked to a unique identification system, and incomplete links to payment systems which would allow for direct benefit transfers to beneficiaries. This results in duplication of administrative effort as well as costs, leakages, and delays in the transmission of benefits.

**The GoI has expressed its commitment to improving the coordination of schemes and the SP system through (i) legislative rights for different types of SP (National Rural Employment Guarantee Act 2005, National Food Security Act 2013, and the Unorganized Workers Social Security Act 2008) (ii) the draft NITI Aayog Action Agenda 2016–2020, and (iii) tracking the UN SDG for SP systems (1.3).** Effecting this qualitative shift will build on three building blocks. First, collection of new census data with asset and sociodemographic information through the Socio-Economic and Caste Census (SECC) in 2011 has been an important milestone in addressing bottlenecks in the beneficiary identification process for several schemes by serving as a consolidated social registry. Second, the central government has provided strong impetus to enable improved consolidated government-to-person payments through campaigns to open bank accounts (most recently, under the PMJDY), by issuing national identity cards (Aadhaar), and by promoting the transition to digital payment systems through the Direct Benefit Transfer initiative. Third, the GoI plans to create a platform to allow states and the central government to better coordinate and provide portable benefits to unorganized workers through a new Unorganized Workers Identity Number (UWIN).

**Whereas the previous strategic engagement period focused primarily on expanding coverage of programs in target states, the WBG will support both improving coverage and emphasizing improved coordination of SP schemes.** This will be achieved through a mix of knowledge services and lending operations at national and state levels:

(i) State-level operations financing governments to build program outreach, targeting, and last mile delivery systems to strengthen delivery and coverage of core safety nets and welfare services in Jharkhand and Bihar, with possible expansion to additional states later in the CPF period. These investments will enhance coverage through creating new points of presence for target groups. In addition, business process re-engineering and capacity building will aim to improve coordination across different programs and business processes at the state and sub-district level.

(ii) An ASA to bolster cross-state knowledge exchange on SP systems, including from work in Jharkhand and Bihar as part of the India Lighthouse agenda.

- (iii) Support to the Ministry of Labor and Employment in design and development of portable delivery systems which aim to expand social security coverage of informal workers through leveraging global experience, knowledge, and technical advisory services.
- (iv) Support the Ministry of Rural Development and select states in the design, piloting and scale-up of social registries to improve beneficiary identification and targeting.
- (v) ASA to strengthen state capability to coordinate benefit delivery across multiple programs by adopting digital payment systems in several LIS through support to Direct Benefit Transfer (DBT) Cells including training and support for technology development; and
- (vi) An ASA to support the Pension Fund Regulatory Authority of India and support for the Health Insurance agenda to expand coverage of pensions and social insurance among the informal sector.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p><b>Indicator 3.5.1: Share of poor (Bottom 40%) of households covered by any social safety net program increased in target districts</b> Baseline (2015): 48%<sup>38</sup> Target (2022): 60% (IBRD)</p> <p><b>Indicator 3.5.2: Share of households covered by any government insurance program increased in target districts</b> Baseline (2014): 15%<sup>39</sup> Target (2022):33% (IBRD)</p> <p><b>Indicator 3.5.3: Share of cash-based SP programs integrated onto the DBT platform in targeted states</b> Baseline (2017): 12%<sup>40</sup> Target (2022): 60% (IBRD)</p>	<p><b>Milestone 3.5.1: Number of states using a common social registry for identifying eligibility for the largest three cash-based programs in targeted states</b> Baseline (2017): 3<sup>41</sup> Target (2020): 5 (IBRD)</p> <p><b>Milestone 3.5.2: Number of states participating in knowledge exchange on SP systems improvement and development supported by the World Bank</b> Baseline (2017): 0 Target (2020): 4 (IBRD)</p>	<p><b>IBRD Financial Services Ongoing</b> Jharkhand Tejaswini Socioeconomic Empowerment of Adolescent Girls and Young Women; and Bihar Integrated Social Protection Strengthening Project</p> <p><b>IBRD Knowledge Services</b> State Capability for Service Delivery; Social Registry; Accelerating DBT in Low Income States; Universal Health Insurance PFRDA; Chhattisgarh DBT; and Unorganized Workers Identification Number for portable benefits (UWIN) ASA</p>

<sup>38</sup> This measure uses Social Protection Surveys conducted as part of broader analytic work to support operations in Bihar and Jharkhand by the SPJ team in 2014 and 2015 respectively. The indicator captures share of bottom 40 percent households (based on a survey-based weighted asset index) reporting receipt of benefits from any safety net—in-kind or cash. End-line surveys shall be conducted as part of project activities to provide target estimates for 2022.

<sup>39</sup> Share of households covered by government health insurance programs (as health insurance programs report the highest take-up and expenditures among all social insurance programs in India) from NSSO 2014. Since the ongoing/future WBG ASA aims to enhance coverage at the all-India level through advisory and analytic support on the design of health insurance platforms, Atal Pension Yojana (PFRDA) and UWIN, we provide national estimates for this indicator.

<sup>40</sup> Share of CSS schemes reporting data on payment transfers to DBT portal as a share of the 84 CSS which are implementing DBT in Odisha (10 CSS schemes in the state are reporting to the DBT portal as on December 2017). The estimate is restricted for Odisha where Bank ASA is ongoing. The national estimate for the same measure is 16%.

<sup>41</sup> Ongoing SECC TA required the Social Protection and Jobs (SPJ) team to take stock of states which use a consolidated registry. The proposed measure captures the number of LIS using a registry due to focus of ongoing TA. At present, Telengana, Rajasthan, and Madhya Pradesh host a registry approach for identifying eligible populations for largest cash SP programs.

## Annex 2. India FY13-17 Country Partnership Strategy Completion and Learning Review

Date of CPS: March 21, 2013 (Report No. 76176-IN)

Date of Progress and Learning Review: September 2, 2015 (Report No. 99283-IN)

Period Covered by the Completion and Learning Review: July 1, 2012 to June 30, 2017

### I. INTRODUCTION AND SUMMARY OF FINDINGS

1. **This Completion and Learning Review (CLR) is a self-evaluation by the World Bank Group (WBG) of the outcomes and implementation of the India FY13–17 Country Partnership Strategy (CPS).** The CLR evaluates the extent to which the CPS was successful in achieving its stated objectives, how well the WBG designed and implemented the program, and how the WBG’s engagement supported progress toward the goals of ending extreme poverty and boosting shared prosperity in a sustainable manner. The CLR uses the results matrix in the CPS as updated in the 2015 Progress and Learning Review (PLR) as well as contextual analysis of engagement in respective sectors to assess outcomes. The CLR seeks to hold WBG accountable for its performance and articulate lessons learned for the WBG’s further engagement in India.

2. **The overall CPS development outcome rating is Satisfactory.**<sup>42</sup> Out of the 19 objectives grouped into 3 engagement areas in the CPS, 11 are rated as achieved, 3 as mostly achieved, and 5 as partially achieved. The aggregation of these ratings by engagement area yields ratings of Moderately Satisfactory for the engagement area of Integration and Satisfactory for the Transformation<sup>43</sup> and Inclusion engagement areas. The WBG also effected a substantial shift toward increasing engagement in lower income states/special category states (LIS/SCS),<sup>44</sup> as was envisaged by the CPS, though it did not reach the target of a nearly threefold increase from 12 to 30 percent of the volume of commitments in specific state-level operations in these states. The portfolio had a total of 22 percent of total commitments in LIS/SCS state level projects and a further 13.5 percent of commitments in national operations which were directed to LIS/SCS by the end of the CPS period.

3. **WBG performance in implementation of the CPS is rated as Good.**<sup>45</sup> The CPS’s design was well aligned to Government of India (GoI) priorities and appropriately adjusted at the PLR stage. There was a clear line of sight between objectives and strategic approach, as well as alignment with the WBG’s twin goals, particularly in the increased focus on LIS/SCS. The design set out a strategy for smartly engaging with India’s various tiers of government, employed a range of instruments, and formulated results that overall were appropriately ambitious and attributable to WBG activities. Implementation of the CPS was strong, leading to a growing lending portfolio and a comprehensive Advisory Services and Analytics (ASA) program. The portfolio showed strong development outcomes, with 87 percent of concluding operations rated Moderately Satisfactory or above by the Independent Evaluation Group (IEG), though there were persistent challenges with the timeliness in preparation and execution of operations.

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<sup>42</sup> CPF/CPS development outcome ratings are on a six-step scale of Highly Unsatisfactory, Unsatisfactory, Moderately Unsatisfactory, Moderately Satisfactory, Satisfactory, and Highly Satisfactory. A Satisfactory rating requires that the majority of ratings of objectives are assessed as Achieved and no major shortcomings are identified. Assessment of achievement of objectives is based primarily on performance against indicators in the results framework for each objective.

<sup>43</sup> Transformation refers to the continuum of rural-urban shifts which India is undergoing.

<sup>44</sup> LIS include Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, and Uttar Pradesh, while SCS include Himachal Pradesh, Uttarakhand, and the states in the Northeast.

<sup>45</sup> WBG performance is rated on a four-step scale of Poor, Fair, Good, and Superior. A good rating requires that design and implementation of the program successfully contributed to pursuit of key CPF/CPS objectives and timely adaptation to changing circumstances and priorities.

## II. ASSESSMENT OF CPS DEVELOPMENT OUTCOMES

4. **The WBG had substantial achievements in a wide range of sectors.** The India country program was among the largest and most important for the WBG. This reflected both a legacy of long, broad, and growing engagement as well as responsiveness to ongoing client demand across a spectrum of development challenges. Discussion of achievements by objectives within engagement areas follows.

### 1. Integration Engagement Area

#### 1.1 Transport Connectivity

Government Strategic Objective	Outcomes Sought by CPS	Status	CPS Indicators	Status
Upgrade national and state highways	Improved transport connectivity in targeted States	Partially achieved	Number of highways upgraded and maintained in good condition	Mostly achieved
Complete Eastern and Western Freight Corridors			Rail transport capacity on Eastern Freight Corridor increased	Not achieved

5. **WBG operations contributed to increased quality of roads and particularly to strengthening the institutional framework for the road sector, although numeric targets were not fully achieved during the CPS period.** The World Bank financed nine projects which were active in a combination of construction, rehabilitation, or maintenance of state roads across 10 states, including 3 LIS/SCS. The CPS initially targeted 9,000 km of state-level roads to be upgraded or maintained, a target adjusted to 7,000 km in the PLR, while the portfolio impacted a total of 5,500 km of roads, of which 3,300 km involved better maintenance practices under one operation. The target was only partially met owing to slower than expected implementation owing to passive contract management in two projects, while performance on the other seven was satisfactory. Although the specific number of kilometers of state roads improved was less than the target, the WBG was able to contribute more broadly to important reforms in the road sector. The state-level roads projects as well as the National Highways Interconnectivity Project and ASA to the National Highway Authority of India contributed to the development of better road management capacity, including more modern asset management and approaches to improving climate resilience of transport sector assets (notably low-cost, low-energy-consuming construction techniques employed in Rajasthan and Bihar), promoting multimodal transportation networks, and ensuring better links between transportation infrastructure and economic activity to use the infrastructure. In addition, the WBG supported greater usage of the design-build-finance-maintain-operate-transfer model (so-called 'hybrid annuity') for road construction that had been developed earlier in a WBG-financed operation. This model has become a primary contracting arrangement to commission infrastructure in the National Highway Development Program, and variations of it are being employed in other sectors, such as wastewater treatment. The World Bank also contributed to improving connectivity through US\$1.5 billion in financing as well as technical support for the GoI's Rural Roads scheme (*Pradhan Mantri Gram Sadak Yojana, PMGSY*); this national program involving US\$38 billion in investments succeeded in increasing access of rural communities to an all-season road from 67 percent in 2010 to over 90 percent in 2016.

6. **WBG engagement was integral to rail sector institutional improvements though work on the Eastern Dedicated Freight Corridor (EDFC) has experienced delays.** The World Bank contributed to important institutional changes through the implementation of three large EDFC operations and associated non-lending technical assistance (NLTA). WBG provided support for regulatory changes to

establish a new Rail Development Authority, open up the rail system allowing for independent operators, and pioneer the use of new concessional agreements that provided for greater innovation and performance incentives. ASA has provided options to the GoI on additional financing mechanisms for its rail system, rationalization of pricing on the railways, state-of-the-art track laying methodology, railway safety, and station design innovation. While there has been significant progress toward achieving the objective, meeting the specific results indicator of increased capacity was not achieved during the CPS period owing to delays in the freight corridor’s construction. These delays were due to implementation challenges mainly related to land acquisition. The railway is expected to be completed by 2020.

## 1.2 Electricity Transmission

Government Strategic Objective	Outcomes Sought by CPS	Status	CPS Indicator	Status
Strengthen India’s electricity supply and transmission system in order to increase availability and reliability of power for economic development	Improved inter-regional power transmission connectivity	Achieved	Increase in power exchange among regions	Achieved

7. **Enhancing transmission capacity was a key element of WBG activities in the electricity sector.** World Bank financing for POWERGRID, an Indian state-owned power transmission company, supported procurement of new transmission technologies in India. For example, the Champa-Kurukshetra Transmission System was a unique project given the complexity of procurement of high-voltage direct current (HVDC) terminal package. Similarly, procurement for certain packages for 765 kV transmission lines, which was an emerging voltage level in India, was also carried out with World Bank financing. Based on experience with construction of the 765 kV EHVAC and  $\pm 500$  kV HVDC transmission system, POWERGRID is now installing higher transmission voltages of  $\pm 800$  kV HVDC and 1,200 kV ultra-high-voltage alternate current (UHVAC) system to achieve efficient utilization and increased power transfer capability for the transfer of bulk power over long distances. The World Bank-financed construction of a 1,200-kV upgradable transmission line from Wardha to Aurangabad has also been completed. Early in the CPS period, POWERGRID, including with support from World Bank financing, achieved a milestone by interconnecting the Southern Grid synchronously with rest of the National Grid through commissioning of the 765 kV Raichur (Karnataka) - Solapur (Maharashtra) line, a key element in achieving GoI’s goal of ‘One Nation-One Grid-One Frequency’. After integration of the Southern Region with the rest of the grid through the transmission link funded under the World Bank loan, POWERGRID along with the Power System Operation Corporation is handling one of the largest transmission networks at a single frequency in the world. Overall, the POWERGRID and Haryana Power operations directly resulted in over 5,000 km of transmission lines being installed. WBG’s operations were a relatively modest part of India’s overall achievement in increasing annual electricity exchange between regions from 46,000 GWh in 2009 to more than 89,000 GWh in 2017.

### 1.3 Skills Development

Government Strategic Objective	Outcomes Sought by CPS	Status	CPS Indicators	Status
Develop demand-driven, skilled workforce by providing increased opportunities for skills training	Improved demand-driven skills for productive employment	Mostly achieved	Increase in the number of graduates of Industrial Training Institutes employed within the first year of completing training	Partially achieved
			500,000 youth (including more than 40% women) from supported Self Help Groups and Community Development Organizations placed in appropriate jobs	Achieved

8. **The WBG supported reforms to improve the quality and labor market responsiveness of technical and vocational education and training.** Skill development was an increasing focus for India over the CPS period. WBG’s engagement stepped up in particular following the designation of skills development as one of six key priorities at the 2014 meeting between Prime Minister Modi and WBG President Kim. Through operations involving higher technical education institutions, long-term training at industrial training institutes (ITIs), and short-term training linked to rural livelihood programs as well as other targeted vulnerable groups, the World Bank supported key shifts in approach to skills development. The most important shifts involved (a) increasing involvement of employers in curricula, (b) designing programs that address the needs of diverse target groups, and (c) developing robust and useable information and monitoring systems. Successive World Bank-financed operations working on long-term training in ITIs supported sector boards composed of industry representatives and institution heads to lead curriculum development, Institute Management Committees to institutionalize industry presence in the operation of public ITIs, and inclusion of private ITIs into overall skills development planning. These changes were associated with a significant increase in the ratio of ITI graduates employed within the second year of completion from 60 percent (of which 28 percent were women) to 67 percent (of which 58 percent were women), though this did not meet the implicit CPS target of a 10 percentage point increase.<sup>46</sup> Complementing formal institutions, the WBG supported skills development through the National Rural Livelihoods Project (NLRP) as well as several state-level operations, which included training components for the rural poor. These operations supported 505,039 youth in securing better jobs, exceeding the CPS target. Notably, an evaluation in Tamil Nadu highlighted that 89 percent of trainees in the livelihoods program reported higher incomes post training. The WBG also produced impactful analytical work on skills training provision, most notably the 2016 study on labor market outcomes of major government skills programs. Building on analytical work and operational experience, a US\$250 million PforR (Program for Results) operation was approved at the end of the CPS period to support the Gol’s overall US\$3 billion skills programming efforts, with a focus on changes to increase market relevance of training, quality assurance, and quality and effectiveness of monitoring and evaluation (M&E) systems.

<sup>46</sup> Note that the CPS target of 10 basis points was within one year of completion, which appears to be a mismatch since the baseline of 60 percent was based on data for persons employed after two, not one, years.

## 1.4 Private Sector Investment in Low Income States

Government Strategic Objective	Outcomes Sought by CPS	Status	CPS Indicator	Status
Low private sector investment in Low Income States	Enhanced private investment in Low Income States	Achieved	Additional US\$1.3 billion private investment facilitated in LIS states by 2017	Achieved

9. **The International Finance Corporation (IFC) significantly expanded its investments and advisory services in LIS.** IFC provided US\$1.4 billion financing to support private sector enterprises and engaged in 43 advisory projects in LIS, exceeding the CPS target. IFC engaged across segments including in health, financial inclusion, housing finance, microfinance, and the water sector. IFC's investments and advisory services interventions succeeded in establishing key infrastructure and providing 'proof of concept' for private sector engagements in LIS. Many were transformational public-private partnership (PPP) initiatives, including India's first net metering solar PPP project in Odisha in which IFC helped central regulators draft national-level net metering guidelines and state-level net metering guidelines; the first medical college PPP and the first medical insurance PPP (in Meghalaya); the world's largest and India's lowest tariff solar park (in Madhya Pradesh); and the first citywide energy efficiency street lighting, first citywide 'network health care', and affordable housing PPPs (in Odisha). A total of 22 of IFC's 24 PPP engagements were in LIS, leveraging US\$122 million of additional private sector financing over the CPS period. These PPPs are expected to leverage an additional US\$600 million of private sector finance beyond the CPS period when these projects achieve financial closure. IFC exceeded its targets in the LIS despite persistently low private sector appetite for investments in these states driven by negative perceptions about infrastructure, service delivery, supply chains, and governance.

## 1.5 Regional Connectivity

Government Strategic Objective	Outcomes Sought by CPS	Status	CPS Indicators	Status
Integrate regional market in trade, infrastructure (power and transport), and investment	Improved levels of regional trade and investment; connectivity between India and neighboring countries	Partially achieved	150 MW of electricity traded between India and Nepal	Achieved
			Border crossing time between India and Nepal reduced by 20%	Not achieved

10. **The WBG contributed to slow but steady progress in promoting connectivity between India and its neighbors.** World Bank-financed operations with POWERGRID included financing for a 500 MW HVDC back-to-back terminal along with Bheramara (Bangladesh) to Baharampur (India) 400 kV DC, which in turn enabled a power flow of 500 MW from India to Bangladesh. Currently, 160 MW of electricity is being exported to Nepal using a partially completed 400 kV cross-border transmission line, meeting the specific result target in the CPS. The substation and other receiving infrastructures under the project were completed shortly after the end of the CPS period, enabling an additional 150 MW of electricity to be imported using the World Bank-financed infrastructure. Several World Bank-financed operations are bringing about improved transport connectivity. A central road link financed by the World Bank along the Kathmandu-Birgunj-Kolkata Corridor, at Narayanghat-Mugling and integrated checkpoints at the Birgunj-Raxaul border remain under construction. These improvements are complemented by development of soft infrastructure, notably the operationalization of a National Trade Information Portal that is providing essential information needed by traders to import and export in one electronic portal and near operationalization of Electronic Data Interchange of the Customs Transport Document between Nepal and India. Altogether, World Bank-financed investments are expected to reduce border crossing time at

the key Birgunj-Raxaul border by 20 percent by end-2019. More generally, WBG support for improving road connectivity in the Northeast through roads operations in Assam, Meghalaya, and Mizoram contributed indirectly to better transport connectivity with neighboring countries in the region.

## 2. Transformation Engagement Area

### 2.1 Urban Governance

Government Strategic Objective	Outcomes Sought by CPS	Status	CPS Indicators	Status
Improve long-term planning for sustainable and inclusive urban development; strengthen Governance and financial sustainability of urban local bodies	Strengthened institutional capacity of urban government in targeted states	Achieved	Number of cities with new/updated urban management systems to improve service delivery	Achieved

11. **WBG operations and analytical work supported incremental improvements in the operation of urban local bodies (ULBs).** WBG activities focused on strengthening management practices among ULBs to help develop their capacity and therefore equip them to take a more proactive role in local development. This focus was aligned with a growing priority of the GoI to strengthen ULBs, notably through substantial increases in the level of financing following the 14th Finance Commission recommendations, which began to take effect in the FY17 budget. Through World Bank-financed urban development operations in Andhra Pradesh, Telangana, Tamil Nadu, and Karnataka, 320 ULBs' planning and financial management systems were strengthened and e-governance tools were developed to improve interface with citizens in service delivery. These operations also supported urban planning exercises with new GIS maps in 78 cities. IFC's PPP advisory services assisted the municipal corporations of Jaipur, Bhubaneswar, and subsequently four other cities in Odisha to convert previous inefficient and failure-prone streetlights to modern energy-efficient LED lighting in these cities, leading to expected energy savings of more than 80 percent and expected fiscal savings of over US\$1 million per year.

### 2.2 Urban Transport

Government Strategic Objective	Outcomes Sought by CPS	Status	CPS Indicator	Status
Increase public transport; expand metro rail and bus system; and improve road safety	Improved urban transport services	Achieved	Increase in modal share by public transport in target cities	Achieved

12. **The WBG supported improvements in urban transport systems through demonstration projects and leveraging impact through peer learning.** The Sustainable Urban Transport Project targeted five cities with six demonstration projects that supported the achievement of the CPS objective of doubling the public transport modal share in targeted areas. The demonstration project for Pimpri-Chinchwad increased public transport's share from 4.2 percent to 8.9 percent, the share of public transportation between Raipur and Naya Raipur rose from 0 percent to 36 percent, and an analogous increase expected to occur in Hubli-Dharwad after the CPS period. The operation also financed the operationalization of an Intelligent Transport System in the bus fleet in Mysore, the first such city to deploy such a system. The World Bank also indirectly supported an additional 100 projects through its 'Leaders in Urban Transport Planning' Initiative. The World Bank's Mumbai Urban Transport Project 2A resulted in improving passenger carrying capacity, operational efficiency, and level of comfort, as well as institutional capacity of the corresponding authorities. At the same time, the modest scope of WBG activities during the CPF

meant that its contribution to the broader outcome was limited to a few local improvements and dissemination of technical good practices.

## 2.3 Water and Sanitation

Government Strategic Objective	Outcomes Sought by CPS	Status	CPS Indicators	Status
Improve access to water and sanitation services in rural and urban areas	Improved access to water supply and sanitation services	Achieved	Additional 15 million people provided with access to improved water sources by 2017	Achieved
			Additional 6 million people provided with access to improved sanitation system by 2017	Achieved
			Additional 3,000 Gram Panchayats achieved Open Defecation-Free (ODF) status in targeted states by 2017	Achieved

13. **Building on its long-standing engagement in the sector, the WBG supported national and state governments to develop systems for implementing and sustaining on-the-ground improvements in water and sanitation.** World Bank-financed operations at the state level (two in urban and seven in rural areas) as well as support for a national-level program focused on LIS led to the newly provided access to water supply for just over 15 million persons and sanitation for 6.8 million persons, exceeding CPS targets<sup>47</sup>. Working in both relatively prosperous states and LIS/SCS, these operations demonstrated successful community-based, participatory, demand-responsive approaches and provided the basis for scaling up activities, including through building institutional capacity of state departments, sector institutions, local governments, and communities themselves. Of particular note, is the World Bank support in Uttarakhand, which contributed to establishing 24/7 water supply and received the Right to Information award for good governance and transparency. An independent impact assessment found 98 percent user satisfaction and 90 percent sustainability for this operation. The World Bank also committed to a US\$1.5 billion PforR operation in support of the Swachh Bharat Mission (SBM), an initiative championed by the Prime Minister to eradicate open defecation by 2019. The operation incentivizes behavioral change. While disbursements have not been forthcoming owing to delays in appointing an independent verification agency, the WBG has been prominent in providing technical assistance, developing a knowledge portal for exchange of good practices, and supporting innovative mass awareness campaigns involving Bollywood stars. State-led assessments in target states for the SBM support operation assessed that 28,908 Gram Panchayats have achieved ODF status; this achievement is beyond the CPS target of 3,000, but is not independently verified and not associated with disbursements under the World Bank-financed PforR.

<sup>47</sup> The CPS results matrix further broke down expected results for sanitation to improvements for 5 million rural and 1 million urban residents; the actual breakdown achieved was 6,531,000 persons in rural areas and 241,000 persons in urban areas. The exceeding of the overall target is the basis for an assessment of achieved for this indicator.

## 2.4 Agriculture

Government Strategic Objective	Outcomes Sought by CPS	Status	CPS Indicators	Status
Raise agricultural productivity to 4% per annum	Increased agricultural productivity in targeted areas	Achieved	Increase in yields for beneficiary farmers in paddy, wheat, & sugarcane	Mostly achieved
Strengthen irrigated water resource management			Increase in milk production for beneficiary farmers	Achieved

14. **WBG engagement in the agriculture sector focused on improving service delivery and promoting better use of natural resources.** The World Bank financed operations in five states to rehabilitate irrigation systems, particularly community tanks, and to develop institutions at community and state levels to manage and maintain these systems. These operations in aggregate led to over 2 million ha of land having improved irrigation, and corresponding improvements of productivity, by the end of the CPS period. Agricultural productivity for wheat in Uttar Pradesh, the primary wheat growing area impacted by WBG activities largely increased before the CPS period, with only marginal changes in the past five years. Paddy productivity increased by over 50 percent. IFC investment and advisory services reached 522,483 farmers. About 217,756 farmers were supported by IFC Advisory Services, 100,000 of whom improved their productivity and water usage, leading to 130,000 ha of land sustainability managed and 191 million m<sup>3</sup> of water use avoided per year and registering improvement of sugarcane yields by between 16 percent and 49 percent. Through a PPP project, IFC also helped the Government of Odisha in developing last-mile rice storage infrastructure in remote parts of the state. Successive operations in Uttar Pradesh have led to over 120,000 ha of sodic land reclaimed, with cropping intensity on these lands increasing from 25 percent to 206 percent. Continuing decades of work to improve watershed management, the World Bank financed operations in Himachal Pradesh (additional financing) and Uttarakhand as well as the national-level Neeranchal Watersheds Project to provide technical assistance to nine Indian states. The Himachal Pradesh project has exceeded targeted productivity gains, but the latter two operations have not achieved results during the CPS period owing to substantial implementation delays associated with project design not fitting with subsequently launched national program on watersheds. WBG activities led to intensification and higher productivity while also employing approaches that contributed to reducing the burden on scarce groundwater resources, particularly the use of tanks. They also introduced more climate-resilient practices and diversification of crops, particularly towards the end of the CPS period. At the same time, owing to political economy issues, the WBG operations only marginally addressed other longstanding issues in the sector, such as inefficient use of water owing to subsidized electricity and market distortions associated guaranteed food prices.

15. **WBG operations and analytical work contributed to increasing farmers' share of value chains.** The WBG also financed operations in Maharashtra, Assam, and Rajasthan to strengthen farmers' technical knowledge, market intelligence, and market networks to support diversification and intensification of agricultural production aimed at responding to the market demand. In Maharashtra, the World Bank-financed project contributed to farmers increasing their average share of wholesale prices for eight out of nine products (in six cases by over 20 percent) and their share of retail prices for seven out of nine products (in six cases by over 20 percent); in Assam productivity increases occurred for all six commodities tracked and exceeded targets in four cases. While operations contributed to achieving productivity increases for paddy, World Bank-supported operations promoted diversification to other, higher-value products, such as pulses, which in some cases are less water intensive. World Bank ASA in agriculture, particularly the 2014 Accelerating Agricultural Productivity Growth study, provided an evidence and

analytical base for agricultural policies that have been promulgated by the present government; the study highlighted issues related to the transition from past policies and institutions focused on food self-sufficiency, such as Minimum Support Prices, to promotion of sustainable agricultural growth, including diversification and better-performing markets.

## 2.5 Environmental Protection

Government Strategic Objective	Outcomes Sought by CPS	Status	CPS Indicators	Status
Improve management of natural resources by introducing regulation to limit water pollution, improving sewerage treatment system, and protecting biodiversity	Improved environment protection and biodiversity conservation	Partially achieved	160 million liters per day of untreated wastewater prevented from entering the Ganga river	Partially achieved
			Additional 500,000 hectares brought under enhanced biodiversity protected area management	Achieved

16. **WBG-financed operations contributed to the formulation of national policies concerning environmental management and implemented approaches to protect the environment and biodiversity in select sites.** Notwithstanding implementation challenges, the Integrated Coastal Zone Management Project (ICZM) achieved overall success in carrying out measures to preserve coastal areas in Gujarat, West Bengal, and Odisha, bringing over 110,000 ha under enhanced biodiversity management. The ICZM's achievements in turn contributed to the formulation of India's National Coastal Mission, which is part of the National Plan for addressing climate change under the country's Intended Nationally Determined Commitments (INDC). The Capacity Building for Industrial Pollution Management Project supported the development of Guidelines for Remediation of Polluted Sites (issued 2015); the establishment in 2015 of a waste management information system, covering all of India, for processing authorizations for hazardous waste, solid waste, bio medical waste, and electronic waste; and draft Rules for Remediation of Polluted Sites, which are now under review by expert committees and are expected to be issued by March 2018. The World Bank also supported a targeted local landscapes approach in parts of four states, which established new models of localized balanced management and conservation considering communities' various uses and needs of their environments, resulting in 590,000 ha being brought under enhanced biodiversity management, exceeding the CPS target. Overall, India has seen increased attention to preserving biodiversity, with 44 new protected areas declared by the GoI during the CPS period.

17. **WBG support for wastewater treatment on the Ganga River encountered substantial delays, though there has been effective support in other parts of India.** Major investments to be financed under the US\$1 billion Ganga Basin rejuvenation project are yet to be made despite the operation being in effect for six years. The reasons for delay were slow operationalization of the institutional framework and staffing; delays in the selection of investments and procurement process; and obtaining decisions required from governments at central, state, and local levels in a coordinated manner. The operation nonetheless supported institutional improvements in setting up the National Mission for Clean Ganga (NMCG) and the State Level Program Management Groups. It also helped develop design-build-operate-transfer contracts for the first time for sewage treatment plants and wastewater networks in the participating states as well as use of the so-called hybrid annuity model to crowd in private sector financing. IFC has been a transaction adviser for two hybrid annuity agreements which were concluded at the end of CY2017 and the central government has approved four more large investments to be financed by the World Bank under this modality. At present, there is 34 million liters per day (MLD) of wastewater treatment capacity

resulting from World Bank financing. A further 18 contracts awarded and under implementation with World Bank financing will create 208 MLD of wastewater treatment capacity by 2020. Outside of the Ganga basin, the ICZM financed installation of a 91 MLD wastewater treatment facility in Jamnagar, Gujarat, and a 10 MLD plant in Digha, West Bengal. The Jamnagar plant was the first case of ‘technology neutral’ bid for sewage treatment plants on a design-build-operate-transfer basis in India and its bidding documents were used as a model by several other agencies. The operator is now paying the municipality for supply of sewage at INR 20 million per year while selling the treated water, with required transmission infrastructure created at their own cost.

