

FRAMEWORK FINANCING AGREEMENT

IND: RAJASTHAN URBAN SECTOR DEVELOPMENT INVESTMENT PROGRAM

Parties The Framework Financing Agreement (FFA) dated 28 September 2007 is between India and the Asian Development Bank (ADB).

MFF Investment Program India will cause the State of Rajasthan (the State) to implement the Rajasthan Urban Sector Development Investment Program (RUSDIP) following the Roadmap and Investment Program described in Schedule 1 hereto.

The total cost of the entire investment requirements (stretched over 10 years, i.e. 2007-2017) for urban infrastructure and services for 15 Investment Program ULBs, is estimated around \$450 million equivalent. The estimated total cost of the Investment Program, proposed to be partly financed by ADB over the next 7 years (2007-2014) is \$390 million equivalent.

The Investment Program will improve the urban environment and promote on-going reforms for sustainable, efficient, and responsive urban service delivery in 15 initially identified urban local bodies (ULBs) of Rajasthan with economic growth and tourism potential. The 15 initially identified ULBS are Jhalawar/Jhalrapatan, Jaisalmer, Baran-Chhabra, Barmer, Bharatpur, Bundi, Alwar, Chittaurgarh, Rajsamand, Dhaulpur, Karauli, Churu, Nagaur, Sawai-Madhopur and Sikar.

The subprojects may include rehabilitation and expansion of;

- (i) water supply;
- (ii) waste water management;
- (iii) solid waste management;
- (iv) urban drainage;
- (v) urban transport and roads;
- (vi) social infrastructure including slum improvements;
- (vii) infrastructure support to cultural heritage

The Investment Program will also provide support for ongoing urban reforms and associated capacity development for improved service delivery, urban governance and financial management in the 15 initially identified ULBs.

Multi-Tranche Financing Facility The Multitranche Financing Facility (the Facility) is intended to finance the subprojects under the Roadmap and Investment Program, provided that such subprojects comply with the criteria set out in Schedule 4 hereto and that understandings set out in the FFA are complied with.

This Framework Financing Agreement This FFA does not constitute a legal obligation on the part of ADB to commit any financing. Financing tranches may be made available by ADB provided matters continue to be in accordance with general understandings and expectations on which the Facility is based and which are laid out in this FFA.

Likewise this FFA does not constitute a legal obligation on the part of India to request any financing. India has the right not to request any financing under the Facility.

India and ADB may exercise their respective rights to cancel the Facility or any uncommitted portion hereof, and ADB may exercise its right to refuse a financing request, by giving written notice to such effect to the other party. The written notice will provide an explanation for the cancellation or refusal and, in the case of a cancellation, specify the date on which the cancellation takes effect. Notices under this paragraph would be only after adequate consultations between ADB and India.

Financing Plan

The Financing Plan for the Rajasthan Urban Sector Development Investment Program is summarized below. Details are set out in Schedule 1 hereto.

(\$ million)		
Financing Source	Total	Share (%)
Asian Development Bank	273.00	70.00
GoR and other agencies	117.00	30.00
Total	390.00	100.00

ADB will provide loans to finance subprojects under the Roadmap and Investment Program, as and when the subprojects are ready for financing and a related request is made under a periodic financing request. Each loan will constitute a tranche.

Each tranche may be financed under terms different from the financing terms of previous or subsequent tranches. The choice of financing terms will depend on the project, and ADB's financing policies, all prevailing at the time the tranche is documented in a legal agreement. Tranches may be provided in sequence or simultaneously, and some may overlap in time with each other.

Commitment charges are not payable on the Facility. They are payable only on financing actually committed by ADB as a loan. ADB rules on commitment charges, which are in effect when a tranche is provided, will apply with respect to such tranche as per related Loan and Project Agreement.

Amount

The maximum financing amount available under the facility is \$273 million (two hundred and seventy three million). It will be provided in individual loans from ADB's ordinary capital resources.¹

Availability Period

The last date on which any disbursement under any tranche may be made by December 2014. The last PFR may not be made no later than 2010.

Terms and conditions

Execution

Each loan will be used to finance a range of subprojects that meet agreed eligibility criteria, described in Schedule 4 of this Framework Financing Agreement (FFA) and the capacity development component. India will provide the proceeds of each tranche to the State, to be applied to the financing of expenditures of the Roadmap and Investment Program in accordance with conditions set forth in this Agreement and the legal agreements for each loan.

The Executing Agency (EA) for the Investment Program will be the State acting through the Local Self Government Department (LSGD) under the Urban Governance Department of Government of Rajasthan. The EA will implement the Investment Program in accordance with principles set forth in Schedule 1 to this agreement, as supplemented with more details in the legal agreements for each loan.

Periodic Financing Request

The Investment Program will be implemented over a 7 year period. Implementation of sub-projects is proposed in three or more tranches over the implementation period. The first loan comprises mainly consulting services, civil works and equipment purchased in three sample Investment Program ULBs.² The sub-projects were selected on the basis of readiness for implementation and their representative character of the overall program components. The institutional capacity development and implementation support will continue over the entire period of implementation and a strong emphasis is placed on this component to achieve the reform milestones.

India may request, and ADB may agree, to provide loans under the Facility to finance the Roadmap and Investment Program and its related sub-projects under the submission of a PFR. India will make available to the State the proceeds of the loan in accordance with the related PFR, and the legal agreements for the loan.

¹ Provisions of the Ordinary Operations Loan Regulations applicable to LIBOR-Based Loans made from ADB's Ordinary Capital Resources, dated 1 July 2001, would apply to each loan, subject to modifications, if any, that may be included under any Loan Agreement (said Ordinary Operations Loan Regulations as so modified, if any, being hereafter called the Loan Regulations).

² Sample Investment Program ULBs are Alwar, Jaisalmer, Jhalawar-Jhalrapatan.

Approval of the second PFR that may be submitted by India would be subject to review by ADB of the progress in implementing the water tariff reform in those ULBs that have introduced the revised water tariff in September 2007, according to the institutional and financial improvement action plan [Schedule 1, Table 2 of the FFA].

The first loan will be for an amount of \$60 million equivalent. Each subsequent PFR will be for an amount of no less than \$50 million, or its equivalent. ADB will review the PFR, and if found satisfactory will prepare the related legal agreements.

PFRs for financing subproject to the selection criteria set out in Schedule 4 hereto, satisfactory due diligence, and preparation of relevant safeguards and fiduciary frameworks and other documents. ADB, India and the State will agree on a Facility Administration Memorandum and schedule to initiate these activities as soon as possible after the date of this Financing Framework Agreement, but prior to the effective date of the legal documents for the first loan.

**General
Implementation
Framework**

Until notice is otherwise given by India, the Secretary, Additional Secretary, Joint Secretary, Director, or Deputy Secretary in the Department of Economic Affairs of the Ministry of Finance of the Government of India are designated as authorized representative of India for the purposes of executing PFRs.

Procedures

The Facility will be implemented in accordance with the general framework set out in Schedule 3 hereto.

Loans to be provided under the Facility will be subject to following procedures and undertakings:

PFR Information

- (a) India will have notified ADB of forthcoming PFR at least 15 days in advance of the submission of the PFR.
- (b) India will have submitted a PFR in the format agreed with ADB.
- (c) ADB may decline to approve any PFR, or authorize the negotiation of any legal document for a loan, provided; any decision to so decline is communicated to India by ADB within 30 days from the receipt of the PFR.

The PFR will be substantially in the form attached hereto, and will contain the following details:

- (a) Loan amount;
- (b) Description of subprojects and institutional capacity development and implementation support to be financed;
- (c) Cost estimates and financing plan;
- (d) Implementation arrangements specific to the subprojects;

- (e) Confirmation of the continuing validity of and adherence to the understanding in this Agreement;
- (f) Confirmation of compliance with the provisions under previous Loan Agreement(s) and Project Agreement(s) as appropriate; and
- (g) Other information as may be required under the Facility Administration Manual, or reasonably requested by ADB.

Safeguards

Attached under Schedule 5 are the Safeguards Frameworks that will apply during implementation of the MFF in accordance with ADB's safeguard policies and India's and State's applicable safeguard laws, in effect as of the provision of a tranche with respect to subprojects financed under such tranche. ADB safeguard policies currently include (i) Policy on Involuntary Resettlement (1995), (ii) Policy on Indigenous Peoples (1998), and (iii) Environment Policy (2002).

Procurement

All goods and services to be financed under the Facility will be procured in accordance with ADB's Procurement Guidelines (January 2007, as amended from time to time).

Consulting Services

All consulting services to be financed under the Facility will be procured in accordance with ADB's Guidelines on the Use of Consultants (January 2007, as amended from time to time).

Advance Contracting and Retroactive Financing.

Under each loan of the Facility, advance contracting of civil works and equipment and materials, and recruitment of consulting services may be requested subject to these being eligible in accordance with agreed procedures and guidelines as above.

Except as otherwise agreed with ADB, the expenditures incurred for civil works, equipment and materials and consulting service eligible for advance contracting will be eligible for retroactive financing of up to 20% of the proposed amount for the loans under the Facility for eligible expenditures, including consultants, goods, and civil works, incurred prior to effectiveness of each of the loan, but no earlier than 12 months before the signing of the respective loan agreement and project agreement for the loan under the Facility. India and the State have been advised that ADB's approval of advance contracting and retroactive financing does not constitute a commitment to finance relevant projects under this Facility.

Disbursement

Disbursements of each loan proceeds, under the Facility, will be in accordance with ADB's *Loan Disbursement Handbook*, (January 2007, as amended from time to time). Each loan under the Facility will have its own imprest account in the Reserve Bank of India. The amount at any given time in the imprest account shall be equivalent to 6 months of estimated expenditures or 10% of the related loan amount, whichever is lower. Individual payments under the statement of expenditures

procedures (SOE) will not exceed the equivalent of \$100,000.

**Monitoring,
Evaluation and
Reporting
Arrangements**

The Investment Program Management Unit (IPMU) will establish an Investment Program Performance Monitoring System (IPPMS) acceptable to ADB within 3 months of the effectiveness of the first loan under the Facility and under each succeeding loans in accordance with the Investment Program and individual project performance indicators including those in the Design and Monitoring Framework (Schedule 2). IPMU will establish baseline data for each of the selected indicators and will conduct annual surveys with the assistance of consultants and update ADB and GoR on the progress against each indicator. The IPMU will also provide ADB with quarterly progress reports on the implementation of each individual subproject within 45 days of the end of each quarter. The progress reports will cover progress made during the period of review; changes to the implementation schedule, if any; problems or difficulties encountered and remedial actions taken; and work to be undertaken and subprojects and/or components to be proposed for financing in the coming quarter. The reports will also include a summary financial account for each implementing agency, expenditures to date, and a report on benefit monitoring. Based on the quarterly progress reports, ADB will prepare annual implementation progress reports to be submitted to the Board each December. The IPMU will submit to ADB a project completion report within 3 months of physical completion of the subprojects financed under each loan and a Facility completion report within 3 months of physical completion of all supported activities and subprojects under the Facility.

**Representations
and Warranties**

In addition to standard Representations and Warranties, India through the State assures the following actions:

Specific Representations and Warranties

Institutional and Financial Improvement Action Plan: The Facility funds are utilized effectively and efficiently to implement the Investment Program and achieve the objectives. State through LSGD will ensure compliance with the Institutional and Financial Improvement Action Plan, which are identified in Table 2 of Schedule 1.

For each ULB the institutional and financial improvement action plan that includes water, sewerage, solid waste tariffs and replacement substitute for property tax [Table 2, Schedule 1 to the FFA] is implemented on schedule.

Fiduciary Oversight. Accounts for each project will be audited by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB and audit reports will be submitted to ADB within 9 months of the end of the fiscal years.

Counterpart Funds. The State will ensure that sufficient counter part funds are available from its budget for each fiscal year, in a timely manner, for the efficient implementation of the Projects under the

Facility.

Sub-project Selection. All ULBs and subprojects therein are selected and processed for approval, the criteria and procedures included under Schedule 4 of this FFA, as agreeable to ADB, India and the State. The State will post the criteria for subproject selection and details of sanctioned contracts/subprojects on the State's Investment Program office bulletin board and its website.

Safeguards. The projects under the Facility will be carried out in accordance with safeguard policies of ADB; and the Indigenous Peoples Development Framework, Resettlement Framework and Environmental Assessment and Review Framework and India's and State laws as applicable to the Facility.

Signed in Manila as the day and year first above written

For INDIA

For ASIAN DEVELOPMENT BANK

By (Original Signed)
KAVITA PRASAD
Deputy Secretary
Department of Economic Affairs
Government of India
(Authorized Representative)

By (Original Signed)
KUNIO SENGU
Director General

SCHEDULE 1 ROADMAP AND INVESTMENT PROGRAM

A. Urban Development and Current Sector Performance

1. The State of Rajasthan (the State) is geographically India's largest state covering an area of 0.35 million km², with a population of 56.5 million people (as per India's Census 2001). About 13.5 million people reside in the State's urban centers, constituting 24 percent of the total population, which is less than that of India as a whole (28 percent) thereby lending a rural feature to the State. The majority of the urban population (57 percent) is concentrated in 20 towns with population of more than 100,000. There has been a rapid growth of the urban population during the 1990s (2.7 percent) due to high natural growth rates and rural migration. And it is estimated that the existing number of towns (222) will increase to 230 by 2012.³ While the future population growth rates are projected to decline, they will still remain high. It has been estimated that in the initially identified Investment Program towns⁴ (Program ULBs) the population growth rates over the next 10 years will range from 2 percent to 7 percent per annum.

2. The State is currently facing two major challenges in the urban sector. The State recognizes that slow urban development is one of the major constraints against private investment and productivity increase and non-agriculture, including tourism, are expected to drive the State's future growth which will be reflected in an expansion of cities and towns. Hence, the State is required to promote urban growth by providing basic urban infrastructure and carrying out sound urban planning. Secondly, along with promoting urban growth, the State has to keep the overall pace of rural to urban migration under control and promote a regional balance within the State. Bigger cities such as Jaipur and Kota are becoming bigger and bigger due to the migration from rural areas and smaller cities/towns, and putting a tremendous pressure on the urban services and infrastructure. To arrest the mass migration to bigger cities, the State needs to promote the development of small and medium towns in particular.

3. An assessment of urban infrastructure and services conditions undertaken as part of the preparation of the Investment Program road map indicates that urban services, including water supply, sanitation, drainage, solid waste management, urban transport and roads are inadequate in the towns. The percentage of the urban population in the State with access to piped water supply is 80%.⁵ However, the majority of the population (80%) receiving piped water supply receives less than 80 liters per capita per day (lpcd), while the prescribed level (by the Indian Bureau of Standards) of drinking water supply is between 100–175 lpcd, depending on the size of the towns. Furthermore, approximately 30% of the piped water supplied is from groundwater sources, most of which is untreated. The remaining population access hand-pumps (10%), and tube wells/open wells (7%) for their drinking water supply needs.

4. About 70% of the urban households have access to in-house sanitation facilities, while 24% (predominantly from poor households) resort to open defecation. Only 11 towns out of 222 towns in the State have partial sewerage systems. Inadequate sanitation, with waste water

³ Census of India, 2001.

⁴ The population of the Program ULBs is as follows as per 2006: Jhalawar (48,054, by 2001); Jhalrapatan (30,103, by 2001); Jaisalmer (69,894), Baran-Chhabra (96,798), Barmer (92,203), Bharatpur (229,807); Bundi (94,593); Alwar (286,853); Chittaurgarh (105,212); Rajsamand (59,391); Dhaulpur (110,157); Karauli (75,133) Churu (108,014); Nagaur (100,077), Sawai-Madhopur (113,545) and Sikar (199,084).

⁵ Per capacity water supply in the 222 towns in the State vary in the following distribution—40% receive less than 60 litres per capita per day (lpcd); 36% receive 60–80 lpcd; 14% receive 80–100 lpcd; and only 10% receive above 100 lpcd.

percolating into the soil and overflowing to the drains/streams, presents environmental and health risks. The absence of sewerage facilities has led to contamination of surface water in and around the towns, and particularly open drains have become extremely hazardous containing high risk of water borne diseases. Currently, less than 50% of solid waste is collected, house-to-house services are available to only 35% of households; waste segregation is not practiced; the capacity of dust bins and other storage is insufficient; waste is manually handled during transportation; and crude open dumping is prevalent as more than 80% of the towns do not have engineered sanitary landfill and proper waste management facilities. A substantial proportion of households regularly dispose of their waste by dumping them in the nearest open space or drains. Equipment is used generally inefficiently, and no records are kept of waste collected, transported, and disposed. These current practices impact public health of the urban population in the State that needs to be addressed.

5. In all of the Program Investment ULBs urban roads are in poor condition; and road network and parking spaces are insufficient to meet the demands in current traffic volume that has increased significantly during the last decade. The road network capacity has not expanded commensurate with increased traffic demand, resulting in frequent traffic congestion.

6. **Urban Institutional Framework.** The analysis of the urban institutional framework made under the Road Map for the Investment Program suggests that weak urban management systems are responsible for poor performance in urban planning and provision of infrastructure and services in the Investment Program ULBs. Development of dedicated urban local authorities is still at its early stage, and effective urban management is constrained by a multiplicity of institutions with overlapping responsibilities. The functions/responsibilities of the ULBs are generally confined to solid waste management, and minor roads. The ULBs have no control over the important basic services of water supply and sanitation.⁶ Water supply and sanitation is provided by the Government of Rajasthan (GoR)'s State Public Health Engineering Department (PHED). Town planning and land development is a function assigned to the State authorities as well as to the ULBs. These functions are being devolved to the ULBs.

7. **Institutional Finances.** All Investment Program ULBs are supported by the State. The main revenues of ULBs are from the infrastructure development tax and the rental income from municipal properties. Water charges are levied in all Investment Program ULBs and the collection efficiency is relatively high, at around 80% in general. However, water charges are far below the operating cost (approximately 23%) due to low tariffs and high level of un-accounted for water (around an estimated 40–50%). Power supply costs which constitute a significant portion of the cost of water supply operations are paid by the PHED.

8. Lack of adequate revenue sources is affecting the ULBs' ability to undertake operation and maintenance of urban services. ULBs financial resources are mainly spent on salaries and administration related expenses (for instance, in Alwar 80%, in Jaisalmer, 76% and in Jhalawar and Jhalapatan, 81%) leaving limited resources for operation and maintenance.

9. Government of Rajasthan (GoR) has recognized that urban development accelerates the State's growth hence urban development has assumed a high priority. This can be seen by the significantly large allocation for urban development in its last budget (2005-2006). Capital expenditure, estimated to be about 4.5% of the GSDP in 2005–2006, is directed to the social sectors, water supply and sanitation, and urban development, the sector that was relatively neglected in budget allocations during the 1990s. This change in emphasis together with the

⁶ PHED is in the process of transferring the responsibilities of maintenance of drainage to ULBs, however, the assets are still owned by PHED.

financial sector reforms that are currently being undertaken by GoR, and passage of the 74th Constitutional Amendment Act in 1992, which laid out the basis for decentralization in the urban sector, has brought about some improvements, but inefficiencies in service delivery, inadequate investment to expand service coverage, and lack of maintenance of assets persist.

B. Rationale for the Investment Program

10. The Investment Program is compatible with India's 10th Five-Year Plan (FYP) (FY 2002-2007), which recognizes that the quality of urban governance and service delivery systems is vital to influencing the pace of urban development. The Plan supports a two-pronged approach whereby funds for capital investments are linked to urban governance, finance, and service delivery reforms. The 10th Plan's main reference for reform is the 74th Constitutional Amendment Act of 1994 that creates an enabling framework for ULBs to play a pivotal role in urban service delivery and to be equipped with necessary financial and administrative powers and capacities. With the recently announced Jawarharlal Nehru National Urban Renewal Mission (JNNURM) and the Urban Infrastructure development Scheme for Small and Medium Towns (UIDSSMT), GOI reaffirms its promise for sustainable urban development by committing sizeable funds for fast-track investments in cities subject to the cities' commitment to a range of reforms. JNNURM and UIDSSMT reiterate the need for the states to empower ULBs to pursue reforms for levy of user charges, enhanced property tax, rationalizing establishment costs, and improving financial management systems. It also advocates balancing asset creating with asset management, incorporating private sector efficiencies into service delivery, and financially sustainable service providers.

11. While GOR's 10th FYP focused on four basic themes: high growth, equitable growth, human development and reforms, GoR's 11th FYP, covering the period from 2007 to 2012, puts a significant emphasis on addressing the needs of the rapidly developing urban population, in particular on strengthening and manage and strengthen urban infrastructure, and on urban governance reforms. It identifies the key areas for improvement as (i) infrastructure; (ii) need for development in slum areas; (iii) improved management of cultural heritage; (iv) urban poverty; (v) increase in pollution and depletion in ground water resources; (vi) inadequate financial resources for the ULBs; and (vii) congestion in urban towns; It contains the following provision:

- (i) Urban Development. Urban development/local self government with an outlay of Rs. 1517 million – for urban planning, promoting central sponsored schemes with emphasis on poverty alleviation, undertaking institutional and financial reforms through States Urban Agenda for Rajasthan (SUARAJ), undertaking implementation of legislative and regulatory frameworks, focusing on training and capacity building, and promoting public-private partnership frameworks/including citizen participation in urban development, and
- (ii) Water supply. Water supply with an outlay of Rs. 40,767 million – for benchmarking water supply systems, tariff restructuring, continuous water supply and consumer metering, recycling, reuse and water conservation, ensuring water supply reliability and customer satisfaction, and undertaking institutional and financial reforms leading to improved service delivery.

12. In accordance with GOI and GoR's urban policy framework, key urban sector reforms are already being initiated by the GoR, including: Land and Regulatory Reforms⁷, and Accounting

⁷ The following bills are proposed to be enacted in FY 2007 (i) Rajasthan Municipalities Bill 2005; (ii) Rajasthan Prevention of Defacement of Properties Bill, 2006 and (iii) Rajasthan Heritage Conservation Bill, 2006.

Reforms including adoption of GoI's National Accounting Manual and announcement of State Policy on Accounting Reforms, 2004; (ii) scheduled conversion of 183 ULB accounting to double-entry accounting system; and (iii) launch of the "E-Nagar Mitra Project"⁸ – an e-governance and accounting reform initiative. Financial reforms includes (i) rationalization of Property (Land and Building) Tax and land bank management; (ii) revenue enhancing measures; (iii) promoting public-private partnerships and citizen participation in urban development⁹ – addressing professionalization of services; and (iv) providing ULBs access to institutional finance through the Rajasthan Urban Development Fund (RUDF)¹⁰.

13. The Rationale for the Roadmap and Investment Program is derived from the above development agenda and the policy priorities of the GOI and GoR. The Road Map and the Investment Program aim to address urban infrastructure and service needs that remain a constraint on harnessing the increasing development potential of the Investment Program ULBs as well as improved living conditions for the rapidly growing urban population. The Road Map and the Investment Program follow the principle of linking capital investments to reforms in order to ensure sustainable impact. It targets the towns which are reform oriented, either district headquarters generally, with above 50,000 population, or where there is a potential for increasing growth within the tourism sector.

14. The Investment Program is designed to use the multitranche financing facility (MFF, or the Facility). The primary reason for designing the Investment Program as a Facility stems from the broad and complex agenda that urban development in Rajasthan involves. The Investment Program involves provision of multiple infrastructure subprojects in 15 ULBs with varying needs and absorptive capacities. The Facility will enable flexibility in investment decisions based on needs and constraints of each ULB within a sector roadmap instead of an upfront and precise definition of investments required in a conventional assistance modality. It will further allow implementation of the Program based on readiness of individual subprojects.

C. Road Map and Investment Program:

15. **Vision:** The Roadmap and Investment Program has been guided by the GOI's and the GoR's policy framework and development priorities. The vision is "providing sustainable urban infrastructure and services in district headquarters and identified urban centers of the State leading to economic and tourism growth and better quality of life for a population of 1.6 million - which in turn reinforces stronger economy and reduce poverty". The principles of the Roadmap and Investment Program are (i) providing urban infrastructure and services whose full potential benefits will be realized when all subsectors are improved in an integrated manner (ii) linking investments to ongoing reforms for urban governance, finance and service delivery; (iii)

⁸ Recognizing the success of Lok Mitra (one-stop utility service payment in urban centres of Jaipur, Ajmer, Bikaner and Udaipur) and Jan Mitra (rural service delivery system), the IT Department is now designing an ambitious project called E-Nagar Mitra. This project seeks to integrate the features of Lok Mitra and Jan Mitra, and will bring together various services offered by different departments and provide a unified e-services platform, minimizing the multiple interaction points for the citizen. Over 60 departmental services will be provided through these counters.

⁹ The Economic Policy and Reform Council (EPRC) consists of a sub-group on Urban Governance, which is currently reviewing: (i) public-private partnerships and citizen participation in urban development; (ii) solid waste management Action Plan; and (iii) Housing Policy and Institutional Finance.

¹⁰ Government of Rajasthan, through the Local Self Government Department, established the RUDF in November 2006 to address the need for attracting large fund flows into the urban development sector. RUDF is positioned to facilitate developing and financing urban infrastructure in the State's ULBs. Created under the Indian Trust Act, 1882, RUDF was formed through a initial corpus of Rs.50 million and is currently managed by an Asset Management Company, Rajasthan Urban Infrastructure Finance and Development Corporation (RUIFDCO), which is a state-owned Public Sector Unit (PSU).

providing maximum demonstration effect for replication in other cities of the State; and (iv) a phased approach to development. The Investment Program will meet the priority investment and reform needs and pave the way to attain the visions for the identified ULBs.

16. **Long Term Sector Needs and Proposed Investment Program:** Assessment of the long-term investment needs and prioritization for the next 10 years' requirements for urban infrastructure and service improvements in the Investment Program ULBs are based on growth strategies, City Development Plans prepared for some of the Investment Program ULBs, available masterplans, state-level plans, consultations, demand projections, and assessment of institutional absorptive capacities to develop and sustain infrastructure assets. It is estimated that over \$525 million is needed over the next 10 years (see table 1) to meet priority infrastructure requirements of the 15 ULBs, including water supply, environmental sanitation (wastewater management, solid waste management, urban drainage), urban transport and road, social infrastructure including slum improvements and infrastructure support to cultural heritage.

17. The road map for institutional and financial improvements incorporates strengthening of Investment Program ULBs capacity to manage and finance urban infrastructure facilities in a sustainable manner (table 2).

18. The proposed Investment Program, which will be financed under an MFF, forms part of the long-term investment. The Investment Program to be implemented over a 7-year period places emphasis on increasing operational efficiencies, and establishing the institutional, operational, and financial foundations and building capacities for further improvements. During the following 7-year period, the system established would consolidate around the proven approaches and operations would continue to achieve greater coverage to most urban services by 2017.

D. Investment Program

19. **Impact and Outcome:** The impact of the Investment Program is improved urban infrastructure and services in district headquarters and tourist towns to support their growth potential and reduce poverty. The expected outcomes of the Investment Program will be improved urban environmental and public health, and improved living conditions for 1.6 million people living in the identified 15 towns in Rajasthan, as well as for increasing number of tourists.

Table 1: Rajasthan Urban Sector Development Investment Program and Long-term Sector Investment Needs

Component	Need	Dist	Program	Dist
	US\$ mn	%	US\$ mn	%
Part A: Urban Infrastructure Improvement				
Water Supply	104.3	23.2%	75.2	25.2%
Sewerage and Sanitation	105.5	23.4%	70.3	33.2%
Solid Waste Management	12.7	2.8%	9.9	4.1%

Urban Drainage	28.9	6.4%	14.6	4.7%
Urban Transport and Roads	116.6	25.9%	40.2	12.4%
Social Infrastructure	35.7	7.9%	5.9	4.5%
Heritage Support Infrastructure	14.6	3.2%	11.8	4.3%
Resettlement and Land ^{a/}	3.9	0.9%	3.5	1.4%
Sub total - Part A	422.2	93.7%	231.4	89.8%
Part B: Institutional Capacity Development and Implementation Support				
Consulting Services	12.1	2.7%	18.5	4.4%
Incremental Administration	11.1	2.5%	9.9	4.0%
Institutional Development	3.0	0.7%	2.7	1.1%
CAPP / IEC	1.5	0.3%	1.3	0.5%
PPMS	0.5	0.1%	0.4	0.2%
Sub total - Part B	28.2	6.3%	32.8	10.2%
Base Cost	450.4 ^{a/}	100.0%	264.2	100.0%
Total Cost (including contingencies and financing charges)	-	-	390.0	-

a/ Contingency and Financing Charges for Investment Need was not determined as it is based on GoR policy regarding borrowing of funds from alternative sources and allocation towards contingencies.

