

# INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

**Report No.: ISDSC8523**

**Date ISDS Prepared/Updated:** 11-Dec-2015

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## I. BASIC INFORMATION

### A. Basic Project Data

<b>Country:</b>	India	<b>Project ID:</b>	P150288
<b>Project Name:</b>	IN: Strengthening Governance and Service Delivery in Karnataka Panchayats (P150288)		
<b>Task Team Leader(s):</b>	Farah Zahir		
<b>Estimated Appraisal Date:</b>	05-Jan-2016	<b>Estimated Board Date:</b>	10-Mar-2016
<b>Managing Unit:</b>	GGO18	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Sub-national government administration (100%)		
<b>Theme(s):</b>	Decentralization (100%)		
<b>Financing (In USD Million)</b>			
Total Project Cost:	318.40	Total Bank Financing:	223.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			95.40
International Bank for Reconstruction and Development			223.00
Total			318.40
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

### B. Project Objectives

The development objective of the project is to improve the effectiveness, responsiveness and accountability of the rural local governments, in particular, Gram Panchayats in delivering public services prioritized by rural people. During project preparation a more operational PDO will be developed that is amenable to measurement. It is important to note that this development objective is institutional in nature as it focuses on the strengthening of local self-government to deliver relevant

services better. This is an important change of emphasis from Phase I where the PDO was focused on "improving the effectiveness of service delivery by Karnataka's Gram panchayats..."

### C. Project Description

Applying lessons of experience from the first KPSP, the Bank team intends to propose several modifications to the approach taken in Phase I. It is proposed that the project activities could be organized under the following three components: (i) Local Government Block Grants ("window 1": compliance-based; and "window 2": performance-based); (ii) Institutional Development (state-wide); and (iii) project management support. A brief description of the components is as follows (see details in Annex 3).

#### Component A - Local Government Block Grants (US\$ 200 million )

Grants will finance activities and services listed in GP plans and budgets based on participatory processes and sector-wide activity mapping. The grants for "more" and "most" backward" taluks would follow a 80:20 ratio for a basic and performance grant. The parameters for the performance grant would be discussed with GoK during preparation. For the basic grants there is an eligibility criteria which emphasizes operationalization of FM and procurement systems acceptable to the Bank, implementation of planning guidelines, regular Gram Sabha meetings with open participation and public disclosure of FM and procurement information. The formula for the block grants gives weight to poverty (SC/ST population), area (proxy for cost of service provision), illiteracy rate etc.

#### Component B - Institutional Development (US\$ 16 million)

B.1- Strengthening of Information Systems (US\$ 2 million): This component will increase the ability of rural people to voice their demand to local governments and elicit responses from them, in particular for the poorest and excluded people such as women, scheduled castes and scheduled tribes. This will include: (a) capacity building for organizations of the poor (SHGs, community-based organizations, NGOs) to empower greater participation in the Panchayat planning and decision-making process, and improve access to government services and programs; (b) re-activation of GP Standing Committees on Production, Social Justice and Amenities; (c) improved GP linkages with village-level committees such as School Development & Monitoring Committee (SDMC), Village Health Nutrition & Sanitation Committee (VHNSC), Village Water & Sanitation Committee (VWSC), and Joint Forest Managements (JFMs). In addition to this, the component would link Panchatantra software to SAKALA and thus to Citizen-Government Interface Platform under 'The Karnataka Guarantee of Services to Citizens Bill (2011)' and provide training in use of PLANPLUS to support spatial planning. However, in the proposed project there will be a stronger focus on empowering women and other disadvantage groups in the decision-making process by introducing a performance allocation from the 3rd year based on earlier achievements in empowering these groups. In addition, capacity building efforts will be targeted to a reduced number of prioritized civil society actors.

B.2 - Building Capacity of Panchayats (US\$ 14 million): Strengthen the capacity of all three levels of Panchayats to manage the budget, augment own-source revenue, and upgrade/promote competent staff for efficient monitoring of service delivery. Specifically it will include:

- Strengthen Taluk Resource Centers (TRCs) to provide training programs locally, mentor GP planning, and provide comprehensive monitoring of local development programs.
- Support development and operation of "clusters" (a small set of GPs) to provide an effective link between the GP and the Taluk .