## 2.6 Greenhouse Gas Emissions

Development Challenge	Outcomes Sought by CPS	Status	CPS Indicators	Status
Lack of awareness about energy saving technologies and measures to reduce ozone depleting substances	Reduced GHG emissions through energy efficiency and renewable energy production	Achieved	Additional 1.5 million tCO <sub>2</sub> e GHG emissions reduced per year by 2016	Achieved

18. **The WBG has helped reduce greenhouse gas (GHG) emissions through multiple activities supporting renewable energy generation.** India has been carrying out an ambitious program to increase renewables, with installed capacity of hydro, biomass, and solar power increasing by nearly 50 percent from 223 GW in 2013 to 327 GW in 2017. The WBG supported the Gol’s renewable energy targets through global sector knowledge, long-term direct financing, credit enhancements, mobilization, and advisory support. IFC helped build new private sector corporates from the ground up; supported key, innovative, proof-of-concept interventions including PPPs and green bonds; facilitated introduction of best practices in corporate governance, E&S, and legal documentation; and brought in new investors through mobilization. IFC investee companies were responsible for installation of over 4.5 GW of renewable energy capacity during the CPS period, 8 percent of total installed renewable energy capacity in the country. The World Bank contributed to achieving the CPS target of an additional 1.5 million (tCO<sub>2</sub>e) GHG emissions reduced per year through financing for the Rampur Hydropower Project, which reduced 1.41 million tCO<sub>2</sub>e annually. In addition, working with local lenders, IFC projects contributed to 2.2 million tCO<sub>2</sub>e GHG per year reductions in FY16. IFC’s PPP advisory helped states of Gujarat and Odisha develop first-of-its-kind rooftop solar programs, demonstrating viability and contractual models and helping the central electricity regulator draft net metering regulations, which subsequently paved the way for rooftop solar projects around the country. IBRD in turn financed the Grid-Connected Rooftop Solar Program beginning in 2016 to increase availability of debt financing, de-risk to mobilize commercial financial flows, and build capacity across the solar PV industry. To expand availability of long-term credit lines for renewable energy financing, IFC partnered with local financial institutions to extend green credit lines totaling US\$300 million. IFC also issued the first green offshore rupee bond in August 2015 for INR 3.15 billion (US\$50 million equivalent), listed on the London Stock Exchange, to mobilize clean energy investment. IFC was engaged in bringing corporate leaders together under the Carbon Pricing Leadership Consortium (CPLC) and the Sustainable Housing Leadership Consortium, where large Indian conglomerates pledged internal carbon prices and made voluntary commitments to achieve greening of their housing portfolios. IFC also invested in a 100 MW solar plant implemented by FRV Solar in 2017, which was also IFC’s first green project bond globally in the infrastructure sector. Finally, IFC and the World Bank together helped the Madhya Pradesh government set up the largest single-site solar power project in India, attracting private investments of about US\$750 million, where the rigorous structuring of the project risk-sharing mechanism led to intensely competitive bidding that resulted in the lowest ever solar tariff bid—some 33 percent lower than the previous low—in India in 2017.

19. **The WBG also supported energy efficiency improvements.** IFC invested in projects promoting industrial energy efficiency spanning cement, automotive, and other industries while the World Bank contributed to energy efficiency through a partial-risk-sharing facility and an operation to rehabilitate coal-fired plants. IFC invested in several green building projects with multiple clients and launched the Excellence in Design for Greater Efficiencies (EDGE) rating system for energy efficiency. IFC also invested US\$75.8 million in India’s first green bonds issued by Punjab National Bank Housing Finance Ltd. to help construct green residential buildings, to facilitate development of affordable housing, and create more jobs. Finally, IFC’s PPP advisory services assisted the municipal corporations of Jaipur, Bhubaneswar, and subsequently four other cities in Odisha to convert previous inefficient, high-maintenance, and failure-prone streetlights to modern energy-efficient LED lighting in these cities, leading to expected energy savings of more than 80 percent and expected fiscal savings of over US\$1 million per year.

### 3. Inclusion Engagement Area

#### 3.1 Access to Electricity

Government Strategic Objective	Outcomes Sought by CPS	Status	CPS Indicators	Status
Universalize access to electricity, focusing on electrification of all villages	Improved access to electricity in targeted states	Partially achieved	Additional 300,000 of connections to Below Poverty Line households by 2017 in North Eastern Region	Not achieved
Increase household access to clean and environmentally sustainable energy			Additional 220,000 households with off-grid connections	Partially achieved

20. **WBG operations supported increased generation and access to power, though specific results were not met in the CPS period.** India overall made significant strides to ensuring access to electricity, with the number of villages lacking electricity decreasing from over 18,000 in 2015 to under 4,000 as of 2017 (or 99.3 percent of villages tracked; though the benchmark for having access was a minimum of only 10 percent of households as well as public facilities). Support for the Gol’s efforts, particularly the 24x7 Power for All Program, was one of the six key priority areas of cooperation agreed between the Indian Prime Minister and the World Bank President in June 2014. Through seven World Bank-financed operations active during the CPS period, the WBG improved access to power and supported clean energy generation though increased connections, especially in the Northeast, did not occur owing to preparation of the corresponding World Bank-financed operation taking longer than anticipated in the CPS (due to meeting readiness criteria); IFC operational targets for off-grid connections were met, but the CPS presented these as households whereas the underpinning operation’s indicator was for individuals and hence achievement was lower. Notwithstanding these issues, WBG-financed projects directly resulted in addition of 412 MW of greenfield hydropower capacity and rehabilitation and efficiency improvement of 215 MW thermal-fired generation capacity. IFC’s Lighting Asia (India) advisory program led to 10 million persons receiving access to improved services from off-grid lighting. Additionally, IFC enabled access to off-grid connections for 48,441 households through mini-grids and distributed biomass power generation in Bihar. NLTA in the sector focused on rural power supply institutional development after corporatization and unbundling and project implementation support. In particular, the post-unbundling support helped Jharkhand and Manipur undertake a sector diagnostic exercise that resulted in quick wins and a road map for institutional development.

### 3.2 Health Care

Government Strategic Objectives	Outcomes Sought by CPS	Status	CPS Indicators	Status
Improve efficiency of health delivery systems	Strengthened public and private health delivery systems	Mostly Achieved	Increase the number of vulnerable people covered under government-sponsored health insurance	Partially achieved
			Increase the number of people reached in supported private health facilities	Achieved
			Increase the number of public sector hospitals that achieve entry level pre-accreditation	Partially Achieved

21. **WBG-financed operations contributed to strengthening health systems in select states and supported successful national programs to lower incidence of HIV/AIDS and tuberculosis.** The World Bank supported improving efficiency, quality control, and better outreach to vulnerable groups in public health care systems in Karnataka, Tamil Nadu, and Uttar Pradesh (with operations in SCS Nagaland and Uttarakhand launched in 2017). The operations led to system improvements such as an integrated health management information system (MIS) in Tamil Nadu, which has strengthened monitoring, planning, and budgeting and quality enhancements leading to national accreditation of hospitals in Uttar Pradesh. In particular, the World Bank-financed operations led to entry-level pre-accreditation of 16 public sector hospitals in the three states in addition to the six baseline hospitals; in addition to formal NABH accreditation, World Bank supported health systems improvements that contributed to over 100 hospitals receiving Kaya Kalp cleanliness certification. These system improvements in turn contributed to improved health outcomes, including a reduction of maternal mortality rates of over 25 percent in the three targeted states over the CPS period. At the same time, World Bank support to national programs transitioned from funding inputs for the delivery of health services to funding systemic reforms, switching the focus to results and leveraging government resources. For instance, the World Bank’s support for addressing HIV/AIDS involved innovative performance-based contracts with nongovernmental organizations for preventive interventions among high-risk groups, a model that has been replicated in other countries, notably Nigeria. The World Bank supported the modernization of the treatment regimen used by the Government for tuberculosis through a set of disbursement-linked indicators (DLIs).

22. **IFC played a catalytic role through investments and PPP advisory engagements in health care facilities and health insurance programs.** IFC’s investee companies ran health care facilities, which are estimated to have served 19 million patients, exceeding the CPS target of 9 million patients reached in supported private health facilities. IFC pioneered several PPPs in health care, notably India’s first successful tertiary care hospital PPP project in Bihar and the first successful medical college and hospital in India’s Northeast, in Shillong, targeted specifically toward below poverty line (BPL) patients from low-income and underserved areas. IFC also supported hospitals in Jharkhand, Odisha, and Andhra Pradesh. Additionally, 944,706 people benefitted from digital health payments in Bihar as a result of IFC advisory interventions in collaboration with the Government of Bihar, intended to reduce payment delays and help public health workers focus on delivering health care services rather than administering payments. Lastly, IFC’s venture capital investee companies reached 1.2 million patients through investments in health care start-ups.

23. **The WBG contributed significantly to the expansion of health insurance systems through a combination of operations in Karnataka and Meghalaya and broader knowledge exchanges.** In Karnataka, 80 percent of the state’s population, or more than 30 million people, were provided health

insurance coverage from scratch with support from the Karnataka Health System Development and Reform Project. By reducing vulnerability to catastrophic health expenses and consequent impoverishment, there was a steep reduction in mortality and out-of-pocket payments among beneficiaries of the *Vajpayee Arogyashree* (VAS) insurance scheme in the state. IFC and the World Bank provided advisory services to the Government of Meghalaya, which in turn expanded health insurance coverage to the entire population of the state while deepening the benefit package. This achievement enabled 800,000 people a year to access high-quality services including preventive care, outpatient services, hospitalization, and long-term follow-up services in hospitals across India. Aspects of this model are being taken up by other states, notably in Uttarakhand, where there is a new World Bank lending operation approved at the end of the CPS period that is supporting these reforms. The World Bank supported and coordinated the Forum of Government Sponsored Health Insurance Schemes in India which provided knowledge exchanges and capacity building among 18 national and state programs, emerging as a unique practitioner network that is now being replicated in Nigeria with World Bank support. Through its work in Karnataka and promotion of knowledge sharing the WBG made a contribution to the large overall GoI effort to expand health care coverage, which has resulted in more than 300 million people living below the poverty line becoming covered by Government Sponsored Health Insurance Schemes.

### 3.3 Nutrition

Government Strategic Objectives	Outcomes Sought by CPS	Status	CPS Indicators	Status
Reduce under-nutrition among children ages 0–3 from 40% (2005/06) to 27%	Improved child nutrition delivery systems in targeted states	Mostly achieved	Increase in number of centers implementing community-based activities to improve infant and child nutrition	Achieved
			Increase in number of mothers who receive counseling on child feeding practices	Mostly achieved
			Increase in number of households with incomes below poverty who have access to community managed nutrition centers	Mostly achieved

24. **The WBG effectively supported the GoI’s efforts to address the country’s nutrition challenge, though much progress remains to be made.** National survey data from 2005/06 and 2015/06 show a reduction of the prevalence of undernutrition among children under five years from 42.5 percent to 35.7 percent, respectively.<sup>48</sup> WBG support was primarily through the Integrated Child Development Services (ICDS) Systems Strengthening and Nutrition Improvement Program (ISSNIP) and through livelihood projects, the latter promoting community-level nutrition efforts. ISSNIP encountered implementation challenges but substantially improved performance after a late 2015 restructuring. The restructured project shifted focus toward behavioral change in beneficiaries as well as targeted institutional reforms. ISSNIP further contributed to the phased rollout of a mobile-technology-based monitoring system in 100,000 Anganwadi Centers (AWCs) and community-level activities of better quality and intensity in eight states. Over 350,000 AWCs are implementing community-based activities to improve infant and young child feeding practices (exceeding the CPS target), and the number of women in project districts who report receiving counseling on nutrition practices increased from 0 percent in 2015 to 39 percent in 2017 (just below the target of 40 percent). With respect to the livelihood projects, a change in government

<sup>48</sup> Note that this metric differs slightly from the GoI’s objective as stated in the CPS Results Framework, that is, a reduction for children ages 0–3 from 40 percent to 27 percent; data for this age group are not available.

approach to have local community-managed nutrition centers folded into AWCs meant that the third main results indicator was not tracked in the latter half of the CPS. Nonetheless, in the states of Andhra Pradesh and Telangana alone 725,000 pregnant and lactating women received one full meal per day through AWCs, a service that had previously been the main function of the community-managed nutrition centers.

### 3.4 Education

Government Strategic Objectives	Outcomes Sought by CPS	Status	CPS Indicators	Status
Achieve universal access to secondary education Improve the quality of education at all levels	Improved access and quality of education	Partially achieved	Increase enrollment in Grade 9 and 10 from 28 million to 40 million	Mostly achieved
			Increase the graduation rate from 74% in 2010 to 88% in 2017	Not achieved
			Increase gender parity index in secondary schools from 94% in 2010 to 98% in 2017	Achieved

25. **The WBG provided support to major government programs that improved access to education.** The WBG financed major operations to support respective GoI primary and secondary education programs to improve access and quality. Financial and technical support to activities under the national program for secondary education, *Rashtriya Madhyamik Shiksha Abhiyan* (RMSA), included support for new and upgraded schools, especially in underserved areas, outreach to communities, and better learning materials and teaching. Direct project beneficiaries are youth in grades 9 and 10, ages 14–16, who have completed elementary education. RMSA’s efforts increased enrolment of students in secondary education (grade 9 and 10) from 28 million in 2012 to 39.2 million by 2017 (just under the CPS target of 40 million). However, there was disturbing decline in the gross graduation rate from 74 percent in 2010 to 69 percent at the end of the CPF period, below the CPS target of 88 percent. The decline was apparently driven by fewer students taking the grade 10 examination after 9<sup>th</sup> grade which in turn appears to be driven by a combination of students electing to go to other options such as open schools or vocational training, or unpreparedness of larger numbers of students. A result of improved access was the entry of more students from disadvantaged groups which may have negatively affected the graduation rate. The Gender Parity Index (GPI) in secondary schools across India increased from 94 percent in 2010 to 102 percent in 2017 against a CPS target of 98 percent. Access also improved in elementary schools. Between 2012/13 and 2015/16, the Net Enrollment Ratio (NER) (upper primary) improved by 10 percentage points. During the same period, retention rates (elementary) improved from around 80 percent to 84.2 percent, and transition rates from primary to upper primary level improved from 86.7 percent to 90.1 percent. There also has been a marked improvement in the inclusion of various social groups under the Elementary Education Project (*Sarva Shiksha Abhiyan*, SSA). As of 2015/16, the enrollment share (elementary) of Scheduled Caste (SC), Scheduled Tribe (ST), and Muslim students stood at 19.8 percent, 10.4 percent, and 13.8 percent, respectively, which is more than their proportionate share in the overall population. The World Bank also supported the government in its development of the Shagun portal, which is being used to generate quantitative analysis as well as normative insights on various programmatic interventions. Lastly, IFC’s venture capital investee companies reached 262,000 students through investments in education technology start-ups.

26. **WBG operations aimed to improve quality of education, but success was mixed.** The GoI took active steps to improve focus on quality toward the end of the CPS period, including legislative changes to focus on learning outcomes and signaling its intention to participate in the Program for International

Student Assessment (PISA) to benchmarks such outcomes. The WBG supported the Government’s emphasis on quality, notably through work on teacher training and performance incentives in its results-based financing (RFB) operations supporting elementary and secondary education programs. The Shagun portal developed with World Bank support also provides a vehicle to showcase state-level innovations and best practices that are driving improvements in performance and progress under SSA and tracks state-level performance and progress against key performance indicators. However, the decline in graduation rates to Grade 10 as well as tests of competency levels in earlier grades show that learning outcomes continue to lag

### 3.5 Social Protection

Government Strategic Objectives	Outcomes Sought by CPS	Status	CPS Indicators	Status
Implement direct cash transfer for major subsidies and welfare-related beneficiary payments	Increased coverage of social protection programs in targeted states	Achieved	Increase in coverage of program beneficiaries in targeted districts	Achieved

27. **The WBG contributed to a strong GoI push to utilize Direct Benefit Transfers (DBTs) at state and national levels.** The ecosystem for DBTs has been vastly enhanced in recent years owing to reforms undertaken by the GoI, particularly the opening of 283 million bank accounts under the Prime Minister’s People Money Scheme (*Jan Dhan Yojana*, PMJDY) and issuance of a unique identification number (Aadhaar) to over 90 percent of India’s population. As of 2017, more than 140 GoI schemes utilize DBTs, with more than INR 2,900 crore (US\$446.2 million) in benefits transferred directly to beneficiaries through DBT in 2017. World Bank support for DBT cells in Jharkhand and Odisha contributed to accelerating direct social pension payments for elderly, disabled, and widows; in Jharkhand alone more than 725,000 pensioners receive benefits directly in their bank accounts. Although attribution is indirect and the operation has been slow to disburse owing to delays in procuring civil works, the Bihar Integrated Social Protection Strengthening Project was successful in financing technical improvements which contributed to increased coverage by social protection programs as measured by a 41.6 percent increase in the number of beneficiaries of the three major programs in the state. In addition, 944,706 people benefitted from digital health payments in Bihar as a result of IFC advisory interventions. Finally, the World Bank provided technical assistance to the Ministry of Rural Development to use the national Socioeconomic and Caste Census to set up a social registry to help manage and deliver benefits to Rural Development beneficiaries directly and efficiently.

### 3.6 Rural Livelihoods

Government Strategic Objectives	Outcomes Sought by CPS	Status	CPS Indicators	Status
Create economic opportunities to improve rural livelihood of poor households	Enhanced rural livelihood opportunities in targeted states	Achieved	Additional 1.3 million supported poor households report a minimum of 20% increase in income by 2017	Achieved

28. **The WBG’s rural livelihoods portfolio achieved strong impact in improving incomes.** WBG-financed operations at national and state levels substantially increased the rural poor’s asset base and improved skills; they also developed social capital reflected in the growth of self-help group (SHG) federations and greater female participation in local councils. Nearly 1 million new SHGs composed exclusively of women were mobilized (three-quarters of which were in LIS, where previously mobilization

had been low) and over half of these were linked to banking services. An estimated nearly 1.4 million households from Madhya Pradesh, Bihar, and Odisha alone demonstrated income improvements in excess of a 20 percent increase. Surveys indicated that project-supported SHGs in Tamil Nadu showed 32 percent greater skilled employment, higher savings rates in Andhra Pradesh and Bihar, and better food security and sanitation outcomes in Bihar when compared to other rural poor. The last years of the CPS period saw SHGs' increasing maturity allow for leveraging of financing from formal institutions, reflected in results under Objective 3.7. The GoI has embraced the use of livelihoods programs, increasing annual financing for such programs by 50 percent in the final year of the CPS.

### 3.7 Access to Finance

Government Strategic Objectives	Outcomes Sought by CPS	Status	CPS Indicators	Status
Improve financial services	Increased access to financial services in targeted states	Achieved	Additional 3.5 million households with access to formal financial services	Achieved
Provide access to banking services to 90% of Indian households			Additional 28 million loans provided to micro, small, and medium enterprises in targeted states (including 1.0 million to female-owned microenterprises)	Achieved
			Additional 750,000 payment accounts opened	Achieved

29. **WBG operations improved access to finance in rural areas, supporting major GoI efforts.** India witnessed impressive growth in access to finance in the past five years. As noted earlier, the PMJDY program provided banking for a large number of previously unserved citizens, with official data showing 99.7 percent of households across India having access to banking services by the end of the CPS period. WBG livelihoods operations contributed to the uptake of formal financial services, with 5.7 million new households involved with WBG-financed operations through some half a million SHGs coming to have access to such services during the CPS period, exceeding the CPS result target. Nearly 84 percent of the new households accessing financial services were from LIS/SCS. IFC contributed to the continued development of microfinance institutions (MFIs), a particularly important task following a crisis in the sector in 2010/11. Through systematic mapping, a series of selective investments, and advisory assistance to investees and policy makers, IFC contributed to strengthening industry standards in terms of responsible lending, corporate governance, risk management, and E&S performance. IFC's work with credit bureaus also helped alleviate systemic risk in the sector and created a database of more than 100 million low-income women improving their access to formal finance. IFC further invested around US\$234 million across six MFIs in the CPS period. IFC investee MFI clients are responsible for about 50 percent of the outstanding loans in the sector in India at the end of the CPS period and reach more than 30 million woman clients. With IFC support, all IFC investee MFIs have transformed or are transforming into banks/specialized banks, which will help them offer small, unsecured loans to more rural and semi-urban borrowers and broaden the range of financial services they can offer to underserved customers, especially women, across the country. Six of the ten entities that received approval in principle from the Reserve Bank of India to set up small finance banks are IFC MFI clients. MFIs receiving advisory and investment services from IFC provided loans to 85 million micro, small, and medium enterprises (MSMEs), which is more than triple the CPS target. Through its Banking on Women program, IFC recently piloted a US\$50 million gender bond with Yes Bank, to be used exclusively to lend to women-owned businesses.

### 3.8 Disaster Risk Management

Government Strategic Objectives	Outcomes Sought by CPS	Status	Indicators	Status
Strengthen natural disaster management/resilience	Enhanced disaster risk management system	Achieved	Three states have operational Early Warning Dissemination Systems	Achieved

30. **The WBG helped build capacity to address natural disasters, particularly in coastal areas.** The WBG financed operations in the states of Odisha, Andhra Pradesh, Tamil Nadu, and Pondicherry to develop local-level early warning dissemination systems across over 500 coastal communities to help manage the impact of cyclonic storms. The operations also provided for building of emergency cyclone shelters and reinforced housing, providing, in the case of Tamil Nadu and Pondicherry, access to 75 percent of targeted coastal settlements, which previously had no such shelters. Notwithstanding a few cases where lack of adequate community participation and operation and maintenance mechanisms have led to suboptimal utilization of assets, there has been overall improvement in resilience in areas targeted by World Bank-financed operations. The WBG also financed flood recovery and resilience efforts in the Kosi Basin in Bihar, providing for greater resilience of over 55,000 houses, 69 bridges, and 250 km of rural roads, as well as embankment strengthening during the CPS period.

#### Cross-Cutting Themes

31. **The CPS's focus on cross-cutting issues of improving governance, environmental sustainability, and gender equality was maintained throughout the CPS period.** Governance in sectors was prominent across the majority of World Bank operations, with substantial support provided to developing institutional capacity, M&E systems (for example, the Shagun system in the education sector), and transparency and incentivizing public sector performance, particularly with the increased use of RBF instruments (such as in the skills sector operations). The WBG provided substantial fiduciary capacity support through training for operational staff and the private sector, particularly through massive open online courses launched in 2013 to provide certificates in public procurement and contract management (developed first for India but used worldwide; over 33,000 persons from India had enrolled during the CPS period). Ongoing fiduciary support led to preparation of state-level public financial management operations, two of which were initiated during the CPS period. Environmental sustainability was a key focus of safeguards support (see paragraph 48) as well as explicitly objective 2.5. Mitigation and adaptation to climate change were prominent in agriculture (promotion of less-water-intensive practices and better watershed management), disaster risk management in coastal areas, water (management of groundwater), and particularly power, where the World Bank and IFC combined to provide substantial support to the Gol's renewable energy agenda. With respect to gender, many World Bank-supported operations, particularly in the livelihoods, skills, and education sectors, as well as IFC's support for MFIs, led to major results in empowering women, reflected in the results conveyed earlier with respect to greater participation in technical skills training, access to secondary education, improved women's control and benefit over livelihoods, and local-level political participation. Consideration of gender was mainstreamed into operations through a process of screening to ensure corresponding analysis ex ante and the preparation of activities to address gender gap and corresponding results indicators. By the end of the CPS period, this process was applied rigorously to all operations under preparation. A social inclusion and gender ASA cluster was established in 2014 to identify knowledge gaps and provide analysis for more gender-sensitive and inclusive operations. The portfolio included several operations with a strong gender focus, notably the rural livelihoods operations as well as the Tejaswini project to support

young women with skills and social support; operations on transport included steps to provide for safer conditions for women.

32. **IFC helped expand long-term investments in key productive sectors of the economy by supporting the GoI develop a corporate bond market.** In 2013, IFC launched the Masala Bond Program, an offshore rupee-denominated bonds program to attract much-needed international investor funding for projects in India. IFC worked with the Government, regulators, banks, and legal firms to develop and launch the bonds program; went through a series of issuances to build and extend the yield curve; laid the regulatory approval foundation and processes; and established the modality of the legal documents. The success of the bond program prompted India's central bank to permit local companies to issue rupee-denominated bonds in offshore markets. In March 2016, IFC launched an innovative Masala Uridashi bond to mobilize Japanese savings for India's private sector. IFC also issued a first-of-its-kind 15-year Masala bond, creating an offshore rupee market yield curve that stretches from 3 to 15 years, deepening the market and making it more resilient. As of May 2017, Indian entities have already issued US\$2.9 billion equivalent in Masala bonds, while IFC has issued an additional US\$1.9 billion equivalent in Masala bonds. Going forward, potentially, billions of dollars could flow into Indian businesses in the form of masala bond issuances, and this intervention has helped demonstrate a unique path from overseas institutional investors to the Indian private sector. The Reserve Bank of India, while announcing its intention to promote further development of the corporate bond market, cited the contribution of IFC's development of the offshore bond program in paving the way.<sup>49</sup> In parallel, IFC helped develop five year onshore rupee-denominated 'Maharajah' bonds that have been successful in raising the equivalent of nearly US\$100 million till date.

### III. WORLD BANK GROUP PERFORMANCE

#### Overall Performance

33. **The overall WBG performance in designing and implementing the CPS is assessed as Good.** The design corresponded well to GoI development objectives before and after the 2014 change in government and had a clear line of sight with WBG corporate objectives of ending extreme poverty and boosting shared prosperity. The establishment of targets and supporting measures made the shift toward expanded engagement in LIS/SCS realistic. Each CPS objective was backed by a combination of operations at various levels of government and in most cases substantial analytical work. The results matrix with minor exceptions set suitably ambitious and attributable targets. Implementation was overall effective, with substantial results in many sectors. World Bank operations contributed to innovation and new good practices in a range of areas, from auctions yielding low-cost solar power generation to improving health care and social safety net coverage. The World Bank had a mixed record in achieving impact through financing small proportions of several large GoI centrally sponsored schemes (CSS), such as the PMGSY rural roads program, national elementary and secondary education improvement programs, and the Swachh Bharat mission to end open defecation. Though these tended to be large operations for the World Bank; the level of financing was well under 10 percent of overall GoI outlays, which limited the World Bank's impact. At the same time, engagement with these programs provided a platform for policy dialogue and in some innovation, such as in contracting methods for construction of rural roads. The World Bank's portfolio performance was overall satisfactory with good management of risks though disbursement ratios experienced only minor improvement and remained lower than the World Bank average. IFC was

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<sup>49</sup> [https://www.rbi.org.in/Scripts/BS\\_SpeechesView.aspx?Id=950](https://www.rbi.org.in/Scripts/BS_SpeechesView.aspx?Id=950).

able to expand engagement in LIS despite challenges associated with weaker private sector appetite for investment in these states.

## Design

34. **The CPS was well aligned with the Gol's development objectives.** Preparation of the strategy coincided with preparation of the Gol's 12th Five Year Plan; correspondingly, there were specific CPS objectives or cross-cutting themes such as governance and inclusion of women that targeted most of the Gol's goals. Even in the few cases where there was no discrete CPS objective corresponding to a Gol goal, the WBG was responsive to demand, such as in providing extensive NLTA for improving the business climate.

35. **The CPS established a line of sight with WBG goals of ending extreme poverty and promoting shared prosperity primarily in terms of geographic focus.** As one of the first WBG strategies produced after formal adoption of the twin goals, strong poverty and macroeconomic analytics underpinned its formulation, particularly in articulating scenarios for medium-term and longer-term development to 2030. Analogous programmatic ASA continued to inform implementation throughout the CPS period. The CPS's focus on the LIS/SCS, where the majority of India's poor reside, was backed by an explicit target to increase the proportion of commitments from 11.9 percent to 30 percent to these states and a robust NLTA targeted to these states to build capacity, conduct diagnosis, and facilitate operational engagement. Within this geographic focus, operations were initiated across a broad range of sectors with no discernable difference in terms of sectors for operations in LIS/SCS versus in other states. Operations in LIS in only a few cases had less complex design than sector operations in other states but this was driven by length of engagement more than capacity of the state. For instance, the Jharkhand livelihoods operation approved at the end of the CPS period had a less complex design than operations in more developed Tamil Nadu, but also in fellow LIS Bihar, where there had been many years of engagement. In general, the India World Bank program sustained activities across a very broad range of development challenges. Selectivity occurred not by sector but rather in promoting feasible reform agendas within sectors and within states, e.g. shifting towards promotion of renewable energy generation. IFC's program similarly had a focus on LIS/SCS while being driven by an assessment of development gaps where the private sector has a key role and focused its activities on where it could achieve most impact, for instance in supporting industry standards for microcredit institutions.

36. **The design of interventions to achieve objectives effectively considered country circumstances, utilized a wide range of instruments, drew on experience, and sought to leverage the whole of the WBG.** The CPS sought to achieve impact through a work at national and state levels. Support for national programs, such as with respect to the road network, skills development, primary and secondary education, and livelihoods, was complemented with state-level projects where much of the implementation of service delivery occurs. The approach reflected lessons learned from the preceding CAS that emphasized the importance of seeking to leverage CSS together with state interventions, a continuing challenge for development assistance in India's large federal system. For several objectives, notably in the rural water and sanitation, livelihoods, and agriculture sectors, there were multiple separate state-level operations while in the case of nutrition there was concurrent focus on several states within a single operation, such as with respect to nutrition and livelihoods. Peer learning was promoted across these operations to take advantage of varied state experience. At the same time, operations largely implemented through states under a national-level program, such as in nutrition, education, and sanitation sectors, were challenging for implementation support; such operations largely were compelled to rely on centralized systems for monitoring. IFC similarly had suites of lending and advisory engagements

for the objectives of increasing private sector investment in LIS and increasing access to finance. Finally, the CPS design drew on lessons from the preceding CAS, focusing on synergies between IFC and the World Bank. Both institutions contributed to achieving results under 7 out of the 19 objectives in the strategy that provided a basis for combined work on PPP approaches in several sectors, most notably energy and transport. The Multilateral Investment Guarantee Agency (MIGA) was not part of the strategy and not active in India although it began to explore operations at the very end of the CPS period.

**37. The CPS was backed by a wide-ranging ASA program to inform operations and contribute to development of policy options for the authorities.** In particular, in cases of objectives with limited lending, for example, in the urban transport and social protection sectors, substantial technical assistance programs and the effective promotion of peer exchanges amplified the impact of WBG activities. Programmatic NLTA support in LIS was critical to expanding engagement in these states, operationalizing WBG knowledge and experience from working in other contexts, and effecting the CPS shift in financing toward these states. The expectation of the CPS for impact from stand-alone analytical products to inform public debate may have been ambitious, given the Gol's preference in several cases for 'non logo' work.

**38. The Results Framework overall reflected WBG contributions to achieving objectives, though in some instances took an expansive view of expected impact that went beyond WBG activities.** Most indicators were derived from WBG operation(s) and reflected (a) substantive contribution —albeit often relatively small given the scale of India's development requirements — toward achieving high-level objectives rooted in Gol priorities and (b) results attributable to WBG activities. With respect to four outcomes,<sup>50</sup> indicators reflected achievements which were not tracked by or attributable to WBG activities. These reflected rather progress in the corresponding sector, such as the number of households (persons) covered by health insurance. Results from IFC's activities were consistent with its approach to serving as a catalyst in addition to serving as a directly attributable source financing for specific activities; for instance, it provided support to MFIs, which in turn issued 85 million loans to MSMEs during the CPS period. The PLR appropriately adjusted indicators to reflect implementation while retaining ambition for results. There were two minor issues with the Results Framework. First, there were four mismatches in wording between the CPS and the measurements provided by contributing operation(s).<sup>51</sup> Second, the indicator chosen to measure impact on access to electricity was for an operation still under preparation (North East Power) and consequent delays meant that it was not met. In three other cases, targets were not achieved owing to delays in operations that might have been foreseen, but nonetheless there were reasonable stretch targets at the time of the CPS and subsequently the PLR.<sup>52</sup> See the results matrix in Annex 1 for notes on specific indicators.

**39. Risks were adequately identified and corresponding effort was made to mitigate them.** The CPS rightly identified strategic-level risks of economic slowdown, sluggishness in promoting reform, capacity challenges in LIS/SCS (further emphasized in the PLR), and portfolio performance, especially on disbursements. The first two risks did not materialize, with growth and a motivated post-2014 government providing tailwind for WBG engagement. The challenge of shifting toward lower capacity LIS/SCS was mitigated by provision of NLTA and troubleshooting by state coordinators. At the same time,

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<sup>50</sup> With respect to outcomes 1.3 (skills), 3.2 (health), 3.3 (nutrition), 3.5 (social protection)

<sup>51</sup> This occurred with respect to Outcomes 1.3 (skills) where baseline applies to employment after two years whereas CPS measured after one year; 2.2 (urban transport) where only five rather than 6 cities were covered by the project, 3.1 (access to electricity) where households and persons were switched, and 3.3 (nutrition) where CPS result referred to data for an age group that was not being collected. See preceding sections on these outcomes and notes in Results Framework.

<sup>52</sup> The EDFC for Objective 1.1, completion of border crossing infrastructure under the Nepal-India Trade and Transport Facilitation Project for Objective 1.5, and the National Ganga River Basin Project for Objective 2.5.

notwithstanding these measures, the overly ambitious near-tripling of state-level operations in LIS/SCS was not fully met. Portfolio risks, particularly on disbursements, were addressed through increased rigor with regard to readiness, though performance remained roughly the same at the end of the CPS period. Other strategic-level risks did not emerge.

