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INSIDE

About the photograph:
A woman employee at Gujarat Pipapav Port, located on the west coast of India.

Photograph by Pallon Daruwala/Gujarat Pipapav

Five key drivers of reducing poverty in India

Onno Ruhl and Ana Revenga

India is uniquely placed to drive global poverty reduction. The country is home to the largest number of poor people in the world, as well as the largest number of people who have recently escaped poverty. Despite an emerging middle class, many of India's people are still vulnerable to falling back into poverty.

Over the next few months, this series will look back and analyze publicly available data to better understand what has driven poverty reduction from the mid-1990s until 2012, and the potential pathways that can lead to a more prosperous India. Since it is clearly not feasible to elaborate on all the myriad pathways out of poverty available to India, we focus on a few key themes that the diagnostics show to be of particular relevance to the country.

We hope this series will contribute to the ongoing discussions on how poverty can be eliminated from India. We are thankful to the ***Indian Express*** *for partnering with us in disseminating this series to its readers.*

India is home to 26 percent of the global extreme poor. This means that the world's ability to end extreme poverty by 2030 – an objective originally adopted by the World Bank and now a key element of the Sustainable Development Goals – hinges on India's ability to make strong and sustained inroads in reducing poverty. The good news is that India has made notable strides in tackling extreme poverty and promoting growth among its poorest – what we call shared prosperity.

Following decades of lackluster performance, growth accelerated in the 1980s and picked up steam after economic reforms began in earnest in the early 1990s. After 1991, per capita income grew nearly two-and-a-half times in real terms compared to the preceding three-and-a-half decades – from 1.8 percent per year to 4.3 percent per year. India is now among the fastest-growing economies in the world.

The country is also home to the largest number of people that have escaped poverty in recent years, based on a poverty line set at $1.90 per person per day (in 2011 Purchasing Power Parity). Indeed, in contrast with the 1990s, the rate of decline in extreme poverty in India not only outpaced the developing world as a whole but also the middle and lower-middle income countries as a group.

With that said, the poverty challenge in India remains broad, and sometimes contradictory. Even though there is an emerging middle class, many people who have escaped poverty are not yet economically secure, living precariously close to the poverty line. What's more, when the definition of poverty is expanded beyond what people consume to include other dimensions of well-being, such as access to education, health care and basic infrastructure, poverty has a grip on a much larger share of India's people.

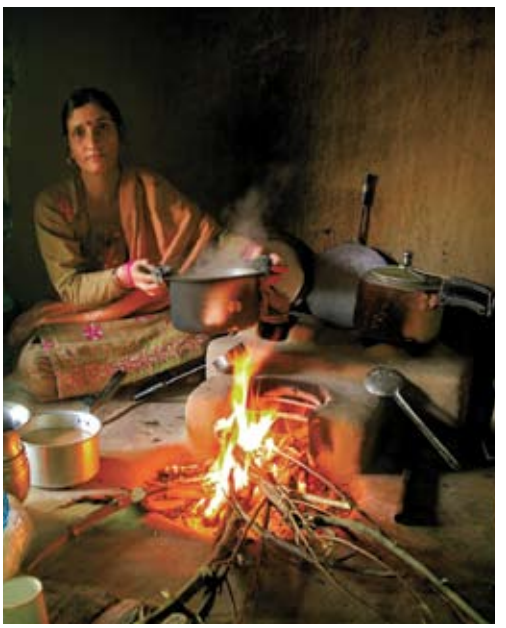
And when we compare India to other countries, there is marked room for improvement. For example, even though India has grown rapidly, its growth has been less effective at reducing poverty than in some of India's middle income peers such as China, Vietnam, Brazil and Turkey. India's performance on key non-monetary indicators of well-being such as child nutrition and improved sanitation facilities lags behind countries at similar stages of development. And estimates that look at the country as a whole can often mask very large differences in the standard of living between states.

connectivity between rural and urban areas, and between the agriculture, industry and services sectors, has been effective in the past two decades and holds promise for the future.

2. Creating more and better jobs: the road out of poverty in India has been built on the performance of the labor market, but also benefitted from rising transfers and remittances, and favorable demographics among other factors. Labor earnings have risen enough to move people out of poverty, but not into the middle class – more could

What lessons do the past two decades offer for what it will take for the country to sustain progress and bring about deeper changes? Some of our recent research highlights five key requirements for sustainable poverty reduction and shared prosperity in India going forward:

1. Accelerating rural poverty reduction: with four out of every five of India's poor people living in rural areas, progress will need to focus on the rural poor. Our research shows that it's not just about agricultural growth, which has long been considered the key driver of poverty reduction. In fact, rural India is not predominantly agricultural and shares many of the economic conditions of smaller urban areas. Capitalizing on growing



be done. Future efforts will need to address job creation in more productive sectors, which has until now been tepid and has yielded few salaried jobs that offer stability and security.

3. Focusing on women and Scheduled Tribes: two of the most worrying trends are the low participation of women in the labor market and the slow progress among scheduled tribes. India's women have been withdrawing from the labor force since 2005 and less than one-third of working age women are now in the labor force. As a result, India today ranks last among BRICS countries, and close to the bottom in South Asia in female labor force participation. Scheduled Tribes started with the highest poverty rates of all of India's social groups, and have progressed more slowly than the rest. Both are at risk of being locked out of India's growth and prosperity.

