

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA13735

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I. BASIC INFORMATION

1. Basic Project Data

Country:	Sri Lanka	Project ID:	P147827
Project Name:	LK Water Supply and Sanitation Improvement Project (P147827)		
Task Team Leader(s):	Shideh Hadian		
Estimated Appraisal Date:	20-Apr-2015	Estimated Board Date:	24-Jun-2015
Managing Unit:	GWADR	Lending Instrument:	Investment Project Financing
Sector(s):	General water, sanitation and flood protection sector (100%)		
Theme(s):	Other rural development (75%), City-wide Infrastructure and Service Delivery (25%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	183.90	Total Bank Financing:	165.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			5.00
International Development Association (IDA)			165.00
Local Communities			13.90
Total			183.90
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The development objectives of the project are to increase access to piped water services and improved sanitation in selected Districts; and to strengthen the capacity of associated institutions.

3. Project Description

The project comprises of the following components which are described below.

- Component 1 - Water supply and sanitation infrastructure
- Component 2 – Strengthened Rural Service Delivery
- Component 3 - Sector Capacity Building
- Component 4 - Project Management

Component 1 –Water Supply and Sanitation Infrastructure (\$141.57 million, IDA \$130.91 million)

This component would finance infrastructure investments to support expansion of piped water services in urban, rural and estate areas in the selected districts. Cost effective technical solutions will ensure that each unit of investment delivers the maximum service improvement. Decentralized schemes will be the norm, whether in rural water supply or urban sanitation. Within the urban sub-sector the focus will be on towns given that the Government has a number of projects already planned for the larger urban centers.

In urban small towns, the investments will be made for intake, pumping main, conventional water treatment plant and the distribution network where the water will be treated to Sri Lanka Standards for drinking water. The per capita supply would range from 80 to 120lpcd depending on the availability and cost effectiveness of the delivery.

Rehabilitation of existing rural systems would be included based on agreed criteria and up to 15% of the rural sub-sector investment amount. Community contribution for rehabilitation of rural water supply (RWS) schemes will be higher, ranging from 20% to 40%, with priority given to community based organizations (CBOs) who will contribute higher % share of the cost. In cases where good performing CBOs request expansion, it can be included within this 15% allocation.

In Central Province investment will focus on piped water supplies and sanitation in estates and adjoining rural villages. From experience of earlier pilots in the estate sector some of the key issues to be considered include: (i) Capacity of the estate workers to manage the schemes, and alternatives in the event of low capacity/interest; (ii) Roles of the different parties in O&M – the Board, the plantation owners, the community, the Plantation Human Development Trust (PHDT) and the Estate Workers Housing Cooperative Society (EWHCS).

According to Government of Sri Lanka (GOSL) practice the community contributions toward capital costs of the rural and estates schemes will be 15% (in cash and kind) of the total costs, including the cost of a meter and house connection. Payment modality will be decided at the community level. The rural and estate scheme design will include metered connections to all households who register to receive water. In addition the rural and estate programs will be implemented through a “Demand Responsive and Participatory Approach” and in close coordination with the Local Authorities, Pradeshiya Sabha.

In urban sanitation, the project will finance the construction of Septage Treatment Plants in each of the districts for the collection and treatment of septage. These will be strategically located to encourage maximum use of the facility. The proposed technology to be employed is primarily based on waste stabilization ponds and the discharge will be treated to prescribed standards. Each plant will be provided with at least one gully bowser for the collection of septage.

Rural sanitation improvements will use appropriate models in line with government policy. Latrine

technology and specifications (at least for the sub-structure) and cost will be prepared and applied across project areas. An incentive grant of 80% of latrine cost will be provided to the poor and hardcore poor identified and listed by the Government's Samurdhi Program in each village. To ensure full sanitation coverage, other households are encouraged to build hygienic latrines with 50% incentive grant. Identification and selection of beneficiaries will be done by the close coordination of CBO in coordination with the National Water Supply & Drainage Board (NWSDB) District Units.

Hygiene Education and Awareness Programs are at the heart of any successful sanitation program. The project management unit (PMU) will support and organize intensive hygiene promotion programs to educate communities, in particular school children, on the socio-economic costs of lack of sanitation and the benefits of good hygiene and improved sanitation.

Component 2 – Strengthened Rural Service Delivery (\$7.73 million, IDA \$7.73 million)

The project will support the operationalization of the Department of National Community Water Supply (DNCWS) through the following activities.