## Implementation

40. **The WBG's program provided expansive support for CPS objectives.** Each objective was supported by multiple operations, including in most cases at both state and national levels, as well as extensive ASA. The CPS also underpinned a shift to using RBF in operations, with nine PforR operations and seven Investment Project Financing (IPF) operations using DLIs in the portfolio at the end of FY17. At the same time, there were only two Development Policy Financing (DPF) operations implemented during the CPS period owing to greater focus on improving results from implementation of programs.<sup>53</sup> Similarly, guarantee instruments were not used owing to lack of demand. The portfolio increased substantially from FY13 to the end of FY17; the number of projects grew from 80 to 102 (of which 72 were new operations approved during the CPS period) and total net commitments increased from US\$22.5 billion to US\$26.4 billion (of which US\$16.5 billion was committed during the CPS period). Of these commitments at the end of the CPS, US\$14.6 billion was IBRD, US\$11.6 billion was IDA, and US\$0.2 billion was from other sources (Global Environmental Facility [GEF]). During the CPS period, India transitioned from an IDA/IBRD blend to IBRD with IDA transitional support to IBRD and graduated from IDA at the end of FY17. India continued to be the largest country in IFC's investment portfolio, making up 10 percent of IFC's committed portfolio in FY17. During the CPS period, IFC invested US\$5.3 billion in long-term financing in India, including US\$1.5 billion in mobilization. As of the end of the CPS period, IFC's committed own account portfolio in India stood at US\$5.6 billion. IFC's committed portfolio in India has grown at a much faster pace than IFC's average growth (compound annual growth rate [CAGR] of 5.9 percent versus 2.6 percent) with an increase in absolute terms of 26 percent compared to 11 percent for IFC overall.

41. **The CPS provided a strong platform for flexible, close cooperation with the GoI, including following the 2014 change of government.** The CPS underpinned engagement across a wide range of sectors that had enduring validity over the CPS period. While a small number of operations planned in the CPS and PLR were not prepared owing to design issues or lessened client interest, there was nonetheless lending and ASA were carried out in support of every outcome. Strong cooperation was confirmed in June 2014 when Prime Minister Modi, shortly after forming a new government in May 2014, and President Kim agreed on a set of six priority areas for which the WBG would provide financing and globally informed technical support.<sup>54</sup> WBG support for these priorities corresponded to objectives that were already present in the CPS. The 2015 PLR reaffirmed the strategic directions in the CPS while highlighting the six priorities and made minor adjustments to the results matrix.

42. **The portfolio evolved to reflect the CPS's strategic shift to LIS/SCS.** Commitments mostly achieved the CPS's goal of rebalancing the portfolio to 60 percent of commitments directly financing state-level operations, of which 30 percent would be for LIS/SCS, an increase from a baseline of LIS/SCS being recipients of 12 percent of overall commitments through state-level projects and benefitting from an estimated further 8 percent of commitments through national and multistate operations. Deployment of

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<sup>53</sup> The DPF operations were a forestry sector DPF in Himachal Pradesh in 2013 and the first of a two-part series of power sector policy loans in Rajasthan in 2016.

<sup>54</sup> The six priority areas were 24X7 power, support for the SBM on sanitation, Ganga River rejuvenation, support for the Skill India Mission, support for Smart Cities, and support for provisioning of 500+ cities.

Trust Fund (TF) financing to support ASA in capacity building played a major role in expanding operational engagement in the states. At the end of the CPS period, specific LIS/SCS-level operations were 22 percent of commitments and a further 13.5 percent of commitments in national and multi-state projects proportions of which were estimated to benefit LIS/SCS<sup>55</sup>. There is a large pipeline targeting these states in coming years.<sup>56</sup> IFC further facilitated US\$1.2 billion of additional private investment in these states and 22 out of its 24 PPP engagements were in LIS/SCS. The WBG's rebalancing to LIS/SCS compares favorably with the preceding FY09–12 CAS, which called for an analogous shift to LIS but saw little change in commitment levels.

43. **There was considerable variation in the number and size of operations over the CPS period.** The number of approved operations ranged from 7 (FY13) to 18 (FY17), while average size of operations varied from US\$150 million in FY13 and FY17 to roughly US\$325 million in FY14 and 16. The variation reflected large operations stemming from the six priorities agenda (notably the US\$1.5 billion SBM operation), plus the increasing number of operations in LIS/SCS approved in later years, which were often smaller given local absorptive capacity.

44. **The World Bank's ASA was integral to achieving results across all engagement areas and cross-cutting themes of governance and climate change.** A total of 207 ASA tasks were delivered over the CPS period, primarily technical assistance activities (53 percent) and economic and sector work (32 percent). In addition, the India program concluded its first ever Reimbursable Advisory Services (RAS) agreement to support the Reserve Bank of India and other RASs were under consideration at the end of the CPS. Knowledge work was brought under more systematic management with the formulation of ASA programmatic clusters at the PLR stage; over the last half of the CPS, ASA was grouped into eight major clusters. The cluster approach with corresponding programmatic reviews were strong design elements to provide for more synergy, support for key lending operations, as well as help prioritize management attention to a large ASA portfolio. Highlights of WBG ASA results were as follows:

- **Integration engagement area.** Technical assistance focused on improving transport and energy connectivity, notably in supporting the GoI's 24x7 Power for All program in the state of Bihar, improving the business climate, supporting state-level ease of doing business reform programs, and supporting authorities to boost manufacturing competitiveness through new data analysis and through policy dialogue.
- **Transformation engagement area.** ASA helped understand constraints to agribusiness development and post-harvest management including through a stand-alone study and by developing a commercially viable model cold chain analysis under PPP arrangement. The WBG also worked to improve urban services delivery by helping city corporations build their capacity to deliver services and obtain financial assistance in delivering these services. ASA was also critical in both supporting India's National Solar Mission as well as working with state authorities on climate resilience, notably in Odisha.
- **Inclusion engagement area.** ASA was prominent in helping central and state authorities develop social support systems to ensure inclusion of disadvantaged groups such as women, STs, and SCs. Technical assistance was used effectively for improving Government Sponsored Health Insurance Schemes through financial leverage of health insurers and better capacity

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<sup>55</sup> 15 such operations, notably PMGSY rural roads, the National Livelihoods Support Project, Ganga River Basin Projects.

<sup>56</sup> State-level projects in LIS/SCS account for 40 percent of anticipated commitments and 61 percent of the number of operations in the FY18–19 pipeline.

to measure, validate, and monitor quality of care in empaneled providers. It also enabled a common approach for promoting and measuring quality of service delivery and improving the regulatory environment for health insurance programs.

- **Cross-cutting themes.** The World Bank's poverty and macroeconomic analytics, notably the semiannual India Development Updates, were critical both in maintaining a knowledge base for country engagement and in promoting public discourse on options for addressing India's development challenges. A report on the (climate) Mitigation Vision 2030 assessed impacts and options for addressing emissions and the value of ecosystems services, which, combined with analysis on low carbon growth strategies, supported India's national Mission on Strategic Knowledge for Climate Change. With respect to the governance cross-cutting theme, the World Bank also supported extensive capacity building for PFM, including procurement and contract management to strengthen state systems; this engagement led to two PFM support operations initiated at the end of the CPS with others in the pipeline.

45. **NLTA played a critical role in effecting the shift to more engagement in LIS/SCS.** Programmatic NLTA was vital in sustaining work in Bihar and Uttar Pradesh where World Bank lending was substantial but modest in proportion to their size and development needs as well as reengaging in other LIS/SCS such as Jharkhand, Chhattisgarh, and the Northeast states. Capacity building through this NLTA helped improve PFM, support service delivery across sectors to scale up national programs, improve the exchange of experience across states, and pilot management innovations. Building up an analytical base as well as engagement on capacity building in the LIS/SCS laid the ground for several World Bank-financed operations.

46. **Facilitating exchange of knowledge and practices played an important role in multiplying impact within sectors.** Among high profile areas of exchange was the dissemination of livelihoods approaches and strategies from Tamil Nadu and Bihar to other states such as Rajasthan, exchange of information about systems to promote direct benefit transfers. Exchanges were usually in partnership with Indian institutions and formed a small part of the overall large intra-India effort to have states and localities learn from one another. The WBG also facilitated a number of South-South exchanges with other countries. As knowledge exchange was sector driven, there were uneven methods to capturing and disseminating useful experience and no centralized system for recording all such exchanges.

47. **IFC's advisory services played an important role in complementing its investments and lending.** Close client relationships helped originate advisory mandates, especially in LIS and in priority sectors of power, transport and health. In particular, IFC was selective in focusing on long-term expected transformational impacts in identifying projects and fitting with the overall strategy. For instance, it focused on sectors/subsectors where model concession agreements did not exist, e.g. health, rooftop solar, and lighting efficiency. IFC's competencies in financial analysis, project structuring, political-economy management, process management and sector expertise were also critical to the success of its advisory services.

48. **The World Bank's portfolio performance was broadly satisfactory, though implementation challenges remained.** The IEG assessed that 87 percent of the 31 operations that exited the portfolio between FY13 and FY17 closed with ratings of 'Moderately Satisfactory' or above on the achievement of the Project Development Objectives. Roughly a quarter of projects and commitments were rated at risk throughout the CPS period. Disbursements remained flat at US\$2.3 billion on average over this period. The disbursement ratio hovered around 15 percent over the CPS period (with a high of 16.8 percent in

2015); the drop in the last two years is largely due to several new, large projects entering and fewer exiting projects owing to several extensions driven in part by the GoI's preference to extend slow-moving IDA operations rather than cancel undisbursed balances.<sup>57</sup> The portfolio experienced persistent start-up lags, with operations on average requiring 20 months to achieve 10 percent disbursement. Moreover, the application of readiness criteria for operations, including requirements that 30 percent of contracts be ready for award as of negotiations and appointment of project staff, did not significantly improve start-up times for the portfolio as a whole. At the same time, despite chronic start-up delays, project preparation funds and retroactive financing were rarely used. Regular portfolio and pipeline reviews with the Indian authorities, in some cases focused on specific sectors or states, were important to spur implementation and provide for cross portfolio learning. IFC's portfolio remained healthy over the CPS period.

49. **There were good examples of synergies between IFC and the World Bank.** IFC supported the development of the infrastructure sector (particularly renewable energy), extended support for development of capital markets, and did pioneering work on financial inclusion. IFC worked with national and particularly subnational counterparts in LIS to design and implement innovative, first-of-its-kind PPP projects in various sectors such as health, infrastructure, and solar parks. IFC-World Bank synergies were particularly strong in raising financing for renewable energy, highlighted by the Government of Madhya Pradesh to set up the country's largest single-site solar power project at record low cost. There were also important synergies in the health sector where World Bank teams worked with Indian authorities on design issues and IFC helped with transaction advice to roll out a health insurance scheme in Meghalaya. Collaboration between the IFC and the World Bank was driven by strong in-country presence of corresponding specialists working together in respective sectors. Coordination was further prompted by management attention, including "deep dive" meetings at the regional level to focus attention working together in key sectors, notably water. The WBG's internal restructuring and transfer of IFC staff to the T&C Global Practice eased coordination, notably reflected in ASA to support business climate reforms.

50. **There was strong partnership between the GoI and WBG and on ensuring adherence to Social, Environment, and Fiduciary safeguards.** With regard to social safeguards, the most common issue concerned land acquisition and resettlement, especially in the transport sector, largely owing to shortcomings in timeliness of resettlement compensation. There was no major noncompliance of environmental management plans that came to notice during the CPS period, although in the case of four projects early in the CPS period several months were required to resolve issues. WBG engagement contributed to improved safeguards management; for example, greenfield hydropower projects improved practices in environmental management and engagement with communities. Environment and Social Policy and Procedures developed by POWERGRID, a long-time implementing agency for World Bank financing, have been adopted by the World Bank as a pilot for Use of Country Systems. In addition, following an Alternative Procurement Arrangements assessment under the World Bank's new Procurement Framework, for which it was a pilot, POWERGRID was recognized to use its own procurement systems for World Bank-financed operations; other entities were under consideration for similar assessments at the end of the CPS period. Fiduciary oversight for the portfolio was proactive, including in pursuing allegations of fraud and corruption, with 12 investigations completed and issues substantiated in seven cases over the CPS period.

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<sup>57</sup> In several cases, projects ran surpluses owing to rupee depreciation, but these amounts were redirected within operations rather than leading to cancellations.

51. **The GoI proactively coordinated activities of donor agencies, including the WBG, while the country team worked to provide for complementarity technical support in sectors.** With regard to operations, the GoI brokered co-financing by the World Bank and the Asian Infrastructure Investment Bank, with one operation (Andhra Pradesh 24X7) operation approved by the respective institutions in May 2017 and a further five co-financed operations in the pipeline. In addition to close work with the U.K. Department for International Development (DFID) referenced in the succeeding paragraph, there was substantive cooperation with development partners on ASA across a range of areas, most notably with the Japan International Cooperation Agency (JICA) on disaster risk management as well as technical exchanges related to freight corridors; the United Nations Children’s Fund (UNICEF) on sanitation, teacher quality, and girls empowerment; the International Labor Organization (ILO) on skills and rural roads; the World Health Organization (WHO) on road safety and countering tuberculosis; the Bill and Melinda Gates Foundation on nutrition and water; and the Tata Trust on nutrition.

52. **Partnership with DFID was particularly deep and important in implementing the CPS.** A DFID-financed TF for £26.5 million was established to support the FY09–12 India CPS and carried over through the first four years of the FY13–17 CPS. The TF played a major role in opening up new areas of engagement for the World Bank in areas of critical importance to India, for example, in PFM, health insurance, renewable energy, gender and social inclusion river basin management, and flood forecasting. Furthermore, the combination of analytic work with demand-driven NLTA, as supported by the TF, proved much more effective in engaging officials and policy makers in LIS and Northeast states than the World Bank’s earlier approach that had relied almost exclusively on economic reports and other purely analytic work. Over the course of its operation, the DFID TF funded about 100 discrete ASA that were linked to approximately 35 projects with commitments totaling US\$5 billion in World Bank funding and an additional US\$2.2 billion in government resources. The TF supported mechanisms for learning that effectively leveraged both global and Indian expertise, including international and cross-India benchmarking, peer-to-peer knowledge exchange, and operationalizing M&E systems. DFID-financed NLTA contributed to new models/methods of engagement between the center and states, both in the context of supporting specific national programs, in capacity building at the state level (especially the LIS), and in support to key central agencies.

#### IV. LESSONS LEARNED

53. **Expanding engagement in LIS/SCS requires significant time and resources.** The first year of the CPS saw one LIS/SCS-specific operation approved while the successive years averaged five and a half such operations, and there is a strong post-FY17 pipeline for operations in these states. Engagement in LIS/SCS tended to require significant field presence in designing and supporting implementation. The role of World Bank staff serving as state coordinators for most LIS and the Northeast was valuable for engaging in broader dialogue to foster synergies across projects and troubleshooting for specific operations. At the same time, coordinators were limited in the role that they could play owing to the need to balance this role with major other duties such as program leader or leading multiple operations outside the state(s). There are administrative budget implications to the shift to LIS/SCS that will affect the WBG’s country program going forward. TF-financed multi-sectoral NLTA in LIS/SCS was critical for World Bank teams to build up capacity in state-level agencies and to design operations; the completion of these NLTA activities and the lack of comparable funding for capacity building going forward will make engagement in LIS/SCS operations challenging. The focus on LIS/SCS also has administrative budget implications because it tended to yield more, smaller operations; the increase from 19 to 31 state-level operations in LIS/SCS from FY13 to FY17 was the main driver of the overall increase in the number of operations in the portfolio. The pipeline for FY18–19 also has a large number of LIS/SCS operations. These capacity concerns may be

addressed going forward through ensuring synergies and sharing of effective approaches to implementation (such organizational structures for implementation and additional capacity provided to implementing agencies) in the design of various operations; prioritizing new operations that can build on capacity developed in preceding operations; and greater focus on ensuring that critical elements for implementation are in place by appraisal of projects, including systems and staff to handle fiduciary issues, safeguards, and monitoring and evaluation systems (particularly in cases where results require verification).

54. **IFC's efforts to create markets and promote investment in LIS/SCS similarly require extensive time and resources.** Considerable work was required to identify feasible investment opportunities, create the right enablers to facilitate private sector operations, ensure capacity to handle a larger number of projects of smaller size, and respond proactively to the operational context in these states. Working with governments required extensive effort to develop capacity to handle PPPs, particularly in understanding the operating limits of the private sector and long-term contract management. Many of IFC's financial institution clients struggled to increase branches and outreach in LIS. Maintaining a pipeline of potential investees will continue to require considerable advisory support and investment of time and resources.

55. **WBG activities in states were characterized by individual sector operations with limited integration, making the sum of engagement less than the parts.** The CPS rightly emphasized that focusing on state levels was critical to development effectiveness, but in implementing the strategy, the country program witnessed a proliferation of operations in sectors with less of a comprehensive approach to prioritizing states' needs or addressing multisectoral issues. This sector-driven approach often dovetailed with counterpart incentives where individual departments sought operations limited to their respective areas. Before this CPS period, the India program utilized cross-sectoral ASA (economic reports) and policy operations to provide for synergies and underpin a broad approach in states, but lack of client interest mostly precluded their use.<sup>58</sup> The main instrument for bringing together state-level activities was NLTA, but in effect these ASAs led to discrete subtasks with sectoral focus. Formal state-level portfolio reviews were helpful in troubleshooting and providing for synergies, though they occurred infrequently owing to the challenges of coordinating central, state, and World Bank participation. Going forward, ensuring that the sum of WBG activities is greater than the parts will require a stronger role for state coordinators, greater direct country management involvement, regular attention to state portfolios to learn lessons and build synergies, and instruments that allow for coherence in addressing state priorities, including analytics that provide a broad assessment of development challenges and hence help in prioritizing and providing for synergies in WBG activities. Given India's size and diversity and limitations of WBG resources, there will likely be differentiation in the depth of state-level engagement, with deeper engagement in only a few states.

56. **National-level operations supporting Gol CSS were generally effective for scaling up impact and engaging on policy but often had implementation challenges.** These operations entailed providing a small proportion of overall financing for the CSS, often targeting certain states, whereas implementation occurred at state levels.<sup>59</sup> WBG financing in many cases successfully sought to provide incentives for more local flexibility and performance. These operations in most cases tended to be effective platforms for

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<sup>58</sup> Exceptions included one Himachal Pradesh green growth policy operation that ended early in the CPS in 2013 which provided a broader platform for multi-sectoral issues as well as comprehensive analyses conducted in Rajasthan and Madhya Pradesh, but they were under finalization after the end of the CPS period.

<sup>59</sup> Operations under this general categorization include ISSNIP, SSA III, RMSA, Rural Water Supply and Sanitation for LIS, National Watersheds, SBM Support, PMGSY, and health care projects supporting HIV/AIDS control and access to tuberculosis care.

scaling up good state experience and cross-state learning and feedback loops between national policy and state implementation. At the same time, except for successor projects such as SSA III, these operations generally experienced long start-up periods of two years or more before disbursements started flowing. Delays stemmed from the need to settle on respective roles played by states and the center, particularly in providing for more local management control, and setting up an MIS to verify results in the case of RBF operations. In addition, WBG implementation support was distant from state-level implementation where issues needed most attention. Successful support generally required supplemental, usually TF-financed state-level support through consultants (for example, for ISSNIP). Future national engagements should seek to maximize the benefits from working through the central level—scale, promoting flexibility and competition among states, ensuring exchange of experiences and practices, and providing for a nexus between implementation and policy—while minimizing the potential downsides of onerous implementation mechanisms and centralized control over implementation.

57. **The World Bank’s ability to support systemic improvements through operations depended on the long-term partnership in the sector more than the amount of financing.** There was no particular correlation between absolute amount of World Bank financing or its proportion of the overall cost of the operation and the extent to which the operation had systemic, institutional impact. Teams noted that significant loan size, even if a small proportion of the overall program, was important to “have a seat at the table” to engage with Gol counterparts on systemic issues, but there was no pattern of larger loans equating with larger systemic impact. The ability of the WBG to contribute to systemic reforms appeared to be more connected to length of engagement, which allowed for strong sector knowledge and a track record of partnership, such as in the rural roads or elementary education sectors. Most notably, the National Rural Livelihoods Project was restructured to reduce financing by half while maintaining effective support for the Government program. The lack of correlation between amount of financing and WBG’s engagement on systemic issues suggests greater scope for rightsizing loans to allow for the WBG to play a catalytic, supporting role on institutional reforms. It also underscores the need for continuity in working in sectors to allow the WBG to be an effective partner. Longer term engagement also provides a platform for more innovative activities and financing arrangements, including potentially more leveraging of private sector resources.

58. **An increase in operations with RBF during the CPS period appeared to promise stronger impact, but these operations need to ensure that the M&E systems to trigger disbursements are thoroughly developed.** Beginning in FY14, the portfolio restructured five IPF operations to introduce RBF through DLIs and nine PforR operations, often in a hybrid with relatively small technical assistance investments, were approved. Three-quarters of these operations were either approved or restructured in the last two years of the CPS cycle, making it too early to assess definitively effectiveness of RFB. However, at least with regard to three operations in the health sector, hybrid RBF/IPF operations proved effective in significantly improving the performance and development impact. At the same time, several PforRs at both national and state levels had disbursement challenges stemming from delays in setting up systems to confirm achievement of results.

59. **There remains significant untapped opportunity to leverage WBG activities to crowd in private sector investment.** The CPS’s goal of increased leveraging of private financing of public infrastructure and services was met through IFC’s support for 24 PPPs as well as the World Bank’s support for the so-called hybrid annuity model for public assets, mainly in the roads sector, as well as private service provision in health and education. There is significant scope for expansion, particularly in the urban sector, though this will require efforts at upstream reforms to capacitate public sector entities to plan for and execute PPPs in a fiscally and administratively responsible fashion. In addition, initial discussions at the end of the

CPS period to have the GoI consider use of guarantees provided by IBRD and MIGA to leverage private financing merit continuation. The WBG can achieve much greater impact if it can leverage its instruments to crowd in private finance.

60. **Examples of cross-sectoral operations providing a more holistic approach need to be expanded further.** The depth of WBG engagement over the years has meant that there have been multiple generations of projects in sectors. The past CPS saw several examples of multisectoral approaches across global practices, such as agricultural projects focusing more on competitiveness issues along value chains, the evolution of SHGs toward more market-oriented entrepreneurship, and the more explicit approach to improving governance and institutions in the health and other social sectors. Having modalities and management attention to ensure the full range of technical skills needed to address multifaceted development challenges will be important for the WBG's value proposition as a development partner for India.