4. Creating more "good" locations: where people live largely shapes their prospects in life. India's states continue to see large and growing differences in poverty levels and basic opportunities. More and more of India's poor are concentrated in the poorest states, and even within relatively prosperous states, certain pockets of deprivation persist where people are unable to share in the state's successes.

5. Improving human development outcomes for the poor: this is central to improving their quality of life and income earning opportunities. We cannot continue to assume that rapid economic growth will automatically translate into better human development outcomes. The recent past shows that some problems, such as undernutrition and open defecation, are endemic and not confined to the poor, and have not improved with economic growth.

Future articles in this series will explore these five points in greater detail.

Onno Ruhl is World Bank Country Director for India. Ana Revenga is Senior Director, Poverty and Equity Global Practice, World Bank.

Good luck only comes with good policies

Photograph: Rajarshi Mitra

For continuous growth, India needs to focus on raising more taxes and enhancing spending efficiency along with more economic reforms, says Onno Ruhl, World Bank Country Director in India and Frederico Gil Sander, Senior Country Economist, World Bank

In recent years, it has become uncomfortably common for economic forecasts to be continuously downgraded. In its most recent World Economic Outlook, the IMF has reduced its growth forecast for the global economy by 0.2 percent to a modest 3.2 per cent. What lies behind these repeated downgradings? And what does the current forecast mean for India?

While many factors can lead to slower global growth, we focus on a common source of disappointment in both advanced and emerging economies: financial sustainability.

Credit is a fundamental pillar of the prosperity that the world has achieved today. Families, firms and governments borrow to invest and to cover temporary shortfalls. However, borrowing decisions are often based on optimistic assumptions. For instance, families in the United States hoped they would be able to afford the mortgages on their homes; manufacturing firms borrowed to invest so they could meet demand that was yet to materialize; and today's indebted governments expected that future growth would generate the tax revenues they needed to service their growing debt.

Fifteen years ago, when much of today's debt was incurred, continued growth was not an unreasonable expectation. This was because for the past two centuries, relentless improvements in technology had constantly driven growth. Then, from the beginning of the 21st century, poor countries finally began to catch up with the richer ones in earnest. Growth flourished as new processes and machines were invented, and emerging economies raced to adopt new and existing technologies. Since then, however, escalations in productivity have slowed down. The pace at which the poorer nations are catching up with the richer ones has also decelerated. This has been especially so over the past three years when growth in the large emerging markets such as Brazil and China has cooled.

When expectations do not materialize and revenues are not enough to repay debt, a difficult process known as 'deleveraging' must ensue. Since the time of the global financial crisis we have witnessed the painful deleveraging of households and banks in advanced economies, especially in the United States. Governments in a number of European economies and, more recently, China's provinces have had to undertake reforms to ensure fiscal sustainability. While the slower progress of technological advances and other fundamental drivers of growth may have caused the initial downturn, the need to deleverage has exacerbated the economic slowdown.

Contributing to disappointing growth is the fact that debt can often be 'hidden' in what are called 'contingent liabilities'. These are obligations - sometimes contractual, sometimes implicit - that become debt when certain events happen. For example, just recently, the government of Mozambique found itself with 1.4 billion dollars of new debt when guarantees that it had not previously disclosed were called on. When such hidden debt emerges, or its magnitude becomes apparent, disappointing growth follows, and further deleveraging becomes necessary.

India's growth has not disappointed. The World Bank continues to forecast a modest acceleration of growth in the coming fiscal year despite a number of headwinds from global trade and a dissipating oil dividend.

Yet this 'great deleveraging' across much of the world has at least three implications for India. The first is that prudent macroeconomic and fiscal management is important to reduce the risks of being forced into painful deleveraging. India's FY17 budget sent a strong message that the government values macroeconomic stability and intends to preserve it.

With the economy in relatively good shape, gradually bringing down the deficit of the Centre and the States – which at close to 7 per cent is high relative to other countries – is a sensible move. However, the quality of the adjustment is perhaps more important than the adjustment itself. Hence, the focus needs to be on raising tax revenues especially from those who can afford to pay more, and enhancing the efficiency of spending, while protecting expenditure on infrastructure and social sectors. This will help ensure that fiscal sustainability does not come at the expense of growth and poverty reduction.

The second implication is that the soundness of the banking sector needs to be ensured. Globally, this sector is one of the main sources of 'contingent liabilities'. It will therefore be critical to accelerate long-term structural reforms in the sector, specifically to ensure that banks introduce more viable commercial practices, adopt better governance, and sustainably address the issue of rising stress in corporate and bank balance sheets.

The third is the need to focus on productivity-enhancing reforms. The recently approved bankruptcy code is a positive step in this direction. It facilitates the 'creative destruction' that allows economic resources to be better allocated towards more productive firms.

A final, and perhaps most important, lesson is that good luck should not be considered as a permanent phenomenon. When commodity prices were rising, some commodity-exporting countries implicitly assumed that prices would never come down. They failed to save enough of the bounty, or to invest it in difficult structural reforms that would enable them to weather an extended period of low commodity prices, should that occur.

