INTEGRATED SAFEGUARDS DATA SHEET
CONCEPT STAGE

Report No.: AC6357

Date ISDS Prepared/Updated: 14-Mar-2013
Date ISDS Approved/Disclosed: 14-Mar-2013

I. BASIC INFORMATION

A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>India</th>
<th>Project ID:</th>
<th>P126325</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name:</td>
<td>Third Maharashtra Rural Water Supply and Sanitation Project (Jalswarajya-II) (P126325)</td>
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<tr>
<td>Task Team Leader:</td>
<td>Raghava Neti</td>
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<tr>
<td>Estimated Appraisal Date:</td>
<td>08-Apr-2013</td>
<td>Estimated Board Date:</td>
<td>04-Jun-2013</td>
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<tr>
<td>Managing Unit:</td>
<td>SASDU</td>
<td>Lending Instrument:</td>
<td>Specific Investment Loan</td>
</tr>
<tr>
<td>Sector(s):</td>
<td>Water supply (75%), Sanitation (20%), Public administration- Water, sanitation and flood protection (5%)</td>
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<tr>
<td>Theme(s):</td>
<td>Rural services and infrastructure (87%), Water resource management (10%), Rural policies and institutions (3%)</td>
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</table>

Financing (In USD Million)

| Total Project Cost: | 1500.00 | Total Bank Financing: | 225.00 |
| Total Cofinancing: | Financing Gap: | 0.00 |

<table>
<thead>
<tr>
<th>Financing Source</th>
<th>Amount</th>
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<tbody>
<tr>
<td>BORROWER/RECIPIENT</td>
<td>700.00</td>
</tr>
<tr>
<td>International Development Association (IDA)</td>
<td>225.00</td>
</tr>
<tr>
<td>Local Communities</td>
<td>75.00</td>
</tr>
<tr>
<td>Local Govts. (Prov., District, City) of Borrowing Country</td>
<td>500.00</td>
</tr>
<tr>
<td>Total</td>
<td>1500.00</td>
</tr>
</tbody>
</table>

Environmental Category: B - Partial Assessment

Is this a Repeater project? Yes

B. Project Objectives

The overall Program Development Objective (PDO) is to improve the access of rural communities in
Maharashtra to sustainable drinking water and sanitation services and to strengthen the capacity of Water Supply and Sanitation institutions for improved sector management.

C. Project Description

The Program to be supported: The sector program will have three main components as below (fund allocations are indicative):

Component A – Program Development, Management and Institutions Building (USD 150 M) (focuses on overall program development and management for the sector, institution building activities at state, district and sub-district levels, and operational costs – all administrative and management activities to make things happen on the ground)

A1: Program Development and Management: Includes the costs of consultancies and workshops for ongoing program development and situation assessment such as strategic analysis and plans preparation at state and district levels, ground water and water quality management and monitoring, policy analysis and performance assessment studies, M&E, impact assessments; development of strategies for new implementation models, and program management support such as implementing Information, Education and Communication strategy development, development of IT tools for program delivery, gender planning and implementation, tribal development plans, Research and Development activities etc.

A2: Capacity Building of Sector Institutions: Includes training and capacity building activities, workshops, exposure visits for program staff at PRIs at district/ block levels, MJP and GSDA at all levels; support for integration/rationalization of institutional framework; and other relevant institutional / resource assessment studies and consultancies, capacity building of Support Organizations (SOs) (mainly NGOs and Technical Service Providers (TSPs)); development of local contractual and private sector capacity and knowledge transfer activities.

A3: Operating Costs: Includes Incremental Operating costs of institutions’ offices (goods, equipment and office running costs) and incremental Staff cost (salaries, travel and overhead costs), mainly for WSSO, WSSD, ZP RWSS units, BRCs, GSDA and MJP and NRTC etc.

Component B - Village Level Capacity Building (USD 150 M) (focuses at the village level support activities – both for the community and institutions at this level, to build their capacity, including relevant costs of resources to deliver the program at the village level)

Includes Technical Assistance to PRIs at the village level, mainly costs of SOs, TSPs, exposure visits of village community and village level institutions, organizing community mobilization activities, exhibitions, community training and orientation activities, IEC and Hygiene promotion activities at the village level, Women Empowerment activities.