- o Assistance to build the capacity of DNCWS through: (a) institutional design of the department including organizational structure, staff numbers and skill sets, job descriptions and so on; (b) offices and equipment needed to set up the department in each districts; and (c) training for staff of the departments
- o Design and implementation of sustainability financing and incentive framework to: clarify liability for repairs, rehabilitation and replacement costs; generate incentives for CBOs to manage schemes and sanitation facilities better; and encourage regular and reliable monitoring of scheme performance and sustainability.
- o Design and implementation of a Monitoring and Evaluation (M&E) system to capture indicators of system functionality and CBO sustainability. This will include a baseline survey of all existing CBOs/WUAs (Water User Associations). The system will include mobile phone monitoring systems that are simple and cost-effective.
- o Designing and implementation of a systematic approach to use this M&E data to assess and enhance the performance of all CBOs. This will help ensure that schemes are functional for their full economic life through a range of initiatives including: (a) administrative backstopping to CBOs; (b) technical backstopping; and (c) a system of training and networking to help the CBOs solve problems on their own.
- o Establishing a program for confirming the legal status of CBOs.
- o Designing an approach to ensure long term sustainability in the estate water supply schemes through appropriate financing and institutional arrangements, including partnering with the PHDT, the plantation companies and the EWHCS.

Component 3–Sector Capacity Building (\$5.94 million, IDA \$5.94 million)

The project will finance two capacity building activities:

- Preparation of a comprehensive Water Supply and Sanitation Sector Program, in collaboration and consultation with the National Planning Department (NPD), to improve water supply and sanitation across the island. This will allow GOSL to address the gaps and strategically invest in the sector through a programmatic approach which can be financed by local or foreign funds.
- National Program to develop a strategy to mitigate the aggravating effects of drinking water

quality on chronic kidney diseases (CKDs). The root cause of CKD remains unclear but water supplies which are hard or fluoride contaminated appears to exacerbate the disease. The technical assistance would include: (i) a Water Quality Mapping to map out the ground water quality assessments at the district levels, which help to identify possible risk areas in relation to the spread of chronic kidney diseases of unknown aetiology (CKDu) and other diseases in the Island; and (ii) preparation of a National Strategy to enable NWSDB and other sector organizations to provide a comprehensive WSS response to the CKDu threat; which include developing a risk rating system (based on the water quality mapping), assessing different technical and cost effective approaches (e. g., Rain water harvesting, bowser supply, Reverse Osmosis (RO) Plants).

Component 4 - Project Management Support (\$8.42 million, IDA \$5.43 million).

This Component will finance the entire administration and management of project implementation both at the head office of in the Ministry of Urban Development and Water Supply and Drainage (MUDWSD) and at the district level.

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

The project will be implemented in 7 high priority districts for water supply and sanitation infrastructure development. These districts have been selected based on (a) % of people with access to unimproved/unsafe water (ii) % households with access to non-piped water sources and (iii) location in the dry zone. Poverty, measured by the poverty head count, has a strong co-relation with access levels and is therefore implicitly captured in the district selection process. The districts are;

- Mullaithivu and Kilinochchi Districts in Northern Province
- NuwaraEliya District in Central Province
- Badulla and Monoregala Districts in Uva Province
- Kegalle and Ratnapura Districts in Sabaragamuwa Province

The Mullaithivu and Killinochchi district share similar physical environmental conditions due to their location within the Northern Province. Physical features of Mullaithivu district consists of flat land terrain, with a 70 Km long coastal belt and four key lagoons. Its highest elevation is 36.5 m, and has a land area of 2617 km². Of this about 64.1% of the total land area consists of forests, agriculture nearly 16.9%, range land 5.2%, homesteads about 5.1% and the rest constitute of water bodies. Urban centres are small with relatively new infrastructure built after the cessation of the conflict in 2009. Kilinochchi district covers about 1237.11 Km² of land area and has an average population density of 96 persons per Km². Terrain in Kilinochchi is also flat dotted with many irrigation tanks and a big tank that supplies water to the local population. Climatically, both districts are dry and humid with an average rainfall of about 1325mm of which nearly 75% is received during September to December North East Monsoons. Water is scarce in the district and varies in terms of quality, with salinity being a major issue that renders water sources undrinkable near coastal areas. In both districts, apart from a few surface reservoirs, groundwater is the main source of drinking water.