In oil-importing India, the bonanza from oil price declines was wisely perceived as a temporary windfall and prudently used. It directly benefited the government which, for the first time in several years, exceeded its revenue collection targets. The resources were used to lower the fiscal deficit, transfer more funds to states, and spend more on infrastructure.

A normal monsoon in 2016-2017 - which we all hope will materialize – should also be seen as a stroke of good luck, especially at a time of global climate change and rising water stress in many parts of India. A normal monsoon can therefore open a window of opportunity to further invest in boosting agricultural productivity, and improving the management of water resources. It will also provide an opportunity to expand efforts toward inclusive urbanization by enhancing connectivity between rural and urban areas, investing in urban planning, and improving health and education services in rural areas so that future generations are equipped to work in the more productive jobs that cities generate.

So, good luck and good policies – together they will do the trick.

This opinion piece was originally published in Business Today on 19 June, 2016.

Recent Project Approvals

North Eastern Region Power System Improvement Project

The World Bank Board has approved a US$ 470 million loan to support six states in the north eastern region of India to augment their transmission and distribution (T&D) networks and strengthen the capacity of the state-level institutions in extending last mile electricity connections to households. The project will help improve power supply to a region whose economic development has been constrained by power shortages, and where electricity consumption is less than a third of the national average.

The existing power network infrastructure in these states is old and has not been adequately maintained. This makes it prone to high technical and non-technical losses, and leads to frequent interruptions and outages in power supply. In addition, most of the utilities incur commercial losses due to inadequate cost structures and tariffs.

The Project will strengthen and augment the intrastate transmission, sub-transmission, and distribution networks by upgrading old and constructing new lines and associated substations in the six participating states of Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura. These investments will allow the transmission network to transfer electricity more efficiently and with minimum wastage, and help the utilities supply reliable electricity at a stable voltage to consumers.

The Project will be implemented through POWERGRID, which has been appointed as the implementing agency by the Government of India and it will provide technical and managerial support for improving intra-state transmission and distribution systems in these states. After commissioning, the assets created under the Project will be owned, operated and maintained by the respective state power utilities and departments.

Technical Education Quality Improvement Project (TEQIP III)

The World Bank Board has approved US$ 201.50 million for the Technical Education Quality Improvement Project (TEQIP III) to enhance the quality and equity of engineering education across several focus states in India.

This is the third phase of an envisioned 15-year phased program initiated with the first phase of TEQIP from 2002 to 2009. TEQIP III builds on the significant results achieved in the two phases of the project which supported over 250 engineering institutes and thousands of faculty members from institutes such as NIT Rourkela, College of Engineering Pune, Jawaharlal Nehru Technological University Hyderabad, and BIT Mesra.

The Project will support approximately 200 engineering education institutes in the focus states to produce higher quality and more employable engineers. Importantly, it will support Affiliating Technical Universities for the first time, and thereby multiply project benefits to all affiliated colleges, not just those being supported individually. It is estimated that, by Project closing, roughly 3 million undergraduate and post-graduate students, of which 30 percent will likely be female and 20 percent from scheduled castes and tribes, and over 100,000 faculty and staff would have benefitted. It will also scale up post-graduate education, research, development and innovation at these institutions.

Tejaswini: Socioeconomic Empowerment of Adolescent Girls & Young Women Project

The World Bank Board has approved the US$ 63 million Tejaswini: Socioeconomic Empowerment of Adolescent Girls & Young Women Project in Jharkhand, which will support adolescent girls and young women, ages 14-24, to complete their secondary level education and acquire relevant skills for the job market.

The Project, which will support market-driven skills training and secondary education as well as broader socio-economic empowerment for adolescent girls and young women in 17 select districts of Jharkhand, is expected to benefit about 680,000 adolescent girls and young women. In the 17 project districts, there are about 2.1 million adolescent girls and young women in the 14-24 age group, of which 13 percent belong to Scheduled Castes and 25 percent to Scheduled Tribes.

Himachal Pradesh Horticulture Development Project

The World Bank Board has approved a US$ 135 million credit to support the efforts of Himachal Pradesh in modernizing and expanding the production of high value horticulture commodities.

The Project will support small farmers and agro entrepreneurs in Himachal Pradesh, to increase the productivity, quality, and their market access to selected high value horticulture commodities. Over 150,000 producers, mainly small and marginal farmers of the state will benefit from the project of which about 33 percent are expected to be women.

Recent Project Signings

Grid Connected Rooftop Solar Program

The Government of India and the World Bank have signed a US$ 625 million credit agreement to help support the Government of India's program to generate electricity from widespread installation of rooftop solar photo-voltaic (PV).

The credit agreement for the project was signed by Raj Kumar, Joint Secretary, Department of Economic Affairs on behalf of the Government of India; Mr Karnam Sekar, Deputy Managing Director and Chief Credit Officer State Bank of India; and Mr Onno Ruhl, Country Director, India on behalf of the World Bank.

The agreement was signed in the presence of Finance Minister Arun Jaitley, Union Minister of State with Independent charge for Power, Coal, New and Renewable Energy, Piyush Goyal and World Bank Group President Jim Yong Kim.

The Project will finance the installation of at least 400 MW of Grid Connected Rooftop Solar Photovoltaic (GRPV) across India. These solar PV installations will provide clean, renewable energy, and reduce greenhouse gas emissions by displacing thermal generation.