TABLE 2: INSTITUTIONAL AND FINANCIAL IMPROVEMENT ACTION PLAN

Water Supply	
Water tariff revision	Tariff implementation in all 15 the ULBs shall follow the principles of the mandatory reforms under the India' Jawarharlal Nehru National Urban Renewal Mission (JNNURM). By December 2014, the water tariff level should be sufficient to cover full operation and maintenance of the water operation for each ULB.
Water supply coverage	By end of year 4 of each tranche, water supply service coverage of 90% should be achieved through the water supply investment under the Investment Program.
Water tariff collection	By the end year 3 of each tranche, water tariff collection performance should be kept at no less than 85%.
Sewerage	
Sewerage tariff revision	The current sewerage tariff level as prescribed at 20% of water bill without a treatment plant and 33% of water bill with a treatment plan should be maintained provided that the full O&M cost is recovered for sewerage operation for each of the Investment Program ULBs.
Sewerage asset transfer	If the PHED is to transfer sewerage assets to ULBs, an asset transfer plan including skills/human resource transfer, revenue sharing, and associated debt/equity transfer should be prepared within 1 year of commencement of the Investment Program implementation.
Sewerage connection	As part of and along with sewerage services, connection to sewer should be made mandatory in each of the Investment Program ULBs taking up sewerage investment.
Solid waste management	
solid waste management (SWM)	SWM charges should be introduced to cover no less than 50% of operation and maintenance cost of SWM operation for each ULB within no later than one year of related subproject completion.
Infrastructure Development tax	Infrastructure Development tax shall be so maintained by the State so as to augment the financial stability of the ULBs.
Institutional Reform and Capacity Development	
Financial management	Implementation of double entry accrual accounting systems in each ULB within 4 years of the commencement of the Investment Program implementation.
Capacity Development Plan (CDP) Implementation	The IMPU, with assistance from the loan consultants, will prepare a comprehensive CDP, for the Investment Program ULBs and the State line agencies based on consultations with all the stakeholders by December 2008. This CDP should be acceptable to the respective City level committees, the Empowered committee, and its implementation be completed by the IPMU, through IPIUs, by 2010.

20. **Outputs:** The Investment Program outputs are grouped into two parts. Part A will improve (i) water supply systems in 15 ULBs through rehabilitation, strengthening and expansion of networks and new supply systems, (ii) extension of existing and construction of new, sewerage and drainage systems, (iii) solid waste collection, processing, treatment and disposal through development of sanitary landfill sites, (iv) road rehabilitation and road safety improvements; (v) minor infrastructure support to cultural heritage, such as access roads, sanitation etc.; (vi) slum improvements and other municipal facilities which may be prioritized as the master plans are updated and finalized. Part B covers institutional capacity development and implementation support required to implement the physical works and a comprehensive capacity development and institutional development program that will result in a more responsive State system, empowered local government, improved financial performance of the local bodies and services providers and overall improved levels of services for citizens.

1. Urban Infrastructure Improvements

21. **Water Supply.** Investments under this component aim at improving quality and quantity of water supply to the population – potable water supply of 135 litres per person per day (lpcd) on average at the consumer end- through source augmentation, improvements to water treatment facilities, distribution system rehabilitation, monitoring and loss reduction. Further, investments aim at increasing the piped water supply service coverage levels to 90% on average in the Investment Program ULBs and reducing the unaccounted for water (UFW) to 20 percent of total supply over the Investment Program period in all parts of the system. The investments consist of: (i) immediate rehabilitation of the existing supply systems in all Investment Program ULBs to optimize their efficiency and minimize losses, and subsequent long-term program of leak detection and rectification; (ii) source augmentation and improvements to/provision of water treatment facilities, (iii) provision of universal household connections and metering, and bulk metering; (iv) replacement of inefficient pumping machineries, among other energy conservation and demand management measures; to reduce the O&M costs of the water supply systems and improve efficiency; and (v) awareness campaigns and water conservation measures such as rainwater harvesting.

22. **Wastewater Management.** The wastewater management improvements aim at developing appropriate sanitation facilities or sewerage system catering to safe disposal of sewage based on sewage flow equivalent to 80 percent of net water supply to the households and maximizing population coverage based on optimum flushing velocities for the sewerage system, in the absence of which providing appropriate low cost sanitation facilities; and identifying least life cycle cost option for establishing the sewerage system and sewage treatment plant, and appropriate options for water recycle and reuse.

23. **Solid Waste Management.** The solid waste management improvements aim at developing a door-to-door waste collection system in the entire municipal area of the Investment Program ULBs and providing appropriate segregation and treatment facilities for collected municipal waste. The investments include the following: (i) public awareness campaign and household waste collection equipment to maximize recycling and waste segregation at source; (ii) provision for collection and safe transportation of waste; (iii) improvement in street sweeping and drain de-silting activities; and (iv) construction of safe solid waste processing and disposal facilities such as engineering sanitary landfills and composting plants, preferably on a public private partnership (PPP) model, to minimize the quantum of waste to be land filled.

24. **Urban Drainage.** The urban drainage improvements aim at eliminating the public health and flooding risks, and pollution of surface waters, by implementing adequate stormwater drainage facilities for the Program ULBs.. Investments under this subcomponent will include (i) development of comprehensive drainage masterplans for the ULBs; (ii) construction of roadside and outfall drains to carry storm-water runoffs into natural channels or groundwater recharging areas; and (iii) provision of adequate equipment and resources to maintain the drains. Investments will be based on the drainage masterplans for the ULBs and/ or prioritize areas with poor drainage, recurrent flooding problems, high population density and slums.

25. **Urban Transport.** The urban transport improvements aim at decongesting the city-centres, creating better traffic flow through the ULBs and greater road capacity to ensure effective traffic management and transportation provision in the Program ULBs. Investments include (i) development of comprehensive traffic management plans; (ii) construction of new roads and bridges in priority and congested areas in the cities; (iii) development of parking spaces and public transport terminals, based on and as identified by the traffic management plan of the ULBs; and (iv) upgrading of selected roads and pedestrian facilities.

26. **Social Infrastructure.** Slum improvements aim at improving quality of life in poor settlements of the Program ULBs. Investments consist slum infrastructure to cover inadequate services relating to water, sanitation, roads, streetlights, drainage, community/town halls, rain water harvesting structures and street lightning.

27. **Infrastructure Support to Cultural Heritage.** The Infrastructure Support to Cultural Heritage provides infrastructure support to cultural heritage sites and monuments.

2. Institutional Capacity Development and Implementation Support

28. **Institutional Capacity Development.** A three-pronged approach is being adopted for interventions under this component, which will assist GoR and the Investment Program ULBs in furthering the reforms, already being initiated by GoR; such as (i) computerization, tax assessments and infrastructure mapping through a Geographic Information System; (ii) facilitating transition of ULB accounting functions to a double-entry accounting system through computerization of accounting and financial management functions – in line with GoR's ongoing SUARAJ program; and (iii) providing training to Investment Program ULBs and State line department staff on Investment Program implementation, better management of urban services, and urban governance through identified training institutions like the Rajasthan Institute of Local Self Government (RILSG). This component under the Investment Program aims to institutionalize a system to facilitate the transition of urban service management responsibilities to the ULBs and to address the ability of the Local Self-Government Department (LSGD) to oversee this service delivery by the ULBs and to ensure that ULBs plan, provide and sustain service provision.

29. At the Local Self Government Department, particularly the Directorate of Local Bodies; and the State Town Planning Department levels, the capacity development will improve and strengthen internal systems and procedures, and ULB performance monitoring. At the Investment Program ULB level, the capacity development component will enhance urban planning, asset inventory and management, accounting and financial management systems of the ULBs to help ensure sustainability in service provision; and undertake training on project development, design and implementation, and basic service delivery for municipal staff of the 15 Investment Program ULBs.

30. The Capacity Development Program will also include a Community Action Participation Program (CAPP) to support implementation and positive impact of physical improvements under the Investment Program. The CAPP includes capacity development at the community level focusing on stakeholders in slum areas and community based organizations. More specifically the CAPP will focus on (i) information dissemination on the Investment Program; (ii) educating people on environment and health linkages and their role for good environmental practices for solid waste; (iii) raising awareness of the cost implications of improved services. Activities will also be directed to ensure participation of and equal benefits to the urban residents including the women, the poor, slum communities, and other vulnerable groups during Investment Program implementation. Consulting assistance and NGO services, training program, equipment, and promotion materials will be provided to carry out these activities.

31. **Implementation Support:** Under this component, investments will support costs of the Investment Program management and implementation, including incremental administration associated with Investment Program Management Unit and Investment Program Implementation Units mainly in equipment and logistics. It will also fund the costs of the consulting services

required for assisting these units in managing the Investment Program and undertaking detailed design and construction supervision during the Investment Program period.

SCHEDULE 2
DESIGN AND MONITORING FRAMEWORK FOR THE FACILITY

Design Summary	Performance Indicators/Targets	Data Sources/Reporting Mechanisms	Risks/ Assumptions
<p>Impacts</p> <p>Increased economic growth and reduced poverty, and sustained improvement in the urban environment and quality of life in the initially identified urban local bodies (ULBs) in Rajasthan (the Investment Program ULBs).</p>	<p>By the end of 2017:</p> <ul style="list-style-type: none"> • Increase in per capita real income in the Investment Program ULBs by 10%; • Urban infrastructure services reaching an additional 20% population in the Investment Program ULBs; • number of tourists in the Investment Program ULBs increased by 10%; • number of sanitation related diseases in Investment Program ULBs decreased by 20%; • number of population below poverty line (BPL) with access to improved urban infrastructure services in Investment Program ULBs increased by 30%; • percentage of population below poverty line (BPL) in Investment Program ULBs held constant or declining. 	<ul style="list-style-type: none"> • State and local government statistics; Household consumer expenditure and employment surveys; • Census data; • Records from the Department of Tourism and Department of Health of Government of Rajasthan (GoR); • Sample surveys of BPL; • Investment Program completion report and Project completion reports 	<p>Assumptions (A)</p> <p>A: Macroeconomic stability.</p> <p>A: Continued political support for urban development in Rajasthan.</p> <p>Risks (R)</p> <p>R: Sustained drought and other natural disasters in Rajasthan.</p>
<p>Outcomes</p> <p>Increased access to sustainable urban infrastructure and services for 1.6 million people in the Investment Program ULBs by the end of the Investment Program (2014)</p> <p>Improved capacities of, and sustainable management of urban services by the Investment Program ULBs by the end of the Investment Program (2014)</p>	<p>By the end of 2014:</p> <p>Water supply:</p> <ul style="list-style-type: none"> • 1.4 million people in the Investment Program ULBs (90% of the total population) provided with treated piped water supply of at least 100 litres per capita per day (lpcd); <p>Waste water management::</p> <ul style="list-style-type: none"> • total and appropriate sanitation provided for 1.6 million people in the Investment Program ULBs; • all ULBs with population density 150hh/hectare and water supply of 135 lpcd are provided with sewerage facilities including STPs; • reduction in the volume of wastewater discharged to water bodies; <p>Solid waste management:</p> <ul style="list-style-type: none"> • all Investment Program ULBs have access to appropriate sanitary landfill facilities and ULBs have capacity and facilities to collect municipal waste. <p>Urban drainage:</p> <ul style="list-style-type: none"> • drainage outfalls provided in all Investment Program ULBs to reduce risks of flooding; • all core areas of the Investment Program ULBs provided with roadside drains. <p>Urban roads and transport:</p> <ul style="list-style-type: none"> • Improved traffic flow within the Investment Program ULBs and travel times between zones maintained at present levels or reduced in all the Investment Program ULBs; <p>Social infrastructure:</p> <ul style="list-style-type: none"> • about 0.21 million poor living in notified slums of the Investment Program ULBs provided with improved basic urban services and living 	<ul style="list-style-type: none"> • State and local government statistics and reports; • Census data; • Sample surveys of BPL; • IPPMS and IPMU progress reports; • ADB review mission reports; • NGO reports; • Baseline surveys; 	<p>Assumptions (A)</p> <p>A: Overall capacity of the Investment Program ULBs for urban governance and service delivery is improved to effectively operate and manage urban infrastructure and services.</p> <p>A: Adequate funding is mobilized for operations, maintenance and replacement of newly provided facilities.</p> <p>Risks (R)</p> <p>R: ULBs do not have sufficient revenue to properly manage and maintain the existing and newly acquired assets.</p> <p>R: Slow actions by GoR and the Investment Program ULBs to undertake urban institutional and financial reforms.</p> <p>R: Lower than expected willingness by users to pay for services.</p> <p>R: Lack of sufficient skilled staff to operate and manage urban services in the Investment Program ULBs.</p> <p>R: Environmental regulations not fully enforced.</p>

Design Summary	Performance Indicators/Targets	Data Sources/Reporting Mechanisms	Risks/ Assumptions
<p>Implemented Investment Program for Solid Waste Management</p> <p>Implemented Investment Program for Urban Drainage</p> <p>Implemented Investment Program for Urban Transport and Roads</p>	<p>Solid Waste Management:</p> <ul style="list-style-type: none"> Household waste containers in all Investment Program ULBs; Collection and transportation containers, equipment and vehicles for municipal solid waste in all the Investment Program ULBs; Construction of engineered municipal sanitary landfill and composting plants as per Gol's Municipal Solid Waste Management Rules, 2000, in all Investment Program ULBs; <p>Urban Drainage:</p> <ul style="list-style-type: none"> Comprehensive Drainage Master Plan for all Investment Program ULBs; and Roadside drains and trunk outfalls to carry storm water runoff into natural channels, and adequate tools and resources to maintain the drains as per the master plans. <p>Urban Transport and Roads:</p> <ul style="list-style-type: none"> Comprehensive Traffic Management Plans prepared for all Investment Program ULBs; Identified major entry and exit roads resurfaced in the Investment Program ULBs to decongest the city/town centers; and Identified transport infrastructure - Road Over Bridge (RoB)s or Road Under Bridge (RuB)s built in Alwar, Baran and Chabra, Bharatpur, Bundi, Chittorgarh, Churu, Nagaur, Sawai Madhopur, and Sikar - completed in the Investment Program ULBs. 		<p>Assumptions (A)</p> <p>(A) Public awareness campaign will be effective to encourage household for waste segregation and payment of service fees.</p> <p>(A) Poor will connect and afford the connection and the service.</p> <p>(A) Environmental regulations for acceptable practices implemented.</p> <p>(A) Resettlement and environmental clearance completed in a timely manner.</p> <p>(A) Adequate funds for provided for operation and maintenance.</p> <p>Risks (R)</p> <p>(R) Households not willing to pay for the services.</p>
<p>Implemented Investment Program for Social Infrastructure</p>	<ul style="list-style-type: none"> Major entry and exit roads, basic urban infrastructure and amenities (e.g. water and sanitation, roads, streetlights, drainage, community hall, rain water harvesting structures etc) developed for 0.21 million population living in identified slums in the Investment Program ULBs. 		<p>Assumptions (A)</p> <p>(A) Public awareness campaigns are effective.</p> <p>(A) Beneficiaries, particularly renters, continue to live in improved slums.</p> <p>Risks (R)</p> <p>(R) Public awareness is less than effective.</p>
<p>Implemented Investment Program for support infrastructure for cultural heritage</p>	<ul style="list-style-type: none"> Heritage conservation plans prepared for the identified sites and monuments in the Investment Program ULBs; Identified supporting infrastructure around the monuments and facilities for tourists developed in the Investment Program ULBs; 		
<p>Implemented Investment Program for Capacity Development</p> <p>Implementation and management of the Investment Program</p>	<ul style="list-style-type: none"> Infrastructure base maps completed for all the Investment Program ULBs; Identified governance and institutional management training provided to the Investment Program ULB officials; Double entry accounting system introduced, financial management systems computerized and asset management systems improved in the Investment Program ULBs; Hand-over of assets and responsibilities of sewerage systems (from PHED to the Investment Program ULBs) completed; Sustainable user charge structure including improved volumetric water charges, sewerage charges and solid waste management charges implemented; 	<ul style="list-style-type: none"> IPMU quarterly progress reports of the six IPIUs; Budgets and annual work plans; IPPMS reports; Review mission reports; Disbursement records; Subproject completion and commissioning certificates; Records of consultations and meetings; Financial statements of agencies and ULBs 	<p>Assumptions (A)</p> <p>(A) Continued support for the Investment Program ULBs.</p> <p>(A) Financial sustainability of the ULBs.</p> <p>(A) Tariff reforms and introduction of user charges.</p> <p>(A) ULB staff are capable to manage the urban services.</p> <p>Risks (R)</p> <p>(R) Rollback on tariff reforms, property taxes or user charges.</p>

Design Summary	Performance Indicators/Targets	Data Sources/Reporting Mechanisms	Risks/ Assumptions
	<ul style="list-style-type: none"> • GIS installed in priority areas; • Municipal and departmental staff trained in operation and maintenance of services, financial management, regulation enforcement; • PPP opportunities studied and tried in selected subprojects in the Investment Program ULBs; and • CAPP and IEC Investment Programs implemented in the Investment Program ULBs. 		
Activities with milestones			Inputs (\$ Million)
<p>2. <i>Investment Program Preparation</i></p> <p>1.1. IPMU in Jaipur and fifteen IPIUs established and fully staffed by December 2007</p> <p>1.2. Consultant teams (IPMC and DSC) appointed by November 2007</p> <p>1.3. Land acquisition & environmental clearances for works under the 1st tranche completed by February 2008</p> <p>1.4. Engineering designs and RFP preparation for subprojects under the 1st tranche of the Investment Program completed by December 2007</p>			<p>ADB 273.00</p> <p>GoR 117.00</p> <p>Total 390.00</p>
<p>2. <i>Subproject Implementation (for the 1st tranche)</i></p> <p>2.1. Initiate CAPP and IEC by April 2008</p> <p>2.2. Update construction plans and schedules – June 2008</p> <p>2.3. Initiate land acquisition and resettlement if any by September 2007</p> <p>2.4. Prepare bid documents – December 2007</p> <p>2.5. Procure equipment and materials – Water Supply, Sewerage, etc – September 2008</p> <p>2.6. New water supply ring main (17.5 km), 10 storage reservoirs, 17 stand-alone chlorination facilities/plants constructed in Alwar by 2012;</p> <p>2.7. Approximately 47 km of water distribution pipelines rehabilitated/replaced in Alwar by 2011;</p> <p>2.8. Approximately 74 bulk flow meters, 10 ultrasonic flow meters and 34,000 household water meters installed in Alwar, Jaisalmer, Jhalawar and Jhalrapatan by 2011;</p> <p>2.9. Existing pumping machineries and tubewells rehabilitated in Alwar, Jaisalmer, Jhalawar and Jhalrapatan by 2011;</p> <p>2.10. STPs - of capacities 20 MLD in Alwar and 10 MLD in Jaisalmer – and associated outfalls, trunk mains, laterals and household connections (minimum of 30% of the total number fo households) completed by 2012;</p> <p>2.11. Outfall drains of 12.8 km completed in Jaisalmer by 2010;</p> <p>2.12. New intake and supply augmentation facilities, including 58 km of transmission mains, one clear water reservoir, 10 storage rervoirs and deciated power supply line completed for Jaisalmer by 2011;</p> <p>2.13. 4 Sanitary landfills (and composting plants) of ultimate 163 tons/day (Alwar), 55 tons/day (Jaisalmer), 25 tons/day (Jhalawar) and 18.5 tons/day (Jhalrapatan) constructed by 2012;</p> <p>2.14. Dry well Intakes(2), clear water reservoirs (2) , overhead storage tanks (10) and rising mains (24.5km) constructed and water treatment plants rehabilitated in Jhalawar and Jhalrapatan by 2011;</p> <p>2.15. Road over bridge (RoB) in Alwar completed by 2010; and</p> <p>2.16. Solid waste equipment and vehicles for Alwar, Jaisalmer, Jhalawar and Jhalrapatan procured by 2009.</p>			
<p>3. Institutional Capacity Development and Implementation Support</p> <p>3.1.Improvement of financial management and accounting and computerization initiated in the Investment Program ULBs by December 2007</p> <p>3.2.Operational improvement of urban infrastructure services: Development of operation management Investment Programs, staff trained, and implementation is ongoing</p> <p>3.3.Training of ULB and government department officials initiated by January 2008</p> <p>3.4.Establishment of IPPMS by March 2008.</p>			

ADB = Asian Development Bank, BPL = below poverty line, CAPP = Community Action Participation Program, DSC = Design and Supervision Consultants, GIS = Geographical Information Systems, GOI = Government of India, GoR = Government of Rajasthan, IEC = Information, Education and Communication, IPMC = Investment Program Management Consultants, IPMU = Investment Program Management Unit, IPIU = Investment Program Implementation Unit, IPPMS = Investment Program Performance Management System, NGO = nongovernment organization, O&M = operation and maintenance, PHED = Public Health and Engineering Department, PPP = Private Public Partnership, UFW = un-accounted for water, ULB = urban local body, WSS = water supply and sanitation, STP = sewerage treatment plant, WTP = water treatment plant.

SCHEDULE 3 IMPLEMENTATION FRAMEWORK

1. Unless modified and amended in loan or project agreements under the Facility, the Investment Program will be implemented as follows:

Implementation

2. The EA for the facility under the Investment Program will be the Local Self Government Department (LSGD). An Investment Program Management Unit (IPMU) as established under the LSGD which will be responsible for overall implementation and management of the Investment Program and Facility.

3. (a) A state-level and inter-ministerial Empowered Committee as established will provide policy guidance and overall coordination across all the State agencies and ULBs, and take decisions on matters related to the Investment Program. The EC is chaired by the Minister of Urban Development and Local Self Governance, and members include Ministers, Directors and/or representatives of other relevant government ministries and departments.¹¹

(b) Work Finalization Committee (WFC)¹² as established by the State shall be responsible for reviewing the subproject appraisal reports for final approval of the subprojects in accordance with the procedures set forth under schedule 4 to this FFA.

4. The IPMU¹³ that will also be the project management unit under each project as applicable, will be the Implementing Agency (IA) for the Investment Program. The IPMU will comprise of staff seconded from the line agencies of GoR responsible for managing the urban facilities and services under the Investment Program, such as PHED, PWD, Tourism Department, etc, and staff from Program ULBs. The IPMU will be headed by a Project Director (PD). The PD will be responsible for overall management of the Investment Program and coordination with and reporting to the EC, GoR and ADB on the Investment Program.

5. Under the IPMU, fifteen Investment Program Implementation Units (IPIUs) which will also be the project implementation units under each project as applicable, will be established at the zonal and sub-division levels of the LSGD, and a full-time representative of the IPIU will be appointed in each Investment Program ULB. These IPIUs will carry out daily implementation activities required under the Investment Program, and will be established in all the ULBs. Further, the IPMU and IPIUs will be assisted by the Investment Program Management Consultants (IPMC) in managing the Investment Program and assuring the technical quality of

¹¹ The Empowered Committee includes; Minister, UD&LSG (Chairman); Additional Chief Secretary, Infrastructure (member); Pr. Secretary, Finance & Plan (member); Pr. Secretary, Urban Governance; Pr. Secretary, Art and Culture (member); Secretary, tourism (member), Secretary, PHED (member), Secretary, LSG (member) and Project Director RUIDP (member secretary),

¹² The WFC is includes; Principal Secretary Urban Governance (Chairman), Secretary, LSGD, Project Director, RUIDP, Concerned District Collectors, Additional Project Director, RUIDP, Director Local Bodies, Additional Commissioner, Tourism, Director, Archaeology, Director, Medical and Health, Chief Engineer, PHED, Chief Engineer, PWD, Chief Town Planner, Town Planning Department, Superintending Engineer, PIU (concerned), RUIDP.

¹³ Since the Project Management Unit (PMU) of RUIDP is successfully implementing RUIDP, as demonstrated by the successful rating of the RUIDP in ADB's *Loan Financial Information System*¹³ report, GoR has decided to reconstitute of the existing PMU of RUIDP as IPMU for the Investment Program which will include a broader range of skills and representation from the Program ULBs.

design and construction, and the Design and Supervision Consultants (DSCs) in preparing the design documents, managing tendering of contractors and supervising the construction works.

6. City Level Committees¹⁴ (CLCs) formed under the chairmanship of the District Collectors will review project activities, identify issues for improvement, and provide guidance to the IPIUs on actions to be taken to improve project performance. In ULBs where water source augmentation sub-projects are proposed, representatives from Department of Irrigation will also be made members of the CLC; and wherever heritage and tourism sub-projects are proposed representatives from Archaeological Survey of India or State Department of Archaeology Museum, depending on the appropriate jurisdiction, and Department of Tourism will become members of the CLC. The CLCs will meet at least quarterly or more frequently, if required.

Subproject Selection and Implementation

7. (a) The State will ensure that all ULBs and subprojects therein are selected and processed for approval, the criteria and procedures included under Schedule 4, as agreeable to ADB, India and the State.

(b) The State will post the procurement documents, and the criteria for subproject selection and details of sanctioned contracts/subprojects on the State's Investment Program office bulletin board and website.

(c) The State through the EA will ensure that civil works for all subprojects will be synchronized with civil works for sewerage, water supply pipe laying, and drainage as appropriate.

Subproject Approval Procedure

8. With assistance from the IPMU and/ or other agencies of the LSGD, the Investment Program ULBs will prepare a City Level Infrastructure Plan (CLIP) that identifies the gaps between current and target levels of urban infrastructure, estimates the interventions required to fill the gaps and proposes subprojects under each of the components of the Investment Program. The CLIP will be sent to CLC of the respective ULB for approval, pursuant to which it will be sent to the EC for approval. The IPMU, with the assistance of IMPC and DSCs, will be responsible for detailed appraisal of the subprojects and will ensure that all the subprojects proposed for funding meet the selection criteria described in Schedule 4 of this FFA. The IPMU will prepare a summary of the subproject appraisal report based on the CLIPs that will include the rationale for each subproject, the scope and components, a technical description and analysis, the cost estimates and financing plan, an environmental assessment, a resettlement plan, an indigenous peoples development plan if applicable, and the implementation arrangements along with financial, economic, and institutional analyses. The subproject appraisal reports are sent to the Works Selection Committee formed for the Investment Program, headed by the Principle Secretary of Department of Urban Governance, for approval. The subproject appraisal reports will then be sent to ADB for review and approval in a format

¹⁴ The CLCs will be chaired by the district collectors, and members are members of Parliament, members of Legislative Assembly; Mayor; Chairman Municipal Council; Vice Chairman; Municipal Council; Vice Chairman; Municipal Council; Chairman/Secretary; Urban Improvement Trust: Superintending Engineer, Public Health Engineering Department; Superintending Engineer, Public Works Department. Commissioner Municipal Council, Principal Medical Officer, Medical and Health, Sr. Town Planner, Town Planning Department, Superintending Engineer, PIU, RUIDP and representatives of local Non-governmental Organizations and Community-based organizations.

agreed on by GoR and ADB. If necessary, ADB may advise the IPMU to modify the subproject appraisal reports. Following ADB's approval, and subject to any modifications and measures required by ADB, the IPMU will prepare PFRs for ADB's financing. PFRs will be formally submitted to ADB for further processing through the GOI.

Conditions for commencement of civil works under Subprojects

10. (a) For water supply subprojects - the State will ensure that the related PHED/ULB will have (set up) a separate accounting system for water supply and sewerage for the ULB prior to commencement of civil works on water supply subproject in the ULB.

(b) For urban transport and roads subprojects - prior to commencement of civil works under this component, the ULB will have prepared a comprehensive citywide traffic and transportation plan.

Counterpart Funds

11. The State will ensure that sufficient counterpart funds are made available from its budget for each fiscal year, in a timely manner, for the efficient implementation of the Investment Program and the Facility towards its contribution and those of the ULBs.

Institutional Reforms and Sustainability

12. The State will ensure adequate funds towards operations and maintenance of the facilities created under the Facility through budgetary allocations or other means, to be provided to the EA, the appropriate ULB or line agencies during and after subproject completions.

13. The State shall ensure that for each ULB, the institutional and financial improvement action plan that includes water, sewerage, solid waste tariffs and replacement/substitute for property tax [Table 2, Schedule 1 to the FFA] is implemented on schedule.

14. The State will ensure that the contractual documents under any PPP modality, in particular extended O&M, BOT, or performance-based management contracts (PBMC), as applicable, are provided to ADB for prior review and approval in order to be used under the individual subprojects.

Other Subproject specific requirements

15. The State will ensure that 90% customer metering is achieved in the relevant ULBs within three years of the completion of related water supply subproject in the ULB concerned.

16. The State will ensure that the domestic waste is segregated from the industrial, medical and hazardous waste in the ULBs where solid waste management subprojects are being implemented under the Facility, which is to be treated separately as per the prescribed system in the Municipal Solid Wastes (Management and Handling) Rules, 2000, of India.

17. The State will ensure that poverty and social assessments are carried out for the subprojects under the Facility in accordance with relevant policies and guidelines of ADB.

18. The State will ensure that civil works contracts under the Facility will follow all applicable labor laws of the Gol and GoR and that these further include provisions to the effect that

contractors; (i) carry out HIV/AIDS awareness programs for labor; and disseminate information at worksites on risks of sexually transmitted diseases and HIV/AIDS as part of health and safety measures for those employed during construction; and (ii) follow and implement all statutory provisions on labor (including not employing or using children as labor, equal pay for equal work), health, safety, welfare, sanitation, and working conditions. Such contracts shall also include clauses for termination by the State/EA in case of any breach of the stated provisions by the contractors.

19. The State will ensure compliance with safeguard requirements included in Schedule 5 of the FFA, as applicable to each Project; including the specific provisions therein.

Performance Monitoring and Evaluation

20. The IPMU will ensure that an Investment Program Performance Monitoring System (IPPMS) satisfactory to ADB is established within 3 months of the effectiveness of the first loan under the Facility. The IPPMS will monitor and evaluate the performance of the Program, as well as of subprojects and projects under each loan, including key impact and outcome indicators and associated assumptions with corresponding target dates. For subprojects under any PPP modalities, such as PBMC, or extended O&M contracts, if applicable key performance indicators satisfactory to ADB will be developed during the preparation of requests for proposals and draft contract documents for each subproject.

Review

21. Based on a review of quarterly progress reports, ADB and GoR representatives will meet as required to discuss the progress of the Facility and the Investment Program under each loan, any changes to implementation arrangements, or remedial measures required to be undertaken to achieve the overall objectives of specific subprojects and components and of the overall Investment Program. In addition to regular reviews, including a midterm review for each loan, a detailed midterm review of the Facility will be undertaken within a certain period of the effective date as agreed under the first loan agreement by ADB and India and the State. The midterm review will include a detailed evaluation of the scope of the Facility, implementation arrangements, any outstanding issues, environment, resettlement and other safeguard issues, achievement of scheduled targets, contract management progress, and other issues, as appropriate.