In contrast, the Nuwera Eliya district is in the central highlands of the country which is located in the highest plain. The terrain is mountainous with deep valleys, forming a complex of massifs, mountain ranges, plateaus and basins. The Nuwera Eliya town is located near the highest peak, Pidurutalagala. The district The scenic grasslands of Horton Plains, Moon Plains, Kandepola-Sita Eliya Plains and Elk plains all are situated in this altitude range of 6000 to 7000 feet , few tens of kilometers away from Nuwara Eliya. The district is Sri Lanka's center for tea production with

numerous tea estates dotting the main areas and the central city of Nuwara Eliya as the terrain and climatic conditions are ideal for tea. The district has a subtropical highland, with a mean annual temperature of 16 °C (61 °F). Temperatures get as cold enough to create frost in the night time during the winter months but, it rapidly warms up as the tropical sun climbs higher during the day. The wet weather and terrain make NE a scenic area with numerous streams and rivers flowing and forming cascading waterfalls/ across the many valleys. The main environmental issues in NE are soil erosion from land exposed for cultivation and other development and contaminated run off originating from tea and vegetable cultivations where chemical fertilizer and pesticides are intensively used.

The Badulla and Monaragala Districts have very different terrain even though they are both located in the Uva Province. Badulla District covers a land area of approximately 2,861 Km² and has a highland terrain with ample rainfall. Much of the mountainous terrain has been utilized for tea and vegetable cultivation and the lower region where climatic conditions are drier and the terrain is flat, for paddy cultivation. The mountainous terrain of the upper region is susceptible to earth slips and landslides, especially during the rainy seasons. The Monaragala District has a similar terrain to the lower regions of Badulla, where the land is flat and dry. It is the largest of the 25 districts of Sri Lanka, with an area of 7,133 Km². The district is mainly made up of rubber, cocoa and sugar cane plantations and paddy lands. The valley is mostly dry and rainfall is sparse, thus cultivation is linked to the monsoonal seasons. The townships are located in the flat land and are fairly small settlements, with the city of Monaragala being the main township. The Savanna like plains situated along the Southern parts of Monaragala, bordering the Hambantota District, has been designated as part of the Yala National Park.

The Kegalle District encompasses a land area of 1663 km² of mountainous terrain of transitional slopes between the high land and of the central hills. Elevations within the district as you start from its periphery and move towards the central regions, are 50m to 1800m above sea level. The mountainous terrain from the east meanders down to valleys in the western parts of the district, where a number of rivers and streams are located. These include the Kaleni River, Ma Oya and Rambukan Oya. Annual rainfall varies from 2,500 mm to 3,000 mm and temperature varies from 25.7 °C-30°C. Settlements are centered on rubber cultivation, which has stretched over most of the area of the District, and minor export crops such as coffee, cocoa, pepper, clove and nutmeg. Population densities in the rural regions are dispersed while there is high population density in the major cities such as Kegalle, Mawanella and Ambepussa.

Situated in a Valley, the Ratnapura District (3,275 Km²) has a rich environment with numerous streams and waterfalls and is located in the wet zone of the island. The district receives rainfall mainly from south-western monsoons from May to September. During the remaining months of the year also, there is considerable precipitation due to convective rains. The average temperature varies from 24 to 35 °C, and there are high humidity levels. Ratnapura is the center of a long-established industry of precious stone mining including rubies, sapphires, and other gems. Apart from gem mining, large plantations of tea and rubber surround the main settlements of Ratnapura, Embilipitiya and Balangoda. Segments of the Sinharaja Forest Reserve and the Udawalawe National Park are also located in the South East of the District. Ratnapura experiences frequent floods and is prone to landslides.

5. Environmental and Social Safeguards Specialists

Darshani De Silva (GENDR)

Mohamed Ghani Razaak (GSURR)
Mokshana Nerandika Wijeyeratne (GENDR)
Nadeera Rajapakse (GENDR)