Component C - Infrastructure Development and Service Delivery (USD 1200 M) (focuses on the RWSS infrastructure required to increase access to village community to water and sanitation)

C1: Single Village Water Supply schemes (USD 600M) – Includes rehabilitation, upgradation, expansion, extension, augmentation of existing schemes and building new schemes using multiple technology options, and O&M support to completed schemes in needy cases.
C2: Regional Water Supply Schemes (USD 300M) – Includes rehabilitation, upgradation, expansion, extension, augmentation of existing schemes and building new schemes using multiple technology options, and O&M support to completed schemes in needy cases.

C3: Sanitation (USD 200M) – Includes support for construction of toilets for Below Poverty Line households, community and school sanitation facilities, Solid and Liquid Waste Management facilities.

C4: Pilot Schemes (USD 100 M) - Construction / upgradation of RWSS infrastructure in select large villages and in peri-urban villages, piloting of 24x7 water supply, increasing energy efficiency; and piloting new technologies / approaches in remote and tribal villages.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

This project is designed as programmatic support that will enhance the performance and effectiveness of the whole of the sector program, rather than focusing on specific interventions or geography within the state of Maharashtra. The entire state is eligible for infrastructure investments through this project.

E. Borrowers Institutional Capacity for Safeguard Policies

Environmental safeguards: The Water Supply and Sanitation Department (WSSD) of the Government of Maharashtra, which is the implementing agency for this project, has been instrumental in pursuing water supply and sanitation as an important thrust area since the early 2000s. The first Jalswarajaya project supported by the Bank, was successfully implemented in the state of Maharashtra between 2003-2009, which has for the first time demonstrated large scale delivery of rural water supply and sanitation services (in 26 out of 33 districts of the state), through community involvement. Through innovative pilots, the project has also demonstrated sustainable management of ground water through community involvement at the aquifer level. Furthermore, the state has taken several strategic measures to improve the water quality situation in the rural areas and is at the forefront of sanitation in the country by achieving the highest number of Open Defecation Free status villages (about 9000+ currently). As a result of all this, over the years, adequate capacities have been developed of the state and district functionaries and Gram Panchayat officials in the area of water supply and sanitation (WSS). However, since the project will address newer investments not covered by the previous Jalswarajaya Project, it will be important to ensure the presence of adequate technical and managerial capacities on environmental safeguards at the state and district levels to manage these newer challenges in an effective manner. For preparing and implementing environmental safeguards issues in particular, it is recommended to recruit competent state and district environment focal points in the Project and to include structured modules on environmental management part of a capacity building and training program of the sector. By the time of appraisal, the borrower is expected to have good capacities to implement due diligence procedures in an appropriate and satisfactory manner.

The WSSD will identify nodal officers with the required environmental engineering background (if required to be selected competitively from the open market) to provide leadership and oversight on the preparation of the Sectoral Environment Assessment and Environment Management Framework. The SEA/EMF will be incremental and build upon that prepared for the Jalswarajaya Project.

Social development and social safeguards: This is a follow-on operation to a successfully completed
Jalswarajaya project. During the earlier project very good processes were developed for
• community participation,
• inclusion of tribal and vulnerable communities,
• women empowerment,
• sustainability assessment,
• Innovative IEC,
• local governance & accountability mechanisms through Gram Sabha and
• participatory monitoring.

The project has also won the “People First Award” in 2010, for inclusion of women and tribal
groups.

Involuntary land acquisition: As it appears that there will be no involuntary resettlement in the
project (as successfully demonstrated in the previous project), lands required for the village schemes
are expected to be small and will be located mostly in public lands. Where needed, land will be
procured using direct purchase based on willing seller – willing buyer basis. Land donations would
be discouraged, particularly from small and marginal farmers. Provisions would be made for
documenting, reporting and verifying all land transactions.

