

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	India	Project Title:	Inclusive, Resilient, and Sustainable Housing for Urban Poor Sector Project in Tamil Nadu
Lending/Financing Modality:	Sector Project/Financial Intermediation	Department/Division:	South Asia Department (SARD)/ Urban Development and Water Division (SAUW)

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: Individual or household (Targeted Intervention-Household)

A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy

India's urban population of 380 million (31%) contributes 63% of the country's gross domestic product. With the growth of urban centers, the urban slum population has also grown, by 25.1% during 2001–2011. About one-fifth of the country's population is living below the poverty line. In comparison, in the state of Tamil Nadu 13.7% of the overall population and 7.4% of the urban population lives below the poverty line.^a Tamil Nadu is one of five states that host 62% of India's slum population. The Government of India's Three Year Action Agenda, covering fiscal year (FY) 2018–FY2020, recognizes that national poverty levels are steadily declining but with significant regional differences.^b Poverty reduction is a priority of the Government of India and the Asian Development Bank (ADB). The government's strategy paper (target year FY2023) identifies objectives in diverse sectors, that are clubbed under four sections: drivers, infrastructure, inclusion and governance. The government's targets include a GDP growth rate of 8% by FY2023.^c ADB's country partnership strategy for India, 2018–2022 is aligned with government priorities and aims to enable the country to move from lower towards upper middle-income status, while achieving faster, inclusive, and sustainable economic growth.^d Tamil Nadu is India's seventh-largest state in terms of population and ranks first in the level of urbanization (48%) among larger states. Rapid urban industrial and population growth have resulted in slum growth, particularly in high-risk areas including areas vulnerable to floods and cyclones. Tamil Nadu has a housing deficit of 1.25 million, equal to 6.66% of the country's total housing shortfall.^e Provision of housing and infrastructure facilities is severely strained and in need of major investments to ensure reduced vulnerability and improved services to the poor. The proposed project will improve access to affordable housing to poor households at risk. The project aims to (i) construct affordable and improved housing for vulnerable communities, including women beneficiaries; (ii) increase affordable housing for urban poor and migrant workers, including working women; and (iii) support regional plan development with a focus on the Chennai–Kanyakumari Industrial Corridor. The project will increase resilience of the urban poor and migrant workers to pandemics.

B. Results from the Poverty and Social Analysis during project preparatory technical assistance or Due Diligence

1. **Key poverty and social issues.** Based on the Planning Commission of India FY 2012 estimates, 20.3% of the population of urban Tamil Nadu lives below the state-specific poverty line of ₹1,380.36 per capita per month.^f The state has 5.8 million slum residents, which represents 17% of the urban population, and 8.9% of the total slum population in India.^g According to the 2011 census figures, 16.6% of the state's urban population lives in slums.^h The lack of affordable housing results in many of the urban poor living in slums that are vulnerable to flooding or other hazards and have limited or no urban services, and no tenure security. Increasing numbers of poor migrant workers in cities and industrial estates are forced to reside in hazardous areas or pay high transportation costs to access livelihoods. Socioeconomic surveys carried out in Karaikudi, Tirunelveli and Thanjavur in 2020 for 1,949 slum families affected by the project indicate that 31.1% live below the poverty line; the workforce participation rate is 38.5%, and 60% of those in the workforce are casual laborers. Households headed by women account for 18.9% of surveyed households, and 26.5% of surveyed households are in debt. None of the affected households have land titles and 12.4% are tenants living in encroached structures, rendering them more vulnerable. To identify the poorest among the poor, eight proxy variables were considered. Data analysis using a stepwise multiple regression model (with eight independent variables and total household income as the dependent variable) revealed four significant variables: gender of head of household, level of indebtedness, occupation, and perceived economic status in community. Cross tabulation of predicted income with proxy variables and total household income indicate that 40.9% of the below-poverty line families are poorer than others and 9.1% of families above the poverty line are at risk of falling into poverty.ⁱ The poverty impact ratio calculated using distribution analysis was found to be 22.0% to 54.5% (Kalanivasal: 22.0%; Reddiarpatti: 28.8%; industrial housing: 54.5%; and working women hostels: 51.1%).

2. **Beneficiaries.** For output 1, slum households in vulnerable locations are targeted as project beneficiaries of the proposed 6,000 climate hazard-resilient units in nine separate locations throughout the state. Relocating such households into government-built housing ensures tenure security, giving the poor property ownership and access to basic services. For output 2, targeted beneficiaries include households from the economically weaker section and lower income group, and other vulnerable groups such as persons with disabilities and the elderly.

3. **Impact channels.** The project proposes to introduce gradual changes in how affordable housing for vulnerable poor households is undertaken through (i) improved design incorporating operation and maintenance (O&M); (ii) increased consultation and participation of beneficiaries; and (iii) application of the graduation approach to sustain relocated households. It will also support housing for migrant workers and hostels in cities for working women. Access to affordable housing with urban services is expected to increase the resilience of slum population against the coronavirus disease (COVID-19) pandemic.^j Through the pilot graduation program, the vulnerable are provided social protection, livelihood support, financial inclusion, and social empowerment. A gender equality and social inclusion (GESI) action plan will be implemented for further gender and social inclusion.