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6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>OP/BP 4.01 is triggered as physical interventions to the environment will be made via the expansion of piped water services, in urban, rural and estate areas of the project area. Within the urban sector the focus will be small towns given that the GOSL has already planned water supply projects for the larger cities and rehabilitation of some existing systems would be included as well. On sanitation, the project will support on-site sanitation and small septage treatment plants for urban small towns.</p> <p>All of the above will have negative environmental impacts of varying degree, both direct and indirect, and need to be managed from early on in the project cycle.</p>
Natural Habitats OP/BP 4.04	Yes	<p>OP/BP 4.04 is triggered more on a precautionary basis. While it is expected that most expansion/ rehabilitation and septage treatment work will be in already built up areas, new water source development may involve potential changes to natural resources/habitats, especially where rivers in upper watershed areas may be tapped.</p>
Forests OP/BP 4.36	No	<p>OP/BP 4.36 is not triggered as no significant or irreversible impacts or changes to forests are envisaged under the project.</p>
Pest Management OP 4.09	No	<p>OP 4.09 is not triggered as the project is not expected to procure pesticides, equipment or lead to a substantial increase in the use of pesticides.</p>
Physical Cultural Resources OP/BP 4.11	No	<p>OP/BP 4.11 is not triggered as project interventions are not envisioned to be conducted in areas close to sites of cultural importance or to have any significant impact on cultural property. Measures to treat chance finds will be included as part of measures taken under OP/BP 4.01</p>
Indigenous Peoples OP/ BP 4.10	No	<p>OP/BP 4.10 is not triggered as there are no indigenous population in the Districts/locations covered by the project.</p>
Involuntary Resettlement OP/BP 4.12	Yes	<p>OP/BP 4.12 is triggered as preliminary social assessments point to the need for additional lands for water asset development which may involve private land acquisitions.</p>
Safety of Dams OP/BP 4.37	No	<p>OP/BP 4.37 is not triggered as the project does not involve rehabilitation/construction of dams or have any water supply sources associated with them.</p>

Projects on International Waterways OP/BP 7.50	No	The project does not have any activities that would result in any impact to the international waterways and therefore this policy is not triggered.
Projects in Disputed Areas OP/BP 7.60	No	Project is not in disputed areas.

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> <p>Environment</p> <p>By adopting an integrated approach towards safe drinking water supply, sanitation, septage management and hygiene education in the selected urban, rural and estate areas, the project is expected to deliver many positive health and environmental benefits to the receiving communities, where currently access to these facilities are relatively low compared to national levels. Given the Bank's two earlier projects in the sector - Second Community Water Supply and Sanitation Project (CWSSP II) and the North East Pilot Water and Sanitation Project (NEPWASH) -, there is ample knowledge about the type and extent of environmental benefits and challenges that could be typically expected under the proposed investments and lessons learnt that could be positively built upon.</p> <p>It is known that causes of persistent malnutrition include poor hygiene habits, lack of access to clean water as well as affordability of food. At the same time, it is reported by World Health Organization (WHO) that both malnutrition and inadequate water supply and sanitation are linked to poverty. Sanitation (together with hygiene) forms the first barrier between its user and the environment, and prevents exposure that could affect public health and cause environmental pollution. Therefore, with access to clean water provided to an estimated 623,000 people and the sanitation program benefiting about 53,000 families, the project will make substantial contributions to the progress of many public health and environmental indicators.</p> <p>As evident from the World Bank-financed CWSSP II and NEPWASH), construction impacts of water supply and sanitation facilities, as proposed under the project, are not anticipated to be serious and can be managed with good environmental planning and management practices at site. However, there are larger issues of concern with implications for project design and implementation.</p> <p>One that requires attention during the design and implementation of water supply schemes is the long-term safety and management of the water resource. First, it includes water scarcity and potential conflict among different water use groups. The project will be implemented in several districts with widely varying climatic conditions and substantial water shortages are often experienced, especially in the dry zone districts. Although small town and rural water supply schemes may not involve large scale abstractions that result in significant depletion of water resources, it is necessary to consider potential environmental impacts arising from volume of water abstracted and method of abstraction for both ground and surface water resources. Construction of weirs across rivers/streams would need to adequately consider impacts to riverine/aquatic habitats and maintaining minimum flows downstream under all weather conditions.</p>
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Similarly, the project must ensure that other downstream uses, if any, are not altered or compromised in a negative way. Where groundwater is used as a source, especially in the dry zone, the cumulative impact of current and planned abstraction must be considered to ensure that the aquifer has adequate buffer to protect from salt water intrusion.

Second, is the risk of source contamination due to various activities and land-use developments that take place in the catchment subsequent to project development. While source water quality testing will be an integral part of sub-project development, implementation of basic water safety plans needs to be streamlined into scheme operation and maintenance. Regular source water quality monitoring and management of the immediate catchment will be critical requirements in it. The project will take a pragmatic approach in this and capitalize on the GOSL's policy decision to introduce water surveillance and safety planning for all types of water supply schemes and operators.

