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Report No: PAD00006

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROGRAM APPRAISAL DOCUMENT

ON A  
PROPOSED LOAN

IN THE AMOUNT OF US\$150 MILLION

TO

INDIA

FOR A

WEST BENGAL BOOSTING LOGISTICS EFFICIENCY AND TRADE FACILITATION PROGRAM

(P174825)

April 3, 2024

Macroeconomics, Trade and Investment  
South Asia

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective {January 31, 2024})

Currency Unit = INDIAN RUPEES (INR)

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INR 83.05 = US\$1

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FISCAL YEAR

APRIL 1 – MARCH 31

Regional Vice President: Martin Raiser

Regional Director: Mathew A. Verghis, Pankaj Gupta

Country Director: Auguste Tano Kouame

Practice Manager: Hoon Sahib Soh, Jen JungEun Oh

Task Team Leader(s): Dhruv Sharma, Ragnvald Michel Mallberg, Saroj Ayush

## ABBREVIATIONS AND ACRONYMS

3PL	Third Party Logistics
AM	Accountability Mechanism
APEDA	Agricultural and Processed Food Products Export Development Authority
AWP	Annual Work Plan
C&AG	Comptroller and Auditor General
CPF	Country Partnership Framework
DEPC	District Export Promotion Center
DILRMP	Digital India Land Records Modernization Programme
DLI	Disbursement Linked Indicator
DLR	Disbursement Linked Result
DoAM	Department of Agri-Marketing
DoIC&E	Department of Industries, Commerce and Enterprises
DoL&LR	Department of Land and Land Reforms
DoT	Department of Transport
E&S	Environmental and Social
EIA	Environmental Impact Assessment
EPC	Export Promotion Council
EPP	Export Promotion Policy
ESMS	Environmental and Social Management System
ESSA	Environmental and Social Safeguard Assessment
EXIM	Export–Import
FDI	Foreign Direct Investment
FPO	Farmer Produce Organisation
FY	Fiscal Year
GBV	Gender-based Violence
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GO	Government Order
GoI	Government of India
GoWB	Government of West Bengal
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
GSDP	Gross State Domestic Product
GVC	Global Value Chain
IBRD	International Bank for Reconstruction and Development
ICP	Integrated Check Post
IFMIS	Integrated Financial Management and Information System
IFSA	Integrated Fiduciary Systems Assessment
INR	Indian Rupee
IT	Information Technology
IVA	Independent Verification Agent
KPI	Key Performance Indicator
LDC	Logistics Development Council
LMP	Logistics Management Plan

MIS	Management Information System
MMLP	Multimodal Logistics Park
MSME	Micro, Small and Medium Enterprise
NABL	National Accreditation Board for Testing and Calibration Laboratories
NDC	Nationally Determined Contribution
NLP	National Logistics Policy
OPRC	Operations Procurement Review Committee
PAP	Program Action Plan
PEF	Program Expenditure Framework
PforR	Program-for-Results
PMU	Program Management Unit
POM	Program Operation Manual
PSC	Program Steering Committee
RA	Results Area
RCP	Representative Concentration Pathway
SCD	Systematic Country Diagnostic
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SOP	Standard Operating Procedure
ToR	Terms of Reference
US\$	United States Dollar
VLTS	Vehicle Location Tracking System
WBIDC	West Bengal Industrial Development Corporation
WBLETF	West Bengal Logistics Efficiency and Trade Facilitation
WBLP	West Bengal Logistics Policy
WBLSDP	West Bengal Logistics Development Policy
WBSAMB	West Bengal State Agricultural Marketing Board



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## DATASHEET

### BASIC INFORMATION

Project Beneficiary(ies)	Operation Name		
India	West Bengal Boosting Logistics Efficiency and Trade Facilitation Program		
Operation ID	Financing Instrument	Does this operation have an IPF component?	
P174825	Program-for-Results Financing (PforR)	No	

### Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Contingent Emergency Response Component (CERC)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Small State(s)	<input type="checkbox"/> Conflict
<input type="checkbox"/> Alternative Procurement Arrangements (APA)	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)	

Expected Approval Date	Expected Closing Date
24-Apr-2024	30-Jun-2028
Bank/IFC Collaboration	
No	

### Proposed Program Development Objective(s)

To increase logistics efficiency and trade facilitation in West Bengal



### Organizations

Borrower: India  
 Implementing Agency: West Bengal Department of Industries, Commerce and Enterprises  
 Contact: Vandana Yadav  
 Title: Principal Secretary, Industries, Commerce and Enterprises  
 Telephone No: 00919650643434  
 Email: vandana.yadav@wbidc.com

### COST & FINANCING (US\$, Millions)

#### Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)?

Is this project Private Capital Enabling (PCE)?

#### SUMMARY

<b>Government program Cost</b>	<b>800.00</b>
<b>Total Operation Cost</b>	<b>250.00</b>
Total Program Cost	249.62
Other Costs (Front-end fee,IBRD)	0.38
<b>Total Financing</b>	<b>250.00</b>
<b>Financing Gap</b>	<b>0.00</b>

#### Financing (US\$, Millions)

##### World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	150.00
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##### Non-World Bank Group Financing

Counterpart Funding	100.00
Borrower/Recipient	100.00



## PRACTICE AREA(S)

### Practice Area (Lead)

Macroeconomics, Trade and Investment

### Contributing Practice Areas

Transport; Governance; Urban, Resilience and Land;  
Agriculture and Food

## CLIMATE

### Climate Change and Disaster Screening

Yes, it has been screened and the results are discussed in the Operation Document

## SYSTEMATIC OPERATIONS RISK- RATING TOOL (SORT)

### Risk Category

### Rating

1. Political and Governance	● Moderate
2. Macroeconomic	● Moderate
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Substantial
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Substantial
7. Environment and Social	● Substantial
8. Stakeholders	● Substantial
9. Overall	● Substantial

## POLICY COMPLIANCE

### Policy

Does the project depart from the CPF in content or in other significant respects?





☐ Yes ☒ No

Does the project require any waivers of Bank policies?

☐ Yes ☒ No

## LEGAL

### Legal Covenants

#### Sections and Description

The Program Implementing Entity (State of West Bengal) shall prepare, approve and adopt, within one (1) month of the Effective Date, a Program Operations Manual in form and substance acceptable to the Bank;

The Program Implementing Entity shall: (i) ensure that the Program's activities involving collection, storage, usage, and/or processing of Personal Data are carried out with due regard to the Borrower's and Program Implementing Entity's existing legal framework and appropriate international data protection and privacy standards and practices and ensure legitimate, appropriate and proportionate treatment of such data; (ii) in the event that, during the implementation of the Program, the approval of any new legislation regarding Personal Data protection may have an impact on the activities financed by the Program, ensure that a technical analysis of said impact is conducted, and that the necessary recommendations concluding the assessment and adjustments deemed necessary to efficiently protect Personal Data, are implemented, as appropriate; and (iii) except as may otherwise be explicitly required or permitted under this Agreement, or as may be explicitly requested by the Bank, in sharing any information, report or document related to the activities described in Schedule 1 to the Agreement, ensure that such information, report or document does not include Personal Data.

The Program Implementing Entity shall: (i) Not later than one month after the Effective Date and thereafter maintain, at all times during the implementation of the Program, one or more Independent Verification Agent(s) under terms of reference acceptable to the Bank, to verify the data and other evidence supporting the achievement of one or more DLRs as set forth in the table in Schedule 4 to this Agreement and recommend corresponding payments to be made, as applicable; and (ii) ensure that the Independent Verification Agent(s) carries out verification and process(es) in accordance with the Verification Protocol; and (ii) submits to the Bank the corresponding verification reports in a timely manner and in form and substance satisfactory to the Bank, prior to submission of any withdrawal application under Categories (1) to (6) of the table in Section IV.A.2 of Schedule 2 to the Loan Agreement.

The Program Implementing Entity shall: (a) maintain, throughout Program implementation, a Program Management Unit ("PMU") within DoIC&E, headed by a Program director, assisted by staff in adequate number, all with experience, qualification, and under terms of reference, acceptable to the Bank, which shall be responsible for, inter alia, overall Program as set out in the Program Operations Manual; (b) maintain, throughout the period of implementation of the Program, the Program Steering Committee, chaired by its Chief Secretary, with composition, functions, and responsibilities acceptable to the Bank and set forth in detail in the Program Operations Manual, to be responsible for providing oversight and guidance for the implementation of the Program; (c) no later than one (1) month after the Effective Date, or any other date as agreed in writing between the Bank and Borrower, establish and thereafter



maintain throughout the period of implementation of the Program, the Program implementation units (“PIUs”) in DoT, DoAM, and DoL&LR, with composition, resources, and staff with qualifications, experience, and terms of reference acceptable to the Bank, as set forth in the Program Operations Manual; and (d) no later than one (1) month after the Effective Date, or any other date as agreed in writing between the Bank and the Borrower, engage the services of a Program management consultant agency, and thereafter maintain such services throughout the implementation of the Program, all under terms and conditions acceptable to the Bank, to support measures intended to strengthen administrative structures responsible for implementation and coordination of the Program. (e) ensure that the Program’s procurement performance data is submitted to the Bank semi-annually, starting no later than six (6) months after the Effective Date (or any other date agreed in writing between the Program Implementing Entity and the Bank), in form and substance acceptable to the Bank. (f) (i) Ensure that an independent procurement audit for procurements under the Program is conducted annually by independent auditors selected under terms of reference acceptable to the Bank; and (ii) submit the audit reports to the Bank annually, starting one (1) year after the Effective Date, in form and substance acceptable to the Bank. (g) No later than three (3) months after the Effective Date, issue a Government Order mandating the implementation of the protocol for the application of the Anti-corruption Guidelines.

**Conditions**

Type	Citation	Description	Financing Source
Disbursement	Loan Agreement, Section IV, Part B	No withdrawal shall be made on the basis of DLRs achieved prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$10,000,000 may be made on the basis of DLRs achieved prior to this date but on or after December 6, 2022.	IBRD/IDA



## I. STRATEGIC CONTEXT

### A. Country Context

- 1. Growth is forecast to be between 6.3–7.3 percent in fiscal year (FY)23/24 and to remain robust in the medium term.** In FY23/24 India will remain the fastest growing large economy. While consumption growth is expected to slow down (as the post-pandemic rebound dissipates) and export demand to be somewhat depressed by the weak global environment, strong investment growth should keep economic growth elevated. The public investment push should gradually crowd-in private investment which will also be facilitated by healthy corporate profits, easing inflation, India's strong macroeconomic fundamentals, and a reduction in bank non-performing loans. The government's efforts to contain current spending coupled with strong revenue performance should contribute to narrowing the general government fiscal deficit (to 8.7 percent in FY23/24 from 9.2 in FY22/23), with the debt-to-gross domestic product (GDP) ratio stabilizing at around 82 percent of GDP over the medium term. India's external position remains favorable, with growing services exports, a narrowing merchandise trade deficit, steady net foreign capital inflows, and large foreign exchange reserves of more than US\$600 billion (as of end-2023).
- 2. India has made remarkable progress in reducing extreme poverty over the past two decades.** The share of the population living below US\$2.15 per person per day (2017 PPP) is estimated to have halved between 2011 and 2019 from 22.5 to 12.7 percent. In line with global trends, extreme poverty increased by two percentage points in 2020 on account of the pandemic. However, broad access to vaccines and government mitigation measures contributed to the return to pre-pandemic poverty levels. The extreme poverty rate is estimated to have declined to 11.9 percent in FY 21/22, while moderate poverty (\$3.65 per person per day) rate is estimated at 40 percent in FY 21/22.<sup>1</sup> India's long-term progress in reducing extreme poverty was accompanied by a sharp decline in the incidence of multidimensional poverty, from 27.7 percent in 2015/16 to 16.4 percent in 2019/21. Inequality in consumption has remained stable over the past two decades, with a Gini index of around 35. Child malnutrition declined sharply between 2015/16 and 2019/21, with 35.5 percent of children under the age of 5 being stunted. Headline employment indicators have improved since 2020, and unemployment rates have recovered in urban and rural areas but concerns about job quality remain.<sup>2</sup>
- 3. To strengthen private sector led growth, the Government of India (GoI) is focusing on reforms to improve the business environment and enhance efficiency in the logistics sector.** India aims to transition to a US\$5 trillion economy by 2025, increase exports to US\$2 trillion, and achieve Sustainable Development Goals by 2030. Realizing this ambition depends on tackling structural weaknesses, including those that hinder private investment and competitiveness, such as inadequate logistics and export infrastructure, weak regulatory enforcement, high tariff and non-tariff barriers, and burdensome transport and trade regulations. Despite some improvements, factor market regulations concerning labor and land constitute large costs to firms. As a result, India faces high logistics costs, estimated at 13 percent of GDP,<sup>3</sup> compared to 8 to 10 percent for advanced economies.
- 4. The GoI launched the National Logistics Policy (NLP) in 2022 and the PM Gati Shakti (National Master Plan for Multi Modal Connectivity) in 2021 to reduce high logistics costs.** These flagship initiatives

<sup>1</sup> World Bank. Macro Poverty Outlook (MPO). October 2023.

<sup>2</sup> World Bank. Poverty and Equity Brief. Fall 2023 Edition.

<sup>3</sup> Estimates by Armstrong & Associates on Global Third-Party Logistics (3PL) Market estimates for over a decade.



have been complemented by investments to improve connectivity and infrastructure, incentives to increase private investments (Production-Linked Incentives), the introduction of the Goods and Services Tax to align tax rates across states, streamlined labor laws, and targeted export promotion (such as food processing). The NLP and PM Gati Shakti programs include state level interventions to encourage states to adopt state logistics policies and action plans for coordinated infrastructure development.

5. **West Bengal is the sixth largest state economy in India<sup>4</sup> and among the most urbanized.<sup>5</sup>** It contributes over 5 percent to India's GDP. From FY15/16 to FY19/20, the state's real gross state domestic product (GSDP) growth averaged 5.8 percent, slightly lower than the national average of 6.7 percent. Following a sharp contraction, by 6.6 percent in FY20/21 due to the COVID-19 pandemic, real GSDP rebounded with an average growth rate of 9.6 percent in FY21/22–FY22/23, surpassing the national average of 8.1 percent. Nevertheless, at INR 75,561 (about US\$944), per capita income in West Bengal is among the lowest in the country. Real per capita income grew at an average of 3.8 percent prior to the pandemic (compared to the national average of 5.1 percent between FY12/13 and FY19/20). In FY20/21, real per capita income contracted by 8.6 percent before accelerating to an average of 9 percent in FY21/22–FY22/23. Poverty rates, in turn, declined from 35 percent in 2005 to 20 percent in 2012. Despite its advantageous geographical location, foreign direct investment (FDI) and export performance have lagged: exports from West Bengal grew 1.5 percent over the five years before COVID-19 (below leading export states such as Gujarat, Maharashtra, and Tamil Nadu), corresponding to about 3 percent of India's exports, while rates of FDI growth remained the lowest among major exporting states.

6. **West Bengal has the potential to become a major economic hub and the state's geographical location makes it critical to India's trade infrastructure development plans.** It shares borders with Nepal, Bhutan, and Bangladesh, and shares maritime linkages with Myanmar and Thailand. West Bengal also acts as a gateway to the Bangladesh-People's Republic of China-India-Myanmar Corridor, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, and the Asian Trilateral Highway. By making targeted and regionally focused investments in a corridor that leverages trade gateways and develops its logistics sector, the state can boost economic growth. In addition to dense road and rail networks, the state has riverine facilities allowing the use of inland waterways for transport that is ideal for leveraging multimodal connectivity.

7. **The Government of West Bengal (GoWB) has identified logistics as a growth-enabling sector.** In line with central government flagship programs, the GoWB has launched its own program to address challenges in the logistics and trade sectors. Fragmented multi-sector investments and initiatives have been consolidated into two overarching strategy documents: the West Bengal Logistics Policy (WBLP, 2023) and the Export Promotion Policy (EPP, 2023). The strategies facilitate the coordination of several multi-sectoral government initiatives (e.g., commerce, industry, transport, agriculture, energy, finance) at the state and central levels with private sector players. These strategies will improve competition and investment planning, likely lowering transactions costs in the logistics sector. The proposed West Bengal Boosting Logistics Efficiency and Trade Facilitation (WBLETf) Program (the "Program") aims to align the logistics sector development in West Bengal with that at the national level.

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<sup>4</sup> In nominal terms, FY21/22 (April–March).

<sup>5</sup> Ranking 11th, roughly 33 percent of the state's population was urban in 2011–15 (compared to the national average of 32 percent). According to the Ministry of Health and Family Welfare, the share of urban population is expected to reach 41.1 percent in 2031.