Accounts

22. India **will cause** the State to ensure that proper accounts and records are maintained and audited in a timely manner for the Projects and the Facility (including each subproject) to adequately identify use of the loan proceeds in such manner and detail as may be specified under each loan agreement and project agreement.

23. Approval of the second PFR that may be submitted by India would be subject to review by ADB of the progress in implementing the water tariff reform in those ULBs that have introduced the revised water tariffs in September 2007, according to the institutional and financial improvement action plan [Schedule 1, Table 2].

SCHEDULE 4 SELECTION CRITERIA FOR URBAN LOCAL BODIES AND SUBPROJECTS

A. Selection of Urban Local Bodies

1. The basic principle for selection of urban local bodies (ULBs) should be their potential to become an engine of growth in its district. There are 32 districts in the State of Rajasthan (the State). The operational selection criteria used for the ULB selection for funding under the Rajasthan Urban Sector Development Investment Program (the Investment Program or the Facility) are as follows:

- (i) The ULB contributes to the subproject at no less than 10% of the related cost on average;
- (ii) The ULB is either the district headquarter of a district or a town with tourism importance—which has been identified in the State’s tourism policy as such or the annual tourist visits to the town is above 50,000;
- (iii) The population of the ULB is above 50,000, unless/except the ULBs are twin towns sharing resources and management responsibilities for their urban services; and
- (iv) The ULB has signed an MOU with GoR on implementing the institutional and financial improvement action plan as outlined in Schedule 1.

2. Based on the above criteria, 15 ULBs are initially selected for support under the Facility, which include 4 Municipal Councils and 12 Municipal Boards of Category II.¹⁵ Other towns that meet the above selection criteria may be subsequently included in the Facility, if additional financial resources become available through budget savings.

B. Selection of Subprojects

3. The State through the EA will ensure that civil works for all subprojects will be synchronized with civil works for sewerage, water supply pipe laying, and drainage as appropriate.

4. In accordance with the objectives and targets set under the Investment Program, the components¹⁶ of subprojects eligible for financing under the Facility will include: (i) Water Supply; (ii) wastewater management; (iii) solid waste management; (iv) urban drainage; (v) Urban transport and roads; (vi) Social Infrastructure, including slum Improvements; and (vii) Infrastructure Support to Cultural Heritage.

5. Each ULB will undertake a City Level Investment Plan (CLIP), which may include all or some of the components. The CLIP will be based among others on the current level of services, the needs and preference of the stakeholders, the financial and institutional capacity of the town, and the norms and standards prescribed by GoR and GOI. In selecting subprojects in each town, the following aspects should be checked and ensured by GoR’s Work Finalization Committee:

¹⁵ Municipal Councils=ULBs with Population above 100,000; Municipal Boards=ULBs with population > 20,000-100,000.

¹⁶ Facility will also include a component Implementation Support, Capacity Development, and a Community Action Participation Program (CAPP). There will be no selection criteria for this component.

- (i) The works proposed under the Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) or any other scheme of GOI and/or GoR schemes containing grant funding should not be included under the Facility;
- (ii) The line agencies or responsible authorities have agreed on taking over the O&M assets created under the Facility and the Investment Program and have agreed to allocate adequate budget for the same;
- (iii) The concerned line agencies provide hindrance free land to the implementing agency for execution of works;
- (iv) Proposed investment plans under CDPs demonstrate that the ULB can mobilize financial resources required for the O&M of all the assets under the ULB's mandate created under the Facility;
- (v) Total cost of all the subprojects in each ULB should not exceed \$250/person; which can be higher in case of importance of the tourism important town with low population;
- (vi) All subprojects will have prepared resettlement plans, if required, in accordance with the Resettlement Framework of the Investment Program;
- (vii) All subprojects will meet environmental subproject selection guidelines (Appendix 1) and will have prepared Initial Environmental Examinations (IEEs) including environmental monitoring plans (EMPs) with budget in accordance with environmental assessment and review framework (EARF) of the Facility;
- (viii) All subprojects will have prepared the indigenous peoples development plans, if required, in accordance with the Indigenous Peoples Development Framework of the Investment Program; and
- (ix) Proposals related to provision of urban services in notified slum areas (a) with a secure tenure to the residents; and (b) which are not vulnerable to natural hazards such as landslides/flooding, which would enhance the vulnerability of the slum areas.
- (x) All subprojects have been selected pursuant to a least cost analysis of options acceptable to ADB.

C. Urban Infrastructure Improvements

1. Water Supply

- (i) Groundwater supply augmentation subproject will be supported only if a comprehensive catchment-based water resources plan has been completed, supported by data, and in consultation with all users/stakeholders, including the Groundwater Department, and one an engineering pumping test has been carried out on an exploratory borewell at the proposed site, as per the guidance/handbook of relevant national guidelines.
- (ii) PHED/ULB will have (set up) a separate accounting system for water supply and sewerage for the ULB prior to commencement of works on water supply subproject in the ULB.
- (iii) Water subprojects must demonstrate EIRRs no less than 12%.

2. Sewerage

- (i) Sewerage subprojects are limited to areas where the per capita water supply levels have been established as per the relevant guidelines of GOI to ensure that self-cleansing velocities can be achieved on a regular basis without frequent system flushing.

- (ii) Sewerage subprojects will only commence once the ULB's water supply component, if applicable, had been commenced.
- (iii) Sewerage subprojects must demonstrate EIRRs no less than 12%.

3. Urban Drainage

- (i) Drainage subprojects are limited to areas where there is a tendency for flooding related incidents, or as identified in the CLIP for the ULB.
- (ii) Citywide drainage subprojects will only be supported if a comprehensive drainage master plan has been prepared for the ULB either as part of the CLIP or separately.

4. Solid Waste Management

- (i) The sanitary landfill and other solid waste management facilities are designed in accordance with the MSW Rules 2000 of GOI.
- (ii) If a composting plant is proposed, adequate market/demand study has been carried out showing the marketability of the compost.
- (iii) Alternative packages with different levels of Solid Waste Handling Rules (SWHR) compliance and service efficiency has been compared and the least cost package has been selected.

5. Urban Transport and Roads

- (i) Road works are limited to major entry roads to the town, or roads that connect to major highways, arterial roads, bus terminals, railway stations and bypasses; with National Highways excluded. Internal roads are also not eligible.
- (ii) The subprojects would be in line with the National Urban Transport Policy of GoI.
- (iii) Upgradation and construction of roads and junction improvement is based on the results of traffic survey: where the average vehicle flow (AVF) is at least 3000 vehicles/day and upgradation to/ construction of concrete roads may be allowed for areas that demonstrate potential of being waterlogged and/or have weak soil.
- (iv) One bus stand may be included per town based on needs analysis.
- (v) Bridges may be included only if the demand for the bridges is substantiated through traffic survey- where the average vehicle flow (AVF) is at least 3000 vehicles/day.
- (vi) Widening of existing roads involving land acquisition and/or resettlement will not be included under the Facility, except as otherwise accepted by ADB and GoR and subject to compliance under applicable safeguard policies and frameworks of ADB and laws and regulations of GOI and GoR.
- (vii) Urban road and bridge civil works should demonstrate EIRRs no less than 12%.
- (viii) Parking lots can be included only if the ULB's traffic plans/ surveys show significant congestion problems due to parking and the projected financial returns of the parking lot exceeds 4%.
- (ix) Subprojects are limited to only those which have been included in the citywide traffic and transportation plan prepared either as part of the CLIP or separately by the ULBs.

6. Social Infrastructure

- (i) Subprojects in notified slums that include water supply, sanitation infrastructure, initiation/ formation of self-help groups, health and environmental sanitation awareness campaigns, footpaths, and pavements,
- (ii) Subprojects that include fire fighting equipment and infrastructure for the selected ULBs.

7. Infrastructure Support to Cultural Heritage

- (i) Heritage and tourism infrastructure support is to be provided only to the ULBs identified in the State's Tourism Policy.
- (ii) Heritage subprojects with estimated cost over Rs. 50 Million should demonstrate the cost effectiveness indicator to be agreed with ADB.
- (iii) Development of parks, public utilities, and construction of town halls may be provided, if these subprojects' O&M and service debt are paid either by the private sector or the share of the related ULB's own current revenue exceeded 70% of its total current revenue in the last audited financial statement.

Appendix 1: Environmental Guidelines for Sub-project Selection

Subproject	Environmental Selection Guidelines
All Subprojects	<ol style="list-style-type: none"> 1. Comply with all requirements of relevant national law, including the EIA Notification of 2006, and other laws in specific sectors as indicated below; 2. Avoid involuntary resettlement by prioritizing rehabilitation over new construction, using vacant government land where possible, and taking all possible measures in design and selection of site or alignment to avoid resettlement impacts; 3. Designs must be consistent with ADB Involuntary Resettlement Policies and follow the Resettlement Framework prepared for the project and agreed by the Government and ADB; 4. Avoid environmentally sensitive locations including sites with national or international designation (eg for ecological/biological conservation, historical or cultural importance, etc); 5. If work is proposed with the aim of improving the conservation or management of designated sites (eg drainage), this must only be undertaken: (i) after a comprehensive study and development of management plans and criteria; and (ii) with the direct involvement and approval of national and local bodies responsible for the site; 6. When designing infrastructure that involves excavation in urban areas the relevant authorities must be consulted to ascertain the location of any water pipelines containing Asbestos Concrete (AC) pipes. Locations of new infrastructure must then be designed to avoid excavating or disturbing any AC material.
Water Supply	<ol style="list-style-type: none"> 1. Comply with all requirements of relevant national law, including the Water (Prevention and Control of Pollution) Act 1974; 2. Utilise water sources at sustainable levels of abstraction only (ie without significant reductions in the quantity or quality of the source overall); 3. Avoid using water sources that may be polluted by upstream users; 4. Avoid water-use conflicts by not abstracting water that is used for other purposes (eg irrigation); 5. Locate all new facilities (WTP, TW, etc) at least 100 m from houses, shops or any other premises used by people, thus establishing a buffer zone to reduce the effects of noise, dust and the visual appearance of the site; 6. Locate WTP at sites where there is no risk of flooding or other hazards that might impair functioning of the plant or present a risk of damage to the plant or its environs; 7. Consult the relevant national and/or local archaeological agencies regarding the archaeological potential of proposed sites of WTP, TW and primary mains, to ensure that these are located in areas where there is a low risk of chance finds; 8. Avoid all usage of pipes that are manufactured from Asbestos Concrete (AC); 9. Locate pipelines within the right of way (ROW) of other linear structures (roads, irrigation canals) as far as possible, to reduce the acquisition of new land; 10. Ensure that pipeline routes do not require the acquisition of land from individual farmers in amounts that are a significant proportion of their total land holding (>10%); 11. Ensure that communities who relinquish land needed for pipelines or other facilities are provided with an improved water supply as part of the scheme; 12. Ensure that water supplied to consumers meets national drinking water standards at all times, and confirm this by regular monitoring at the WTP and in domestic premises; 13. Ensure that improvements in the water supply system are combined with improvements in sewerage and drainage to deal with the increased discharge of domestic wastewater.
Waste Water Management	<ol style="list-style-type: none"> 1. Comply with all requirements of relevant national law, including the Water (Prevention and Control of Pollution) Act 1974; 2. Locate Sewage Treatment Plants (STP) a minimum of 500 m from any inhabited areas, in locations where no urban expansion is expected in the next 20 years, so that people are not affected by odour or other nuisance from the plant (this may be reviewed depending on the technology adopted for the treatment of waste water); 3. Locate STP at sites where there is a suitable means of disposal for the treated wastewater effluent (eg into a natural water course or irrigation canal) or provide a means of disposal (eg new irrigation canal) as part of the scheme; 4. Locate STP at sites where there is no risk of flooding or other hazards that might impair functioning of

	<p>the plant and present a risk of damage to the plant or its environs;</p> <ol style="list-style-type: none"> 5. Consult the relevant national and/or local archaeological agencies regarding the archaeological potential of proposed sites of STP, pumping stations and main sewers, to ensure that these are located in areas where there is a low risk of chance finds; 6. Ensure that sewage is treated at all times to national wastewater discharge standards, and confirm this by regular monitoring of effluent from the STP; 7. Ensure that no wastewater is discharged into a water course in which it could be a hazard to downstream users (eg a waterway that is used for as a source of water for domestic or municipal supply); 8. Include measures to ensure the safe disposal of sewage sludge without causing an environmental hazard, and if possible to promote its safe and beneficial use as an agricultural fertilizer; 9. Locate sewage pipelines within the right of way (ROW) of roads wherever feasible, to reduce the acquisition of new land; 10. Ensure that routes of sewage mains do not require the acquisition of land from individual farmers in amounts that are a significant proportion of their total land holding (10%); 11. Ensure that communities that relinquish land needed for sewage mains or other facilities are connected to the new sewerage system as part of the scheme; 12. Avoid locating sewage pumping stations and wet wells within 200m of any inhabited areas, and within 500 m of sensitive sites such as hospitals, schools, temples, etc, to minimise nuisance impacts from odour, rodents, etc;
Solid Waste Management	<ol style="list-style-type: none"> 1. Comply with all requirements of relevant national law, including: the Municipal Solid Wastes (Management and Handling) Rules 2000; Water (Prevention and Control of Pollution) Act 1974; the Air (Prevention and Control of Pollution) Act 1981; and Environment (Protection) Act 1986; 2. Locate landfill sites a minimum of 500 m (and at least 1 km where possible) from any inhabited areas, in locations where no urban expansion is expected in the next 20 years, so that people are not affected by odour or other nuisance from the site; 3. Locate landfills at sites where there is no risk of flooding or other hazards that might impair functioning of the site and present a risk of damage to the site or its environs; 4. Locate landfill sites adjacent to STP whenever possible so that leachate can be collected and treated; 5. Consult the relevant national and/or local archaeological agencies regarding the archaeological potential of proposed landfill sites, to ensure that these are located in areas where there is a low risk of chance finds; 6. Provide a properly engineered and managed sanitary landfill site that is sealed to prevent leaching of contaminants into surface or groundwater, where refuse is compacted and covered each day, and where there is a separate concreted area for the safe disposal of hazardous waste; 7. Provide a composting facility for the beneficial use of biodegradable wastes such as vegetable peelings, agricultural waste, etc; 8. Include a public education and information element to inform communities of their responsibility to place their waste at collection points, and to segregate waste that is suitable for recycling;
Urban Drainage	<ol style="list-style-type: none"> 1. Continue the established practice of burying new main and secondary drains within existing roads as far as possible, to avoid the need to acquire new land; 2. Locate new tertiary drains within the ROW at the side of roads wherever feasible, again to avoid the need to acquire new land;
Urban Transport and Roads	<ol style="list-style-type: none"> 1. Develop road improvement schemes (road widening, bridge construction, etc) only where the need is clearly demonstrated by appropriate traffic and hazard studies; 2. Prioritise the widening of existing roads over construction of new roads and conduct widening within the existing ROW to avoid the need to acquire new land; 3. New roads or widening of existing roads involving land acquisition and/or resettlement should not be included in the Investment Program, except as otherwise accepted by ADB and GoR and subject to compliance requirements under ADB's Involuntary Resettlement Policy (1995) and related frameworks; 4. Include the provision of new or improved drainage to remove the increased runoff caused by increasing the road surface area; 5. Retain mature roadside trees, and if any trees have to be removed, plant two new trees for every one that is lost;

	<p>6. Include tree planting alongside elevated bridges to provide a natural barrier to noise and visual impacts, and include additional man-made barriers if necessary;</p> <p>7. Consult the relevant national and/or local archaeological agencies regarding the archaeological potential of proposed sites of any new roads, bridges or car parks, to ensure that these are located in areas where there is a low risk of chance finds;</p>
<p>Art, Culture Heritage and Tourism</p>	<p>Cultural heritage projects should:</p> <ol style="list-style-type: none"> 1. Be consistent with: (i) the Government's Heritage Conservation and Development Plan; (ii) A Cultural Heritage Management Framework to be developed for the project and agreed by the Government and ADB; (iii) A site specific Archaeological and Historic Site Management Plan to be developed for the subproject by relevant specialists (archaeologists and conservation architects) in consultation with national and state government specialists, local and international NGOs and experts, and local communities; 2. Prioritize non-invasive preservation work to retard deterioration, stabilize the site, and maintain current states, over works involving restoration or reconstruction; 3. Exclude adaptation (modifying a site for compatible use); 4. Follow ADB's environmental assessment procedures, including classifying any subproject with significant impacts on cultural heritage sites as Environment Category A (could have significant negative impacts); <p>Heritage and tourism subprojects should:</p> <ol style="list-style-type: none"> 1. Be proposed or requested by the relevant heritage and tourism authorities and identified as a priority in the authorities' development plans; 2. Consult the relevant national and/or local archaeological agencies with respect to all proposed construction work within or near designated sites of cultural or historical importance to obtain their approval, assess the risk of the work damaging known or as yet undiscovered artefacts, and to develop and apply the necessary safeguards to protect these areas from damage during the construction work; 3. Work on cultural heritage sites will not involve reconstruction, or adaptation. The only allowed processes are preservation, restoration, and maintenance;

SCHEDULE 5

SAFEGUARD REQUIREMENTS AND SOCIAL DEVELOPMENT POLICIES

1. India will ensure that all the requirements prescribed in this Schedule, which have been prepared with respect to the Facility and of which ADB has been provided full copies, are complied with during the processing and implementation of the subprojects under the Facility.

2. Prior to the preparation of each PFR, the applicability and relevance of each Safeguard framework for environmental assessment, involuntary resettlement, and indigenous people will be reviewed and updated to ensure relevance and consistency with applicable country legal frameworks and ADB's safeguards policies, as amended from time to time.

3. In all cases for each new PFR preparation, India will ensure that the State will review on-going subprojects to check on the status of compliance with the safeguards plans and frameworks, and submit review reports to ADB, together with other required safeguard documents relevant to the subproject included in the tranche being processed. In any case if major non-compliance is discovered in the course of the review of on-going subprojects, a corrective action plan will be prepared and submitted to ADB.

4. In addition, all ADB Safeguards policies in effect as of the date the financing of subprojects is prepared or provided under the Facility will apply to such subprojects.

5. Safeguards Assurances for subprojects under individual Projects under the Facility include the following as will be incorporated into related loan and project agreements:

(a) The State through the EA will ensure that

- (i) under the Facility, the projects are carried out and all subproject facilities designed, constructed, operated, maintained, and monitored in compliance with the environmental laws and regulations of India, the State, ADB's Environment Policy (2002), and Environmental Assessment and Review Framework (EARF) (Attachment 1); subprojects encroaching any National Park or its buffer zone shall not be included in projects; however, subprojects in or close to the wild life sanctuaries or any other environmentally sensitive areas may be allowed subject to the EA obtaining all statutory clearances.
- (ii) An Initial Environmental Examination (IEE) as required, including an Environmental Management Plan (EMP) with budget identifying the cost of its implementation as incorporated in the related bid document if any, with adequate public consultation for each subproject, in accordance with the EARF will be submitted to ADB for review and approval before award of related contract. In case of any Environmental Impact Assessment (EIA) or Summary Initial Environmental Examination (SIEE) for subproject classified as A or B sensitive, this will be subject to the 120 day public disclosure requirement under ADB's Environment Policy (2002);
- (iii) All mitigation measures identified in the IEE, SIEE, EIA or Summary Environmental Impact Assessment (SEIA) and the related EMP, as applicable, for each subproject, will be incorporated in subproject design, and carried out during construction, and O&M, and will be disclosed to stakeholders;
- (iv) if there are any changes in specific locations or alignments of any subproject facilities after completion of the process of IEE (or EIA) or due to detailed design or implementation that has an impact on the environmental assessment carried out thus far, then additional environmental assessment will be carried out in accordance with ADB's Environment Policy (2002) and the EARF, and prior approval of ADB obtained before further physical implementation of the subproject;

- (v) all environmental clearances required by applicable laws, and regulations at national, State, or local levels will be obtained in a timely manner, prior to commencement of civil works for the relevant subproject, and
 - (vi) semi-annual progress reports on the implementation of the EMPs, measures under the IEE/EIA, and the environmental monitoring shall be carried out as a part of project implementation for review and disclosure in accordance with ADB's Public Communications Policy (2005)
- (b) The State through the EA will
- (i) undertake projects in accordance with the national and State laws and regulations, ADB's Policy on Involuntary Resettlement (1995) and the Resettlement Framework (RF) (Attachment 2);
 - (ii) ensure that to the extent possible, subprojects will not require land acquisition or involuntary resettlement; however, if and acquisition and/or involuntary resettlement are required for any subproject; the State through the EA will ensure following;
 - a. a Resettlement Plan (RP) for the subproject, acceptable to ADB is prepared, in accordance with applicable laws and regulations and the RF, and submitted to ADB for review and approval before award of related civil works contract proper consultation during preparation of the RP with the affected persons, as also disclosure of the RP to the affected persons including information on land acquisition and compensation process undertaken;
 - b. all land, rights of way and other land-related rights required for the subproject are acquired or made available;
 - c. all affected persons (APs) are compensated in accordance with the agreed RP before commencement of civil works of the related subproject including any section-wise handover thereof, strictly in accordance with the stipulation in the related civil works contract. If during detailed design and implementation, any modification and/additional land acquisition or involuntary resettlement impacts are identified, the RP will be prepared (or modified if exiting) in accordance with applicable laws and regulations and the RF and prior approval of ADB obtained before further implementation of RP;
 - (iii) ensure that efficient grievance redressal mechanisms are in place in accordance with the related RP to assist affected persons resolve queries and complaints if any, in a timely manner;
 - (iv) ensure that all compensation at replacement value for acquired assets made to affected persons well in advance for them to make alternative arrangements, before commencement of civil works; and
- (c) The State through the EA will ensure that
- (i) if any impact is identified during planning, design, or implementation of any subproject on indigenous people (IP), that an Indigenous Peoples Development Plan (IPDP) or integration of specific actions for the indigenous people in the RP is prepared in accordance with ADB's Policy on Indigenous People (1998) and the Indigenous Peoples Development Framework (IPDF) (Attachment 3) and that the same is further (i) approved by ADB before award of related civil works contract, and (ii) implemented before commencement of related civil works contract. Any updation to the IPDP due to detailed designs or during implementation shall follow requirements similar to the RPs.
- (d) The State through the EA will ensure that
- (i) subprojects under the Investment Program will be carried out in accordance with ADB's Policy on Gender and Development (1998).
 - (ii) that civil works contracts under the Investment Program will follow all applicable labor laws of the Government and GoR and that these further include provisions

to the effect that contractors; (i) carry out HIV/AIDS awareness programs for labor and disseminate information at worksites on risks of sexually transmitted diseases and HIV/AIDS as part of health and safety measures for those employed during construction; and (ii) follow and implement all statutory provisions on labor (including not employing or using children as labor, equal pay for equal work), health, safety, welfare, sanitation, and working conditions. Such contracts shall also include clauses for termination by the GoR/EA in case of any breach of the stated provisions by the contractors.

ENVIRONMENTAL ASSESSMENT AND REVIEW FRAMEWORK

A. Background

1. RUSDIP will improve infrastructure through the development, design and implementation of a series of subprojects, each providing improvements in a particular sector (water supply, sewerage, etc) in one town. RUSDIP has been classified by ADB as environmental assessment category B (some negative impacts but less significant than category A), and the impacts of subprojects prepared for the first tranche of funding were assessed through Initial Environmental Examination (IEE) Reports prepared in January-February 2007.

2. The nature of the subprojects may change during their subsequent development, particularly during detailed design, and other subprojects will be prepared for funding by subsequent tranches of investment. This document provides an Environmental Assessment and Review Framework (EARF), which is the structure through which the impacts of new and amended subprojects can be assessed by the Executing Agency in the future, in compliance with both national law and ADB policy. The document was prepared by the Executing Agency with ADB assistance, and complies with ADB Environment Policy (2002) and Environmental Assessment Guidelines (2003), and the GoI EIA Notification (2006).

I. OVERVIEW OF THE TYPE OF SUBPROJECTS TO BE ASSESSED

3. Infrastructure subprojects proposed under RUSDIP are primarily related to urban and/or civic services. The main types of infrastructure and their principal components are shown in Table 1, and their potential environmental impacts are summarised in Appendix 1 of this Attachment. This review is based on subprojects developed for the first tranche of investment and is not intended to be a complete list. Impacts will always need to be examined by a process of environmental assessment (involving an EIA, IEE or Environmental Review as appropriate), as the nature and significance of an impact can change with location and the specific details of the project.

Table 1: Subprojects and Components Proposed during Tranche 1

Subproject	Main Components	Infrastructure (New or Refurbished)
Water Supply	Source Augmentation	Tube wells
		Surface water intake
		Overhead or ground reservoir
		Pumps and pump house
		Chlorination facility
	Water Transmission	Pumping main
		Overhead reservoirs
		Pumps and pump houses
	Network Improvements	Ring main
		Distribution/carrier mains
		Bulk valves and flow meters
		Local network
House connections		
		Household meters

Subproject	Main Components	Infrastructure (New or Refurbished)
Sewerage and Sanitation	Network Improvements	Secondary piped network
		Tertiary piped network
		Household connections
	Sewage Transfer	Trunk sewer
	Sewage Treatment Plant	Oxygenation ponds
		Pump station
Outfall for treated effluent		
Solid Waste Management	Waste Collection	Community storage bins
	Waste Transfer	Transfer station
	Waste Disposal	Landfill site
		Composting plant
Urban Drainage	Primary Network	Domestic connections
		Primary drains
	Secondary Network	Secondary drains
	Tertiary Network	Main drains
		Drainage outfall
Urban Transport and Roads	Road/rail crossing	Road over Bridge
		Access ramps
		Road resurfacing
	Road provision	New road
		Roadside footpath
		Roadside drains
	Intersection improvement	Road signs
		Road/pavement markings
		High mast lighting
Fire services	Fire station improvement	Refurbish existing fire station
		Provide new fire station
Equipment procurement	No infrastructure	
	Art, Culture, Heritage and Tourism	Museum Management Plan
Heritage feature restoration study	No infrastructure	
	Medical Services and Health	Street lighting study

4. Appendix 1 of this Attachment shows that in general the activities that have the greatest potential for environmental impacts are activities that:

- (i) Occur in the construction period and are related to ground excavation;
- (ii) Require the acquisition of private land, particularly if they also involve the relocation of people;
- (iii) Occur in urban areas where there are houses, businesses or socially important buildings nearby.

5. Because of this the most significant impacts are generally related to the physical environment, the human environment, and the cultural heritage.

II. COUNTRY'S ENVIRONMENTAL ASSESSMENT AND REVIEW PROCEDURES

A. Environmental Assessment

6. The GoI EIA Notification of 2006 (replacing the EIA Notification of 1994), sets out the requirement for Environmental Assessment in India. This states that Environmental Clearance (EC) is required for specified activities/projects, and this must be obtained before any construction work or land preparation (except land acquisition) may commence. Projects are categorised as A or B depending on the scale of the project and the nature of its impacts.

7. Category A projects require EC from the national Ministry of Environment and Forests (MoEF). The proponent is required to provide preliminary details of the project in the form of a Notification, after which an Expert Appraisal Committee (EAC) of the MoEF prepares comprehensive Terms of Reference (ToR) for the EIA study, which are finalized within 60 days. On completion of the study and review of the report by the EAC, MoEF considers the recommendation of the EAC and provides the EC if appropriate.

8. Category B projects require environmental clearance from the State Environment Impact Assessment Authority (SEIAA). The State level EAC categorises the project as either B1 (requiring EIA study) or B2 (no EIA study), and prepares ToR for B1 projects within 60 days. On completion of the study and review of the report by the EAC, the SEIAA issues the EC based on the EAC recommendation. The Notification also provides that any project or activity classified as category B will be treated as category A if it is located in whole or in part within 10 km from the boundary of protected areas, notified areas or inter-state or international boundaries.

9. The only type of infrastructure proposed in Tranche 1 that is specified in the EIA Notification is solid waste management, where EC is required for all Common Municipal Solid Waste Management Facilities (facilities that are shared by more than one town). However, according to Rajasthan State Pollution Control Board (RPCB), MoEF is expected to issue a clarification to the Notification, to include all landfills and Sewage Treatment Plants as projects requiring EC. If that is the case, the procedure will be as described in Section IV.C.2 below.

B. Other Environmental Laws and Regulations

10. Appendix 2 of this Attachment lists those Acts, Rules, Policies and Regulations currently in force in India that deal with environmental issues that could apply to infrastructure development. However, because of the relatively minor negative impacts of most of the types of subproject likely to be developed under RUSDIP, it is expected that most subprojects should not fall within the scope of these legal instruments. Subprojects and activities that will need to comply with certain laws are:

- (i) Any components that require the acquisition of forest land;
- (ii) Any construction activities located in areas covered by the Arvalli Range Notification in Alwar;
- (iii) Water Treatment Plants (WTP) and Sewage Treatment Plants (STP);
- (iv) Composting and landfill facilities;
- (v) Common waste management facilities, including composting, landfills, transfer stations;

- (vi) Common waste management facilities within 10 km of the boundary of protected areas (such as National Parks, Sanctuaries, Notified Areas and Biosphere Reserves);
- (vii) Mobile diesel generators.