**Table 1 (CLR Annex 1): India FY13–17 CPS Results Framework**

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
<b>Engagement Area 1: Integration</b>				
<p>Upgrade national and state highways to the minimum two-lane standard</p> <p>Complete Eastern and Western Freight Corridors</p>	<p>Most national highways need upgrading and maintenance work</p> <p>Low freight train capacity; inadequate asset maintenance</p>	<p><b>1.1 Improved transport connectivity in targeted States</b></p> <p><i>7000 km of additional State highways upgraded and maintained in good condition in targeted states by 2017</i></p> <p><b>Update: Mostly Achieved</b>  <i>~5,550 km highways upgraded and maintained in good condition in targeted states (of which,</i>                      P096019 HP State Roads Project: <i>355 km roads rehabilitated</i>                      P096023 Orissa State Roads Project: <i>150 km roads rehabilitated</i>                      P096018 Assam State Roads Project: <i>223 km core roads rehabilitated and improved</i>                      P130339 Second Kerala State Transport Project: <i>190 km roads constructed</i>                      P090585 Punjab State Road Sector Project: <i>80 km roads improved and rehabilitated plus 203 Km improved under the OPRC contract</i></p>	<p><i>Generation of at least US\$300 million in new private sector capital for Core Road Network improvement and management</i></p> <p><b>Update: Achieved</b>                      US\$488 million in new private sector capital for CRN improvement and management generated as part of Second Karnataka State Highway Improvement Project</p> <p><i>340 km of the Eastern rail Corridor (Khurja and Kanpur section) completed</i></p> <p><b>Update: Partially Achieved</b>                      Project under implementation; 60% civil works completed</p> <p><i>At least 3 road safety demonstration corridors implemented by 2017</i></p> <p><b>Update: Partially Achieved</b>                      In progress in Karnataka (Status: Lead Agency established; multi-sector</p>	<p><b>Completed financing:</b>                      Strengthening of Capacity of Bihar’s Road Construction Department; Andhra Pradesh Road Sector; Odisha State Roads; NHAI Technical Assistance; PMGSY Rural Roads; Himachal Pradesh State Roads; Punjab State Road Sector; Eastern Dedicated Freight Corridor I; Financing Public Private Partnerships (PPPs) in Infrastructure through Support to the India Infrastructure Finance Company Ltd</p> <p><b>Ongoing financing:</b>                      Mizoram State Roads II; Rajasthan Road Sector Modernization; Assam State Roads; Bihar Rural Roads; Second Kerala State Transport; National Highways Interconnectivity Improvement; Second Gujarat State Highway; Second Karnataka State Highway Improvement; Second Tamil Nadu Road Sector; Eastern Dedicated Freight Corridor II &amp; III; PMGSY Rural Roads</p> <p><b>Key ASA:</b> Transport Policies and Reform Activities; Eastern Corridor Intermodal Transport and Logistics;</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		<p>P096021 Andhra Pradesh &amp; Telangana Road Sector Project: 248 km plus 3062 Km improved under LTPBMC maintenance contract</p> <p>P107649 Second Karnataka State Highway Improvement Project: 635 km (379 km through item rate + 256 km DBFOMT (Annuity))<sup>1</sup></p> <p>P121185 National Highways Interconnectivity Improvement Project: NA</p> <p>P114827 Second Gujarat State Highway Project: 405 km (230 km constructed + 175 km rehabilitated).</p> <p>P143751 Second Tamil Nadu Road Sector Project: NA</p> <p><i>Rail transport capacity on Eastern Freight Corridor increased from 20 (in 2011) to 22 (NTKM bn ton-km) by 2017</i></p> <p><b>Update: Not Achieved</b> Construction not completed; expected by 2020.</p>	<p>intervention started and in progress).</p> <p>In progress in AP &amp; Telangana. Procurement of civil works completed and works in progress. Intermediate studies/surveys already indicate a notable reduction in accidents and fatalities</p> <p>In progress in Gujarat. Designs for a revised (in scope) Safety Corridor Demonstration Project (SCDP) being finalized.</p>	<p>Accelerating the Impact of Transport Infrastructure; Strengthening Institutional Development for Transport Projects, SS-DPSP: Strengthening Frameworks and Building Capacity for PPPs</p>
<p>Strengthen India's electricity supply and transmission system in order to increase availability and reliability of power</p>	<p>Electricity transmission capacity between regions and states is low</p>	<p><b>1.2 Improved inter-regional power transmission connectivity</b></p> <p><i>Power exchange between regions and States increased from 46,027 Gwh in 2009 to 60,000 Gwh by 2017</i></p>	<p><i>At least 5,000 circuit kilometers of transmission capacity added by 2015</i></p> <p><b>Update: Achieved</b> 5,086 circuit kilometers added. (Of which,</p>	<p><b>Completed financing:</b> Financing Public Private Partnerships (PPPs) in Infrastructure through Support to the India Infrastructure Finance Coming Ltd; Rampur Hydropower; Power System</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
for economic development	Generation stations operate below capacity (60% of firms rely on costly back-up generation)	<p><b>Update: Achieved</b> 89,052 Gwh; end-project targets for power exchange under Powergrid IV &amp; V (exceeded FY17 target of 75,000 Gwh). (P101653 Powergrid IV and P115566 Powergrid V)</p>	<p>P110051 Haryana Power – 610 ckm added between July-2013 and June 2015; 745 ckm added between July-215 and May-2017. P101653 Powergrid IV – 1,023 ckm P115566 Powergrid V – 2,708 ckm)</p> <p><i>At least 412 MW of hydro power generation capacity constructed by 2017</i></p> <p><b>Update: Achieved</b> 412 MW of capacity constructed and synchronized with the grid. (P095114 Rampur and P096124 Vishnugad)</p> <p><i>420 MW of Coal-Fired generation plant rehabilitated</i></p> <p><b>Update: Partially Achieved</b> Under P100101 Coal-Fired Generation) 215 MW of Coal-Fired generation plant rehabilitated (Bandel) commissioned in FY16 and another 225 MW of coal-fired generation capacity will be rehabilitated by FY18 (Koradi).</p>	<p>Development IV; Haryana Power System Improvement</p> <p><b>Ongoing financing:</b> Fifth Power System Development; Coal-Fired Generation Rehabilitation; Vishnugad Pipalkoti hydroelectric; North Eastern Region Power System improvement; Energy Efficiency at SMEs</p> <p><b>Key ASA:</b> Concentration Solar Power; Program for Market Readiness; Rural Feeder Segregation; Private Sector Participation in Hydropower; Cool Roofs for Reducing Building Energy Demand; SS-DPSP: Strengthening Frameworks and Building Capacity for PPPs; Policy of Notes on Power; Lighting Rural India: Load Segregation Experience in Selected States; More Power to India: Challenge of Electricity Distribution;</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
<p>Develop demand driven, skilled workforce by providing increased opportunities skills training</p>	<p>Skills mismatch in the job market.</p> <p>Poorly trained labor force (29% not literate and another 24% with primary education).</p> <p>Low female labor force participation (29% of total).</p>	<p><b>1.3 Improved demand-driven skills for productive employment</b></p> <p><i>Graduates of Industrial Training Institutes employed within 1st year of completing training increased from 60% (Female 38%) in 2012 to 70% (Female 50%) by 2015</i></p> <p><b>Update: Partially Achieved</b> Graduates of Industrial Training Institutes in the labor market employed within 1st year of completing training was 52.2% (Female 41.3%) by 2016 (Source: VTIP tracer study); while the estimated calculation for 2012 was 43.8% (female 27.7%)</p> <p>Graduates of Industrial Training Institutes in the labor market employed within 2nd year of completing training increased from 60% (38% women) in 2012 to 67% (Females 57.9%) in 2016 (source: VTIP Tracer Study)</p> <p><i>At least 500,000 youth (including more than 40% women) from the supported SHGs and CDOs are placed in appropriate jobs</i></p> <p><b>Update: Achieved</b></p>	<p><i>5 Institutes of training of trainers (ITOT) established by 2014</i></p> <p><b>Update: Mostly Achieved</b> A total of 4 ITOTs established so far. 3 were established by 2014, and 1 was established in Nov 2016. Additionally, 1 more is under construction and is expected to be commissioned by June/ July 2017.</p> <p><i>At least 3,000 new and current instructors given entry-level or refresher/specialized instructors courses annually by 2015</i></p> <p><b>Update: Achieved</b> At least 10,000 new and current instructors given entry-level or refresher/specialized instructors courses annually by 2015 (MSDE administrative data)</p> <p><i>At least 700,000 youth are provided with job placement training</i></p> <p><b>Update: Mostly Achieved</b> 640,000 youth provided with job placement training (2013-</p>	<p><b>Completed financing:</b> Tamil Nadu Empowerment and Poverty Reduction: TA Disability; Bihar Rural Livelihoods – JEEViKA; Orissa Rural Livelihoods; Second Madhya Pradesh District Poverty Initiatives; Technical Engineering Educational Quality Improvement II; Bihar Rural Livelihood AF; TA to Enhance Financial Access through Technology in Andhra Pradesh; Tamil Nadu Empowerment and poverty Reduction</p> <p><b>Ongoing financing:</b> Creating Inclusive Business Models for Marginalized Tribal Communities in Doisha, Jharkhand and Madhya Pradesh; Innovate in India for Inclusiveness; Technology Center Systems Project; Tejaswini: Socioeconomic Empowerment of Adolescent Girls &amp; Young Women; Vocational Training Improvement; Andhra Pradesh Rural Inclusive Growth; National Rural Livelihoods; MP Higher Education Quality Improvement; Nai Manzil – Education and Skills Training for Minorities; Technical Education Quality Improvement III; Bihar Transformative Development; Tamil Nadu Empowerment and Poverty Reduction Vazhdhu Kattuvom AF; MSME Growth Innovation and Inclusive Finance; North</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		<p>505,039 jobs provided of which, P104164 National Rural Livelihoods: 162,586 (62,596 women or 38.5%)  P079708 Tamil Nadu: 288,976 (115,590 women or 40%)  P090764 Bihar Rural Livelihoods* 29,000  P102330 North East Rural Livelihoods Project 4,496  Second Madhya Pradesh District Poverty Initiatives Project* 19,981</p> <p>(* not including jobs provided through job fairs, without a training intervention.)</p>	<p>17: Through Tamil Nadu, National Rural Livelihoods Project, Bihar Rural Livelihoods, Madhya Pradesh Poverty Initiatives Project, Northeast Region Rural Livelihoods Project)</p>	<p>East Rural Livelihoods; Rajasthan Rural Livelihoods</p> <p><b>Key ASA:</b>  Higher Education in Madhya Pradesh – The Way Forward Bhopal, India; Strengthening teacher capacity in Bihar through ICT: designing innovative solutions to unique challenges; Technical Vocational Education and Training Reform in West Bengal; Vocational Education; Migration and Remittances; Higher Education; Small and Medium Enterprise Capacity Building; Labor Market Impacts and Effectiveness of Skills Development Programs in India; IFC Farmer Training/GAP Program, India Sugar Program and Farm Forestry Project; TVET; West Bengal Skills Development</p>
<p>Increase private sector investment in lagging regions</p>	<p>Low private sector investment in Low-income States</p>	<p><b>1.4 Enhanced private investment in low income States</b></p> <p><i>Additional US\$ 1.3 billion private investment facilitated in LIS States by 2017</i></p> <p><b>Update: Achieved</b>  Total additional private investment facilitated in low income states was \$1.4 billion for investment of which \$122 million was through advisory projects as of March 31, 2017</p>	<p><i>IFC's technical assistance and PPP advisory projects in low-income states, which include</i></p> <p><i>8 IFC led technical advisory and/or PPP projects achieved in 2015</i></p> <p><b>Update: Achieved</b>  40 IFC led technical advisory and/or PPP projects</p> <p><i>23 IFC led investment projects achieved in 2015</i></p>	<p><b>Ongoing financing:</b> Financing Public Private Partnerships (PPPs) in Infrastructure through Support to the India Infrastructure Finance Company Ltd;</p> <p><b>Key ASA:</b> IFC's programs on Health for All, Buddhist Circuit, Rajasthan IC; Ease of Doing Business; Support to India's PPP Initiatives Cluster; Risk Based Supervision; Going Beyond Efficiency India</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
			<p><b>Update: Achieved</b> 43 IFC led investment projects achieved by 2017</p>	
<p>Integrate regional market in trade, infrastructure (power and transport), and investment</p>	<p>Below potential levels of regional trade and investment; poor connectivity between India and neighboring countries</p>	<p><b>1.5 Strengthened regional trade and infrastructure integration</b></p> <p><i>150 MW of electricity traded between India and Nepal by 2017</i></p> <p><b>Update: Achieved</b> Currently 160 MW of electricity is being imported using the partially completed 400 kV cross-border transmission line. By September 2017, the substation and other receiving infrastructures under the project would be completed enabling an additional 150 MW of electricity would be imported using WBG-financed infrastructure.</p> <p><i>Border crossing time between India and Nepal reduced by 20 % by 2017 (3-4 days in 2012)</i></p>	<p><i>Construction of Indo-Nepal transmission line has commenced in accordance with the tender package awarded by 2014</i></p> <p><b>Update: Achieved</b> Procurement for transmission lines, substations, transformers and conductor was completed by December 2015.</p> <p><i>Trade information portal and single window system developed by 2015</i></p> <p><b>Update: Partially Achieved</b> Trade information portal launched in September 2016.</p>	<p><b>Completed financing:</b> Nepal-India Electricity Transmission and Trade</p> <p><b>Ongoing operations:</b> Nepal-India Trade and Transport Facilitation Project; Nepal-India Electricity transmission and transport Project; Mizoram State Roads II: Regional Rural Road Connectivity; IFC commitments in 8 South-South Projects</p> <p><b>Key ASA:</b> Mizoram Roads and Trade Sectors; Bangladesh-India Inland Water Transport; TA for knowledge exchange across SAR countries on performance management; Ease of Doing Business; Economic Integration ASA Cluster</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		<p><b>Update: Not Achieved</b> Works on Raxaul (India) completed; in Birgunj (Nepal) near completion, but operational improvements expected only beginning in 2018.</p>	<p>Procurement of National Single Window system development is in progress.</p> <p><i>Narayanghat-Mugling road upgraded by 2016</i></p> <p><b>Update: Mostly Achieved</b> 50% physical progress on Narayanghat-Mugling road works. Completion expected by December 2017.</p>	
<b>Engagement Area 2: Transformation</b>				
<p>Improve long-term planning for sustainable and inclusive urban development; strengthen governance and financial sustainability of urban local bodies (ULBs)</p>	<p>Low urban planning capacity, weak governance, and financially unsustainable ULBs, with limited capacity to raise own resources</p>	<p><b>2.1 Strengthened institutional capacity of urban government in targeted states</b></p> <p><i>At least 220 cities (ULBs) with new/updated urban management systems (in planning, financial management, citizen-interface, etc.) to improve service delivery in targeted states by 2017</i></p> <p><b>Update: Achieved</b> Total of 320 ULB</p> <p>164 cities that have new e-governance systems for a range of municipal functions / citizen services and 29 cities have new GIS maps in Karnataka (multiple activities in cities),</p>	<p><i>At least 20 cities with new/revised city development plan in targeted States by 2015</i></p> <p><b>Update: Achieved</b> New/Revised City development plans for 20 cities have been prepared (P099979 Capacity Building for Urban Development)</p> <p><i>230 cities with new e-governance and/or GIS mapping system in the states of Karnataka and Tamil Nadu by 2016 (0 in 2012)</i></p> <p><b>Update: Mostly Achieved</b> 213 cities have new e-governance systems for a range of municipal functions / citizen</p>	<p><b>Completed financing:</b> Citywide Slum Upgrading Plan for the Heritage City of Agra; Karnataka Panchayats Strengthening; Knowledge Support for PEARL Programme under JNNURM; West Bengal PRI; Karnataka Municipal Reform; Third Tamil Nadu Urban Development; Kerala Local Government and Service Delivery</p> <p><b>Ongoing financing:</b> Citizen Access to Responsive Services; Bihar Panchayat Strengthening; Tamil Nadu Sustainable Urban Development Program; Capacity Building for Urban Local Bodies-NURM; Andhra Pradesh Municipal Development</p> <p><b>Key ASA:</b> Social Dimensions of Urbanization; National Land Records Modernization Implementation</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		<p>49 cities with new municipal e-governance systems in Tamil Nadu and new/revised City Development Plans for 20 cities that have been prepared (multiple activities in cities);</p> <p>107 ULBs in Andhra Pradesh and Telangana implementing 19 municipal e-governance modules including areas such as on-line building permissions, grievance redress, and citizen services such as issuance of birth and death certificates.</p> <p>(P099979 Capacity Building for Urban Development, P079675 Karnataka Municipal P083780 Third Tamil Nadu Urban Development P071250 Andhra Pradesh and Telangana Urban Project.)</p>	<p>services and 29 cities that have new GIS maps in Karnataka and 49 cities with new municipal e-governance systems in Tamil Nadu.</p> <p>(P079675 Karnataka Municipal Reform P083780 Third Tamil Nadu Urban Development)</p>	<p>Support; Inclusive Heritage Based City Development Planning; 100 Smart Cities &amp; AMRUT 500+ Cities; Urban ASA Cluster; Capacity Building for Land Governance and Management Program; Odisha Enhancing Growth and Improving Service Delivery; Spatial Development; Piloting and operationalization of city sanitation plans towards outcome oriented sector investments; Land governance assessment: National synthesis report; Running water in India's cities: a review of five recent public-private partnership initiatives IFC's advisory assistance to governments to structure PPP; Private Sector Commercial Financing Framework for urban (and renewable) infrastructure financing</p>
<p>Increase public transport; expand metro rail and bus system; and improve road safety</p>	<p>Poor or non-existent urban transport planning</p> <p>Supply of public transport has not kept up with demand</p>	<p><b>2.2 Improved urban transport services</b></p> <p><i>Modal share by public transport in targeted cities increased from 4% in 2010 to 8% by 2017</i></p> <p><b>Update: Achieved</b> Public transport modal share in Pimpri-Chinchwad increased from</p>	<p><i>6 Cities developed urban transport investment plans by 2016</i></p> <p><b>Update: Mostly Achieved</b> 5 project cities and investment plans developed for Hubli-Dharwad, Indore, Mysore, Naya Raipur, and Pimpri-Chinchwad. P110371 Sustainable Urban Transport</p>	<p><b>Completed financing:</b> Mumbai Urban Transport-2A</p> <p><b>Ongoing financing:</b> Efficient &amp; Sustainable City Bus Services; Sustainable Urban Transport (GEF); Sustainable Urban Transport</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		<p>4.2% to 8.9% in 2016 (exceeds end target of 8%).</p> <p>Public transport trip modal share between Raipur and Naya Raipur increased from 0 to 36% in 2016 (end target 40%)</p> <p>(P110371 Sustainable Urban Transport)</p>	<p><i>7 additional electric EMU train (12-car train) added in targeted cities by 2017</i></p> <p><b>Update: Achieved.</b> 61 additional trains. The EMU fleet size (12-car rakes in service) is 253 as of May 2017 against baseline of 192 rakes in service in 2013</p> <p>P113028 Mumbai Urban Transport Project-2A</p>	
Improve access to water and sanitation services in rural and urban areas	Limited access to piped water supply services and sanitation systems in rural and urban areas	<p><b>2.3 Improved access to water supply and sanitation services</b></p> <p><i>Additional 15 million people provided with access to improved water sources by 2017</i></p> <p><b>Update: Achieved</b> 15,008,314 people of which P083780 Third Tamil Nadu Urban Development: 1,900,000 P071250 Andhra Pradesh and Telangana Municipal Development: 270,000 P101650 Andhra Pradesh RWSS: 1,622,270 P079675 Karnataka Municipal Reform: 100,000 P050653 2<sup>nd</sup> Karnataka RWSS: 7,026,924</p>	<p><i>Additional 10,000 water supply systems rehabilitated or extended across states by 2017</i></p> <p><b>Update: Mostly Achieved</b> 5,469 water schemes constructed, of which P121774 2<sup>nd</sup> Kerala RWSS: 1,012 P101650 Andhra Pradesh RWSS: 536 P132173 RWSS in LIS: 70 P090592 Punjab RWSS: 100% P083187 Uttarakhand RWSS: 3,851 P12632 Maharashtra RWSS: 0</p> <p><i>Additional 6,000 sanitation systems rehabilitated or extended across states by 2017</i></p>	<p><b>Completed financing:</b> Hydrology Project Phase II; Maharashtra Water Sector Improvement; Supporting and Operationalizing the National Urban Sanitation Policy (NUSP) in India; Punjab Rural Water Supply and Sanitation; Karnataka Municipal Reform; Second Karnataka Rural Water Supply and Sanitation; Third Tamil Nadu Urban Development; Uttarakhand Water Supply and Sanitation; Karnataka Municipal Water Energy Efficiency; Andhra Pradesh Municipal Development; Uttarakhand RWSS AF; Andhra Pradesh Rural Water Supply and Sanitation; IFC Waste management services in Odisha; IFC Waste to Energy Investment Project;</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		<p>P090592 Punjab: 1,862,557  P083187 Uttarakhand RWSS: 1,570,000  P121774 2<sup>nd</sup> Kerala RWSS: 416,000  P132173 RWSS in LIS: 240,563</p> <p><i>Additional 6 million people provided with access to improved sanitation system by 2017 (Urban: 1.0 million; Rural: 5.0 million)</i></p> <p><b>Update: Achieved</b>  6,772,032 people of which  P083780 Third Tamil Nadu Urban Development: 170,000 (Urban)  P079675 Karnataka Municipal Reform: 71,000 (Urban)  P101650 Andhra Pradesh RWSS: 39,468 (Rural)  P050653 2<sup>nd</sup> Karnataka RWSS: 1,377,990 (Rural)  P083187 Uttarakhand RWSS and P148009 Uttarakhand Additional Financing: 4,288,840 (Rural)  P121774 2<sup>nd</sup> Kerala RWSS: 344,000 (Rural)  P132173 RWSS in LIS: 480,734 (Rural)</p> <p><i>Additional 3,000 Gram Panchayats achieved Open Defecation-Free (ODF) status in targeted states by 2017</i></p>	<p><b>Update: Mostly Achieved</b>  3,509 sanitation schemes constructed, of which  P090592 Punjab RWSS: 100%  P083187 Uttarakhand RWSS: 3,509  P132173 RWSS in LIS: 0</p>	<p><b>IFC investment in water treating utilities</b></p> <p><b>Ongoing financing:</b>  Punjab Rural Water and Sanitation Sector Improvement; Swachh Bharat Mission Support Operation; National Hydrology; Karnataka Urban Water Supply Modernization; Maharashtra Rural Water Supply and Sanitation; Rural Water Supply and Sanitation Project for Low Income States; Second Kerala Rural Water Supply and Sanitation Project (Jalanidhi II)</p> <p><b>Key ASA:</b> Improving Rural Power Supply; Water ASA Cluster; Strengthening Sector Policy &amp; Monitoring in Rural Sanitation; Strengthening Local Government Capacity for Rural Sanitation; Punjab Rural Water &amp; Sanitation Impact Evaluation; Strengthening Client Institutions for Rural Water Supply; Gender Sensitivity for Water &amp; Sanitation; SS-DPSP: Strengthening Frameworks and Building Capacity for PPPs; Running water in India's cities: a review of five recent public-private partnership initiatives; Evaluation of water services public private partnership options for mid-sized cities in India; Strengthening institutional capacity with gender sensitivity and</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		<p><b>Update: Achieved</b></p> <p>Additional 28908 GPs have achieved Open Defecation Free (ODF) status.</p> <p>Note: This status is based on data from ODF verification by state governments by 2017 in states targeted under Bank Executed Technical Assistance and Bank Operations. Independent verification has not yet been conducted</p>		<p>generating knowledge for water and sanitation sector policy reforms; Support to drinking water security pilots in India; Support to Government of India for Implementation of National Urban Sanitation Policy; Capacity development for integrated water resources development and management; Supporting impact evaluation studies in water supply and sanitation in India; What Works at Scale? Distilling the Critical Success Factors for Scaling Up Rural Sanitation; IFC's India E-Waste Advisory</p>
<p>Raise agricultural productivity to 4% per annum</p> <p>Strengthen irrigated water resource management</p>	<p>Low agricultural productivity</p> <p>Outdated agriculture technology and practices</p> <p>Inefficient and unsustainable use of water resources in irrigated agriculture</p>	<p><b>2.4 Increased agricultural productivity in targeted areas</b></p> <p><i>Cereal yield for beneficiaries farmers (tons/hectares)</i></p> <ul style="list-style-type: none"> <li>- <i>Paddy increased from 2.9 in 2012 to 3.5 by 2017</i></li> <li>- <i>Wheat increased from 2.8 in 2012 to 3.5 by 2017</i></li> <li>- <i>Sugarcane increased from 55 in 2012 to 63 by 2017</i></li> </ul> <p><b>Update: Mostly Achieved</b></p> <p>Paddy yield increased from an average of 2.9 tons/ha to 4.5 tons/ha in 2017</p> <p>Wheat yield in 2012 was all in excess of 6, up from 0, 1.4, and 4.3 for various classes of land in 2009</p>	<p><i>Additional 1.1 million hectares of improved irrigation in targeted areas by 2017</i></p> <p><b>Update: Achieved</b></p> <p>2,082,916 hectares of land with improved irrigation by 2017</p> <p>P100954 Andhra Pradesh Water Sector Improvement  P100789 Andhra Pradesh Community Tanks  P090786 Tamil Nadu Irrigation  P112033 Uttar Pradesh Sodici III  P100735 Orissa Community Tank Management  P105311 West Bengal Minor Irrigation  P084792 Assam Agriculture Competitiveness</p>	<p><b>Completed financing:</b></p> <p>Assam Agricultural Competitiveness; Himachal Pradesh Mid-Himalayan Watershed Development; Madhya Pradesh Water Sector Restructuring; National Agricultural Innovation; Strengthening the Enabling Environment for Biodiversity Conservation and Management in India; Andhra Pradesh Community-Based Tank Management; Orissa Community Tank Management; Tamil Nadu Irrigated Agriculture Modernization and Water-Bodies Restoration and Management; HP Mid-Himalayan Watershed Development AF; Assam Agricultural Competitiveness AF</p> <p><b>Ongoing financing:</b></p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		<p>in Uttar Pradesh, when the UP Sodic III project started. Yields were minimally larger at 6.13, 6.53, and 6.9 (UP Sodic III)</p> <p><b>IFC Update:</b> Sugar cane productivity ranged from 62.7 – 89.7, when initial baselines were between 52.8 and 69.3, registering improvements in yield between 16% - 49% (targeted increase was 15%) (note: improvement in yield wasn't easy to measure as a single number because there were multiple clients, plants, and sugarcane varieties. Hence, baselines and improvements in productivity are reported as ranges)</p> <p>P100954 Andhra Pradesh Water Sector Improvement P100789 Andhra Pradesh Community Tanks P090786 Tamil Nadu Irrigation P112033 Uttar Pradesh Sodic III P100735 Orissa Community Tank Management P105311 West Bengal Minor Irrigation</p>	<p>P093720 Mid-Himalayan (HP) Watershed P1073370 Madhya Pradesh Water Sector Restructuring)</p> <p><b>IFC Update:</b> 130,000 ha with improved water management practices (India Sugar Advisory Program)</p> <p><i>At least 1 million farmers adopting improved crop production techniques and practices in targeted areas by 2017</i></p> <p><b>Update: Achieved</b> 1.14 million, of which over 944,000 through Bank interventions</p> <p>(P084792 Assam Agriculture Competitiveness P120836 Maharashtra Agriculture Competitiveness P107648 National Dairy Support P100954 Andhra Pradesh Water Sector Improvement P100789 Andhra Pradesh Community Tanks P090786 Tamil Nadu Irrigation P112033 Uttar Pradesh Sodic III</p>	<p>Himachal Pradesh Horticulture Development; Karnataka Watershed Development II; Maharashtra Agricultural Competitiveness; Neeranchal National Watershed; Rajasthan Agricultural Competitiveness; Uttar Pradesh Water Sector Restructuring Phase 2; Uttarakhand Decentralized Watershed Development II; Andhra Pradesh Water Sector Improvement; West Bengal Accelerated Development of Minor Irrigation; National Dairy Support; Jharkhand Opportunities for Harnessing Rural Growth; Uttar Pradesh Sodic Lands Reclamation III</p> <p><b>Key ASA:</b> Enhancing Agriculture Productivity; Policy and Investment Priorities; Agricultural Insurance NLTA; Capacity Development for Integrated Water Resource Development; Post-Harvest Management and Agribusiness in India: Challenge; "Rurban" Mission; IFC India Sugar Program &amp; Farmer Training/GAP</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		<p><i>Milk production (litres/day/animal) for beneficiary farmers increased from 3.87 liters in 2012 to 4.26 liters by 2017</i></p> <p><b>Update: Achieved</b> Milk production (l/animal/day) increased from baseline of 5.03 (2012) to 6.03 (2017), benefiting 2.7 million producers or 20% increase, while the percentage increase in the target was 10%. Note: absolute numbers for the baseline changed due to change in the sample which led to recalculation.</p> <p><b>Update:</b> P084792 Assam Agricultural Competitiveness Project P107648 National Dairy Support</p>	<p>P100735 Orissa Community Tank Management P093720 Mid-Himalayan (HP) Watershed P1073370 Madhya Pradesh Water Sector Restructuring P104164 National Rural Livelihoods P102331 Madhya Pradesh Poverty Livelihoods)</p> <p><i>At least 650,000 farmers adopting improved livestock production techniques and practices in targeted areas by 2017</i></p> <p><b>Update: Mostly Achieved</b></p> <p><b>IFC Update</b> 522,483 farmers reached. IFC's sugar advisory reached 217,756 of these farmers. Of the farmers supported by Advisory, 100,000 farmers have improved their performance, leading to 130,000 hectares of land sustainability managed and to 191 million cubic meters of water use per year avoided.</p> <p>Note: A subset of the 522,483 farmers reached by investment was also targeted by the IFC</p>	

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
			sugar advisory, but are not counted as additional.	
<p>Improve management of natural resources by introducing regulation to limit water pollution, improving sewerage treatment system, and protecting biodiversity</p>	<p>Deteriorating environmental quality due to water pollution</p> <p>Unsustainable exploitation of natural resources and degradation of biodiversity.</p>	<p><b>2.5 Improved environment protection and biodiversity conservation</b></p> <p><i>160 million liters per day of untreated municipal and industrial wastewater prevented from entering the National Ganga River by 2017</i></p> <p><b>Update: Partially Achieved</b></p> <p>34 million litres per day (MLD) of wastewater treatment capacity financed by the Bank is operational; under Bank-financed operations it is expected that 18 contracts awarded and under implementation will create 208 MLD of wastewater treatment capacity by 2020.</p> <p><i>Additional 500,000 hectares brought under enhanced biodiversity protected area management</i></p> <p><b>Update: Achieved</b> 700,000 hectares were brought under enhanced biodiversity management.</p>	<p><i>Environmental Compliance Assistance Center to promote measures for voluntary industrial compliance established by 2015</i></p> <p><b>Update: Achieved</b> An Environmental Compliance Assistance Center has been established in Kolkata, West Bengal and has been made fully operational.</p> <p><i>Additional 200-million-liter day of wastewater treatment capacity created in the National Ganga River basin by 2017</i></p> <p><b>Update: Not Achieved</b></p> <p>Under Bank-financed operations it is expected that contracts awarded and under implementation will create 208 MLD of wastewater treatment capacity by 2020</p> <p><i>Institutional and methodological framework and guidelines for landscape conservation approaches</i></p>	<p><b>Completed financing:</b> Development Policy Loan to Promote Inclusive Green Growth and Sustainable Development in Himachal Pradesh; Policy and Institutional Reform for Mainstreaming and Upscaling SLEM in India; Sustainable Land: Water and Biodiversity Conservation and Management for Improved Livelihoods in Uttarakhand Watershed Sector</p> <p><b>Ongoing financing:</b> Capacity Building for Industrial Pollution Management; Sustainable Livelihoods and Adaptation to Climate Change; National Ganga River Basin; Biodiversity Conservation and Rural Livelihoods Improvement; Integrated Coastal Zone Management</p> <p><b>Key ASA:</b> Green Growth in Himachal Pradesh; IFC Agri-water efficiency program and industrial water reuse project</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		<p>590,000 hectares under the Biodiversity Conservation and Rural Livelihoods Project (490,000 hectares in the Little Rann of Katchchh; 100,000 hectares in Satpura, PENCH and Askot Landscapes); 110,000 hectares under the Integrated Coastal Zone Management Project (100,000 hectares in the Chilika Lake and catchments, and 10,000 hectares through mangrove plantations in Jamnagar and Katchchh districts)</p> <p>P088520/ P088598 Biodiversity Conservation and Rural Livelihoods P097985 Integrated Coastal Zone Management</p>	<p><i>developed in high biodiversity landscapes</i></p> <p><b>Update: Achieved</b> Framework and guidelines have been prepared and are currently undergoing national level consultations, required prior to formal notification expected by end 2017.</p> <p><i>Additional 50 billion liters of water saved or harvested as a result of IFC's engagement</i></p> <p><b>IFC Update: Achieved</b> India Sugar Advisory program (DSCL and Olam): 27 billion liters of which have already been achieved 198 million cubic meters (191 billion liters/year) water use avoided due to IFC's Interventions</p> <p>(579427 India Sugar Advisory 594767 TATA Water Sustainability Program</p>	
Reduce the intensity of greenhouse gas emissions	Lack of awareness about energy saving technologies and measures to reduce Ozone Depleting Substances	<b>2.6 Reduced Greenhouse Gas Emissions through energy efficiency and renewable energy production</b>	<i>Additional 4,000 MW of energy saved via supported energy efficiency measures by 2017</i>	<b>Completed financing:</b> Chiller Energy Efficiency; Chiller Energy Efficiency Project – MP Component; Karnataka Wind; Street Lighting Energy Efficiency

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		<p><i>Additional 1.5 million (tCO2e) GHG emissions reduced per year by 2016</i></p> <p><b>Update: Mostly Achieved</b> 1.41 million tCO2e annually</p> <p>The <b>IBRD</b> funded a Rampur Hydropower Project which has generated 5200 GWh between 2014 and March 2017 and helped in reducing 4.16 million tCO2e in total; 1.41 million tCO2e annually and 2.59 million tCO2e by March 2016</p> <p><b>IFC Update:</b> The expected GHG emission reductions during the reporting period is 2,220,250 (TCO2e) per year by 2016.</p>	<p><i>Additional renewable energy capacity developed generating 3000 Gwh annually by 2017</i></p> <p><b>Update: Achieved</b> P154283: Additional renewable energy capacity developed generating 420 Gwh annually by FY18 and 1700 Gwh annually by FY19 P155007: Additional Solar PV capacity supported – 150 MW by 2018 and 300 MW by 2019</p> <p><b>IFC Update:</b> 3,212 Gwh addition renewable energy capacity developed by 2017</p> <p><i>80 CFC-based centrifugal chillers replaced by the CEEP</i></p> <p><b>Update: Not Achieved</b> P154283: Construction of two solar parks started in FY17. While one solar park will be operational by FY18, the second park will be operational in FY19.</p> <p><i>Construction and operation of 13 solar and wind stations by 2017</i></p> <p><b>IFC Update: Achieved</b></p>	<p><b>Ongoing financing:</b> Additional Financing for Grid-Connected Rooftop Solar Program; Coal-Fired Generation Rehabilitation; Grid-Connected Rooftop Solar Program; Financing Energy Efficiency at SMEs; Partial Risk Sharing Facility in Energy Efficiency; Partial Risk Sharing Facility in Energy Efficiency; Programmatic Framework for EE – MSMEs – AF; Shared Infrastructure for Solar Parks; Vishnugad Pipalkoti Hydro Electric</p> <p><b>Key ASA:</b> IFC Lighting Asia: India Program; Development of local supply chain: A critical link for concentrated solar power in India: Summary Report; Paving the way for a transformational future: lessons from Jawaharlal Nehru national solar mission phase one</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
			6 Wind power and 7 Solar energy stations constructed and in operation	
<b>Engagement Area 3: Inclusion</b>				
<p>Universalize access to electricity, focusing on electrification of all villages</p> <p>Increase household access to clean and environmentally sustainable energy</p>	<p>30% of rural households lack access to electricity;</p> <p>High reliance on traditional sources of fuel in rural households, with deleterious health impact</p>	<p><b>3.1 Improved access to electricity in targeted states</b></p> <p><i>Additional 300,000 of connections to Below Poverty Line households by 2017 in North Eastern Region</i></p> <p><b>Update: Not Achieved</b> The North Eastern Region Power System Improvement Project was approved in June 2016 and will close in March 2023 with implementation having just started and by the time of project closing, it is expected that the region will be close to 100% electricity access levels.</p> <p><i>Additional 220,000 households with off-grid connections</i></p> <p><b>Update: Partially Achieved</b> <b>IFC Update:</b> 48,441 additional households with off grid connections due to IFC's interventions</p> <p>Biomass ESCO 579407 Lighting Asia 587687</p>	<p><i>At least 10,000 circuit kilometers of transmission capacity added by 2015</i></p> <p><b>Update: Achieved</b> P115566, Powergrid Fifth project: 3,731 circuit kilometer of transmission capacity added till FY17. At the corporate level, POWERGRID added 40,000 ckm during this period</p> <p>P110051, Haryana Power – 1,355 ckm added between July-2013 and May-2017</p> <p><i>At least 412 MW of hydro power generation capacity constructed by 2017</i></p> <p><b>Update: Achieved</b> 412 MW of capacity constructed and synchronized with the grid as of December 2014 (P095114 Rampur Hydropower Project)</p> <p><i>420 MW of Coal-Fired generation plant rehabilitated</i></p>	<p><b>Completed financing:</b> Financing Public Private Partnerships (PPPs) in Infrastructure through Support to the India Infrastructure Finance Company Ltd; Rampur Hydropower; Haryana Power System Improvement; India Mumbai</p> <p><b>Ongoing financing:</b> Fifth Power System Development; Coal-Fired Generation Rehabilitation; Vishnugad Pipalkoti Hydro Electric; Coal-Fired Generation Rehabilitation (MP); North Eastern Region Power System Improvement IFC's Street lighting infrastructure Odisha Program; IFC Investment in private sector generation, transmission and distribution; IFC supported direct lines with banks/infrastructure finance companies to support renewable energy; Gujarat Solar Project (PPP).</p> <p><b>Key ASA:</b> Policy of Notes on Power; Long-term impacts of household electrification in rural India IFC Lighting Asia: India Program and Rooftop Solar Program in Orissa and other states.</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		(579407 Distributed ESCO Expansion – Biomass (Husk Power) 641186 Husk Power)	<b>Update: Partially Achieved</b> 215 MW of P100101 Coal-Fired Generation plant rehabilitated (Bandel) commissioned in FY16, another 225 MW of coal-fired generation capacity will be rehabilitated by FY18 (Koradi)	
Improve efficiency of health delivery systems by converging health programs under the National Rural Health Mission	Limited capacity of state-level health institutions (low accountability, inadequate financial management, poor quality assurance, poorly trained health workers), resulting in inefficiency delivery of health services	<p><b>3.2 Strengthened public and private health delivery systems</b></p> <p><i>Below Poverty Line (BPL) and other vulnerable households covered under Government Sponsored Health Insurance Schemes increased from 180 million in 2011 to 350 million by 2017</i></p> <p><b>Update: Partially Achieved</b> Approximately 335 million BPL persons (not households) covered by government sponsored health insurance schemes, with baseline of 149 million in 2012-13 of which over 30 million in Karnataka directly funded by the bank through Karnataka Health System Development and Reform (P071160) and many of the others supported by the Bank through TA. (note: indicator states “households” but the intent was people, since the total number of all households in India is about 250 million)</p>	<p><i>At least 40 health facilities assessments completed and action plan developed in the targeted states by 2017</i></p> <p><b>Update: Achieved</b> Total: 518 Karnataka Health System Development and Reform (P071160): 188 (6 NABH + 182 Kaya Kalp)</p> <p>Uttar Pradesh Health Systems Strengthening Project (P100304): 55 (53 NABH + 2 Kaya Kalp)</p> <p>Tamil Nadu Health Systems (P075058 and P118830): 275</p> <p><i>At least 50 PPPs performance-based contracts in health facilities in targeted states by 2017</i></p> <p><b>Update: Achieved</b></p>	<p><b>Completed financing:</b> National Vector Borne Disease Control &amp; Polio Eradication Support; Tamil Nadu Health Systems; Karnataka Health Systems; Tamil Nadu Health AF</p> <p><b>Ongoing financing:</b> Innovate in India for Inclusiveness; Accelerating Universal Access to Early and Effective Tuberculosis Care; Nagaland Health; National AIDS Control Support; Uttarakhand Health Systems Development; Uttar Pradesh Health Systems Strengthening</p> <p><b>Key ASA:</b> Impact of Social Accountability Interventions on Healthcare; Government Sponsored Health Insurance Programs; Learning from India's HIV Response; Service Delivery and Public Spending on Health; Government-sponsored Health Insurance Schemes; IFC’s Meghalaya Health for All; IFC’s Shillong Medical; Karnataka RBF Hospital Care; The Knowledge Hub for Government</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		<p>IFC projects contribute to 800,000 people receiving access to improved health services through Health Insurance in Meghalaya and</p> <p><i>Additional 9.4 million patients reached in supported private health facilities by 2017</i></p> <p><b>Update: Achieved.</b> 19,187,555 patients served</p> <p><i>Public sector hospitals that have achieved entry level-pre-accreditation in the three states (UP, Tamil Nadu, and Karnataka) increased from 6 in 2011 to 50 by 2017</i></p> <p><b>Update: Partially Achieved</b> 22 NABH entry level pre-accreditation or better</p> <p>13 Hospitals in Tamil Nadu (Tamil Nadu Health Systems, P075058 and P118830)</p> <p>2 Hospitals in (Karnataka Health System Development and Reform, P071160)</p>	<p>Total 89 (Uttar Pradesh Health Systems Strengthening Project, P100304): 52 (Tamil Nadu Health Systems, P075058 and P118830): 37</p> <p><b>IFC Update:</b> 5 PPP mandates closed (as of June 2015)</p> <p><i>Additional 21 private health facilities strengthened through IFC engagements</i></p> <p><b>IFC Update: Achieved</b> 22 district hospitals and 3 medical colleges facilities in Jharkhand strengthened through IFC engagements</p> <p>3 public hospitals in AP upgraded to provide specialty diagnostics. Help build a tertiary care hospital in Patna Bihar through PPP transaction</p> <p>Improved operational efficiency of Shija Hospital in Imphal</p>	<p>Sponsored Health Insurance Schemes, Karnataka</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		7 in Uttar Pradesh(Uttar Pradesh Health Systems Strengthening Project, P100304” 17.5% of 40 hospitals in accreditation program.		
Reduce under-nutrition among children aged 0-3 from 40% (2005-06) to 27%	Inadequate systems/institutions to address high levels of child malnutrition (40% of the world’s malnourished children live in India)	<p><b>3.3 Improved child nutrition delivery systems in targeted States</b></p> <p><i>Increase from 0% in 2015 to 70% in 2017 of Anganwadi Centers(AWCs) in target districts implementing community-based activities focused on Infant and Young Child Feeding practices.</i></p> <p><b>Update: Achieved</b> 100.3% (353,259 AWCs of 352,137 project AWCs across eight states of AP, BH, CH, JH, MA, MP, RJ and UP) are implementing monthly community based activities focusing on IYCF practices. Note: community based activities are being undertaken in an additional 1,122 non-ISSNIP AWCs, hence a greater than 100% achievement.</p> <p>P121731: Integrated Child Development Services (ICDS) Systems Strengthening and Nutrition Improvement Program</p>	<p><i>Multi-sectoral nutrition action plans developed and implemented in targeted districts in 6 states</i></p> <p><b>Update: Achieved</b> Eight states have action plans with convergence of programs of the Depts. of Health, PRI, IT, Agriculture, Horticulture and Rural Development and innovations. States are Andhra Pradesh; Bihar, Chhattisgarh, Jharkhand, Maharashtra, Madhya Pradesh, Rajasthan, and Uttar Pradesh</p> <p><i>Inter-personal counseling guidelines and tools material for promoting positive IYCF behaviors developed and adopted by 8 states</i></p> <p><b>Update: Achieved</b> Integrated Child Development Services (ICDS) Systems Strengthening and Nutrition</p>	<p><b>Completed financing:</b> Bihar Rural Livelihoods – JEEViKA; Karnataka Multisectoral Nutrition Pilot</p> <p><b>Ongoing financing:</b> ICDS Systems Strengthening &amp; Nutrition Improvement Program (ISSNIP); Andhra Pradesh Rural Inclusive Growth; National Rural Livelihoods Program; North East Rural Livelihoods</p> <p><b>Key ASA:</b> Multisectoral Nutrition Action in Bihar; Social Observatory for Rural Food &amp; Nutrition Security in National Rural Livelihoods Mission; Community Food and Nutrition Initiatives in High Poverty States; Nutrition in India eBook, Institutional Arrangements for Nutrition in India: An Assessment of Capacity. Community managed food and nutrition security initiatives in high poverty states in India; Health, nutrition, and population Technical assistance to North East states; Institutional arrangements for nutrition in India: an assessment of capacity</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		<p><i>Increase from 0% in 2015 to 40% in 2017 of mothers (pregnant and lactating women) in project districts who report receiving counselling on Infant and Young Child Feeding practices through Inter-Personal Communication (IPC) activities delivered by AWWs</i></p> <p><b>Update: Mostly Achieved</b> 39% of pregnant and lactating women in ISSNIP districts from eight states of AP, BH, CH, JH, MA, MP, RJ and UP were counseled on IYCF through community based events delivered by AWWs</p> <p>Integrated Child Development Services (ICDS) Systems Strengthening and Nutrition Improvement Program (ISSNIP), P121731</p> <p><i>400,000 additional Below Poverty Line (BPL) households with access to community management nutrition centers</i></p> <p><b>Update: Mostly Achieved</b></p>	<p>Improvement Program (ISSNIP), P121731: The guidelines for interpersonal counseling have been adopted by MWCD and eight project states of ISSNIP as of December 2015. 15 training modules have been developed and disseminated to project states through MWCD to build capacities of AWWs for counseling pregnant and lactating women and their key influencers in maternal and IYCF practices through a cascading down, incremental learning approach. Job aids for AWWs to facilitate the counseling in maternal and IYCF practices have been developed and disseminated to project states and are in use. Finally, through MWCD, supervision and observation quality checklists are being shared with states to support improvement in learning and counseling of AWWs wrt. maternal and IYCF practices.</p> <p><i>10,000 additional community service delivery centers organized by 2017</i></p>	