## B. Sectoral (or Multi-Sectoral) and Institutional Context

8. **India's logistics sector is complex.** It is characterized by a fragmented governance framework and is predominantly private sector-led. The NLP defines logistics infrastructure as comprising nodes and connections—of ports, stations, multimodal logistics parks (MMLPs), warehouses, and other business premises, connected by roads, railways, shipping, inland waterways, air routes and pipelines—that are used by a wide range of carriers.<sup>6</sup> However, successful logistics-based economies depend on strategic location, coordinated multimodal connectivity, sound land use planning and land transfer mechanism, capable financial services, and a conducive regulatory ecosystem. Although India is a top performer in logistics performance among South Asian and lower-middle income countries, it is yet to outperform top global value chain (GVC) performers such as the People's Republic of China, Thailand, and Singapore. Improvement in India's logistics performance score in 2023 was driven by infrastructure development, international shipments, and logistics competence. Further infrastructure development as well as the strengthening of the country's customs processes, tracking of shipments, and tracing and timeliness are still required.

9. **The NLP aims to develop a nationally integrated, cost-effective, reliable, sustainable, and digitally enabled logistics ecosystem for accelerated and inclusive economic growth.** The NLP's main objective is to reduce logistics costs in India by 5 percent (from 13 percent of GDP) by 2027 and to make the logistics sector competitive through both supply-side and demand-side interventions. The NLP provides an overarching institutional framework to: (i) create a unified policy and regulatory environment; (ii) create interconnected and multi-modal infrastructure (using integrated action plans and state level master plans for better planned and coordinated investments); (iii) enhance digital transformation to streamline processes and increase transparency; and (iv) create a well-rounded skilling ecosystem to assess and meet the skills needs of the logistics sector and empower workers.

10. **In line with the national framework, the WBLP is a strategic intervention to streamline the state's institutional framework of the logistics sector.** It aims to strengthen infrastructure, boost technology adoption, improve ease of doing business, promote green logistics, and create a skilled labor force. The policy provides guidance to multi-sectoral stakeholders and addresses challenges to growth. The GoWB is streamlining needs of the private sector and workers, particularly women, in the development of its program, focusing on addressing the following constraints: (i) the lack of a centralized planning body; (ii) the lack of a coordinated policy focus; (iii) the absence of coordinated land use planning; (iv) the lack of an adequately skilled workforce; (v) limited adoption of technological innovation; and (vi) legacy logistics facilities and infrastructure.

11. **An improved logistics sector will mobilize private investment and boost trade.** Mining, agricultural, marine, and leather goods make up the bulk of exports from West Bengal. As a part of its EPP, the GoWB intends to support the production and export of goods that have significant domestic value addition. The main items include handicrafts, agriculture products, engineering goods, iron and steel, and chemicals. GVC potential analysis shows that textiles, apparel, leather, and chemicals have many direct domestic suppliers in West Bengal, and chemicals have the highest complexity and coordination intensity of GVCs. The main destinations for these exports are Bangladesh, United Arab Emirates, Nepal, United States, the People's Republic of China, and Bhutan (totaling about 51 percent of West Bengal's exports). Europe has also grown rapidly as a major destination for West Bengal's exports. The ports of exit are

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<sup>6</sup> National Logistics Policy 2022.



primarily land and sea, contributing to almost 85 percent of total exports, followed by air routes at 13 percent.

12. **Land administration acts as a major barrier to logistics sector infrastructure development.** Land purchase transactions encounter substantial delays due to the absence of updated and digitalized land records. While the GoWB has created a state-wide land bank, available land needs to be converted for industrial purposes. The process for converting procured land is highly complex and causes significant delays. The GoWB intends to keep an updated and accurate mapping of actual physical demarcations of areas, which can vastly differ from their portrayal on digital or paper maps. The GoWB also intends to improve the process of land mutations (which is the process of transferring land titles in land records following ownership changes). This will reduce the number of plot records that are legally contested, leading to fewer ownership conflicts. These interventions require focused investments in a joint geospatial base, land records systems integration, and policy reforms.

13. **The logistics sector has traditionally favored male workers.** The female workforce participation rate in West Bengal is 27.9 percent, lower than the national average of 32.8 percent. In West Bengal women are largely involved in agriculture related activities and small-scale, self-owned enterprises and face challenges with profitability. Employment rates are lower in the logistics sector, especially in warehousing: across India, only 3 percent of women are engaged in warehousing and support activities. This is due to lower education and technical/managerial skills levels that are relevant for the logistics sectors, as well as information gaps, safety concerns, lack of amenities such as washrooms, and inter-sectoral mobility.<sup>7</sup> Assessments by the GoWB show that the employment of women in warehousing and support activities is negligible, and that there are very few women in higher level leadership roles including in technical and managerial roles.<sup>8</sup> Women in West Bengal have a strong interest in paid work and the changing nature of the logistics sector could create opportunities for women to work in logistics. Improving female labor force participation and addressing unmet demand for work in West Bengal will require multi-pronged efforts to facilitate access to employment in new sectors.

14. **Green infrastructure planning is essential to tackle the state's climate vulnerabilities.** As many as 15 districts in West Bengal, home to nearly 72 million people, are exposed to extreme climate events such as cyclones, floods, and droughts.<sup>9</sup> Over this current decade, the average maximum temperature is projected to rise by 1 to 1.04°C and the minimum temperature is projected to increase by 1.17 to 1.22°C in West Bengal. In parallel, precipitation is also expected to decrease by 8.98 percent for representative concentration pathway (RCP) 2.6, by 10.91 percent for RCP 4.5 and for 22.23 percent for RCP 8.5 compared to the base line simulation (1961–90). Districts like Howrah, Kolkata, North 24 Parganas, Paschim Medinipur, and South 24 Parganas are hotspots for cyclones, occurrences of which have increased fivefold between 1970 and 2019. Storm surges have increased by the same rate during this period. The state has had a State Action Plan on Climate Change aligned with national objectives since 2012. Additional green infrastructure planning is required to tackle the state's climate change vulnerabilities efficiently and effectively in a sustainable and participatory manner. Improved sustainability planning in the logistics sector is particularly critical given its centrality in economic activity

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<sup>7</sup> National Institution for Transforming India, 2016.

<sup>8</sup> A national survey conducted by Gartner and Awesome in 2021 found that women constitute only 15 percent of executive roles across the logistics supply chain (of which warehousing is one part) this percentage has decreased from 17 percent in 2020.

<sup>9</sup> West Bengal State Action Plan for Climate Change, 2020.





and the need for the logistics sector to be resilient to climate change and increasingly frequent adverse weather episodes.

### **C. Relationship to the CPF and Rationale for Use of Instrument**

15. **The Program is consistent with the World Bank Country Partnership Framework (CPF) FY18–22 discussed by the Board of Executive Directors on September 20, 2018 (Report No. 126667-IN) and extended to FY25 by the corresponding Performance and Learning Review dated October 23, 2023.** The Program is also fully aligned with the India Systematic Country Diagnostic (SCD), which finds that enhancing competitiveness and enabling job creation, including through enhanced logistic sector performance, is critical. Enhancing job creation is identified as one of three key CPF priorities interest areas, and the Program is aligned with CPF Objective 2.3 to improve connectivity and logistics. Improved transport infrastructure, integrated multi-modal transport, and logistics supply chain infrastructure are expected to contribute to enhancing competitiveness and job creation. The CPF highlights the importance of improving institutional frameworks and capabilities to improve logistics performance, including enhancing infrastructure investment coordination and decision-making, policy reforms, and cross-sectoral dialogue. The Program aims to leverage state logistics and export promotion policies and targeted soft infrastructure to improve competitiveness and boost exports. It will also address barriers for the private sector to engage in logistics and trade, facilitate coordination and access to quality logistics services, and contribute to market-relevant skills development. Finally, the operation will integrate two CPF cross-cutting priorities—climate change and gender outcomes—into logistics-related policy interventions.

16. **The WBLETF Program supports India’s commitments to addressing the risks from climate change and reducing greenhouse gas (GHG) emissions.** These include the Nationally Determined Contribution, updated in August 2022, which commits to “better adapt to climate change by enhancing investments in development programmes in sectors vulnerable to climate change, particularly agriculture.” The Program also supports India’s Long-Term Low Carbon Development Strategy (2022), which includes an ambition to “develop an integrated, efficient, inclusive low-carbon transport system” through improved “traffic management and intelligent transport systems.” In addition, the Program supports the second West Bengal State Action Plan on Climate Change (2017), which identifies actions for climate adaptation and mitigation in multiple sectors, including agriculture, horticulture, and food processing and transport. The Program aims to institute resilience and sustainability frameworks as an important part of the GoWB’s infrastructure and investment planning in the logistics sector. It includes the adoption and implementation of green norms across multiple stakeholders. In the long run, the GoWB intends to increase the usage of electric vehicles (small trucks, buses, and three-wheeler pickups and taxis) and improve energy efficiency in the logistics sector (e.g., through energy efficient warehouses and cold storage units). The Program has no negative effects on the country’s transition to long-term low GHG emission pathways. Furthermore, the Program activities are at low risk from climate-related hazards.

17. **The World Bank is well placed to support the GoWB.** The Program will build on the experience gathered from the ongoing World Bank Railways Logistics project, Inland Waterways Transport projects in India and other projects in Bangladesh, and the technical assistance to logistics sector development projects in Gujarat, Tamil Nadu, Assam, and Kerala. The Program will also build on the India Trade Facilitation Support and utilize the findings of non-tariff barriers analytics carried out under the Accelerating Transport and Trade Connectivity in Eastern South Asia. As a part of technical assistance offered to the GoWB, the World Bank also aims to support a multi-state and federal government logistics



and trade facilitation summit that focuses on regional connectivity and will facilitate coordination between different stakeholders on major issues in the sector.

18. **The Program will generate benefits extending beyond the state and will support regional connectivity.** The Kolkata and Haldia ports of West Bengal primarily handle export and import for the state with 66 percent of imports and 69 percent of exports originating in West Bengal.<sup>10</sup> The ports play a crucial role in India's pursuit for increased trade with other Asian countries and European Union markets. The state also serves as the connectivity hub to its vast hinterland of mainland India up to New Delhi, North Eastern Region, and is the main port for Nepal and Bangladesh. Efficient logistics planning and movement in West Bengal will facilitate better access to the ports for its hinterland, lower transport costs, and improve transit times.

19. **The Program-for-Results (PforR) instrument will help the GoWB focus on measurable results.** The design of the PforR and the focus on a results-based approach ensures that the government is incentivized to implement the interventions robustly and in a timely manner, drawing on the World Bank's global technical expertise. It also provides an opportunity to strengthen the government's environmental, social, and fiduciary systems. The Program will enable coordination with other ongoing projects in the state to maximize impact, in particular with the West Bengal Inland Water Transport, Logistics And Spatial Development Project (P166020, approved in FY21) in the area of logistics connectivity, the West Bengal Building State Capability For Inclusive Social Protection Operation (P174564, approved in FY22) for skills development and the West Bengal Electricity Distribution Grid Modernization Project (P170590, approved in FY22) on increasing energy efficiency and the use of renewable resources in the logistics sector. Trust fund resources will also provide advice and analytics support to the GoWB as it implements the Program.

## II. PROGRAM DESCRIPTION

### A. Government Program

20. **To enable logistics sector development and facilitate trade, the GoWB is implementing a program totaling US\$800 million.** The GoI approved the NLP (2022) and implemented the PM Gati Shakti platform to address high logistics costs and trade barriers by implementing a programmatic series of measures targeting multisectoral planning, policy and regulations, institutional capacity, infrastructure availability, service delivery, and skills both at central government level and state level. In line with the NLP and PM Gati Shakti, the GoWB also seeks to address barriers to logistics sector and trade efficiency.

21. **The government program is anchored in the WBLP.** The latter aims to streamline the logistics sector, strengthen infrastructure, boost technology adoption, improve ease of doing business, promote green logistics, and create a skilled labor force. It acts as a vision document to integrate the state in global supply chains and promote the state as a preferred investment destination for logistics infrastructure development. The policy grants special industry status to the logistics sector, which will allow: (i) easier conversion of agricultural land for logistics use; (ii) access to land banks developed by state government for industrial development purposes; (iii) access to state government funding schemes for industrial infrastructure development; (iv) access to industrial incentives; (v) eligible for industry grade power tariffs; (vi) access to lower cost of capital for project development; (vii) a center of logistics excellence; and (viii) the creation of a single window to support the evaluation of logistics proposals, leading to faster turnaround and realization of investment proposals.

<sup>10</sup> Unlocking India's Logistics Potential - The Value of Disaggregated Macroscopic Freight Flow Analysis, The World Bank, 2018.





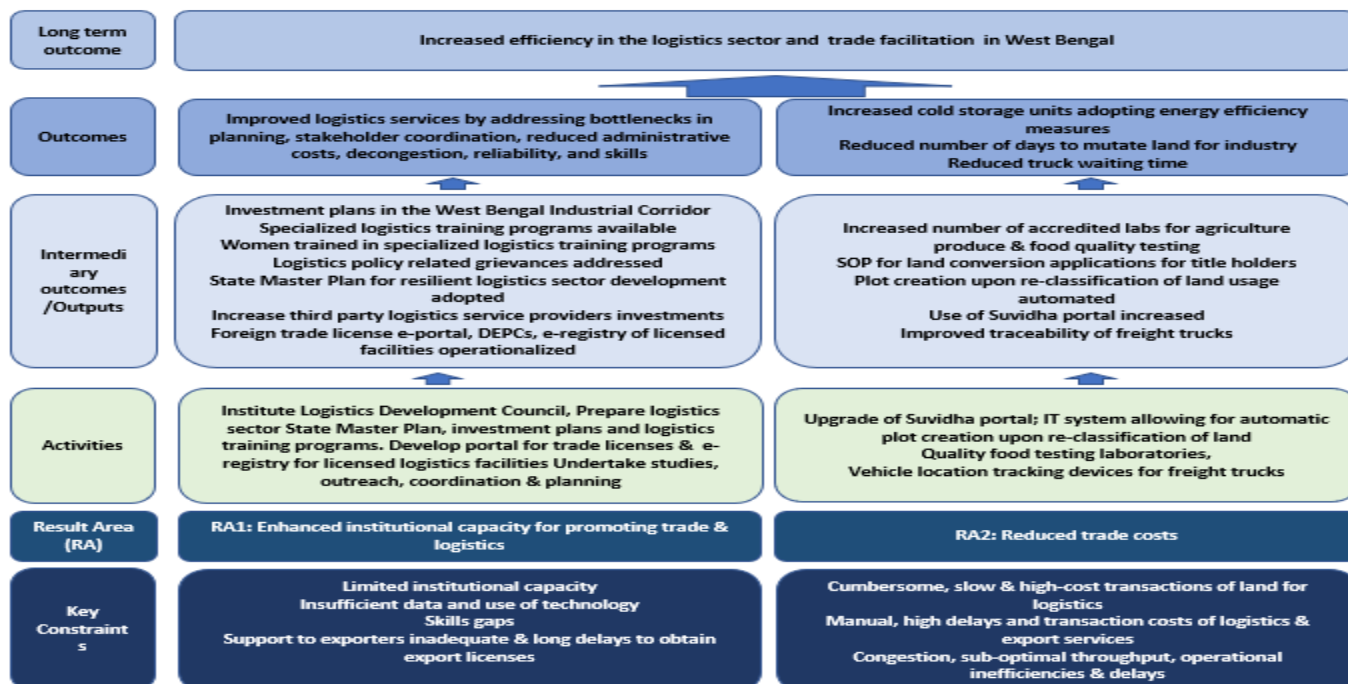
22. **To improve the state's business ecosystem, the government removed 500 regulatory compliances in 2020–22.** It is also in the process of improving its single window system (Shilpa Sathi), which is a one-stop digital solution for statutory compliances. In addition, the state developed a digital application, called Jomir Tothya, to facilitate the digitization of land records—a significant impediment to the development of the sector. It also launched a flagship innovative digital solution—the Suvidha Vehicles Facilitation System Portal—for rapid clearance and the smooth movement of vehicles at Integrated Check Post (ICP) Petrapole and ICP Ghojadanga to support exporters in trade via the Bangladesh border, by substantially reducing the number of days required to cross borders.