11. The specific requirements to ensure compliance by these components and subprojects are shown in Table 2.

Table 2: Action Required to ensure Subprojects Comply with National Environmental Laws

Component	Applicable Legislation	Compliance	Action Required
1. All components that require acquisition of forest land	Forest (Conservation) Act 1980; Wildlife (Protection) Act 1972	Approval of Ministry of Environment and Forests (MoEF)	Identify non-forest land and formulate an afforestation program
2. Water Treatment Plant (WTP) and Sewage Treatment Plant (STP)	Water (Prevention and Control of Pollution) Act 1974	Consent for Establishment (CFE) and Consent for Operation (CFO) from RSPCB	Based on project review and site inspection RSPCB provides CFE before construction, and stipulate the disposal standards to be met during operation. After completion of construction, CFO is issued confirming compliance with the CFE conditions, if any
		Renewal of CFO during operation (STP only)	Based on the performance of the STP and its compliance with the disposal standards CFO is renewed every year
3. All composting and landfill facilities	Municipal Solid Wastes (Management and Handling) Rules 2000	Authorization of proposed site by RSPCB	Authorization is issued based on land use in and around the site and the groundwater condition
	Water (Prevention and Control of Pollution) Act 1974; Air (Prevention and Control of Pollution) Act 1981	CFE and CFO from RSPCB	Same as for STPs (above)
4. Common waste management facilities including composting, landfills and transfer stations	Environment (Protection) Act 1986: Environmental Impact Assessment Notification 2006 Category B	Requires environmental clearance from State Environment Impact Assessment Authority (SEIAA)	Based on preliminary information and site visits, if required, project will be categorized as B1 or B2. B1 projects require EIA study for approval.
5. Common waste management facilities within or 10 km outside the boundary of protected areas such as National Parks, Sanctuaries, Notified Areas and Biosphere Reserves	Environmental Impact Assessment Notification, 2006 Category A	Requires environmental clearance from the federal Ministry of Environment and Forests (MoEF)	Conduct EIA study. Category A and B1 projects require public consultation as part of EIA
6. Mobile diesel generators	Air (Prevention and Control of Pollution) Act 1981	CFE and CFO from RSPCB	CFO renewed every year based on performance

III. SPECIFIC PROCEDURES TO BE USED FOR SUBPROJECTS

A. Responsibilities and Authorities

12. The main agencies involved in managing and implementing the RUSDIP are as follows:

- (i) LSGD is the EA responsible for management, coordination and execution of all activities funded under the loan;
- (ii) the Implementing Agency (IA) is the Project Management Unit of the ongoing RUIDP, which will be expanded to include a broader range of skills and representation from the Urban Local Bodies (ULB, the local government in each town). Assigned as the RUSDIP Investment Program Management Unit (IPMU), this body will coordinate construction of subprojects across all towns, and ensure consistency of approach and performance;
- (iii) the IPMU will be assisted by: Investment Programme Management Consultants (IPMC) who will manage the programme and assure technical quality of design and construction; and Design and Supervision Consultants (DSC), who will design the infrastructure, manage tendering of Contractors and supervise the construction process;
- (iv) Investment Program Implementation Units (IPIU) will be established in seven zones across the State to manage implementation of subprojects in their area. IPIUs will be staffed by professionals seconded from government departments (PHED, PWD), ULBs, and other agencies, and will be assisted by consultants from the IPMC and DSC as necessary;
- (v) the IPMU will appoint Construction Contractors (CC) to build elements of the infrastructure in a particular town. The CCs will be managed by the IPIU, and construction will be supervised by the DSC;
- (vi) LSGD will be assisted by an inter-ministerial Empowered Committee (EC), to provide policy guidance and coordination across all towns and subprojects. The EC will be chaired by the Minister of Urban Development and LSG, and members will include Ministers, Directors and/or representatives of other relevant Government Ministries and Departments;
- (vii) City Level Committees (CLCs) have also been established in each town, chaired by the District Collector, with members including officials of the ULB, local representatives of state government agencies, the IPIU, and local NGOs and CBOs. The CLCs will monitor project implementation in the town and provide recommendations to the IPIU where necessary.

13. Resettlement issues will be coordinated centrally by a Resettlement Specialist within the IPMU, who will ensure consistency of approach between towns. A local Resettlement Specialist will also be appointed to IPIUs of zones in which there are resettlement impacts and they will prepare and implement local Resettlement Plans following the framework established in Tranche 1.

14. Environmental issues will be coordinated by an Environmental Specialist within the IPMU, who will ensure that all subprojects comply with environmental safeguards. An Environmental Monitoring Specialist (EMS) who is part of the DSC team will implement the Environmental Monitoring Plan from each IEE, which involves observations and surveys

throughout construction to ensure that mitigation measures are provided and protect the environment as intended. Domestic Environmental Consultants (DEC) will be appointed by each IPIU to conduct studies necessary to gain Environmental Clearance for each subproject, and to prepare IEEs and other documents to comply with national law and ADB procedure. IEEs produced for Tranche 1 should be updated to reflect any changes in the subprojects, and these can then be used as a model for preparing IEEs and EIAs for new subprojects under future tranches of funding.

B. Environmental Guidelines for Subproject Selection

15. The avoidance of negative impacts (by sensitive site selection, amending features of the design, etc) is a key facet of environmental assessment, as it both protects the environment and can save considerable time, effort and cost downstream in a project, by avoiding the need for difficult and costly environmental mitigation and compensation measures. It is important therefore that environmental impacts are taken into account throughout the development of projects and subprojects, beginning in the earliest stages, and that decisions are made on the basis of environmental criteria, as well as feasibility and cost.

16. The analysis of the potential impacts of the types of project likely to be considered within RUSDIP (Appendix 1 of this Attachment) enables the formulation of certain guidelines that, if they are taken into account in selecting and developing subprojects, should reduce their environmental impacts. These are presented in Schedule 4, Environmental Guidelines for the Selection and Development of Subprojects.

C. Procedures for Environmental Assessment of Subprojects

17. Subprojects prepared for investment under RUSDIP must comply with national legislation and ADB policy. Relevant national laws are listed in Appendix 2, the specific requirements for compliance by subprojects are summarised in Table 2 above, and Gol and ADB environmental assessment procedures are described below. In practice LSGD and the DEC will liaise with the relevant Government agencies, such as Rajasthan Pollution Control Board, Ministry of Environment and Forestry, and the ADB Regional Department (RD) to determine the specific requirements for environmental assessment of each subproject. If the environmental criteria shown in Table 3 are followed in the selection and development of subprojects, then most should have relatively minor environmental impacts, and the procedure for environmental assessment should then be straightforward and can be modelled on the approach adopted during Tranche 1. The principal steps in each process are described below.

1. ADB Environment Policy

Environmental Classification

18. According to ADB Environment Policy the environmental classification of subprojects is determined by the Environment and Social Safeguards Division (ESSD) of ADB, and there are four possible outcomes:

- (i) Category A: A subproject is classified as Category A if it could have significant adverse environmental impacts. Such projects require Environmental Impact Assessment (EIA);

- (ii) Category B: A subproject is classified as Category B if it is likely to have some negative impacts, but these will be less significant than those of Category A. These projects require an Initial Environmental Examination (IEE);
- (iii) Category B sensitive: A subproject may be classified as Category B sensitive if it involves environmentally sensitive activities¹⁷. Such projects require IEE, but have the same requirements for disclosure and Environmental Management Plans as Category A (see below);
- (iv) Category C: A subproject is classified as Category C if it is not expected to have any environmental impacts. In this case no EIA or IEE is required, although environmental implications are reviewed.

19. The classification of a project is reviewed on completion of the studies and may be revised if appropriate by ADB's Chief Compliance Officer.

Preparation of Initial Environmental Examinations (IEEs)

20. An IEE describes the studies conducted to identify the potential environmental impacts of a proposed development, and is prepared when impacts are unlikely to be highly significant and can be mitigated relatively easily. Under a Multi-tranche Financing Facility (MFF) a separate IEE is required for each Category B subproject, so several IEEs are likely to be needed for each town (covering subprojects in water supply, sewerage, etc). The content and format of the IEE are described in Appendix 3 of the ADB Environmental Assessment Guidelines (2003).

Preparation of Environmental Impact Assessments (EIAs)

21. An EIA fulfils the same purpose as an IEE, but is generally a more detailed study and more comprehensive document, because of the greater severity of the potential impacts. In the unlikely event of a subproject being classified as Category A, an EIA would be required to comply with ADB Environment Policy (2003), and the content and format are described in Appendix 2 of the ADB Environmental Assessment Guidelines (2003).

Environmental Management Plans (EMP)

22. EMPs describe the environmental management measures that will be carried out to mitigate negative impacts or enhance the environment during implementation of a project, plus the environmental monitoring to be conducted to ensure that mitigation is provided and is effective in reducing impacts, or to determine the long-term impacts of a project. The EMP is normally prepared as part of the EIA or IEE, although it may be presented in a separate volume or document. The preparation and content of an EMP are described in the ADB Environmental Assessment Guidelines, and are more detailed when conducted for an EIA than for an IEE. EMPs for Category A and B sensitive subprojects should outline specific mitigation measures, environmental monitoring requirements, and related institutional arrangements, including budget requirements.

Public Consultation and Information Disclosure

¹⁷ A project may be deemed environmentally sensitive if it is near environmentally sensitive areas, or involves: deforestation or loss of biodiversity; involuntary resettlement issues; processing, handling and disposal of toxic and hazardous substances; or other environmentally sensitive activities that also may be of concern to a wide group of external stakeholders.

23. Public consultation is the process of exchanging information with those persons and organisations with a legitimate interest in a project and/or who are likely to be affected by the project (stakeholders). It is a two-way process that informs and involves the community in developing a project, and informs the proponent about issues and concerns, which can then be addressed in project design. Information disclosure involves stakeholders in monitoring the development and implementation of a project and fosters openness in decision-making by presenting documents and other project materials for public scrutiny.

24. Consultation and disclosure is mandatory under ADB Environment Policy, and best practice approaches should be followed. This involves consultation with stakeholders at an early stage of EA preparation, and throughout project implementation. A variety of approaches can be adopted, which are described in detail in the ADB EA Guidelines. As a minimum, stakeholders should be consulted regarding the scope of the environmental study before work has commenced in earnest, and should then be informed about the likely impacts of the subproject and proposed mitigation once the draft IEE or EIA report is under preparation. The report should record the views of stakeholders and indicate how these have been taken into account in project development. There are a variety of approaches for such contacts including public meetings, focus group discussions, workshops, public information campaigns, etc, and several methods should be used in order to reach all sectors of society, as well as institutional stakeholders, NGOs etc.

25. Information is disclosed through public consultation and more formally by making documents and other materials available in a form and at a location in which they can be easily accessed by stakeholders. This normally involves making draft reports available at public locations in the town and providing a mechanism for the receipt of comments, and making documents available more widely by lodging them on the ADB and the EA's website. Normally summaries of the IEE or EIA (SIEE, SEIA) are provided, and the full documents are made available on request. For Category A or B sensitive projects the SEIA or SIEE must be made available to the public at least 120 days before ADB's Board of Directors considers the loan.

Review of Environmental Assessment

26. ADB will review draft final reports of:

- (i) IEEs of any Tranche 1 subprojects updated during detailed design;
- (ii) IEEs or EIAs of subproject types that were not reviewed in Tranche 1;
- (iii) IEEs or EIAs of any subproject classified as Category A or B-sensitive; and
- (iv) IEEs or EIAs of any subproject with capital cost exceeding \$5 million.

27. Comments will be provided on format, content and compliance with ADB procedure, and these will be addressed by the consultant in preparing the final reports. The final IEE or EIA documents and summaries (SIEE, SEIA) are submitted to ADB officially by the Executing Agency for consideration by the Bank's Board of Directors. As noted above, completed reports are made available worldwide by ADB via the depository library system and the ADB website.

2. GoI/GoR Environmental Clearance Procedures

28. The requirements of national environmental laws that apply to RUSDIP subprojects are summarised in Table 2. This indicates that in terms of compliance, subprojects may be of three types: (i) Subprojects that attract the EIA Notification; (ii) Subprojects that require clearance/no

objection certificates or consent from competent Government agencies; and (iii) subprojects that require no environmental authorisation. The procedures for subprojects (i) and (ii) are as follows:

Environmental Classification

29. Under the GoI EIA Notification (2006) the environmental classification of projects is determined by MoEF, and there are two possible outcomes:

- (i) Category A: A subproject is classified as Category A if it is likely to have significant negative impacts and is thus one of the types of project listed in this category in the EIA Notification. Such projects require EIA, plus Environmental Clearance (EC) from MoEF;
- (ii) Category B: A subproject is classified as Category B if it is likely to have fewer negative impacts and is listed in this category in the EIA Notification. These projects require EC from the State Environment Impact Assessment Authority (SEIAA), who classify the project as B1 (requiring EIA) or B2 (no EIA), depending on the level of potential impacts. Projects classified as B2 require no further study.

Preparation of Environmental Impact Assessments (EIAs)

30. An EIA is mandatory for Category A and B1 projects. Projects in Category A are those with major negative impacts (such as power plants, chemical manufacturing, etc), so it is very unlikely that any subprojects developed under RUSDIP would fall into this group. However, certain subprojects (eg common landfills and sewage treatment plants) are included in Category B, and these may be classified by SEIAA as B1. These would then require EIA, which should follow the content and format shown in Appendix 1 of the EIA Notification; this includes Social Impact Assessment Studies and Rehabilitation and Resettlement Action Plans.

Environmental Monitoring and Environmental Management Plans (EMP)

31. The EIA Notification requires that the EIA includes a comprehensive programme for monitoring the effectiveness of mitigation measures. This should specify measurement methodologies, frequency, locations, data analysis, reporting schedules, emergency procedures, detailed budget and procurement schedules. An Environmental Management Plan is also required, identifying mitigation measures and specifying administrative arrangements to ensure that mitigation measures are implemented and their effectiveness is monitored after approval of the EIA. A budget for the EMP should also be provided.

Public Consultation and Information Disclosure

32. Public consultation and disclosure is required for A and B1 projects and consists of (i) a public hearing at or near the proposed site, and (ii) responses in writing from stakeholders. The public hearing is conducted by the appropriate Pollution Control Board, in this case RPCB. Disclosure is also handled by RCPB, who lodge the Summary EIA report on their website and invite responses from stakeholders. The Draft EIA report is available on request until the public hearing.

Review of Environmental Assessment Reports by Government Agencies

33. After completion of the public consultation the proponent addresses all material concerns expressed during consultation and disclosure, by appropriate changes in the draft EIA and EMP, which are then submitted for approval. The report is reviewed by an Expert Appraisal Committee (EAC), constituted by MoEF for Category A projects and SEIAA for B1 projects. The EAC provides its recommendation to the appropriate authority, which then decides on the basis of the recommendation whether to issue or deny the Environmental Clearance (EC). An issued EC will normally include certain conditions, with which the proponent must comply.

Post Environmental Clearance Monitoring

34. Under the EIA Notification it is mandatory for the project proponent to submit half-yearly compliance reports in respect of the stipulated EC conditions.

Other Mandatory Environmental Requirements

35. Subprojects that include Sewage Treatment Plants(STP), Water Treatment Plants (WTP), landfill and composting facilities, or hot/wet mix plants and stone crushers (if required for construction) may attract the Water (Prevention and Control of Pollution) Act 1974, and/or the Air (Prevention and Control of Pollution) Act 1981. If this is the case consent will be required from RPCB for construction/establishment (Consent for Establishment, CFE) as well as for operation (CFO). Landfills and compost plants additionally require site authorisation from RPCB under the Municipal Solid Waste (Management and Handling) Rules 2000.

36. After obtaining EC (if required by the EIA Notification), the project proponent submits to RPCB the necessary application forms, plus maps and other documents describing the site and the project and process. CFE/CFO is issued upon review of documents, supplemented by site visits. The Board issues CFE before the start of construction and CFO on completion of construction, provided CFE conditions, if any, are satisfied. During the operation period the effluent, air emissions, noise levels, etc must conform to applicable environmental standards as required by the appropriate legislation. The CFO is considered for renewal every year based on the operational performance of the facility.

IV. CONFIRMATION THAT THE EARF CONFORMS TO ADB'S ENVIRONMENTAL AND SOCIAL SAFEGUARD POLICIES

37. ADB social safeguards are contained in a number of policies, of which those of most importance in relation to RUSDIP are the policies on Involuntary Resettlement (1995), and Indigenous Peoples (1998). Guidance on the practical implementation of these and other social safeguards is provided in several documents including the Handbook on Resettlement a Guide to Good Practice (1998), Guidelines for Social Analysis of Development Projects (1991), Handbook for Incorporation of Social Development in Projects (1994), and others.

38. The TA through which RUSDIP was prepared included detailed studies on Involuntary Resettlement, and Indigenous Peoples, and a Resettlement Framework was prepared describing how these issues would be addressed in development and implementation of subprojects in the future. This is a companion volume to the Environmental Assessment and Review Framework (EARF) described in this document, as together the two documents should ensure that subprojects and the RUSDIP as a whole comply with ADB policies.

39. The Resettlement Framework includes a section confirming how the procedures comply with the Bank’s social safeguard policies, and Table 4 below shows how the EARF complies with the environmental safeguard policies. This is based on a table provided in the EA Guidelines, which summarises the environmental assessment requirements for project loans (because under MMF the first tranche is considered as a project). Table 4 lists the individual EA requirements and indicates where in the EARF the procedure to be followed is described.

Table 3: Confirmation that the EARF conforms to ADB Environmental Safeguard Policies

Project Category	Basic EIA Requirements	Approach described in EARF Paragraph No:
A: Potential for significant adverse environmental impacts	Preparation of EIA and EIA report	21
	Public consultation (at least twice)	23-25
	Preparation of EMP and budget	22
	SEIA circulated to ADB Board	25,26
	SEIA disclosed to the public	25
	EIA available to public on request	25
B: Some adverse environmental impacts but less significant than Category A	Preparation of IEE and IEE report	20
	Public consultation	23-25
	If project is environmentally sensitive:	
	SIEE circulated to ADB Board	18,25
	SIEE disclosed to the public	25
	Preparation of EMP and budget	22
	IEE available to public on request	25
	If not circulated SIEE is attached to RFP as a core appendix	
C: Unlikely to have adverse impacts	No IEE or EIA	18
	Environmental implications summarised in RRP	

V. STAFFING REQUIREMENTS AND BUDGET

40. Costs required for operating the Environmental Assessment and Review Framework should cover the following activities:

- (i) Conducting IEE or EIA studies, preparing and submitting reports and public consultation and disclosure;
- (ii) Application for Consent to Establish and Operate where required (currently STP, WTP and landfills);
- (iii) Implementation of Environmental Monitoring Plans (EMP) by EMS and others (including long-term surveys).

41. For budgeting purposes it is assumed that all subprojects that involve the provision of new or refurbished infrastructure will be classified as Category B by ADB (requiring IEE) and B1 by SEIAA (requiring EIA). In practice the LSGD should aim to produce a single document that serves both purposes to avoid duplication of effort, and this should be achievable given the comprehensive nature of ADB’s IEE requirements.

42. Generally an IEE relies on the collection of existing data in order to describe environmental conditions in the project area, and it is not expected that new surveys would be conducted. The work thus involves the collection and analysis of data on the existing

environment and the proposed project, assessment and mitigation of impacts, preparation of the EMP and budget, public consultation, and preparation of the IEE report and summary. An average IEE for this type of subproject requires two months of effort, conducted by two persons (specialising in the natural environment and social issues), through one month of input each. Other expenses are the cost of two public consultation meetings per subproject, and the cost of document disclosure.

43. IEEs conducted for the first tranche of projects during the TA suggest that implementation of a typical EMP will require an experienced EMS to spend a total of around three months over the average 6 month design and 18 month construction period, conducting routine observations and surveys. There is also generally one longer-term survey per subproject (of STP effluent, quality of municipal water, etc), which requires a specialist consultant to collect and analyse data over a six year period (including one year before operation), spending around two weeks per year, three months in total.

44. The cost of these various inputs are shown in Table 5, which shows that the budget cost of implementing the Environmental Assessment and Review Procedures per subproject is INR 1.7 million. During the TA there was an average of four infrastructure projects requiring IEE per town, so the average budget for EARF per town is estimated as INR 7 million.

Table 4: Cost of Environmental Assessment and Review Procedures (INR) per Subproject

Item	Quantity	Unit Cost	Total Cost	Sub-total
1. IEE or EIA study				
Domestic Consultant	2 x 1 month	100,000 ¹⁸	200,000	
Public Consultation and Disclosure	Sum	100,000	100,000	300,000
2. Consent by RPCB¹⁹				
Consent to Establish	Sum	15,000	15,000	
Consent to Operate	30 ²⁰	4,800	144,000	159,000
3. Implementation of EMP (2 years)				
Domestic Environmental Monitoring Specialist	1 x 3 month	100,000	300,000	
Survey Expenses	Sum	100,000	100,000	400,000
4. Longer-term survey (6 years)				
Domestic Consultant	6 x ½ month	100,000	300,000	
Sample Analysis	6 x 20	3,000	360,000	
Other Expenses	Sum	200,000	200,000	860,000
TOTAL per subproject				1,719,000

¹⁸ Cost of domestic consultants includes fee, travel, accommodation and subsistence.

¹⁹ Fees payable to RPCB vary with the capital cost and type of facility (details available from RPCB). Those shown assume a STP (red category) with a capital cost of INR 10,000,000. Fees for other types of project (eg WTP) and smaller facilities would be less.

²⁰ Consent to Operate is renewed every year. The figure shown assumes a 30-year STP design life.

APPENDIX 1: PRELIMINARY SCREENING OF SUB-PROJECT IMPACTS: 1. Water Supply - Construction

Element of scheme →	Supply augmentation*		New or refurbished mains		New reservoirs in city		Refurbish pumps & TW		Network repair/expansion	
↓ Aspect of environment	Impact	Rationale	Impact	Rationale	Impact	Rationale	Impact	Rationale	Impact	Rationale
PHYSICAL										
Atmosphere	NS	Small-scale construction of Tube Wells (TW), with localised impacts. Little risk of pollution from spills.	NS	Local impacts mitigated by good practice (dust reduction, waste removal). No use of toxic materials.	NS	Local impacts mitigated by good practice	NS	Re-boring TW and replacing pumps at existing sites will not affect these elements.	NS	Small-scale localised impacts, mitigated by good practice - avoid trenching in rains, remove waste, cover dry material
Topography & soil	NS		NS		NS					
Surface water	NS		NS		NS					
Groundwater	NS		NS		NS					
Geology/seismology	NS		NS		NS					
ECOLOGY										
Fisheries	NS	No ecologically sensitive areas in town or environs. <i>To be confirmed, but any sensitive areas can be avoided if necessary.</i>	NS	No ecologically sensitive areas in town or environs. <i>To be confirmed, but any sensitive areas can be avoided if necessary.</i>	NS	No ecologically sensitive areas	NS	No ecological sensitivity at existing sites	NS	Water supply networks are buried in roads so pipes can be repaired or laid without ecological impacts.
Aquatic biology	NS		NS		NS					
Wildlife	NS		NS		NS					
Forests	NS		NS		NS					
Endangered species	NS		NS		NS					
Protected areas	NS		NS		NS					
ECONOMIC DEVPT										
Industries	NS	Avoid impacts by locating TW, Clear Water Reservoir (CWR), etc on unused government land. Reduce traffic disruption by careful planning of construction.	Mitigate	Locate in ROW of roads if possible. Do not take >10% of a farmer's land. In town: avoid sensitive locations; maintain access; compensate business for loss of income. Provide traffic diversions.	NS	Avoid impacts by locating reservoirs on unused govt land. Plan work with police & local administration to provide traffic diversions.	NS	No impact on these aspects as work is small-scale and conducted at existing sites	Mitigate	Conduct work quickly. Maintain access; compensate business for loss of income; plan work with local authority to provide effective traffic diversions
Infrastructure	NS		Mitigate		NS					
Transport	Mitigate		Mitigate		Mitigate					
Land use	Mitigate		Mitigate		Mitigate					
Power	NS		NS		NS					
Agric, Minerals, Tourism	NS		Mitigate		NS					
SOCIAL/CULTURAL										
Population/communities	NS	Avoid sensitive sites (schools, hospitals, temples). Consult Archaeology Dept to assess archaeological potential of each site. Develop protocol to protect chance finds.	NS	Select route to avoid sensitive sites. Consult Archaeology Dept to assess archaeological potential of route (change route if necessary). Develop protocol to identify and protect any chance finds.	NS	Avoid sensitive sites (schools, etc). Determine archaeological potential of proposed sites and change if necessary. Apply protocol to protect chance finds.	NS	Work is non-invasive and conducted at existing sites so no impacts on these aspects.	NS	Conduct work quickly. Maintain access (facilities, houses). Assess archaeological potential of areas. Apply protocol to protect chance finds. Trenching to be observed by archaeologist.
Health facilities	Mitigate		Mitigate		NS					
Education facilities	Mitigate		Mitigate		NS					
Socio-economics	NS		Mitigate		NS					
Cultural heritage	Mitigate		Mitigate		NS					
Traditional land uses	Mitigate		Mitigate		NS					
Historical/archaeological	ISSUE		ISSUE		ISSUE					

* Assumes increased groundwater abstraction via new Tube Wells (TW);

KEY: NS = No Significant Impacts expected; Mitigate = negative impact can be easily mitigated (see Rationale); ISSUE = Sensitive issue, needs careful mitigation (see Rationale)

2. Sewerage and Sanitation - Construction

Element of scheme →	New Treatment Plant STP		New/refurbished main sewer		Pump stations: new/repair		Network repair/expansion			
↓ Aspect of environment	Impact	Rationale	Impact	Rationale	Impact	Rationale	Impact	Rationale		
PHYSICAL										
Atmosphere	NS	Localised impacts at a relatively small site outside city and its future expansion zone. Construct in dry season to avoid water collecting in excavated areas.	NS	Local impacts mitigated by good practice (dust reduction, waste removal). No use of toxic materials.	NS	No significant physical impacts from small-scale localised building work.	NS	Small-scale localised impacts, mitigated by good practice - avoid trenching in rains, remove waste, cover dry material		
Topography & soil	NS		NS		NS					
Surface water	NS		NS		NS					
Groundwater	Mitigate		NS		NS					
Geology/seismology	NS		NS		NS					
ECOLOGY										
Fisheries	NS	Avoid ecological impacts by locating STP at a site where there is no ecological interest.	NS	Land around existing main was disturbed when constructed so unlikely to be ecologically sensitive. Ensure that route of new main avoids any areas designated for nature conservation.	NS	Pump stations are located in the towns, where there is little of ecological interest	NS	Sewer networks are buried in roads so pipes can be repaired or laid without ecological impacts.		
Aquatic biology	NS		NS		NS					
Wildlife	NS		NS		NS					
Forests	NS		NS		NS					
Endangered species	NS		NS		NS					
Protected areas	NS		Mitigate		NS					
ECONOMIC DEVPT										
Industries	NS	STP will be located on land that is not used for any economic purpose (including farming if possible).	Mitigate	Locate main in ROW of roads if possible. Do not take >10% of any farmer's land. In town: avoid sensitive locations; maintain access; compensate business for loss of income. Provide traffic diversions.	NS	No impacts at existing sites, which are small and self-contained. New sites should be on unused government land to avoid land-use conflicts	Mitigate	Conduct work quickly. Maintain access; compensate business for loss of income; plan work with local authority to provide effective traffic diversions		
Infrastructure	NS		Mitigate		NS					
Transport	NS		Mitigate		NS					
Land use	NS		Mitigate		Mitigate					
Power	NS		NS		NS					
Agric, Minerals, Tourism	NS		Mitigate		NS					
SOCIAL/CULTURAL										
Population/communities	NS	Consult Archaeology Dept to locate STP on land with little archaeological potential and apply protocol to identify and protect any chance finds. Avoid areas with any land use or importance.	NS	Select route (in and outside the town) to avoid sensitive sites. Maintain access to affected locations. Assess archaeology potential of route and change route if necessary. Apply protocol to protect any chance finds.	NS	No impacts from refurbishment at existing sites. New sites should be on unused government land of low archaeolog potential if possible. Apply protocol to protect any chance finds.	NS	Conduct work quickly. Maintain access (facilities, houses). Assess archaeological potential of areas. Apply protocol to protect chance finds. Trenching to be observed by archaeologist.		
Health facilities	NS		Mitigate		NS					
Education facilities	NS		Mitigate		NS					
Socio-economics	NS		Mitigate		NS					
Cultural heritage	NS		Mitigate		NS					
Traditional land uses	NS		Mitigate		NS					
Historical/archaeological	Mitigate		ISSUE		ISSUE					

KEY: NS = No Significant Impacts expected; Mitigate = negative impact can be easily mitigated (see Rationale); ISSUE = Sensitive issue, needs careful mitigation (see Rationale)

