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Madhya Pradesh Urban Development Corporation

**DRAFT ENVIRONMENTAL AND SOCIAL
MANAGEMENT FRAMEWORK**

EXECUTIVE SUMMARY

OF

**MADHYA PRADESH URBAN DEVELOPMENT
PROJECT**

July 2016

Executive Summary

1. Project Overview

Madhya Pradesh (MP) is geographically the second largest, fifth populous, and eighth most urbanized state in India. Although MP recorded a higher rate of growth for its urban compared to rural population in the last decade, its urbanization rate is still below the national average and is projected to catch-up in the next 15 years. At present, MP's total urban population is about 20.1 million (28% of total population) concentrated in 378 urban local bodies (ULBs).

Government of Madhya Pradesh accords high priority to urban infrastructure development. Madhya Pradesh Vision 2018 is dedicated to water supply and sanitation, aiming at universal coverage and reforms to improve service delivery. The state government has initiated various programs with own funds, funds from Government of India, as well as from external funding agencies such as The World Bank, ADB, DFID and KfW to improve infrastructure in urban areas.

The development objective of the proposed Madhya Pradesh Urban Development Project (MPUDP), proposed for World Bank support, is to enhance the capacity of the relevant statelevel institutions to support ULBs in developing and financing urban infrastructure. To achieve this objective, the project envisages two main components: (i) institutional development component, and (ii) urban investment component. Sub component 2.1 of Component 2 is for urban investment envisaging development of urban infrastructure. Under this sub component, 25 ULBs have shown interest to avail funds for infrastructure development. These projects include seven water supply and 18 sewerage projects.

In order to ensure sustainability of various activities envisaged under MPUDP, an Environmental and Social Management Framework (ESMF) has been prepared for complying with the environmental and social regulations of Government of India (GoI), Government of Madhya Pradesh (GoMP) and safeguard policies of the World Bank. This document will act as guidance for satisfactory assessment and management of environmental and social impacts at sub-project level through appropriate measures during the planning, design, construction and operation phases of various activities of MPUDP. The framework will also help in identifying adverse environment and social impacts, and provide specific guidance on policies and procedures for carrying out environmental and social assessments along with roles and responsibilities of the implementing agencies.

2. Environmental and Social Policy of MPUDC

The Policy of MPUDC is to promote the principles of Environmental sustainability and Social relevance in the projects funded by MPUDC.

3. Environmental and Social Management Framework

Madhya Pradesh Urban Development Company, a state owned company, is committed to identify and mitigate environmental and social issues that may come up during various phases of the proposed MPUDP. To fulfill this responsibility, understanding core issues as well as project specific issues of MPUDP is very important. For this purpose, MPUDC conducted a study by through an independent consultant to understand environmental and social issues associated with MPUDP. An Environmental and Social Assessment (ESA) of the three likely-to-be-implemented initial sub-projects in the first year of MPUDP, and a preliminary study of 25 ULBs proposed in MPUDP was undertaken. Based on this analysis, an ESMF that ensures compliance of all project activities with the environmental regulations of GoI, State Government and the safeguard policies of The World Bank has been prepared.

The ESMF is in two volumes. Volume I of the ESMF outlines the policies, assessments and procedures that MPUDC will follow to ensure that all MPUDP activities are developed and implemented in accordance with the ESMF and are adequately safeguarded from associated risks. Volume II provides the basic profile of all sub-project cities and the screening checklists.

The ESMF also aims to sensitize the stakeholders in carrying out assessment and management of environmental and social issues arising in urban infrastructure projects.

4. Regulatory Framework

The national and state level environmental laws and the Operational Policies of the World Bank will be applicable to MPUDP financed sub-projects. The most important of the applicable laws are Environment (Protection) Act, 1986, Water (Prevention And Control of Pollution) Act, 1974, Forest (Conservation) Act, 1980, Air (Prevention and Control of Pollution) Act 1981, etc and the World Bank OP 4.01 Environmental Assessment, OP 4.04 Natural Habitats and OP 4.11 Physical Cultural Resources and OP 4.36 Forests.

5. Environmental Categorisation of Projects

The urban infrastructure projects is likely to improve general living standards within urban localities. However, depending on location and nature of project activities, these projects will have varying impacts on the urban environment. An underground sewerage scheme may cause impact due to disposal of treated effluent and sludge while, on the other hand, a water supply project may be associated with extraction of water from natural resources which may affect downstream users, disposal of sludge, etc. and so on. Hence, to address issues from MPUDP projects and based on the environmental profile of MPUDP towns, categorization of all sub-projects into Ea, Eb and Ec, linked to severity of impacts and regulatory requirements, will be done. Ea projects are expected to have significant environmental impacts and would require preparation of project specific EA by an independent agency other than the DPR consultant, Eb projects are expected to have moderate impacts and would require preparation of project specific EA as part of DPR. Ec projects, expected to have minimum environmental impacts, would require preparation of only a generic environment management plan (EMP). Sample EMPs for different types of infrastructure projects is included in Appendix 3 of the ESMF for guidance. As part of ESA preparation, customization of the EMP to the sub-project context would be undertaken.

6. Social Management Framework

The basic objective of the social safeguards policy is to mitigate the social adverse impact to the population affected by the project implementation. This policy also emphasizes that the involuntary resettlement will be avoided and minimized by exploring different options. The ESMF bridges the gap between the World Bank's policy on involuntary resettlement and Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013. The broad categories of the economic and social impacts that may require mitigation are:

- (i). Loss of land and assets;
- (ii). Loss of shelter or homestead lands;
- (iii). Loss of income or means of livelihood;
- (iv). Loss of access to productive resources, shelter/residences; and
- (v). Loss of collective impacts on groups such as loss of community assets, common property resources and others.