The Project will also strengthen the capacity of key institutions, and support the development of the overall solar PV market.

The Project will be implemented by the State Bank of India (SBI). SBI will on-lend funds to solar PV developers/aggregators and end-users, who wish to invest in mainly commercial and industrial rooftop PV systems. Financing will be provided to those with sound technical capacity, relevant experience, and creditworthiness as per SBI standards.

Finance Minister Arun Jaitley (right), Power Minister Piyush Goyal (left) and World Bank Group President Jim Yong Kim (center) at the signing

Bihar Transformative Development Project

The Government of India, the Government of Bihar and the World Bank have signed a US$ 290 million credit agreement to help improve livelihood opportunities for poor rural households across 300 blocks and 32 districts of Bihar.

The Project, also known as Jeevika II, will mobilize rural population into self-help groups (SHG) and higher level federations and help them gain access to markets, public services and a range of financial services from formal financial institutions. In line with the emerging priorities and JEEViKA's already significant experience, the new project will scale up farm and non-farm value chain interventions including setting up of women-owned farmer producer companies.

It will also improve SHG women and SHG households' nutrition, hygiene, and sanitation practices, and help increase their access to and use of nutrition and sanitation services made available through the Integrated Child Development Services (ICDS) and Swachh Bharat Mission (SBM) programs. The project will work in convergence with the related government programs to achieve this goal.

The Government of Bihar has been implementing the Bihar Rural Livelihoods Project (JEEViKA), a World Bank supported program for poverty alleviation across six districts and 42 blocks of Bihar since 2007.

The project received additional financing in 2012 and was expanded to another 60 blocks. It has so far mobilized nearly 1.8 million rural women from poor households into 150,000 SHGs further federated into 9,500 Village Organizations (VOs) and 161 Cluster Level Federations (CLFs).

The credit agreement for the project was signed by Raj Kumar, Joint Secretary, Department of Economic Affairs on behalf of the Government of India; Arvind Kumar Chaudhary, Secretary, Rural Development Department, on behalf of the Government of Bihar; and John Blomquist, Program Leader and Acting Country Director, India on behalf of the World Bank.

Karnataka Urban Water Supply Modernization Project (KUWSMP)

The Government of India, the Government of Karnataka and the World Bank have signed a US$ 100 million loan agreement for the Karnataka Urban Water Supply Modernization Project (KUWSMP) to support the efforts of Hubballi-Dharwad, the second largest urban center in Karnataka, to become one of the first Indian cities to provide citywide, continuous, piped water supply to its residents.

The Project will help bring clean water to one million citizens of Hubballi-Dharwad, including 160,000 people who live in slums and currently depend upon public standposts or private vendors for water. The project will finance physical investments in the water supply system for the twin cities, and support city authorities in strengthening systems and procedures required to sustainably close the current water service delivery gaps.

The credit agreement for the project was signed by Raj Kumar, Joint Secretary, Department of Economic Affairs on behalf of the Government of India; V Ponnuraj, Managing Director, Karnataka Urban Infrastructure Development Finance Corporation (KUIDFC), on behalf of the Government of Karnataka; and Michael Haney, Operations Adviser, World Bank India on behalf of the World Bank.

World Bank Group President visits India

World Bank Group President Jim Yong Kim was in India in July 2016 on a two-day visit to review the progress of projects under World Bank support and to understand firsthand India's efforts on renewable energy and nutrition.

6. *Interacting with students of Lady Shri Ram College on NDTV*
7. *A selfie moment with LSR students*
8. *At the skills center with students learning to be gym instructors*
9. *Interacting with students at the skills center*

1. *WBG President Jim Yong Kim with Indian PM Narendra Modi*
2. *The President at an anganwadi center in New Delhi*
3. *Jim Kim with Finance Minister Arun Jaitley*
4. *Addressing a press conference in New Delhi*
5. *At a skills center near Okhla, New Delhi*

ICR Update

This is a short summary of the Implementation Completion Report (ICR) of a recently-closed World Bank project. The full text of the ICR is available on the Bank's website. To access this document, go to ***www.worldbank.org/reference/*** *and then opt for the Documents & Reports section.*

Small and Medium Enterprise Financing and Development Project

Context

Small and Medium Enterprises (SMEs) in India are yet to achieve the competitiveness that would allow them to drive the manufacturing sector and contribute to the overall economic growth in India. In part, this is due to the financing constraints they face. Bank financing available to SMEs are typically of a shorter tenor, as banks themselves are reluctant to provide long term loans to these enterprises.

Project Development Objectives

The objective of the Project was to improve SME access to finance (particularly longer term financing) and business development services, thereby fostering SME growth, competitiveness and employment creation, which were key to achieving Government of India's overall objectives of economic growth and poverty reduction.

Small and Medium Enterprise Financing and Development Project	
Approval Date:	30 November, 2004
Closing Date:	30 June, 2013
Total Project Cost	US$ 550 million
Bank Financing:	US$ 520 million
Implementing Agency:	Small Industries Development Bank of India
Outcome:	Satisfactory
Risk to Development Outcome:	Negligible to Low
Overall Bank Performance:	Satisfactory
Overall Borrower Performance:	Satisfactory

Main Beneficiaries

The expected beneficiaries of the Project included: Micro, Small and Medium Enterprises (MSMEs), bankers, financial institutions, including Non-Bank Financial Institutions (NBFCs), clusters, industry associations, Business Development Service (BDS) providers, and large enterprises including multinationals (as procurers of goods and services).