3. Solid Waste Management - Construction

Element of scheme →	New Vehicles & Equipment		New Landfill Site						
↓ Aspect of environment	Impact	Rationale	Impact	Rationale					
PHYSICAL									
Atmosphere	NS	Air quality is the only aspect that could be affected by vehicles. Project should include maintenance program to reduce exhaust emissions.	NS	Localised impacts, at a relatively small site located outside the town and its future expansion zone.					
Topography & soil	NS		NS						
Surface water	NS		NS						
Groundwater	NS		NS						
Geology/seismology	NS		NS						
ECOLOGY									
Fisheries	NS	Provision of vehicles and equipment will not affect ecology.	NS	Avoid ecological impacts by locating landfill at a site where there is no ecological interest.					
Aquatic biology	NS		NS						
Wildlife	NS		NS						
Forests	NS		NS						
Endangered species	NS		NS						
Protected areas	NS		NS						
ECONOMIC DEVPT									
Industries	NS	Provision of waste handling vehicles and equipment will not affect economic activity in the town	NS	Landfill will be located on land that is not used for any economic purpose (including farming if possible).					
Infrastructure	NS		NS						
Transport	NS		NS						
Land use	NS		NS						
Power	NS		NS						
Agric, Minerals, Tourism	NS		NS						
SOCIAL/CULTURAL									
Population/communities	NS	Provision of waste handling vehicles and equipment will not affect social or cultural development or activities.	NS	Consult Archaeology Dept to locate landfill on land with little archaeological potential and apply protocol to identify and protect any chance finds. Avoid areas with any land use or importance.					
Health facilities	NS		NS						
Education facilities	NS		NS						
Socio-economics	NS		NS						
Cultural heritage	NS		NS						
Traditional land uses	NS		NS						
Historical/archaeological	NS		Mitigate						

KEY: NS = No Significant Impacts expected; Mitigate = negative impact can be easily mitigated (see Rationale); ISSUE = Sensitive issue, needs careful mitigation (see Rationale)

4. Urban Transport and Roads - Construction

Element of scheme →	Road Widening		New Roads		New Multi-storey Car Park		New Bridges			
↓ Aspect of environment	Impact	Rationale	Impact	Rationale	Impact	Rationale	Impact	Rationale		
PHYSICAL										
Atmosphere	NS	Localised impacts at sides of existing roads, mitigated by good site practice: covering stockpiled sand, removing waste, preventing spills.	NS	Localised impacts prevented by good practice (see left). Construct in dry season to prevent soil runoff polluting surface and ground water.	Mitigate	Construction is in centre of town so impacts of dust, noise, etc need strict mitigation. Build in dry season to avoid runoff.	Mitigate	Localised impacts prevented by good practice. Erect screens to reduce noise and visual impacts. Build in dry season.		
Topography & soil	NS		Mitigate		NS		Mitigate			
Surface water	NS		Mitigate		Mitigate		Mitigate			
Groundwater	NS		Mitigate		Mitigate		Mitigate			
Geology/seismology	NS		NS		NS		NS			
ECOLOGY										
Fisheries	NS	No significant ecological interest at sides of roads, but existing trees should be retained wherever possible. 2 trees should be planted to replace every one removed	Mitigate	Routes of new roads must be planned with Environment Ministry to avoid all protected areas and maintain a buffer of 2 km between boundary of any such site and edge of new road.	NS	No significant ecological interest in centre of towns. Avoid removal of trees if possible. Plant two trees to replace every one removed.	NS	No significant ecological interest in towns. Avoid removal of trees if possible and plant extra trees to act as noise, dust and visual screen when operating.		
Aquatic biology	NS		Mitigate		NS		NS			
Wildlife	NS		Mitigate		NS		NS			
Forests and trees	Mitigate		Mitigate		Mitigate		Mitigate			
Endangered species	NS		Mitigate		NS		NS			
Protected areas	NS		Mitigate		NS		NS			
ECONOMIC DEVPT										
Industries	Mitigate	Limit widening to ROW alongside existing roads to avoid acquiring land. Maintain access during work; compensate business for lost income. Divert traffic if necessary.	NS	Plan routes carefully to minimise land acquisition. No more than 10% of the total land holding of any owner should be taken. Compensate for loss of income. Provide alternative livelihoods.	NS	Build car parks on government owned unused land to avoid land acquisition. All work will occur within site so will be no impacts on industry, commerce, etc	Mitigate	Plan construction carefully to minimise disruption of industry, transport, infrastructure, etc. Involve local authority to provide alternative routes. Compensate for loss of business income.		
Infrastructure	Mitigate		NS		NS		NS			
Transport	Mitigate		NS		NS		NS			
Land use	Mitigate		ISSUE		NS		NS			
Power	NS		NS		NS		NS			
Agric, Minerals, Tourism	NS		Mitigate		NS		NS			
SOCIAL/CULTURAL										
Population/communities	NS	Although widening is mostly non-invasive, consult Archaeology Dept to ensure that important buildings are protected from vibration damage. Maintain access to houses & facilities during work.	ISSUE	Plan routes to avoid any relocation of people. Compensate land owners/workers for lost income. Consult Archaeology Dept and avoid areas with moderate-high potential. Ground work to be observed by archaeologist.	Mitigate	Locate car parks away from housing and other sensitive sites (hospitals, temple, schools) in areas of low archaeolog potential. Apply protocol. Ground work observed by archaeologist.	Mitigate	Plan work carefully to minimise disruption of people and facilities. Maintain access. Compensate workers for lost income. Avoid areas with moderate-high archaeo potential. Archaeologist on site		
Health facilities	Mitigate		NS		Mitigate		Mitigate			
Education facilities	Mitigate		NS		Mitigate		Mitigate			
Socio-economics	Mitigate		Mitigate		NS		Mitigate			
Cultural heritage	NS		Mitigate		NS		Mitigate			
Traditional land uses	NS		Mitigate		NS		Mitigate			
Historical/archaeological	ISSUE		ISSUE		ISSUE		ISSUE			

KEY: NS = No Significant Impacts expected; Mitigate = negative impact can be easily mitigated (see Rationale); ISSUE = Sensitive issue, needs careful mitigation (see Rationale)

5. Urban Drainage - Construction

Element of scheme →	Refurbish Existing Drains		Provide New Drains						
↓ Aspect of environment	Impact	Rationale	Impact	Rationale					
PHYSICAL									
Atmosphere	NS	Refurbishing work will be mainly small scale repairs. Local impacts mitigated by good practice (dust reduction, waste removal) as above.	NS	Small-scale localised impacts, mitigated by good practice - avoid trenching in rains, remove waste, cover dry material					
Topography & soil	NS		NS						
Surface water	NS		NS						
Groundwater	NS		NS						
Geology/seismology	NS		NS						
ECOLOGY									
Fisheries	NS	All drains are in town areas, where there is little ecological interest.	NS	New drains will be in town areas, where there is little ecological interest. Trees should not be cut unless it cannot be avoided, and two new trees planted for each one removed.					
Aquatic biology	NS		NS						
Wildlife	NS		NS						
Forests and trees	NS		Mitigate						
Endangered species	NS		NS						
Protected areas	NS		NS						
ECONOMIC DEVPT									
Industries	Mitigate	Refurbishing work can probably be conducted without disturbing economic activity. Maintain access; compensate business if any income is lost	Mitigate	Conduct work quickly. Maintain access; compensate business for loss of income; plan work with local authority to minimise impacts; provide traffic diversions if needed.					
Infrastructure	NS		Mitigate						
Transport	Mitigate		Mitigate						
Land use	Mitigate		Mitigate						
Power	NS		Mitigate						
Agric, Minerals, Tourism	NS		Mitigate						
SOCIAL/CULTURAL									
Population/communities	Mitigate	Maintain access to houses and facilities. Provide compensation if any income is lost. Repair work should be non-invasive so no risk of damaging undiscovered artefacts.	Mitigate	Conduct work quickly. Maintain access (facilities, houses). Assess archaeological potential of areas. Apply protocol to protect chance finds. Trenching to be observed by archaeologist.					
Health facilities	Mitigate		Mitigate						
Education facilities	Mitigate		Mitigate						
Socio-economics	Mitigate		Mitigate						
Cultural heritage	NS		Mitigate						
Traditional land uses	NS		Mitigate						
Historical/archaeological	NS		ISSUE						

KEY: NS = No Significant Impacts expected; Mitigate = negative impact can be easily mitigated (see Rationale); ISSUE = Sensitive issue, needs careful mitigation (see Rationale)

PRELIMINARY SCREENING OF SUB-PROJECT IMPACTS: 6. Operation of each Sub-project

Type of scheme →	Water Supply		Sewerage		Solid Waste		Roads		Drainage	
↓ Aspect of environment	Impact	Rationale	Impact	Rationale	Impact	Rationale	Impact	Rationale	Impact	Rationale
PHYSICAL										
Atmosphere	NS	Technical data needed on effect of increased abstraction on water source. Drainage system may need to be improved to carry increased water.	NS	STP should be located where treated effluent can be discharged to natural watercourse or irrigation canal. Design will include safe sludge disposal or use in farming.	NS	Landfill will be sealed and if possible located near STP so leachate can be treated. Waste will be covered each day to prevent odour.	NS	Noise, dust, exhaust gases & visual impacts will be reduced if roads & bridges are screened by trees. Roadside drains will prevent pollution by runoff.	NS	Drainage schemes must include measures to dispose of increased volume of water without polluting surface or groundwater.
Topography & soil	NS		NS		NS					
Surface water	Issue?		Mitigate		NS					
Groundwater	Issue?		NS		NS					
Geology/seismology	NS		NS		NS					
ECOLOGY										
Fisheries	Issue?	No impacts from increased ground water abstraction. Could be impacts on fisheries and aquatic ecology if water is sourced from lake or year-round river.	NS	STP effluent will be treated to Indian discharge standards so should not affect ecology of receiving water body. Effluent will not be discharged into any protected area.	NS	Site management will include measures to control rodents, insects and other pests and site will not be in an area of ecological importance	NS	Ecological impacts are avoided by planning routes to avoid sensitive areas. Aquatic impacts are avoided by containing runoff.	NS	No ecological impacts anticipated if drainage is disposed of appropriately without polluting water courses.
Aquatic biology	Issue?		NS		NS					
Wildlife	NS		NS		NS					
Forests	NS		NS		NS					
Endangered species	NS		NS		NS					
Protected areas	NS		NS		NS					
ECONOMIC DEVPT										
Industries	Benefit	Improved infrastructure may bring economic benefits to town as a whole from a healthier population (not quantifiable).	Benefit	Improved infrastructure may bring economic benefits to town as a whole from a healthier population. Agriculture should benefit from use of sludge as fertilizer.	Benefit	Industry and commerce will benefit from improved waste collection; and agriculture may benefit from composting schemes.	Benefit	Industry, commerce, transport, agriculture and tourism will all benefit from an improved transport system.	Benefit	Industry, commerce, transport, agriculture and tourism will all benefit from improved drainage and reduced flooding.
Infrastructure	Benefit		Benefit		Benefit					
Transport	NS		NS		NS					
Land use	NS		NS		NS					
Power	NS		NS		NS					
Agric, Minerals, Tourism	NS		Benefit		Benefit					
SOCIAL/CULTURAL										
Population/communities	Benefit	Improved water supply will improve health and well being of people and communities. People should also be better off, spending less on healthcare.	Benefit	Improved sanitation will improve health and well being of people and communities. People should also be better off, spending less on healthcare.	Benefit	Improved town sanitation will improve public health and well being of people and communities.	Benefit	Citizens will benefit from an improved transport system and salaries may rise if businesses perform better.	Benefit	Better drainage will improve way of life and health of citizens. People will spend less on flood recovery. Cultural and historical sites will be protected from flood damage.
Health facilities	Benefit		Benefit		Benefit					
Education facilities	NS		NS		NS					
Socio-economics	Benefit		Benefit		Benefit					
Cultural heritage	NS		NS		NS					
Traditional land uses	NS		NS		NS					
Historical/archaeological	NS		NS		NS					

KEY: NS = No Significant Impacts expected; Mitigate = negative impact can be easily mitigated (see Rationale); ISSUE = Sensitive issue, needs careful mitigation (see Rationale)

APPENDIX 2: NATIONAL ENVIRONMENTAL LAWS APPLICABLE TO INFRASTRUCTURE DEVELOPMENT

- (i) The Water (Prevention and Control of Pollution) Act, 1974, amended 1988
- (ii) The Water (Prevention and Control of Pollution) Rules, 1975
- (iii) The Air (Prevention and Control of Pollution) Act 1981, amended 1987
- (iv) The Air (Prevention and Control of Pollution) Rules, 1982
- (v) The Environment (Protection) Act, 1986, amended 1991 and including the following Rules/Notification issued under this Act.
 - The Environment (Protection) Rules, 1986, including amendments
 - The Municipal Solid Wastes (Management and Handling) Rules, 2000
 - The Hazardous Wastes (Management and Handling) Rules, 1989
 - The Bio-Medical Waste (Management and Handling) Rules, 1998
 - Noise Pollution (Regulation and Control) Rules, 2000,
 - Wild Life (Protection) Amendment Act, 2002
 - Eco Sensitive Zone Notification: Restricting location of industries, mining & other activities in Doon Valley (UP)
 - Environmental Impact Assessment Notification-2006
 - Environmental Standards of CPCB
- (vi) The Indian Wildlife (Protection) Act, 1972, amended 1993
- (vii) The Wildlife (Protection) Rules, 1995
- (viii) The Indian Forest Act, 1927
- (ix) Forest (Conservation) Act, 1980, amended 1988
 - Forest (Conservation) Rules, 1981 amended 1992 & 2003
 - Guidelines for diversion of forest lands for non-forest purpose under the Forest (Conservation) Act, 1980

RESETTLEMENT FRAMEWORK

A. OVERVIEW

1. The Investment Program will optimize social and economic development in 15 selected towns¹ in Rajasthan through investments in urban infrastructure (water supply, wastewater management, solid waste management, urban drainage, and urban transport and roads), social infrastructure, and infrastructure support to cultural heritage. The Program will also provide policy reforms to strengthen urban governance, management, and support for urban infrastructure and services.²

1. Scope of Land Acquisition

2. The Program minimizes land acquisition and resettlement impacts. Rehabilitation within existing facility premises was prioritized over new construction so as not to require land acquisition and result in resettlement impacts. Through thorough surveying of all possible site alternatives, most sub-projects involving construction of water supply systems, sewerage systems, solid waste management systems, urban drainage, and transport and roads are proposed on vacant Government land. The overall impacts are to be further minimized through careful alignment selection during detailed design and sub-project implementation.

3. Detailed feasibility studies were undertaken in three sample towns, namely Alwar, Jaisalmer and Jhalawar-Jhalrapatan. The three towns comprise a good representation of the estimated 15 Program towns. Alwar is the largest of the 15 towns and is one of the fastest growing cities. Its terrain is almost plain. Jhalawar-Jhalrapatan is the smallest town with a rocky terrain. Jaisalmer, a border town of significant tourism and strategic importance, has a sandy terrain. The three towns represent the various topographies within the State, different economic and growth conditions, and include 22% of the total population of the 15 Program towns. From these three towns, sample sub-projects have been identified in urban infrastructure, social infrastructure, and infrastructure support for cultural heritage. There are no significant resettlement issues anticipated for sample sub-projects.³ Short resettlement plans (RPs) were prepared for sample sub-projects involving land acquisition or involuntary resettlement impacts.⁴ The RP for sample sub-projects will be used as models for the preparation and implementation of future sub-project RPs consistent with this draft Resettlement Framework (RF).

2. Resettlement Framework

4. The draft RF has been prepared for the Program towns. It outlines the objectives, policy principles and procedures for any land acquisition, compensation and other assistance measures for any affected persons (APs). It reflects the Government of India's (the

¹ Particularly district headquarters and towns with significant tourism potential.

² The assistance will be based on the State-level framework for urban reforms, and institutional and governance reforms recommended by the Government of India through the Jawaharlal Nehru National Urban Renewal Mission and Urban Infrastructure Development Scheme for Small and Medium Towns.

³ Resettlement is significant when 200 or more people experience major "impacts" defined as involving AP being physically displaced from housing and/or having 10% or more of their productive, income generating assets lost.

⁴ The sample subprojects are water supply sub-projects for Alwar, Jaisalmer, and Jhalawar-Jhalrapatan; urban transport and roads sub-project in Alwar; and wastewater management sub-project in Jaisalmer.

Government) laws on land acquisition, and policies on resettlement and rehabilitation; and ADB's *Policy on Involuntary Resettlement*, 1995.

B. POLICY AND LEGAL FRAMEWORK

5. The policy framework and entitlements for the Program are based on national laws: *The Land Acquisition Act*, 1894 (LAA, amended in 1984) the National Policy on Resettlement and Rehabilitation for Project Affected Persons, 2003 (NPRR); and ADB's *Policy on Involuntary Resettlement*, 1995. The salient features of Government and ADB policies are summarized below.

1. Government Policy

a. National Policy on Resettlement and Rehabilitation for Project Affected Persons, (Ministry of Rural Development), 2003

6. The NPRR stipulates the minimum facilities to be ensured for persons displaced due to the acquisition of land for public purposes. The objectives of the Policy are:

- (i) to minimize displacement and to identify non-displacing or least displacing alternatives;
- (ii) to plan resettlement and rehabilitation of project affected families (PAFs) or project affected households (PAHs), including tribal and vulnerable households;
- (iii) to provide improved standard of living to PAFs or PAHs; and
- (iv) to facilitate a harmonious relationship between the requiring body and PAFs.

7. Though NPRR is applicable for projects where over 500 PAFs are displaced, the basic principles can be applied to resettling and rehabilitating PAFs regardless of the number affected. NPRR's provisions are intended to mitigate adverse impacts on PAFs. Specific provisions exist for vulnerable and poorer groups. There is, however, no law on resettlement in the country. The law relating to the acquisition of privately owned immovable property is the Land Acquisition Act of 1894 (LAA, amended 1984) discussed in the following section.

b. Land Acquisition Act, 1894

8. The LAA provides a framework for facilitating land acquisition in India. LAA enables the State Government to acquire private land for public purposes. LAA ensures that no person is deprived of land except under LAA and entitles APs to a hearing before acquisition. The main elements of LAA are:

- (i) Land identified for the purpose of a project is placed under Section 4 of the LAA. This constitutes notification. Objections must be made within 50 days to the District Collector (DC, the highest administrative officer of the concerned District).
- (ii) The land is then placed under Section 6 of the LAA. This is a declaration that the Government intends to acquire the land. The DC is directed to take steps for the acquisition, and the land is placed under Section 9. Interested parties are then invited to state their interest in the land and the price. Under Section 11, the DC will make an award within one year of the date of publication of the declarations. Otherwise, the acquisition proceedings shall lapse.

- (iii) In case of disagreement on the price awarded, within 6 weeks of the award, the parties (under Section 18) can request the DC to refer the matter to the Courts to make a final ruling on the amount of compensation.
- (iv) Once the land has been placed under Section 4, no further sale or transfer is allowed.
- (v) Compensation for land and improvements (such as houses, wells, trees, etc.) is paid in cash by the project authorities to the State Government, which in turn compensates landowners.
- (vi) The price to be paid for the acquisition of agricultural land is based on sale prices recorded in the District Registrar's office averaged over the three years preceding notification under Section 4. The compensation is paid after the area is acquired, with actual payment by the State taking about two or three years. An additional 30 percent is added to the award as well as an escalation of 12 percent per year from the date of notification to the final placement under Section 9. For delayed payments, after placement under Section 9, an additional 9 percent per annum is paid for the first year and 15 percent for subsequent years.

2. ADB'S POLICY ON INVOLUNTARY RESETTLEMENT, 1995

9. The three important elements of ADB's involuntary resettlement policy are (i) compensation to replace lost assets, livelihood, and income; (ii) assistance for relocation, including provision of relocation sites with appropriate facilities and services; and (iii) assistance for rehabilitation to achieve at least the same level of well-being with the project as without it.

10. For any ADB operation requiring involuntary resettlement, resettlement planning is an integral part of project design, to be dealt with from the earliest stages of the project cycle, taking into account the following basic principles:

- (i) Involuntary resettlement will be avoided whenever feasible.
- (ii) Where population displacement is unavoidable, it should be minimized.
- (iii) All lost assets acquired or affected will be compensated. Compensation is based on the principle of replacement cost.
- (iv) Each involuntary resettlement is conceived and executed as part of a development project or program. APs need to be provided with sufficient resources to re-establish their livelihoods and homes with time-bound action in co-ordination with civil works.
- (v) APs are to be fully informed and closely consulted.
- (vi) APs are to be assisted to integrate economically and socially into host communities so that adverse impacts on the host communities are minimized and social harmony is promoted.
- (vii) The absence of a formal title to land is not a bar to ADB policy entitlements.
- (viii) APs are to be identified and recorded as early as possible to establish their eligibility, through a census which serves as a cut-off date, and prevents subsequent influx of encroachers.
- (ix) Particular attention will be paid to vulnerable groups including those with out legal title to land or other assets; households headed by women; the elderly or disabled; and indigenous groups. Assistance must be provided to help them improve their socio-economic status.
- (x) The full resettlement costs will be included in the presentation of project costs and benefits.

C. Comparison of Borrower's Policy with the RF

11. The NPRR represents a significant milestone in the development of a systematic approach to address resettlement issues in India. LAA, 1894 however gives directives for acquisition of land in public interest and provides benefits only to titleholders. Appendix 1 presents a comparison of Government policies (LAA and NPRR) in comparison with the RF which is consistent with ADB's involuntary resettlement policy.

D. RESETTLEMENT FRAMEWORK PRINCIPLES AND ENTITLEMENTS

12. Based on the Government's laws on land acquisition laws, and policies on resettlement and rehabilitation; and ADB's *Policy on Involuntary Resettlement*, 1995, core involuntary resettlement principles for the Program to be followed for each sub-project, including sample sub-projects are: (i) land acquisition, and other involuntary resettlement impacts will be avoided or minimized exploring all viable alternative sub-project designs; (ii) where unavoidable, time-bound resettlement plans (RPs) will be prepared and APs will be assisted in improving or at least regaining their pre-program standard of living; (iii) consultation with APs on compensation, disclosure of resettlement information to APs, and participation of APs in planning and implementing sub-projects will be ensured; (iv) vulnerable groups will be provided special assistance⁵; (v) payment of compensation/assistance to APs including non-titled persons (e.g., informal dwellers/squatters, and encroachers) for acquired assets at replacement rates; (vi) payment of compensation and resettlement assistance prior to the contractor taking physical acquisition of the land and prior to the commencement of any construction activities; (vii) provision of income restoration and rehabilitation; and (viii) establishment of appropriate grievance redress mechanisms.

13. The Program's sub-projects will have broadly three types of impacts that will require mitigation measures. The types of impacts are (i) loss of assets, including land and structures; (ii) loss of income or livelihood; and, (iii) collective impacts on groups, such as loss of common property resources and loss of access or limited access to such resources. Every effort will be made during the preparation of detailed design to minimize acquisition of land and other assets and to reduce any involuntary resettlement impacts. Unforeseen impacts will also be compensated in accordance with the principles of this Framework.

14. A detailed description of each compensation measure and assistance is provided in the entitlement matrix (Table 1). APs will be entitled to a combination of compensation measures and resettlement assistance, depending on the nature of ownership rights of lost assets and scope of the impact, including social and economic vulnerability of the APs.

⁵ Including poor households, households headed by women, the elderly, the disabled, and scheduled tribes considered vulnerable based on the Indigenous Peoples Development Framework (IPDF).

Table 1: Entitlement Matrix

	Type of Loss	Application	Definition of Entitled Person	Compensation Policy	Implementation Issues	Responsible Agency
1	Loss of private land	Agricultural land, homestead land or vacant plot	Legal titleholders	<ul style="list-style-type: none"> • Compensation at replacement value or land-for-land where feasible.²⁶ • Fees, taxes, and other charges related to replacement land (applicable to all parcels of replacement land, which totals the equivalent area of land acquired, if parcels of non-contiguous land are bought due to the unavailability of one contiguous parcel). • Transitional allowance²⁷ based on three months minimum wage rates. • Shifting assistance²⁸ for households. • Notice to harvest standing seasonal crops. If notice cannot be given, compensation for share of crops will be provided. • Additional compensation for vulnerable households²⁹ (item 7). 	<ul style="list-style-type: none"> • If land-for-land is offered, titles will be in the name of original landowners.³⁰ • Fees, taxes, and other charges will be limited to those for land purchased within a year of compensation payment and for land of equivalent size. • Vulnerable households will be identified during the census. 	The Valuation Committee will determine replacement value. IPMU will ensure provision of notice. NGO will verify the extent of impacts through a 100% survey of APs, determine assistance, and identify vulnerable households.
1-a	Loss of private land	Agricultural land, homestead land or vacant plot	Tenants and leaseholders (whether having written tenancy/lease documents or not)	<ul style="list-style-type: none"> • Compensation for rental deposit or unexpired lease. • Transitional allowance based on three months minimum wage rates. • Shifting assistance for households. • Notice to harvest standing seasonal crops. If notice cannot be given, compensation for share of crops will be provided. • Additional compensation for 	<ul style="list-style-type: none"> • Land owners will reimburse tenants and leaseholders land rental deposit or unexpired lease • Vulnerable households will be identified during the census. 	NGO will confirm land rental and ensure tenants and leaseholders receive reimbursement for land rental deposit or unexpired lease, and report to IPMU. IPMU will ensure provision of notice.

²⁶ Including option for compensation for non-viable residual portions.

²⁷ To be provided for APs whose livelihood is affected by the Program. The transitional allowance is calculated based on minimum wage rates for semi-skilled labor in the respective towns/cities for three months (estimated at Rs 81/day). This allowance is intended for utilization till an alternative means of livelihood is found.

²⁸ To be provided to APs relocating to a new AP-determined site. This will be equivalent to one day hire charges for a truck, including shifting within a radius of 50km (estimated as Rs 2,000).

²⁹ Vulnerable households comprise female-headed household, disabled-headed household, scheduled tribe-headed households, and Below Poverty Line households.

³⁰ Joint titles in the name of husband and wife will be offered in the case of married APs.

	Type of Loss	Application	Definition of Entitled Person	Compensation Policy	Implementation Issues	Responsible Agency
				vulnerable households.		
1-b	Loss of private land	Agricultural land	Sharecroppers	<ul style="list-style-type: none"> • Notice to harvest standing seasonal crops. If notice cannot be given, compensation for share of crops will be provided. • Additional compensation for vulnerable households. 	<ul style="list-style-type: none"> • Harvesting prior to acquisition will be accommodated to the extent possible. • Work schedule will avoid harvest season. • Vulnerable households will be identified during the census. 	IPMU will ensure provision of notice. NGO will identify vulnerable households.
1-c	Loss of private land	Agricultural land, homestead land or vacant plot	Encroachers and Squatters	<ul style="list-style-type: none"> • 60 days advance notice to shift from encroached land. • Notice to harvest standing seasonal crops. If notice cannot be given, compensation for share of crops will be provided. • Additional compensation for vulnerable households. 	<ul style="list-style-type: none"> • Vulnerable households will be identified during the census. 	IPMU will ensure provision of notice. NGO will identify vulnerable households.
2	Loss of Government land	Vacant plot, Agricultural land, homestead land	Leaseholders	<ul style="list-style-type: none"> • Reimbursement of unexpired lease. • Transitional allowance based on three months minimum wage rates. • Shifting assistance for households. • Notice to harvest standing seasonal crops. If notice cannot be given, compensation for share of crops will be provided. • Additional compensation for vulnerable households. 	<ul style="list-style-type: none"> • Vulnerable households will be identified during the census. 	IPMU will ensure provision of notice. NGO will identify vulnerable households.
2-a	Loss of Government land	Vacant plot, Agricultural land, homestead land, RoW of road	Encroachers	<ul style="list-style-type: none"> • 60 days advance notice to shift from encroached land. • Notice to harvest standing seasonal crops. If notice cannot be given, compensation for share of crops will be provided. • Additional compensation for vulnerable households. 	<ul style="list-style-type: none"> • Vulnerable households will be identified during the census. 	IPMU will ensure provision of notice. NGO will identify vulnerable households.
2-b	Loss of Government land	Vacant plot, Agricultural land, homestead land, RoW of road	Squatters	<ul style="list-style-type: none"> • 60 days advance notice to shift from occupied land. • Notice to harvest standing seasonal crops. If notice cannot be given, compensation for share of crops will be provided. 	<ul style="list-style-type: none"> • Vulnerable households will be identified during the census. 	IPMU will ensure provision of notice. NGO will identify vulnerable households.

	Type of Loss	Application	Definition of Entitled Person	Compensation Policy	Implementation Issues	Responsible Agency
				<ul style="list-style-type: none"> • Additional compensation for vulnerable households. 		
3	Loss of residential structure	Residential structure and other assets ³¹	Legal titleholders	<ul style="list-style-type: none"> • Replacement value of the structure and other assets (or part of the structure and other assets, if remainder is viable). • Fees, taxes, and other charges related to replacement structure. • Shifting assistance for households. • Right to salvage materials from structure and other assets with no deductions from replacement value. • Additional compensation for vulnerable households. 	<ul style="list-style-type: none"> • Vulnerable households will be identified during the census. 	Valuation committee will verify replacement value. NGO will verify the extent of impacts through a 100% survey of AHs determine assistance, verify and identify vulnerable households.
3-a	Loss of residential structure	Residential structure and other assets	Tenants and leaseholders	<ul style="list-style-type: none"> • Replacement value of the structure and other assets (or part of the structure and other assets, if remainder is viable) constructed by the AP. • Compensation for rental deposit or unexpired lease. • Shifting assistance for households. • Right to salvage materials from structure and other assets with no deductions from replacement value. • Additional compensation for vulnerable households. 	<ul style="list-style-type: none"> • Land/structure owners will reimburse tenants and leaseholders rental deposit or unexpired lease. • Vulnerable households will be identified during the census. 	Valuation committee will verify replacement value. NGO will verify the extent of impacts through a 100% surveys of AHs determine assistance, verify and identify vulnerable households.
3-b	Loss of residential structure	Residential structure and other assets	Encroachers and squatters	<ul style="list-style-type: none"> • 60 days advance notice to shift from occupied land • Shifting assistance for households. • Right to salvage materials from structure and other assets • Additional compensation for vulnerable households. 	<ul style="list-style-type: none"> • Vulnerable households will be identified during the census. 	NGO will verify the extent of impacts through a 100% survey of AHs determine assistance, verify and identify vulnerable households.
4	Loss of commercial structure	Commercial structure and other assets	Legal titleholders	<ul style="list-style-type: none"> • Replacement value of the structure and other assets (or part of the structure and other assets, if remainder is viable). • Fees, taxes, and other charges 	<ul style="list-style-type: none"> • Vulnerable households will be identified during the census. 	Valuation committee will determine replacement value. NGO will verify the extent of impacts through a 100% survey of AHs determine assistance, verify and identify vulnerable

³¹ Other assets include, but is not limited to walls, fences, sheds, wells, etc.

