

INTEGRATED SAFEGUARDS DATA SHEET

APPRAISAL STAGE

Report No.: ISDSA15710

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I. BASIC INFORMATION

1. Basic Project Data

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

2. Project Development Objective(s)

The project development objective is to enhance the ability of Gram Panchayats to manage resources and deliver services prioritized in their development plans in the least developed areas of Karnataka.

3. Project Description

The proposed Strengthening Governance and Service Delivery in Karnataka Project would be

implemented from 2016-22 through an IBRD loan of US\$ 223 million with three components largely consistent with the objective of deepening the decentralization process in Karnataka. The components include: (a) Block grants to GPs through a mechanism that provides incentives for service delivery, local participation and accountability; (b) Institutional development to strengthen GP capacity to manage resources and deliver services and of civil society to articulate local priorities and provide oversight; and (c) Project management support.

Component A- Block Grants to Gram Panchayats (US\$ 210.5 million)

This component will provide funding for block grants to 2815 GPs which will strengthen their capacity to manage resource, deliver services and enhance their accountability towards the community. It will finance block grants to GPs and fund activities and services listed in GP's Five Year Perspective Plans and budgets prepared on the basis of participatory processes. The utilization of the block grant will rest on an institutional framework. It will be defined on the basis of "minimum mandatory conditions" to be met by the project GPs and would be revised or updated every two years based on the recent developments and progress made. Furthermore, in order to reward well performing GPs, the block grants will be allocated on the basis of a formula driven basic and incentive grant.

Component B - Institutional Development (US\$ 10.1 million)

This component covers the range of holistic institutional development activities and investments required to ensure the progress towards the PDO. The block grants would be accompanied by a suite of targeted capacity building and technical assistance activities that will strengthen the capacities of the PRI, strengthen monitoring systems and increase awareness among rural people. This component will support the following activities:

B.1- Capacity Building of Panchayat Raj Institutions

Strengthen the capacity of PRIs to function effectively as local self-government and develop a capacity building model to support GPs. It will focus on enabling PRIs to administer participatory planning and budgeting, manage public resources, improve own-source revenue mobilization, revive and build capacities of the defunct standing committees, revisit the roles and responsibilities of the PRI functionaries and upgrade/promote competent staff for efficient monitoring of Project indicators and outcomes.

B.2- Community Engagement and Feedback

Strengthen participatory processes during the planning, implementation, and maintenance stages of block grant activities.

B.3- Information Systems for Evidence Based Decision Making and Enhanced Accountability

Strengthen information systems at the GP level to ensure that updated information on service delivery and resource management are available for decision-making and enhancing accountability.

Component C – Project Management Support (US\$ 2.2 million)

This activity would put in place systems at the state level to enable it to oversee, facilitate and manage the PRI system and the project GPs. It includes: Strengthening the Project Monitoring Unit (PMU); Strengthening the Decentralization Analysis Cell (DAC); and Strengthening Abdul Nazeer Sab State Institute for Rural Development (ANSSIRD).

4. 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 2,815 Gram Panchayats, including the “more backward” and the “most backward” taluks. Karnataka is home to a number of communities that belong to scheduled tribes. They are spread over five regions of the state, but are generally concentrated in the coastal and eastern parts, and the region of Malnad. Scheduled tribes remain one of the most backward sections of the state, with low levels of literacy and employment. Most scheduled tribe communities are located in remote areas and have their own unique livelihood patterns, language, culture, dietary habits, and occupations. Participation of scheduled tribes in PRIs also remains poor. Within scheduled tribes, the condition of women is far worse, with majority of them remaining illiterate and without access to economic opportunities, due to lack of skills for productive activities.

The physical characteristics of the project area relevant to the safeguard analysis are as follows:

- The majority of the project area is drought affected (70 of 79 taluks were affected by drought in 2011).
- Parts of the project area experience groundwater stress – the groundwater status in 22 taluks has been classified as ‘overexploited’.
- 13 of the project taluks have protected areas including national parks, wildlife sanctuaries and tiger reserves.
- 7 villages in 2 of the project taluks are located in the ecologically sensitive areas of the Western Ghats.