Achievement of Program Development Objectives

The Project provided much-needed liquidity support to SMEs through various longer term financial products provided by SIDBI, thus leading to increased production capacity.

From the start of the Project to March 2008, lending to SMEs increased by 98 percent against a target of 37 percent. During the same period, there was a 98 percent increase (against a target of 26 percent) in term-lending (loans with maturity of 3 to 15 years) to SMEs by Partnering Financial Institutions (PFIs). Over 10,000 SMEs were supported in a wide variety of sectors and regions, including in low income states – Madhya Pradesh, Bihar, West Bengal, Rajasthan and Jharkhand.

Not only SMEs, but also Participating Financial Institutions (PFIs) increased profits with a 1.39 percent Return on Assets (ROA) against the targeted 1 percent. Non-performing loans at SIDBI remained at 0.53 percent only.

The Bank approved an additional financing of US$400 million, which became effective in July 2009, to scale up the project and to respond to the challenges faced by SMEs in India in the aftermath of the 2008-09 global financial crisis during which the lending to SMEs had contracted sharply and SMEs faced an acute shortage of working capital and term lending.

The Project facilitated access to customized and affordable Business Development Services (BDS) to MSMEs. The turnover of individual BDS providers in the intervention clusters increased by 26 percent during the period 2007-08 to 2010-11, while the profit increased by 37 percent during the same period. Approximately 800 BDS providers benefited from the project while about 450 new BDS providers were introduced.

The Project undertook numerous innovative initiatives in knowledge management. This resulted in more than 60 websites providing a knowledge sharing platform. Over 100 case studies and policy notes were undertaken. More than 20 surveys were conducted, including retail chain studies, domestic market, surveys, financial products in clusters, and productivity enhancement.

More than 2,100 staff from SIDBI, commercial banks, and financial institutions received training on different areas of lending such as environmental management, credit scoring, downscaling, and risk capital financing. As part of the project, an Environment and Social Risk Management Framework (ESMF) was integrated into the lending mechanism of SIDBI and PFIs, which helped in ascertaining their risk in terms of environment and social issues. ESMF was applied and adopted for more than 10,000 SME loans financed under the Project. It addressed the requirements of the law of the land such as abolition of child labor, environmental issues, labor, welfare, and adequate sanitation facilities among others in a systematic manner.

Drawn by the information on the success of this Project, the Society for Development (SFD) – an apex Egyptian SME institution – expressed interest in a technical collaboration with SIDBI. A MoU was signed in March 2013 to help support initiatives that can strengthen SME development in Egypt.

Lessons Learnt

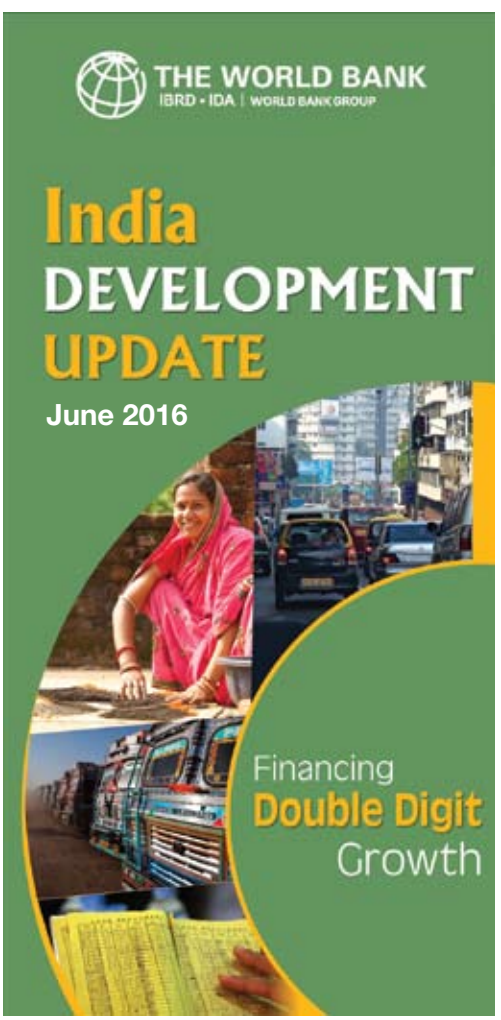
- A credit line accompanied by a technical assistance component contributed to a more comprehensive project design by addressing both supply side and demand side issues, leading to effective synergy and improved outcomes. Working with industry stakeholders, like industry associations, is critical to implement effective BDS components that are demand led.
- The establishment of an autonomous Project Management Division (PMD) right at the start of the Project ensured uninterrupted and seamless implementation. In addition, having continuity in the PMD is critical.
- Expansion of project activities in low income states can be greatly facilitated by a strategy that relies on identifying appropriate existing financial intermediaries with local presence and providing them adequate support.
- With a strong effort on training, sensitization and communication, the Project demonstrated that there is scope for inculcating an appreciation amongst lenders and SMEs on environmental and social issues.
- During implementation it was realized that there are no incentives for SMEs to follow the International Competitive Bidding (ICB) procedure of the Bank, and that they preferred commercial practices as the method of procurement. For future this aspect needs to be addressed.