4. **Other social and poverty issues.** The potential for a COVID-19 outbreak is challenging for those living in densely populated informal settlements with poor access to basic services and difficulty in practicing social distancing.

5. **Design features.** Proposed housing units will be climate hazard-resilient with improved urban services. Improved O&M schemes for safe, gender-responsive shelter will be piloted in five housing sites, and waterways will be protected with ecological restoration

components. Regional plans will be developed with a focus on affordable housing, environmental management and disaster resilience, and gender aspects.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and project activities. Consultations were limited during due diligence due to COVID-19 restrictions. Consultations with the poor and vulnerable affected persons are planned prior to, during and post-relocation, in line with the consultation and participation plan, while mentoring and coaching approaches will be adopted under the graduation program.

2. Civil society organizations (CSO). The project will identify and engage with CSOs working with urban slums.^k Pilot project details, including the location and design of relocation sites, safeguard documents, the graduation program, and grievance redress mechanism will be shared with the CSOs and feedback incorporated in the design of subsequent subprojects. The consultation and participation plan provides details on engaging with the CSOs.

3. The following forms of CSO participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA):
 Information gathering and sharing (H) Consultation (M) Collaboration (L) Partnership NA

4. Participation plan. The project has a consultation and participation plan covering design, implementation and relocation phase. The plan provides for engaging with CSOs, citizen forums, women's groups, self-help groups, and special groups formed for socially excluded segments of the population. Consultations will be led by the Tamil Nadu Slum Clearance Board Project Implementation Division staff.
 Yes. No.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: effective gender mainstreaming

A. Key issues. Tamil Nadu's strategy for slums favors relocation.^l Studies by civil society and human rights organizations reveal disruptions, including human rights violations and poor quality of life at resettlement sites for slum dwellers in Chennai.^m Women in the project area are employed as domestic help, in making beedi (mini cigars) and flower garlands, and in tailoring. Relocation is likely to result in loss of employment for some women and a marked increase in travel time and expenses for those who remain employed. Relocation will also result in disruption of informal networks on which women depend. Security at resettlement sites was a major concern voiced by several women. Ensuring access to basic infrastructure and services, including schools and health centers, is also a source of anxiety. Housing units built to relocate slum dwellers in other parts of the state are of poor quality and insensitive to cultural and gender needs. The level of indebtedness, alcoholism, and resultant domestic violence are high. A large number of women in the targeted slums face the prospect of extreme poverty and indebtedness. The project proposes to resettle an estimated 6,000 slum households; 50.8% of the beneficiaries are female, with an average family size of 3.

B. Key actions. The project ensures that the design of the new housing units is sensitive to the needs of women and other vulnerable groups; provides privacy to women and girls; and includes spaces conducive to livelihoods and group activities women engage in. The masterplan design incorporates key principles of crime prevention through environmental design. The GESI action plan ensures that the process of relocation is participatory, and community members, including women, are prepared for resettlement. The graduation program considers gender at all stages, with 50% women animators and a monitoring and evaluation framework that includes GESI indicators and data disaggregated by gender identity. Beneficiaries include 50% women and all transgender people within the project area. Joint titles of housing units ensure women's right to property. Working women's hostels have a gender-sensitive, safety-oriented design. Women are ensured tangible benefits, enhanced voice in decision making, and access to resources.

Gender action plan Other actions or measures No action or measure

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: A B C FI

1. **Key impacts.** Output 1 anticipates significant involuntary resettlement impacts in the form of physical displacement from housing as well as livelihood impacts. The three sample subprojects will entail resettlement of 2,745 families and impact the livelihoods of 105 shopkeepers. The project is expected to resettle an estimated 6,000 families. No land acquisition is anticipated as resettlement sites are government land transferred to TNSCB. Under output 2, housing for industrial workers, working women and other vulnerable groups such as elderly and persons with disabilities is proposed in vacant industrial estate land or government land.

2. **Strategy to address the impacts.** The resettlement plans provide for housing with secure tenure and amenities. Support for livelihoods of the resettled families will be through the graduation approach. For output 2, the environmental, social and governance management system developed by the Tamil Nadu Infrastructure Fund Management Corporation (TNIFMC) will help address any involuntary resettlement impacts.

3. Plan or other Actions.

Resettlement plan Combined resettlement and indigenous peoples plan
 Resettlement framework Combined resettlement framework and indigenous peoples planning framework
 Environmental and social management system arrangement Social impact matrix
 No action

B. Indigenous Peoples

Safeguard Category: A B C FI

1. **Key impacts.** The relocation housing is proposed on government lands in urban or peri-urban areas. Industrial housing is proposed on land belonging to industrial estates. Women's hostels are proposed on government land in cities. The survey has not revealed the presence of scheduled tribes or particularly vulnerable tribal groups and the presence of such groups is not reported in the project areas of TNSCB or TNIFMC.