Currently, none of the project served areas have sewage collection or treatment facilities. Septage collected by gully bowsers is currently disposed of at open dumpsites maintained by the local authorities, which pose a major environmental and health hazard. The project will finance small scale septage treatment facilities in selected townships where septic waste will be treated before discharging to the environment. The septage treatment proposed are low cost, small capacity plants (35-65 m³), and will be managed by the NWSDB which has a good track record of delivering quality service. The siting of the plants should be planned at design stage so that it does not cause any unaesthetic views. The project will need to carefully look at practical challenges in operating and maintaining the treatment plant as part of its feasibility, as lack of technical and financial capacity to attend to breakdowns and malfunctions without delay can have serious consequences.

With the provision of pipe borne water supply to communities, the risk of increased generation of wastewater that is improperly disposed may arise. Under the World Bank financed CWSSP II and NEPWASH, wastewater management from increased pipe supply was not observed to be a major issue in the rural areas as water is mainly used for drinking purposes only. Hence, amount generated as waste water is insignificant and is generally diverted to the garden. However, this issue in town areas could be of more significant. The NWSDB will be encouraged to assess the extent of the problem under all its urban small town schemes and develop practical wastewater management solutions.

Social

Preliminary social screenings point to the need for additional lands for water asset development due to lack of suitable Government lands in some project locations. Though the extents of land required for water infrastructure such as building pumping stations and treatment plants are relatively small in scale, there are instances of non-availability of government or community land in the locality, particularly in urban areas. This issue poses a major challenge for project implementation, particularly in following a lengthy land acquisition policy of the Government. Also, there may be situations where Government land in urban areas is already encroached by illegal settlers or squatters and therefore require systematic social assessments and alternative plans to be considered. A Social Impact Assessment Framework (SMF) being prepared to provide guidelines including policies and regulatory frameworks for instituting mitigation measures that need to be adopted to address land acquisitions and resettlement issues, if any. Social screening of Year 1 subprojects indicate that there are no resettlement impacts and therefore no RAPs required.

The project focuses on poverty stricken areas in order to improve the quality of life of the people in rural, semi-urban and estate areas. Initial social assessment indicates that there might be some issues related to affordability to obtain safe drinking water through improved facilities such as pipe borne water through agencies by poorer and vulnerable households. Particularly, this may be an issue for the households affected by the conflict and resettled recently in the Northern Province as well as among people in the estate plantations. Access to safe water in estate sector is limited to two third of people and rest obtain water from open water source such as river, tank and stream. More than half of households are dependent on public tap/street tap for their water needs which are usually much away from their line rooms requiring more time to walk along difficult terrains and effort in fetching water. The problem of polluted water sources used to provide pipe born water supply is also recorded in many places.

On the other hand, some recent estimates suggest that out of the total households having any kind of toilets, only 45.5 percent of households are having toilets exclusively for them. Approximately 30 percent of estate households have no toilet facilities compared to all island figure of 6.1 percent of the households without latrines. Unlike rural and urban areas, there is no strong civic organizational arrangement or community based organizations to rely on implementing sub projects in estate areas. Therefore the project expect to implement comprehensive awareness and community mobilization program for the project to organize these communities as water users and responsible for O&M of the assets that to be created by the project.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

Availability and vulnerability of the water sources, both in terms of quality and quantity aspects, may present issues that go beyond the coverage of safeguard management of this project. Safety of the water source in the long-term will hinge upon proper management of the watershed of which the project or the communities will have little control over. Unregulated extraction and contamination of water resources due to activities that take place elsewhere in the watershed or subsequent to sub-projects being developed are some of the reasons that could lead to the depletion or deterioration of water resources. While management for surface water is better structured institutionally, there is no systematic approach to groundwater management in the country.

While some of these issues have no easy solution and involve multi-sectoral & multi-stakeholder discussions, certain positive developments have taken place. In 2005, the NWSDB together with the Ministry of Health proposed a water surveillance system for all water supply schemes operating within the country. Although this policy has been slow to get off ground, the NWSDB is increasingly paying attention to developing water safety plans for its schemes around the country. Under the project, water safety planning will be encouraged to be integrated into the design and implementation of the water supply schemes with the required technical assistance mobilized for the purpose.