23. **The GoWB plans to leverage trade facilitation measures to increase GVC participation.** The GoWB has created an Export Promotion Cell (EPC) and is in the process of creating 12 District Export Promotion Cells (DEPCs) to provide technical sectoral support to micro, small, and medium enterprises (MSMEs) and policy updates. These institutions aim to build capacity and disseminate information to stakeholders, including training modules and innovation and research and development support. The EPC and DEPCs will assist exporters in understanding evolving market requirements and provide guidance on product development, certification requirements, and packaging, among others. The EPC will also serve the dual role of grievance redressal for DEPC related activities. To increase private sector participation, the GoWB is creating training programs and offering financial incentives. For exporters, in particular MSMEs, farmers, and small industries, it provides transformative information technology (IT) solutions, export promotion, facilitation measures, infrastructure, and utilities. The EPC will also collaborate with export promotion councils, trade bodies, and self-help groups to identify the gaps and training needs. It will utilize resources to develop course curriculum and online certification for both exporters and importers.



## B. Theory of Change

Figure 1. Program Theory of Change



## C. PforR Program Scope

24. The PforR aims to support the GoWB to reduce regulatory barriers and build capacity for logistics sector development and trade facilitation. The Program aims to result in: (i) enhanced institutional capacity for promoting trade and logistics; and (ii) reduced trade costs.

Table 1. Comparison of Government program and PforR

	Government program	Program Supported by the PforR
Objective	Boosting development through investments, exports, jobs, and ease and efficiency of logistics sector.	Enhance export-led growth of West Bengal through strengthening institutions, data for decision-making, skills, particularly for women, and improving the cost efficiency and reliability of logistics and export services.
Duration	2023–2028	2024–2028
Geographic Coverage	West Bengal	West Bengal
Results Areas	Institutional strengthening, increase and upgrade road infrastructure, optimize use of export, logistics infrastructure, enhance logistics and exports services, skills enhancement, industrial corridor, ports, inland waterways, and multi-modal infrastructure.	Institutional strengthening, optimize use of infrastructure, enhance logistics and exports services and skills.



Overall Financing	US\$800 million	US\$250 million
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- a) **Results Area 1: Enhanced institutional capacity for promoting trade and logistics.** Program activities under the first RA include: (i) establishment of a logistics development council (LDC) to serve as an advisory body to ensure cooperation and partnership among stakeholders and regulatory bodies at the central and state level; (ii) carrying out of minor road repairs and maintenance; (iii) adoption of the state master plan for resilient logistics sector development, including the introduction of green norms and a framework for evaluating logistics proposals on adopting green building concepts and environmentally sustainable best practices; (iv) development and launch of comprehensive skill upgradation plans and training programs, particularly for women and female-led MSMEs, to increase employability and address skills shortages in the logistics sector, including, inter alia, the carrying out of job fairs and carrying out of training for women for various sector specific jobs; and (v) provision of support for the implementation of the E-governance Portal to address barriers faced by MSMEs.
- i. **Disbursement Linked Indicator (DLI) 1. Investment plans in the West Bengal industrial and Economic corridor:** The Program will support the creation of a state Logistics Master Plan (LMP) for green logistics in line with the NLP and PM Gati Shakti mission. The LMP will incorporate sustainability planning in the logistics sector introducing network resilience, avoiding supply chain disruptions, and the introduction of green norms. A framework for evaluating logistics proposals on adopting green building concepts and environmentally sustainable best practices will be included in the guidelines for developing of the Industrial Corridor.
  - ii. **DLI 2. Specialized logistics skills training programs:** The Program will develop and launch comprehensive skill upgrade plans and training programs, particularly for women and female-led MSMEs, to increase employability and address skills shortages in the logistics sector. As a part of the Program, the GoWB will also conduct placement (jobs) fairs and train at least 500 women annually for sector specific jobs in warehousing and support activities. This will complement the Women's Employment Platform under the West Bengal Building State Capability for Inclusive Social Protection PforR.
  - iii. **DLI 3. Framework for trade e-governance:** The Program will support the implementation of the e-governance portal established under the EPP. This will promote exports by MSMEs and traders by creating an integrated portal for export licensing applications and improving access to market intelligence through EPCs. The e-governance facility, anchored in EPCs, will facilitate the obtaining of updated e-notification and e-circulars and relevant information dissemination.
- b) **Results Area 2: Reduced trade costs.** Program activities include: (i) improve access of producer organizations and other stakeholders involved in growing and sales of fresh fruits and vegetables, to product quality testing, through: (a) improved access of food safety inspector or agents of the state government agencies responsible for sanitation and food safety to the reliable quality testing facilities; (b) improvement and energy efficient designs of new storage, processing and packaging facilities with effective and sanitary receiving of produce from the fields as well as the improvement in product receiving, sorting and handling practices; (ii) reduction of time required to convert and mutate land for logistics projects by supporting faster land records digitalization and the creation of a standard operating procedure (SOP) for land usage conversion applications by titleholders; and (iii) implementation of the Suvidha portal across all ICPs to increase the



percentage of trucks utilizing the portal and the installation of vehicle location tracking devices in freight trucks registered in West Bengal.

- i. **DLI 4. Share of cold storage units that have adopted energy efficiency measures:** The GoWB will create an online portal (for license applications and renewals) for cold storage units and warehouses in the state (577 units as of October 2023). The Department of Agri-Marketing (DoAM) will update energy efficiency requirements of operational cold storage units of the state, which will become a necessary condition for licensing approval (or renewal). The upgrade of the West Bengal Cold Storage Policy to increase the energy efficiency of cold storage facilities is expected to lead to reduced costs of operation and GHG emissions.
- ii. **DLI 5. Agriculture produce and food quality testing facilities that have been operationalized:** This DLI aims to improve access to quality testing centers for producer organizations and other stakeholders. This will allow efficient product quality testing of fresh fruits and vegetables, and improve access to food safety inspectors and state government agencies responsible for sanitation and food safety.
- iii. **DLI 6. Improved efficiency in land mutation processes:** The Program will reduce time required to convert and mutate land for logistics projects by supporting faster land records digitalization and the publication of an SOP for conversion. The Program supports enhanced transparency and digitization and is focused on streamlining the procedure for applying for land use change by title holders. It will streamline the chain of actions to be undertaken by a landowner and the GoWB to convert land, thereby reducing processing steps and time required. The Program intends to support the GoWB in digitalizing and automatically updating changes to plots of land—an area West Bengal is already leading in compared to other states as a result of the Digital India Land Records Modernization Programme (DILRMP, 2018). This will considerably enhance the ease of doing business in the sector by reducing cost and time spent on converting purchased land. Improved processes are also expected to enable the reduction in land mutation period for industrial applicants (from application acceptance to resolution, barring objections) from more than 60 days (as in October 2023) to 25 days within the Program duration.
- iv. **DLI 7. Change in traceability of freight trucks in West Bengal:** The GoWB has developed a digitally innovative solution for the quick clearance and smooth movement of vehicles at ICP Petrapole and ICP Ghosladanga. Once registered with this portal, freight companies receive online all clearances required for the smooth movement of goods crossing the border, which have been confirmed by initial reports. The Program will support the GoWB in implementing the Suvidha portal across all six Indo–Bangladesh border points and increase the percentage of trucks utilizing the portal. The Program aims to enable the reduction in truck waiting times at the border (from an annual average of 46 days in 2023) to one day by 2028. To improve the reliability and safety of cargo, the Program will support the state in adopting vehicle location tracking systems (VLTS) in freight vehicles.

25. **The Program will increase climate resilience and sustainability in the logistics and trade sectors.** The Program will support the adoption and implementation of sustainability frameworks that support infrastructure investment plans and energy efficiency measures in warehousing and cold storage facilities. It will also increase overall efficiency of the movement of goods and reduce GHG emissions (as logistics parks lend themselves to promote hub and spoke arrangements in freight movement, which promote utilization of bigger and fuller trucks that have a low GHG footprint). The use of the Suvidha portal across ICPs is expected to reduce congestion on roads and increase utilization of trucks. The identification of



trade facilitation interventions across the value chain of potential exportable commodities will include climate mitigation and adaptation considerations. The benefits from this Program are multiple: key technology innovations will be mainstreamed to enable improvements in the business ecosystem; and trade facilitation initiatives that incorporate elements of sustainability in the planning process will be scaled up.

**Table 2. Program Financing**

Source	Amount (US\$, Millions)	Percent of Total
<b>Counterpart Funding</b>	<b>100.00</b>	<b>40 percent</b>
Borrower/Recipient	100.00	40 percent
<b>International Bank for Reconstruction and Development (IBRD)</b>	<b>150.00</b>	<b>60 percent</b>
<b>Total Program Financing</b>	<b>250.00</b>	<b>100 percent</b>

26. **The IBRD contribution to the PforR amounts to US\$150 million for an expenditure framework of US\$250 million.** For further details on the Program Expenditure Framework (PEF), see Annex 2. The program expenditure boundary for the Program is the aggregated estimated recurrent and capital spending by the four spending agencies for achievement of the RAs for the Program duration of four years. The PEF is based on the GoWB's approved budget for FY23/24, the WBLP, and projections of expenditure based on departmental-level work plans designed to achieve the DLIs and the overall results.

27. **Funding predictability is high.** The logistics sector has faced funding shortfalls in FY20/21–FY21/22 due to the reprioritization of available resources towards addressing challenges posed by the COVID-19 pandemic. Nevertheless, the WBLP, the budget allocations for FY23/24, as well as discussions with the Department of Finance (DoF) confirmed the GoWB's commitment towards investing in infrastructure and institutional and capacity-building related reforms for logistics sector development and trade facilitation. The WBLP 2023 estimates US\$800 million of investments during the period FY23/24–FY27/28 in the logistics sector. Furthermore, the annual budget of the four program implementing departments for FY23/24 (amounting to US\$355 million) is higher than the total size of the Program, indicating that the risks to the PEF from budget constraints are low.

28. **Excluded activities.** The Program will exclude activities that do not align with the World Bank policy on eligibility requirements for PforR financing. Specifically, the Borrower shall ensure that the Program excludes any activities that, in the opinion of the World Bank, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment or could adversely affect people, as defined in the World Bank policy on PforR financing. The Program will also exclude works, goods, and consultancy contracts above the Operational Procurement Review Committee (OPRC) thresholds. This assessment is based on analysis of procurement data of the four spending agencies under the Program. These agencies shall report to the World Bank any high-value contracts throughout implementation.

#### **D. Program Development Objective(s) (PDO) And PDO Level Results Indicators**

29. The PDO is to increase logistics efficiency and trade facilitation in West Bengal.



30. The PDO level result indicators will include the following:

- Logistics Development Council established (Yes/No)
- Land mutation period (Days)
- Truck waiting time at the Petrapole border (Days)
- Share of cold storage units adopting energy efficiency measures (Percentage, climate change indicator)
- Share of trained women employed in technical and managerial roles in logistics services (Percentage, gender indicator)

#### E. Disbursement Linked Indicators and Verification Protocols

**Table 3. Program DLIs**

Disbursement Linked Indicators	US\$ Million
<b>DLI 1. Investment plans in the West Bengal Industrial and Economic corridor</b>	<b>30</b>
DLI 1.1 Adoption of the state master plan for resilient logistics sector development	15
DLI 1.2 Change in investment by third party logistics service providers	10
DLI 1.3 Approval of detailed project reports of investments in the West Bengal Industrial and Economic Corridor	5
<b>DLI 2. Specialized logistics skills training programs</b>	<b>25</b>
DLI 2.1 Number of women trained in specialized logistics training programs	15
DLI 2.2 Logistics training programs aligned with PM Gati Shakti	10
<b>DLI 3. Framework for trade e-governance</b>	<b>20</b>
<b>DLI 4. Share of cold storage units that have adopted energy efficiency measures</b>	<b>8</b>
<b>DLI 5. Agriculture produce and food quality testing facilities that have been operationalized</b>	<b>7</b>
<b>DLI 6. Improved efficiency in land mutation processes</b>	<b>29.625</b>
DLI 6.1 Publication of standard operating procedure for operational efficiency in land conversion applications by titleholders	9.625
DLI 6.2 Automatic plot creation upon re-classification of land usage	10
DLI 6.3 Reduction in land mutation period for industry	10
<b>DLI 7. Change in traceability of freight trucks in West Bengal</b>	<b>30</b>
DLI 7.1 Number of trucks utilizing the Suvidha portal	16
DLI 7.2 Share of freight vehicles that have adopted vehicle location tracking system (VLTS)	14
Front-end fee	0.375
Total	150

### III. PROGRAM IMPLEMENTATION

#### A. Institutional and Implementation Arrangements

31. Program implementation will be led by the Department of Industries, Commerce and Enterprises (DoIC&E) of the GoWB. The other state departments involved in Program implementation





are the Department of Transport (DoT), DoAM, and Department of Land and Land Reforms (DoL&LR). For Program activities, the spending agency for the DoIC&E will be the West Bengal Industrial Development Corporation (WBIDC) and for the DoAM it will be the West Bengal State Agricultural Marketing Board (WBSAMB). There will be no separate spending agencies for the DoT and DoL&LR.

32. **To facilitate interdepartmental coordination, institutional arrangements will include a Program Steering Committee (PSC).** The PSC will be chaired by the Additional Chief Secretary, Finance Department in West Bengal and will include Secretaries of DoIC&E, DoT, DoAM, and DoL&LR. The PSC will provide a high-level oversight for state level interventions and inter-departmental coordination. It will meet at least once every six months to: (i) review and guide project implementation; (ii) act as the appellate authority to resolve grievances that are not resolved by junior grievance redressal officers; (iii) ensure smooth inter-departmental coordination to aid implementation; (iv) provide strategic policy advice and orientation; and (v) endorse the verification of results (conducted by the Independent Verification Agent, IVA).

33. **The Program Management Unit (PMU) in the DoIC&E has the overall responsibility to manage, support, and coordinate the successful implementation of all aspects of the WBLETF Program.** The PMU will be headed by the Principal Secretary, DoIC&E as Program Director and supported by the Secretary Trade Facilitation and Promotion, the Logistics Cell, and nodal points in North Bengal and Kolkata. A Program Management Consultant with requisite technical expertise and experience will support the PMU. The PMU will be responsible for ensuring that the PDO of the WBLETF Program is successfully achieved.

34. **Each Program implementing department (DoT, DoAM, and DoL&LR) has a Program Implementation Unit (PIU).** Each department and respective spending agency is responsible for its respective DLIs and associated activities. These include procurement, implementation of activities for achievement of DLIs, regular monitoring, and supporting the IVA to undertake verification of results.

## B. Results Monitoring and Evaluation

35. **The DoIC&E will lead the monitoring efforts and involve other departments.** The PMU will also help with day-to-day monitoring, allowing for real-time feedback. The GoWB has partnered with IIFT Kolkata to develop a portal on trade facilitation for MSMEs.

36. **The Program will disburse in six-monthly intervals based on the DLIs achieved by the GoWB.** An IVA will assess the results of the relevant line agencies every six months after effectiveness. For each DLI assessed, the disbursement amount would be transferred to the GoWB, as detailed in Annex 1.

37. **Verification procedure.** The responsibility to verify achievement of DLIs and any agreed prior results lies with the PMU in the DoIC&E. The PMU will engage a reputable and credible (private sector) IVA to verify the achievement of results based on terms of reference (ToRs) agreed with the World Bank, which incorporates the verification protocols outlined in detail for each of the DLIs. The IVA will assess achievement of the DLIs through interaction with the DoIC&E, DoT, DoAM, and DoL&LR.

38. **The IVA will not only check reports to confirm the achievement of results, but also carry out field visits and engage beneficiaries and service providers as outlined in the verification protocols and agreed manual, for compliance check.** The verification missions will be carried out in six-monthly intervals and in accordance with the terms set forth in the Program Operations Manual (POM). The verification process will be supported by the state (Finance Department) by making available all relevant data, reports, and documentation required for verification. The IVA will prepare and submit the verification report to



the PMU and the Bank. Upon validation of the report, the PMU will notify the World Bank of DLIs' achievement, supported by the relevant evidence and documentation.

### C. Disbursement Arrangements

39. **All disbursements against the DLIs will be based on verification and certification by the IVA.** DLI achievement reports will be prepared by the GoWB, which will submit them to the IVA for scrutiny, cross-checking, and verification. Based on the IVA's verification reports, the GoWB will periodically prepare and submit disbursement request applications to the Bank for work satisfactorily completed and verified by the IVA. The actual disbursed amount will depend on the verified results. The GoWB may apply for disbursements as soon as targets are met by providing the necessary documentation to the Bank. Once it is fully satisfied with the evidence of achievement of Disbursement Linked Results (DLRs), the Bank will inform the GoWB accordingly and confirm the availability of the corresponding funds for a disbursement.

40. **The achievement of results are not time-bound and timelines are indicative.** There is no restriction for early achievement of the DLRs; payment will be available for disbursement as and when targets are achieved and verified. DLIs will be evaluated when completed and verified as achieved. Where targets for DLIs are not achieved in any particular year, the related disbursements will be rolled over into the next year. Should achievements consistently outperform targets, the corresponding Loan amount may be fully disbursed before the end of the operation.