5. Environmental and Social Safeguards Specialists

Ruma Tavorath (GENDR)

Sangeeta Kumari (GSURR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
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, and village roads. These works, due to their nature, are limited in number and micro-scale, and 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 and improved access to clean water). However, the impacts, though small, will need to be appropriately mitigated to ensure that there is no environmental impact or damage, especially in the ecological hotspots (Ecologically Sensitive Areas in Western Ghats, Over Exploited Zones of Groundwater, areas with water contamination, drought prone areas and coastal areas).
Natural Habitats OP/BP 4.04	Yes	13 of the project taluks have protected areas including national parks, wildlife sanctuaries and tiger reserves. As the project will cover all GPs in the selected taluks, it is

		likely that some of the GPs will be in proximity of these protected areas. While the small sub-projects will be implemented within the villages and are not expected to have any adverse impacts on natural habitats, it is important to build capacities of the GP functionaries and constituency to ensure that the works supported by the block grants are environmentally benign and sustainable.
Forests OP/BP 4.36	Yes	7 villages in 2 of the project taluks are located in the ecologically sensitive areas of the Western Ghats. These would be part of the GPs supported by the project. While the small sub-projects will be implemented within the villages and are not expected to have any adverse impacts on the Western Ghat forests, it is important to build capacities of the GP functionaries and constituency to ensure that the works supported by the block grants are environmentally benign and sustainable.
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. However, considerable work still remains to be done on the ground to ensure that basic infrastructure and services are provided to all sections of the society. There remains challenges and barriers to change which are reflected in the lives of tribals and other historically disadvantaged sections of the society. A Draft Tribal and Disadvantaged Groups Inclusion Plan (TDGIP) has been prepared based on the social assessment and consultations in the select Gram Panchayats that informs the overall design of the project and its component.
Involuntary Resettlement OP/BP 4.12	No	As was the case in earlier project, there will be no involuntary resettlement. Small plots of private land may be required for certain small infrastructure sub-projects such as check dams, culverts, bore wells, pump houses and drains. These 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. As was seen in earlier Karnataka Panchayat Strengthening Project, similar approaches were already in place for the state's rural water and sanitation services project and these would continue to be adopted for the proposed Project. As was the case in KPSP, all voluntary

		land transactions will meet the following criteria: i) the land in question will be free of squatters, encroachers or other claims of encumbrances; ii) lands will be chosen (by the community) after ensuring site suitability both from an environmental and social perspective; iii) verification of the voluntary nature of land donations in each case; iv) land transfers will be completed—land title will be vested in the GP through registered sale deed or MOU; and v) provision will be made for redress of grievances. Land will be accepted from owners whose holding will be less than the minimum economical viable stipulated size (2.5 acres). Any land with disputed title and/or legal or illegal settlements will be excluded from the Project. These measures are reflected in the EMF and negative list of the Project.
Safety of Dams OP/BP 4.37	No	The Project is not expected to have any impact on dams.
Projects on International Waterways OP/BP 7.50	No	The Project will not be implemented in or around international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The Project will not be implemented in or around 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>The nature and scale of GP works indicate that there is no likelihood of large-scale, significant, irreversible adverse environment impacts. Rather, the works could contribute to positive impact on environment and human health if the infrastructure is well designed and managed in sustainable manner. However, some of the activities undertaken by GPs may have negative impact on local environment by virtue of the location of infrastructure in ecologically sensitive areas, extraction of construction materials from ecologically sensitive areas, improper disposal of wastes, improper use and maintenance of the infrastructural facilities. The nature and scale of works, despite their small size and localized influence and usage, could have negative impacts on local environment by virtue of the location of infrastructure in ecologically sensitive areas, extraction of natural resources for construction, disposal of wastes, issues in use and maintenance of infrastructural facilities. The common environmental issues are related to (i) construction of small village roads and drains; (ii) intra-village water supply facilities such as pipelines, cisterns with faucets and bore wells; and (iii) small buildings.</p> <p>As was the case in KPSP, there will be no involuntary resettlement. Small plots of private land may be required for certain small infrastructure sub-projects such as check dams, culverts, bore wells, pump houses and drains. These 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.</p> <p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities</p>