India Development Update

India's Economy on Solid Growth Path, Needs to Strengthen Governance and Balance Sheets of Banks

India's economy expanded at a faster pace in financial year 2016 even as a number of its growth engines stalled. Agriculture – having faced two consecutive drought years, rural household consumption, private investments, and exports have not performed to potential.

The oil bonanza most directly benefited the government, which for the first time in five years exceeded its revenue collection targets and used the resources to contain the fiscal deficit, transfer more resources to states, and spend more on infrastructure. Capital spending by the central government was ramped up, its efforts amplified by state governments that had additional resources from larger fiscal devolution.



But it was urban households who were the main drivers of growth in FY 2016. The manufacturing and services sectors, which expanded 7.4 and 8.9 percent, respectively, also created urban jobs. Inflation abated, primarily because of lower food prices. Lower inflation raised real incomes, and allowed RBI to cut interest rates, which favored the financially-connected urban households.

The challenge for the Indian economy now is to activate the stalled engines – agricultural growth and rural demand; trade; and private investment, while ensuring that demand from urban households and public investments, what the Update describes as the working engines of the economy, do not run out of fuel.

While India's financial sector has performed well on many dimensions and can be a reliable pillar of future economic growth, accelerating structural reforms and addressing the non-performing asset (NPA) challenge remain urgent tasks.

Another significant step taken by the government has been the greater devolution of the spending power from the center to the states and local bodies. An analysis of the FY17 budget documents of 20 states suggests all states gained following the implementation of the 14th FC recommendations in FY16, but the extent of gains varied significantly. Overall, transfer of grants to states increased by 0.7 percent of GDP in FY16 compared to the budget estimate of a net increase of 0.5 percent.

Tax devolution increased everywhere, even for states that saw a reduction in their inter-state share, such as Bihar and Rajasthan. On average, states increased health and education expenditures by 0.4 percent of GSDP.

Link to the Update:
http://tinyurl.com/jalmq89

New Additions to the Public Information Center

This is a select listing of recent World Bank publications, working papers, operational documents and other information resources that are now available at the New Delhi Office Public Information Center. Policy Research Working Papers, Project Appraisal Documents, Project Information Documents and other reports can be downloaded in pdf format from 'Documents and Reports' at www.worldbank.org

Publications may be consulted and copies of unpriced items obtained from:

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India Publications

India States Briefs

By Poverty and Equity Global Practice
Available: On-line

The briefs contain a wealth of attractive and an easy to read knowledge on India's states. The first round focuses on the low-income states namely, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan and Uttar Pradesh. In addition to the states briefs, the profile of India's poor is put together in the form of infographics, a visually appealing way to describe the poor. The link to the infographic is below. The link to the briefs is available on India's main page.

Link to the India States Briefs page:
http://tinyurl.com/z3wd2ye

Link to the poverty Infographic:
http://tinyurl.com/zufs92d

Grid-connected rooftop solar program: Fiduciary systems assessment

By World Bank
Available On-line
Published: April 2016; Pages 31
Working Paper: 105691

As part of the fiduciary systems assessment under program-for-results (PforR) operations, the World Bank's fiduciary staff (financial management, procurement, and integrity) reviewed the program's fiduciary implementation arrangements to assess the capacity of State Bank of India (SBI). SBI is a Borrower and Implementing Agency for the World Bank-assisted Grid-Connected Rooftop Solar Program, which in turn is an important segment of the government's Grid-Connected Rooftop and Small Solar Power Plant (GRSSPP) Program.

The fiduciary assessment carried out by the Bank provides a reasonable assurance that the implementing agency's relevant planning, budgeting, accounting, internal controls, funds flow, financial reporting, and

auditing arrangements are adequate and that SBI will ensure the appropriate use of program funds and safeguarding of its assets.

The assessment also provides assurance that systems are in place and are adequate to handle the risks of fraud and corruption, including a complaint mechanism, and provides additional assurance on how such risks are managed and or mitigated.

India: Policy Research Working Papers

WPS 7694

Markets, contracts, and uncertainty in a groundwater economy

By Xavier Gine and Hanan G. Jacoby

This paper develops a model of groundwater transactions arising from unpredictable fluctuations in groundwater availability during the agricultural dry season. The model highlights the trade-off between the ex post inefficiency of long-term contracts and the ex-ante inefficiency of spot contracts. The structural parameters are estimated using detailed micro-data on the area irrigated under each contract type combined with subjective probability distributions of borewell discharge elicited from a large sample of well-owners in southern India.

The findings show that, while the contracting distortion leads to an average welfare loss of less than 2 percent and accounts for less than 50 percent of all transactions costs in groundwater markets, it has a sizeable impact on irrigated area, especially for small farmers. Uncertainty coupled with land fragmentation also attenuates the benefits of the water-saving technologies now being heavily promoted in India.

WPS 7665

Short-term effects of India's employment guarantee program on labor markets and agricultural productivity

By Klaus W. Deininger, Hari Krishnan Nagarajan and Sudhir K. Singh

This paper uses a large national household panel from 1999-2000 and 2007-08 to analyze the short-term effects of India's Mahatma Gandhi National Rural Employment Guarantee Scheme on wages, labor supply, agricultural labor use, and productivity.