- Support computerized financial management and generation of development indicators through Panchatantra.
- Capacity building and support (specifically for Panchayati Raj Engineering Dept.) to mainstream environmental management into GP-level planning & design (following development of general design guidelines for GP assets (e.g., roads, drains, etc).

#### Component C – Project Management Support (US\$ 4 million)

This activity would put in place systems at the state level to enable it to oversee, facilitate and manage the Panchayat system in general and this project in particular. The activity will include:

- Upgrade PMU capacity in line with extended project coverage.
- Incorporate DAC into the Rural Development and Panchayati Raj Department, GoK.
- ANSSIRD to compete in open tendering to provide training funded under the project.
- Develop a monitoring mechanism for effective management of the Project.

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

The project will be across the state of Karnataka and will cover a total number of 2,585 Gram Panchayats, including the “more backward” taluks (with 1,244 GPs) and the “most backward.”

#### **E. Borrowers Institutional Capacity for Safeguard Policies**

The Gram Swaraj Phase II will be implemented by the Rural Development and Panchayat Raj Department (RD&PRD) of the Government of Karnataka. The RD&PRD has had experience in implementation of environmental and social safeguards for the Gram Swaraj Phase I, to ensure that the activities financed under block grants would conform with OP 4.01. The environmental safeguards consisted of a system for screening for potential negative impacts, procedures for mitigation, plan for training, monitoring and institutional arrangements. The Mid-Term Review (MTR) of the Phase I project, held in 2010, rated performance on the environmental safeguards as ‘moderately unsatisfactory’. Recommendations on strengthening the institutional arrangements, capacity building and monitoring were made along with institutionalizing screening procedures and tools. Following action on these recommendations, in 2011, the environmental safeguards rating was revised to ‘moderately satisfactory’ and has been maintained as such so far. The Phase II project provides opportunity for further strengthening the capacity of the RD&PRD in environmental management in order to support the Gram Panchayats in undertaking environmentally sustainable and safe works.

#### Safeguard Policies that Might Apply

The project provides opportunity for strengthening the capacity of the Rural Development & Panchayat Raj Department in environmental management in order to support the Gram Panchayats in undertaking environmentally sustainable and safe works. An Environmental and Social Management Framework (ESMF), that builds on the lessons from Phase I, and comprises the following elements will be developed before Appraisal: (a) a simple safeguards system for GP works that will promote good design as well as ensure compliance with legal and regulatory requirements – this will comprise of good practice guidelines and a set of ‘dos and don’ts’ that the GPs will implement as an integral part of the activities in their perspective plans and annual action plans, (b) capacity building of the PRI staff and constituents focusing on selection of relevant works, implementation of the good practice guidelines and ‘dos and don’ts’, technically sound designs, continued maintenance of assets, and monitoring of outcomes on public health and environmental quality (c) focused technical support

to GPs located in environmental ‘hot spots’ (areas with high biodiversity value, drought-prone areas, areas with over-exploited groundwater, etc.), and (d) integration of environmental aspects into performance indicators for GPs for block grants. The ESMF will be consulted with key stakeholders and disclosed before finalization.

OP/BP 4.10 safeguards policies on Indigenous Peoples will be triggered. The project will be active in areas that cover tribal groups and hence this policy is triggered. The Karnataka Panchayat system and the project both include various pro-tribal measures. Therefore, a separate Tribal Development Plan would not be developed. However, small plots of private land may be required for certain small infrastructure sub-projects to be taken up with grant funds such as check dams, culverts, bore wells, pump houses and drains. These lands will be acquired through voluntary donations or purchase, provided they are legally available, litigation free, and under the legal guidelines of the State of Karnataka. Similar approaches are already in place for the State’s rural water and sanitation services project and these would be adopted for the proposed project. The policy on involuntary resettlement is currently being triggered and shall be confirmed again at appraisal stage based on the review of the application of voluntary donation/ purchase approach during Phase I. During project preparation, a Social Management Framework (SMF) shall be prepared drawing on lessons from Phase I.