Tribal Development: Maharashtra has significant tribal population and it is expected that OP 4.10
will be triggered. Previous project successfully demonstrated that sustainable service delivery for
tribal households is feasible and this project will build on the successful culturally appropriate IEC
and capacity building models developed earlier. All tribal districts will be staffed with tribal
development specialists.

Government of Maharashtra has made a decision to allocate close to 48% of investments in the sector
for the betterment of vulnerable groups (Scheduled castes and scheduled tribes). This provides a
favorable policy framework for the proposed project/programme.

F. Environmental and Social Safeguards Specialists on the Team

Ramachandran R. Mohan (SASDS)
Priti Kumar (SASDC)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

<table>
<thead>
<tr>
<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
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<tbody>
<tr>
<td>Environmental Assessment OP/</td>
<td>Yes</td>
<td>Context: Despite significant achievements, the RWSS sector in Maharashtra has many</td>
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<tr>
<td>BP 4.01</td>
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<td>challenges on the environmental front that are yet to be addressed:</td>
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<td>• Some 84354 habitations out of the total 98098 habitations have access to drinking water</td>
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<td>due to heavy investments in the sector. But there has been degradation of service levels</td>
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<td>(slippages) in about 3000-4000 habitations annually, which requires recurrent investments.</td>
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<td>There are continuous slippages of fully covered habitations to partial covered or not covered</td>
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status.
- There are about 991 regional water supply schemes, out of which around 60-70% are under-performing. Some of them have become defunct, and some of them are not needed in the first case.
- The state still has to regularly face water scarcity issues during summer, and handle water stressed areas due to either water quality issues or ground water over exploitation.
- The state also faces ground water quality issues, with about 4122 habitations out of total 98098 habitations in the state facing chemical contamination of its sources. Bacteriological contamination is another issue with about 16% average samples reporting this issue annually.
- Only about 68% of the total 9728343 households in the state have been covered with toilets. 12% of villages that have Open Defecation Free Status slip annually.
- The solid and liquid waste management is still a major issue in these villages, which has not been addressed strategically.

Types of Schemes
The proposed project is likely to differ from the previous Bank-supported Project (Jalswarajaya) in two ways: First, since this is programmatic support the geographical scale is the entire state and therefore much larger is scope. Second, the types of WSS investments are expected to address newer challenges at larger levels of operation and will be driven by strategic master plans at the district level. For example, these investments could include (i) rehabilitation, upgradation, expansion, extension, augmentation of existing Single Village and Regional Water Supply Schemes and building new schemes using multiple technology options; (ii) Solid and liquid waste management facilities (e.g., waste water treatment plants in rural areas) (iv) Construction / up gradation of RWSS infrastructure in select large villages and in peri-urban villages (e.g., underground sewerage and surface drains); and (v) 24x7 metering etc.

Sectoral EA/EMF:
- A sectoral environment and social risk
This assessment will assess the environmental and social impacts and risks of the program and recommend how to enhance environmental and social sustainability, and agree on sectoral improvements applicable for the whole program.

- Based on the above sectoral assessment, develop an Environment Management Framework Package for the program covering:
  - Negative list of schemes that would not be permissible in the program because they contravene the Bank policies and the national / state regulations and any Category A schemes
  - Standardized environmental codes of practices for a range of water supply and sanitation investments
  - Screening formats to identify high impact schemes that require environmental assessments (e.g., large schemes or schemes in environmentally vulnerable areas)
  - Standardized terms of reference for Environmental Impact Assessments to be taken up in program
  - Monitoring and reporting mechanism.
  - Standardized terms of reference for external environmental audits
  - Institutional roles and responsibilities
  - Guidance on training and capacity building