	Type of Loss	Application	Definition of Entitled Person	Compensation Policy	Implementation Issues	Responsible Agency
				<ul style="list-style-type: none"> related to replacement structure. • Transitional allowance based on three months minimum wage rates. • Shifting assistance for households. • Right to salvage materials from structure and other assets with no deductions from replacement value. • Additional compensation for vulnerable households. 		households.
4-a	Loss of commercial structure	Commercial structure and other assets	Tenants and leaseholders	<ul style="list-style-type: none"> • Replacement value of the structure and other assets (or part of the structure and other assets, if remainder is viable) constructed by the AP. • Compensation for rental deposit or unexpired lease. • Transitional allowance based on three months minimum wage rates. • Shifting assistance for households. • Right to salvage materials from structure and other assets with no deductions from replacement value. • Additional compensation for vulnerable households. 	<ul style="list-style-type: none"> • Land/structure owners will reimburse tenants and leaseholders land rental deposit or unexpired lease. • Vulnerable households will be identified during the census. 	Valuation committee will determine replacement value. NGO will verify the extent of impacts through a 100% survey of AHs determine assistance, verify and identify vulnerable households.
4-b	Loss of commercial structure	Commercial structure and other assets	Encroachers and squatters	<ul style="list-style-type: none"> • 60 days advance notice to shift from occupied land • Transitional allowance based on three months minimum wage rates. • Shifting assistance for households. • Right to salvage materials from structure and other assets. • Additional compensation for vulnerable households. 	<ul style="list-style-type: none"> • Vulnerable households will be identified during the census. 	NGO will verify the extent of impacts through a 100% surveys of AHs determine assistance, verify and identify vulnerable households.
5	Loss of livelihood	Livelihood	Legal titleholder/tenant/leaseholder/non-titled/employee of commercial structure, farmer/agricultural worker	<ul style="list-style-type: none"> • Assistance for lost income based on three months minimum wage rates. • Additional compensation for vulnerable households. • Consideration for project employment. 	<ul style="list-style-type: none"> • Vulnerable households will be identified during the census. 	NGO will verify the extent of impacts through a 100% survey of AHs determine assistance, verify and identify vulnerable households.
6	Loss of trees and crops	Standing trees and crops	Legal titleholder/tenant/leaseholder/s harecropper/non-	<ul style="list-style-type: none"> • Notice to harvest standing seasonal crops 	<ul style="list-style-type: none"> • Harvesting prior to acquisition will be 	IPMU will ensure provision of notice. Valuation Committee will undertake valuation of standing

	Type of Loss	Application	Definition of Entitled Person	Compensation Policy	Implementation Issues	Responsible Agency
			titled AP	<ul style="list-style-type: none"> • If notice cannot be provided, compensation for standing crop (or share of crop for sharecroppers) at market value • Compensation for trees based on timber value at market price, and compensation for perennial crops and fruit trees at annual net product market value multiplied by remaining productive years; to be determined in consultation with the Forest Department for timber trees and the Horticulture Department for other trees/crops. 	<ul style="list-style-type: none"> • accommodated to the extent possible. • Work schedules will avoid harvest season. • Market value of trees/crops has to be determined. 	crops, perennial crops and trees, and finalize compensation rates in consultation with APs.
7	Impacts on vulnerable APs	All impacts	Vulnerable APs	<ul style="list-style-type: none"> • Land. Further to item 1, in case of total loss of land, and a total dependency on agriculture, land-for-land compensation if signified by the AP. • Government land. Further to Item 2, provision for skills training for displaced APs. • Residential structure. Further to Item 3, in case of total loss of structure, skills training for APs. • Commercial structure. Further to item 4, in case of total loss of business, skills training for vulnerable households. • Livelihood. Vulnerable households will be given priority in project construction employment. 	<ul style="list-style-type: none"> • Vulnerable households will be identified during the census. • If land-for-land is offered, titles will be in the name of original occupants (refer to footnote 10). 	NGO will verify the extent of impacts through a 100% surveys of AHs determine assistance, verify and identify vulnerable households.
8	Temporary loss of land	Land temporarily required for sub-project construction	Legal titleholders, non-titled APs	<ul style="list-style-type: none"> • Provision of rent for period of occupation for legal titleholders. • Compensation for assets lost at replacement value, and trees and crop loss in accordance with item 6. • Restoration of land to previous or better quality. 	<ul style="list-style-type: none"> • Assessment of impacts if any on structures, assets, crops and trees due to temporary occupation. • Site restoration. 	Valuation Committee will determine rental value and duration of construction survey and consultation with APs. A pre-sub-project photograph to be made by the NGO. IPMU will ensure compensation is paid prior to site being taken-over by contractor. Contractor will be responsible for site restoration.

	Type of Loss	Application	Definition of Entitled Person	Compensation Policy	Implementation Issues	Responsible Agency
9	Temporary disruption of livelihood		Legal titleholders, non-titled APs	<ul style="list-style-type: none"> • 30 days advance notice regarding construction activities, including duration and type of disruption. • Contractor's actions to ensure there is no income/access loss consistent with the IEE.³² • Assistance to mobile vendors/hawkers to temporarily shift for continued economic activity.³³ • For construction activities involving unavoidable livelihood disruption, compensation for lost income or a transitional allowance for the period of disruption whichever is greater. 	<ul style="list-style-type: none"> • Identification of alternative temporary sites to continue economic activity. 	Valuation Committee will determine income lost. Contractors will perform actions to minimize income/access loss.
10	Loss and temporary impacts on common resources	Common resources	Communities	<ul style="list-style-type: none"> • Replacement or restoration of the affected community facilities – including public water stand posts, public utility posts, temples, shrines, etc. 	-	IPMU and Contractor.
11	Any other loss not identified	-	-	<ul style="list-style-type: none"> • Unanticipated involuntary impacts will be documented and mitigated based on the principles of the Resettlement Framework. 	-	NGO will ascertain the nature and extent of such loss. IPMU will finalize the entitlements in line with the Resettlement Framework.

³² This includes: leaving spaces for access between mounds of soil, providing walkways and metal sheets to maintain access across trenches for people and vehicles where required, increased workforces to finish work in areas with impacts on access, timing of works to reduce disruption during business hours, phased construction schedule and working one segment at a time and one side of the road at a time.

³³ For example assistance to shift to the other side of the road where there is no construction.

E. RESETTLEMENT PLAN PREPARATION

1. Surveys

15. Social impact assessment (SIA) surveys will be undertaken in each sub-project. The Investment Program Implementation Units (IPIUs) with guidance from the Investment Program Management Unit (IPMU) will undertake surveys for each identified sub-project, based on preliminary technical design. The SIA will determine the magnitude of displacement and prospective losses, identify vulnerable groups for targeting, ascertain costs of resettlement, and prepare a rehabilitation program for implementation. The SIA surveys will comprise:

- (i) **Census.** The purpose of the census is to register and document the status of potentially affected persons¹ within the sub-project impact area. The census will cover 100 percent of APs. The census will provide a demographic overview of the population, and will cover people's assets and main sources of livelihood. Guidelines and procedures for conducting the Census and managing the database are provided in Appendix 2.
- (ii) **Baseline Socio-economic Sample Survey.** The purpose of the baseline socioeconomic sample survey is to establish monitoring and evaluation parameters. It will be used as a benchmark for monitoring the socio-economic status of APs. The survey will cover 10 percent of APs and 20 percent of significantly affected persons². The survey will also collect gender-disaggregated data to address gender issues in resettlement. The survey will carry out the following: (i) preparation of accurate maps of the sub-project area; and (ii) analysis of social structures and income resources of the population.

2. Resettlement Plan

16. The RP will be prepared based on the results of the census and from information drawn from the baseline socio-economic sample survey; the database on APs should be complete before RP preparation. RP preparation will be governed by the involuntary resettlement impacts identified during the census, and shall be based on the following criteria:

- (i) If involuntary resettlement impacts are found to be significant (see footnote 16), a full RP will be prepared for the sub-project in consultation with APs.
- (ii) If involuntary resettlement impacts are not significant, a short RP will be prepared for the sub-project in consultation with APs.

17. All RPs will be reviewed and approved by ADB prior to the award of any contracts related to the sub-project.

18. The RP will be prepared by the Social Development Specialist (SDS) of the IPIU. The RP will be prepared in consultation with APs, local representatives, and NGOs. Resettlement issues will be coordinated by a Social Development Specialist (IPMU SDS) within the IPMU, who will ensure that all subprojects comply with involuntary resettlement safeguards. A Resettlement Specialist (RS) who is part of the DSC team will assist the SDS.

¹ The potentially affected persons will include both the titleholders and the non-titleholders within the sub-project construction zone. The identification of non-titleholders will be based on legal documents, such as the ration card, voter's list etc. In the absence of any supporting legal documents, information from the community will be considered.

² Resettlement is significant when 200 or more people experience major "impacts" defined as involving AP being physically displaced from housing and/or having 10% or more of their productive, income generating assets lost.

19. The draft RP will be shared with APs and host communities, and revised to reflect their views. This will be done through the local NGO engaged to implement the RP. The RP will be prepared in local language or translated and disclosed to APs and the public through posters and/or resettlement information handouts. The completed RP will include the census of APs, and their entitlements to restore losses, institutional mechanisms and schedules, budgets, assessment of feasible income restoration mechanisms, grievance redress mechanisms, and participatory results monitoring mechanisms. The RP should be broadly structured in the following manner:

- (i) Scope of Land Acquisition and Resettlement
- (ii) Socio-economic Information
- (iii) Objectives, Policy Framework, and Entitlements
- (iv) Gender Impact and Mitigative Measures
- (v) Information Dissemination, Consultation, Participatory Approaches, and Disclosure Requirements
- (vi) Grievance Redress Mechanisms
- (vii) Relocation of Housing and Settlements
- (viii) Compensation, Relocation, and Income Restoration
- (ix) Institutional Framework
- (x) Resettlement Budget and Financing
- (xi) Implementation Schedule
- (xii) Monitoring and Evaluation Procedures

3. Gender Impacts and Mitigation Measures

20. Any negative impacts of a sub-project on female-headed households will be taken up on a case-to-case basis and assistance to these households will be treated on a priority basis. The RP will formulate measures to ensure that socio-economic conditions, needs and priorities of women are identified and the process of land acquisition and resettlement does not disadvantage women. The RP will ensure that gender impacts are adequately addressed and mitigated. Women's focus groups discussions will be conducted to address specific women's issues. During disbursement of compensation and provision of assistance, priority will be given to female-headed households. Joint ownership in the name of husband and wife will be provided in cases of non-female-headed households.

F. CONSULTATION AND DISCLOSURE

1. Consultation

21. Focus group discussions (FGDs), meetings and individual interviews were held involving stakeholders, particularly affected households; and socio-economic surveys were conducted to determine the potential impacts of land acquisition to prepare the draft sample sub-project RPs. Based on these, a range of formal and informal consultative methods will be carried out for future sub-projects including, but not limited to: FGDs, public meetings, community discussions, and in-depth and key informant interviews; in addition to the socio-economic surveys. Consultations will be held with special emphasis on vulnerable groups. Encouraging public participation in consultations informs the public of the Program and serves as a venue for the public to express their opinion on priorities which the Program should address.

22. The key stakeholders to be consulted during sub-project preparation, RP implementation, and Program implementation includes:

- (i) all APs, including vulnerable households;
- (ii) program beneficiaries;
- (iii) host populations in resettlement sites;
- (iv) elected representatives, community leaders, and representatives of community-based organizations;
- (v) local NGOs;
- (vi) local government and relevant government agency representatives; and
- (vii) Program staff, IPMU, IPIU, and consultants.

23. Consultations with APs during RP preparation will ensure that views of APs on compensation and resettlement assistance measures are fully incorporated while consultations conducted during RP implementation will identify help required by APs during rehabilitation.

24. Continuing involvement of those affected by sub-projects is necessary in the resettlement process. The IPIU will ensure that APs and other stakeholders are informed and consulted about the sub-project, its impact, their entitlements and options, and allowed to participate actively in the development of the sub-project. This will be done particularly in the case of vulnerable APs, who will be encouraged to choose options that entail the lowest risk. This exercise will be conducted throughout the sub-project—during preparation, implementation, and monitoring of sub-project results and impacts.

25. The implementing NGOs will ensure that views of APs, particularly those who are vulnerable, related to the resettlement process are looked into and addressed. The NGOs will ensure that APs consulted are informed of the outcome of the decision-making process, and will confirm how their views were incorporated. Since resettlement is a continuous process and baseline data/information will be collected, the implementing NGO will regularly update the baseline information.

2. Disclosure

26. Information was and continues to be disseminated to APs for the sample sub-projects. Local language versions of the draft summary RF have been made available to relevant stakeholders. The RF and sample sub-project RPs will be made available in relevant government agencies in each towns, and IPIU and IPMU offices. The RF and sample sub-project RPs will be disclosed in ADB's website and the IPMU websites. Finalized RPs will also be disclosed in ADB's website, IPMU websites, and IPIU or town websites; and information dissemination and consultation will continue throughout program implementation.

27. For future sub-projects, information will be disseminated to APs at various stages. In the initial stage, the IPMU will be responsible for issuing public notices to acquire land required for sub-projects and providing Program information. The notice will be published in local newspapers, twice with a one week interval. The IPIU SDS will conduct consultations and disseminate information to all APs. RPs will be translated into the local language and made available at offices of the: (i) Urban Local Bodies (ULBs); (ii) relevant local government line agencies; and (iii) IPMU and IPIUs. RPs will also be kept in the public libraries, accessible to citizens as a means to disclose the document and at the same time creating wider public awareness.

28. The RF and RPs will be disclosed in the following websites: IPMU, IPIU, State Government, local governments, and ADB. The IPMU will issue notification of implementation start dates for each sub-project. The notice will be issued by the IPMU in local newspapers one

month ahead of implementation. This will create awareness of project implementation. The IPMU and IPIUs will provide information on IR policies and features of the RP. Basic information such as sub-project location, impact estimates, entitlements, and implementation schedule will be presented in the form of a brochure that will be circulated among APs. Posters containing basic RP information will also be posted in different localities to increase awareness. Copies of RP summaries will be kept in the IPMU and IPIU offices and will be distributed to any AP consulting on resettlement issues. The RF will be made available in local language during public meetings. This will enable stakeholders to provide inputs on the resettlement process, prior to award of civil work contracts.

29. An intensive information dissemination campaign for APs will be conducted by the IPIU with assistance from the implementing NGO at the outset of RP implementation. All the comments made by the APs will be documented in the sub-project records and summarized in sub-project monitoring reports. A summary of consultation and disclosure activities to be followed for each sub-project are in Table 2.

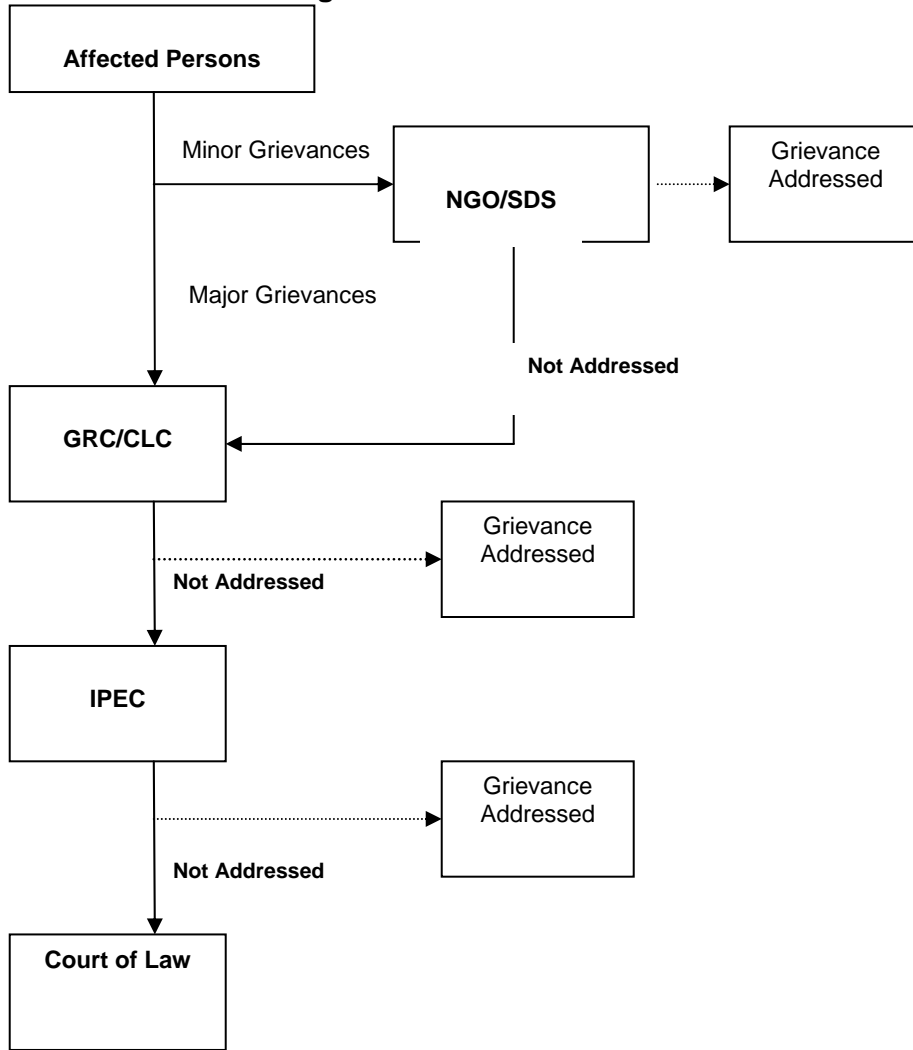
Table 2: Consultation and Disclosure Activities

Program Phase	Activities	Details	Responsible Agency
Investment Program Bridging Phase	Mapping of the Program areas	Area to be mapped, clearly showing survey numbers of titleholders of land/property proposed for acquisition	IPMU in coordination with DC's offices and other local bodies.
	Stakeholder identification	Cross section of stakeholders to be identified in order to facilitate their participation in the Program.	IPMU and IPIUs in consultation with stakeholders.
	Program/sub-project information dissemination; Disclosure of proposed land acquisition	Leaflets containing information on the Program and sub-project to be prepared. Public notice issued in local newspapers (and disclosed on IPMU/IPIU websites) including survey numbers and names of titleholders for land to be acquired concurrent with consultation with titleholders.	SDS and RS from IPMU. IPMU may seek the assistance of CAAP consultants for leaflet preparation. Notice will be issued from the DC's office. SDS IPMU and SDS IPIU to disclose on the web.
	Stakeholder consultations	Further consultations with affected titleholders and households. Consultations with non-titled APs and other stakeholders during sub-project scoping.	SDS IPIU and NGO.
RP Preparation Phase	SIA surveys	Surveys to be conducted. Summary RF to be disclosed in local language through printed materials to APs particularly those who are vulnerable and other stakeholders.	IPIU to conduct surveys. SDS IPIU to disclose RF to stakeholders (including making it available in IPMU/IPIU offices and government agency offices), SDS IPMU to disclose on the web.
	Formulating compensation and resettlement assistance measures	Conducting stakeholder consultations particularly APs in and reflecting issues raised in revised RP.	SDS IPIU and NGO.
	Disclosure of final entitlements and rehabilitation packages	Provision of RPs to all stakeholders particularly APs. Conducting consultations and distributing local language versions of the summary RP.	SDS IPMU, and SDS IPIU to disclose on the web. SDS IPIU and NGO to conduct consultations.
RP Implementation Stage	Disclosure of RP	Review and approval of RP by EA. Review and approval of RP by ADB. Web disclosure of the RP.	EA to provide ADB with RP for review and approval. SDS IPMU, and SDS IPIU to disclose on the web.
	Consultation with APs during RP implementation	Consultations with APs.	NGO with monitoring from IPIU and external agency.

G. COMPLAINTS AND GRIEVANCE

24. Each RP will detail specific grievance redress mechanisms. Grievances of APs will first be brought to the attention of the implementing NGO or SDS. Grievances not redressed by the NGO or SDS will be brought to the City Level Committees (CLC) set up to monitor project implementation in each town. The CLC, acting as a grievance redress committee is chaired by the District Collector with representatives from the ULB, state government agencies, IPIU, CBOs, and NGOs. As GRC, the CLC will meet every month. The GRC will determine the merit of each grievance, and resolve grievances within a month of receiving the complaint, failing which the grievance will be addressed by the inter-ministerial Empowered Committee. The Committee will be chaired by the Minister of Urban Development and LSG, and members will include Ministers, Directors and/or representatives of other relevant Government Ministries and Departments. Further grievances will be referred by APs to the appropriate courts of law. The IPIU will keep records of all grievances received including: contact details of complainant, date that the complaint was received, nature of grievance, agreed corrective actions and the date these were effected, and final outcome. The grievance redress process is shown in Figure 1.

Figure 1: Grievance Redress Process



30. All costs involved in resolving the complaints will be borne by the IPMU. The GRCs will continue to function throughout the project duration.

H. COMPENSATION, INCOME RESTORATION, AND ASSISTANCE

1. Compensation

31. Land acquisition and resettlement impacts will be compensated in accordance with the entitlement matrix (Table 1). Loss of assets will be at replacement cost. A Valuation Committee (VC) will be constituted comprising Land Revenue Officers nominated by the District Collector and Accounts Officers of the Collectorate from the zones; the Social Development Specialists (SDS) of the Investment Program Implementation Units (IPIU); and representatives from the IPIU, Public Works Department; affected persons (AP) and nongovernmental organizations (NGO) to determine replacement values.

32. The replacement value for the land will be determined by the VC in consultation with APs. The VC will finalize the replacement value by undertaking a land market survey with the

objective of ascertaining prevailing market values³ of land. Vulnerable households will be provided additional assistance in the form of land-for-land replacement options. The VC will facilitate the valuation of immovable properties⁴, including structures and assets, as follows:

- (i) **Residential and Commercial Structures.** The replacement value of structures and other immovable properties will be finalized by the VC through verification that the Basic Schedule of Rates (BSR) published for the State is up to date. If the BSR is not up to date, the VC will undertake a market survey to determine replacement value.
- (ii) **Trees and Crops.** Compensation for trees will also be based on the current market value of timber for timber trees, the annual net product market value multiplied by remaining productive years for perennial crops and fruit trees, and the market value of standing crops will be finalized by the VC in consultation with the Department of Forest, Horticulture, or Agriculture.
- (iii) **Other Assets.** Compensation for assets such as (wells, irrigation units, etc.) will be based on replacement value. The VC will estimate this through detailed market surveys.

33. Compensation and assistance to APs must be made prior to possession of land/assets and prior to the award of civil works contracts.⁵

2. Income Restoration

34. Income restoration schemes will be designed in consultation with APs. The strategy for income restoration will be prepared prior to land acquisition. Based on the information collected from the census and the socio-economic surveys, income restoration strategies will be framed and activities planned. The IPIU SDS will consider the resource base of APs and their socio-economic characteristics and preferences to develop appropriate income restoration schemes.

35. The objective of income restoration is to ensure that each AP will have at least the same or improved income after the sub-project. The implementing NGO will identify the number of eligible APs based on the 100% census of the APs and will conduct a training needs assessment in consultations with the APs. The implementing NGO will examine local employment opportunities and produce a list of possible income restoration options. Suitable trainers or local resources will be identified by the local NGO in consultation with local training institutes.

36. The Program will provide short-term income restoration activities intended to restore AP's income in the period immediately before and after relocation focusing on relocation, and providing short-term allowances such as (i) transitional allowance; and (ii) shifting assistance. Medium-term income restoration activities such as provision of longer-term training will also be

³ The prevailing market values are influenced by various factors such as location of land, connectivity, and classification/ land use, type of soil, crops grown, available irrigation and other facilities, and other plus and minus points such as frontage to road, proximity to developed areas, regularity of shape, unevenness of land, etc.

⁴ Vulnerable households will be provided additional assistance in the form of preference for employment in sub-project construction activities, and skills training.

⁵ The APs will hand over land and properties acquired free from all encumbrances such as mortgage, debt, etc. after compensation. However, in case there are loans on acquired land and properties such amounts will be deducted from the total compensation. The acquired land and properties shall vest in the Competent Authority paying compensation for such lands/properties. If the Competent Authority fails to pay decided compensation to APs within a year after the date of notification, additional amount by way of interest (12 percent) will apply on final compensation payable to each AP, unless and except in cases where the AP has approached the judiciary for grievance redress.

provided. Longer-term training will be developed based on the degree of disruption to livelihood activities. These will be derived from detailed socio-economic survey information, conducted as a part of the RP. The time frame will be decided based on training to be provided, and will also be outlined in the RP. The RP budget will reflect the cost of providing training. The IPIU will also facilitate AP access to Government schemes that could help them to restore income and livelihood.

37. Key steps to be undertaken in livelihood skills training by the implementing NGO for vulnerable households are:

- (i) Identification of affected, vulnerable households through the census and socio-economic survey of APs;
- (ii) Identification of potential trainees and training needs assessment for vulnerable households, which would require a detailed survey and assessment of the literacy, educational level, and/or skill sets of one member of the household nominated for skill training. The needs assessment will also document income from various sources, assets, resources, and coping strategies currently used by the household. The strategy will improve/maximize returns from present occupation of the principal earning member or introduce a new/supplementary occupation aimed at achieving the right mix of activities in order to enable the household to improve/maintain its living standards. Baseline details will be documented in order for post-training impact assessment.
- (iii) Identification of local trainers, resource persons or training institutes by the NGO. A maximum time frame of three months is planned for training.
- (iv) Internal monitoring of training and submission of progress reports.
- (v) Post-training impact assessment will be conducted by an external agency engaged for external monitoring, one year after project implementation. Indicators would be developed during detailed design stage.

3. Assistance for Temporary Impacts

38. Temporary loss of land and common resources is expected to be minimal. Should there be temporary losses, APs will be provided with:

- (i) Rent for the period of occupation for legal titleholders.
- (ii) Compensation for assets lost at replacement value, including trees and crop loss in accordance with the entitlement matrix.
- (iii) Restoration of land to previous or better quality.
- (iv) Restoration or replacement of common resources.

39. Subprojects requiring work on right-of-ways such as rehabilitation or construction of water supply and sewage networks are not expected to require land acquisition nor affect structures. However, there are possible minimal impacts on access and livelihood. APs will be provided with:

- (i) 30 days advance notice regarding construction activities, including duration and type of disruption.
- (ii) Contractor's actions to ensure there is no income/access loss consistent with the initial environmental examination. This includes: leaving spaces for access between mounds of soil, providing walkways and metal sheets to maintain access across trenches for people and vehicles where required, increased workforces to finish work in areas with impacts on access, timing of works to

- reduce disruption during business hours, phased construction schedule and working one segment at a time and one side of the road at a time.
- (iii) Assistance to mobile vendors/hawkers temporarily shift for continued economic activity. For example assistance to shift to the other side of the road where there is no construction.
 - (iv) For construction activities involving unavoidable livelihood disruption, compensation for lost income or a transitional allowance for the period of disruption whichever is greater.

I. BUDGETING AND FUND FLOW MECHANISM

40. Detailed budget estimates for involuntary resettlement will be prepared for each RP, by the IPMU. It will be included in the overall sub-project estimate. The budget will include i) detailed costs of land acquisition, relocation, and livelihood and income restoration and improvement, ii) administrative and implementation costs, iii) source of funding, iv) arrangements for approval, and v) the flow of funds and contingency arrangements. Overall land acquisition and resettlement costs for the Program are estimated at Rs. 132 million. Table 3 shows cost estimates for sample sub-projects which includes detailed costs of compensation and assistance for known assets lost, relocation and transfer costs, and administrative and implementation costs. The cost estimates also provides allocation for contingencies. Sub-projects involving rehabilitation and expansion of pipe networks are allocated with an additional 10% of physical contingencies for unanticipated impacts such as temporary impacts on structures or temporary loss of land. Funds for land acquisition (including land acquisition for non-titled APs), compensation for all assets lost, related resettlement assistance, and relocation and transfer will be provided by the EA. Administrative and implementation costs, including engagement of the implementing NGO, cost of census and survey of APs and inventory of assets, cost of information and consultations, training and monitoring (including evaluation by independent agency), and rental of office space and required physical facilities and materials will be funded under the loan. Land acquisition and resettlement costs will be considered as an integral component of sub-project costs.

