I. Project Context

Country Context

Madhya Pradesh (MP) is one of the low income states in India with more than one-third of its population below the poverty line and a strong presence of scheduled castes and tribes. As per the 2011 census, MP has more than 72 million inhabitants with almost 16 percent of scheduled castes (SCs) and 17 percent of scheduled tribes (STs). Over 32 percent of MP’s population lives below the poverty line compared to the national average of 22 percent with higher poverty rates among the scheduled tribes, and scheduled castes. Poverty rates in the urban areas are lower than in rural areas for all social groups.

Despite progress made in recent years, the impact of growth on poverty in MP has been one of the lowest among Indian states and inequality is increasing. MP grew at an annual rate of 3.5 percent between 1999 and 2008, 8 percent during 2010-11 and 12 percent from 2011-12, which was accompanied with a significant 12 percent decrease in poverty during 2004-11. However, inequality has increased from 28.4 percent in 1993 to 31.5 percent in 2011, with urban areas being more unequal than rural areas. Slower decline in poverty rates among the STs and SCs in rural areas...
suggest that growth in these later years seems to be more beneficial for the non-SC/ST population.

Access to public services in MP remains highly unequal and critical barriers exist for ensuring universal access to government services such as limited access to information, cumbersome procedures and weak accountability systems. Citizens face significant challenges in accessing information about government services, which increases transaction costs, especially for those in remote areas, who have to travel long distances to access services, and for those from scheduled castes and scheduled tribes who are often illiterate and disempowered. Lack of information and limited accountability systems result in low trust in government agencies, particularly among historically excluded groups, which leads to a vicious circle of minimizing interactions with the government and relying on middle men or other community members.

**Sectoral and institutional Context**

In an effort to improve service delivery, the Government of Madhya Pradesh (GoMP) adopted the Public Services Guarantee Act (PSGA) in 2010 – the Loksewoan Ke Pradan Ki Guarantee. The PSGA is the first of its kind in India and worldwide. It sets time-lines for the delivery of selected public services, creates an appellate structure in the event that government officials fail to meet these deadlines, and allows for the imposition of penalties for delays. Created in 2011, the Department of Public Service Management (DPSM) is responsible for its implementation. Regular monitoring is conducted at the State level by the Chief Minister’s office and by the District Managers assigned in every district.

Under the PSGA, services are provided by Lok Sewa Kendras (LSKs) or “kiosks”, which allows citizens to apply for multiple government services at a “one stop shop”. The LSKs are privately operated under a public-private partnership (PPP) arrangement. Currently, there are 334 LSK centers throughout the state – one in every block - and more than 10 million applications have been processed from September 2010. Furthermore, 126 public services have been notified, and 62 are available online at LSKs. Departments that provide services notified under RTPS include: Energy, Labour, Revenue, Urban Administration & Development, Social Justice, Food, Forest, Home, Farmers’ Welfare & Agriculture Development, Woman & Child Development, Transport and Panchayats & Rural Development, among others.

The PSGA has contributed to reducing citizens’ transaction costs, speeding up service delivery and improving accountability of public officials. The PSGA triggered reforms including mandatory issuance of receipts for applications, online applications through computerization, clearer eligibility criteria, and an adherence to timelines for providing services. Preliminary assessments suggest that these reforms have created simpler, more efficient and more accountable government processes.

However, not all citizens are benefiting equally from these improvements and some of the abovementioned barriers to access services continue to affect this model of service delivery. In spite of the GoMP’s communication efforts, awareness among citizens is low, particularly in rural areas where only 17 percent of citizens are aware of any state charter for time-bound service delivery and there is no clarity about the fees to be paid. Some LSKs lack trained personnel to provide information about government services and assist users in filling out the application forms. Citizens are not able to provide feedback to government and only a very small proportion of applicants whose service application has been rejected go in for first appeal and a very negligible portion of that goes for second appeal in case of rejection.
Moreover, use of LSKs among historically excluded groups is proportionately lower despite offering some services that are critical for them—such as caste certificate, inclusion in the Below Poverty Line (BPL) list, BPL cards, ration cards, electricity connections, or application for various pension and social schemes-. A basic analysis of the LSK data shows that the off-take of services is the lowest in tribal dominated districts which also show high rates of rejection as compared to the state average. According to the government own assessments, participation is also low among SC and women.