No indirect and/ or long term adverse social impacts are expected as a result of the project intervention. Most of the project components will have positive impacts on the reduction of poverty, improved health and sanitation and greater ownership by communities and willingness to improve sustainability of local water sources.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Sri Lanka has met the Millennium Development Goals (MDGs) in terms of access to improved water supply and sanitation. However, despite this national average and the country being ranked higher than its South Asian regional comparators, service delivery declines rapidly for communities in small towns and rural areas. The proposed project areas are lagging regions and have lower than national average in access to clean water and sanitation. The Central province is home to some 54% of the estate population in the country where water supply and sanitation services are lower and poverty is higher than national average. The Northern and Uva Provinces of Sri Lanka, which are characterized by small towns and rural communities, are in the dry zone of the country, thus community's access to natural sources of water is restricted with severe hardships faced during seasonal droughts. The Northern Province is further affected resulting from prolonged underinvestment and damage to water infrastructure due to the conflict.

The Government has set targets for the water sector to provide access to safe drinking water for all citizens over the medium term with a particular emphasis on increasing the quality of service. Progress in reaching the MDG for malnutrition and child mortality is also linked to progress in improving water supply and sanitation in the country. Given this background, and the project's potential to reduce poverty and shared prosperity, it is considered that there are no alternative to the proposed project.

The project will be using simple technologies in developing sub-projects and expected not to have any adverse impacts to the environment or the people. If complex sub-projects gets identified during project implementation, measures that will avoid or minimize any negative will be identified and incorporated in the sub-project design.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

Environment

The demand-responsive approach adopted under this project means that the participating communities and sub-projects are yet to be identified. As such, the Ministry of Urban Development, Water Supply and Drainage has prepared an Environment Assessment & Management Framework (EAMF). The EAMF identifies environmental concerns that require attention during the design and implementation stages of sub-projects and recommends a process for the early identification and mitigation of potential impacts in all categories of sub-projects.

As a routine, the project environmental staff, together with the communities and the Partner Organizations (POs) in the case of rural schemes, will undertake an early environmental planning exercise using the environmental screening form given in the EAMF. The screening form covers all important elements in an Environmental Analysis (EA) in a structured questionnaire manner and will capture potential environmental issues early in the sub-project cycle to recommend way forward based on the significance of issues identified. As per the EAMF guidelines, a detail EA will be warranted in the event that significant environmental issues are anticipated, if not, the project could proceed with an Environmental Management Plan (EMP).

The EAMF has been applied to the year 1 investments which are comprised of 1 ground water and 2 surface water extraction schemes. According to the environmental screening, all three schemes will require only EMPs. In the surface water extraction schemes, particular attention has been paid to potential impacts on aquatic habitats from the proposed methodology of water extraction. As part of environmental screening for year 1 projects, public consultation has been carried out. The

EAMF has been cleared by the World Bank. The Environmental Screening Reports are currently being finalized and EMPs prepared for the year 1 projects. These sub-project specific environmental safeguard documents have been submitted for clearance on April 23, 2015.

The main responsibility for ensuring compliance with environmental safeguards requirements will be borne by the PMU which will be supported by a full-time environmental specialist who is suitably qualified and experienced. Technical capacity to undertake environmental screening, EMPs and water safety plans will be developed within the District Support Units (DSUs) with the support of the NWSDB, under training programs conducted and dedicated staff allocated by the project. In the event EA/EIAs are warranted, the PMU will recruit consultants with the required expertise. Review and clearance of sub-project level environmental screening and EAs will be undertaken by the PMU and in the case of Cat B sensitive type of sub-projects, concurrence of the World Bank will be required.

The GOSL has past experience in managing environmental safeguard risks in large scale development work funded by international donor agencies. The Central Environmental Authority, the country's premier environmental regulatory agency, has almost three decades of experience in environmental management and monitoring of development projects. However, the CEA is unlikely to be closely involved with the project given that most of the sub-projects will not be prescribed projects. The NWSDB has implemented several WB and ADB funded projects in the sector and hence is familiar with safeguard requirements. Having said that, the project will need to build its own technical capacity to support safeguard management in its sub-projects.

Social

Ministry of Urban Development, Water Supply and Drainage has prepared a Social Management Framework (SMF) which also includes a Resettlement Policy Framework. The process of land acquisition has been explained in detail. The Government Land Acquisition Law will apply in acquiring private lands. The implementing agencies will also use the option of direct purchasing (willing buyer-willing seller principle) because the size of land plots are very small for water assets development under the project.