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		<p>Approximately 362,000 households</p> <p>Note: The 1750 Community Management Nutrition Centers established under the AP Rural Poverty Reduction Project were closed because the function was merged with the Integrated Child Development Services program which runs Anganwadi Centers (AWCs). AWCs in AP and Telangana reach 725,000 pregnant and lactating women, of which approximately half are BPL (estimate based on estimate of households in the lowest wealth index using ICDS services in Rapid Survey of Children 2013-2014 report). MIS does not track whether users are from BPL households.</p> <p>(Bihar Rural Livelihoods Project, P090764; AP Rural Inclusive Growth Project, P152210; Telangana Rural Inclusive Growth Project, P143608; National Rural Livelihoods Project, P104164):</p>	<p><b>Update: Partially Achieved</b></p> <p>1750 community management nutrition centers were established in Andhra Pradesh. These centers' nutrition function was taken over by Anganwadi Centers in 2014, at which time the centers were closed.</p>	
Universalize access to secondary education by 2017	Poor quality of education at all levels	<p><b>3.4 Improved access and quality of education</b></p> <p><i>Enrolment of students in Secondary (Grade IX and X)</i></p>	<p><i>New system of National Assessment of Student Performance developed and implemented (for grade X) by 2014</i></p>	<p><b>Ongoing financing:</b> Tejaswini: Socioeconomic Empowerment of Adolescent Girls &amp; Young Women; Elementary Education III; Enhancing Teacher Effectiveness in Bihar; MP</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
<p>Improve quality at all Education levels and align programs to market needs</p>	<p>Low learning outcomes, Low retention rates and enrollment at the secondary level</p> <p>Limited access to education by underprivileged children/youth</p>	<p><i>increased from 28 million in 2012 to 40 million by 2017</i></p> <p><b>Update: Mostly Achieved</b> The enrolment of students in grades IX and X increased to 39.2 million (source: latest available UDISE 2015-16)</p> <p><i>Gross Graduation rate increased from 74% in 2010 to 88% by 2017</i></p> <p><b>Update: Not Achieved</b> The gross graduation rate declined to 69%</p> <p><i>Gender Parity Index (GPI) in secondary schools increased from 94% in 2010 to 98% by 2017</i></p> <p><b>Update: Achieved</b> The GPI has increased to 1.02 (source: RFD shared by MHRD at the 8th RMSA JRM, September 2016) (Secondary Education Project, P118445)</p>	<p><b>Update: Achieved</b> The first round of NAS for grade 10 was conducted in 2014-15</p> <p><i>Proportion of RMSA schools with all core subject specific teachers available increased from 22.5 % in 2009-10 to 40% by 2017</i></p> <p><b>Update: Not Achieved</b> The proportion of RMSA schools with all core subject specific teachers has remained the same at 22.5%</p> <p>The proportion of schools with minimum five subject teachers and a principal has gone up from 62% in 2009-10 to 90% in 2015-16</p>	<p>Higher Education Quality Improvement; Nai Manzil – Education and Skills Training for Minorities; Secondary Education</p> <p><b>Key ASA:</b> Teachers Education; Secondary Education; Teacher's Education and Professional Development- International Best Practice; Higher Education in Madhya Pradesh – The Way Forward; Explorations in Secondary Education; Strengthening teacher capacity in Bihar through ICT: designing innovative solution to unique challenges; Vocational Education; Andhra Pradesh Randomized Evaluation Study; Does information improve school accountability: Results of a large randomized trial; Higher Education Reform; Skills to Jobs Platform - Role of Non State Players; IFC's Gujarat University PPP and Meghalaya College PPPs</p>
<p>Implement direct cash transfer for major subsidies and welfare-related beneficiary payments</p>	<p>Limited state-level institutional capacity and systems to implement social protection programs (including</p>	<p><b>3.5 Increased coverage of social protection programs in targeted States</b></p> <p><i>Coverage of program beneficiaries in targeted districts increased from 18% in 2012 to 30% by 2017</i></p>	<p><i>IT application to track benefit payments established in at least one state by 2015</i></p> <p><b>Update: Mostly Achieved</b> MIS application for managing social security pensions in Bihar</p>	<p><b>Ongoing financing:</b> Telengana Rural Inclusive Growth; Bihar Integrated Social Protection Strengthening</p> <p><b>Key ASA:</b> Assessing implementation of Social Protection programs in Bihar</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
	beneficiary awareness, enrollment, benefits payments and tracking and accountability)	<p><b>Update: Achieved</b> 41.6% as of December 2016 (P118826 Bihar Integrated Social Protection Strengthening Project)</p>	<p>is developed and being pilot tested in two districts.</p> <p><i>State disability and older persons policies developed for at least one state by 2015</i></p> <p><b>Update: Achieved</b> Draft state policies for persons with disabilities and older persons developed in Bihar and awaiting state approval.</p> <p><i>At least 50 social protection service centers established by 2017</i></p> <p><b>Update: Partially Achieved</b> 20 social care service centres under the Bihar Integrated Social Protection Strengthening Project (P118826) operational and remaining 83 to be operational in FY18</p> <p>33 one-stop shops established under the Andhra Pradesh Rural Inclusive Growth Project (P152210)</p>	including social pension & NREGA; Survey on the Status of Adolescent Girls and Vulnerable Women in Jharkhand; Social Pensions; Jharkhand Social Protection; Chhattisgarh RSBY/PDS Evaluation; Community-based Food Security Enhancement; Service Level Benchmarking, Citizen Voice and Performance
Create economic opportunities to improve rural livelihood of poor households	Limited livelihood opportunities (farm and non-farm) for rural poor, especially women	<b>3.6 Enhanced rural livelihood opportunities in targeted States</b>	<i>At least 50,000 additional Self Help Groups (SHGs) have been formed, including poor women SHGs</i>	<b>Completed financing:</b> Bihar Rural Livelihoods JEEViKA; Economic Empowerment Project for Women (SEWA); Sustainable Rural Livelihoods and Security through

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		<p><i>Additional 1.3 million supported poor households report a minimum of 20% increase in income by 2017</i></p> <p><b>Update: Achieved</b> 1,389,000 households from ICR studies cumulatively have increased their incomes by a minimum of 20%.</p>	<p><b>Update: Achieved</b> Nearly 990,000 additional SHGs exclusively of poor women from rural households have been formed during the CPS period.</p> <p>P102329 Rajasthan Rural Livelihoods P093478 Orissa Livelihoods P090764 Bihar Livelihoods P102330 Northeast Rural Livelihoods P079708 Tamil Nadu Empowerment and Poverty Reduction P0102331 Madhya Pradesh District Poverty Initiative Projects P104164 National Rural Livelihoods Project P159576 Bihar Transformative Development Project</p>	<p>Innovations in Land and Ecosystem Mgmt/Additional GEF financing to India NAIP; Orissa Rural Livelihoods; Bihar Rural Livelihood Project AF</p> <p><b>Ongoing financing:</b> Creating Inclusive Business Models for Marginalized Tribal Communities in Odisha, Jharkhand and Madhya Pradesh; National Rural Livelihoods Project; Andhra Pradesh Rural Inclusive Growth; Bihar Transformative Development; North East Rural Livelihoods (NERLP); Rajasthan Rural Livelihoods (RRLP); West Bengal Institutional Strengthening of Gram Panchayats II; Jharkhand Opportunities for Harnessing Rural Growth; Telangana Rural Inclusive Growth Project</p> <p><b>Key ASA:</b> Community managed food and nutrition security initiatives in high poverty states in India; Technical assistance facility for strengthening implementation of rural livelihood projects at the national level (2009 – 2013); Welfare and poverty impacts of India’s national rural employment guarantee scheme: evidence from Andhra Pradesh; Women’s empowerment and socio-economic outcomes: impacts of the Andhra</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
				Pradesh rural poverty reduction program
<p>Improve financial Services</p> <p>Provide access to banking services to 90% of Indian households</p>	<p>40% of households do not avail any banking services</p> <p>Organized financial sector does not reach out to a large segment of the population</p>	<p><b>3.7 Increased access to financial services in targeted states</b></p> <p><i>Additional 3.5 million households with access to formal financial services by 2017.</i></p> <p><b>Update: Achieved</b> 5.7 million additional households have been able to access formal financial services during the CPS period</p> <p>P119043 India: Scaling Up Sustainable and Responsible Microfinance P102329 Rajasthan Rural Livelihoods P093478 Orissa Livelihoods P090764 Bihar Livelihoods P102330 Northeast Rural Livelihoods P079708 Tamil Nadu Empowerment and Poverty Reduction P0102331 Madhya Pradesh District Poverty Initiative Projects P104164 National Livelihoods P159576 Bihar Transformative Development Project</p>	<p><i>10 additional number of lenders for low-income housing finance created in target States by 2017</i></p> <p><b>Update:</b></p> <p><i>27 MFIs supported through IFC's engagement</i></p> <p><b>Update: Mostly Achieved</b> 24 MFI's supported through IFC's engagement.</p>	<p><b>Completed financing:</b> Bihar Rural Livelihoods – JEEViKA; TA to Enhance Financial Access through Technology in Andhra Pradesh; Orissa Rural Livelihoods; Second Madhya Pradesh District Poverty Initiatives (MPDPIP-II); Scaling Up Sustainable and Responsible Microfinance; Tamil Nadu Empowerment and Poverty Reduction</p> <p><b>Ongoing financing:</b> National Rural Livelihood Project; State Livelihood Projects (Rajasthan, Jharkhand, Bihar, and states in the Northeast); Scaling Up Sustainable and Responsible Microfinance; Low-income Housing; MSME Growth Innovation and Inclusive Finance; IFC investments in MFIs; IFC equity in banks and long-term finance institutions; IFC's short-term trade finance and liquidity to banks.</p> <p><b>Key ASA:</b> Financial Literacy and Education; Financial Inclusion in LIS (Madhya Pradesh and Northeast (Meghalaya)); IFC Micro-and small and medium enterprise access to finance: Capacity Building Programs with Banks and NBFCs; IFC work to facilitate G2P for health services</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		<p><i>Additional 28 million loans provided to micro-, small-, and medium-enterprises in targeted states by 2017 (including 1.0 million to female-owned microenterprises)</i></p> <p><b>Update: Achieved</b>  <b>IFC Update:</b> Loans provided to additional 85,396,564 micro-small- and medium enterprises through advisory and investment services</p> <p><i>Additional 750,000 payment accounts opened by 2017</i></p> <p><b>Update: Achieved</b>  <b>IFC update:</b> 944,706 people registered in the G2P platform for health benefit payment in Bihar (588947 G2P Payments)</p>		
Strengthen natural disaster management/ resilience	Weak or non-existent institutions and mechanisms for enhanced disaster risk management and climate resilience, especially in agriculture and water-intensive sectors	<p><b>3.8 Enhanced disaster risk management system</b></p> <p><i>At least 3 states have installed an operational Early Warning Dissemination Systems (EWDS) in targeted vulnerable communities by 2017</i></p> <p><b>Update: Achieved</b>  States of Odisha, Andhra Pradesh and Tamil Nadu have installed</p>	<p><i>Master plan for Flood Management prepared for Kosi river basin by 2015</i></p> <p><b>Update: Achieved</b>  Master Plan for Flood and Sediment Management for Kosi Basin has been completed (P122096 Bihar Kosi Flood Recovery Project)</p>	<p><b>Completed financing:</b>  Bihar Flood Management Information System Phase II</p> <p><b>Ongoing financing:</b>  Bihar Flood Rehabilitation Phase II; Bihar Kosi Flood Recovery; Jhelum and Tawi Flood Recovery; National Cyclone Risk Mitigation Project-II; Odisha Disaster Recovery; Uttarakhand Disaster Recovery; Andhra Pradesh Disaster Recovery; National Cyclone</p>

Government Strategic Objectives (12th Plan Goals)	Issues and Obstacles	CPS Outcomes and Indicators	Indicative Milestones	World Bank Group Program (Ongoing and Indicative)
		<p>EWDS and the system is partly operational.</p> <p>P092217 National Cyclone Risk Mitigation Project I + AF —Andhra Pradesh and Odisha: 160 EWDS will be installed and be operational by June 2017.</p> <p>P143382 TN and Puducherry Early Warning System: 400 EWDS will be installed and be operational by June 2017</p>	<p><i>Multi-hazard risk and vulnerability assessment prepared for India's coastal areas by 2015</i></p> <p><b>Update: Achieved</b> Multi-hazard risk and vulnerability assessment covering coastal areas of West Bengal, Odisha, AP, Tamil Nadu, Puducherry, Kerala, Karnataka, Goa, Maharashtra, Gujarat has completed (P092217 National Cyclone — AP and Odisha)</p> <p><i>400 Cyclone shelters completed in targeted coastal areas by 2017</i></p> <p><b>Update: Achieved</b> P092217 National Cyclone AP and Odisha - A total of 450 MPES completed P153382 TN and Puducherry - A total of 120 MPES completed.</p> <p><i>900 Remote Public Alert Communication System installed by 2015</i></p> <p><b>Update: Mostly Achieved</b> 560 Remote Public Alert Systems have been installed</p>	<p>Risk Mitigation Project (1); Tamil Nadu and Puducherry Coastal Disaster Risk Reduction</p> <p><b>Key ASA:</b> Bihar Kosi Flood and Climate Adaptation; Support to National Cyclone Risk Mitigation Program</p>

**Table 2 (CLR Annex 2): IBRD/IDA Commitments FY13–17  
As of Jun 30, 2017**

<b>Fiscal Year</b>	<b>Project Name</b>	<b>IBRD (\$US\$, millions)</b>	<b>IDA (US\$, millions)</b>	<b>Others</b>	<b>LIS/SCS Focus</b>	<b>Global Practice</b>
FY13	Kerala State Transport II	216.0				Transport & ICT
	Tamil Nadu Puducherry Disaster Risk Reduction		236.0			Social, Urban, Rural and Resilience
	Low-Income Housing Finance		100.0		LIS/SCS	Finance & Markets
	National AIDS Control Support		255.0			Health, Nutrition and Population
	Bihar Panchayat Strengthening		84.0		LIS/SCS	Governance
	Karnataka Watershed II		60.0			Agriculture
	ICDS System Strength & Nutrition Improvement		106.0		LIS/SCS	Health Nutrition and Population
	Himachal Pradesh Green Growth DPL	100.0				Environment & Natural Resources
	Karnataka Health AF	70.0				Health, Nutrition and Population
	Himachal Pradesh State Roads AF	61.7				Transport & ICT
	Himachal Pradesh Mid-Himalayan Watersheds AF	37.0				Agriculture
<b>FY13 Total</b>		<b>484.7</b>	<b>841.0</b>			
FY14	Technology Center Systems (TCSP)	200.0				Trade and Competitiveness
	Eastern Dedicated Freight Corridor II	1,100.0			LIS/SCS	Transport & ICT
	Gujarat State Highway II (GSHP II)	175.0				Transport & ICT
	Natl Highways Inter-Connectivity	500.0				Transport & ICT
	Mizoram State Roads II- Regional Connectivity		107.0		LIS/SCS	Transport & ICT
	Elementary Education (SSA) III		1,006.2			Education
	Accelerating Universal Access to TB Care		100.0			Health Nutrition and Population
	Uttarakhand Decentralized Watershed Dev II		121.2		LIS/SCS	Agriculture
	Maharashtra Rural Water Supply and Sanitation Program		165.0			Water
	Odisha Disaster Recovery Project		153.0		LIS/SCS	Social, Urban, Rural and Resilience

	Bihar Integrated SP Strengthening		84.0		LIS/SCS	Social Protection
	Rural Water Supply and Sanitation for Low Income States		500.0		LIS/SCS	Water
	Rajasthan Road Sector Modernization		160.0		LIS/SCS	Trade and Competitiveness
	Uttarakhand Disaster Recovery		250.0		LIS/SCS	Social, Urban, Rural and Resilience
	UP Water Sector Restructuring Project II		360.0		LIS/SCS	Water
	Uttarakhand RWSS Project AF		24.0			Water
	National Cyclone Risk Mitigation AF		104.0			Social, Urban, Rural and Resilience
	Himachal Pradesh Green Growth DPL II (CTF)			100.0		
<b>FY14 Total</b>		<b>1,975.0</b>	<b>3,134.4</b>	<b>100.0</b>		
FY15	Tamil Nadu Sustainable Urban Development	400.0				Social, Urban, Rural and Resilience
	Punjab Rural Water Sector Improvement	248.0				Water
	MSME Innovation and Inclusion	500.0				Finance & Markets
	Telangana Rural Inclusive Growth		75.0			Agriculture
	Andhra Pradesh Rural Inclusive Growth		75.0			Agriculture
	National Watersheds (Neeranchal)		178.5			Agriculture
	Enhancing Teacher Effectiveness in Bihar		250.0		LIS/SCS	Education
	Tamil Nadu Road Sector II	300.0				Transport & ICT
	National Cyclone Risk Mitigation II		308.4			Social, Urban, Rural and Resilience
	Jhelum and Tawi Flood Recovery		250.0		LIS/SCS	Social, Urban, Rural and Resilience
	Eastern Dedicated Freight Corridor III	650.0			LIS/SCS	Transport & ICT
	Madhya Pradesh Higher Education		300.0		LIS/SCS	Education
	Partial Risk Sharing Facility in EE (GEF)			18.0		Energy and Extractives
	Efficient and Sustainable City Bus Service (GEF)			9.2		Transport & ICT
	Climate Change and Livelihoods (GEF)			8.0		Agriculture
	Andhra Pradesh Disaster Recovery		250.0		LIS/SCS	Social, Urban, Rural and Resilience
<b>FY15 Total</b>		<b>2,098.0</b>	<b>1686.9</b>	<b>35.2</b>		
FY16	IN: BIHAR KOSI BASIN DEVELOPMENT PROJECT North Eastern Region Power System Improvement Project IN Karnataka Urban Water Supply Modernization Project	470	250		SCS	Social, Urban, Rural and Resilience Energy and Extractives



	Jharkhand Opportunities for Harnessing Rural Growth Project West Bengal Institutional Strengthening of Gram Panchayats Program II Additional Financing for Grid-Connected Rooftop Solar Program	100 210		22.9		Environment & Natural Resources  Education Agriculture  Social, Urban, Rural and Resilience  Energy and Extractives
<b>FY17 Total</b>		<b>1,776.4</b>	<b>508</b>	<b>28.1</b>		
<b>Total</b>		<b>9,154.1</b>	<b>7,194.8</b>	<b>163.3</b>		

**Table 3 (CLR Annex 3): Summary of World Bank Knowledge Services – India  
As of June 30, 2017**

<b>Product Name</b>	<b>Completion Fiscal Year</b>	<b>Responsible Global Practice</b>
<b>INTEGRATION</b>		
<b>Recent Completions (FY13–17)</b>		
India: Policy Notes on Power	2013	Energy & Extractives
IN: Experience with PPPs in Infrastructu	2013	Energy & Extractives
IN: Power Sector Stocktaking	2014	Energy & Extractives
IN: CSP-Renew Egy Mkt Transformation I	2014	Energy & Extractives
India Power Sector Diagnostic Review	2014	Energy & Extractives
IN: Trans Policies & Reform Activities	2014	Transport & ICT
E-Tools in Constr. Mgt. Report Dissemina	2014	Transport & ICT
IN: TA for Beneficiary Verification	2014	Transport & ICT
PSIA: Rural Road Development in India	2014	Transport & ICT
PPPs Through FIs: Learnings & Way Forward	2014	Transport & ICT
Energy Efficient Urban Street Lighting	2015	Energy & Extractives
IN Policy note-Sustainable Power Sector	2015	Energy & Extractives
State Highways and PPPs in India	2015	Transport & ICT
Programmatic Approach for Urban Transport	2016	Transport & ICT
PPP Knowledge and Capacity Building	2016	Transport & ICT
NE India Multimodal Transport NLTA	2016	Transport & ICT
Railway Station Redevelopment Workshop	2016	Transport & ICT
TA on transport incl EV in Delhi	2016	Transport & ICT
Inland Water Transport Workshop	2016	Transport & ICT
India PPP	2016	Transport & ICT
Improving Rural Power Supply	2017	Energy & Extractives
Railways of India Development Fund	2017	Transport & ICT
Streng. Instn. Dev. in WB funded Proj.	2017	Transport & ICT
Intermodal Transport and Logistics	2017	Transport & ICT
<b>Underway - (FY17–18)</b>		
Accelerating impact of transport infrast		Transport & ICT
Urban rail NLTA		Transport & ICT
Mizoram Roads and Trade Sectors NLTA		Transport & ICT
Impact Evaluation PMGSY		Transport & ICT
Kolkata Urban Transport Integration		Transport & ICT
Support to Indian Railway Reforms		Transport & ICT
IN: ICT-enabled Integration for GG		Transport & ICT
<b>INCLUSION</b>		
<b>Recent Completions (FY13–17)</b>		
IN: AP Randomized Eval Study	2013	Education
TVET reform in West Bengal	2013	Education
Fin Literacy & Education in India	2013	Social Protection
IN: Social Dimen of Urbanztn	2013	Social Protection
Teacher Education and Professional Devel	2014	Education
IN: Foundation for CSR	2014	Education
IN: HR for More Eftv Health II	2014	Health
India: Health	2014	Health
IN: Ser Del & Pub Spend Health	2014	Health
IN: Inst Arrgmts for Nutrition	2014	Health

Multisectoral Nutrition Action in Bihar	2014	Health
IN: Social Pensions MoRD	2014	Social Protection
IN MP Higher Education ESW	2015	Education
IN: Improving Skills Development	2015	Education
IN: Bihar Capacity Building TA	2015	Education
Improving Social Inclusion Health Ins.	2015	Health
Nutrition in India: policy notes	2015	Health
HNP TA to North East States	2015	Health
Karnataka Impact Eval RBF Hospital Care	2015	Health
Building Institutional Capacity of RSBY	2015	Social Protection
Social Protection Programmatic TA	2015	Social Protection
India Higher Education NLTA	2016	Education
Vocational Education	2016	Education
Allocation/funding formula	2016	Education
PPP in Secondary Education Sector	2016	Education
Workforce planning for teachers	2016	Education
Teacher training and teacher performance	2016	Education
India-Secondary Education Explorations	2016	Education
Early Childhood Care and Education	2016	Education
Support on Strategic Interventions under	2016	Education
Measuring Learning in HE in India	2016	Education
Examining Drop-out Rates in Engineering	2016	Education
Urban Health, Nutrition and Population	2016	Health, Nutrition & Population
South-South Knowledge & Learning	2016	Health, Nutrition & Population
Science of Delivery	2016	Health, Nutrition & Population
Resource Optimization Study	2016	Health, Nutrition & Population
Learning from India's HIV Response	2016	Health, Nutrition & Population
TA to Govt Sponsored Health Ins in India	2016	Health, Nutrition & Population
Imprv. Nutri. through Multisc. Actions	2016	Health, Nutrition & Population
Developing Social & Non-cognitive Tools	2016	Social Protection & Labor
Combating Poverty: Role of Safety Nets	2016	Social Protection & Labor
Human Development in Bihar	2016	Social Protection & Labor
Higher Education Reforms	2017	Education
Review RUSA Centrally Sponsored Scheme	2017	Education
Skills to Jobs Platform- Role of NSP	2017	Education
India: MS Determinants of HNP Outcomes	2017	Health, Nutrition & Population
Strengthening Urban Safety Nets in India	2017	Social Protection & Labor
<b>Underway - (FY17-18)</b>		
Tracer study: Higher Ed Graduates		Education
Non-financial Teacher Incentives-India		Education
Labor Market Data Analytics in India		Education
Skills Programmatic Cluster		Education
IN:ECD for the Poor : Evaluating Impact		Health, Nutrition & Population
TA on human resources for health and M&E		Health, Nutrition & Population
TB Detection and Social Networks		Health, Nutrition & Population
Evaluating Integration in the ICDS		Health, Nutrition & Population
UP Social Accountability Interventions		Health, Nutrition & Population
Human Development Outcomes		Social Protection & Labor
Inclusive Skills Development		Social Protection & Labor
Accelerating DBT in LIS		Social Protection & Labor

<b>TRANSFORMATION</b>		
<b>Recent Completions (FY13–17)</b>		
IN: Natl Rul Livelihoods Impl Strength	2013	Agriculture
IN: Agric Productivity	2014	Agriculture
Foodgrains Policy Options	2014	Agriculture
Food Security in Tribal Areas	2014	Agriculture
Pilot Cold Chain Under PPP Arrangement	2015	Agriculture
Livelihoods in intermediate towns	2016	Agriculture
Agriculture and Poverty	2016	Agriculture
Community-Managed FSN Initiatives	2016	Agriculture
Development Interventions in Naxal Area	2016	Agriculture
Community- based Food Security Enhanceme	2016	Agriculture
Odisha NLTA	2017	Agriculture
TA for National Rurban Mission	2017	Agriculture
Post-Harvest Management and Agribusiness	2017	Agriculture
<b>Underway - (FY17–18)</b>		
Social Observatory		Agriculture
UTKARSH		
<b>SUSTAINABILITY</b>		
<b>Recent Completions (FY13–17)</b>		
Poverty and Role of Natural Resources	2013	Environment & Natural Resources
IN: Inclusive Cities Workshop	2013	Social, Urban, Rural and Resilience
IN: Rur Credit Coops Proj IE	2013	Social, Urban, Rural and Resilience
India Urban Capacity Building	2013	Social, Urban, Rural and Resilience
IN: Development of SAR Standards of PDNA	2013	Social, Urban, Rural and Resilience
Unlocking Urban Land Values	2013	Social, Urban, Rural and Resilience
Workshop on Governance	2014	Social, Urban, Rural and Resilience
IN: AP Rural Poverty Impact Evaluation	2014	Social, Urban, Rural and Resilience
India Cultural Heritage Program	2014	Social, Urban, Rural and Resilience
India Gender and Development AAA	2014	Water
Development Along the Eastern DFC	2014	Water
IE WSP rural sanitation India	2014	Water
Just-in-Time ESW	2014	Water
Knowledge Forum on sanitation	2014	Water
IN/BA3.1 Service Delivery Assessment	2014	Water
Green Growth in Himachal Pradesh	2015	Environment & Natural Resources
India DEA Urban Workshop	2015	Social, Urban, Rural and Resilience
India - Partnership for Market Readiness	2015	Social, Urban, Rural and Resilience
IN: BKFR and Climate Adaptation Program	2015	Social, Urban, Rural and Resilience
Regulatn & Pro-poor strateg.	2015	Water
IN Rajasthan WSS NLTA	2015	Water
Support for NUSP	2015	Water
City Sanitation Plans	2015	Water
Supporting Impact Evaluation in WSS	2015	Water
Supporting Drinking Water Security Pilot	2015	Water
SS-DPSP India	2015	Water
Institutional Capacity & Gender	2015	Water
IN Wtr PPP Options for Mid-sized Cities	2015	Water
IN RWSS Proj for LIS- Support to MoDWS	2015	Water
IN: Cap Dev for Wtr Mgt	2015	Water

Poverty and Role of Natural Resources	2016	Environment & Natural Resources
The "missing middle" in urban India	2016	Social, Urban, Rural and Resilience
Urban Street Vending Regulations	2016	Social, Urban, Rural and Resilience
UP Corridor Regional Econ.	2016	Social, Urban, Rural and Resilience
IN: NLRMP Implem Support	2016	Social, Urban, Rural and Resilience
LGAF facilitation and follow up	2016	Social, Urban, Rural and Resilience
Land & Dev. Selected Issues Phase 1	2016	Social, Urban, Rural and Resilience
Capacity Building for Land Governance	2016	Social, Urban, Rural and Resilience
IN: Development Programs in Tribal Areas	2016	Social, Urban, Rural and Resilience
IN Urban Services Delivery in Punjab	2016	Water
Strengthening Sector Policy Rural San	2016	Water
Strengthening LG Sanitation Capacity	2016	Water
India WASH Poverty Diagnostics	2016	Water
Benchmarkg & Citizen Voice	2016	Water
IN Ganga Industrial Wastewater PPP Proj	2016	Water
Social Inclusion Assmt India Portfolio	2017	Social, Urban, Rural and Resilience
Regional Pilot: SAR-UP SWM Project	2017	Social, Urban, Rural and Resilience
Orissa State Climate Change Action Plan	2017	Social, Urban, Rural and Resilience
Urban Transformation	2017	Social, Urban, Rural and Resilience
Ganga Water Balance Study	2017	Water
Rajasthan Water Sector Study	2017	Water
Study on Water Framework for India	2017	Water
Study on Wastewater Market	2017	Water
Legal and Institutional study	2017	Water
Independent Skill Advisory Panel	2017	Water
IN Water Strategy	2017	Water
Programmatic AAA for Ganga	2017	Water
Strengthening Client RWS Operations	2017	Water
<b>Underway - (FY17-18)</b>		
Forest Fire Prevention and Management		Environment & Natural Resources
Air Quality Management in India		Environment & Natural Resources
100 Smart Cities 500 Cities		Social, Urban, Rural and Resilience
Urban India-Economic Mobility for Women		Social, Urban, Rural and Resilience
Support programs & projects		Social, Urban, Rural and Resilience
Urban Revitalization in India		Social, Urban, Rural and Resilience
IE India Sanitation/Insurance SIEF		Water
IN - Punjab - IE on Rural WSS		Water
<b>GOVERNANCE</b>		
<b>Recent Completions (FY13-17)</b>		
IN:Capacity Bldg on Contracts Management	2013	Governance
IN Bihar Growth Assessment	2013	Macro Economics & Fiscal Management
India Economic Update	2013	Macro Economics & Fiscal Management
IN: Poverty Profile Update	2013	Poverty and Equity
India manufacturing plan implementation	2013	Trade & Competitiveness
IN: Procurement Capacity Building	2014	Governance
India DRM Study Update	2014	Governance
Study- Transaction Costs for Bidders	2014	Governance
IN:Review of Decentralization Experience	2014	Governance
IN eGovernance in the North East	2014	Governance