Government Strategy

The GoMP laid out its Vision for inclusive development in MP to consolidate the gains secured over the past decade and establish firm foundations for the state’s growth and development in the years to come. The government’s “Vision 2018” document places good governance and efficient government services at the center of public policy to deliver results to the most needed population. The Government aims to facilitate widespread access to key public services “anywhere, anytime” through transparent and accountable governance, “reaching out to the last man”. This is aligned with the Government of India (GoI) focus on e-Governance.

Three guiding principles will drive the “next generation of PSGA reforms”: inclusiveness, simplification and accountability. Based on this approach, the GoMP aims to incorporate into the Public Service Guarantee Act most of the services the government provides to citizens, for a time-bound and more accountable service delivery. Similarly, it aims to integrate various service delivery platforms currently under operation and develop a “Sarv Seva portal” to allow citizens to access services through the channel of their choice (ie. kiosk, phone, web or mobile technologies). The GoMP is also further advancing the simplification of government procedures so some certificates are not needed at all, or are available real time at a single repository.

II. Proposed Development Objectives

The development objective of the project is to improve access to public services by all citizens of Madhya Pradesh, and in particular by historically excluded groups.

III. Project Description

Component Name

Component 1: Results-based financing. (US$ 25 million)

Comments (optional)

This component aims to support the implementation of critical public management reforms along the following three subcomponents: Subcomponent 1.a) Access to Services and Citizen Outreach: The objective of this subcomponent is to facilitate access to public services through an expansion of the LSK networks at the sub-block level, improvements in the facilitation services provided at the kiosks, and conducting citizen awareness and outreach campaigns; Subcomponent 1.b) Simplification of Government Services. This subcomponent aims to foster the integration of government services and streamlining of internal procedures; Subcomponent 1.c) Performance Management. This subcomponent aims to strengthen public management systems.

Component Name

Component 2: Technical Assistance.

Comments (optional)
This component will provide specialized technical assistance to support implementation of the government program and achievement of project results, through three subcomponents: Subcomponent 2a) Supporting Government process reengineering (GPR). This subcomponent will provide support for the simplification and reengineering of government processes, and advisory services to PSMD and the High Power Committee; Subcomponent 2b) Enhancing ICT infrastructure and strengthening ICT capacity. This subcomponent will provide funding for the acquisition of ICT equipment (hardware and software) and strengthening ICT capacity within the GoMP; and Subcomponent 2c) Strengthening project management to strengthen SAPS capacity to manage the project by hiring a Project Management Consulting firm.

IV. Financing (in USD Million)

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For Loans/Credits/Others

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V. Implementation

The Project consists of two complementary components: (i) Component 1. Results-based Financing (US$ 25 million) to provide incentives for achieving results along three subcomponents: access to services and citizen outreach; integration of government systems and performance management, and (ii) Component 2. Technical Assistance (US$ 10 million) to support the GoMP in specialized technical areas, and strengthen the capacity of the implementing agencies. The results-based financing component will disburse against agreed eligible expenditure programs (EEP) upon achievement of Disbursement Linked Indicators (DLIs). The technical assistance component will disburse against eligible expenditures upon submission of IFRs.

Disbursement Linked Indicators. Five DLIs have been selected for providing incentives to improve access to services - by expanding the LSK network throughout the state and the coverage of services--; and strengthen support systems for a more responsive service delivery.

- DLI #1. MP citizens accessing PSGA services.
- DLI#2. Women and ST/SC accessing PSGA services.
- DLI#3. PSGA points of presence operational
- DLI#4. PSGA services.
- DLI#5. Strengthening service delivery support systems.

VI. Safeguard Policies (including public consultation)

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The Bank’s Operational policy on Indigenous peoples (OP 4.10) has been triggered by the project given that scheduled tribes account for 21.1% of the state’s population. The state is also home to three Particularly Vulnerable Tribal Groups. A separate tribal development plan (TDP) is being prepared by GoMP as part of the project’s effort to facilitate access to services among scheduled tribes and foster social inclusion. Under the access to Information Policy this Tribal Development Plan shall be disclosed to public in both English and local languages.

VII. Contact point

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