



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 10/17/2023 | Report No: ESRSA03070



I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P180634	Program-for-Results Financing (PforR)	Sikkim INSPIRES Program	2024
Operation Name	Sikkim: Integrated Service Provision and Innovation for Reviving Economies Program		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
India	India	SOUTH ASIA	Social Sustainability and Inclusion
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
India	Planning and Development Department, Government of Sikkim	02-Oct-2023	29-Mar-2024
Estimated Decision Review Date	Total Project Cost		
03-Oct-2023	226,400,000.00		

Proposed Development Objective

The PDO is to promote economic inclusion opportunities for women and youth in non-farm sectors.

B. Is the operation being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project Activities

[Description imported from the PAD Data Sheet in the Portal providing information about the key aspects and components/sub-components of the project]

The Sikkim INSPIRES Program will support three RAs that will contribute towards the achievement of economic inclusion opportunities for women and youth in non-farm sectors. These are (i) Strengthened institutional systems for planning for economic inclusion (ii) Improved labor market inclusion for women and youth in emerging sectors (iii) Enhanced delivery of enabling services for economic inclusion of women and youth



D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

[Description of key features relevant to the operation’s environmental and social risks and opportunities (e.g., whether the project is nationwide or regional in scope, urban/rural, in an FCV context, presence of Indigenous Peoples or other minorities, involves associated facilities, high-biodiversity settings, etc.) – Max. character limit 10,000]

The project will be implemented in the state of Sikkim which is about 7096 Km² in area and has a mountainous terrain with an elevation ranging from 280 – 8500 meters. The state is home to a population of 610,577, of which about 25% lives in urban areas while the balance lives in the rural countryside. Sikkim is a multi-ethnic and multi-lingual Indian state and is situated in an ecological hotspot of the lower Himalayas and is considered among India’s most environmentally conscious states. Sikkim has a total of six districts, of which two are newly formed as a result of a reorganization of districts enacted in 2021.

As of 2019, the state had 185 Gram Panchayats (GPs), of which two were recognized as traditional institutions of self-governance (known as Dzumsas) in north Sikkim. The state had 4.63% of Scheduled Castes (SCs) and 33.8% Scheduled Tribes (STs) of the total population, as per the latest Census (Census 2011). The major SCs in Sikkim are Damai (Nepali), Kami (Nepali), Lohar (Nepali), Majhi (Nepali), and Sarki (Nepali). The state has 4 major STs, namely Bhutia (including Chumbipa, Dophapa, Dukpa, Kagatey, Sherpa, Tibetan, Tromopa, and Yolmo), Lepcha, Limboo (or Limbu) and Tamang.

The IPF-TA component has been included within the Program to provide the much-needed flexibility to facilitate quality-based procurement of critical technical consultancy services to support the interventions at the department and district levels, such as hiring of Technical Support Agencies (TSAs) for the core departments (Department of Planning and Development, Department of Skills Development, Department of Tourism, Department of Rural Development, Department of Industries of Commerce, and Department of IT). It will be used for the limited purpose of hiring technical experts and organizations that can provide technical assistance, capacity building, and implementation support to the core departments for the design and implementation of the Program-for-Results (PforR).

D.2 Overview of Borrower’s Institutional Capacity for Managing Environmental and Social Risks and Impacts

[Description of Borrower’s capacity (i.e., prior performance under the Safeguard Policies or ESF, experience applying E&S policies of IFIs, Environmental and social unit/staff already in place) and willingness to manage risks and impacts and of provisions planned or required to have capabilities in place, along with the needs for enhanced support to the Borrower – Max. character limit 10,000]

Planning and Development Department (PDD), which is the nodal department for sustainable development and structural reforms in the state of Sikkim and plays a pivotal role in identifying priority development programs/schemes and planning resources to implement them, will act as the nodal agency for implementing the IPF-TA component by procuring critical consultancies to facilitate the design and implementation of the PforR.