41. **The World Bank will adopt international best practices and help develop the analytical evidence base to enhance capacity.** This will include support to the GoWB's aim to greening the logistics sector and value chains.

## IV. ASSESSMENT SUMMARY

### A. Technical (including program economic evaluation)

42. **Strategic relevance and technical soundness.** The design of the Program reflects extensive analytical work in the context of logistics sector development and consultations with private sector and other stakeholders. The development of West Bengal's logistics sector will play a crucial role in increasing economic activity and development, with benefits extending to neighboring states. The Program consequently reflects the priorities identified by the GoWB and validated through discussions with various stakeholders on improving institutional coordination across key areas—trade facilitation, land administration, and transport movement. The Program design and RAs have benefited from benchmarking against good practices from other states. The Bank is well placed to support West Bengal to implement the WBLP and align state practices with the NLP. The design of the operation is pragmatic and reflects the GoWB's implementation capacity.

43. **PEF.** The Program cost is estimated at US\$250 million, of which the Bank will finance US\$150 million and the GoWB will finance US\$100 million over the four-year period. The PEF is based on departmental-level work plans designed to achieve the DLIs and the overall results. The Program does not include any activity assessed to have a significant adverse impact on the environment or on affected people as defined in the World Bank Policy and Directive on PforR Financing, nor works (including turnkey, supply and installation of plant and equipment, and public-private partnerships), goods, IT and non-consulting services, and consultant services contracts above the OPRC thresholds. The Program will not support the construction of new industrial or logistics parks or associated hard infrastructure investments and no land acquisition will take place under the Program. As part of implementation support, the Bank





will screen Program activities to ensure that no high-risk activity is included. Funding predictability is high, and the PEF is adequate to achieve the intended results. Estimated allocations and annual expenditure projections are adequate to support the Program framework.

44. **Economic justification.** The Program is expected to generate significant economic benefits in the medium-to-long term. The economic rationale is driven by efficiency gains and increased coordination for private and government stakeholders in West Bengal. The Program is expected to help the government institutionalize planning, budgeting, and monitoring of logistics infrastructure planning in the state and improve coordination across fragmented stakeholders. The incorporation of environmental and social (E&S) safeguards under the Program will improve sustainability of projects. Adopting trade facilitation measures such as e-governance portals, increasing the applicability of the Suvidha portal, and improving land-mapping will significantly cut the time required to avail of trade licenses, cargo movement through the state's borders, and set up logistics facilities. A center of logistics excellence and dedicated training programs will contribute to the development of logistics skills and increased worker productivity. It will also promote female participation in the sector. The gender-focused activities and activities to strengthen state-wide data systems will contribute to significant socioeconomic benefits, particularly for women.

45. **Gender.** The Program will support women's access to technical jobs<sup>11</sup> such as warehouse managers and executives in the logistics sector. The Program supports activities to remove barriers to workforce participation in the trade and logistics sector faced by women and will: (i) support the establishment of the center of logistics excellence, which will provide technical trainings in logistics handling and warehousing services, including data analysis and inventory management skills; (ii) develop and launch comprehensive skill upgradation plans (such as digital skilling) and training programs, particularly for women; and (iii) conduct placement (jobs) fairs supporting women to gain opportunities in warehousing in support activities. To create an enabling environment, the Program also seeks to upgrade on-site facilities and amenities to support women's retention in on-site jobs. The Program will strengthen the Internal Complaints Committee, including linkages with gender-based violence (GBV) service providers, for ensuring workplace safety for women employees. Addressing the gender gap in technical jobs in logistics will lead to higher gender diversity in the sector and contribute to boosting logistics efficiency and trade facilitation. The women upskilled through the center of logistics excellence's training and joining the sector will encourage a new generation of women with technical skills to seek higher productivity roles.

46. **Citizen engagement.** The Program aims to incorporate stakeholder feedback into the design and implementation of the WBLP. It includes the establishment of an LDC, which will serve as an advisory body to ensure smooth cooperation between multiple stakeholders and regulatory bodies at central and state levels. The LDC will include representation of individuals from both industrial bodies and government departments and will serve as the forum for regular dialogue; facilitate coordination among the parties involved in logistics, transport, and trade operations; and help the state to facilitate private sector investments in the logistics sector. A dedicated grievance redressal mechanism (GRM) will be set up and the share of addressed grievances will be tracked as an intermediate result.

47. **Climate co-benefits.** The Program will contribute toward enabling the state to attain its 2030 vision of becoming a carbon neutral state through targeted climate change adaptation and mitigation actions. The Program will enable the GoWB to better adapt to the impacts of climate change by

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<sup>11</sup> Under the Program a detailed needs assessment on the types of technical jobs in which women require skills development will be conducted. The assessment will form the foundation for the skill development programs that will be provided for women.



institutionalizing climate-resilient planning and investment execution. The investments included in the Program through DLI 1, DLI 3, DLI 4, and DLI 6 will directly contribute to the institutional and infrastructure capacity to mitigate the impacts of climate change through improved logistics efficiency and trade facilitation, enhanced transport efficiency, increased energy efficiency of storage facilities and agricultural productivity.

48. **Paris Alignment.** The Program is aligned with the goals of the Paris Agreement on both mitigation and adaptation. The Program actively contributes to the reduction of mitigation risks, decarbonization and reducing GHG emissions by supporting increased energy efficiency in the logistics sector, reduced emissions through improved traffic management, the identification of trade facilitation interventions across the value chain of potential exportable commodities (GVCs analysis),<sup>12</sup> including climate mitigation and adaptation considerations, and increased institutional capacities for green planning and investment in the logistics sector. The Program will contribute to traffic decongestion by road upgrading and maintenance and reduced waiting times at the border are expected to support a reduction in GHG emissions. The Program's support to enhance the energy efficiency of warehouses and reduce losses and improve quality of agri-trade will contribute to reducing GHG emissions. The Program will also improve planning that will facilitate and coordinate investments in the sector that favor green and climate-resilient growth in trade and logistics. Increased tenancy by third party logistics providers in energy efficient and green government industrial parks will support increased compliance. Overall, the mitigation risks are low.

49. The Program also supports climate adaptation goals of the Paris Agreement. The State Masterplan to be developed with support from the Program will include an institutional framework to reduce adaptation and resilience risks, i.e., climate-risk appraisal, screening, and readiness criteria of investments. This will also include promotion of network resilience to avoid supply chain disruption and enhance logistics sector route resilience. Capacity-building activities, including training of drivers on green norms, and stakeholders on climate change risks related to logistics and trade sector, will also be included. The Program will increase capacities to measure and plan for risks to trade and logistics from natural and climate-induced hazards and will strengthen institutional capacities to adapt to increased or evolving risk. The Program is focused on transparency, digitization, and streamlining existing procedures for applying for land use change in West Bengal, based on analysis of geographic exposure to risk. The adaptation risks are therefore assessed as low, given the institutional nature of the results and the embedded risk reduction measures in the Program.

## B. Fiduciary

50. **As per the integrated Fiduciary Systems Assessment (IFSA), the Program's fiduciary systems, subject to implementation of proposed mitigation measures, will provide reasonable assurance that financing proceeds will be used for intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability.** The IFSA assessed the systems and processes of the four key spending agencies—WBIDC, DoL&LR, DoT, and WBSAMB. The IFSA followed the World Bank's Policy for PforR and the related directive, identified key fiduciary risks that may affect the Program's development outcomes, and recommended systems improvement, capacity-strengthening, and risk mitigation measures that will be implemented during the life of the WBLETF Program.

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<sup>12</sup> The GVC analysis will be based on the latest available customs data. It will provide details on the key GVCs in West Bengal and will identify the key determinants of GVC survival rates. The analysis will consider different GVC typologies depending on the imported and exported products as well as the key source and destination markets.



51. **Financial management.** All funds to and expenditure by the spending agencies will be routed through the state treasury system, ensuring a systematic application of internal controls, standardized accounting of expenditure, and real-time access to Program expenditure through the state's Integrated Financial Management and Management Information System (IFMIS). Key fiduciary risks relate to: (i) the absence of sectoral strategies and multi-year plans; (ii) budgets that do not act as reliable guides to actual expenditure, especially for the nodal spending agency—the WBIDC—primarily on account of funding cuts by the GoWB; (iii) weak internal audit mechanisms across the spending agencies; and (iv) external audits that are irregular and delayed (especially for the DoL&LR and DoT) and do not cover performance and procurement related aspect. Program fiduciary arrangements have been designed to address these risks:

- Drawing from the WBLP, 2023, annual work plans (AWPs) will be prepared for the Program that collate the activities to be carried out, costs to be incurred, and targets to be met by each spending agency. The AWP will constitute the basis of the budget requests to the state Finance Department for annual allocations to the Program. The Program will be budgeted under a separate scheme head in the budget books of all the implementing line departments, allowing for tracking of fund flows from the state exchequer for the Program.
- Internal audit mechanisms, especially in the WBIDC and WBSAMB, will be strengthened to include: (i) a risk-based approach; (ii) performance aspects; and (iii) procurement reviews. Internal audits will follow the ToRs agreed with the World Bank. Internal audit reports for the Program will be collated, monitored, and reviewed by the PMU.
- The Program audit arrangements require the Program annual financial statements to be audited by the Office of the Accountant General of West Bengal, on behalf of the Comptroller and Auditor General (C&AG), under ToRs already agreed for World Bank supported operations. The Bank is currently engaged with the C&AG to strengthen the ToRs to include specific aspects of a PforR operation and procurement review. The spending agencies will ensure that: (i) the Program financial statements are generated from IFMIS; (ii) audit observations relating to the Program are complied with and resolved in a time-bound manner; and (iii) annual audit reports are disclosed on their respective department websites. Oversight will be provided by the PMU.

52. **Procurement.** Procurement under the Program will be governed by procurement rules and systems of the GoWB. Based on the assessment of the four key spending agencies, a few areas for improvement were noted. There is no comprehensive procurement manual for all categories of procurement (goods, works, non-consultancy and consultancy services), and procurement rules are scattered around multiple Government Orders (GOs) and circulars. Absence of an adequate and comprehensive procurement complaints handling mechanism for bidders is another area of concern. Internal and external auditors do not review the procurement related aspects. Some of these risks will be mitigated by the Program Action Plan (PAP) listed under Annex 5. More details about the findings of IFSA and risk mitigation measures are available in Annex 3. Based on the assessment, large value contracts above OPRC thresholds are not envisaged within the Program boundary. The World Bank's Anti-Corruption Guidelines (ACG) will be applicable for the whole Program. Under the guidelines, the Program will comply with the following requirements: (i) Borrower's obligation on informing the World Bank about all fraud and corruption-related allegations and investigations; (ii) the World Bank's right to conduct administrative enquiries; and (iii) ineligibility of debarred firms for contract awards.

## C. Environmental and Social



53. **An Environmental and Social Systems Assessment (ESSA)<sup>13</sup>** suggests that the existing policy, legal, and regulatory framework governing the management and mitigation of any E&S risk or adverse E&S impact of the Program are adequate and do not need any augmentation or change to support the implementation of the PforR. However, the Program E&S management systems are *not adequate* to: (i) promote E&S sustainability in the Program design; (ii) avoid, minimize, or mitigate adverse impacts; or (iii) promote informed decision-making relating to the Program's E&S effects. Recommendations to strengthen Program E&S management systems are included in the PAP.

54. **Program exclusion.** The Program will not invest in, support, or implement any activity that will involve: (i) significant adverse impacts on the health or safety of individuals, communities, or ecosystem; (ii) conversion, diversion, or use of areas under critical natural habitats or critical cultural heritage sites; (iii) adverse impacts on cultural property and resources; (iv) usage of land procured without paying full compensation to titleholders and Rehabilitation and Resettlement Assistance to non-titleholders as per the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013; or (v) harmful or exploitative form of child labor or forced labor. Further, the Program will not invest in, support, or implement any activity excluded as per Bank's PforR policy, as outlined in the Bank's PforR Guidance Manual.

55. **The recommended actions focus on building the E&S management capacity of Program implementing agencies** and include: (i) recruit or assign two fully dedicated staff each in the four implementing agencies to manage E&S issues and impacts; (ii) preparation of an Environmental and Social Management System (ESMS) for the Program that will include: (a) exclusion list; (b) procedure for E&S risk screening, categorization, guidance for avoiding and minimizing risks and impacts identified through screening; (c) procedures for land management; (d) labor management procedures; (e) GBV and sexual exploitation and abuse/sexual harassment (SEA/SH) framework; (f) Tribal Development Framework; (g) Stakeholder Engagement Framework; (h) procedures to mitigate adverse impacts on soil, air, noise, water, waste disposal, etc.; and (i) templates for E&S management plans; (iii) preparation of a specific Environmental and Social Management System (ESMS) for the implementing agencies and the DoL&LR; (iv) conducting E&S capacity building of Program implementing agency staff, contractors, and other associated stakeholders; and (v) development, use, and enforcement of SOPs for tracking and managing risks arising out of transit of hazardous chemicals and petroleum products, occupational health and safety, community health and safety, and for accidents and incidents reporting.

56. **GRMs of the GoWB.** The Rules (West Bengal Right to Public Services Rules, 2013) notified to implement the Act clearly outlines the steps to be followed, with associated timelines, for processing applications received from eligible applicants and a feedback mechanism for the same. It outlines a three-tiered approach whereby applicants can request review of their petitions by a higher authority in case they are not satisfied with the decisions taken at the lower level(s). Residents of the state can also register their complaints/grievances to the Program Implementation and Grievance Cell set up in the Office of the Chief Minister, GoWB in June 2019. Complainants may call a toll-free number (18003458244) to register their complaints or send a text message to a dedicated number (+919073300524) or send their complaints

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<sup>13</sup> The draft ESSA and its executive summary (in English and Bengali) were disclosed on the Bank's external website on August 3, 2023. A multi-stakeholder workshop to disclose the ESSA and elicit stakeholders' feedback on the findings and recommendations was organized on August 18, 2023. The ESSA is available at: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099080323103041732/p17482508d08870d094b90f926bb4b4f4c>.



through email (wbcmro@gmail.com). Complaints received at the Program Implementation and Grievance Cell are supposed to be resolved by the concerned department within seven days.