The social management will form an integral part of the overall scheme cycle. Each detailed scheme report shall contain environmental/ social screening formats and shall guide in decision making. Roles and responsibilities for ensuring implementation of the environment and social safeguards have been already identified at district, agency and national level. The PMU established at the Ministry of Water Supply will liaise with other implementing partner agencies to identify social and environment issues.

At national level officer, PMU functions under the Ministry of Water Supply will be responsible for ensuring the implementation of the SMF in all selected districts. At the PMU level Social Safeguards Specialist will ensure that social management activities are in conformity with the SMF and that necessary guidance and budget is provided to implement these plans. The District level, the responsible agency (Water Board, CWD and PHDT), Social officer is charged with the overall responsibility of ensuring the implementation of social aspects. The project will develop capacities of social and environment staff through training and other information sharing measures to execute safeguards functions effectively.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure

on safeguard policies, with an emphasis on potentially affected people.

The project's EAMF and SMF has been developed on the basis of the overall framework for World Bank country assistance strategy which was prepared in consultation with the key Ministries, Provincial Councils, departments and institutions, principal NGOs and development partners participating in reconstruction activities in the lagging regions.

Initial social screening has identified key stakeholders and consultations have been held to seek their views and incorporate the same into the design of the program. Community level stakeholders include: (i) beneficiary households (including women, poor, estate plantations community, war affected resettled ethnic minorities; (ii) Elected members of Local authorities (Pradesha Shaba , Municipal and Urban Councils), (iii) Technical staff including Engineers of NWSDB, DNCWS, PHDT and (iv) community based organizations as well as members of the community who are potential project recipients (ex communities in Nanu Oya, Siyabalanduwa, Haldamulla, Galigamuwa, Pambahinna, Mullaitivu and Kilinochchi). Community level consultations for each of above subproject areas were conducted during the period between February 1 to 20th March 2015

Both the social and environmental screening has been conducted with the active participation of these relevant stakeholders. In addition, technical consultations with regulatory agencies such as the Central Environmental Authority, Department of Archaeology, and National Building Research Organization have been carried out to support the environmental screening and assessments, which are being finalized now.

The EAMF and SMF are placed in public domain in-country on April 22, 2015 (http://nwsdbrws.org/wp/?page_id=1839) and in the World Bank's InfoShop to comply with the disclosure requirement of a Category B project. The year 1-investment screening and management plans covering 3 sub-projects are expected to be disclosed to public by April 30, 2015. Summaries of EAMF and SMF are being translated into local languages and will disseminated through the Ministry's website and in specific sites where investments will be made. On disclosure of the EAMF, SMF and the year 1 assessments, a further opportunity will be provided to the public to discuss the project environmental and social implications through stakeholder meetings in each district during project implementation.

Similarly, for all types of environmental and social analyzes conducted for subsequent investments, affected/benefited communities would be consulted, process documented and account taken of the results of consultation, including any actions agreed resulting from the consultation. Public disclosure of the relevant safeguards documentation will be a pre-requisite for bidding of works contracts. The contract documents for each contract package will include the relevant environmental mitigation provisions stipulated in the EMPs for the given sub-projects in order to ensure contractor compliance with the safeguards requirements.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	30-Mar-2015
Date of submission to InfoShop	17-Apr-2015
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	00000000

"In country" Disclosure	
Sri Lanka	22-Apr-2015
<i>Comments:</i> The Environment Assessment and Management Framework for the project has been disclosed on this date. The sub-project specific environmental screening and environmental management plans for the 3 year 1 sub-projects are planned to be disclosed to public by April 30, 2015.	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	30-Mar-2015
Date of submission to InfoShop	22-Apr-2015
"In country" Disclosure	
Sri Lanka	22-Apr-2015
<i>Comments:</i> The Social Management Framework for the project has been disclosed on this date. The sub-project specific social screening for the 3 year 1 sub-projects are planned to be disclosed to public by April 30, 2015.	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.04 - Natural Habitats	
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's InfoShop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader(s):	Name: Shideh Hadian	
Approved By		
Safeguards Advisor:	Name: Maged Mahmoud Hamed (SA)	Date: 16-Jun-2015
Practice Manager/ Manager:	Name: Parameswaran Iyer (PMGR)	Date: 16-Jun-2015