Is broad community support triggered? Yes No

2. **Strategy to address the impacts.** Not applicable

3. **Plan or other actions.**

Indigenous peoples plan

Indigenous peoples planning framework

Environmental and social management system arrangement

Social impact matrix

No action

Combined resettlement plan and indigenous peoples plan

Combined resettlement framework and indigenous peoples planning framework

Indigenous peoples plan elements integrated in project with a summary

V. ADDRESSING OTHER SOCIAL RISKS

A. Risks in the Labor Market

1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L).

unemployment (L) underemployment retrenchment core labor standards (H)

2. Labor market impact. TNSCB and TNIFMC will ensure compliance with labor laws, with no child labor; preference in hiring for civil works will be given to local laborers and willing affected persons.

B. Affordability

Houses built by TBSCB will be provided free of cost, with the beneficiary contribution waived; affected families will bear the registration charges as practiced in all TNSCB projects. Industrial workers and women will receive secure and quality accommodation at nominal rent.

C. Communicable Diseases and Other Social Risks

1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):

(M) Communicable diseases (NA) Human trafficking (NA) Others (please specify)

2. Risks to people in project area. Contractors and construction workers will be made aware of communicable diseases, including HIV/AIDS and COVID-19 or similar risks. In collaboration with project consultants, the project implementation division will raise awareness among contractors and workers of risks and mitigation measures.

VI. MONITORING AND EVALUATION

1. Targets and indicators. The design and monitoring framework and GESI contain the key targets and indicators to be regularly monitored during implementation.

2. Required human resources. TNSCB will ensure that adequate human resources will be allocated to the project management unit (PMU) and project implementation units (PIU). Consultancy support will be provided through the technical assistance, as delineated in the project administration manual (PAM).

3. Information in the project administration manual. The PAM describes in detail the monitoring arrangements, including on social and gender aspects. The PMU will be responsible for submitting consolidated semiannual safeguards and GESI action plan monitoring reports.

4. Monitoring tools. The PMU will submit quarterly environmental, social and GESI monitoring reports to ADB, to be disclosed on the PMU and ADB websites.

^a Government of India, Ministry of Statistics and Programme Implementation. 2017. [Selected Socio-Economic Statistics India 2017](#). New Delhi.

^b Government of India, NITI Aayog. 2017. *India Three Year Action Agenda, 2017-18 to 2019-20*. New Delhi.

^c Government of India. Niti Aayog. 2018. *Strategy for New India @75*. New Delhi.

^d ADB. 2017. *Country Partnership Strategy India 2018 – 2022 : Accelerating Inclusive Economic Transformation*. Manila.

^e Government of India, Ministry of Housing and Urban Poverty Alleviation, National Buildings Organisation. 2012. *Report of the Technical Group on Urban Housing Shortage (TG-12) (2012-2017)*. Delhi.

^f Government of India, Planning Commission. 2014. [Report of the Expert Group to Review the Methodology for Measurement of Poverty](#).

^g Government of India, Ministry of Housing and Urban Poverty Alleviation (MHUPA), National Buildings Organisation (NBO). 2015. *Slums in India: A Statistical Compendium 2015*. Delhi.

^h [Census of India. Slum Census 2011, https://censusindia.gov.in/2011census/population_enumeration.html](https://censusindia.gov.in/2011census/population_enumeration.html)

ⁱ The survey was carried out during the COVID-19 pandemic, and reassessment of income levels during implementation will help refine the targeted interventions.

^j S. Patranbis, S. Ghandi, and V. Tandel. 2020. [Are slums more vulnerable to the COVID-19 pandemic: Evidence from Mumbai](#). *Brookings Institute*. 16 April.

^k The CSO sector in Tamil Nadu includes the Information and Resource Center for Deprived Urban Communities, Uravugal (Social Welfare) Trust, Madras Institute of Development Studies, 100 Resilient Cities, Tamil Nadu State NGOs and Volunteers Resource Center, Tamil Nadu Corporation for Development of Women, Don Bosco Anbu Illam, Rhythem, World Vision, Banyan, Vishranthi Payir–Empowering Villages, Assefa, religious organizations, residents' welfare associations, and self-help groups

^l T. Saharan, K. Pfeffer and I. Baud. 2018. Shifting approaches to slums in Chennai: Political coalitions, policy discourses and practices. *Singapore Journal of Tropical Geography*. 39(3). Pp. 454–471.

^m S. Ramya and V. Peter. 2014. *Forced to the Fringes: Disasters of 'Resettlement' in India. Report Two: Kannagi Nagar, Chennai*. New Delhi: Housing and Land Rights Network; (ii) Information and Resource Centre for the Deprived Urban Communities and Housing and Land Rights Network. 2017. *From Deluge to Displacement: The Impact of Post-Flood Evictions and Resettlement in Chennai*. New Delhi.