57. **Grievance redress.** Communities and individuals who believe that they are adversely affected as a result of a Bank supported PforR operation, as defined by the applicable policy and procedures, may submit complaints to the existing program grievance mechanism or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address pertinent concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted at any time after concerns have been brought directly to the Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's GRS, visit <https://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank's AM, visit <https://accountability.worldbank.org>

## V. RISK

60. **The overall risk of the operation is Substantial, given the substantial ratings outlined in Table 5.**

**Table 5. Program Risks, rationale and mitigation measures**

Risk Category	Rationale for Substantial Rating and Mitigation Measures
<b>Technical Design of Program</b>	The Program is technically complex and multi-sectoral in design. Proposed initiatives benefit from risk mitigation measures in the form of technical assessments, knowledge sharing, and capacity-building activities.
<b>Institutional Capacity for Implementation and Sustainability</b>	Coordination risks stem from the involvement of many implementing agencies. These risks are mitigated through implementing arrangements that place the DoIC&E as the coordinating entity as well as the formation of the PSC.
<b>Fiduciary</b>	The rating reflects the following: (i) this is the first Bank operation for most of the spending agencies (except the DoT); (ii) the Program is multi-sectoral, requiring budgetary execution by several agencies; and (iii) expenditure under the Program is procurement intensive. Proposed mitigation measures include: (i) procurement audit of each spending agency; (ii) maintenance of procurement records such that relevant data for monitoring and reporting of procurement Key Performance Indicators (KPIs) and for audits will be made available easily and promptly; (iii) procurement reviews shall be included under internal audits; (iv) procurement disclosure requirements; (v) establishment of a functional online procurement complaint mechanism; (vi) Program financial statements are generated from IFMIS; (vii) audit observations relating to the Program are complied with/resolved in a time-bound manner; and (viii) annual audit reports are disclosed on their respective department website.
<b>Environment and Social</b>	The rating relates to the creation and implementation of a masterplan to implement the Logistics Sector Development Policy, primarily due to possible large-scale civil works to be undertaken by the GoWB (outside the Program). These downstream construction activities can lead to potential loss of green cover and biodiversity impacts and possibly the generation and disposal of battery waste and e-waste. Construction and maintenance of logistics parks,



	<p>hubs, and associated facilities will likely lead to increased emissions, dust levels, and water pollution that may adversely impact adjacent water bodies unless such facilities are developed as “zero discharge” facilities. It is anticipated that multiple small vendors will set up establishments near the logistics hubs, generating inorganic wastes, seepage, and leakage of hazardous chemicals and oils, all of which will need careful minimization and management. Adverse social impacts related to the government’s own program include potential negative impacts associated with the purchase and acquisition of land on both title and non-titleholders and informal settlers; influx of migrant labor; potential GBV and risks to community health and safety; and low awareness of and access to established grievance redressal systems. Service-oriented aspects of the Program aimed at improving women’s employment in the logistics sector, provision of training and capacity building, and facilitating entrepreneurship could potentially exclude the poorest and most vulnerable within these target groups from accessing and benefiting from such Program activities. To mitigate all these risks, the Program will help to build the E&amp;S management capacity of Program implementing agencies. This will entail assigning staff to conduct E&amp;S capacity building of Program implementing agency staff, contractors, and other associated stakeholders; developing a procedure for tracking and managing risks arising from transit of hazardous chemicals and petroleum products; and developing a procedure for occupational health and safety and community health and safety.</p>
<b>Stakeholders</b>	<p>Risks stem from the large number of stakeholders in the logistics sector, at the national, subnational and district levels. This may cause constrained coordination and sub-optimal planning. To address this risk, the state has already initiated stakeholder consultations and will incorporate their feedback in all critical interventions.</p>



## ANNEX 1. RESULTS FRAMEWORK MATRIX

### Program Development Objective(s)

To increase logistics efficiency and trade facilitation in West Bengal

### PDO Indicators by Outcomes

Baseline	Closing Period
<b>Reduced number of days to mutate land for logistics infrastructure</b>	
<b>Land mutation period (Days)</b>	
Mar/2023	Mar/2027
60	25
<b>Institution for coordinated planning and monitoring of logistics sector established</b>	
<b>Logistics Development Council established (Yes/No)</b>	
Mar/2023	Jul/2024
No	Yes
<b>Reduced truck waiting time at Bangladesh borders</b>	
<b>Truck waiting time at the Petrapole border (Days)</b>	
Mar/2023	Mar/2027
46	1
<b>Improved energy efficient cold storage capacity</b>	
<b>Share of cold storage units that have adopted energy efficiency measures (Percentage)</b>	
Mar/2023	Mar/2027
0	75
<b>Women trained in specialized logistics training programs employed</b>	
<b>Share of trained women employed in technical and managerial roles in logistics services (Percentage)</b>	
Mar/2023	Mar/2027
0	45





### Intermediate Indicators by Results Areas

Baseline	Period 1	Period 2	Closing Period
<b>Reduced trade costs</b>			
<b>Foreign trade license e-portal operationalized (Yes/No)</b>			
Jul/2023			Jul/2024
No			Yes
<b>Share of cold storage units that have adopted energy efficiency measures (Percentage) <sup>DLI</sup></b>			
Mar/2023	Jul/2025		Jul/2027
0	30		50
<b>Change in traceability of freight trucks in West Bengal (Percentage) <sup>DLI</sup></b>			
Mar/2023	Jul/2025	Jul/2026	Jun/2028
0	45	50	70
<b>Enhanced institutional capacity for promoting trade and logistics</b>			
<b>Investment plans in the West Bengal Industrial and Economic Corridor (Number) <sup>DLI</sup></b>			
Mar/2023			Mar/2026
0			3
<b>Specialized logistics skills training programs (Number) <sup>DLI</sup></b>			
Mar/2023			Mar/2025
0			5
<b>Share of logistics policy related grievances addressed (Percentage)</b>			
Mar/2023	Jul/2024		Jul/2027
0	50%		98%

### Disbursement Linked Indicators (DLI)

Period	Period Definition	Timeline
Period 1	Year 1	2025
Period 2	Year 2	2026
Period 3	Year 3	2027





Period 4	Year 4	2028		
Baseline	Period 1	Period 2	Period 3	Period 4
1 : Investment plans in the West Bengal Industrial and Economic Corridor (Number )				
0	-	-	-	-
0.00	0.00	15,000,000.00	5,000,000.00	10,000,000.00
DLI allocation		30,000,000.00	As a % of Total Financing Amount	20.0%
➤ 1.1 : Adoption of the state master plan for resilient logistics sector development (Text )				
No State Master Plan	-	State master plan for resilient logistics sector development has been adopted	-	-
0.00	0.00	15,000,000.00	0.00	0.00
DLI allocation		15,000,000.00	As a % of Total Financing Amount	10.0%
➤ 1.2 : Investment by third party logistics service providers (Percentage )				
0	-	-	-	15
0.00	0.00	0.00	0.00	10,000,000.00
DLI allocation		10,000,000.00	As a % of Total Financing Amount	6.67%
➤ 1.3 : Approval of detailed project reports of investments in the West Bengal Industrial and Economic Corridor developed (Number )				
0	-	-	5	-
0.00	0.00	0.00	5,000,000.00	0.00
DLI allocation		5,000,000.00	As a % of Total Financing Amount	3.33%
2 : Specialized logistics skills training programs (Number )				
0	-	-	-	-
0.00	10,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00
DLI allocation		25,000,000.00	As a % of Total Financing Amount	16.67%
➤ 2.1 : Women trained in specialized logistics training programs (Number )				
0	0	500	500	500



0.00	0.00	5,000,000.00	5,000,000.00	5,000,000.00
DLI allocation		15,000,000.00	As a % of Total Financing Amount	10.0%
➤ 2.2 : Logistics training programs aligned with PM Gati Shakti operationalized (Number )				
-	5 logistics training programs aligned PM Gati Shakti launched	-	-	-
0.00	10,000,000.00	0.00	0.00	0.00
DLI allocation		10,000,000.00	As a % of Total Financing Amount	6.67%
<b>3 : Framework for trade e-governance (Text )</b>				
No Trade Portal	Portal for trade licenses applications through the portal operationalised	District Export Promotion Centers operationalized	E-registry of licensed logistics facilities operationalized	Export licenses applications through the portal increased by 50 percent
0.00	5,000,000.00	3,000,000.00	2,000,000.00	10,000,000.00
DLI allocation		20,000,000.00	As a % of Total Financing Amount	13.33%
<b>4 : Share of cold storage units that have adopted energy efficiency measures (Percentage )</b>				
0	-	-	50	-
0.00	0.00	0.00	8,000,000.00	0.00
DLI allocation		8,000,000.00	As a % of Total Financing Amount	5.33%
<b>5 : Agriculture produce and food quality testing facilities that have been operationalized (Number )</b>				
0	-	-	2	-
0.00	0.00	0.00	7,000,000.00	0.00
DLI allocation		7,000,000.00	As a % of Total Financing Amount	4.67%
<b>6 : Improved efficiency in land mutation processes (Text )</b>				
-	-	-	-	-
0.00	10,000,000.00	5,000,000.00	5,000,000.00	10,000,000.00
DLI allocation		30,000,000.00	As a % of Total Financing Amount	20.0%
➤ 6.1 : Publication of a standard operating procedure for operational efficiency in land conversion applications by titleholders (Yes/No )				
No	Yes	-	-	-



0.00	10,000,000.00	0.00	0.00	0.00
DLI allocation		10,000,000.00	As a % of Total Financing Amount	6.67%
➤ 6.2 : Automatic plot creation upon re-classification of land usage (Percentage )				
0	-	45	60	-
0.00	0.00	5,000,000.00	5,000,000.00	0.00
DLI allocation		10,000,000.00	As a % of Total Financing Amount	6.67%
➤ 6.3 : Reduction in land mutation period for industry (Days )				
60	-	-	-	25
0.00	0.00	0.00	0.00	10,000,000.00
DLI allocation		10,000,000.00	As a % of Total Financing Amount	6.67%
7 : Change in traceability of freight trucks in West Bengal (Percentage )				
0	-	-	-	20.0%
0.00	6,000,000.00	8,000,000.00	16,000,000.00	
DLI allocation		30,000,000.00	As a % of Total Financing Amount	
➤ 7.1 : Number of trucks utilizing the Suvridha portal (Percentage )				
0	-	50	-	75
0.00	0.00	8,000,000.00	0.00	8,000,000.00
DLI allocation		16,000,000.00	As a % of Total Financing Amount	10.67%
➤ 7.2 : Share of freight vehicles adopting vehicle location tracking system (VLTS) (Percentage )				
0	30	-	70	-
0.00	6,000,000.00	0.00	8,000,000.00	0.00
DLI allocation		14,000,000.00	As a % of Total Financing Amount	9.33%



## Monitoring & Evaluation Plan: PDO Indicators by PDO Outcomes

<b>Reduced number of days to mutate land for logistics infrastructure</b>	
<b>Land mutation period (Days)</b>	
Description	This indicator will measure the number of days (reduction in average time) required for land record mutation as part of logistic and storage support by the department.
Frequency	Annual
Data Source	DoL&LR
Methodology for Data Collection	MIS report
Responsibility for Data Collection	IVA
<b>Institution for coordinated planning and monitoring of logistics sector established</b>	
<b>Logistics Development Council established (Yes/No)</b>	
Description	The LDC is established for improved coordination.
Frequency	Annual
Data Source	DoIC&E
Methodology for Data Collection	GO on the establishment of the LDC ; Bi-annual meeting minutes
Responsibility for Data Collection	IVA
<b>Reduced truck waiting time at Bangladesh borders</b>	
<b>Truck waiting time at the Petrapole border (Days)</b>	
Description	This indicator will measure the average of truck waiting time at the Petrapole border annually
Frequency	Annual
Data Source	DoT
Methodology for Data Collection	Suvidha portal MIS report
Responsibility for Data Collection	IVA
<b>Improved energy efficient cold storage capacity</b>	
<b>Share of cold storage units that have adopted energy efficiency measures (Percentage)</b>	
Description	The indicator will measure the increase in number of cold storage units that are energy efficient; baseline 2024 (577).
Frequency	Annual
Data Source	DoAM
Methodology for Data Collection	MIS reports
Responsibility for Data Collection	IVA
<b>Women trained in specialized logistics training programs employed</b>	
<b>Share of trained women employed in technical and managerial roles in logistics services (Percentage)</b>	
Description	The indicator will track the share of women trained in logistics sector skill development programs under the operation who are employed in technical and managerial roles (defined as non-elementary occupations in the National Occupations Classification, 2015).
Frequency	Annual
Data Source	DoIC&E
Methodology for Data Collection	MIS report
Responsibility for Data Collection	IVA



## Monitoring & Evaluation Plan: Intermediate Results Indicators by Results Areas

<b>Reduced trade costs</b>	
<b>Foreign trade license e-portal operationalized (Yes/No)</b>	
Description	Trade e-portal is established by the EPC and includes a compilation of free trade agreements, country and product-wise certification requirements, information regarding tariff and non-tariff barriers, etc., for export markets. The portal is to be linked to the GoI's portal for trade registration.
Frequency	Annual
Data Source	DoIC&E
Methodology for Data Collection	Government Order on the operationalization of the portal
Responsibility for Data Collection	IVA
<b>Share of cold storage units that have adopted energy efficiency measures (Percentage) <sup>DLI</sup></b>	
Description	The indicator measures the share of total cold storage units that are energy efficient (using an existing national label, baseline: 577 units).
Frequency	Annual
Data Source	DoAM
Methodology for Data Collection	MIS report
Responsibility for Data Collection	IVA
<b>Change in traceability of freight trucks in West Bengal (Percentage) <sup>DLI</sup></b>	
Description	The indicator will measure the share of freight trucks in West Bengal that have adopted vehicle location tracking devices.
Frequency	Annual
Data Source	DoT
Methodology for Data Collection	MIS report
Responsibility for Data Collection	IVA
<b>Enhanced institutional capacity for promoting trade and logistics</b>	
<b>Investment plans in the West Bengal industrial and economic corridor (Number) <sup>DLI</sup></b>	
Description	This indicator measures the development of various investment plans needed to develop the industrial corridor. The IVA will report on the fact that the detailed project reports of industrial corridor investment plans are aligned with: (i) state government E&S safeguards; (ii) the quality and content of the state master plan, WBLP, and PM Gati Shakti.
Frequency	Annual
Data Source	DoIC&E
Methodology for Data Collection	MIS report
Responsibility for Data Collection	IVA
<b>Specialized logistics skills training programs (Number) <sup>DLI</sup></b>	
Description	Number of programs established under the center of logistics excellence
Frequency	Annual
Data Source	DoIC&E
Methodology for Data Collection	GO; MIS reports
Responsibility for Data Collection	IVA
<b>Share of logistics policy related grievances addressed (Percentage)</b>	
Description	The intermediate indicator will measure the share of grievances related to the logistics policy that have been successfully addressed.



Frequency	Annual
Data Source	DoIC&E
Methodology for Data Collection	MIS report
Responsibility for Data Collection	IVA



### Verification Protocol Table: Disbursement Linked Indicators

<b>1 : Investment plans in the West Bengal Industrial and Economic corridor (Number)</b>	
Formula	Refer to formulae for 1.1, 1.2, and 1.3
Description	Refer to description for 1.1, 1.2, and 1.3
Data Source/ Agency	Refer to data source for 1.1, 1.2, and 1.3
Verification Entity	Refer to verification entity for 1.1, 1.2, and 1.3
Procedure	Refer to procedure for 1.1, 1.2, and 1.3
<b>1.1 : Adoption of the state master plan for resilient logistics sector development (Text)</b>	
Formula	Not applicable
Description	A state master plan for resilient and coordinated logistics sector development will be adopted by the GoWB. The master plan should be prepared in a participatory manner involving relevant government departments (with private sector stakeholders). It should include a framework for (i) promoting green and sustainable logistics; (ii) outlining private sector participation; (iii) prioritized investment plans; and (iv) define third party logistics (3PL) providers and 3PL investments.
Data Source/ Agency	DoIC&E
Verification Entity	IVA
Procedure	The verification of DLI will be done by IVA based on desk review of master plan. The IVA would report on the facts that: (i) the quality and content of the master plan is line with requirements of WBLP and PM Gati Shakti; (ii) process of preparing masterplan is participatory, i.e., consultations of key stakeholders both government and private sectors; (iii) the master plan includes a framework for promoting green and sustainable logistics; (iv) the master plan includes a framework to prioritize public investments and to promote public-private partnerships; and (v) the master plan has been approved by the competent authority of GoWB and notified on official website.
<b>1.2 : Investment by third party logistics service providers (Percentage)</b>	
Formula	US\$10,000,000 for an increase in investments (defined as third party logistics provider tenancy in West Bengal industrial parks) by 10 percent (compared to March 2023); US\$1,000,000 for each additional increase of 1 percentage point (compared to March 2023) up to a total of 15 percent of tenancy of industrial parks in West Bengal.
Description	The DLI measures the increase in tenancy by third party logistics providers in government industrial parks increases by 15 percent compared to the baseline (March 31, 2023).
Data Source/ Agency	DoIC&E
Verification Entity	IVA
Procedure	The IVA will verify that the number of tenants renting units in West Bengal industrial parks has increased using WBIDC MIS reports.
<b>1.3 : Approval of detailed project reports of investments in the West Bengal Industrial and Economic Corridor (Number)</b>	
Formula	US\$1,000,000 for each approved detailed project report of investment plan up to a total of 5 investment plans.
Description	This indicator measures the development of various investment plans needed to develop the industrial corridor. The IVA will report on the fact that the detailed project reports of Industrial and Economic Corridors investment plans: (i) align with state government E&S safeguards; (ii) align with the quality and content of the state master plan, WBLP, and PM Gati Shakti; and (iii) are published on official website.
Data Source/ Agency	DoIC&E
Verification Entity	IVA
Procedure	The IVA will verify that the investment plans have been approved by relevant authorities and published, including on relevant GoWB websites.
<b>2 : Specialized logistics skills training programs (Number)</b>	
Formula	Refer to formulae for 2.1 and 2.2
Description	Refer to description for 2.1 and 2.2
Data Source/ Agency	Refer to data source for 2.1 and 2.2
Verification Entity	Refer to verification entity for 2.1 and 2.2
Procedure	Refer to procedure for 2.1 and 2.2