Table 3: Summary of Land Acquisition and Resettlement Costs for Sample Sub-projects

Item	Cost
Alwar Urban Transport and Roads Sub-project	
Compensation and assistance	
Compensation for structures	100,000
Relocation and transfer	
Cost of moving and transporting kiosks	20,000
Administrative and implementation costs (Cost for IPIU for all sub-projects in the zone)	
Implementing NGO covering NGO engagement, cost of census and survey of APs and inventory of assets, cost of information and consultations, training and monitoring (including evaluation by independent agency), and rental of office space and required physical facilities and materials.	3,000,000
Contingencies	
Price (5%)	200,000
Physical (10%)	400,000
Sub-total (Rs)	3,720,000
Jaisalmer Wastewater Management Sub-project	
Compensation and assistance	
Replacement value for land (including fees, taxes, and other charges)	600,000
Compensation for standing crop at market value	50,000
Administrative and implementation costs (Cost for IPIU for all sub-projects in the zone)	
Implementing NGO covering NGO engagement, cost of census and survey of APs and inventory of assets, cost of information and consultations, training and monitoring (including evaluation by independent agency), and rental of office space and required physical facilities and materials.	3,000,000
Contingencies	

Price (5%)	250,000
Physical (10%)	450,000
Sub-total (Rs)	4,350,000
Jaisalmer Water Supply Sub-project	
Administrative and implementation costs (Cost for IPIU for all sub-projects in the zone)	
Implementing NGO covering NGO engagement, cost of census and survey of APs and inventory of assets, cost of information and consultations, training and monitoring (including evaluation by independent agency), and rental of office space and required physical facilities and materials.	3,000,000
Contingencies	
Price (5%)	200,000
Physical (20%) for unanticipated impacts such as impacts on structures or temporary loss of land	800,000
Sub-total (Rs)	4,000,000
Jhalawar-Jahalrapatan Water Supply Sub-project	
Relocation and transfer	
Movement of electricity posts	660,000
Administrative and implementation costs (Cost for IPIU for all sub-projects in the zone)	
Implementing NGO covering NGO engagement, cost of census and survey of APs and inventory of assets, cost of information and consultations, training and monitoring (including evaluation by independent agency), and rental of office space and required physical facilities and materials.	3,000,000
Contingencies	
Price (5%)	200,000
Physical (20%) for unanticipated impacts such as impacts on structures or temporary loss of land	900,000
Sub-total (Rs)	4,760,000

J. INSTITUTIONAL ARRANGEMENTS AND RESPONSIBILITIES

41. The Local Self-Government Department (LSGD) is the Executing Agency (EA) responsible for overall technical supervision and execution of all sub-projects funded under the Program. The Implementing Agency (IA) is the Project Management Unit of the ongoing RUIDP, which will be expanded and assigned as the Investment Program Management Unit (IPMU), to coordinate construction of subprojects and ensure consistency across the towns. An inter-ministerial Empowered Committee (EC) will provide LSGD with central policy guidance and coordination. The EC will be chaired by the Minister of Urban Development and LSGD, and members will include Ministers, Directors and/or representatives of other relevant Government Ministries and Departments. The IPMU will be assisted by: Investment Program Management Consultants (IPMC) who will manage the program and assure technical quality of the design and construction; and Design and Supervision Consultants (DSC), who will design the infrastructure, manage tendering of Contractors, and supervise construction.

42. Investment Program Implementation Units (IPIU) will be established in seven zones across the State to manage implementation of sub-projects in their area. City Level Committees (CLC) have been set up to monitor project implementation in each town. Chaired by the District Collector, members include representatives of ULBs, state government agencies, the IPIU, CBOs and NGOs. They will appoint Construction Contractors (CC) to build elements of the infrastructure in a particular town (supervised by DSC). Once the infrastructure begins to operate, responsibility will be transferred to the appropriate state or local Government Agency (GA), who will be given training, support and financial assistance through the Program where necessary to enable them to fulfill their responsibilities. They will employ local Operations and Maintenance Contractors (OMC) to maintain and repair the infrastructure as required.

43. Resettlement issues will be coordinated by a Social Development Specialist (IPMU SDS) within the IPMU, who will ensure that all subprojects comply with involuntary resettlement safeguards. A Resettlement Specialist (RS) who is part of the IPMC team will assist the SDS. SDS, as part of the DSC, will be appointed to work with each IPIU to update the RP in the detailed design stage, and to prepare RPs for new subprojects, where required to comply with

Government and ADB policies. NGOs will be appointed to implement RPs. Draft terms of reference for the IPMU and IPIU SDS, and the NGO are in Appendix 3. Further details on agencies responsible for RP activities are in Table 4.

Table 4: Institutional Roles and Responsibilities

Activities	Agency Responsible
Sub-project Initiation Stage	
Finalization of sites/alignments for sub-projects	IPMU
Disclosure of proposed land acquisition and sub-project details by issuing Public Notice	IPMU
Meetings at community/household level with APs of land/property	NGO
Formation of Valuation Committees	IPMU
RP Preparation Stage	
Conducting Census of all APs	IPMU/IPIU/NGO
Conducting FGDs/meetings/workshops during SIA surveys	IPIU/NGO
Computation of replacement values of land/properties proposed for acquisition and for associated assets	VC/IPIU
Categorization of APs for finalizing entitlements	IPIU/IPMU
Formulating compensation and rehabilitation measures	IPIU/IPMU
Conducting discussions/meetings/workshops with all APs and other stakeholders	IPIU/NGO
Fixing compensation for land/property with titleholders	VC/IPMU
Finalizing entitlements and rehabilitation packages	IPIU/IPMU
Disclosure of final entitlements and rehabilitation packages	IPIU/NGO
Approval of RP	IPMU/ADB
Sale deed execution and payment	IPMU
Taking possession of land	
RP Implementation Stage	
Implementation of proposed rehabilitation measures	NGO/SDS
Consultations with APs during rehabilitation activities	NGO/SDS
Grievance redressal	NGO/SDS/GRC
Internal monitoring	IPIU
External monitoring	External Agency

AP=affected person, VC=Valuation Committee, FGD=focus group discussions, GRC = Grievance Redress Committee, NGO = nongovernmental organization, IPMU = investment program management unit, IPIU = investment program implementation unit, SDS = Social Development Specialist, RP=resettlement plan, SIA=social impact assessment.

K. IMPLEMENTATION SCHEDULE

44. All land acquisition, resettlement, and compensation for a sub-project will be completed before award of civil works contracts. All land required will be provided free of encumbrances to the contractor prior to handing over of sub-project site and the start of civil works. The implementation of the RP will include: (i) identification of cut-off date and notification⁶, (ii) verification of losses and extent of impacts, (iii) finalization of entitlements and distribution of identity cards, (iv) consultations with APs on their needs and priorities, and (v) resettlement, provision of compensation and assistance, and income restoration for APs. The expected implementation schedule for a sub-project is given in Table 5.

⁶ The census will be the cut-off date for non-titled APs. For titled APs, the cut-off is the date of notification.

Table 5: Schedule of Resettlement Implementation

Activity	Months																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
i. Establishment of IPMU and IPIU	◆																	
ii. Appointment of SDS (IPMU and IPIU)	◆																	
iii. Appointment of NGOs	◆																	
iv. Briefing of the CLC on GRC functions	◆																	
v. Census and socio-economic surveys (issuance of i.d. cards)	◆	◆																
vi. Consultations and disclosure		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
vii. Confirmation of government land to be used and transfer from other departments	◆	◆																
viii. RP preparation		◆	◆															
ix. RP review and approval (IPMU and ADB)			◆															
x. Issue notice to APs				◆														
xi. Compensation and resettlement assistance					◆	◆	◆											
xii. Relocation as required					◆	◆	◆											
xiii. Skills training as required					◆	◆	◆											
xiv. Takeover possession of acquired property								◆	◆	◆								
xv. Internal monitoring				◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
xvi. Handover land to contractors											◆							
xvii. Start of civil works												◆						
xviii. External monitoring												◆						◆
xix. Rehabilitation of temporarily occupied lands																	Immediately after construction	

L. MONITORING AND EVALUATION

45. RP implementation will be closely monitored to provide the IPMU with an effective basis for assessing resettlement progress and identifying potential difficulties and problems. Internal monitoring will be undertaken by the IPIU with assistance from the IPMU. Monthly progress reports will be prepared and submitted to the IPMU. The EA will appoint an independent agency to undertake external monitoring. The independent agency will monitor sub-projects twice a year and submit reports directly to the EA. The EA will submit all external monitoring reports to ADB for review.

1. Internal Monitoring

46. Internal monitoring for RP implementation will be carried out during the entire Program period. Regular monitoring of resettlement progress will identify potential difficulties and problem areas. After 3 months of project initiation, monitoring will be performed with reports generated every quarter for the first year of implementation and bi-annually thereafter. The IPIU SDS will undertake internal monitoring and reports will be submitted to the IPIU documenting actual achievements against targets fixed and identifying reasons for shortfalls, if any. All monitoring reports will be produced within fifteen days of the end of each quarter or half-year. After review, the IPIU will submit the monitoring report to the IPMU.

47. Broadly, the monitoring and evaluation system will involve:
- (i) Administrative monitoring including but not limited to: daily planning, implementation, feedback and trouble shooting, individual AP file maintenance, progress reporting;
 - (ii) Socio-economic monitoring including but not limited to: case studies, using baseline information for comparing AP socio-economic conditions, evacuation, demolition, salvaging materials, morbidity and mortality, communal harmony, dates for consultations, number of grievances and resolutions; and
 - (iii) Impact evaluation monitoring including but not limited to income standards restored or improved.

2. Monitoring Physical and Financial Progress

48. Internal monitoring will involve the following:
- (i) Administrative monitoring to ensure that implementation is on schedule and problems are dealt with on a timely basis.
 - (ii) Socio-economic monitoring during and after the relocation process to ensure that people are settled and recovering. This will utilize the baseline information established by the socio-economic survey of APs undertaken during sub-project preparation.
 - (iii) Overall monitoring whether recovery has taken place successfully and on time.

49. Data from baseline socio-economic surveys undertaken during sub-project preparation will provide the benchmark for monitoring to assess the progress and success of RP implementation. Monitoring will also include the following:

- (i) Communication with and documentation of reactions from APs.
- (ii) Information from APs on entitlements, options, alternative developments, etc.
- (iii) Valuation of properties.
- (iv) Usage of grievance redress mechanism.
- (v) Disbursement of compensation amounts and all assistance.

50. Monitoring will also cover the physical progress of RP implementation. This will include relocation of APs and affected community properties.

3. Internal Monitoring Indicators

51. The indicators for achievement of objectives during RP implementation are of two kinds:
- (i) Process Indicators: Indicating project inputs, expenditure, staff deployment, etc.
 - (ii) Output Indicators: Indicating results in terms of numbers of APs compensated, area of temporarily occupied lands restored with topsoil (and other pre-project features), number of APs provided with skills training, etc.

52. Input and output indicators related to physical progress of the work will include items such as:

- (i) Training of IPIU SDS, IPIU and other staff completed
- (ii) Census, assets inventories, assessments and socio-economic studies completed
- (iii) NGO recruited and trained
- (iv) Grievance redress procedures in-place and functionality
- (v) Compensation payments disbursed
- (vi) Relocation of APs completed
- (vii) Project employment provided to APs
- (viii) Infrastructure rehabilitated or constructed

- (ix) Income restoration activities initiated
- (x) Skills training of APs initiated
- (xi) Number of households displaced and resettled, and
- (xii) Monitoring and evaluation reports submitted.

53. A set of indicators will be used to monitor Program objectives. These indicators will form the basis of the monitoring and evaluation of RP implementation. The information collected through the household survey will provide benchmarks for comparison on the socio-economic status of the APs in the Program implementation period. A key objective will be the estimation of the APs incomes and quality of lives. If monitoring and documentation done during the first 6 months of RP implementation indicate that these objectives are not being achieved, more resources will be allocated for implementation. During implementation, benchmarks and indicators will be monitored to ensure that comparisons made on socio-economic status including income streams and not just fixed assets lost due to the sub-project.

4. External Impact Evaluation

54. The broad objectives of the external evaluation are to:

- (i) assess whether APs have improved living standards, in terms of income, housing, access to basic amenities, ownership of land and material assets;
- (ii) monitor schedules and achievement of targets; and
- (iii) evaluate whether social development objectives of the Program are achieved.

55. An external impact evaluation agency with prior experience in resettlement implementation monitoring and evaluation will be engaged by the EA. The agency will document: (i) restoration of income levels; (ii) changes and shifts in occupation patterns; (iii) changes in AP type of housing and asset ownership; (iv) assessment of APs access to amenities, such as water, electricity, and transportation; and (v) performance of the NGO, IPIU, and IPMU in resettlement implementation. The agency will monitor the Program twice a year and submit reports directly to the EA. The EA will submit all external monitoring reports to ADB.

56. After Program implementation, the agency will carry out an end-term evaluation to assess the effectiveness of RP implementation. The evaluation will emphasize on the assessment of achievements of RP targets and the change in the quality of life of APs. In carrying out the evaluation, the agency will develop the necessary evaluation indicators. All evaluations are expected to be done on the basis of selective indicators. Table 6 provides a suggested list of impact indicators.

Table 6: Impact Indicators for Evaluation

Items	Impact Indicators	Frequency
Better Economic Conditions	<ul style="list-style-type: none"> • Income: Program-related and independent income but assisted by the Program • Housing: Changes in quality over a period of time • Food security • Changes in occupation • Skill portfolio • Migration profile 	<ul style="list-style-type: none"> • Implementation stage through monitoring. • Implementation and post implementation stage through mid-term and end-term impact evaluation study
Better Social Conditions	<ul style="list-style-type: none"> • Representation in community-based institutions • Indicators of participation • Empowerment • School enrolment • Health and morbidity • Better available urban infrastructure 	<ul style="list-style-type: none"> • Implementation stage through monitoring. • Implementation and post implementation stage through impact evaluation study

57. Evaluation study reports, one mid-term and one end-term will be generated based on the findings of the mid-term and end-term evaluation studies. Reports will be generated within one month after the completion of each study. The mid-term evaluation report will highlight Program achievements based on set targets for the period and specify whether any problem exists in RP implementation. If such problems are encountered, the reports will provide rectification measures for achieving targets in the next phase.

58. The end-term evaluation will reveal the actual target achievements of RP implementation by the IPMU. This report will evaluate whether the Program has improved the quality of life of residents of the towns, especially APs. Gaps will be identified and future strategies to address these should be included in the evaluation's conclusion.

COMPARISON BETWEEN THE BORROWER AND ADB'S INVOLUNTARY RESETTLEMENT POLICY

	Policy Principles	LAA	NPRR	Remarks	Compliance of proposed RF with ADB's IR Policy
1.	Involuntary resettlement should be avoided where feasible.	×	✓	LAA is applicable wherever private land is to be acquired by Government for public purpose.	This is addressed in the RF. The locations for project components have been identified in such a manner that IR is avoided to the extent possible. These IR impacts shall be further minimized during detailed designs.
2.	Where population displacement is unavoidable, it should be minimized by exploring viable project options.	×	✓	LAA is applicable wherever private land is to be acquired by Government for public purpose.	This is addressed in the RF. The locations for project components have been identified in such a manner that IR is avoided to the extent possible. These IR impacts shall be further minimized during detailed designs.
3.	If individuals or a community must lose their land, means of livelihood, social support systems, or way of life in order that a project might proceed, they should be compensated and assisted so that their economic and social future will generally be at least as favorable with the project as without it. Appropriate land, housing, infrastructure, and other compensation, comparable to the without project situation, should be provided to the adversely affected population, including indigenous groups, ethnic minorities, and pastoralists who may have usufruct or customary rights to the land or other resources taken for the project.	×	✓	According to the ADB's IR policy full RP is required when 200 or more people will experience major impacts. A Short RP is required when resettlement is insignificant when less than 200 people will experience major impacts. According to the NPRR, RP should be prepared when it involves resettlement of more than 500 families (roughly about 2,500 persons) in plain areas and 250 families (roughly about 1,250 people) in hilly areas, Desert Development Programme (DDP) blocks, areas mentioned in Schedule V and Schedule VI of the Constitution of India.	The RF addresses the IR impacts. The entitlements to the APs are outlined in the Entitlement Matrix.
4.	Any involuntary resettlement should, as far as possible, be conceived and executed as a part of a development project or	×	✓	According to the ADB's IR policy full RP is required when 200 or more people will experience major	The RF addresses the IR impacts. The entitlements to the APs are outlined in the

	Policy Principles	LAA	NPRR	Remarks	Compliance of proposed RF with ADB's IR Policy
	program and resettlement plans should be prepared with appropriate timebound actions and budgets. Resettlers should be provided sufficient resources and opportunities to reestablish their homes and livelihoods as soon as possible.			impacts. A Short RP is required when resettlement is insignificant when less than 200 people will experience major impacts. According to the NPRR, RP should be prepared when it involves resettlement of more than 500 families (roughly about 2,500 persons) in plain areas and 250 families (roughly about 1,250 people) in hilly areas, Desert Development Programme (DDP) blocks, areas mentioned in Schedule V and Schedule VI of the Constitution of India.	Entitlement Matrix.
				LAA does not provide for resettlement. However, it specifies the time limit for acquisition, though the project / program for which it is conceived need not necessarily be time-bound.	A time-bound action plan and implementation schedule for the IR activities is outlined. The key RP activities are identified and the responsibilities for the same outlined.
5.	The affected people should be fully informed and closely consulted on resettlement and compensation options. Where adversely affected people are particularly vulnerable, resettlement and compensation decisions should be preceded by a social preparation phase to build up the capacity of the vulnerable people to deal with the issues.	×	✓	LAA recognizes only titleholders, who are to be notified prior to acquisition.	Consultations have been carried out with APs. This will be further consolidated by the RP implementing NGO. The plan for information disclosure in the project, including the RF.
6.	Appropriate patterns of social organization should be promoted, and existing social and cultural institutions of resettlers and their hosts should be supported and used to the greatest extent possible. Resettlers should be integrated economically and socially into host communities so that adverse impacts on host communities are minimized. One of the effective ways of achieving this integration may be by extending development benefits to host communities.	×	✓	-	This is addressed in the Entitlement Matrix.

	Policy Principles	LAA	NPRR	Remarks	Compliance of proposed RF with ADB's IR Policy
7.	<p>The absence of formal legal title to land some affected groups should not be a bar to compensation. Affected persons entitled to compensation and rehabilitation should be identified and recorded as early as possible, preferably at the project identification stage, in order to prevent an influx of illegal encroachers, squatters, and other nonresidents who wish to take advantage of such benefits. Particular attention should be paid to the needs of the poorest affected persons including those without legal title to assets, female-headed households and other vulnerable groups, such as indigenous peoples, and appropriate assistance provided to help them improve their status.</p>	✘	✔	<p>LAA provides for every affected person to receive a notification prior to acquisition and for a hearing in case of any objection. Acquisition under the Act is permitted within one year from the date of declaration of intent to acquire, failing which, the process has to start again. LAA does not regard non-titleholders as APs.</p> <p><i>The Rajasthan Urban Housing and Habitat Policy, 2006</i> aims to provide tenurial rights to urban slum dwellers with special emphasis on persons belonging to scheduled castes, scheduled tribes, weaker sections, physically handicapped and widows. This is consistent with recognizing those without legal titles and the vulnerable.</p>	The process for verification of impacts and establishing the eligibility of the APs is outlined in the RF.
8.	<p>The full costs of resettlement and compensation, including the costs of social preparation and livelihood programs as well as the incremental benefits over the "without project" situation, should be included in the presentation of Project costs and benefits.</p>	✘	✔	<p>According to the ADB's IR policy full RP is required when 200 or more people will experience major impacts. A Short RP is required when resettlement is insignificant when less than 200 people will experience major impacts. According to the NPRR, RP should be prepared when it involves resettlement of more than 500 families (roughly about 2,500 persons) in plain areas and 250 families (roughly about 1,250 people) in hilly areas, Desert Development Programme (DDP) blocks, areas mentioned in Schedule V and Schedule VI of the Constitution of</p>	The RF addresses the IR impacts. The entitlements to the APs are outlined in the Entitlement Matrix.

	Policy Principles	LAA	NPRR	Remarks	Compliance of proposed RF with ADB's IR Policy
				India.	
				The NPRR's concept of replacement cost is not clearly defined. However, the NPRR does consider various compensation packages to substitute the losses of APs.	This is addressed in the Entitlement Matrix
9.	To better assure timely availability of required resources and to ensure compliance with involuntary resettlement procedures during implementation, eligible costs of resettlement and compensation may be considered for inclusion in Bank loan financing for the project, if requested.	×	✓	-	The impacts have been assessed and RP costs according to the entitlement matrix have been worked out. These costs are included in the Project Costs.

CENSUS AND BASELINE SOCIO-ECONOMIC SURVEY GUIDELINES

I. Cut-Off Date

1. The cut-off date for those who have legal title is the date of Notification under Section 4 (1) of Land Acquisition Act. The date of census is the cut-off date for those who do not have legal standing for eligibility of assistance under the Program. People moving into the sub-project area after this cut-off date will not be entitled to support. Persons, who were not enumerated during the census but can show documentation or evidence that he/she is rightfully an Affected Person (AP), will be included. The SDS of the IPMU is responsible for such verification. Only those APs within the sub-project impact area will be considered eligible for support under the sub-project.

II. Census Requirement and Contents

2. Census of households and individuals located within the sub-project has to be undertaken to register and document the status of potentially affected population within the sub-project impact area. It will provide a demographic overview of the population covered by the Resettlement Plan (RP) and profiles of household assets and main sources of livelihood. It will cover 100% of the potentially affected population within the sub-project impact area.

- (i) **Resource Base.** The resource base including land, water, and forest, etc., with an assessment of its development and ecological potential in the pre-project conditions. During the conduct of the census, legal boundaries of affected properties and the right of way (ROW) are to be verified. Structures, trees and other assets are to be recorded.
- (ii) **Economy Base.** The economy base of the affected people including the modes and magnitude of production, consumption pattern, related economic institutions.
- (iii) **Household Census.** Household census covering immovable property owned by the APs and other resources in their possession/use. These surveys would be carried out in association with local and host communities as well as with the local representatives.
- (iv) **Social Structures.** The social structure, norms, customs, cultural centers, traditions, patterns of leadership and institutions of social network.
- (v) **Affected Persons.** The census will prima-facie identify tenants, leaseholders, sharecroppers, encroachers, squatters, and agricultural workers. During such census, those APs dependent on the existing infrastructure link for their livelihood, shall also be identified and listed along with their identified income. Besides this, the census will also identify APs who are from Scheduled Tribes (STs), and vulnerable APs such as the poor, female-headed, old, handicapped, infirm, orphaned, and destitute.

III. Census Procedures

3. The following procedure is to be adopted in carrying out the census:
- (i) Preliminary screening to provide initial information on social impacts;
 - (ii) Verification of legal boundaries of the sub-project area, to document existing structures, land plots, and others physical assets. This involves:

- (a) Identification of suitable resettlement sites, in close proximity to the affected area if required;
- (b) All encroachments, private land holdings and others assets in the sub-project area is to be documented;
- (c) Assets, structures, land holdings, trees, etc. to be recorded; and
- (d) All information is to be computerized; photography to be used to document existing structures.
- (iii) The baseline socio-economic survey shall cover information on the various categories of losses and other adverse impacts likely under the sub-project;
- (iv) The census will identify potentially affected populations with special attention to vulnerable groups; and
- (v) Assessment on the value of various assets to be made.

IV. Database Management

- (i) **Data Sources.** As a pre-requisite for conducting the primary household surveys, relevant information is to be collected from secondary sources. These include:
 - (a) Revenue records maintained, with regard to land particulars for facilitating acquisition of properties and resettlement of displaced;
 - (b) Census records for demographic information;
 - (c) Development agencies to get information on various development programs for special sections of population like those living below poverty line, Scheduled Tribes, , etc.; and
 - (d) Local organizations including NGOs in order to involve them and integrate their activities in the economic development programs of the displaced population.
- (ii) **Data Collection.** Household level contacts and interviews with each affected family for completing the household socio-economic profile. Each of the households surveyed and the structure/land likely to be affected by the sub-project has to be numbered, documented and photographed. Public consultation exercises in different sub-project areas to be conducted with the involvement of Affected Persons. In these exercises, women among the Affected Persons are to be involved to elicit their views and options on the overall planning of resettlement activities. Discussions with a cross-section of affected population will help towards understanding the problems and preference of the APs.
- (iii) **Data Analysis.** The analysis would cover the following: population, population density, age, sex ratio, literacy rates/education, gender issues, tribal issues, religious groups, income, occupation and poverty line.
- (iv) **Data Update.** Since there is generally a time gap between the census and land acquisition procedure, it implies that actual physical relocation of APs may be delayed. Therefore, it is suggested that NGOs responsible for implementation of RP along with IPMU, should conduct a rapid appraisal to continuously update information.

DRAFT TERMS OF REFERENCE

1. Social Development Specialist in IPMU:

The Specialist will ensure consistency of resettlement plan (RP) and indigenous peoples development plan (IPDP) development and implementation between towns and provide guidance on social issues. Specific tasks include:

1. Assist the IPMU in coordinating all social issues and ensuring that all sub-projects comply with Government and ADB social safeguards.
2. Assist the IPMU in review of updated RPs and new RPs and IPDPs from the IPIUs.
3. Ensure the implementation of RPs and IPDPs are consistent with Government and ADB policies, and the resettlement framework (RF) and indigenous peoples development framework (IPDF) agreed upon by the Government and ADB for RUSDIP for all sub-projects.
4. Provide necessary guidance in the classification, and development of all social safeguards documents to IPIUs, including the provision of training in the development and implementation of RPs and IPDPs.
5. Coordinate valuation by the zonal valuation committees and finalizing compensation packages.
6. Review all classifications and social safeguards documents (RPs and IPDPs) developed by IPIUs and ensure comments from the IPMU and ADB are integrated in finalized documents.
7. Coordinate monitoring of RP and IPDP implementation including reporting. Provide the detailed terms of reference for the external monitoring agency and facilitate engagement.

2. Social Development Specialists to assist IPIUs

The Consultants will update existing RPs in the detailed design stage, and will prepare RPs and IPDPs for new subprojects, where required to comply with national law and ADB procedure. Specific tasks include:

1. Update and implement RPs for Tranche 1 sub-projects during detailed design stage
2. Ensure all new sub-projects follow the criteria related to social dimensions in the environmental sub-project selection criteria and classify all new sub-projects in accordance with ADB's classification system.
3. For involuntary resettlement, if involuntary resettlement impacts are found to be significant, a full RP will be prepared for the sub-project in consultation with APs. The EA and ADB will approve its final version before the award of contracts; and if involuntary resettlement impacts are not significant, a short RP will be prepared for the sub-project in consultation with APs. All RPs shall be reviewed and approved by ADB before the award of contracts. RPs will be consistent with the Government and ADB's Policy on Involuntary Resettlement and the RF for RUSDIP.
4. For indigenous peoples: is sub-projects has significant impacts on IPs and they positively or negatively (i) affect their customary rights of use and access to land and natural resource; (ii) change their socio-economic status; (iii) affect their cultural and communal integrity; (iv) affect their health, education, livelihood and social security status; or (v) alter or undermine the recognition of indigenous knowledge, and IPDP is prepared. If impacts are not significant, specific actions in favor of IPs can be incorporated within the RP formulated for

the sub-project. IPDPs will be consistent with the Government and ADB's Policy on Indigenous Peoples and the IPDF for RUSDIP.

5. The Consultants will address comments based on the review of the IPMU and ADB in finalizing the RP and IPDP.
6. Update and implement RPs and IPDPs during detailed design stage. For RP implementation, the consultants will be specifically responsible for implementation of proposed rehabilitation measures, consultations with APs during rehabilitation activities, and grievance redressal.
7. The Consultants will coordinate and provide assistance to nongovernmental organizations engaged to assist in implementing the RPs.

3. Implementing NGO

The major RP implementation responsibilities will be with NGOs. The NGO will be the link between the IPMU/IPIU and APs. Specific tasks are:

- (i) Work under close coordination of the SDS to implement the RP.
- (ii) Involve the elected representatives and local leaders, wherever necessary to implement the RP to facilitate transparency in the process and public participation.
- (iii) Assist the IPMU/IPIU in dissemination of the RP and other resettlement related information.
- (iv) Take lead in joint verification and identification of APs.
- (v) Participate in the Valuation Committee to determine the replacement value of assets lost.
- (vi) Carry out a census of the APs and identify the vulnerable households.
- (vii) Identify training needs of APs for income generation activities and ensure that they are adequately supported.
- (viii) Through counseling and awareness generation, resolve the grievances of the affected persons.
- (ix) Put forth the unresolved grievances of the APs to the GRC.
- (x) Generate awareness about the livelihood restoration activities, and help the APs to make informed choices. Including assisting APs in participating in government development programs.
- (xi) Prepare sub-project level plans for implementation of RP and issue ID cards.
- (xii) Assist the in disbursement of compensation checks.
- (xiii) Participate in public meetings as and when required.
- (xiv) Submit periodical RP implementation report to the RO.

INDIGENOUS PEOPLES DEVELOPMENT FRAMEWORK

A. Overview

1. The Investment Program will optimize social and economic development in 15 selected towns¹ in Rajasthan through investments in urban infrastructure (water supply, wastewater management, solid waste management, urban drainage, and urban transport and roads), social infrastructure, and infrastructure support to cultural heritage. The Program will also provide policy reforms to strengthen urban governance, management, and support for urban infrastructure and services.²

2. Extensive consultations with stakeholders were conducted in the sample towns. Focus group discussions, meetings and individual interviews were held involving stakeholders, particularly affected households; and a socio-economic survey was conducted. In the project sites, however, scheduled tribes (STs) were not found in all the three sample towns. Based on discussions with the respective state government officials and city level socio-economic in sample towns, it was observed that STs (less than 4% of the town population) have already been mainstreamed into the society.