The scheme prompted a 10-point wage increase and higher labor supply to nonagricultural casual work and agricultural self-employment. Program-induced drops in hired labor demand were more than outweighed by more intensive use of family labor, machinery, fertilizer, and diversification to crops with higher risk-return profiles, especially by small farmers.

Although the aggregate productivity effects were modest, total employment generated by the program (but not employment in irrigation-related activities) significantly increased productivity, suggesting alleviation of liquidity constraints and implicit insurance provision rather than quality of works undertaken as a main channel for program-induced productivity effects.

Other Publications

World Development Indicators 2016

By World Bank
Available On-line
Published: April 2016;
Pages 176
ISBN: 978-1-4648-0683-4
e-ISBN: 978-1-4648-0684-1

World Development Indicators 2016 provides a compilation of internationally comparable statistics about global development and the fight against poverty. It is intended to help policymakers, students, analysts, professors, program managers, and citizens find and use data related to development, including those that help monitor progress toward the World Bank Group's two goals of ending poverty and promoting shared prosperity.

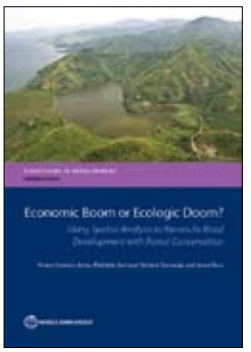
Global Economic Prospects, June 2016: Divergences and Risks

By World Bank Group
Available On-line
Jun 07, 2016

Global growth prospects have deteriorated in 2016. Emerging market and developing economies are facing increased external headwinds, including softer growth in advanced economies. Commodity exporters are struggling with particularly challenging conditions, while commodity importers are thus far showing greater resilience. Global growth is expected to gradually accelerate in 2017-18 but risks to the outlook are increasingly more pronounced.

In addition to discussing global and regional economic developments and prospects, this edition of Global Economic Prospects includes two Special Focus essays of critical importance for emerging and developing economies: an analysis of the buildup of private debt in emerging and frontier markets and a quantitative study of uncertainties surrounding global growth.

Economic Boom or Ecologic Doom? Using Spatial Analysis to Reconcile Road Development with Forest Conservation

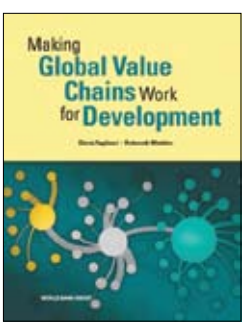


By Alvaro Federico Barra, Mathilde Burnouf, Richard Damania and Jason Russ
Available On-line
Published: June 2016;
Pages: 100
ISBN: 978-1-4648-0810-4
e-ISBN: 978-1-4648-0811-1

This book combines economic assessments with geospatial analysis. First, transport costs are estimated using GIS techniques. A variety of econometric procedures are then used to determine the economic effects of changing transport costs. Second, highly disaggregated spatial data is used to estimate the effects of roads on forest cover, and the resulting biodiversity that would be at risk from local deforestation. Next the two spatial estimates are combined to simulate the effects of different policies. Finally this provides a series of maps that identify regions where there are large trade-offs between economic and ecological goals.

This report presents both new data and new techniques that can be used to identify areas of opportunity, risk, and potential for REDD+ financing.

Making Global Value Chains Work for Development



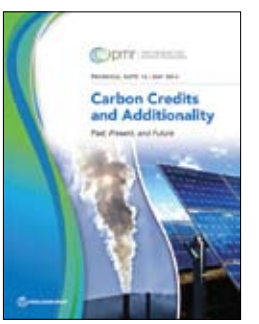
By Taglioni, Daria and Deborah Winkler
Available On-line
Published: June 2016;
Pages: 289
ISBN (paper): 978-1-4648-0157-0
ISBN (electronic): 978-1-4648-0162-4

Economic, technological, and political shifts as well as changing business strategies have driven firms to unbundle production processes and disperse them across countries. Developing countries can now increase their participation in global value chains (GVCs) and thus become more competitive in agriculture, manufacturing and services. This is a paradigm shift from the 20th century when countries had to build the entire supply chain domestically to become competitive internationally. For policymakers, the focus is on boosting domestic value added and improving access to resources and technology while advancing development goals.

However, participating in global value chains does not automatically improve living standards and social conditions in a country. This requires not only improving the quality and quantity of production factors and redressing market failures, but also engineering equitable distributions of opportunities and outcomes – including employment, wages, work conditions, economic rights, gender equality, economic security, and protecting the environment.

This book offers a framework, analytical tools, and policy options to address this challenge.

Carbon Credits and Additionality: Past, Present, and Future



By World Bank
Available On-line
Published: May 2016,
Pages: 33

The concept of "additionality" has long been considered important in the context of crediting mechanisms as it ensures that the emission reduction or removal that is credited would not have otherwise occurred. However, there are different approaches that have been used and are emerging as new crediting mechanisms are being designed and implemented.

This paper clarifies the concept of additionality and its significance for crediting mechanisms; describes the different approaches that have been used to demonstrate or test additionality; and explores the implications of the evolving carbon markets on the application and importance of additionality.