<b>2.1 : Women trained in specialized logistics training programs (Number)</b>	
Formula	US\$1,000,000 for every 100 women trained, up to a total of 1,500.
Description	This DLI measures the number of women enrolled in government certified logistics and trade training programs.
Data Source/ Agency	DoIC&E
Verification Entity	IVA
Procedure	The IVA will verify the number of women enrolled in government certified logistics and trade vocational training programs using MIS reports of center of logistics excellence.
<b>2.2 : Logistics training programs aligned with Gati Shakti (Number)</b>	
Formula	US\$2,000,000 for each vocational training program up to 5 training programs (including technical and managerial).
Description	This DLI measures the development of specialized logistics skills training programs with a special focus on training of women.
Data Source/ Agency	DoIC&E
Verification Entity	IVA
Procedure	The IVA will verify that training programs have been operationalized on the basis of gazette government notification of the programs and MIS reports on enrollment.
<b>3 : Framework for trade e-governance (Text)</b>	
Formula	US\$1,000,000 for every 20 export license applications through the portal upto a total of 200.
Description	<ul style="list-style-type: none"> <li>(i) Portal for trade license applications linked to the GoI's online platform operationalized.</li> <li>(ii) 5 District Export Promotion Centres operationalized in major trading hubs of the state.</li> <li>(iii) e-registry of licensed logistics facilities (including warehouses, packhouses, and other logistics facilities identified in the POM) operationalized on relevant GoWB website.</li> </ul> Foreign trade licensing applications processed through the portal.
Data Source/ Agency	DoIC&E
Verification Entity	IVA
Procedure	<p>The IVA will verify the operationalization of the trade e-governance framework on the basis of:</p> <ul style="list-style-type: none"> <li>(i) Functional and software requirement specification for the trade license application portal linked to the GoI's website, government notification, as well as MIS reports.</li> <li>(ii) Government notification of DEPCs and MIS reports on the queries received and resolved.</li> <li>(iii) Functional and software requirement specification for the e-registry of logistics facilities, government notification as well as MIS reports.</li> </ul> MIS reports of licensing applications processed through the portal.
<b>4 : Share of cold storage units adopting energy efficiency measures (Percentage)</b>	
Formula	US\$80,000 for every 3 units of cold storage unit certified as energy efficient up to a maximum of 300 cold storage units (out of 577 registered cold storage units in West Bengal).
Description	The DLI measures the share of cold storage units in West Bengal (out of a baseline of 577 registered cold storage units) that have adopted energy efficiency measures (according to existing national labels).
Data Source/ Agency	DoAM
Verification Entity	IVA
Procedure	The IVA will verify the share of cold storage units that have adopted energy efficiency measures as indicated by the portal. The source of information would be gazetted government notification of the cold storage licensing portal and MIS reports generated by the portal.
<b>5 : Agriculture produce and food quality testing facilities that have been operationalized (Number)</b>	
Formula	US\$3,500,000 each for: (i) new testing center receiving APEDA approval and NABL certification; and (ii) Agmarknet certification.
Description	The DLI measures the number of agriculture produce and food quality testing centers established by obtaining accreditation through NABL and Agmarknet.
Data Source/ Agency	DoAM
Verification Entity	IVA
Procedure	The IVA will verify that the state has operationalized an NABL certified testing center with APEDA accreditation and an Agmarknet using gazette government notification and the NABL documentation.





Formula	Refer to formulae for 6.1, 6.2, and 6.3
Description	Refer to description for 6.1, 6.2, and 6.3
Data Source/ Agency	Refer to data source for 6.1, 6.2, and 6.3
Verification Entity	Refer to verification entity for 6.1, 6.2, and 6.3
Procedure	Refer to procedure for 6.1, 6.2, and 6.3
<b>6.1 : Publication of standard operating procedure for operational efficiency in land conversion applications by titleholders (Yes/No)</b>	
Formula	Not applicable
Description	The DLI measures the creation of SOPs for conversion of land usage applications by titleholders to increase operational efficiency and reduce delays in filing for land conversion applications.
Data Source/ Agency	DoL&LR
Verification Entity	IVA
Procedure	The IVA will verify the creation of an SOP for conversion of land usage applications by titleholders using government gazetted notification and online (DoL&LR website) and creation of a new land classification for logistics and storage (including silos and cold storage).
<b>6.2 : Automatic plot creation upon re-classification of land usage (Percentage)</b>	
Formula	US\$1,000,000 for every 6 percent of automatic plot creation upon re-classification of land usage by titleholder.
Description	The DLI measures the share of automatic plot creation upon re-classification of land usage by titleholders in revenue villages where the reconciliation between map and records has been achieved (out of a baseline of 35,000 land parcels).
Data Source/ Agency	DoL&LR
Verification Entity	IVA
Procedure	The IVA will verify the automatic plot creation upon re-classification of land usage using e-Bhuchitra MIS reports.
<b>6.3 : Reduction in land mutation period for industry (Days)</b>	
Formula	US\$8,000,000 for average mutation period of 30 days; additional US\$2,000,000 for average mutation period of 25 days annually (for at least 35 percent of total applications filed) annually.
Description	The DLI measures the number of days to mutate land reduced to 25 from application to resolution (barring objections) for at least 35 percent of total mutation applications annually.
Data Source/ Agency	DoL&LR
Verification Entity	IVA
Procedure	The IVA will verify the average number of days taken to mutate land for logistics and storage units (from date of application to resolution, barring objections) for at least 35 percent of total filed applications using the e-Bhuchitra MIS reports.
<b>7 : Change in traceability of freight trucks in West Bengal (Percentage)</b>	
Formula	Refer to formulae for 7.1 and 7.2
Description	Refer to description for 7.1 and 7.2
Data Source/ Agency	Refer to data source for 7.1 and 7.2
Verification Entity	Refer to verification entity for 7.1 and 7.2
Procedure	Refer to procedure for 7.1 and 7.2
<b>7.1 : Number of trucks utilizing the Suvidha portal (Percentage)</b>	
Formula	US\$200,000 for every percent point increase in trucks utilizing the Suvidha portal up to 50 percent of trucks at the Petrapole Border; additional US\$6,000,000 for 25 percentage point increase in trucks utilizing the Suvidha portal up to 75 percent of trucks at the Petrapole Border (baseline August 2023: 58,000).
Description	The DLI measures the increase in the number of freight trucks utilizing the Suvidha portal at the Petrapole border.
Data Source/ Agency	DoT
Verification Entity	IVA
Procedure	The IVA will verify the increase in the number of freight trucks utilizing the Suvidha portal at the Petrapole border using DoT/ Suvidha portal MIS reports.
<b>7.2 : Share of freight vehicles adopting vehicle location tracking system (Percentage)</b>	



Formula	US\$200,000 for every percent of trucks with VLTS adoption up to 50 percent of freight trucks registered in West Bengal; additional US\$6,000,000 for 20 percent of trucks up to 70 percent of trucks registered in West Bengal.
Description	The DLI measures the share of freight trucks registered in West Bengal that have adopted vehicle location tracking devices.
Data Source/ Agency	DoT
Verification Entity	IVA
Procedure	The IVA will verify the share of freight trucks in the state that have adopted VLTS using DoT MIS reports.



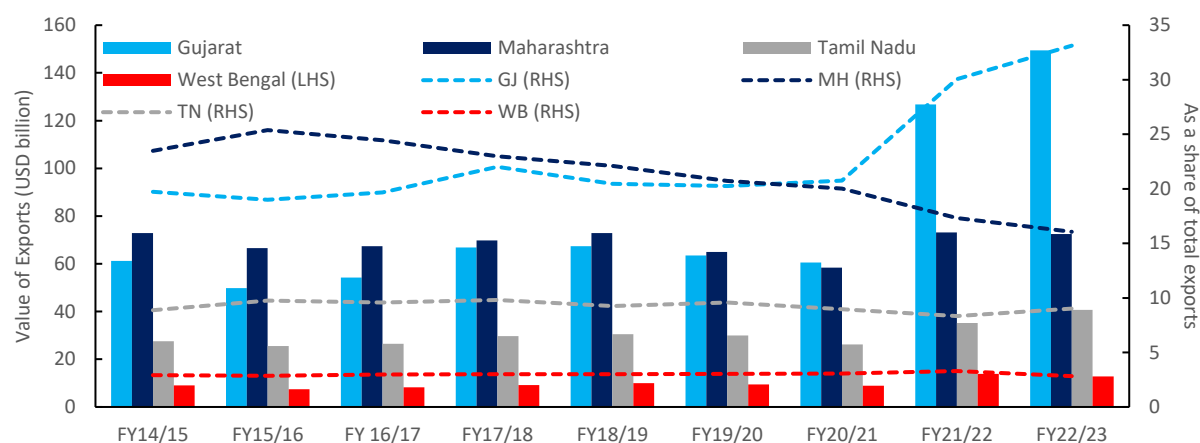
## ANNEX 2. (SUMMARY) TECHNICAL ASSESSMENT

### STRATEGIC RELEVANCE

1.

2. **West Bengal has yet to fully tap its economic potential.** The state has been lagging in export, FDI, and industrialization. It recorded 1.5 percent export growth over the five years before COVID-19, corresponding to about 3 percent of India's exports<sup>14</sup> (Figure A2.1); it has one of the lowest rates of FDI growth among the major exporting states. The pre-pandemic GDP growth at 6.4 percent in FY15/16–FY19/20 was slightly below the national average but slowed sharply thereafter.

Figure A2.1. Exports from West Bengal Compared to Other Coastal States



Source: Directorate General of Commercial Intelligence and Statistics, World Bank Staff estimates.

3. **The GoWB has launched an array of new initiatives aimed at diversification of the exports basket and increased value addition.** Mining, agricultural, marine, and leather goods make up the bulk of exports from West Bengal. As a part of its EPP, the GoWB intends to support the production and export of goods that have significant domestic value addition. The main items include handicrafts (including leather), agriculture products (tea, mango, rice), engineering goods, iron and steel, and chemicals. The GVC potential analysis shows that textiles, apparel, leather, and chemicals have the highest number of direct domestic suppliers in West Bengal. The main destinations for these exports are Bangladesh, United Arab Emirates, Nepal, United States, the People's Republic of China, and Bhutan (together accounting for about 51 percent of total exports). Europe is fast emerging as an import destination, with Germany, France, United Kingdom, Italy, and the Netherlands accounting for roughly 8 percent of total exports. The port of exit is primarily land and sea at almost 85 percent of total exports; air routes account for 13 percent.

4. **The GoWB has identified the logistics sector as a key growth enabler to improve exports and investment.** Prior to the pandemic, the logistics sector accounted for roughly 4.5 percent of total gross value added<sup>15</sup> and has grown by an average of nearly 10 percent year-on-year in FY15/16–FY19/20. The growth potential of logistics is, however, much larger. The market size of West Bengal logistics sector has

<sup>14</sup> The top five merchandise-exporting states of India include Gujarat, Maharashtra, Tamil Nadu, Karnataka, and Uttar Pradesh.

<sup>15</sup> The share of the logistics sector in gross state value added includes railways, road, water, and air transport, storage, and services associated with transport. The logistics sector also contributed 4 percent to India's gross value added.



the potential to reach US\$20 billion (10 percent of GSDP), driven by trade in agriculture, raw materials, industries, and major economic corridors.<sup>16</sup> It has the potential to mobilize investments worth US\$1.5 billion (0.9 percent of GSDP) and generate as many as 30,000 direct jobs (around 0.07 percent of the workforce in 2021).

5. **Boosting exports hinges on the development of the logistics sector, which requires strengthening institutional capacity, improved service delivery, and investment in infrastructure.** The GoWB has proposed a comprehensive program to address the identified key impediments to export promotion and the development of the state's logistics sector.

## TECHNICAL SOUNDNESS

6. The government's program and its linkage with the NLP is summarized in Table A2.2.

**Table A2.2. Summary Table of the Government program**

Stakeholders	Challenges	National Logistics Policy	GoWB Logistics Policy	World Bank PforR
National government and federal agencies (land and water ports, railways, air transport) State government General public, consumers, and businesses	Fragmented coordination across agencies	Create trade facilitation and center of logistics excellence and leverage multilateral agencies expertise	Center of logistics excellence	State master plan and action plans; LDC; investment plans for the industrial corridor; and stakeholder and public GRM
	Complex regulatory environment	Create single window logistics e-Marketplace for greater transparency	Special industry status state single window clearance portal	Trade portal for export facilitation
	Disjointed or absent IT systems	Establish logistic data and analytics center to drive standardization	Land data digitization	Land records digitization
	Piecemeal development of infrastructure	Drive MMLP development	Time-bound MMLP development	Repairs
	Suboptimal use of available infrastructure	Drive first and last mile connectivity; and optimize modal mix	First and last mile infrastructure improvement requirements along terminal nodes	Industrial park maintenance
Logistics service providers: transportation and handling of goods between points of production and consumption, storage, value addition and allied services	Fragmented nature of logistics services	Support strengthening the warehousing sector	Integrate storage facilities i.e., state warehouses and cold chain to drive efficiency through use of technology-based tools, i.e., cold chain assets geo-tagging Development of geo-tagged cold chain asset database for use by end-users / stakeholders Include a digital interface to provide approvals for warehouse development	E-registry of licensed storage facilities Gaps assessment of storage facilities

<sup>16</sup> Positioning West Bengal as a Key Logistics Hub, KPMG, 2018.



Stakeholders	Challenges	National Logistics Policy	GoWB Logistics Policy	World Bank PforR
Industries (particularly export–import [EXIM] focused sectors) and MSMEs	Complicated and expensive land-related processes	Land banks	The state intends to link digital land repository with logistics data analytics platform for faster disposal of land certificates	SOP for land conversion
	Lack of predictability, safety, and visibility			VLTS devices installed in freight trucks
	Weaknesses in EXIM logistics	Streamlining EXIM processes to promote trade competitiveness	State endeavor to identify gaps in testing centers and other sanitary and phytosanitary infrastructure, as required to promote exports from the state  Freight stations at ICPS	Enhancement of Suvidha portal for truck parking facilities Logistics parks and freight stations
	Lack of sustainability and resilience planning in infrastructure and services	Promoting green and sustainable logistics	Use of electric vehicles for internal/shorter movement of freight at logistics facilities, alternate greener modes of cargo movement like slurry pipelines	Energy efficient storage facilities Resilient infrastructure planning
	Siloed skilling ecosystem	Generate employment, skill enhancement, and promote gender diversity in the sector	Center of logistics excellence train at least 300 women in logistics handling and services; Conduct two placement / job fairs per year focusing on the logistics sector; Implement two categories of skill development program	Logistics training needs assessment  Two logistics training programs aligned PM Gati Shakti launched  500 women trained in logistics annually

## PROGRAM EXPENDITURE FRAMEWORK

7. The PEF relates to a combination of existing and new key programs in the implementing departments. Table A2.3 outlines the PEF and Table A2.4 outlines major Program activities.

**Table A2.3. Program Expenditure Framework**

Implementing Agency	Classification of Expenditure	FY24–25	FY25–26	FY26–27	FY27–28	Total Expenditure (projected; in INR crore)	Government Funding	IBRD Funding
DoIC&E	Civil works, IT hardware and software, goods and services, consulting	136.2	441.4	439.9	449.3	1,466.7	586.7	880.02



<b>DoT</b>	Civil works, IT hardware and software, goods and services, consulting	7.4	7.5	9.5	11.6	36.0	14.4	21.6
<b>DoL&amp;LR</b>	IT hardware and software, goods and services, consulting, technical assistance, salaries	73.4	86.1	82.8	85.5	327.8	131.1	196.7
<b>DoAM</b>	Civil works, IT hardware and software, goods and services, consulting	21.2	80.2	70.3	69.0	240.7	96.3	144.4
<b>Total in INR crore</b>		<b>238.2</b>	<b>615.1</b>	<b>602.5</b>	<b>615.4</b>	<b>2,071.2</b>	828.5	1,242.7
<b>Total in US\$ million</b>		<b>28.7</b>	<b>74.2</b>	<b>72.7</b>	<b>74.3</b>	<b>250.0</b>	<b>100.0</b>	<b>150.0</b>

Note: EAP = Externally Aided Project.

**Table A2.4. Program Activities and Components**

<b>Department</b>	<b>Major Components</b>
<b>DoIC&amp;E</b>	State Infrastructure Master Plan; Needs assessment studies; Detailed Project Reports preparation (aligned with PM Gati Shakti); Existing industrial park development; Planning of industrial corridor (Raghunathpur-Tajpur); Skill training and awareness campaigns; Bengal Global Business Summit; Digital mapping of infrastructure (for multi-modal connectivity); District Export Facilitation Centres (under Shilpa Sadan); Promotion activities for the development of the logistics sector and investment; Last mile connectivity; logistics council; Training programs on logistics and trade facilitation; Incentives for logistics park development; Employment support for women hired in logistics sector.
<b>DoL&amp;LR</b>	Upgrading hardware and digital requirements; Infrastructure for map-printing and delivery of cadastral maps in 23 DoL&LR and district offices; Helpdesk in 348 BLLRO offices; Upgrading connectivity; Geo-referencing of cadastral maps; Scanning and digitization of legacy records; Consultancy for geo-referencing of land records.
<b>DoAM</b>	Testing center and upgradation of storage facilities for agricultural, animal, and fisheries products (packhouses, irradiation centers, ripening chambers, etc.); Formation and promotion of export-oriented Farmer Produce Organisations (FPOs); Cluster identification, traceability, and integrated supply chain management; Conversion of storage units to follow green norms; Export facilitation centers for agri-produce, skill upgradation for export-orientation and training, awareness campaigns; Value chain identification and gaps analysis; Incentives for food quality testing private laboratories.
<b>DoT</b>	Annual Maintenance Contract for running five VLTS control room; Fitment of vehicle location tracking devices with SIM charges in government vehicles; Introduction of public mobile application; Training and awareness generation; Manpower for maintenance International Check Post; Annual maintenance of infrastructure including electronic system; Purchase and operation of remote sensing device; Construction and maintenance of automated testing station.