The above Framework for the proposed project would take into consideration the EMF developed for and applied in the Jalswarajaya Project. Thus, the development of the EMF for the proposed project would focus on incremental work needed to strengthen the existing environmental management framework taking into account (i) Specific objectives and orientation of the new Project, including the institutional mechanism and new types of WSS investments and (ii) Findings, lessons and recommendations of ICRs and environment sustainability audits and (iii) updated baseline of the project districts and elaboration of the impacts of the project activities on the baseline situation based on secondary information sources.
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<tr>
<th>OP/BP</th>
<th>Yes/No</th>
<th>Details</th>
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<tbody>
<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>Yes</td>
<td>Activities within these critical natural habitats (wildlife sanctuaries and national parks) will not be supported under the proposed Project. However since the project will cover all the districts in the state and to ensure avoidance of any degradation in the nation’s prime habitats the safeguard policy may be triggered. Mitigation measures will be appropriately included into the EA/EMF emphasizing (i) adherence to country systems (national and state legislation) that are known to be comprehensive and (ii) capacity building of local community institutions for sustainable management of the natural resources.</td>
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<tr>
<td>Forests OP/BP 4.36</td>
<td>Yes</td>
<td></td>
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<td>Pest Management OP 4.09</td>
<td>No</td>
<td></td>
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<td>Physical Cultural Resources OP/BP 4.11</td>
<td>No</td>
<td></td>
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<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
<td>TBD</td>
<td>There is a significant tribal population in Maharashtra. About 11 out of 33 districts in the State are significantly tribal. The infrastructure investments under the projects are likely to be restricted to selected districts. These districts will be selected based on criteria relating to water scarcity, water quality. Once these districts are selected, we will be in a better position to understand the nature and scope of tribal presence in the districts. Hence this OP has been marked as TBD.</td>
</tr>
<tr>
<td>Involuntary Resettlement OP/BP 4.12</td>
<td>No</td>
<td>The project will not involve involuntary land acquisition. Land requirements are expected to be marginal primarily because the emphasis is on using already available infrastructure to the best extent (as in the earlier project) and the facilities would be largely located in public lands. In rare cases lands will be acquired through direct purchase at market rates (willing seller-willing buyer). There are no new multi village schemes proposed under the project.</td>
</tr>
<tr>
<td>Safety of Dams OP/BP 4.37</td>
<td>No</td>
<td></td>
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<td>Projects on International Waterways OP/BP 7.50</td>
<td>No</td>
<td></td>
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<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
<td>No</td>
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III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 13-Dec-2012

B. Time frame for launching and completing the safeguard-related studies that may be needed.
   The specific studies and their timing\(^1\) should be specified in the PAD-stage ISDS:
   A. Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared:

   B. For projects that will not require a QER, the target date for preparing the PAD-stage ISDS:
      The target date for approval stage ISDS is XXX, 2011

   C. Time frame for launching and completing the safeguard-related studies that may be needed.
      The specific studies and their timing should be specified in the PAD-stage ISDS.

The environment safeguards related studies for the Project will include an
- Sectoral Environmental and Social Assessment (SESA) that covers an assessment and analyses of the country systems with respect to relevant policies, regulations and institutional capacities in the water supply and sanitation sector that apply to Maharashtra, including a gap analyses comparing the above with Bank policies and recommended procedures.
- Environment and Social Management Framework (SEMF) which includes (i) technical and practical environment guidance on risks, impacts and mitigation measures (ii) implementation practices (iii) processes and institutional arrangements for integrating the above guidance (iv) training and capacity building plans (v) monitoring and supervision arrangements and (vi) estimated budget. All the safeguards documents described above will be disseminated and disclosed as per the Bank’s disclosure policy. Given the scale of the project, preparation of the SESA and SEMF is expected to take about 6-8 months.

IV. APPROVALS

<table>
<thead>
<tr>
<th>Task Team Leader:</th>
<th>Name: Raghava Neti</th>
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**Approved By:**

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<thead>
<tr>
<th>Regional Safeguards Coordinator:</th>
<th>Name: Sanjay Srivastava (RSA)</th>
<th>Date: 14-Mar-2013</th>
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<tbody>
<tr>
<td>Sector Manager:</td>
<td>Name: Ming Zhang (SM)</td>
<td>Date: 14-Mar-2013</td>
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\(^1\) Reminder: The Bank’s Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.