India Project Documents

Karnataka Municipal Reform Project

Date	10 June 2016
Project ID	P079675
Report No.	ICRR0020034 (Implementation Completion Report Review)

Meghalaya Community Led-Landscapes Management Project

Date	09 June 2016
Project ID	P157836
Report No.	PIDISDSC 18378 (Project Information & Integrated Safeguards Data Sheet)

Assam Agricultural Competitiveness Project

Date	02 June 2016
Project ID	P084792
Report No.	ICRR0020086 (Implementation Completion Report Review)

Capacity Augmentation of the National Waterway Project

Date	09 June 2016
Project ID	P148775
Report No.	SFG2231, 2235, 2240 (Environmental Assessment; 4 vol.)
	SFG2250 (Resettlement Plan)

Technical Education Quality Improvement Project III

Date	27 May 2016
Project ID	P154523
Report No.	PIDA47004 (Project Information Document – Appraisal Stage)

Andhra Pradesh and Telangana Rural Water Supply and Sanitation Project

Date	25 May 2016
Project ID	P101650
Report No.	RES23370 (Project Paper)

Second Karnataka State Highway Improvement Project

Date	17 May 2016
Project ID	P107675
Report No.	RES18941 (Project Paper)

Bihar Transformative Development Project

Date	09 May 2016
Project ID	P159576
Report No.	PIDISDSC 17601 (Project Information & Integrated Safeguards Data Sheet)
	SFG2044, 2058 (Indigenous Peoples Plan)

Himachal Pradesh Horticulture Development Project

Date	06 May 2016
Project ID	P151744
Report No.	PAD1637 (Project Appraisal Document)

National Agriculture Higher Education Project

Date	03 May 2016
Project ID	P151072
Report No.	ISDSA17601 (Integrated Safeguards Data Sheet – Appraisal Stage)
	SFG2146 (Indigenous Peoples Plan)
	PIDA65086 (Project Information Document)
	SGF2116 (Environmental Assessment)

Capacity Building for Industrial Pollution Management Project

Date	03 May 2016
Project ID	P091031
Report No.	RES22361 (Project Paper)
	ISDSR18080 (Integrated Safeguards Data Sheet)

Himachal Pradesh State Roads Project

Date	25 April 2016
Project ID	P096019
Report No.	RES22845 (Project Paper)
	ISDSR17577 (Integrated Safeguards Data Sheet – Concept Stage)

Grid-Connected Rooftop Solar Program Project

Date	21 April 2016
Project ID	P155007
Report No.	104345 (Program Document)

Assam Citizen Centric Service Delivery Reform Project

Date	20 April 2016
Project ID	P150308
Report No.	ISDSA 15621 (Integrated Safeguards Data Sheet)
	SFG2074 (Environmental Assessment)

Carbon Tetrachloride (CTC) Sector Plan Implementation Project

Date	19 April 2016
Project ID	P085345
Report No.	ICRR14897 (Implementation Completion Report Review)

Financing Public-Private Partnerships (PPPs) in Infrastructure Project

Date	18 April 2016
Project ID	P102771
Report No.	ICR3745 (Implementation Completion and Results Report)

Uttarakhand Water Supply and Sanitation Program for Peri-urban Areas Project

Date	14 April 2016
Project ID	158146
Report No.	PID47261 (Project Information Document)

Sustainable Urban Transport Project

Date	04 April 2016
Project ID	P110371
Report No.	SFG2028 (Environmental Assessment)

Rajasthan Rural Livelihoods Project

Date	01 April 2016
Project ID	P085345
Report No.	ISDSR17698 (Integrated Safeguards Data Sheet – Restructuring Stage)

North East Rural Livelihoods Project

Date	01 April 2016
Project ID	P102330
Report No.	104766 (Procurement Plan)

Eastern Dedicated Freight Corridor Project

Date	01 April 2016
Project ID	P150158
Report No.	SFG1115 (Environmental Assessment, 2 Vol.)

From the Blogworld

The 2016 Multidimensional Poverty Index

By Duncan Green

This is at the geeky, number-crunching end of my spectrum, but I think it's worth a look (and anyway, they asked nicely). The 2016 Multi-Dimensional Poverty Index was published recently. It now covers 102 countries in total, including 75 per cent of the world's population, or 5.2 billion people. Of this proportion, 30 per cent of people (1.6 billion) are identified as multidimensionally poor.

The Global MPI has 3 dimensions and 10 indicators. A person is identified as multidimensionally poor (or 'MPI poor') if they are deprived in at least one-third of the dimensions. The MPI is calculated by multiplying the incidence of poverty (the percentage of people identified as MPI poor) by the average intensity of poverty across the poor. So it reflects both the share of people in poverty and the degree to which they are deprived.

Read more: http://tinyurl.com/gv966a5

Can Singapore become a role model for quickly-growing cities?

Author: Ede Ijjasz-Vasquez; Co-author: Abhas Jha

In the 1960s, Singapore was struggling with limited resources, a small domestic market, and high unemployment. Living standards were low, with most residents living in crowded, unsanitary slums.

Today's picture couldn't be any more different: in the span of just a few decades, the city-state has completely reinvented itself to become a model of urban innovation, consistently topping international rankings for livability and competitiveness.

Read more:
http://tinyurl.com/zlmd82v

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