## PROGRAM'S ECONOMIC EVALUATION



8. **The benefits of the interventions supported under the Program will be multifold.** It will directly increase the efficiency of internal trade and lower logistics-related costs in the West Bengal economy. It will help to improve the ease of doing business in West Bengal and attract both domestic and foreign investments. It will increase investment spending efficiency. It will also lead to the diversification of the economy, bolster job creation, and facilitate trade in the eastern corridor with spillovers for the entire region, especially the North Eastern Region.

9. **Comprehensive skill upgradation plans, particularly for women, will help increase employment outcomes and address skills shortages.** The Indian logistics sector provides jobs to over 22 million people. Traditionally, the transport sector has been associated with physical work that favors male workers. However, developments in the logistics sector have created opportunities to attract women, especially in warehousing and value addition segment. Skill development in the logistics sector will play a crucial role in improving the state's capacity for efficient handling of goods, security, and safety. Skilled personnel such as warehouse managers, logistics managers, and professional heavy vehicle drivers will enable firms to maximize capacity and operations and boost investments in the sectors. To this end, the government will conduct private sector skills surveys and set up a skill development facility in coordination with the Department of Technical Education, Training and Skill Development to facilitate employment generation in the sector.

10. **The Program will promote agri-exports of the state in line with the agri-export policy (2022).** Agri-exports constitute an important share of exports from the state. West Bengal is also a leading producer of potato, cauliflower, okra, pineapple, and litchi and is also intensively involved in production or processing of poultry, fisheries, and animal husbandry, which provide a strong platform for setting up of agro-based industry and export. However, there are crucial barriers that prevent growth in the sector, including the lack of basic export infrastructure, such as permanent Perishable Cargo Centres Multi-Modal Cold Chain networks; plant quarantine infrastructure; a mechanism for tackling market access barriers and dealing with sanitary and phytosanitary issues; data analytics to identify specific crop types and markets; and dedicated institutional arrangements to promote agricultural export from the state. To address these issues, the Program will support simplification of the process of Phytosanitary Certification, the identification of trade facilitation interventions across the value chain of potential exportable commodities, and the formation and promotion of export-oriented FPOs to strengthen adherence to phyto-sanitary requirements. The Program will also address shortages in skills by creating awareness campaigns that will promote good agricultural practices required to ensure export quality standards.

11. **The Program will reduce the time required to convert and mutate land for logistics projects by supporting faster land records digitalization and the creation of an SOP for conversion.** The Program intends to support the GoWB in digitalizing and automatically updating changes to plots of land—an area West Bengal is already leading compared to other states as a result of the DILRMP—allowing for updated and accurate mapping of actual physical demarcations of areas, which can be vastly different from their portrayal on digital or paper maps currently. The GoWB intends to adopt the use of blockchain technology to ensure that the mutation history attached with the records of a plot are not contested leading to further conflicts over ownership. These interventions require focused investments in a joint geospatial base, land records systems integration, and supporting policy reforms. In addition, the Program will support the GoWB in creating and implementing an SOP that streamlines the chain of actions to be undertaken by a landowner and the GoWB to convert land, reducing processing steps and time needed for the process. This will enhance the ease of doing business in the sector considerably by reducing cost and time spent to acquire land.



12. **The government will extend innovative digital solutions for reducing truck waiting times—a major reason for high logistics costs in the state—at all ICPs.** The GoWB has introduced a digitally innovative solution for the quick clearance and smooth movement of vehicles at ICP Petrapole and ICP Ghojadanga. This has directly reduced the cost of transportation through Bengal and increased the volume of goods transported through the Petrapole border. The Program will support the GoWB in extending the facility to all nine border points in the state.





### ANNEX 3. (SUMMARY) FIDUCIARY SYSTEMS ASSESSMENT

1. **As part of Program preparation, the World Bank carried out an IFSA of key spending agencies.** The IFSA concluded that the Program's fiduciary systems, subject to timely implementation of proposed mitigation measures, will provide reasonable assurance that financing proceeds shall be used for intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability. The IFSA followed the World Bank's Policy for PforR and the related directive. It also identified key fiduciary risks that may affect the Program's development outcomes, and recommended systems improvement and capacity-strengthening/risk mitigation measures that will be implemented during the life of the Program. The residual fiduciary risk of the Program is assessed as Substantial.
2. **Implementation arrangements.** The key spending agencies under the Program are WBIDC (under the aegis of DoIC&E), DoT, DoL&LR, and WBSAMB (under the aegis of DoAM). WBIDC and WBSAMB are separate legal entities (constituted under the Company's Act and under a separate State Act respectively) but will use the state's public financial management and procurement systems for incurring expenditure under the Program and will be subject to fiduciary rules and guidelines laid down by the GoWB.
3. **IFSA scope.** The IFSA focused on the financial management and procurement systems, governance and anti-corruption systems, and operational practices of the four key spending agencies. The assessment was undertaken based on discussions conducted through questionnaires, in-person meetings, and a review of budget and financial data, audit reports, and the list of recent contracts awarded.
4. **PEF.** Institutional arrangements for Program activities will follow the existing schema for implementing the GoWB's constituent functions and is reliant on the use of country systems. The cost of the broader Government Reform Program for FY23–28 is estimated at US\$800 million. The outlay of the selected programs that have been included within the boundary for the World Bank PforR is estimated at US\$250 million, of which the IBRD financing is US\$150 million.
5. **Planning and budgeting.** Except for the newly approved WBLP, 2023, there is no overall strategy/plan in place for the logistics sector in the state. The budget does not serve as a reliable guide for the activities to be undertaken by the implementing agencies, especially for WBIDC and WBSAMB wherein majority of the annual budget allocations are provided by the parent departments, and consequently only incremental budgeting is undertaken. With respect to the DoT and DoL&LR, the actual expenditure over the last five years as a percentage of the budget estimates have been 56 percent and 23 percent, respectively. To improve the linkage of budget allocations with actual expenditure, AWP's will be prepared for the Program. The AWP's will constitute the basis of the budget requests that would be placed to the state Finance Department for annual allocations to the Program. The Program expenditure will be budgeted in the annual budget of the GoWB under a separate budget line across all the implementing agencies, allowing for tracking of fund flows from the state exchequer for the Program.
6. **Fund flows and treasury arrangements.** Program activities will be pre-financed by the GoWB's annual state budget, and the Bank funds will be disbursed based on the achievement of annual DLRs. For utilization of funds, the Program would follow the normal budgeting and treasury procedures. Budget will be allocated to the respective departments by the Finance Department after the clearance of the budget. The extant procedures by the Finance Department includes releasing 25–33 percent of the budget in the month of April, 50–70 percent in the month of October, and 90–100 percent in the month of January, depending on the fund utilization by the respective department. With respect to the WBIDC and WBSAMB, budgets will be allocated to them by their parent departments.



7. **Accounting and reporting.** Since all the spending agencies will incur expenditure through the state treasury, the expenditure would be directly recorded in the IFMIS and appropriate reports (if required) can be generated from the same on real-time basis.

8. **Internal controls and audit arrangements.** The departments and agencies of the GoWB follow the financial rules and procedures laid down in the State Financial Rules. All financial controls applicable to routine GoWB expenditure will also apply to Program expenditures. The extensive implementation of IFMIS has also automated many controls and approvals that are now done online instead of manually. The internal audit wing of the DoL&LR will duly cover Program expenditure as well. Since the DoT currently does not have an internal audit wing, the internal audit cell of the state Finance Department will be given the mandate to cover Program expenditure. Internal audit mechanisms, especially in the WBIDC and WBSAMB, will be strengthened to include: (i) a risk-based approach; (ii) performance aspects; and (iii) procurement reviews. Internal audit in these agencies will follow the ToRs agreed with the World Bank. Internal audit reports for the Program will be collated, monitored, and reviewed by the PMU.

9. **External audit.** In case of the participating departments, C&AG audits are not regular and are often bunched. There have been no recent audits in the DoT. The last audit carried out in the DoL&LR was for FY19–20 wherein several deficiencies were highlighted on which the DoL&LR is required to take necessary actions. Audits are regular for the WBIDC and WBSAMB. The Program audit arrangements require the Program annual financial statements to be audited by the Office of the Accountant General of West Bengal, on behalf of the C&AG, under ToRs already agreed for World Bank supported operations. The Bank is currently engaged with the C&AG to strengthen the ToRs to include specific aspects of a PforR operation and procurement review. The spending agencies will ensure that: (i) Program financial statements are generated from IFMIS; (ii) audit observations relating to the Program are complied with/resolved in a time-bound manner; and (iii) annual audit reports are disclosed on their respective department website. Oversight will be provided by the PMU. The World Bank will require the audit reports within nine months from close of the FY over the Program implementation period.

10. **Public procurement framework.** The GoWB has not legislated procurement-specific laws/acts and regulations to provide the legislative/policy framework for public procurement. West Bengal Financial Rules, 1977, subordinate GOs/amendments, and West Bengal Government Servants' Conduct Rules, 1959 as amended from time to time, are the policy documents outlining the applicable procurement framework in the state. The Finance Department, GoWB is the custodian of these rules. These rules do not provide explicit guidelines for contract management. The Delegation of Financial Powers Rules, 1977 and its subsequent amendments issued by Finance Department, GoWB define requisite threshold/limits of sanctioning and approving the contract award based on the hierarchy in the department.

11. **Public procurement systems.** There is no requirement for the preparation of annual Procurement Plan and its disclosure on the official website. However, there seems to be a linkage between the budget cycle and procurement cycle as all government departments prepare budgets for each financial year. Once the budget is approved, procurement process is initiated after obtaining necessary administrative and technical sanctions from the competent authorities. The GoWB has mandated the use of NIC eProcurement system for bidding of procurement contracts with estimated value INR 100,000 and above. The eProcurement portal has been integrated with the Payment Gateway of ICICI Bank for deposit of Earnest Money Deposit and other fees by the bidders. Further, the use of Government e-Marketplace is mandated to enhance transparency and economy in the procurement process. The state does not have universal suite of procurement documents/templates for goods, works, and services. The bid documents are customized by the implementing agencies as per their requirement. It is proposed to strengthen these



through inclusion of important standard clauses. The state has a dedicated helpline for complaints related to fraud and corruption, but there remains a need for a dedicated mechanism to treat procurement related complaints promptly to improve the confidence of the bidding community.

12. **Program procurement profile.** The Program is likely to procure a variety of goods, works, consultancy, and other services. However, it is not expected to procure any high-value contracts. Based on the Substantial risk rating, the implementing/spending units shall report to the World Bank if any large contracts appear throughout Program implementation. In addition, the World Bank team will analyze and monitor the Program performance of fiduciary systems and contract management reports to identify any large-value contracts that may appear throughout the Program implementation.

13. **Governance and anti-corruption measures.** The GoWB has a toll-free number, which informs the Chief Minister Program Implementation and Grievance Cell, to curb corruption. Directorate of Anti-Corruption Branch was established as an administrative department of the Personnel and Administrative Reforms Department with the mandate of conducting enquiry into such complaints of the administrative irregularities and complaints of corruption against government employees, employees of local bodies, public sector undertakings, corporations, societies, etc., under the administrative control of the government. The Office of the C&AG of India, which is the Supreme Audit Institution, has the constitutional mandate under Article 151(2) of the constitution to audit all public funds and entities.

14. **The GoWB has enacted a law for inquiring into alleged offense against a public servant, namely the West Bengal Lokayukta Act, 2003.** The Office of Lokayukta can receive complaints related to corrupt practices by the public functionaries in West Bengal. It includes Chief Minister, ministers, members of legislative assembly, and any other person holding office or post consequent upon an election held under any law for the time being in force. Any individual can make a complaint. The Lokayukta may investigate any registered complaint, with general or specific approval of the competent authority; it may also reject a complaint so long as the reasons are valid and recorded and communicated to the complainant and the public official concerned. The office of the Lokayukta enjoys power of a civil court, under Code of Civil Procedure, 1908. It can issue summons, warrants, take evidence on affidavits, and issue commissions for the examination of the witnesses and documents. Any proceeding before the Lokayukta shall be deemed to be a judicial proceeding within the meaning of section 193 of the Indian Penal Code. An action before the Lokayukta office is considered to be a judicial action.

15. **The State Vigilance Commission, West Bengal is an important enquiring agency.** It is entrusted with the task of combating financial and other irregularities, misconduct, and corruption in state administration in order to bring efficiency, transparency, impartiality, and integrity among the officers and staff. Its jurisdiction covers all government servants in the service or pay of the state government. It considers complaints where the public servant had exercised or refrained from exercising her or his powers for improper or corrupt purposes or was responsible for any misconduct, lack of integrity, or other kinds of malpractices or misdemeanor. All investigations and enquiries taken up by or assigned to the Commission are conducted through the officers of the Anti-Corruption Bureau under the overall guidance and supervision of the Commission. Complaints are lodged via their online complaint portal for which prior online registration is required. Persons making frivolous complaints can be prosecuted for the same.

16. **All public servants are subject to the Prevention of Corruption Act, 1988 subject to its jurisdiction.** The department is involved in vigilance and anti-corruption work as per its mandate and covers the following:

- To collect intelligence regarding corruption and corrupt public servants.



- To conduct enquiries into the complaints of corruption against public servants.
- To conduct investigation of criminal cases involving corruption by the public servants.
- To assist in prosecution against the defaulter public servants.
- To submit information, data, and reports to the state government regarding corruption and corrupt public servants.
- To suggest measures to check corruption in various government departments.

17. **The Right to Information Act provides the larger framework for anti-corruption.** All government departments and agencies are covered under the Right to Information Act, 2005. Under the provisions of this Act, any citizen of India may request information from a public authority, which is required to respond within 30 days, and every public authority will computerize their records for wide dissemination and to proactively disclose certain categories of information so that the citizens need minimum recourse to request for information formally. The C&AG, through its state offices, carries out compliance and performance audit annually and the reports are laid before the State Legislature and could be taken up for examination by the Public Accounts Committee for recommendations and actions.

18. **Implementation of the Program will be aligned with the ACGs applicable to PforR operations, that is, “Guidelines on Preventing and Combating Fraud and Corruption in Program for-Results Financing,” dated February 1, 2012, and revised on July 10, 2015.** The Bank’s ACGs shall apply to all procurement activities within the Program boundary. Requirements under these guidelines include but are not limited to: (i) Borrower’s obligation on informing the World Bank about all fraud and corruption-related allegations and investigations; (ii) the World Bank’s right to conduct administrative enquiries; and (iii) ineligibility of debarred firms for contract awards. The IFSA noted absence of a comprehensive formal procurement complaint handling mechanism and recommended such a mechanism to both ensure better handling of procurement related complaints and secure confidence of the bidding community.

19. In order to operationalize implementation of the various areas covered in the ACGs, the implementing/spending agencies shall, ensure that the Program’s procurement performance data is submitted to the Bank semi-annually, starting no later than six (6) months after the Effective Date (or any other date agreed in writing between the Program implementing Entity and the Bank), in form and substance acceptable to the Bank. Indicative list of procurement performance data that shall be included in the POM and contribute to calculation of procurement KPI is listed below:

- i. Maintain an updated report on procurement complaints related to the Program and share it with the Bank on a quarterly basis in a format agreed with the Bank.
- ii. Incorporate the Bank’s listing of ineligible firms in the filter used by implementing/spending agencies when they conduct due diligence (list available at: <http://www.worldbank.org/debarr>).
- iii. Incorporate into the filter mentioned above, the Bank’s suspension list that will be obtained from the World Bank team by the Program Team periodically.
- iv. Report on a six-monthly basis, stating that none of the contract awards under the Program are made to any of the ineligible/suspended firm. For every bidding opportunity under the Program, each participating bidder shall submit a self-declaration that the firm is not subject to ineligibility or has not been sanctioned under the World Bank system of debarment and cross-debarment.
- v. Review, certify, and report to the Bank in agreed format(s) the above aspects (i) through (iv) as part of Program audit, or procurement audit (as appropriate), carried out by qualified auditors under ToRs acceptable to the Bank. The review and certification shall additionally include compliance with regard to reporting back to the Bank in agreed formats, on the below procurement KPIs on economy, efficiency, and transparency, aspects (vi) through (xi):



- vi. Procurement process cycle time (i.e., time taken from advertisement to contract signing).
- vii. Disclosure of contract award on the respective websites of the agencies within 14 days of contract signature.
- viii. Procurement related complaints lodged, resolved, and reported (percent resolved).
- ix. Bidders' participation (i.e., average number of bidders submitting a bid in each bid process).
- x. Time and cost overrun for tenders/contracts.
- xi. First Procurement Plan prepared and published by the agency on their respective websites within six months from the Program effectiveness and update periodically (at least bi-annually).