An Environment and Social Systems Assessment (ESSA) has been undertaken as part of the PforR preparation to understand the institutional capacity of the PDD and other core departments to manage environmental and social (E&S) risks of the program. The ESSA informs that borrower system is comprehensive and contributes to environmental and social sustainability and the Departments have reasonable capacity for implementation of national/state level systems and processes for E&S risk management. It indicates that although the PDD has no prior experience with the Environmental and Social Framework (ESF), it has previous experience of E&S management through externally-assisted projects funded by Japan International Cooperation Agency (JICA) and Asian Development Bank (ADB).



None of the activities that the IPF-TA will support will require national or state level E&S risk assessment and clearance as they are analytical in nature. As the nodal agency for development planning, co-ordination and facilitation, and given the low E&S risks for the IPF-TA component of the project (the main PforR, in which this IPF-TA is embedded, carries a moderate risk), it is considered that the PDD is well placed to carry out activities under the IPF-TA in compliance with the ESF requirements.

The ESSA has made several recommendations, including the Program Action Plan (which has been agreed to with the PDD), to strengthen the existing system where gaps have been observed to strengthen sustainability of activities implemented under the PforR. The PMU of INSPIRES will have the necessary E&S staff to support in this task.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Low

A.1 Environmental Risk Rating

Low

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000]

Activities under the proposed IPF-TA component will have none to minimal adverse environmental impacts and will be restricted to hiring of technical consultancy/advisory services to support the design and implementation of the PforR and build capacity of the core departments. These contractual services will be entirely technical & capacity building in nature. Given the scope and envisaged activities of the TA, the environmental risks and impacts are assessed to be low.

A.2 Social Risk Rating

Low

[Summary of key factors contributing to risk rating, in accordance with the ES Directive and the Technical Note on Screening and Risk Classification under the ESF – Max. character limit 4,000]

The activities under the proposed IPF-TA component will be restricted to consultancy/advisory services and capacity building of the core departments and therefore are not expected to have any adverse social impacts. Additionally, risks related to labor are expected to be minimal as direct workers and contracted workers, through third-party consulting/advisory service providers, are likely to have well-defined employment terms and/or formal contracts in compliance with national labor laws.

[Summary of key factors contributing to risk rating. This attribute is only for the internal version of the download document and not a part of the disclosable version – Max. character limit 8,000]

B. Environment and Social Standards (ESS) that Apply to the Activities Being Considered

B.1 Relevance of Environmental and Social Standards

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts

Relevant

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[Explanation - Max. character limit 10,000]

This standard is relevant to manage any inherent environmental and social risks associated with the technical advisory services that the project will support and to support technical capacity of the PDD to mitigate and manage any such risks. The technical advisories proposed under this IPF-TA will be screened for any E&S risks and requirements to avoid, minimize, and mitigate these risks will be incorporated in the Terms of references (ToRs) of the activity, where relevant. The PDD has prepared an Environment and Social Commitment Plan (ESCP), integrating the labour management procedures and stakeholder engagement plan, to ensure that the various technical outputs under the IPF component are in line with ESF requirements. There will be no support provided for construction or any form of infrastructure development through this TA.

ESS10 - Stakeholder Engagement and Information Disclosure

Relevant

[Explanation - Max. character limit 10,000]

This standard is relevant. The key stakeholders associated with the IPF-TA include officials of core departments, their key units/agencies at the state and district level; and contracted workers through the TSAs involved with assessments, capacity-building, and training. Other interested parties will include the coordinating departments and spending agencies, which are a part of the PforR Program. The SEP lays out measures to share information and consult with key stakeholders and incorporates recommendations on stakeholder engagement, including consultations, with them throughout the project cycle. While there is an existing statutory grievance redressal mechanism (GRM), it will be strengthened to ensure feedback, complaints, including SEA/SH complaints, consultation, and effective communication with stakeholders during the preparation and implementation phase. The SEP, as a part of the ESCP, will be disclosed prior to the appraisal, consistent with the requirements of ESS 10, and will be updated, as necessary.