#### **F. Environmental and Social Safeguards Specialists on the Team**

Ruma Tavorath (GENDR)

Sangeeta Kumari (GSURR)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	Yes	The project scope covers a range of activities which will be funded by provision of small grants. These activities include construction of toilets, drains, village roads, etc. Drinking water sources need to be tested and safety measures need to be instituted during constructions. These works, due to their nature, limited number, and micro-scale, do not have the potential to cause significant negative environmental impacts. If well designed, executed and managed, these works can have positive impacts on the local environment including on human health (through improved sanitation, improved access to clean water, etc.).
Natural Habitats OP/BP 4.04	No	The small sub-projects will be implemented within the villages and are not expected to have any impacts on natural habitats
Forests OP/BP 4.36	No	The small sub-projects will be implemented within the villages and are not expected to have any impacts on forests
Pest Management OP 4.09	No	No pesticides will be utilized or procured under the project
Physical Cultural Resources OP/BP 4.11	No	The small sub-projects will be implemented within

		the villages and are not expected to have any impacts on cultural property
Indigenous Peoples OP/BP 4.10	Yes	The project will be active in areas that contain tribal groups and hence this policy is triggered. Both the Karnataka Panchayat system and the project include various pro-tribal measures. A quick assessment based on the review of relevant literature and guidelines supplemented by community consultations will be carried out to identify the need of additional measures to ensure access of project benefits to SC and ST in culturally appropriate way. A separate TDP shall be prepared if needed or a SMF shall be prepared to mainstream the process needed to meet the policy requirement into the project design.
Involuntary Resettlement OP/ BP 4.12	Yes	Small plots of private land may be required for certain small infrastructure sub-projects to be taken up with grant funds such as check dams, culverts, bore wells, pump houses and drains. These lands is proposed to be utilised through voluntary donations or purchase, provided they are legally available, litigation free and under the legal guidelines of the State of Karnataka. The policy on involuntary resettlement is currently being triggered and shall be confirmed again at appraisal stage. If the policy is not triggered at the later stage the provision of avoiding involuntary resettlement and preconditions for voluntary taking of land shall be made in the EMF
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/ BP 7.60	No	

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS: 18-Jul-2014**

**B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

An Environmental Management Framework, that builds on the lessons from Phase I, and comprises the following elements will be developed before Appraisal: (a) a simple safeguards system for GP works that will promote good design as well as ensure compliance with legal and regulatory requirements, (b) capacity building of the PRI staff and constituents focusing on selection of relevant works, technically sound designs, continued maintenance of assets, and monitoring of outcomes on public health and environmental quality (c) focused technical support to GPs located in environmental ‘hotspots’ (areas with high biodiversity value, drought-prone areas, areas with over-exploited groundwater, etc.), and (d) integration of environmental aspects into performance indicators for GPs for block grants.

Government of Karnataka has already taken several pro tribal measures in their Panchayat System. Based on a quick social assessment and community consultations, a Social Management Framework (SMF) shall be prepared to inform the project design and mainstream Bank’s Policy requirement on Indigenous people or a separate Tribal Development Plan shall be prepared. The policy on involuntary resettlement currently being triggered shall be confirmed again at appraisal stage. In case the policy on Involuntary resettlement is not triggered, the preconditions for voluntary taking of land for building small infrastructure with block grants shall be laid out in the ESMF.

The ESMF and other safeguard instruments as the case may be will be consulted with key stakeholders and disclosed before finalization before Appraisal and Negotiations.

#### IV. APPROVALS

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<b><i>Approved By:</i></b>		
Safeguards Advisor:	Name: Zia Al Jalaly (SA)	Date: 11-Dec-2015
Practice Manager/ Manager:	Name: Alexandre Arrobbio (PMGR)	Date: 11-Dec-2015