20. **The IFSA identified areas of improvement across financial management and procurement functions.** The key risks and proposed mitigation measures are summarized in Table A3.1.

**Table A3.1. Program Risks and Mitigation Measures**

<b>Risk</b>	<b>Mitigation Action</b>	<b>Included As</b>	<b>KPIs</b>
Program activities not being budgeted for, and funds not allocated.	A separate budget will be created for the Program that will allow monitoring of budgets allocated and disbursed.	Bank's Implementation Review	Annual state budgets provisions for Program.
Internal audit not commensurate to size of business.	<p>The ToRs for the internal auditors of WBIDC and WBSAMB to be updated to include other aspects as well as procurement audit, procurement performance and compliance.</p> <p>The internal audit wing of the DoL&amp;LR to cover the internal audit of the Program.</p> <p>The internal audit wing of the Finance Department may cover the internal audit of the transport department.</p>	Bank's Implementation Review	Periodic internal audit reports for the implementing agencies and audit observations addressed by the GoWB.
Multiple GOs and circulars related to procurement scattered at many places may create ambiguity in procurement transactions.	A Procurement Section should be prepared and made integral part of POM for the Program which consolidates all GOs/circulars and applicable procurement methods/procedures for goods, works and services.	Part of POM	Preparation and adoption of POM approved by the Bank during implementation.
Absence of comprehensive procurement complaints handling mechanism for bidders, which may impact trust and confidence in the system.	An online system for procurement complaint handling will be developed and established.	PAP	Within six months of effectiveness for setting system, half yearly report thereafter in format(s) agreed with the Bank.



<b>Risk</b>	<b>Mitigation Action</b>	<b>Included As</b>	<b>KPIs</b>
Possibility of governance issues in procurement.	Compliance with ACG of the Bank.	Legal covenant	(i) Annual Procurement Audit.  (ii) Every six months, the state will provide to the World Bank a status report on compliance with ACG in format(s) agreed with Bank.
Risk of Program funds being misused.	Enhancing transparency through procurement disclosure of (i) procurement plans; and (ii) contract award notices on project websites.	PAP	Continuous (website to be kept updated).
Delays in procurement and contract implementation impacting economy, efficiency, and transparency.	To bring in efficiency in the procurement cycle and timely completion of contracts, KPIs will be agreed and monitored thereafter.	Legal covenant	Every six months, the state will ensure that the Program's procurement performance data is submitted to the Bank semi-annually, starting no later than six (6) months after the Effective Date (or any other date agreed in writing between the Program Implementing Entity and the Bank), in form and substance acceptable to the Bank. Indicative list of procurement performance data that shall be included in the POM is listed in Paragraph 19 and shall contribute to calculation of procurement KPIs

21. In addition to the above, fiduciary performance shall be monitored during Program implementation through the above KPIs in formats agreed and available in the POM.





#### ANNEX 4. SUMMARY ENVIRONMENTAL AND SOCIAL SYSTEMS ASSESSMENT

1. **Objectives and scope.** A comprehensive ESSA has been undertaken to: (i) assess the E&S risks and impacts of the Program; (ii) gauge the adequacy of E&S systems presently available at the state level to address any E&S risks and impacts of the Program; and (iii) assess the capacity of the implementing agencies managing E&S risks and impacts of the Program and determine the adequacy of the E&S management capacities of said agencies. The objective of the ESSA is to ensure consistency with the core principles outlined in the July 2019 policy and directive on PforR financing.

2. **Methodology.** The ESSA has been prepared through a detailed review of existing Program materials and available technical literature, and consultations with all key stakeholders. The ESSA included the desk review of documents and official government websites, laws, and regulatory frameworks on E&S aspects; review of the existing systems and mechanisms including interdepartmental coordination, convergent actions, and planned Program implementation modalities pertaining to E&S aspects; assessment of the likely E&S risks of the various activities supported by the Bank under the PforR, and assessment of the Program against the Core Principles for ESSA.

3. **Disclosure.** Consultations were held with officials of the implementing state government departments (DoIC&E, DoAM, DoL&LR, and DoT), non-governmental organizations, and other stakeholders. The state departments facilitated the ESSA preparation by providing the information necessary to undertake the review and facilitating consultations with key stakeholders. Consultations with the government departments were initially conducted virtually, with some in-person follow-up meetings. Checklists to collect information on E&S aspects associated with the departments were also shared and the responses to these checklists were used for the assessments. All other stakeholder consultations were conducted through in-person meetings. The ESSA team undertook field visits to the four border points and also visited a cold storage facility and a private testing laboratory for the preparation of the ESSA. The stakeholders' feedback significantly informed the findings of the ESSA and the resultant PAPs.

4. The draft ESSA and its executive summary were disclosed on the Bank website in August 2023 to enable its wider reading before consultations.

5. A multi-stakeholder workshop to disclose the ESSA and elicit stakeholders' feedback on its findings and recommendations was organized on August 18, 2023. All concerned stakeholders were invited to the workshop and their views were elicited before finalizing and redisclosing the ESSA. The final ESSA will also be disclosed on the GoWB website and on the World Bank's external website before the appraisal, after incorporating comments and suggestions that emerged from reviews and consultations.

#### Environmental and Social Assessment

6. The existing national and state level legislations are comprehensive and provide an adequate framework to manage potential environmental risks and impacts. The PMU and PIUs must ensure that Program interventions comply with the applicable national and state level legislations. Some specific proposed interventions under the PforR, such as development of logistics parks, will involve civil works potentially in large areas and, subsequently, several other activities will be undertaken within the logistics parks. These interventions may result in potential adverse environmental impacts that will need to be mitigated under the national and state legislations and, possibly, in alignment with international standards. Considering the wide range of activities to be taken up under the Program, the environmental risks are substantial. As per the Environmental Impact Assessment (EIA) Notification 2006, logistics parks are required to obtain environmental clearance from the Ministry of Environment, Forest and Climate



Change before beginning operations. The categorization of the proposed development will depend on the category of the industries operating/proposed to be operating in the area. In this context, guidelines prescribed in the EIA Notification 2006 need to be followed. While the relevant environmental legislations applicable to the Program are fairly robust and do not need any change or augmentation, the capacities of the different government departments to implement these are weak and need strengthening.

7. The social risks of the Program are substantial but can be managed with appropriate mitigation and capacity-building measures, provided the implementing agencies have required resources. The analysis of the relevant social policies, laws, and regulations applicable to the Program indicates that the existing policy, legal, and regulatory framework governing the management of social impacts are fairly robust, with the exception of The West Bengal Direct Land Purchase Policy 2016. This direct land purchase policy, which will be used for all land-related issues under the Program, does not include the principles and provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013, such as just compensation, entitlements to non-titleholders, etc. For the Program purposes, there is a need to prepare SOPs in line with this Act. There are also some issues in implementation of certain Acts such as Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014, and West Bengal Urban Street Vendors (Protection of Livelihood and Regulation of Street Vending) Rules, 2018, as it was observed that the vendor surveys and issue of identity cards is neither complete nor up to date. The Harmonized Guidelines and Space Standards on Barrier Free Built Environment for Persons with Disability and Elderly Persons, 2016, is also not fully implemented in the rural areas. Likewise, the many labor regulations—National Policy on Safety, Health and Environment at Workplace, 2009, Building and Other Construction Workers' (Regulation of employment and conditions of service) Act, 1996, and The Building and Other Construction Workers West Bengal Rules, 2004—are to be adhered by the contractors and implementing agencies. The implementing departments do not have the required social, gender, labor, or community skills to implement these regulations. While the relevant social policies, laws, and regulations applicable to the Program are fairly robust and do not need any change or augmentation, the capacities of the different government departments to implement these are weak and need strengthening.

8. The ESSA assessed the Program system consistency with the six core principles of PforR guidance. All six core principles are applicable to the Program.

- Core Principle #1: Program E&S management systems are *not adequate* and need significant strengthening.
- Core Principle #2: Many activities are likely to have adverse impacts on natural habitats and/or physical and cultural resources. At this stage, screening of activities to understand the impacts on natural habitats and physical and cultural resources have not been undertaken. Program E&S management systems are *not adequate* to address these impacts and need strengthening.
- Core Principle #3: The national and state legislations and Codes of Practice on public safety, worker safety, disaster and emergency preparedness, etc., are quite adequate. The implementing agencies' technical expertise on design, construction supervision, and operation and maintenance of infrastructure that may pose significant risk to public safety is inadequate and requires significant strengthening to ensure compliance.
- Core Principle #4: The Program might require land (government and/or private) for establishment of infrastructure facilities. The state government is very sensitive about land acquisition and will not acquire any land for any program or scheme. The ESSA proposes that the concerned implementing agencies prepare, adopt, and implement: (i) screening formats to determine involuntary taking of land, relocation of residences or restricted on access to natural resources,





- (ii) exclusion list to avoid large-scale land/ livelihoods loss; and (iii) an SOP for identification, assessment, and mitigation of impacts related to land loss, relocation, and access restrictions.
- Core Principle #5: The Program would encourage the poorest and the most vulnerable to access skill development opportunities and gain employment within and outside of the Program. Whether and how these are effectively addressed will, however, need to be closely monitored through Program implementation and appropriate mid-course corrections, if required, will need to be made. The government program is culturally appropriate. The Bank's assessment does not indicate any disproportionate adverse impacts or distributional inequities on tribal populations or other vulnerable groups.
- Core Principle #6: It is unlikely that the Program will contribute to underlying tensions or social strife. However, the Program will need to ensure transparency in disclosure of Program information, inclusion of all sections of communities in Program benefits (as and where applicable), and timely, responsive redressal of grievances.

## Findings

9. **The Program will not invest in, support, or implement any activity that will involve:**
  - air, water, or soil contamination due to project activities leading to significant adverse impacts on the health or safety of individuals, communities, or ecosystems;
  - significant conversion or degradation of critical natural habitats or critical cultural heritage sites;
  - projects/activities causing adverse impacts on cultural property resources;
  - usage of land that was procured without paying full compensation to titleholders and rehabilitation and resettlement assistance to non-titleholders as per The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013;
  - production or activities involving harmful or exploitative form of child labor or forced labor;
  - all activities excluded as per Bank's PforR policy (as outlined in Bank's PforR Guidance Manual).
10. **Environmental:** The environmental risks of the interventions of the government program would be in three specific areas: air emissions, water pollution, and generation of inorganic solid waste. The potential environmental impacts are primarily due to large-scale civil works and construction activities; potential loss of green cover due to felling of trees; loss of topsoil and biodiversity impacts; generation and disposal of battery waste and e-waste, which would need specific mitigation measures. Disposal of all forms of waste generated from the certification laboratories; setting up of check posts, rescue and aid posts; and development of parking complexes for transport vehicles are likely to have adverse environmental impacts. Increased emissions and dust levels would be anticipated around the newer infrastructure, such as logistics parks. The construction/maintenance of associated facilities will also lead to noise, dust, and water pollution, which may adversely impact adjacent water bodies unless such facilities are developed as "zero discharge" facilities. It is anticipated that multiple small vendors, formal or informal, will set up establishments in the vicinity to provide a range of services to the logistics hubs and in the process generate significant volumes of inorganic wastes. The potential for seepage and leakage of hazardous chemicals and oils from operations of logistics cannot be ruled out.
11. **Social:** Some of the adverse potential social impacts include risks associated with purchase/acquisition of land, resettlement of non-titleholders; permanent or temporary economic/livelihood impacts on third parties (tenants, sharecroppers, businesses, agriculture laborers, etc.); influx of migrant labor; potential GBV and risks to community health and safety, and low awareness of and access to established grievance redressal systems, particularly by the Program affected persons. Activities such as provision of services through District Export Facilitation Centres, promotion activities for



the development of logistics centers and related investments at the district level, physical and digital last mile connectivity, and incentives for logistics park development might exclude the poorest and most vulnerable communities from accessing/benefiting from the Program. It is felt that plans to ensure inclusion of all have not yet been fully thought through and there is potential elite capture of Program incentives.

12. **Recommendations:** The Bank's implementation support should focus on building the E&S management capacity of Program implementing agencies. This would include supporting the government to recruit one environmental and one social specialist in DoIC&E, DoT, and DoAM; or to assign two fully dedicated senior staff to take these roles after receiving adequate training on E&S aspects. It is also recommended to prepare an ESMS for the Program (which will be included in the POM) that will include: (i) exclusion list; (ii) procedure for E&S risk screening, categorization, guidance for avoiding and minimizing risks and impacts identified through screening; (iii) procedures for land management; (iv) Labor Management Procedures; (v) GBV and SEA/SH Framework; (vi) Tribal Development Framework; (vii) Stakeholder Engagement Framework (including, as and where required, activity specific GRMs); (viii) procedures to mitigate adverse impacts on soil, air, noise, water, waste disposal, etc.; and (ix) templates for E&S management plans (to be detailed for each activity based on activity specific E&S risk classification). The ESSA also recommends the preparation of specific ESMS for the DoIC&E, DoT, DoAM, and DoL&LR and to conduct E&S capacity building of Program implementing agency staff, contractors, and other associated stakeholders; develop an SOP for tracking and managing risks arising out of transit of hazardous chemicals and petroleum products; and develop an SOP for occupational health and safety and community health and safety and one for accidents and incidents reporting.



**ANNEX 5. PROGRAM ACTION PLAN**

<b>Action Description</b>	<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>		<b>Completion Measurement</b>
Dedicated E&S specialists identified in implementing departments	Environmental and Social Systems	NA	DoIC&E, DoT, DoAM	Other	Three (3) months following loan effectiveness	IVA report and Aide Memoire
ESMS prepared for the implementation of the WBSLDP	Environmental and Social Systems	NA	DoIC&E, DoT, DoAM, DoL&LR	Other	Within six (6) months of loan effectiveness	Aide Memoire and IVA report
Implementation of E&S capacity building of program implementing agency staff, contractors and other associated stakeholders	Environmental and Social Systems	NA	DoIC&E, DoT, DoAM, DoL&LR	Other	Within twelve (12) months of loan effectiveness	Annual training calendar, government reports on training completion
LDC meets bi-annually	Technical	NA	WBIDC	Recurrent	Semi-Annually	Minutes of the bi-annual meetings to be shared by WBIDC
Logistics policy related GRM developed	Technical	NA	WBIDC	Other	within one (1) month of loan effectiveness	Government order and Aide Memoire
Prepare and publicly disclose (i) annual procurement plans under the Program and (ii) contract award notices under the program.	Fiduciary Systems	NA	DoIC&E, DoT, DoAM, DoL&LR	Recurrent	Semi-Annually	Within six (6) months of effectiveness for setting system, half yearly report thereafter in format(s) agreed with the Bank.
Program related procurement complaint	Fiduciary Systems	NA	DoIC&E, DoT, DoAM, DoL&LR	Recurrent	Semi-Annually	Half yearly report to the Bank every six months from



handling to be operationalized						loan effectiveness.
Program specific ESMS formally adopted	Environmental and Social Systems	NA	DoIC&E, DoT, DoAM, DoL&LR	Other	Within nine (9) months of loan effectiveness	Government Orders from each program implementing agency indicating adoption department specific ESMS, IVA report and Aide Memoire
SOP for accidents and incidents reporting related to the implementation of the Logistics Policy	Environmental and Social Systems	NA	DoIC&E, DoT, DoAM	Other	Within twelve (12) months of loan effectiveness	Government Order
SOP for Occupational and Community Health & Safety around areas of logistics parks and transit corridors adopted	Environmental and Social Systems	NA	DoIC&E, DoT, DoAM	Other	Within twelve (12) months of loan effectiveness	Government Order
SOP for tracking and managing risks related to the transit of hazardous chemicals and petroleum products implemented	Environmental and Social Systems	NA	DoT	Other	Within twelve (12) months of loan effectiveness	Government Order