ESS2 - Labor and Working Conditions

Relevant

[Explanation - Max. character limit 10,000]

This standard is relevant. The IPF component of the project is expected to involve direct and contracted workers employed by the core departments and the TSAs for technical support and capacity building. Occupational Health and Safety (OHS) provisions, including guidelines of the Prevention of Sexual Harassment (POSH) Act, will apply to these workers. The LMP, which has been integrated into the ESCP, for the project includes provisions for strengthening grievance redressal mechanisms of the TSAs and measures to prevent and respond to GBV, SEA and SH cases in a sensitive manner are integrated in the relevant ToRs.

ESS3 - Resource Efficiency and Pollution Prevention and Management

Not Currently Relevant

[Explanation - Max. character limit 10,000]

This ESS is not relevant for this IPF-TA as the TA will not include any activities that would need consideration of resource efficiency or pollution prevention/management.

ESS4 - Community Health and Safety

Not Currently Relevant

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[Explanation - Max. character limit 10,000]

This ESS is not relevant.

ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Not Currently Relevant

[Explanation - Max. character limit 10,000]

This ESS is not relevant.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

Not Currently Relevant

[Explanation - Max. character limit 10,000]

This ESS is not relevant.

ESS7 - Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Not Currently Relevant

[Explanation - Max. character limit 10,000]

This ESS is not relevant.

ESS8 - Cultural Heritage

Not Currently Relevant

[Explanation - Max. character limit 10,000]

This ESS is not relevant.

ESS9 - Financial Intermediaries

Not Currently Relevant

[Explanation - Max. character limit 10,000]

This ESS is not relevant.

B.2 Legal Operational Policies that Apply

OP 7.50 Operations on International Waterways

No

OP 7.60 Operations in Disputed Areas

No

B.3 Other Salient Features

Use of Borrower Framework

No

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[Explanation including areas where “Use of Borrower Framework” is being considered - Max. character limit 10,000]

Use of Borrower Framework is not being considered. Project will use the WB’s Environment and Social Framework.

Use of Common Approach

No

[Explanation including list of possible financing partners – Max. character limit 4,000]

Not applicable.

B.4 Summary of Assessment of Environmental and Social Risks and Impacts

[Description provided will not be disclosed but will flow as a one time flow to the Appraisal Stage PID and PAD – Max. character limit 10,000]

The E&S risks for the activities under the proposed IPF-TA component are low. It is expected to have minimal adverse environment & social impacts and will be restricted to consultancy/advisory services and capacity building of the core departments. Additionally, risks related to labor are expected to be minimal as direct workers and contracted workers, through third-party consulting/advisory service providers, will have well-defined employment terms and/or formal contracts in compliance with national labor laws. There are no risks to community health and safety, resource efficiency or risks of pollution under this IPF as it is entirely technical in nature to support the preparation of the PforR. To address SEA/SH/GBV related risks for the workers, adequate measures will be included in the ToRs/bid/contract documents and will be ensured through a functional and sensitive GRM for handling such complaints and sensitization of concerned stakeholders. The SEP lays out measures to share information and consult with key stakeholders and incorporates recommendations on stakeholder engagement, including consultations, with them throughout the project cycle.

C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by implementation?

[Description of expectations in terms of documents to be prepared to assess and manage the project’s environmental and social risks and by when (i.e., prior to Effectiveness, or during implementation), highlighted features of ESA documents, other project documents where environmental and social measures are to be included, and the related due diligence process planned to be carried out by the World Bank, including sources of information for the due diligence - Max. character limit 10,000]

The Environment and Social Commitment Plan (ESCP), including LMP and SEP, will be completed by Project Appraisal.

III. CONTACT POINT

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IV. FOR MORE INFORMATION CONTACT

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