3. RUSDIP will result in environmental and public health benefits to the population, STs and non-STs. The negative impacts on affected persons are mostly related to land acquisition. Negative impacts are addressed through resettlement plans (RPs) including specific entitlements for vulnerable persons that include IPs. Based on the *National Policy on Scheduled Tribes* displacement of tribal people should be kept to a minimum and undertaken only after possibilities of non-displacement and least displacement have been exhausted. When displacement becomes inevitable, each scheduled tribe family having land in the earlier settlement shall be given land against land. This will be reflected in the entitlement matrix of the RP. In view of this, the likelihood of sub-projects affecting IPs is small and likely impacts are addressed by RPs. Further, sub-project design prioritizes rehabilitation over new construction of infrastructure, avoiding land acquisition and consequent resettlement, and sub-project siting in built-up areas. Despite the small likelihood, there is a possibility that certain sub-projects identified during program implementation may have some impact on STs.

B. Legal and Policy Framework

4. Article 366(25) refers to STs as those communities who are scheduled in accordance with Article 342 of the Constitution. According to Article 342 of the Constitution, STs are the tribes or tribal communities or part of or groups within these tribes and tribal communities which have been declared as such by the President through a public notification. Identification of tribes is a State subject. Thus, classification of a tribe would depend on the status of that tribe in the respective State. Therefore, tribes notified for Rajasthan State are Schedule Tribes in Rajasthan only and their category may vary in other States.

5. The Rehabilitation Policy for the displaced persons including the STs is being finalised by the Ministry of Rural Development, Government of India. The Ministry of Rural Development (Department of Land Resources) is the nodal Ministry for preparing the project affected persons

¹ Particularly district headquarters and towns with significant tourism potential.

² The assistance will be based on the State-level framework for urban reforms, and institutional and governance reforms recommended by the Government of India through the Jawaharlal Nehru National Urban Renewal Mission and Urban Infrastructure Development Scheme for Small and Medium Towns.

(resettlement and rehabilitation) package including tribals. In pursuance of the directions of the Govt., a draft on “The Project Affected Persons (resettlement and rehabilitation) Bill, 2002” has been drafted and circulated to all concerned Ministries including the Ministry of Tribal Affairs. The draft bill inter-alia deals with the Relief and Rehabilitation Package for tribals as well. Respective State Governments are adopting various measures for the displaced STs including the PTGs by providing proper rehabilitation packages like housing, land for agriculture, irrigation, drinking water, electrification, education and various other developmental activities under beneficiary oriented programmes etc.

6. Government of India implements provisions contained in Panchayats (Extension to Scheduled Areas) Act, 1996. According to this Act, Gram Sabha has adequate power to regulate the MFPs (Minor Forest Produce) in tribal areas and Scheduled Areas.

7. The Ministry of Tribal Affairs, Government of India has drafted a National Policy on Scheduled Tribes to bring these tribes into the mainstream society through a multi-pronged approach for their all-round development without disturbing their distinct culture. The Policy stipulates that displacement of tribal people should be kept to a minimum and undertaken only after possibilities of non-displacement and least displacement have been exhausted. When displacement becomes inevitable, each scheduled tribe family having land in the earlier settlement shall be given land against land. To handle the problem of shifting cultivation, land tenure system is proposed giving tribals the right to land ownership so that they invest their energy and resources in checking soil erosion and fertility. The Policy seeks to tackle tribal land alienation by stipulating that:

- (i) Tribals have access to village land records.
- (ii) Land records be displayed at the Panchayat.
- (iii) Oral evidence be considered in the absence of records in the disposal of tribals'land disputes.
- (iv) States prohibit transfer of lands from tribal to non-tribal.
- (v) Tribals and their representatives are associated with land surveys

8. ADB's Indigenous Peoples Policy (1998) ensures equality of opportunity for indigenous peoples. It aims to ensure that any Bank-assisted development interventions which will have any impact on indigenous peoples will be consistent with the needs and aspirations of affected indigenous peoples and compatible in substance and structure with affected IP's culture and social and economic institutions. The IPDF recognizes the vulnerability of indigenous peoples and it specifically ensures that any project intervention, whether positive or adverse will be addressed by the implementing agencies. Moreover, the implementing agencies will ensure that affected IPs will have opportunities to participate in and benefit equally from such project interventions.

9. RUSDIP activities in urban areas are unlikely to have impacts on STs. However, an Indigenous People's Development Framework (IPDF) has been developed setting out the policy, principles and implementation mechanisms to address impacts if any, which is consistent with Government and ADB's policies. During the course of project identification and survey if IPs are identified, the impacts (both positive and negative) of the subproject component on affected groups/community will be addressed according to the IPDF. The IPDF will address the developmental needs of Scheduled Tribes as a distinct community through a process of sustainable development.

II. OBJECTIVES OF IPDF AND APPROACH TO IPDP PREPARATION

A. Identification of IPs

10. ADB's Indigenous Policy uses the following characteristics to define indigenous people (i) descent from population groups present in a given area before territories were defined; (ii) maintenance of cultural and social identities separate from dominant societies and cultures; (iii) self identification and identification by others as being part of a distinct cultural group; (iv) linguistic identity different from that of dominant society; (v) social, cultural, economic, and political traditions and institutions distinct from dominant culture; (vi) economic systems oriented more towards traditional production systems rather than mainstream; and (vii) unique ties and attachments to traditional habitats and ancestral territories.

11. Likewise, the President of India under Article 342 of the Constitution uses the following characteristics to define indigenous peoples [Scheduled Tribes (ST)], (i) tribes' primitive traits; (ii) distinctive culture; (iii) shyness with the public at large; (iv) geographical isolation; and (v) social and economic backwardness before notifying them as a Scheduled Tribe. Essentially, indigenous people have a social and cultural identity distinct from the 'mainstream' society that makes them vulnerable to being overlooked or marginalized in the development processes. In the context of the project cities, STs who have no modern means of subsistence, with distinctive culture and are characterized by socio-economic backwardness could be identified as Indigenous People's.

B. Approach to IPDP Preparation

12. An Indigenous People Development Framework (IPDF) is a policy and procedural framework for Indigenous People Development Plans (IPDPs) that are developed for sub-projects and that are to be approved during Project implementation. Further, an IPDF sets out the indigenous people's policy together with the screening and planning procedures. In the case of the MFF, IPDF would concern itself with STs notified for the State in accordance with the Indian laws (herein after referred to as Indigenous Peoples (IPs)).

13. The need for a formulation of an IPDP will be established if the sub-projects to be funded under RUSDIP are screened as Category 'A' projects.³ Category 'A' projects envisage significant impacts on IPs and they positively or negatively (i) affect their customary rights of use and access to land and natural resource; (ii) change their socio-economic status; (iii) affect their cultural and communal integrity; (iv) affect their health, education, livelihood and social security status; or (v) alter or undermine the recognition of indigenous knowledge.

14. If impacts are not significant, specific actions in favor of IPs can be incorporated within the Resettlement Plan (RP) formulated for the sub-project. This will include additional assistance for IPs as vulnerable groups. This would ensure appropriate mitigation of adverse program impacts on IPs and enhancement of program benefits for IPs.

15. The IPDP policy framework is based on the overall local and national development strategies and ADB's *Policy on Indigenous Peoples* (1998). The principal objectives are to:

- (i) ensure IPs affected by any sub-project will benefit from the Program;

³ As per the ADB's F3/OP (13 May 2004), screening process categorizes projects by the significance of their impacts on IPs. It is recommended that for (i) Category 'A' projects: Impacts should be significant that require IPDP and/or IPDF; (ii) Category 'B' Projects: Impacts are limited that require specific action for IPs, specified in RP; and (iii) Category 'C' Projects: No impacts on IPs that require no special provision for them.

- (ii) ensure IPs inclusion in the entire process of preparation, implementation, and monitoring of program activities;
- (iii) ensure benefits of sub-projects are available to IPs more than or at least equal to other affected groups; this may require giving preference to IPs as vulnerable groups over others on certain benefits under the Program; and,
- (iv) provide a base for IPs in the area to receive adequate development attention.

16. An IPDP addresses the aspirations, needs and preferred options of the affected indigenous peoples taking into consideration the marginality status of IP community and offers them development options while respecting their socio-cultural distinctiveness. The IPDP aims at strengthening the existing capacity of the affected IP community to participate and benefit from Project interventions. The key elements in an IPDP include: (i) All development plans for indigenous people should be based on full consideration of the options and approaches that best meet the interests of individuals and communities affected by the Project. (ii) Scope and impact of adverse effects be assessed and appropriate mitigation measures are identified. (iii) Project should take into account the social and cultural context of affected peoples, and their skills and knowledge relating to local resource management. (iv) During Project preparation, formation, and strengthening of indigenous peoples organization; communication to facilitate their participation in Project identification, planning, execution and evaluation should be promoted. (v) Where previous experience and knowledge of working successfully with indigenous peoples is lacking, pilot scale operations should be carried out and evaluated prior to the execution of full-scale efforts. (vi) Experienced community organizations, non-government organizations (NGOs), and consultants will be hired to prepare IPDP. (vii) Responsible agency will formulate IPDP implementation schedule, which will be periodically monitored by ULB officials as well as independent/external monitoring agency. (viii) Responsible agency will also prepare a budget for IPDP implementation and a Financing Plan to ensure smooth progress.

17. The IPDP will consist of a number of activities and will include mitigation measures of potentially negative impacts, modification of program design, and development assistance. Where there is land acquisition in IP communities, the Program will ensure their rights will not be violated and that they will be compensated for the use of any part of their land in a manner that is culturally acceptable to the affected IPs.⁴ The IPDP will include:

- (i) Baseline data,
- (ii) Land tenure information,
- (iii) Local participation,
- (iv) Technical identification of development or mitigation activities,
- (v) Institutional arrangement,
- (vi) Implementation schedule,
- (vii) Monitoring and evaluation, and
- (viii) Cost estimate and financing plan.

III. STEPS FOR FORMULATING AN IPDP

18. The IPDP seeks to ensure that IPs are informed, consulted, and mobilized to participate in the sub-projects during IPDP preparation. Their participation can either provide them benefits with more certainty, or protect them from any potential adverse impacts of the sub-project. The main features of IPDP will be a preliminary screening process, a social impact assessment to determine the degree and nature of impact of each sub-project, and an action plan developed, if

⁴ Compensation will be consistent with the Resettlement Framework for the Program.

warranted. Consultations with and participation of IP communities, their leaders, and local government representatives will be an integral part of the overall IPDP.

A. Preliminary Screening

19. The Social, Resettlement and Rehabilitation Expert of the Design & Supervision Consultants (DSCs) will study all IP communities and villages within and in the vicinity of the proposed sub-project area. The PIUs/PMU will arrange public meetings at IP communities to provide information regarding the proposed sub-project. During these meetings, community leaders and other participants will be given an opportunity to present their views and concerns.

20. An initial screening will check for the following:

- (i) Name(s) of IP community group(s) in the area;
- (ii) Total number of IP community groups in the area;
- (iii) Percentage of IP community population in the area compared with the total population; and
- (iv) Number and percentage of IP households to be affected by the sub-project site.

21. An IP assessment checklist will be prepared. If the results of the preliminary screening (reviewed with assistance from the project consultants) show that there are IP households in the proposed sub-project area, a social impact assessment (SIA) will be conducted to capture IP issues and development opportunities that exist in the area. (A checklist format for screening of IPs in the sub projects is in Appendix 1 of this Attachment)

B. Social Impact Assessment

22. The policy on indigenous people ensures that the process of initial social assessment includes specific consideration of indigenous peoples as a potentially affected population. If the initial social assessment identifies indigenous peoples specifically as a significantly and adversely affected population, or vulnerable to being so affected, it is required that an indigenous peoples plan acceptable to ADB is prepared by the project proponent. The SIA will gather relevant information on demographic data; social, cultural, and economic situation; and both positive and negative social, cultural and economic impacts.

23. Information will be gathered through separate group meetings within the IP community, including IP leaders; group of IP men and women, especially those who live in the zone of influence of the proposed sub-project. Discussions will focus on positive and negative impacts of the sub-project as well as recommendations on the design of the sub-project. The Social, Resettlement and Rehabilitation Expert of the DSCs will prepare the SIA and the PMU will be responsible for analyzing the SIA and for leading the development of an action plan with the support of IP community leaders. If the SIA indicates that the potential impact of the proposed sub-project will be significantly adverse—threatening the cultural practices and IP sources of livelihood, or that the IP community rejects the sub-project works—the PMU will consider other design options to minimize such adverse impacts. If IP communities support the sub-project an IPDP will be formulated.

C. Benefits Sharing and Mitigation Measures

24. Where impacts on indigenous households are potentially positive, measures will be undertaken to ensure that benefits are equally shared. This will be through ensuring indigenous peoples as stakeholders take part during all stages of the Project. Where impacts are potentially

negative, all affected indigenous households will be provided with assistance, which would help them to improve their living standards without exposing their communities to disintegration. As vulnerable groups, they are entitled to receive special assistance not only to restore and improve their income and livelihood, but also to maintain their distinct cultural identity.

25. As indigenous peoples, they are likely to have traditional land rights; these will be honored and the absence of land titles will not be a bar for receiving compensation and alternate land. Their compensation entitlements will be the same that are listed in the approved Resettlement Framework (RF) of the Program. The RF defines IPs as vulnerable people/households.

26. If the sub-project impacts are not significant, and if they could be addressed by resettlement plans that will be prepared according to the agreed RF, 'specific actions' could be built into resettlement plans to safeguard their entitlements. This decision will depend on the severity of impacts on them. Such 'specific actions' are outlined in the RF.

D. Monitoring

27. Monitoring and Evaluation (M&E) help ameliorate problems faced by project implementing agencies and develop solutions without delay. IPDP includes a set of monitoring indicators, for periodic assessment of planned activities, which will be reviewed during IPDP implementation. The NGO appointed by the PMU will periodically report the assessment under these indicators and reports will be sent to the PMU. The PMU after initial check will send these reports to ADB for final evaluation.

IV. STRATEGY FOR INDIGENOUS PEOPLE PARTICIPATION

28. Consultations and information disclosure will be undertaken to ensure that needs, priorities and preferences of IPs are adequately dealt with. The strategy of IPDP therefore would be to promote participation of the IPs, initiating and identifying people's need, priorities and preferences through participatory approaches. Consultations with and participation of IP communities, their leaders, ULBs/line agencies and PMU representatives hence will be an integral part of the overall IPDP.

29. The affected IPs will be informed and consulted in preparing IPDP. Their participation in planning will enable them to benefit from the project and to protect them from any potential adverse impacts of the project. The IPDP prepared in consultation with affected IPs will be translated into local language of IPs and made available to them before implementation with the assistance of NGOs (the NGOs appointed for conducting Community Development and Participation activities will implement the IPDP). The PMU will ensure that adequate funds will be made available for consultation and facilitation.

30. In the following paragraphs, a broad strategy for inclusion of IP s issues and information disclosure has been formulated.

A. Activities for inclusion of IPs' Issues

31. Involvement of IPs / indigenous groups in problem identification and design of solutions has to be ensured through the entire cycle of project interventions. **Table 2** presents the activities to be undertaken by the implementation agency to ensure inclusion of indigenous issues in the main project.

Table 4: Activities and Indicators of IPs' Involvement Issues

Project Stages	Procedures	Process and Outcome Indicators	Remarks
Planning Stage	Identify locations of dominant indigenous population in the sub-project sites.	IP screening checklist	To be carried out by PMU with assistance from DSCs.
	Identification of indigenous community stakeholders at site	List of all Indigenous communities in the project areas	
	Sensitization and consultation through focus group discussions with indigenous communities	Documentation on number of discussions and minutes of the meetings	
	Identification of environmental and social issues of the indigenous population and possible impacts as a result of the project	Documentation of the issues.	
Design Stage	Consultations to establish existing concerns related to:	Justifications for preparing IPDP	List of spatial and non-spatial issues
	1. Land availability and Tenure	List of safeguard measures	
	2. Access to urban infrastructure facilities		
	3. Representation in Community Based Developments		
	4. Existing Government schemes		
	5. Dependency on Minor Forest Produce (MFP) and common property resources		
Discussions on possible intervention measures, through the project their likely impacts and safeguard measures (mitigation and monitoring) to be incorporated into the project activities.	Enlistment of project impacts		
Design Stage	1. Loss of agricultural and homestead land	List of safeguards measures into the Draft Plan	
	2. Loss of structure and immovable assets		
	3. Loss of livelihood		
Design Stage	4. Loss of common property resources	Measures to be taken in complying with the frameworks prepared for resettlement and IPDP.	
	Consultations with indigenous groups for further suggestions		
	Participatory approach to be taken up to involve IPs in finalizing projects, Resettlement Action Plan/ IPDP etc.		
Implementation Stage	Disbursement of entitlements as per the RP / IPDP / Framework.	Measures undertaken as suggested in RP/IPDP / Framework	NGO engaged for implementing RAP / IPDP will do that during project implementation
	Implementation of safeguards measures as per IPDP / Framework proposals	Measures undertaken as suggested in RP/IPDP / Framework	
Post Implementation Stage	Evaluation of the success of programs and safeguard measures undertaken	Indicators developed for evaluation of project impacts	Consultants engaged for impact evaluation study will do that after project completion
	Follow up activities based on lessons learnt	Listing of modified programs to be implemented for uplifting affected indigenous communities	

IP = indigenous people, IPDP = Indigenous People Development Plans, RP = resettlement plan, PMU = Program Management Unit.

32. Electronic version of the IPDP will be placed in the official website of the PMU / State Government and the official website of ADB after approval of the IPDP by Government and

ADB. Hard copies of the IPDP will be accessible to citizens and kept in the town library, PMU and office of the municipal/line agencies. The information of the IPDP including entitlements for IPs and implementation arrangements will be presented in the form of a brochure that will be circulated among the indigenous APs. Posters designed to mass campaign the basic tenets of the IPDP will be displayed at suitable locations for generating mass awareness.

V. BENEFITS AND MITIGATION OF ADVERSE IMPACTS

33. The main thrust of IPDP is to address the development issues taking into consideration the marginality status of IP community. The IPDP will offer development options addressing community based needs of indigenous people while respecting their socio-cultural distinctiveness. The IPDP aims at strengthening the existing capacity of the affected IP community to participate and benefit from project interventions. Based on the impacts and their significance, affected IPs will be entitled to various compensation packages. These compensation entitlements will be the same that are listed in the approved Resettlement Framework of the program. As indigenous peoples, they will have traditional land rights and these will be honored and the absence of land titles will not be a bar for receiving compensation.

34. Additionally, as vulnerable group, they are entitled to receive special assistance, not only to restore and improve their income and livelihood but also to maintain their distinct cultural identity.

35. If the impacts of the sub-projects are not significant, the PMU could decide to prepare a 'specific action' to address the IP issues without preparing IPDP. This decision will depend on the severity of impacts on them. A 'specific action' could take the form of a common community action plan where the indigenous peoples groups live with non-indigenous peoples in the same subproject location. Another 'specific action' is to incorporate IP issues and their benefits into the Resettlement Plan, if any.

VI. INSTITUTIONAL ARRANGEMENTS

A. Institutional Arrangements for preparing and implementing IPDPs

36. The Urban Development Department (UDD) of Government of Rajasthan is the Executing Agency (EA) of the Program. The Empowered Committee (EC) is the apex body for the Project which is responsible for taking all important decisions with respect to Project implementation and accord all sanctions under the Project. To ensure timely Project implementation and for efficient & effective decision-making, the powers of the State Government are delegated to the Empowered Committee. The PMU with support of PIUs will be responsible for overall program implementation, progress review, contracting, supervising of work and providing progress-monitoring information coordination and will be responsible for the preparation of all documentation needed for decisions required for the Program. The DSCs will have a Social, Resettlement and Rehabilitation Expert in their team who along with the implementing NGO will prepare, implement, and monitor the IPDP. Approved IPDPs will be provided to ADB for review and approval prior to implementation.

37. The PMU shall be responsible for implementing the IPDP. The PMU with support from PIUs and the DSCs will be taking care of redressing grievances and mitigating negative social impacts caused due to the project on APs including those belonging to indigenous communities. The implementing NGO should have staff fully aware of provisions of IPDP, adequate understanding on norms and customs of and respect to the indigenous people.

38. A Resettlement Officer (RO) will be designated within the PMU and entrusted with responsibilities to effectively implement the RP / Gender Action Plan / IPDP / Community Development Plan complying with the safeguard provisions in the project. The roles and responsibilities of the RO would include but not limit to the following:

- (i) Coordinate implementation of R&R activities.
- (ii) Organize public awareness campaigns on project including resettlement provisions with the help of print and electronic media.
- (iii) Facilitate and coordinate joint verification survey of APs with the elected representatives as appropriate, finalize list of APs and inform them about tentative schedule of land acquisition / occupation.
- (iv) Coordinate valuation of assets, such as land, trees of various species, agricultural crops, etc. facilitating a joint process involving the elected representatives, NGOs and APs.
- (v) Based on assessment of property values finalize compensation packages.
- (vi) Prepare procedures to be adopted for the land acquisition within the ambit of LA Act, 1894.
- (vii) Coordinate the land acquisition processes with the associated Government departments.
- (viii) Inform APs about entitlement matrix and compensation packages against different categories of losses.
- (ix) Liaison with the District Administration and line departments (DRDA, DoRD, etc.) for dovetailing Government's schemes for income generation and development programs for the APs.
- (x) Make budgetary provisions for R&R activities.
- (xi) Coordinate, supervise and monitor disbursement of compensation.
- (xii) Coordinate monitoring activities to be taken up for assessing progress in implementing RP.
- (xiii) Facilitate the appointment of the external agency for Impact Evaluation and coordinate evaluation activities to be taken up by the agency.
- (xiv) Prepare Terms of Reference (ToR) for procuring the external agency.
- (xv) Facilitate appointment of the consultant to carry out the studies and coordinate them.
- (xvi) Prepare quarterly monitoring reports on the progress of RP implementation.
- (xvii) Participate in the GRC.

39. The major IPDP implementation responsibilities vests with RP implementing NGO. The responsibilities of these NGOs in IPDP implementation will include the following:

- (i) Work under close coordination with the RO to implement the IPDP.
- (ii) Facilitate transparency in process and public participation.
- (iii) Take lead in joint verification and identification of IPs, enlist IPs, counselling for livelihood restoration, dissemination of project policies, documents etc.
- (iv) Identify training needs of IPs for income generation activities and ensure that they are adequately supported.
- (v) Put forth the grievances of the IPs to the GRC.
- (vi) Generate awareness about the livelihood restoration activities, and help the IPs to make informed choices.
- (vii) Assist the RO in disbursement of cheques.
- (viii) Participate in public meetings as and when required.
- (ix) Submission of periodical IPDP implementation reports to the RO.

40. The external impact evaluation agency appointed for RP implementation will also carry out monitoring and evaluation of the effectiveness of IPDP implementation through formulation of indicators. The program will have a Grievance Redressing Committee (GRC) for redressing the grievances of the APs, with emphasis on IP communities in the project. **Table 2** gives the institutional roles and responsibilities for preparation and implementation of IPDP.

Table 2: Institutional Roles and Responsibilities

S. No.	Activities	Municipal/Line Agency	PMU	Project consultants	NGOs	ADB	IP Community Involvement
1	Finalization of sites/alignments for sub-project components	Identify and finalize sites/alignments for sub-project components	PMU will appoint project consultants (PC) for design and implementation of sub-project components	PC appointed by PMU will provide technical help to ULB in finalizing sites/alignments			
2	Preliminary Screening (PS)						
A	Collecting and analyzing required information		PMU will appoint a full time RO to oversee IPDP activities	The PCs will undertake PS			Co-operation and active participation of IPs is anticipated in IPDP activities
B	Preparation of PS report			Designated staff will prepare PS report, which will be sent to PMU			
C	SIA recommendation		Based on PS report, and in compliance with ADB policy, PMU will recommend SIA				
3	Social Impact Assessment						
A	Collecting and analyzing required information		Designated staff (RO) of PMU will monitor SIA activities	PC appointed by PMU will conduct SIA			IPs will be responsible for giving information to and participate with concerned officials
B	Preparation of SIA report			PC will prepare report and submit it to the PMU			
C	Recommendation for IPDP preparation		Based on SIA report, and in compliance with the ADB policy, PMU will recommend IPDP preparation				
4	Preparation of IPDP						
a	Formulation of mitigation measures		Designated staff will monitor IPDP	PC will prepare IPDP in consultation with			Affected IPs, IP leaders, CBOs will

S. No.	Activities	Municipal/Line Agency	PMU	Project consultants	NGOs	ADB	IP Community Involvement
	and development of action plan		preparation activities and will provide required help to PC	affected IPs/community leaders			participate in formulation of mitigation measures and development of action plan
B	Disclosure of IPDP	Designated staff will participate in information disclosure meetings to finalize IPDP at community level	PMU staff will participate in information disclosure meetings to finalize IPDP at community level	PC will conduct meetings for information disclosure and will provide required information during meetings	Local NGOs can be invited to bring transparency in information disclosure meetings		Affected IPs, IP leaders will participate and approve IPDP
C	Preparation of budget and financing plan		Designated staff will provide required necessary help to PC	PC will prepare IPDP budget and financing plan			
E	IPDP approval from ADB		PMU after scrutinizing IPDP for compliance with ADB policy will submit it to ADB	As per ADBs comments, PC will revise IPDP and budget		Concerned staff at ADB will review and approve the IPDP document	
5	IPDP implementation		PMU appoint NGO for IPDP implementation and monitor IPDP implementation periodically along with an independent agency				

ADB = Asian Development Bank, IP = indigenous people, IPDP = Indigenous People Development Plans, SIA = social impact assessment, PMU = Project Management Unit.

VII. BUDGET FOR FORMULATING AND IMPLEMENTING IPDPs

41. Each IPDP will have its own budget. The EA will provide sufficient resources to formulate an IPDP for each sub-project that will have impacts on IPs. A detailed budget will be prepared by the social, resettlement and rehabilitation unit taking into account all activities associated with the formulation and implementation of the IPDP. Such budgets will be an integral part of the program cost, and will be made available during program implementation.

VIII. PROGRAM FOR MONITORING AND EVALUATION

42. Implementation of the IPDP will be monitored regularly. The PMU will establish a quarterly monitoring system involving the RO, the DSCs, representative of affected IP groups, NGOs and CBOs to ensure that participatory monitoring arrangements are followed. A set of monitoring indicators will be determined during IPDP implementation. The PMU will prepare appropriate monitoring formats for effective internal and external monitoring and reporting requirements. Independent monitoring will be undertaken through NGOs and CBOs engaged by the PMU in consultation with ADB to carry out external monitoring of the IPDP operations for the whole Program. Monitoring reports will be prepared twice a year during program implementation. These reports will be submitted to the PMU and ADB for review. The PMU will be responsible for determining if any follow-up actions are necessary and ensuring any necessary actions are taken regarding the implementation of IPDPs.

43. The PMU will implement the IPDP and carry out the monitoring and evaluation activities as prescribed in this section. The RO will be trained and motivated in carrying out these activities. The mid-term and end-term impact evaluation will be conducted by outsourcing it to an Agency/NGO/Institution, which will do the work in close coordination with the PMU.

44. IPDP implementation will be closely monitored to provide the PMU with an effective basis for assessing resettlement progress and identifying potential difficulties and problem areas. Monitoring will be carried out by the RO and reported regularly to the Project Director (PD) on a quarterly basis. The internal monitoring will involve the following tasks:

- (i) Administrative monitoring to ensure that implementation is on schedule and problems are dealt with on a timely basis.
- (ii) Socio-economic monitoring during and after the relocation process utilizing the baseline information established by the socio-economic survey of APs undertaken during project preparation to ensure that people are settled and recovering.
- (iii) Overall monitoring whether recovery has indeed taken place successfully and in time.

45. Data from the baseline socio-economic surveys undertaken during the project preparation stage will provide the benchmark for the monitoring process to assess the progress and success of the IPDP programme. However, monitoring process will also include the following:

- (i) Communication to and noting of reactions from APs.
- (ii) Information from APs on entitlements, options, alternative developments and relocation timetables.
- (iii) Valuation of properties.
- (iv) Usage of grievance redress mechanism.

- (v) Disbursement of compensation amounts and all assistances.

46. Monitoring will also cover the physical progress of implementation of IPDP. This will include land acquisition of the Affected Households (AHs) and project affected community properties. Quarterly reports will be prepared on the progress of the IPDP provisions.

47. **Internal Monitoring Indicators.** The PMU with the designated RO will carry out internal monitoring. The indicators for achievement of objectives under the IPDP programme are of two kinds as stated below:

- (i) Process Indicators – Indicating project inputs, expenditure, staff deployment, etc.
- (ii) Output Indicators – Indicating results in terms of numbers of affected indigenous people compensated and resettled, training imparted, credit disbursed, etc.

48. **Reporting:** Reporting and monitoring formats will be prepared for an effective internal and external monitoring. These reports will be submitted to ADB for review and comments. Each IPDP will be submitted by EA to ADB for review and approval.

IP IMPACT SCREENING CHECKLIST FOR SUB PROJECTS

Impact on the indigenous peoples (IPs)/Ethnic Minority (EM)	Yes	No	Remarks or identified problems, if any
Are there any IPs or EM groups present in the project locations?			
Do they maintain distinctive customs or economic activities that may make them vulnerable to hardships?			
Will the project restrict their economic and social activity and make them particularly vulnerable in the context of the project?			
Will the project change their socio economic and cultural integrity?			
Will the project disrupt their community life?			
Will the project positively affect their health, education, livelihood or social security status?			
Will the project alter or undermine the recognition of their knowledge, preclude customary behaviours or undermine customary institutions?			
In case no disruption of indigenous community life as a whole, will there be loss of housing, strip of land, crops, trees and other fixed assets owned or controlled by individual indigenous households?			

The above checklist would be prepared for each sub-project in all the Project Towns.