Karnataka PFM Reform Action Plan	2014	Macro Economics & Fiscal Management
India Development Update - Sep. 2013	2014	Macro Economics & Fiscal Management
Growth, Inclusion and Competitiveness	2014	Macro Economics & Fiscal Management
Regulatory Impediments to Firm Growth	2014	Macro Economics & Fiscal Management
India Development Update - Apr. 2014	2014	Macro Economics & Fiscal Management
India States Report	2014	Poverty and Equity
Rainfall variability & welfare Rural Ind	2015	Governance
IPR Action- e-Learning for Procurement	2015	Governance
LIS Procurement Observatories	2015	Governance
Peer network on Performance Management	2015	Governance
IN: Madhya Pradesh Service Delivery	2015	Governance
Orissa Mining and Inclusive Growth	2015	Governance
Capacity Support-Indian Bureau of Mines	2015	Governance
Chattisgarh Capacity Building TA Program	2015	Governance
Uttar Pradesh Capacity Building Program	2015	Macro Economics & Fiscal Management
IN: Fiscal Analysis of LIS	2015	Macro Economics & Fiscal Management
Product Space Analysis	2015	Macro Economics & Fiscal Management
Policy Notes for Low Income States (LIS)	2015	Macro Economics & Fiscal Management
Manufacturing Plan Implementation 2	2015	Trade & Competitiveness
India Development Update - Oct 2014	2016	Governance
Public Sector Pay Policy	2016	Governance
Governance in Meghalaya	2016	Governance
Improving Efficiency of Procurement Work	2016	Governance
IN: Jharkhand: Capacity Building Program	2016	Governance
MP Capacity Building Tech Assistance	2016	Governance
Workshop on Cooperative Federalism	2016	Governance
Procurement Observatories (Phase 2)	2016	Governance
Improving the functioning of DRBs	2016	Governance
IN: Dev of Program Classification System	2016	Governance
Enhancing Quality of Service Delivery	2016	Governance
Service Delivery Cluster	2016	Governance
India-JIT support for PDMA establishment	2016	Macro Economics & Fiscal Management
Subnational DeMPA Rajasthan	2016	Macro Economics & Fiscal Management
UP Development Assessment	2016	Macro Economics & Fiscal Management
Spatial Development and Agglomeration	2016	Macro Economics & Fiscal Management
Effects of Land Misallocation on Capital	2016	Macro Economics & Fiscal Management

Gender, Jobs and Growth	2016	Macro Economics & Fiscal Management
Analytical Briefs on India's States	2016	Poverty and Equity
Poverty and Shared Prosperity Diagnostic	2016	Poverty and Equity
Competitive Cities in India	2016	Trade & Competitiveness
IN: Fostering PPP Infrastructure Finance	2016	Finance & Markets
National Risk Assessment AML India	2016	Finance & Markets
Best Practices in Proc. & Logistics Magt	2017	Governance
Contract Management Training	2017	Governance
Capacity Building of Office of the AAAAD	2017	Governance
Himachal Pradesh PFM Capacity Building	2017	Governance
CSS: Change in fund flow procedures	2017	Governance
Assessment of Power Grid under APA	2017	Governance
Audit Workshop: SSA Program	2017	Governance
Audit Workshop for the RMSA Program	2017	Governance
e-procurement Impact Assessment	2017	Governance
Using Spatial Data in India Program	2017	Poverty & Equity
Benchmarking India	2017	Poverty & Equity
Poverty and Shared Prosperity Cluster	2017	Poverty & Equity
Domestic Migration	2017	Trade & Competitiveness
Integration and Price Transmission	2017	Trade & Competitiveness
Support to DIPP on Startup India	2017	Trade & Competitiveness
India Economic Integration Cluster	2017	Trade & Competitiveness
<b>Underway - (FY17-18)</b>		
India#C008 Pension Supervsn Coverage		Finance & Markets
India Knowledge Partnership with RBI		Finance & Markets
Enhancing Supervisory Capacity of RBI		Finance & Markets
India FSAP Update		Finance & Markets
IN: Support to the CGA, MoF, Gol		Governance
Governance Tool Kit for SPVs		Governance
Capacity Building-New Procurement Policy		Governance
Procurement Observatories (Phase 3)		Governance
Improving Governance in Bank fin Ops		Governance
Contract Management - Capacity Building		Governance
Developing PFM Reform Strategy for GOI		Governance
Rajasthan-Inclusive and sustained growth		Macro Economics & Fiscal Management
India Support for Debt Management		Macro Economics & Fiscal Management
Madhya Pradesh -- Growth report		Macro Economics & Fiscal Management
Just-in-time Macro Monitoring & Analysis		Macro Economics & Fiscal Management
India: Prog. Macro Monitoring		Macro Economics & Fiscal Management
India: Prog Fiscal Policy Analysis		Macro Economics & Fiscal Management
Piloting CAPI solutions for NSSO		Poverty and Equity
India Ease of Doing Business		Trade & Competitiveness
India Ease of Doing Business - Track I		Trade & Competitiveness
<b>OTHER</b>		

<b>Recent Completions (FY13–17)</b>		
Textile Firms in Mumbai	2014	Other
A randomized Experiment in India	2014	Other
100s Good Management Stick?	2014	Other
Innovations to Reduce Vulnerability	2014	Other
Labor Policy Reform in India	2014	Other
Knowledge Exchanges	2015	Other
India Development Update - Apr 2015	2016	Other
ILLI Support to Sanitation in India	2016	Other
Capacity Building Technical Assistance t	2016	Other
India: Bihar Higher Education	2016	Other
Governance reform in higher education	2016	Other
Rajasthan Capacity Building NLTA	2016	Other
Electricity Unreliability in India (2)	2016	Other
India Innovation Expansion for Tilburg U	2016	Other
Bihar Rural Employment Guarantee	2016	Other
Household Electrification - Rural India	2016	Other
Impact Evaluation of Theater for Develop	2016	Other
Spatial Distribution of Firms/Households	2017	Other
Overfishing and Income Dynamics in India	2017	Other
OKS support to NACO	2017	Other
<b>Underway - (FY17–18)</b>		
Nonfarm Occupations India		Other
Groundwater depletion in India		Other
Drip Irrigation in AP		Other
Drip irrigation in AP		Other

**Table 4 (CLR Annex 4): IFC Committed and Disbursed Outstanding Investment Portfolio  
As of 6/30/2017 (in US\$ Millions)**

Commitment Fiscal Year	Institution Short Name	Committed						Disbursed Outstanding				
		Loan	Loan Repayment - IFC	Equity	Quasi Equity <sup>a</sup>	GT/R M	Participant	Loan	Equity	Quasi Equity <sup>a</sup>	*GT/RM	Participant
2005/2009/2008	ADPCL	27.78	22.72	11.52	0	0	0	27.78	11.52	0	0	0
2009/2006/2012	AHEL	21.43	24.90	12.64	0	0	0	21.43	12.64	0	0	0
2005	APIDC Biotech	0	0	2.96	0	0	0	0	2.96	0	0	0
2009/2014	APPL	0	0	7.36	0	0	0	0	4.15	0	0	0
	AST Telecom	1.70	1.05	0	0	0	0	1.70	0	0	0	0
2005/2010/2011/2003	ATL	7.50	43.12	0	0	0	0	7.50	0	0	0	0
2010/2013/2014/2017/2012	AU Financiers	52.22	22.93	15.52	0	0	0	51.84	15.52	0	0	0
2010/2017	Aadhar	0	0	5.93	0	0	0	0	5.93	0	0	0
2009/2007	Aavishkaar MFI I	0	0	0.31	0	0	0	0	0.00	0	0	0
2010/2013	AavishkaarMFI II	0	0	4.15	0	0	0	0	3.90	0	0	0
2011	Aavishkaar MSME	0	0	15.00	0	0	0	0	14.69	0	0	0
2017	Aavas	20.12	0	0	0	0	0	0	0	0	0	0
2015	Acme Gurgaon	4.99	1.12	0	0	0	0	4.99	0	0	0	0
2015	Acme Mumbai	5.04	1.05	0	0	0	0	5.04	0	0	0	0
2015	Acme Rajdhani	5.02	1.09	0	0	0	0	5.02	0	0	0	0
2008	Aloe 2	0	0	11.03	0	0	0	0	11.03	0	0	0
2008	Ambit Pragma I	0	0	8.73	0	0	0	0	8.69	0	0	0
2012	Ambit Pragma II	0	0	15.41	0	0	0	0	9.22	0	0	0
2008/2012	Angel Global	0	0	18.41	0	0	0	0	18.41	0	0	0
2017	Apollo AHLL	0	0	32.83	0	0	0	0	32.83	0	0	0
2010/2015/2012	Applied Solar	0	1.13	7.29	0	0	0	0	6.98	0	0	0
2016	Aptus Value Housing Finance	15.43	0	0	0	0	0	15.43	0	0	0	0
2016	Aspire Home	15.43	0	0	0	0	0	15.43	0	0	0	0

2011	Attero Recycling	0	0	0.00	5.00	0	0	0	0.00	5.00	0	0
2010/2006/2011	Atul Ltd	1.61	24.25	0	0	0	0	1.61	0	0	0	0
2010	Auro Mira Energy	0	0	0.00	0	0	0	0	0.00	0	0	0
2013/2017/2016	Avanse	0	0	8.57	0	0	0	0	6.98	0	0	0
2008	Avigo Fund II	0	0	8.67	0	0	0	0	7.83	0	0	0
2009	Avigo Fund III	0	0	13.92	0	0	0	0	13.04	0	0	0
2014/2015/2012	Axis Bank	100.44	0	0	0	0	0	92.84	0	0	0	0
2013	Azure Sun	1.77	0.46	0	0	0	0	1.77	0	0	0	0
2015	Azure Clean	11.60	1.70	0	0	0	0	11.60	0	0	0	0
2016	Azure PV	9.52	0	0	0	0	0	6.66	0	0	0	0
2016	Azure Raj	9.49	0	0	0	0	0	6.64	0	0	0	0
2016	Azure Sunrise	11.83752	0	0	0	0	0	0	0	0	0	0
2017/2016	Azure Global	0	0	47.56	0	0	0	0	47.56	0	0	0
2016	BCL	0	0	0	23.21	0	0	0	0	23.21	0	0
2001/2004	BILT	0	0	0.63	0	0	0	0	0.63	0	0	0
2017	BajajFin	154.74	0	0	0	0	0	0	0	0	0	0
2012	Banyan Tree II	0	0	19.28	0	0	0	0	16.71	0	0	0
2014/2011/2015	Bandhan	0	0	69.69	0	0	0	0	69.69	0	0	0
2015	Bandhan Bank	0	0	22.22	24.76	0	0	0	22.22	24.76	0	0
2005	Bharat Biotech	0	0	0	3.30	0	0	0	0	3.30	0	0
2010/2013/2012	Bhilwara Energy	0	0	15.26	0	0	0	0	15.24	0	0	0
2012	Bhilwara Wind	7.49	3.21	0	0	0	0	7.49	0	0	0	0
2017/2016	BigBasket	0	0	20.30	0	0	0	0	20.30	0	0	0
1993/1990/1985/1991	Bihar Sponge	3.11	14.22	0	0	0	0	3.11	0	0	0	0
2015	Bilt Paper	0	0	0.00	0	0	0	0	0.00	0	0	0
2017	Byjus	0	0	7.80	0	0	0	0	7.80	0	0	0
2008	CGPL Ultra Mega	251.78	95.22	0	0	0	0	251.78	0	0	0	0
2005/2003/2012	COSMO	5.47	14.53	0	0	0	0	5.47	0	0	0	0
2016	CWCNSL	36.36	0	24.66	0	0	0	36.36	24.66	0	0	0

2017/2016	Capital First	106.77	0	0	0	0	0	54.16	0	0	0	0
2010/2011/2015	Chola	0	0	6.32	48.74	0	0	0	6.32	48.74	0	0
2010/2012	Craftsman	0	0	10.46	0	0	0	0	10.46	0	0	0
2017/2015	Cube Highways	73.44	0	10.00	90.00	0	0	0	3.54	31.88	0	0
2016	DARP Encore ARC	0	0	5.46	0	0	0	0	3.60	0	0	0
2017/2015/2016	DARP Altico Ind P Ltd	0	0	0	71.64	0	0	0	0	71.64	0	0
2014	DJ Energy P Ltd	21.74	2.18	0	0	0	0	21.74	0	0	0	0
2005/2009/2006/2016	DSCl	20.00	59.68	0	0	0	0	20.00	0	0	0	0
2013/2003/2004	Dewan	58.33	24.38	0	0	0	0	58.33	0	0	0	0
2012	Dunar Foods	0	0	14.01	0	0	0	0	12.02	0	0	0
2017	ESIP Blackbuck	0	0	10.51	0	0	0	0	10.51	0	0	0
2017	ESIP Power2SME	0	0	10.06	0	0	0	0	0	0	0	0
2017	ETC Agro Processing	31.10	0	0	0	0	0	31.10	0	0	0	0
2013	Ecolibrium	0	0	0.75	0	0	0	0	0.75	0	0	0
2012	Educomp	30.00	0	0	10.00	0	0	30.00	0	10.00	0	0
2007	Electrotherm	13.00	2.00	0	0	0	0	13.00	0	0	0	0
2014/2015/2012	Equitas	0	0	16.71	0	0	0	0	16.71	0	0	0
2015	Equitas Microfin	9.28	0	0	0	0	0	9.28	0	0	0	0
2015	Everstone III	0	0	50.00	0	0	0	0	12.50	0	0	0
2015	Eye-Q Vision	0	0	5.49	0	0	0	0	5.49	0	0	0
2010/2017/2007	FINO PayTech Ltd	0	0	3.22	3.20	0	0	0	3.22	3.20	0	0
2017	FRV Solar India	28.78	0	0	0	0	0	0	0	0	0	0
2010/2006/2017/2014/2011/2016/2008/2012	Federal Bank	100.00	0	2.46	0	0	0	0	2.46	0	0	0
2013/2008	Finechem	2.86	17.14	12.83	0	0	0	2.86	12.06	0	0	0
2014	Flexituff	0	0	3.49	9.00	0	0	0	3.49	9.00	0	0
2012	Forum Synergies	0	0	8.00	0	0	0	0	4.16	0	0	0
2013/2017	Fortis Health	0	0	50.46	0	0	0	0	50.46	0	0	0
2017/2015/2016	Fullerton India	147.00	0	0	0	0	0	69.63	0	0	0	0

2017	Future Consumer India	0	0	0.00	22.10	0	0	0	0.00	22.10	0	0
2016	GLENMARK PHARMAC	0	0	0	75.00	0	0	0	0	75.00	0	0
2007/2008	GSPL	21.76	34.74	0	0	0	0	21.76	0	0	0	0
2014	Gaja II	0	0	24.95	0	0	0	0	3.70	0	0	0
2011	Gamesa India	4.56	8.06	0	0	0	0	4.56	0	0	0	0
2009/2017/2007/2012	Granules	57.52	13.79	0	0	0	0	23.31	0	0	0	0
2017	Grameen Koota	20.89	0	0	0	0	0	20.89	0	0	0	0
2013	Green Infra 20MW	5.53	1.45	0	0	0	0	5.53	0	0	0	0
2013	Green Infra 5MW	1.44	0.38	0	0	0	0	1.44	0	0	0	0
2015	Green Infra Wind	42.71	3.16	0	0	0	0	39.88	0	0	0	0
2016	HCG	0	0	17.94	0	0	0	0	11.75	0	0	0
1993/2017/1987/1978/1990/2003/2004/1991	HDFC	200.00	144.00	0	0	0	0	0	0	0	0	0
2009/2013	HIKAL	8.00	15.00	4.14	0	0	0	8.00	4.14	0	0	0
2008	HNGFG	0.57	7.36	0	0	0	0	0.57	0	0	0	0
2017	Hero Renewable	0	0	62.50	0	0	0	0	25.00	0	0	0
2009/2011	Himadri	1.50	5.50	0	0	0	0	1.50	0	0	0	0
2010/2011	Husk Power	0	0	0	0.00	0	0	0	0	0.00	0	0
2005/2010/2006/1998	IDFC	53.66	50.00	0	0	0	0	53.66	0	0	0	0
2016	IDFC Bank Limited	0	0	3.39	0	0	0	0	3.39	0	0	0
2017	IDG Ventures India Fund III	0	0	20.00	0	0	0	0	5.69	0	0	0
2013	IFMR Rural	0	0	0	6.19	0	0	0	0	0	0	0
2006	IHDC	0.85	5.70	0	0	0	0	0.85	0	0	0	0
	IHDC - Ascent	1.01	2.57	0	0	0	0	1.01	0	0	0	0
2017/2012	IMGC	0	0	3.05	0	0	0	0	3.05	0	0	0
2017	ISC-Pi Ventures	0	0	3.00	0	0	0	0	0	0	0	0
2015	Idea Cellular II	0	0	12.70	0	0	0	0	12.70	0	0	0

2013	Inabensa Bharat	14.00	0	0	0	0	0	14.00	0	0	0	0
2009	India Agri Fund	0	0	7.43	0	0	0	0	6.38	0	0	0
2013	India 2020 II	0	0	24.90	0	0	0	0	18.13	0	0	0
2013/2008	India Infra Fund	0	0	35.50	0	0	0	0	26.06	0	0	0
2014	India BEF II	0	0	25.00	0	0	0	0	25.00	0	0	0
2013/2014/2012	Infuse Capital	0	0	2.45	0	0	0	0	1.90	0	0	0
2013	Inox Rajasthan	31.23	9.85	0	0	0	0	31.23	0	0	0	0
2009/2006	JK Paper	0.67	17.33	2.36	0	0	0	0.67	2.36	0	0	0
2014	JPL	0	5.00	0	80.65	0	0	0	0	80.65	0	0
2009/2010/2013/2008	Jain Irrigation	6.38	61.35	11.65	40.00	0	9.83	6.38	11.65	40.00	0	9.83
2014	Janalakshmi	18.57	0	0	0	0	0	18.57	0	0	0	0
2014	Jath Power	10.99	0	0	0	0	0	0	0	0	0	0
2013/2011	Kaizen	0	0	12.35	0	0	0	0	11.64	0	0	0
2013/2012	Kalkitech	0	0	0.13	0	0	0	0	0.13	0	0	0
2005/2010/2013/2014/2017/ 2007/2011/2016/2012	Kotak Mahindr...	0	22.00	0	0	0.00	0	0	0	0	0	0
2017	L&T Infra	103.2 1	0	0	0	0	0	103.2 1	0	0	0	0
2016	LENSKART SOLUTIONS	0	0	25.85	0	0	0	0	25.85	0	0	0
2013	LNJ Power Vent	5.29	1.05	0	0	0	0	5.29	0	0	0	0
2012	Laxmi Organic	6.00	4.00	6.66	0	0	0	6.00	6.66	0	0	0
2006/2008	Lok Fund	0	0	0.00	0	0	0	0	0.00	0	0	0
2011/2012	Lok Capital II	0	0	0.76	0	0	0	0	0.58	0	0	0
2015	Lucid Colloids	15.00	0	0.00	11.61	0	0	15.00	0.00	11.61	0	0
2007	MBPV	17.50	5.00	0	0	0	0	17.50	0	0	0	0
2017	MLDL	0	0	34.71	15.89	0	0	0	0	0	0	0
2010	MSETCL	21.29	16.67	0	0	0	0	21.29	0	0	0	0
2009	Macq-SBI Int F	0	0	134.21	0	0	0	0	130.9 1	0	0	0
2009	Macquarie IM	0	0	0.10	0	0	0	0	0.10	0	0	0
2009/2015	Macquarie DFT	0	0	0.00	0	0	0	0	0.00	0	0	0
2014/2011	MagmaFincorp	0	0	23.39	33.27	0	0	0	23.39	33.27	0	0
2014/2007/2004/2015/2016	Max Healthcare	0	0	32.52	0	0	0	0	32.52	0	0	0

2016	Max India	0	0	5.34	0	0	0	0	5.34	0	0	0
2015	Medha Energy	5.11	0.99	0	0	0	0	5.11	0	0	0	0
2017	Micro Housing	8.22	0	0	0	0	0	4.10	0	0	0	0
2017	Moglix	0	0	3.20	0	0	0	0	3.20	0	0	0
2015	MyUniverse	0	0	9.56	0	0	0	0	9.56	0	0	0
1997/1993/1998/1996	NICCO-UCO	0.00	4.12	0	0	0	0	0.00	0	0	0	0
2013/2012	NSL Power	0	0	0.00	0	0	0	0	0.00	0	0	0
2014/2017	NephroPlus	0	0	7.00	3.09	0	0	0	7.00	3.09	0	0
2015/2016	Nxtgen	0	0	8.59	0	0	0	0	8.59	0	0	0
2013/2007	OCL India	27.21	42.84	0	0	0	0	23.71	0	0	0	0
2009/2007	Ocean Sparkle	0	21.11	9.18	0	0	0	0	9.18	0	0	0
2007	Ocimum	0.87	1.73	0.00	0	0	0	0.87	0.00	0	0	0
2016	Ostro Andhra	30.25	0	0	0	0	0	25.02	0	0	0	0
2016	Ostro AP Wind	31.59	0	0	0	0	0	18.05	0	0	0	0
2015/2016	PNB HFL	127.7 1	0	0	0	0	50.00	127.3 7	0	0	0	50.00
2013/2011/2015	PTC Financial	70.54	12.50	0	0	0	0	70.54	0	0	0	0
2014	Parag Dairy	10.88	3.63	0	0	0	0	10.88	0	0	0	0
2006	Peepul CapFnd II	0	0	8.77	0	0	0	0	8.71	0	0	0
2010/2007	Petronet	29.18	9.00	0	0	0	60.00	29.18	0	0	0	60.00
2011/2012	Piaggio India	9.91	22.73	0	0	0	0	9.91	0	0	0	0
2016	Plenty Fund I	0	0	23.43	0	0	0	0	11.73	0	0	0
2009/2013	Polycab	0	0	36.72	0	0	0	0	36.72	0	0	0
2016	Portea Medical	0	0	7.00	0	0	0	0	6.97	0	0	0
2004	Powerlinks	8.51	52.71	0	0	0	0	8.51	0	0	0	0
2013	Power Grid	100.0 0	0	0	0	0	0	100.0 0	0	0	0	0
2014	Powergrid Equity	0	0	9.07	0	0	0	0	9.07	0	0	0
2008	Punj Lloyd	14.12	5.88	0	0	0	0	14.12	0	0	0	0
2008	Punj Upstream	8.33	4.17	2.54	0	0	0	8.33	2.54	0	0	0
2013/2014	RBL	0	0	21.98	0	0	0	0	21.93	0	0	0
2017	RGVN	15.01	0	0	0	0	0	0	0	0	0	0
2013	RK Forgings	14.00	0	0.99	0	0	0	14.00	0.99	0	0	0
2015	Ranji Solar	5.00	1.72	0	0	0	0	5.00	0	0	0	0
2017	Regency Hospital	0	0	9.11	0	0	0	0	9.11	0	0	0

2013/2014	Religare	0	0	33.85	0	0	0	0	33.85	0	0	0
2017	Repco HFL	42.09	0	0	0	0	0	42.09	0	0	0	0
2016	S Chand	0	0	16.79	0	0	0	0	16.79	0	0	0
2011	SAFAL Jain NBFC	0	0	1.32	0	0	0	0	1.32	0	0	0
2012	SAME DEUTZ India	5.05	1.76	0	0	0	0	5.05	0	0	0	0
2009	SBI - Macq DM	0	0	0.28	0	0	0	0	0.28	0	0	0
2015/2016	SPAH	0	0	33.36	0	0	0	0	7.89	0	0	0
2012	SPSL	6.44	1.63	0	0	0	0	6.44	0	0	0	0
2005/2016	SRF India Limited	40.00	0	0	0	0	0	40.00	0	0	0	0
2017/2012	SRLI	0	0	45.85	0	0	0	0	45.85	0	0	0
2008	Samara Capital	0	0	7.24	0	0	0	0	7.24	0	0	0
2015	Samhi	0	0	0	22.95	0	0	0	0	22.95	0	0
1996	Sara Fund	0	0	0.00	0	0	0	0	0	0	0	0
2011/2012	Shalivahana	0	0	0.00	0	0	0	0	0	0	0	0
2017/2016	Shriram Transprt	153.9 7	0	0	0	0	0	153.5 0	0	0	0	0
2011/2012	Simran Wind Project Limited	13.96	10.96	0	0	0	0	13.96	0	0	0	0
2010/2013/2012	Snowman	4.26	2.67	0	0	0	0	4.26	0	0	0	0
2016	Snowman Equity	0	0	2.56	0	0	0	0	2.56	0	0	0
2010/2008	Soktas India	0	4.95	1.49	0	0	0	0	1.49	0	0	0
2013/2014/2017/2015/2016/ 2012	Solvay USA Inc	1.14	174.93	0	0	0	0	1.14	0	0	0	0
2017	Stellaris	0	0	10.06	0	0	0	0	0	0	0	0
2013/2014/2017/2015/2016	Suryoday	5.42	0	4.05	0	0	0	5.42	4.02	0	0	0
2010/2012	Suvidhaa	0	0	6.50	0	0	0	0	6.50	0	0	0
2015	TVH	0	0	25.00	0	0	0	0	0	0	0	0
2016	Tata Capital FS	42.09	0	0	0	0	0	42.09	0	0	0	0
2016	Tata Capital HF	63.13	0	0	0	0	0	63.13	0	0	0	0
2017/2015/2012	Tata Cleantech	0	0	16.04	0	0	0	0	16.04	0	0	0
2017	Tikona Inffinet	0	0	0.02	0	0	0	0	0	0	0	0
2017/2015	Tikona	0	0	0.01	24.39	0	0	0	0.01	24.39	0	0
2014/2015/2012	Ujjivan	0	0	11.23	0	0	0	0	9.50	0	0	0
	Ujjivan SFB	9.28	0	0	0	0	0	9.28	0	0	0	0

2010/2013/2017/2011/2015/ 2012	Utkarsh	0	0	5.23	0	0	0	0	5.23	0	0	0
2014	Uttar Urja	17.02	1.34	0	0	0	0	17.02	0	0	0	0
2013/2014	VBHC	0	0	11.84	0	0	0	0	11.84	0	0	0
2009/2010	VW-India	17.10	54.80	0	0	0	0	17.10	0	0	0	0
2010/2008	Ventureast India	0	0	13.05	0	0	0	0	11.90	0	0	0
2011	Vishwa Infra	2.00	0	0	0	0	0	2.00	0	0	0	0
2011	Vishwa Utilities	2.00	0	0	0	0	0	2.00	0	0	0	0
2011	Vivimed	8.75	3.75	0	7.50	0	0	8.75	0	7.50	0	0
2017/2012	Vortex	0	0	0.62	0	0	0	0	0.62	0	0	0
2007	WCPM	11.76	28.24	0	0	0	0	11.76	0	0	0	0
2009/2010	WHI India	2.51	0.98	0	0	0	0	2.51	0	0	0	0
1998	WaldenIndia	0	0	0.00	0	0	0	0	0.00	0	0	0
1998/2000	Walden India- Mgt	0	0	0.01	0	0	0	0	0.01	0	0	0
2013/2014/2017/2015/2016/ 2012	YES BANK LTD	146.7 4	12.00	0	75.00	84.3 9	0	146.7 4	0	75.00	84.39	0
2010/2014	Zephyr India II	0	0	7.14	0	0	0	0	7.14	0	0	0
2012	Zephyr India III	0	0	10.56	0	0	0	0	7.18	0	0	0
Total Portfolio		3,205 .45	1,293.14	1,606. 07	706.49	84.3 9	119.83	2,382. 65	1,309. 42	626.2 9	84.39	119.83

Note: a. Includes both equity and loan types.

**Table 5 (CLR Annex 5): IFC Committed and Disbursed Outstanding Investment Portfolio  
As of 6/30/2017 (in US\$ Millions)**

Project Name	Business Line	Implementation Timeframe	Status (as of Aug 17)	India CPS Strategic Engagement Area			LIS/SCS Component
				Area 1: Integration	Area 2: Transformation	Area 3: Inclusion	Footprint
Healthcare Advisory Program	CAS	FY13–14	Completed			X	X
Bhubaneswar Street lighting Capacity Building Support	CAS	FY14–15	Completed		X		X
Technical Assistance to Collateral Registry in India	F&M	FY13–17	Portfolio			X	
India E-waste Advisory Project (Clean E-India)	CAS	FY13–17	Portfolio		X		
Odisha Inclusive Growth Partnership	TAC	FY14–17	Portfolio	X			X
Bhubaneswar Affordable Housing	CAS	FY14–17	Portfolio			X	X
Ranchi Sadar Hospital PPP Project, Jharkhand	CAS	FY13–16	Completed			X	X
Universal Health Insurance, Meghalaya Project 2	CAS	FY13–15	Completed			X	X
Arohan Pensions	FIG	FY13–16	Completed			X	
Jharkhand Diagnostic Imaging Services PPP	CAS	FY13–16	Completed			X	X
Jharkhand Diagnostic Pathology Services PPP	CAS	FY13–16	Completed			X	X
FCI Silos non-VGF PPP Project	CAS	FY14–15	Completed		X		
Orissa Rooftop Solar PPP Bhubaneshwar & Cuttack	CAS	FY14–17	Portfolio		X		X
Financial Awareness Model Roll Out	F&M	FY15–17	Completed			X	
Accion Saija	FIG	FY13–16	Completed			X	X
SME Capacity Building	CAS	FY13–16	Completed	X			
Bhubaneswar Municipal Hospital PPP	CAS	FY13–17	Portfolio			X	X
SEWA Grihrin PVT. LTD.	FIG	FY13–17	Portfolio			X	
South Asia Regional Corporate Governance Project	ESG	FY15–20	Portfolio		X		
Bihar Health Patna Jayrabha Hospital PPP	CAS	FY13–16	Portfolio			X	X
Maanaveeya Agri Value Chain Project - India A2F	FIG	FY14–16	Completed			X	
Risk Management Scale Up	F&M	FY14–16	Completed			X	

Odisha Rice Storage PPP	CAS	FY14–16	Portfolio		X		X
Microinsurance scale through MFIs in India	F&M	FY14–15	Terminated			X	
Berhampur Solid Waste Management Capacity Building Support	CAS	FY13–16	Completed		X		X
Green Buildings in India	CAS	FY15–17	Portfolio		X		
South Asia Program on Inclusive Business Models	DID	FY14–15	Portfolio	X			
Bihar Transmission Grid	CAS	FY14–16	Portfolio		X		X
MP Wind Re-powering Project	CAS	FY15–16	Portfolio	X			X
Promoting Access to Finance to MSMEs in India	F&M	FY14–20	Portfolio			X	
Suvidhaa Inclusive Business Project	FIG	FY15–16	Terminated			X	
Government to Person (G2P) Payments Project, Uttar Pradesh	F&M	FY15–19	Portfolio			X	X
Suryoday	FIG	FY14–17	Portfolio			X	
Odisha Solar Park PPP	CAS	FY15–16	Portfolio		X		X
Odisha Streetlighting Program	CAS	FY15–16	Completed			X	X
FIG India Microfinance AS	FIG	FY15–18	Portfolio			X	X
TA on MSME Finance	FIG	FY15–17	Portfolio			X	X
IWAI Strategic Partnership & GR II Jetty Terminal	CAS	FY15–18	Portfolio		X		X
Financial Awareness model roll out	FAM	FY14–16	Completed			X	X
Madhya Pradesh Rewa Solar UMPP	CAS-PPP	FY15–17	Portfolio		X		X
India Ease of Doing Business	TAC	FY16–18	Portfolio	X			X
2030 Water Resources Group South Asia Program	CAS-Water	FY16–18	Portfolio		X		X
Energy and Water Solutions for Firms in South Asia	CAS-Energy	FY17–21	Portfolio		X		X
IFC-Jain-Coke Project on Sustainable Mangoes	MAS	FY17–19	Portfolio		X		X
Odisha Affordable Care Hospitals PPP Project	CAS-PPP	FY16–18	Portfolio			X	X
Tech Emerge - IFC Technology Accelerator Pilot Program	CAS-SBS	FY16–18	Portfolio		X		X
Clean Ganges	CAS-PPP	FY17–18	Portfolio		X		X
Eco Smart Cities - Pvt firm level advisory	CAS-Energy	FY17–20	Portfolio		X		X
Lighting Asia/India II	CAS-Energy	FY17–20	Portfolio			X	X
SIB Advisory - Bank Transformation	FIG	FY16–18	Portfolio			X	X
SHG credit reporting	FAM	FY17–20	Portfolio			X	X
Climate Resilient Agriculture - Olam India	MAS	FY17–20	Portfolio		X		X

Climate Smart Agriculture - DSCL Sugar	MAS	FY17-20	Portfolio		X		X
Odisha RTS Replication	CAS-PPP	FY17-18	Portfolio		X		X

**Annex 3. Selected Indicators of Bank Portfolio Performance and Management**  
**As of 07/19/2018**

<b>Indicator</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
<b>Portfolio Assessment</b>				
Number of Projects Under Implementation <sup>a</sup>	89.0	93.0	101.0	102.0
Average Implementation Period (years) <sup>b</sup>	3.9	4.1	3.9	3.9
Percent of Problem Projects by Number <sup>a, c</sup>	36.0	22.6	24.8	17.6
Percent of Problem Projects by Amount <sup>a, c</sup>	31.1	17.3	24.2	20.2
Percent of Projects at Risk by Number <sup>a, d</sup>	37.1	25.8	26.7	21.6
Percent of Projects at Risk by Amount <sup>a, d</sup>	33.1	20.8	26.5	24.2
Disbursement Ratio (%) <sup>e</sup>	16.8	16.7	15.1	16.3
<b>Portfolio Management</b>				
CPPR during the year (yes/no)				
Supervision Resources (total US\$)				
Average Supervision (US\$/project)				

<b>Memorandum Item</b>	<b>Since FY80</b>	<b>Last Five FYs</b>
Proj Eval by IEG by Number	404	25
Proj Eval by IEG by Amt (US\$ millions)	63,288.6	6,343.6
% of IEG Projects Rated U or HU by Number	24.3	16.0
% of IEG Projects Rated U or HU by Amt	20.7	9.8

a. As shown in the Annual Report on Portfolio Performance (except for current FY).

b. Average age of projects in the Bank's country portfolio.

c. Percent of projects rated U or HU on development objectives (DO) and/or implementation progress (IP).

d. As defined under the Portfolio Improvement Program.

e. Ratio of disbursements during the year to the undisbursed balance of the Bank's portfolio at the beginning of the year: Investment projects only.