in the project area:
<p>The proposed Project is expected, over the long term, to have an overall positive development impact by enhancing the capacity of the Gram Panchayats to deliver services. Moreover, the process of capacity building will extend to building and maintaining social and environmental management awareness into project investments, which are expected to become further institutionalized for all such activities in the long term.</p> <p>The proposed Project promotes more inclusive development in Karnataka given its geographical focus and its support for mechanisms to address the needs of certain marginal groups in PRI governance. The project beneficiaries include schedules tribes in the project area. Some of the schedules tribes communities have their own unique livelihood patterns, language, culture, dietary habits, and occupations. The schedules tribes are generally more vulnerable and poorer than the general population who live below the poverty line in the same GP area. The social assessment carried out for the project conclude that more than social group of a person, the aspects such as awareness, literacy and capacities which are comparatively lower among schedules tribes particularly women are the main reasons for exclusion from the local development process.</p> <p>The Karnataka Panchayati Raj system and its various mechanisms have in-built provisions which act as positive drivers to address the issues of exclusion, accountability and participation. The planning guidelines, social audit mechanisms, Social Justice Committee and the reservation itself are such mechanisms. Despite the significant work in creating the legislative and regulatory environment, considerable effort remains on the ground to ensure that the basic infrastructure and services are provided to all sections of the society. There remains challenges and barriers to change which are reflected in the lives of tribals and other historically disadvantaged sections of the society. The current project is being designed to build the capacity of Gram Panchayats and to address these barriers and challenges through participatory planning, implementation and supervision.</p>
3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
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.
<p>The Government of OKarnataka has developed an Environmental Management Framework (EMF) which has a 3 pronged implementation plan: (i) Environment Review of the works in the Perspective Plans, Annual Action Plans and Monitoring & Evaluation Audit of implementation of environment guidelines; (ii) Capacity building of project staff and GP functionaries on environment management; and (iii) a special strategy and focused support to GPs in environment hotspots such as - Ecologically Sensitive Areas in Western Ghats, Over Exploited Zones of gGroundwater use, aAreas with water contamination, dDrought prone areas and cCoastal areas. The EMF includes simple 'Environment Review' system for GP works comprises of a set of 'Dos and Don't's' and 'Environmental Guidelines' that will ensure compliance with legal and regulatory requirements as well as promote good designenvironment guidelines which will help the GPs to identify environmental concerns in their panchayats and to propose for solutions as part of perspective plans or Annual Action Plans. The Environment Review will be conducted on the Perspective Plans and the Annual Action Plans to ensure environmental sustainability of the activities works identified in the plans.</p>

Borrower capacity is weak and the EMF details a capacity building plan which includes technical trainings on integrating environment aspects into designs for the engineers and environment engineers, training on environment management for the PRIs and awareness activities. An environment management cell will be established in ANSSIRD to address the capacity building needs and suitable technical agencies will be hired to provide the training to the engineers and the technical support to GPs in environmental hotspot areas.

The social assessment and consultations in the select Gram Panchayats has informed the overall design of the project and its component. A Draft Tribal and Disadvantaged Groups Inclusion Plan (TDGIP) has been prepared based on the social assessment and consultations specifically organized with the tribal communities and their representatives. The TDGIP provides the key issues, actions, M&E mechanism and institutional arrangements for ensuring inclusion of tribals and other disadvantaged groups. A social expert has been designated to ensure implementation of TDGIP in coordination with DAC, ANSSIRD, Tribal Research Institute and Panchayat level functionaries. Social mobilizers at the GP level will help ensure participation of all sections of society in plan preparation and monitoring at GP level.

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 will be implemented in 25 districts in 79 block covering 2815 GPs. The key stakeholders are the local government officials (elected representatives and government appointed officials), the villages within the GP and the Government of Karnataka (particularly the Rural Development and Social Welfare Departments). Consultations were conducted with representatives of 8 GPs for obtaining information on potential works, impacts, capacity building needs, etc.

To ascertain views and feedback from tribal communities consultations were organized in 5 most backward and 5 more backward GPs with high tribal presence. A Draft Tribal and Disadvantaged Groups Inclusion Plan has been prepared to inform the overall design of the project and its component. The Draft Tribal and Disadvantaged Groups Inclusion Plan (TDGIP) builds on the conclusions of the social assessment and the feedback received during the consultations held at the GP level and with representatives from relevant government departments and institutions. A summary of the TDGIP in English and Kannada shall also be disclosed along with the final report on the Government's website.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	00000000
Date of submission to InfoShop	00000000
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	00000000
"In country" Disclosure	
<i>Comments:</i>	
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	00000000
Date of submission to InfoShop	00000000

"In country" Disclosure	
<i>Comments:</i>	
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 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 4.10 - Indigenous Peoples			
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	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 type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
OP/BP 4.36 - Forests			
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
Does the project design include satisfactory measures to overcome these constraints?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	Yes [<input 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 type="checkbox"/>]	No [<input checked="" 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 type="checkbox"/>] No [<input checked="" 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 type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader(s):	Name: Farah Zahir	
<i>Approved By</i>		
Practice Manager/ Manager:	Name: Alexandre Arrobbio (PMGR)	Date: 11-Dec-2015