7. Regulatory Framework

The relevant national and state level laws are:

- (i). The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013;
- (ii). The Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act 2009;
- (iii). State Land Lease Policy;
- (iv). The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act 2006;

- (v). Right to Information Act 2005; and
- (vi). the World Bank Operational Policies including OP.4.12 Involuntary Resettlement and World Bank Policy on Access to Information and Disclosure.

8. Social Categorization of Subprojects

Based on the severity of impacts, the ESMF has categorized sub-projects into three categories viz. Sa, Sb and Sc. The entitlement matrix provides for different impact categories including loss of land, residential structures, commercial structures, community assets, impact on titleholders, tenants and leaseholders, non-title holders, loss of livelihoods, impacts to vulnerable households, and unidentified impacts. The matrix is in accordance with The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013, and OP 4.12 of the World Bank.

9. Application of ESMF

ESMF will be applicable for all activities of MPUDP, i.e. activities under technical assistance and implementation including operation and maintenance of all subprojects and activities.

10. Project Preparation

Environmental Assessment (EA) and/or the Social Impact Assessment (SIA) will be prepared for various activities in line with the ESMF of MPUDP. While draft reports of Ea and Sa category sub-projects would be shared with the World Bank for approval, safeguard documents of other category sub-projects would be reviewed by MPUDC as per agreed policies and procedures of the ESMF. The final version of EA/SIA and EMP and resettlement action plans (RAPs) reports with a non-technical summary (both in English and Hindi) will be disclosed on the websites of the concerned ULBs/MPUDC/state urban department and will be made available in places accessible to the local people.

11. Sub-Project Approval

The approval process is as below:

- (i). The MPUDC Project Management Unit (PMU) will screen all sub-projects and identify environmental and social impacts, and accordingly environmental and social category of the sub-project will be determined in line with the criteria established in the ESMF.
- (ii). Subsequently sub-project ESA, land acquisition/resettlement and rehabilitation budget for the respective sub-project will be prepared in compliance with the ESMF.
- (iii). Prior to award of contracts, PMU of MPUDC will ensure safeguard readiness of the sub-project through the Project officer of the concerned Project Implementation Unit (PIU) to fulfill the requirements of environment and Social Safeguards as outlined in the ESMF.
- (iv). MPUDC will ensure implementation of ESMF at all stages of the project and PMU will monitor all sub projects and activities to ensure conformity to the ESMF.
- (v). MPUDC will carry out monitoring of environmental and social components through environmental and social compliance reports prepared by the concerned PIU based on field visits to sub-project locations.
- (vi). An independent agency will undertake an annual safeguard audit of ESMF. Respective sub-projects will implement recommendations of the audit, as applicable.

12. Institutional Framework

MPUDC is the Executing Agency for MPUDP. MPUDC will be executing the sub projects on behalf of the ULBs, through designated PIUs. The MPUDC has established a PMU for the implementation of MPUDP and the PMU will have a dedicated Environment Engineer and a

dedicated Social and Gender Officer to coordinate and monitor implementation of the ESMF. The ESMF outlines the roles of these two experts. MPUDC PMU will supervise, monitor and ensure implementation of environmental and social safeguards for all sub-projects under MPUDP, in line with this ESMF through its environmental and social safeguards officers. The PMU will coordinate with the PIUs and ULBs to ensure ESMF compliance and preparation of relevant documents/monthly reports. The PIUs will also have a designated Environmental Officer to supervise the implementation of safeguard activities of MPUDP sub-projects within the jurisdiction of the PIU. The PMU and PIU will be further strengthened by a project management consultant (PMC) who will have dedicated environmental and social experts with appropriate qualification and experience for ensuring ESMF compliance in project implementation and submit relevant documents/monthly reports to MPUDC.

13. Capacity Building Training

MPUDC envisages capacity building on environmental and social safeguards and technical aspects for all the stakeholders in implementation of the sub-projects including staff of contractor, ULB, PIU and PMU. Annual sensitization programs, workshops and training programs, experience sharing, etc, in co-ordination with training institutions experienced in various aspects of urban infrastructure projects will be organized.

MPUDC also proposes enhancing capacity of staff and Environmental and Social Officers (ESO) through orientation programs, trainings, exposure visits to similar projects implemented, courses and participation in both national and international training courses and seminars/workshops, etc. MPUDP will finance these capacity-building activities.

14. Outcome of Stakeholders Workshop and Disclosure

The preparation of ESMF for MUPDP involved consultation with the stakeholders at various stages and focus group discussions with the potential sub-project cities. In addition, a multistakeholder workshop was organized at respective ULBs on July 11, 2016 to receive feedback on the draft ESMF and draft ESAs for the first three sub-projects (Khargone and Burhanpur Water Supply and Chindwara Sewerage sub projects). During the workshop, the stakeholders appreciated the provisions of entitlement to non-title holders also and expressed their overall satisfaction on the provisions of ESMF document.

The draft ESMF and ESAs for the first three sub projects are also disclosed at www.mpurban.gov.in on the website of Directorate of Urban Administration and Development of Madhya Pradesh and on the MPUDC website www.mpudc.co.in and also the at the project cities for feedback from the stakeholders within a period of one month.

MPUDC will organize a state-level multi-stakeholder workshop on the Draft ESMF on 29th August 2016. MPUDC will re-disclose the revised ESMF and ESAs arfter incorporating comments and feedback received. MPUDC will also disclose of a non-technical executive summary in English and Hindi. The World Bank website will also disclose the same.