\* All indicators are for projects active in the Portfolio, with the exception of Disbursement Ratio, which includes all active projects as well as projects which exited during the fiscal year.

Annex 4. Operations Portfolio (IBRD/IDA and Grants)

As of 07/31/2018

**Closed Projects 528**

**IBRD/IDA\***

Total Disbursed (Active)	9,949.18
of which has been repaid(1)	779.57
Total Disbursed (Closed)	27,833.93
of which has been repaid	27,982.53
Total Disbursed (Active + Closed)	37,783.11
of which has been repaid	28,762.10
Total Undisbursed (Active)	17,077.14
Total Undisbursed (Closed)	88.22
Total Undisbursed (Active + Closed)	17165.36

**Active Projects**

Project ID	Project Name	<u>Last PSR</u>			<u>Original Amount in US\$ Millions</u>					<u>Disbursements<sup>a/</sup></u>		Difference Between Expected and Actual
		Supervision Rating			IBRD	IDA	Grant	Cancel	Undisb	Orig.	Frm Rev'd	
		<u>Devel Object</u>	<u>Implem Progress</u>	Fisc Year								
P158033	Additional Financing for Financing SMEs	#	#	2017	0.0	0.0	5.2	0.0	0.0	0.0	0.0	0.0
P160018	AF for Grid-Connected Rooftop Solar	#	S	2017	0.0	0.0	22.9	0.0	14.3	0.1	0.0	0.0
P155038	Andhra Pradesh 24X7 Power for All	S	S	2017	240.0	0.0		0.0	221.7	-4.5	0.0	0.0
P154847	Andhra Pradesh Disaster Recovery Project	MS	MU	2015	0.0	250.0		0.0	215.1	81.4	0.0	0.0
P152210	Andhra Pradesh Rural Inclusive Growth Pr	MS	MS	2015	0.0	75.0		0.0	47.6	40.9	13.8	0.0

P157198	ASPIRe Project	S	MS	2017	35.0	0.0		0.0	33.0	7.0	0.0
P155617	Assam Agbusiness & Rural Transformation	S	S	2018	200.0	0.0		0.0	198.2	1.8	0.0
P150308	Assam Citizen-Centric Service Delivery	S	MS	2017	39.2	0.0		0.0	38.6	8.5	0.0
P155522	BRRP	S	S	2017	0.0	235.0		0.0	192.7	-10.6	0.0
P149182	Citizen Access to Responsive Services	S	MS	2016	0.0	35.0		0.0	24.4	8.1	0.0
P132418	Efficient & Sustainable City Bus Service	MS	MS	2015	0.0	0.0	9.2	0.0	8.1	0.0	0.0
P155007	Grid-Connected Rooftop Solar Program	S	S	2016	500.0	0.0		0.0	332.7	168.4	165.2
P156687	Himachal PFM Capacity Building Program	S	S	2017	36.0	0.0		0.0	28.7	0.0	0.0
P151744	HP Horticulture Development Project	MS	MS	2016	0.0	135.0		0.0	132.2	16.2	0.0
P071250	IN:AP and Telangana Municipal Devlpmnt	MS	MU	2010	300.0	0.0		0.0	119.3	119.3	50.6
P096021	IN: AP and Telangana Road Sector Project	S	MS	2010	320.0	0.0		81.0	64.5	145.5	-11.6
P096018	IN: Assam State Roads Project	MS	MS	2012	320.0	0.0		0.0	165.6	165.6	0.0
P127725	IN: BIHAR KOSI BASIN DEVELOPMENT PROJECT	S	MS	2016	0.0	250.0		0.0	206.2	39.2	0.0
P102627	IN: Bihar PRI	MS	MS	2013	0.0	84.0		0.0	64.7	71.5	59.4
P118826	IN: Bihar Social Protection	MS	MS	2014	0.0	84.0		0.0	56.2	38.1	5.3
P132665	IN: Bihar Teacher Education ICT	MU	MU	2015	0.0	250.0		0.0	168.6	66.6	0.0
P133803	IN: Biodiv Consv & Ecosys Serv	S	MS	2018	0.0	0.0	24.6	0.0	24.6	1.6	1.6
P132623	IN: Climate Change & Livelihoods	MS	MS	2015	0.0	0.0	8.0	0.0	3.3	0.0	0.0
P089985	IN: Dam Rehabilitation & Improvement	MS	S	2010	175.0	175.0		70.7	92.3	172.5	81.7
P162849	India Energy Efficiency Scale-up Program	#	#	2018	220.0	0.0		0.0	220.0	0.0	0.0
P131765	IN: Eastern Ded Freight Corridor II	MS	MS	2014	1,100.0	0.0		190.0	700.9	715.9	37.1
P114338	IN: Eastern Dedicated Freight Corridor-I	MU	MU	2011	975.0	0.0		175.0	436.4	611.4	15.5
P100530	IN: Egy Effcy at SMEs	S	S	2010	0.0	0.0	17.0	0.5	3.8	-1.4	-2.0
P121731	IN: ICDS Syst Strength & Nut Imp Prog	S	S	2013	200.0	106.0		0.0	209.7	23.1	10.0
P097985	IN: Integrated Coastal Zone Mgmt Project	S	S	2010	0.0	222.0		0.0	66.9	76.3	55.6
P107649	IN:Karnataka State Highway Improv Pro II	S	MS	2011	350.0	0.0		0.0	87.9	87.9	63.6

P130544	IN: Karn Urb Wtr Modernization	U	U	2016	100.0	0.0	0.0	98.3	44.5	23.4
P122486	IN: Karn Wtrshed II	MS	MS	2013	0.0	60.0	0.0	30.9	30.8	28.0
P121774	IN: Kerala RWSSP II	MS	MS	2012	0.0	155.3	0.0	22.7	39.1	11.8
P130339	IN: Kerala State Transport Project II	MU	MU	2013	216.0	0.0	0.0	118.8	102.2	0.0
P119039	IN: Low-Income Housing Finance	MS	MS	2013	0.0	100.0	0.0	4.0	4.0	6.0
P120836	IN: Maharashtra Agric. Competitiveness	S	S	2011	0.0	100.0	0.0	20.4	25.4	0.0
P126325	IN: Maha RWSSP	MS	MU	2014	0.0	165.0	0.0	120.3	73.5	0.0
P092217	IN:National Cyclone Risk Mitigation Proj	MS	MS	2010	0.0	359.0	0.0	87.5	8.5	-11.8
P119085	IN: National Ganga River Basin Project	MU	MU	2011	801.0	199.0	0.0	789.7	731.9	691.1
P104164	IN: National Rural Livelihoods Project	S	S	2012	250.0	1,000.0	450.3	250.0	526.0	-368.7
P132739	IN: Natl Watersheds (Neeranchal)	U	U	2015	0.0	178.5	0.0	178.3	94.8	23.3
P127974	IN: NER Power System Improvement Proj	S	S	2016	470.0	0.0	0.0	403.2	-3.5	0.0
P102330	IN: North East Rural Livelihoods Project	MS	MS	2012	0.0	130.0	0.0	39.1	55.1	36.0
P156241	Innovate in India (I3)	S	S	2017	125.0	0.0	0.0	124.7	45.2	0.0
P128921	IN: Partial Risk Sharing Facility in EE	S	S	2015	0.0	0.0	18.0	0.0	4.6	4.6
P124639	IN: PMGSY Rural Roads Project	HS	S	2011	1,000.0	1,000.0	100.0	462.5	108.4	-1,366.6
P115566	IN: POWERGRID V	S	S	2010	1,000.0	0.0	0.0	24.6	24.6	-60.2
P150520	IN Punjab Rural Water Sector Imprv Proje	MS	MS	2015	248.0	0.0	0.0	134.3	52.9	0.0
P124614	IN: Rajasthan ACP	MU	MS	2012	0.0	109.0	0.0	72.6	63.4	8.1
P130164	IN: Rajasthan Road Sector Modernization	MU	MU	2014	0.0	160.0	0.0	37.8	43.2	44.7
P102329	IN: Rajasthan Rural Livelihoods Project	MS	MS	2011	0.0	162.7	39.9	7.7	55.3	15.3
P132173	IN: RWSS for Low Income States	MU	MU	2014	0.0	500.0	0.0	357.7	282.7	0.0
P143608	IN: Telangana Rural Inclusive Growth Pr	U	U	2015	0.0	75.0	0.0	72.8	-2.2	0.0
P143382	IN: TN Puducherry DRR	MS	MS	2013	0.0	236.0	0.0	98.8	106.6	6.2
P143751	IN: TN Roads II	S	MS	2015	300.0	0.0	0.0	188.8	65.5	0.0
P100304	IN: UP Health Sys Strengthening Project	S	S	2012	0.0	152.0	0.0	35.7	52.1	0.9

P112033	IN: UP Sodid III	S	S	2009	0.0	197.0	0.0	11.7	22.4	0.0
P122770	IN: UP WSRP II	MS	MU	2014	0.0	360.0	0.0	201.4	164.1	0.0
P131235	IN: Uttarakhand Decen Watershed Dev II	S	S	2014	0.0	121.2	0.0	68.2	-5.1	0.0
P158146	IN Uttarakhand WSP PforR	S	S	2018	120.0	0.0	0.0	119.7	6.5	0.0
P096124	IN: Vishnugad Pipalkoti HEP	MS	MS	2011	648.0	0.0	0.0	547.0	547.0	0.0
P099047	IN: Vocational Training	MU	MU	2007	0.0	280.0	0.0	28.9	29.5	21.3
P105311	IN: WB Minor Irrigation Project	MS	MS	2012	125.0	125.0	95.0	37.4	146.6	7.9
P159576	Jeevika II	S	S	2016	0.0	290.0	0.0	217.2	-26.1	0.0
P154990	Jhelum and Tawi Flood Recovery Proj	MU	MU	2015	0.0	250.0	0.0	246.7	92.0	0.0
P158798	JOHAR	S	S	2017	100.0	0.0	0.0	97.4	8.2	7.7
P155303	Madhya Pradesh Urban Development Project	MS	MS	2017	116.2	0.0	0.0	108.6	8.1	0.0
P160408	Maharashtra PoCRA	S	S	2018	420.0	0.0	0.0	418.5	33.4	0.0
P157836	MCLLMP	S	S	2018	48.0	0.0	0.0	47.9	2.7	0.0
P145778	Mizoram State Roads II- Reg Connectivity	MS	MS	2014	0.0	107.0	0.0	63.1	41.0	0.0
P150394	MP Higher Education Quality Improvement	MS	MS	2015	0.0	300.0	0.0	243.5	116.5	16.0
P157054	MPRCP	S	S	2018	210.0	0.0	0.0	201.0	-5.9	0.0
P151544	MSME Innovation and Inclusion Project	MS	MS	2015	500.0	0.0	0.0	234.6	56.7	-35.8
P149340	Nagaland Health Project	MS	MS	2017	0.0	48.0	0.0	45.5	9.2	0.0
P156363	Nai Manzil Project	MS	MS	2016	0.0	50.0	0.0	37.9	15.4	0.0
P151072	National Agricultural Higher Edu	S	MS	2018	82.5	0.0	0.0	82.3	20.4	0.9
P130299	National AIDS Control Support Project	S	MU	2013	0.0	255.0	0.0	111.6	128.1	97.3
P144726	National Cyclone Risk Mitigation Proj-II	MS	MU	2015	0.0	308.4	0.0	239.7	64.6	0.0
P107648	National Dairy Support Project	S	S	2012	0.0	352.0	97.2	64.3	196.5	14.4
P158119	National Groundwater Management Improvem	#	#	2018	450.0	0.0	0.0	450.0	0.0	0.0
P152698	National Hydrology Project	S	MS	2017	175.0	0.0	0.0	169.8	9.3	0.0
P148775	National Waterway-1 (CANW1)	S	S	2017	375.0	0.0	0.0	330.7	-12.1	0.0

P121185	Natl Highways Inter-Conn	MS	MS	2014	500.0	0.0	0.0	280.7	239.0	0.0	
P148868	Odisha Disaster Recovery Project	S	MS	2014	0.0	153.0	0.0	68.8	47.0	0.0	
P160331	Odisha Higher Education Program	S	S	2018	119.0	0.0	0.0	106.5	-6.5	0.0	
P150158	P150158-IN: EDFC-3	MS	MS	2015	650.0	0.0	0.0	600.8	237.4	0.0	
P159669	Rajasthan Electric Distribution Reform 2	#	#	2019	250.0	0.0	0.0	250.0	0.0	0.0	
P114827	Second Gujarat State Highway Project	MS	MS	2014	175.0	0.0	0.0	107.4	95.7	80.4	
P154283	Shared Infrastructure for Solar Parks	S	S	2017	75.0	0.0	0.0	70.3	7.8	0.0	
P158435	Skill India Mission Operation	S	S	2017	250.0	0.0	0.0	249.4	17.1	0.0	
P156869	Strengthening PFM in Rajasthan	#	#	2018	21.7	0.0	0.0	21.6	0.4	0.0	
P156867	STRIVE	S	MS	2017	0.0	125.0	0.0	125.0	0.0	15.4	
P153251	Swachh Bharat Mission Support Operation	MS	MS	2016	1,500.0	0.0	0.0	1,347.6	0.0	0.0	
P157702	Tamil Nadu Rural Transformation Project	S	S	2018	100.0	0.0	0.0	99.7	0.0	0.0	
P145502	TECHNOLOGY CENTER SYSTEMS PROJECT	S	MS	2014	200.0	0.0	0.0	169.0	143.4	63.8	
P150576	Tejaswini-IN: Adolescent Girls Jharkhand	MS	MS	2016	0.0	63.0	0.0	62.7	9.7	7.7	
P154523	TEQIP III	S	MS	2016	0.0	201.5	0.0	186.3	59.8	3.4	
P158522	TN IAMP	S	S	2018	318.0	0.0	0.0	308.3	-7.4	0.0	
P150395	TN Sustainable Urban Development Program	S	S	2015	400.0	0.0	0.0	267.1	-21.2	0.0	
P146936	UP Pro-Poor Tourism Development Project	S	S	2018	40.0	0.0	0.0	38.2	3.4	0.0	
P146653	Uttarakhand Disasater Recovery Project	S	S	2014	0.0	250.0	0.0	39.9	59.1	0.0	
P148531	Uttarakhand Health Systems Devp Proj	MS	MS	2017	0.0	100.0	0.0	100.0	9.2	0.0	
P154525	Uttarakhand Workforce Development Projec	#	#	2018	74.0	0.0	0.0	74.0	1.8	0.0	
P159427	West Bengal ISGPP-II	S	S	2017	210.0	0.0	0.0	115.4	-34.3	-34.3	
<b>Overall Result</b>					<b>17,772.6</b>	<b>10,678.6</b>	<b>105.0</b>	<b>1,299.6</b>	<b>17,077.1</b>	<b>7,815.4</b>	<b>-100.7</b>

\* Disbursement data is updated at the end of the first week of the month.

a. Intended disbursements to date minus actual disbursements to date as projected at appraisal.

**Annex 5. Statement of IFC's Committed and Disbursed Outstanding Investment Portfolio**  
**As of June 30, 2018**  
**(in US\$ million)**

Commitment Fiscal Year	Company	Committed					Disbursed Outstanding				
		Loan	Equity	Quasi Equity*	GT/RM	Participant	Loan	Equity	Quasi Equity*	GT/RM	Participant
1998/2000	Walden India-Mgt	0	0.01	0	0	0	0	0.01	0	0	0
2001/2004	BILT	0	0.63	0	0	0	0	0.63	0	0	0
2004	Powerlinks	4.01	0	0	0	0	4.01	0	0	0	0
2005	APIDC Biotech	0	2.96	0	0	0	0	2.96	0	0	0
2005	Bharat Biotech	0	0	3.30	0	0	0	0	3.30	0	0
2005/2009/2006/2016	DCM SHRIRAM LIMITED	20.00	0	0	0	0	20.00	0	0	0	0
2005/2009/2008	ADPCL	21.69	11.52	0	0	0	21.69	11.52	0	0	0
2005/2010/2011/2003	ATL	2.50	0	0	0	0	2.50	0	0	0	0
2005/2016	SRF India Limited	37.33	0	0	0	0	37.33	0	0	0	0
2006	IHDC	0.27	0	0	0	0	0.27	0	0	0	0
2006	Peepul CapFnd II	0	8.77	0	0	0	0	8.71	0	0	0
2007	Electrotherm	13.00	0	0	0	0	13.00	0	0	0	0
2007	MBPV	17.50	0	0	0	0	17.50	0	0	0	0
2007	Ocimum	0.57	0	0	0	0	0.57	0	0	0	0
2007	WCPM	7.06	0	0	0	0	7.06	0	0	0	0
2007/2008	GSPL	16.42	0	0	0	0	16.42	0	0	0	0
2008	Aloe 2	0	11.03	0	0	0	0	11.03	0	0	0
2008	Ambit Pragma I	0	8.73	0	0	0	0	8.72	0	0	0
2008	Avigo Fund II	0	8.32	0	0	0	0	7.48	0	0	0
2008	CGPL Ultra Mega	226.56	0	0	0	0	226.56	0	0	0	0

2008	Punj Lloyd	14.12	0	0	0	0	14.12	0	0	0	0
2008	Punj Upstream	8.33	2.54	0	0	0	8.33	2.54	0	0	0
2008	Samara Capital	0	5.42	0	0	0	0	5.42	0	0	0
2008/2012	Angel Global	0	18.41	0	0	0	0	18.41	0	0	0
2009	Avigo Fund III	0	13.92	0	0	0	0	13.24	0	0	0
2009	India Agri Fund	0	3.46	0	0	0	0	2.51	0	0	0
2009	Macq-SBI Int F	0	132.66	0	0	0	0	132.09	0	0	0
2009	Macquarie IM	0	0.10	0	0	0	0	0.10	0	0	0
2009	SBI - Macq DM	0	0.28	0	0	0	0	0.28	0	0	0
2009/2006/2012	AHEL	17.15	12.64	0	0	0	17.15	12.64	0	0	0
2009/2007	Aavishkaar MFI I	0	0.31	0	0	0	0	0	0	0	0
2009/2007	Ocean Sparkle	0	9.18	0	0	0	0	9.18	0	0	0
2009/2010	VW-India	5.82	0	0	0	0	5.82	0	0	0	0
2009/2010	WHI India	1.94	0	0	0	0	1.94	0	0	0	0
2009/2013	HIKAL	4.00	2.73	0	0	0	4.00	2.73	0	0	0
2009/2013	Polycab	0	36.72	0	0	0	0	36.72	0	0	0
2009/2013/2010/2018/2008	Jain Irrigation	42.03	0	0	0	4.05	42.03	0	0	0	4.05
2009/2014	APPL	0	7.18	0	0	0	0	4.15	0	0	0
2009/2017/2007/2012	Granules	56.23	0	0	0	0	56.23	0	0	0	0
2009/2018/2006	JK Paper	48.89	2.36	0	0	0	0	2.36	0	0	0
2010/2006/2017/2014/2011/2016/2008/2012	Federal Bank	100.00	0	0	0	0	100.00	0	0	0	0
2010/2007	Petronet	23.50	0	0	0	36.00	23.50	0	0	0	36.00
2010/2008	Ventureast India	0	11.97	0	0	0	0	11.00	0	0	0
2010/2013	AavishkaarMFI II	0	2.25	0	0	0	0	2.07	0	0	0
2010/2013/2012	Bhilwara Energy	0	7.47	0	0	0	0	7.47	0	0	0
2010/2013/2012	Snowman	2.92	0	0	0	0	2.92	0	0	0	0

2010/2013/2014/2017/2012	AU Financiers	49.25	11.64	0	0	0	48.89	11.64	0	0	0
2010/2013/2017/2011/2015/2012	Utkarsh Microfinance Pvt Ltd	0	2.07	0	0	0	0	2.07	0	0	0
2010/2014	Zephyr India II	0	7.14	0	0	0	0	7.14	0	0	0
2010/2015/2012	Applied Solar	0	7.29	0	0	0	0	6.98	0	0	0
2010/2017/2007	FINO PayTech Ltd	0	3.22	3.20	0	0	0	3.22	3.20	0	0
2010/2018/2011/2015	Chola	100.00	0	45.97	0	0	0	0	45.97	0	0
2010/2018/2012	Craftsman	30.00	10.46	0	0	0	0	10.46	0	0	0
2010/2018/2017	Aadhar	0	23.54	0	0	0	0	23.53	0	0	0
2011	Aavishkaar MSME	0	15.00	0	0	0	0	14.69	0	0	0
2011	Attero Recycling	0	0	5.00	0	0	0	0	5.00	0	0
2011	SAFAL Jain NBFC	0	1.32	0	0	0	0	1.32	0	0	0
2011	Vishwa Infra	2.00	0	0	0	0	2.00	0	0	0	0
2011	Vishwa Utilities	2.00	0	0	0	0	2.00	0	0	0	0
2011	Vivimed	4.98	0	0	0	0	4.98	0	0	0	0
2011/2012	Sarva Capital	0	0.14	0	0	0	0	0	0	0	0
2012	Ambit Pragma II	0	15.41	0	0	0	0	9.45	0	0	0
2012	Banyan Tree II	0	19.28	0	0	0	0	19.28	0	0	0
2012	Bhilwara Wind	6.29	0	0	0	0	6.29	0	0	0	0
2012	Dunar Foods	0	13.90	0	0	0	0	12.02	0	0	0
2012	Forum Synergies	0	4.50	0	0	0	0	4.16	0	0	0
2012	Laxmi Organic	4.00	6.66	0	0	0	4.00	6.66	0	0	0
2012	SAME DEUTZ India	4.45	0	0	0	0	4.45	0	0	0	0
2012	SPSL	5.69	0	0	0	0	5.69	0	0	0	0
2012	Zephyr India III	0	7.52	0	0	0	0	4.84	0	0	0

2013	Azure Sun	1.56	0	0	0	0	1.56	0	0	0	0
2013	Ecolibrium	0	0.75	0	0	0	0	0.75	0	0	0
2013	Green Infra 20MW	4.78	0	0	0	0	4.78	0	0	0	0
2013	Green Infra 5MW	1.24	0	0	0	0	1.24	0	0	0	0
2013	India 2020 II	0	24.90	0	0	0	0	19.24	0	0	0
2013	LNJ Power Vent	4.64	0	0	0	0	4.64	0	0	0	0
2013	Power Grid	90.00	0	0	0	0	90.00	0	0	0	0
2013	RK Forgings	10.50	0.73	0	0	0	10.50	0.73	0	0	0
2013/2003/2004	Dewan	46.67	0	0	0	0	46.67	0	0	0	0
2013/2007	OCL India	19.43	0	0	0	0	19.43	0	0	0	0
2013/2008	India Infra Fund	0	15.66	0	0	0	0	14.80	0	0	0
2013/2011	Kaizen	0	8.64	0	0	0	0	8.28	0	0	0
2013/2011/2015	PTC Financial	62.41	0	0	0	0	62.41	0	0	0	0
2013/2012	Kalkitech	0	0.13	0	0	0	0	0.13	0	0	0
2013/2014	RBL	0	15.35	0	0	0	0	15.35	0	0	0
2013/2014	Religare	0	7.33	0	0	0	0	7.33	0	0	0
2013/2014	VBHC	0	3.60	0	0	0	0	3.60	0	0	0
2013/2014/2012	Infuse Capital	0	2.43	0	0	0	0	2.10	0	0	0
2013/2014/2017/2015/2016	Suryoday	5.11	4.02	0	0	0	5.11	4.02	0	0	0
2013/2018/2014/2017/2015/2016/2012	YES BANK LTD	131.97	0	75.00	26.00	0	131.97	0	75.00	26.00	0
2013/2018/2017/2016	Avanse	0	18.48	0	0	0	0	16.53	0	0	0
2014	DJ Energy P Ltd	19.24	0	0	0	0	19.24	0	0	0	0
2014	Flexituff	0	0.94	9.00	0	0	0	0.94	9.00	0	0
2014	Gaja II	0	24.95	0	0	0	0	10.20	0	0	0
2014	India BEF II	0	25.00	0	0	0	0	25.00	0	0	0
2014	Janalakshmi	17.51	0	0	0	0	17.51	0	0	0	0
2014	JPL	0	0	88.83	0	0	0	0	88.83	0	0

2014	Parag Dairy	8.46	0	0	0	0	8.46	0	0	0	0
2014	Powergrid Equity	0	5.78	0	0	0	0	5.78	0	0	0
2014	Uttar Urja	15.17	0	0	0	0	15.17	0	0	0	0
2014/2011	MagmaFincorp	0	23.39	31.38	0	0	0	23.39	31.38	0	0
2014/2011/2015	Bandhan	0	69.69	0	0	0	0	69.69	0	0	0
2014/2015/2012	Axis Bank	87.56	0	0	0	0	87.56	0	0	0	0
2014/2015/2012	Equitas	0	16.71	0	0	0	0	16.71	0	0	0
2014/2015/2012	Ujjivan	0	9.50	0	0	0	0	9.50	0	0	0
2014/2017	NephroPlus	0	7.00	3.09	0	0	0	7.00	3.09	0	0
2015	Acme Rajdhani	4.46	0	0	0	0	4.46	0	0	0	0
2015	Bandhan Bank	0	13.33	23.35	0	0	0	13.33	23.35	0	0
2015	Eden Mumbai	4.48	0	0	0	0	4.48	0	0	0	0
2015	EDEN Renewable Ranji Private Lim	4.39	0	0	0	0	4.39	0	0	0	0
2015	EDEN Solar Energy Gurgaon	4.43	0	0	0	0	4.43	0	0	0	0
2015	Equitas Microfin	8.76	0	0	0	0	8.76	0	0	0	0
2015	Everstone III	0	50.00	0	0	0	0	24.00	0	0	0
2015	Eye-Q Vision	0	5.49	0	0	0	0	5.49	0	0	0
2015	Green Infra Wind	37.78	0	0	0	0	37.78	0	0	0	0
2015	Idea Cellular II	0	1.38	0	0	0	0	1.38	0	0	0
2015	Lucid Colloids	12.69	0	10.95	0	0	12.69	0	10.95	0	0
2015	Medha Energy	4.55	0	0	0	0	4.55	0	0	0	0
2015	MyUniverse	0	9.56	0	0	0	0	9.56	0	0	0
2015	Samhi	0	0	23.48	0	0	0	0	23.48	0	0
2015	TVH	0	25.00	0	0	0	0	0	0	0	0
2015/2016	Nxtgen	0	8.59	0	0	0	0	8.59	0	0	0
2015/2016	SPAH	0	31.73	0	0	0	0	7.90	0	0	0

2016	Aptus Value Housing Finance	14.55	0	0	0	0	14.55	0	0	0	0
2016	Aspire Home	14.55	0	0	0	0	14.55	0	0	0	0
2016	BCL	0	0	21.89	0	0	0	0	21.89	0	0
2016	CWCNSL	33.87	24.66	0	0	0	33.87	24.66	0	0	0
2016	DARP Encore ARC	0	5.42	0	0	0	0	5.42	0	0	0
2016	GLENMARK PHARMAC	0	0	75.00	0	0	0	0	75.00	0	0
2016	HCG	0	11.75	0	0	0	0	11.75	0	0	0
2016	IDFC Bank Limited	50.61	2.61	0	0	0	50.61	2.61	0	0	0
2016	LENSKART SOLUTIONS	0	25.85	0	0	0	0	25.85	0	0	0
2016	Max India	0	5.34	0	0	0	0	5.34	0	0	0
2016	Ostro Andhra	27.90	0	0	0	0	27.90	0	0	0	0
2016	Ostro AP Wind	28.99	0	0	0	0	28.99	0	0	0	0
2016	Plenty Fund I	0	23.43	0	0	0	0	18.64	0	0	0
2016	S Chand	0	14.23	0	0	0	0	14.23	0	0	0
2016	Snowman Equity	0	2.51	0	0	0	0	2.51	0	0	0
2016	Tata Capital FS	39.69	0	0	0	0	39.69	0	0	0	0
2016	Tata Capital HF	59.54	0	0	0	0	59.54	0	0	0	0
2017	Aavas	18.97	0	0	0	0	18.97	0	0	0	0
2017	Apollo AHLL	0	31.23	0	0	0	0	31.23	0	0	0
2017	BajajFin	145.94	0	0	0	0	145.94	0	0	0	0
2017	ESIP Blackbuck	0	9.93	0	0	0	0	9.93	0	0	0
2017	ESIP Power2SME	0	9.49	0	0	0	0	9.49	0	0	0
2017	ETC Agro Processing	29.33	0	0	0	0	29.33	0	0	0	0
2017	FRV Solar India	26.90	0	0	0	0	9.75	0	0	0	0
2017	Hero Renewable	0	25.00	0	0	0	0	25.00	0	0	0

2017	IDG Ventures III	0	20.00	0	0	0	0	10.78	0	0	0
2017	ISC-Pi Ventures	0	3.00	0	0	0	0	0	0	0	0
2017	L&T Infra	97.34	0	0	0	0	97.34	0	0	0	0
2017	Micro Housing	7.75	0	0	0	0	7.75	0	0	0	0
2017	MLDL	0	4.75	43.02	0	0	0	0.99	8.38	0	0
2017	Regency Hospital	0	9.11	0	0	0	0	9.11	0	0	0
2017	RepcO HFL	39.69	0	0	0	0	39.69	0	0	0	0
2017	Stellaris I	0	9.60	0	0	0	0	2.11	0	0	0
2017/2012	IMGC	0	3.05	0	0	0	0	3.05	0	0	0
2017/2012	SRLL	0	39.17	0	0	0	0	39.17	0	0	0
2017/2012	Vortex	0	0.62	0	0	0	0	0.62	0	0	0
2017/2015	Cube Highways	69.26	10.00	90.00	0	0	0	3.64	32.78	0	0
2017/2015/2016	DARP Altico Ind P Ltd	0	0	67.57	0	0	0	0	67.57	0	0
2017/2015/2016	Fullerton India	138.64	0	0	0	0	138.64	0	0	0	0
2017/2016	Azure Global	0	44.71	0	0	0	0	44.71	0	0	0
2017/2016	Capital First	100.70	0	0	0	0	100.70	0	0	0	0
2017/2016	Shriram Transprt	145.21	0	0	0	0	144.77	0	0	0	0
2018	Acme Jaipur Solar	45.53	0	0	0	0	0	0	0	0	0
2018	Aditya Birla Finance	145.94	0	0	0	0	0	0	0	0	0
2018	Arinsun Clean Energy	44.00	0	0	0	0	0	0	0	0	0
2018	ASHIANA HOUSING	0	21.89	0	0	0	0	0	0	0	0
2018	Azure RG3	10.00	0	0	0	0	0	0	0	0	0
2018	Azure RG	35.00	0	0	0	0	0	0	0	0	0
2018	Biological E	60.00	0	0	0	0	0	0	0	0	0
2018	Bizongo	0	4.85	0	0	0	0	4.85	0	0	0

2018	Camlin Fine Sciences	15.00	0	15.00	0	0	0	0	0	0	0
2018	Clean Max	0	0.10	14.90	0	0	0	0	6.77	0	0
2018	Coverfox	0	7.00	0	0	0	0	7.00	0	0	0
2018	DARP SPV IndiaRF	0	100.00	0	0	0	0	0	0	0	0
2018	Faering III	0	15.10	0	0	0	0	1.47	0	0	0
2018	FIHFC	9.92	0	0	0	0	0	0	0	0	0
2018	IndoSpace Fund 3	0	25.00	0	0	0	0	0	0	0	0
2018	L&T Housing	71.22	0	0	0	0	0	0	0	0	0
2018	Lighthouse III	0	20.00	0	0	0	0	2.43	0	0	0
2018	Lithium	0	7.59	0	0	0	0	0	0	0	0
2018	Mahindra Finance	93.84	0	0	0	0	0	0	0	0	0
2018	Mahindra Renewables	29.19	0	0	0	0	0	0	0	0	0
2018	MRHFL	23.35	0	0	0	0	0	0	0	0	0
2018	OSE India	71.14	0	0	0	0	0	0	0	0	0
2018	Suminter	0	9.88	0	0	0	0	0	0	0	0
2018/1993/2017/1987/1978/1990/2003/2004/1991	HDFC	189.72	0	0	0	0	189.72	0	0	0	0
2018/2014/2007/2004/2015/2016	Max Healthcare	70.62	0	0	0	0	0	0	0	0	0
2018/2015/2016	PNB HFL	269.25	0	0	0	50.00	122.97	0	0	0	50.00
2018/2016	Portea Medical	0	7.06	0	0	0	0	7.03	0	0	0
2018/2017	Byjus	0	8.55	0	0	0	0	8.55	0	0	0
2018/2017	Future Consumer India	0	42.54	0	0	0	0	42.54	0	0	0
2018/2017	Grameen Koota	33.57	0	0	0	0	19.70	0	0	0	0
2018/2017	Tikona Infinet	0	0.03	8.68	0	0	0	0.01	0	0	0
2018/2017/2015/2012	Tata Cleantech	37.94	16.04	0	0	0	0	16.04	0	0	0
2018/2017/2016	BigBasket	0	31.35	0	0	0	0	31.05	0	0	0

	AST Telecom	1.02	0	0	0	0	1.02	0	0	0	0
	CDC Pragati Sale	0	0	3.93	0	0	0	0	3.93	0	0
	IHDC - Ascent	0.65	0	0	0	0	0.65	0	0	0	0
	NESFB	14.16	0	0	0	0	14.16	0	0	0	0
	Ujjivan SFB	8.76	0	0	0	0	8.76	0	0	0	0
	Vivimed - FCCB	0	0	7.50	0	0	0	0	7.50	0	0
<b>Grand Total:</b>		<b>3,877.51</b>	<b>1,553.16</b>	<b>670.03</b>	<b>26.00</b>	<b>90.05</b>	<b>2,688.60</b>	<b>1,204.56</b>	<b>546.35</b>	<b>26.00</b>	<b>90.05</b>

**Annex 6. IFC India Advisory Services – Active Portfolio Projects  
As of June 30, 2018**

<b>Project Name</b>	<b>FY of Approval</b>	<b>Expected End Date</b>
Bengaluru Public Streetlighting PPP	FY 18	FY 19
MP Solar Replication PPP	FY 18	FY 19
TA on Insolvency in India	FY 18	FY 21
IWAI Terminal Development Replication PPP	FY 18	FY 19
BLF Alliance with Bayer India	FY 18	FY 20
Energy and Water Solutions for Firms in South Asia	FY 17	FY 22
IFC-Jain-Coke Project on Sustainable Mangoes	FY 17	FY 20
Lighting Asia/India II	FY 17	FY 20
SHG Credit Reporting	FY 17	FY 19
Climate Resilient Agriculture - Olam India	FY 17	FY 20
Climate Smart Agriculture - DSCL Sugar	FY 17	FY 20
Odisha RTS Replication PPP	FY 17	FY 19
India Ease of Doing Business	FY 16	FY 19
Odisha Affordable Care Hospitals Project PPP	FY 16	FY 19
Infrastructure Advisory to Indian Cities	FY 16	FY 20
SIB Advisory - Bank Transformation	FY 16	FY 19
Green Buildings in India	FY 15	FY 19
FIG India Microfinance AS	FY 15	FY 20
TA on MSME Finance	FY 15	FY 20
South Asia Regional Corporate Governance Project	FY 14	FY 19
Odisha Rice Storage PPP	FY 14	FY 19
Promoting Access to Finance to MSMEs In India	FY 14	FY 20
India-Odisha Solar Park PPP	FY 14	FY 19
India E-waste Advisory Project	FY 13	FY 19
Bhubaneswar Municipal Hospital PPP	FY 13	FY 19
Sewa Grihrin Pvt. Ltd.	FY 13	FY 19
G2P Payment	FY 12	FY 19
Responsible Finance Sectoral	FY 12	FY 19
Capacity Building of FWWBI partners	FY 10	FY 19

## Annex 7. Summary of Country Opinion Survey and Stakeholder Consultations

### Introduction

In August 2017, the World Bank Group (WBG) launched the process of engagement with wide range of stakeholders in India with the aim of developing the Country Partnership Framework (CPF) for India. The CPF lays down the framework for the WBG's support for India's development agenda during the period FY18-22.

The WBG's engagement with stakeholders began in August 2017, with the development of the Systematic Country Diagnostic (SCD) for India. The SCD is the outcome of the WBG's analysis of the main challenges facing India today, and presents the group's understanding of the key issues that confront the country as it proceeds along the path to development. Once the analysis was complete, the SCD and outline of the CPF was presented to a broad range of stakeholders across various locations in the country. The series of consultations provided the WBG an invaluable platform to listen to the insights of a wide cross-section of experts on the challenges facing India today. These included government officials, policymakers, private sector representatives, think tanks, NGOs, and development agencies working in India.

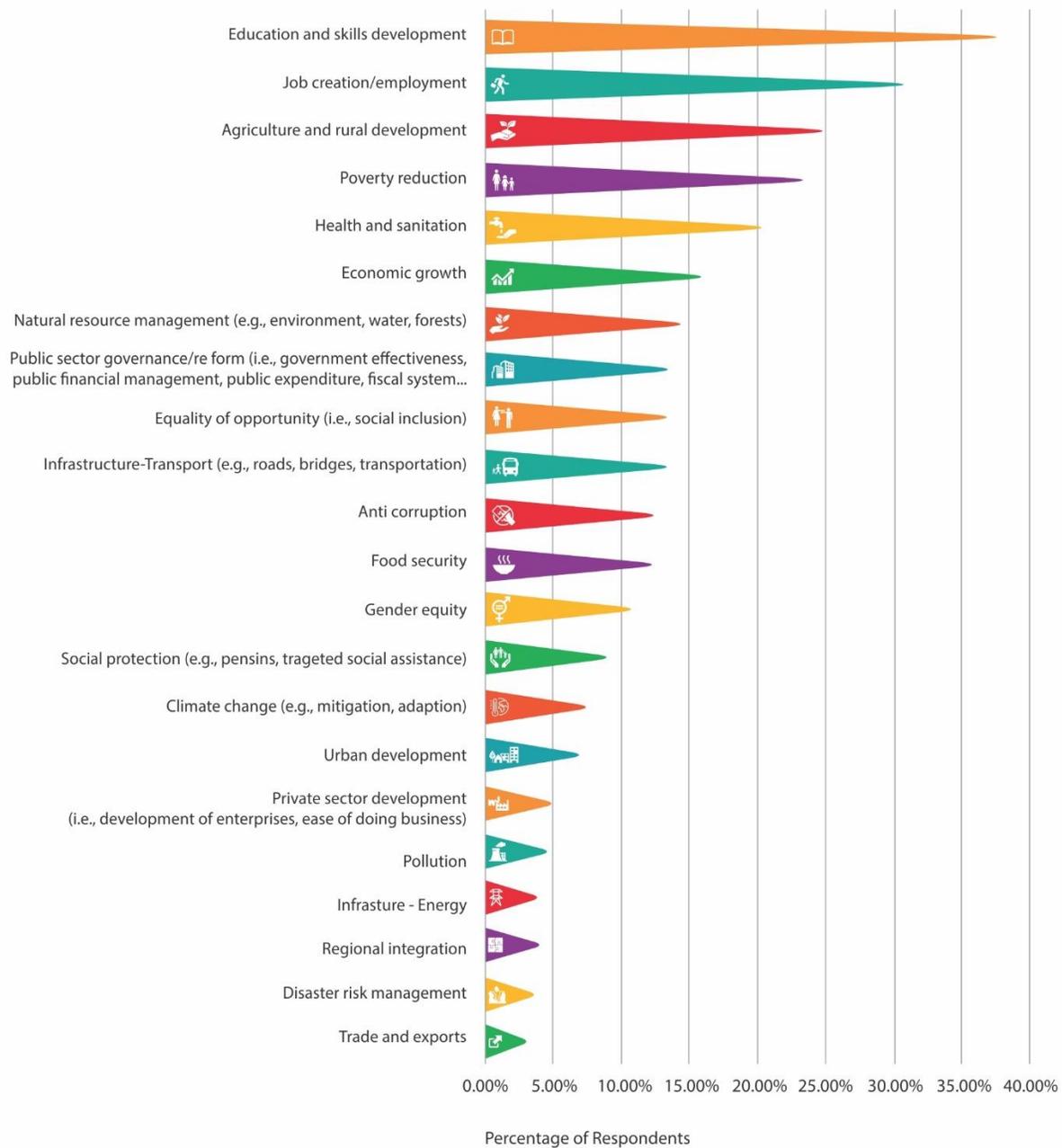
Organized jointly by the World Bank and IFC, these consultations were carried out through diverse means of engagement, including a detailed survey, face-to-face sessions with stakeholders at various locations, as well as online consultations via the WBG's social media platforms. Draft SCD and outline of CPF were also placed on the Bank's website for further feedback. The insights and perspectives gathered from these stakeholders during this consultations process has provided critical inputs into the development of the new CPF.

### Client Survey

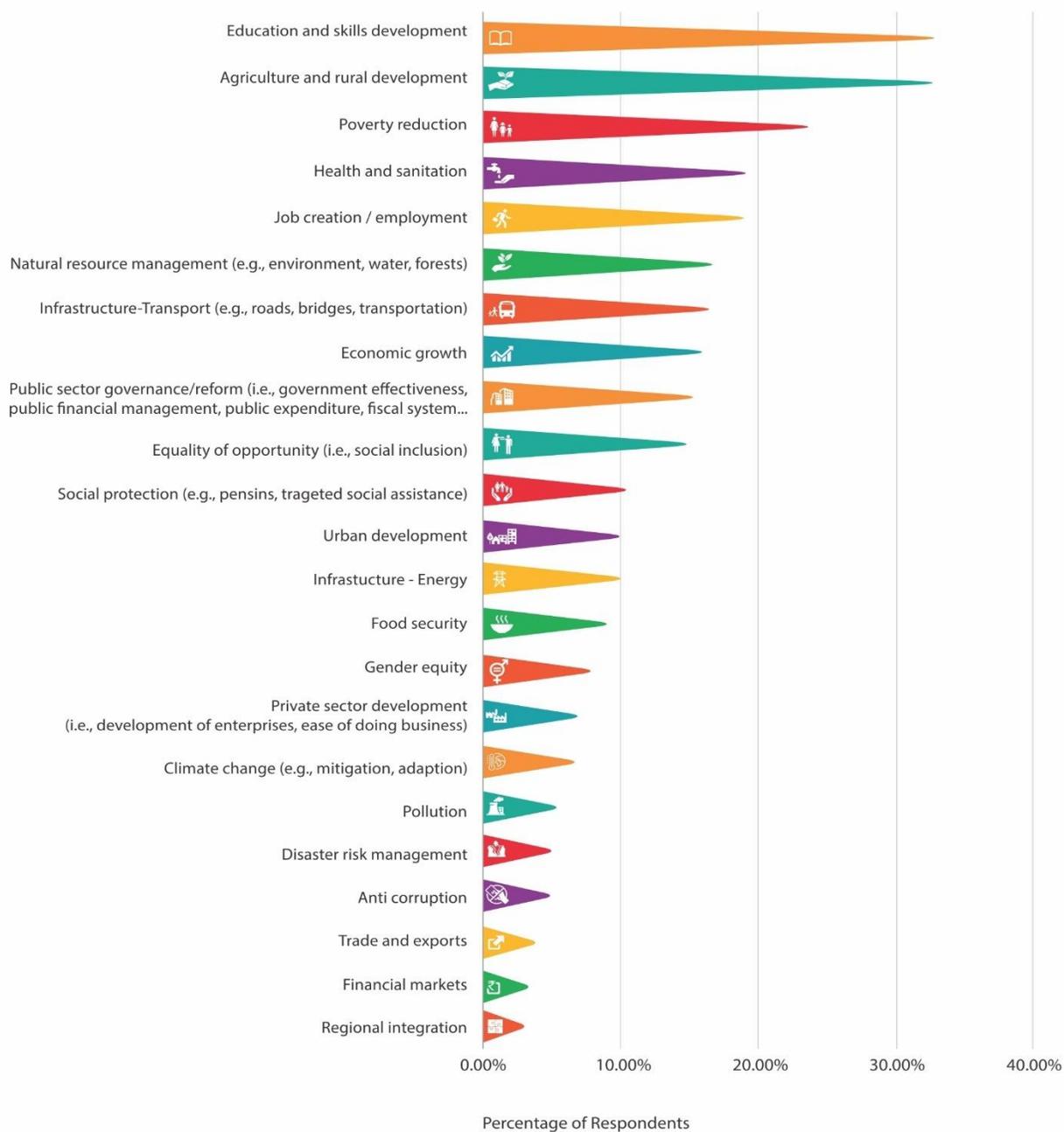
The client survey, conducted in accordance with Bank-wide methodology, reached out to a range of government officials, project counterparts, NGOs, think tanks, research institutes, and the media, among others. These stakeholders were drawn from six states, including Andhra Pradesh, Assam, Delhi, Jharkhand, Maharashtra and Odisha. Questions were placed through both online and physical questionnaires.

According to the survey findings, stakeholders in India regard education, jobs, agriculture, and poverty reduction as the top development priorities for the country, and felt that agriculture and rural development, education and jobs are key to poverty reduction in the country. Respondents believed that the greatest value of the Bank's engagement in India lay in the technical assistance provided for strengthening systems and institutions for service delivery, followed by its financial resources and policy advice.

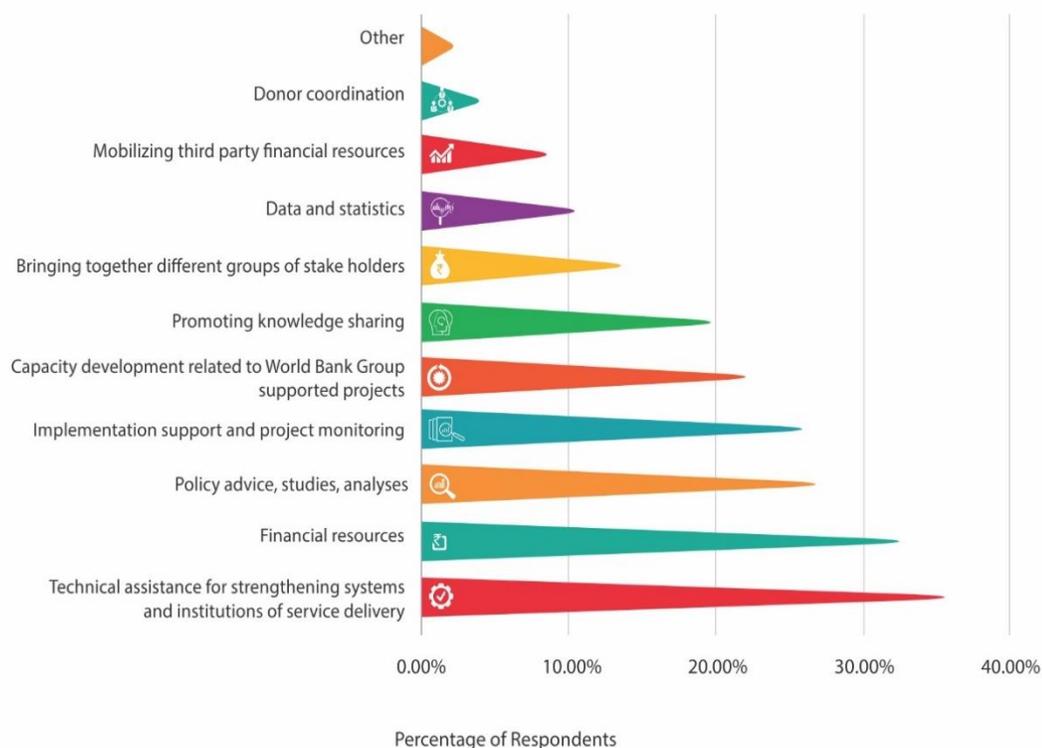
## India's development priorities



## On which sectors should the World Bank focus most of its resources in India



## The World Bank Group's role which is of the greatest value in India



### Consultations with the Government of India, state governments and other stakeholder groups

The consultations with the Government of India built upon the routine interactions of various WBG sector teams with their counterparts in the line ministries. A more structured dialogue with various line departments and ministries of the Government of India as well as with various state governments was led by the Department of Economic Affairs (DEA), Ministry of Finance, the World Bank's nodal counterpart in India. These discussions were supplemented by presentation and discussion with the NITI Aayog, the Government of India's policy think-tank.

## India Country Engagement Dialogue 2017-18

August 2017 – Private Sector, Mumbai  
August 2017 – National-level think-tanks, Delhi  
September 2017 – Multi-stakeholders, Bhubaneswar  
January 2018 – Government of India, and State Governments, Delhi  
January 2018 – National-level CSOs and NGOs, Delhi  
February 2018 – Governments of the North-Eastern states, Shillong  
February 2018 – Multi-stakeholders, Guwahati  
February 2018 – Private Sector from the North East, Guwahati  
February 2018 – NITI Aayog, Delhi  
March 2018 – Donors, Delhi  
March 2018 – Governments of the Southern States, Hyderabad  
March 2018 – Private Sector, Mumbai  
May 2018 – Government of India and State Governments, Delhi

### I. Government

The structured dialogue on the CPF with the Government of India and the state governments began in January 2018, with a broad-based consultation in **New Delhi**. Participants from various Central ministries, and from several state governments participated in a discussion led by the DEA. In February 2018, the WBG and DEA teams travelled to **Shillong** to consult specifically with the state governments of the north-east region, which is faced with both unique challenges and opportunities. In March 2018, a similar consultation was organized in **Hyderabad** to discuss the development priorities of the southern states. Bilateral conversations were also held with several state governments where WBG has extensive engagement developed over the years, including those of **Odisha, Assam, and Maharashtra**.

Following these consultations, the WBG shared the draft CPF with the DEA, Ministry of Finance. The Ministry circulated the draft among line ministries and state governments, from whom comments were received. At another meeting in May 2018, organized along with DEA, the WBG heard the comments of these stakeholders. Feedback received from all these consultations is summarized below.

#### ***Government of India, Delhi***

At the Delhi session in January 2018, participants, including representatives from some states and central ministries, were in broad agreement with the priorities laid out in the SCD and identified as priorities for the CPF. They especially appreciated concepts such as **leveraging the Bank’s financial resources to support bigger government programs; ‘Lighthouse India’ to promote knowledge exchange both within India and globally**; as well as the focus on **deepening the WBG’s engagement at the state level** and on **strengthening the public sector’s capacity to deliver basic services more efficiently**. Participants from a range of line departments and from various states expressed their demand for WBG resources, especially for its knowledge expertise.

Participants highlighted the needs of India’s rural sector and underlined the importance of improving rural incomes. They pointed out that areas such as agricultural **productivity, agri-business, water and soil productivity**, especially in the face of **climate change**, could benefit from sustained WBG support. They said that while a series of livelihood projects had resulted in appreciable improvement in rural standards of living, an ecosystem was now needed to help farmers gain better access to markets. In this context,

the idea of raising Livelihood Bonds was also discussed. Participants also drew attention to the critical issue of job creation, and suggested that the WBG bring in international experience for the development of a suitable policy framework to make **job creation more inclusive**. In addition, given India's unprecedented pace of urbanization, they emphasized the importance of creating **affordable housing**. In the face of growing concerns about air pollution, and given the recent launch of the **National Clean Air Program**, participants said that international knowledge could be leveraged for '**air-shed**' approach.

### ***Governments from the North-Eastern States***

Given the specific challenges of the north-east region, a separate consultation was held in Shillong. 'Connectivity' emerged as a recurring theme at this discussion. Participants emphasized that while the region was rich in natural resources and human capital, it needs to be better integrated with the rest of the country through improved physical, digital and financial connectivity and urged the WBG's engagement in this regard.

Participants highlighted that the region could benefit significantly from potential opportunities emerging from the government's 'Act East' agenda. But to do so, the region would need to improve its business climate and transform into an attractive investment destination that could help generate better jobs and higher incomes for its people. They stressed the need for a significant skilling effort to help youth avail of the new job opportunities that were likely to arise from the country's eastward focus.

Representatives from the north-eastern states also sought WBG's knowledge and expertise on the inclusive and sustainable management of natural resources, particularly regarding water use and conservation. They requested WBG assistance to develop management strategies for the Brahmaputra river. In addition, government representatives asked for help in building state capacity at every level so that they were better equipped to provide good governance and implement the government's programs and initiatives.

### ***Governments from the Southern States***

The discussion with government counterparts from southern states presented the distinct issues and challenges facing these higher-income states. Having progressed further along the development path, and now faced with more complex second generation reforms their main demand was for the WBG to deliver knowledge and development experience from around the world. Participants requested that the WBG devote its analytical resources to help them understand, for instance, why PPPs remained underutilized in India. The different demographic reality of these states was also reflected in the request from several states for support to launch better geriatric care, a hitherto neglected area in the country. Several states also sought help to broaden affordable housing for citizens, and skill-development programs for improving the 'employability' of youth.

## **II. Civil Society – Think Tanks, Academics, NGOs**

The broad rubric of civil society is privy to unique insights about a wide range of development issues. While think tanks and academics bring in the analytical rigor, NGOs and CSOs, with their strong grassroots connections, bring in valuable understanding about the challenges of implementation. At sessions in Delhi, Guwahati and Bhubaneswar, participants responded very positively to the SCD narrative, and validated its main messages and priorities. Insightful comments were received about the WBG's future course of action in India under the new CPF.

### ***Think Tanks and Academia in Delhi***

As early as August 2017, one of the WBG's first discussions was held with prominent think tanks in Delhi. A large part of the rich discussion was devoted to strengthening **state capability**. Even after the 73<sup>rd</sup> and 74<sup>th</sup> Amendments, they said, the downward flow of funds and functions remained below optimum levels, as there was "an unwillingness to cede control" to local governments. Several participants discussed this issue in the context of urban governance, pointing to low empowerment of urban local bodies, in general, and of city Mayors in particular. It was said that the WBG should delve deeper into **accountability issues** in the governance/administrative system, and make a bigger push for **transparency**.

Participants agreed with the WBG's proposed approach of programmatic **partnerships with states**. However, they cautioned that a deeper understanding of the political economy of states was needed for this new approach to succeed. Since some states have low planning and implementation capabilities, they said, the WBG would need to focus on building the capacity of these states to improve governance, performance, and the last mile delivery of services.

Various delivery models were analyzed, with several participants calling for more emphasis on **PPPs**, which they said remained an important model for meeting India's investment needs. The concept, which had mixed experience in the past, also included many successes and needed to be brought back on track with lessons learnt from experience.

Participants also focused on the key issue of job creation. They pointed out that the reasons for the fall in **women's employment** needs to be further investigated. The employment potential of the non-farm sector in rural India also deserves a closer look, they said. To promote the **efficient use of land and water in agriculture**, participants said that farmers need to be provided with the right incentives and technology, and find solutions for weaning away from reliance on almost free electricity, which has led to the reckless exploitation of groundwater.

### ***Multi-stakeholder consultation at Guwahati***



A large part of the interactive discussions with stakeholders in Assam focused on **water issues** and the effective management of the Brahmaputra river. Given the Brahmaputra's recurrent floods and the soil erosion along its banks, several participants called for deepening the knowledge base around the river. Without this, policy making was bound to remain unproductive, they said. They emphasized the importance of engaging with local communities living along the river and to bring them into the discourse. Any plan for river management and development, they said, should include an appropriate institutional setup, technical knowhow, public

participation, and global experience of good practices.

NGOs from the other parts of the Northeast Region emphasized the need to focus on the management and development of the region's other natural resources, including mining. Discussion also centered

around the role of the public-sector vis-a-vis the private sector, and how the public sector could be strengthened to provide better service delivery and greater accountability to citizens.

### **Multi-stakeholder consultation at Bhubaneswar**

In Odisha, participants identified two overarching challenges that impacted most sectors – the absence of an integrated planning system and inadequate governance structures. Several people mentioned that the most vital cross-cutting link in the whole narrative was the lack of an integrated planning regime which was vital for comprehensive and effective development. Participants generally agreed that without factoring in



'governance', no policy or initiative could yield the expected outcome. They said that public service delivery had been poorly managed in the country. They also said that there should be more formal mechanisms to promote interaction between government functionaries and citizens.

### **NGOs in Delhi**

The recurrent theme during this discussion session centered on '**inclusion**' in all its aspects, including across social groups, classes, gender, and the differently-abled. Another cross cutting theme that found repeated mention was the issue of **governance**. The importance of strengthening local governance and accountability was emphasized. Participants also appreciated the WBG's focus on the **criticality of natural resources** for fulfilling the country's development agenda.



Participants emphasized the issue of **job creation**, and urged the WBG to delve deeper into sectors that held the most potential for creating jobs, as this was essential for making the skilling effort more meaningful. In the urban sphere, they suggested that **cities** be viewed through a **place-based lens** rather than through a sector-based approach. Smart cities could be made more inclusive by placing greater focus on the needs of the poor and vulnerable, including the homeless, and by providing **affordable housing**. They also drew attention to the fact that the WBG's work on **inclusion** needs to place greater emphasis on the

**differently abled** by enhancing their access to education, skills, and jobs.

Several participants appreciated the Bank's cross cutting focus on closing **gender** gaps. Even so, they said, the Bank's analysis missed mentioning the special constraints faced by **women farmers** who often lack access to credit, markets and technology. A participant noted that gender should not be seen as a binary; instead, **transgenders** etc. should also be covered.

While appreciating the WBG's emphasis on India's need to forge a **resource-efficient growth**, participants pointed out it required a wider focus than was presented, including for instance, the management of waste. A participant noted that India lacked the capacity to measure and impute values to natural resources, including water, and said that the WBG could help develop this capacity. A speaker said that the Bank's SCD did not adequately analyze the **agrarian crisis**.

Many participants said that while they agreed with the WBG's approach of leveraging its limited finances, this would only be effective if the group worked together in **partnership with various stakeholders, including civil society and the private sector**. While expressing appreciation for the Bank's support of SHGs in the past, a participant commented that World Bank engagements with state structures in the SHG sector had driven away NGOs and CSOs, thus 'robbing the system of its vibrancy'.

Endorsing the Bank's move towards adopting a more **state-focused approach**, participants suggested that the WBG engage not only with states who have expressed keenness to undertake deeper reforms but also with those whose needs were far greater, such as **Uttar Pradesh, Bihar and Chhattisgarh**.

While a speaker recommended that the Bank should focus more on 'listening', others suggested that the WBG guide the private sector on the latest rules of **responsible business** by bringing in best practices from around the world.

Throughout the consultations, participants emphasized the **need for better data** and monitoring to enable more informed decision making.

### III. Private Sector

Private sector representatives in locations as diverse as Mumbai and Guwahati were consulted, with IFC organizing two sessions in Mumbai and one in Guwahati for the north-east region. At these consultations, most participants appreciated the SCD narrative and endorsed the constraints and priorities it articulated. The need for strengthening the enabling framework, including policy and regulatory certainty, stronger market linkages, deepening of capital markets and need for credit enhancement instruments was emphasized. They pointed out that access to finance was a major challenge for the growth of firms. Systems therefore needed to be put in place to help small firms access finance, they said.

Participants pointed out that the education system needs to be aligned with job opportunities, with **on-the-job training being provided by employers**, as this was more effective than the public provision of skills. They also said that more needs to be done to promote entrepreneurship. It was said that farmers could be encouraged to conserve natural resources if they were given support in the form of **warehousing, drip irrigation and access to markets**.

For urbanization to be sustainable, participants said, priority should be given to affordable housing for the economically weaker sections. For this, they requested an upstream dialogue on policy reform for the informal housing sector, land titling etc.

Participants also suggested that the WBG could help promote competitive federalism by **helping states learn from each other**. They said the government, NGOs and citizens' groups would need to work together to achieve better governance and accountability, given the greater push for this from the grassroots.

#### IV. Development Partners/Donors

Donors and other development partners largely agreed with the WBG’s overall analysis, and some pointed out that their own assessments were mostly along the same track. Many stressed the need for greater understanding between development agencies to **avoid duplication of resources**, particularly around social sectors. For instance, among the agencies represented at this meeting, at least six had a major program, whether ongoing or planned, on skilling in India. It was said that targeting the excluded and marginalized was very difficult without a common definition and a single registry of the most vulnerable. This was one area which development agencies could jointly address on priority basis.

Participants raised the issue of jobless growth, suggesting that particular focus should be placed on livelihoods, as India’s large informal sector provided employment to the majority. In agriculture the youth could be skilled to face the demands of the sector in the future. The use of urban and rural water was discussed, as well as the need for agriculture to reduce water use. It was said that if waste water recycling technologies etc. could be adopted, the consumption of one sector could supplement the water available for another. In Israel, for instance, 50% of the water use in agriculture came from recycling waste water generated by urban users; this expertise could be shared in India through a WBG program.

Many participants said that **building state capability was vital**; some, however, wondered how this could be done. Donors were currently investing in parallel systems which were not sustainable, they said. A participant felt that the system of bringing in consultants to manage programs was not going to help build state capacity. Another wondered how the public-sector could be strengthened without a “whole government” approach; currently, sectors and issues were being looked at independently. It was suggested that a demand-led perspective could lead to better outcomes. It was thus imperative to create this demand, particularly in areas that had cross-linkages, such as health and pollution.

A participant felt that the report glossed over corruption, both in the public and private sectors, and made no mention of conflict and violence which was impacting huge numbers of people. They suggested that the WBG should use data systems and technology to push for systemic changes. They also asked if the WBG had any special plan for developing the 115 “aspirational districts” which the government had identified as a priority.

#### Online Engagement



To widen the engagement with as wide a cross-section of people as possible in a country as vast and diverse as India, the WBG made concerted efforts to reach out more broadly through a variety of web and social media channels. The draft SCD was housed on the World Bank’s India website, which gets about 130,000 visitors on average per month. As the consultation process on the CPF got underway, a summary of each consultation session was made available via a special web package. Close to 30,000 people saw these documents online. A special feedback email loop allowed the Bank to get more detailed comments from stakeholders who accessed these materials online.

The reach was further amplified via social media channels such as Facebook and Twitter, where factoids, infographics, photo contests, and polls were used to initiate a vibrant online dialogue about India’s development priorities. A special Facebook page was dedicated to

the Country Engagement Dialogue and this reached about 337,000 people. A new hashtag **#IndiaWeWant** was socialized to invite people to share their ideas about the kind of development path they would like to see India take, and a lively conversation was steered online between January and April 2018, peaking late March when it reached about 800,000 people over a week. The engagement was taken forward through the World Bank's India Twitter channel which reaches over 16,000 opinion-makers in India; the Bank's South Asia twitter channel (2.5 million followers) helped amplify these messages further.

## #IndiaWeWant engages people online

Our efforts reached more than **11,00,000 people** via Facebook.

Our Tweets earned **571.4K impressions** over the campaign period.

**29,000 people** saw CPF and SCD publications via different online spaces.

**36 minutes** is the average time people spent reading the CPF and SCD publications online.

The collage features several key elements:

- Tweets:** Multiple tweets from @WorldBankIndia, including one from March 8 about poverty trends, one from March 17 about the Country Partnership Framework (CPF), and one from March 23 about a photo contest.
- Infographics:**
  - A chart titled "Women in the workforce" showing that 73% of India's working-age women are not working.
  - A chart titled "Under-five mortality" showing a decline from 100 to 58 deaths per 1,000 live births.
  - A chart titled "Population below poverty line (%)" showing a decline from 22% in 1981 to 21% in 2017.
- Other Content:** A quote from Dr. Ashok Gulati: "The Indian farmer could double his output if given the right incentives and access to the right technology."; a photo of a man speaking; and a photo of a group of people in a meeting.