

Document of
The World Bank

FOR OFFICIAL USE ONLY

Report No: PAD1405

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF

US\$250 MILLION
SDR 181.3 MILLION, ESTIMATE

TO

INDIA

FOR A

JHELUM & TAWI FLOOD RECOVERY PROJECT

May 19, 2015

Social, Urban, Rural and Resilience (SURR) Global Practice
India Country Management Unit
South Asia Region

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

CURRENCY EQUIVALENTS
(Exchange Rate Effective March 31 2015)

Currency Unit = Indian Rupees (INR)
INR 62.58 = US\$1

FISCAL YEAR
April 1 – March 31

ABBREVIATIONS AND ACRONYMS

| | |
|----------|---|
| ADB | Asian Development Bank |
| CAA&A | Controller of Aid, Accounts and Audit |
| CAG | Controller Auditor General |
| CAS | Country Assistance Strategy |
| CPS | Country Partnership Strategy |
| DEA | Department of Economic Affairs |
| DGM | Deputy General Manager |
| DGS&D | Directorate General of Supplies and Disposal |
| DRM | Disaster Risk Management |
| DSS | Decision Support System |
| DRFI | Disaster Risk Financing and Insurance |
| EA | Environmental Assessment |
| EMF | Environment Management Framework |
| EMP | Environment Management Plan |
| ERA | Economic Reconstruction Agency |
| ESMF | Environment and Social Management Framework |
| EWS | Early Warning System |
| FM | Financial Management |
| GAP | Gender Action Plan |
| GER | Gender Enrollment Ratio |
| GESI | Gender Equality and Social Inclusion |
| GFDRR | Global Facility for Disaster Reduction and Recovery |
| GIS | Geographic Information System |
| GoI | Government of India |
| GRM | Grievance Redress Mechanism |
| GRS | Grievance Redress Service |
| I&CD | Industry and Commerce Department |
| IAs | Implementing Agencies |
| IBRD | International Bank for Reconstruction and Development |
| ICB | International Competitive Bidding |
| IDA | International Development Association |
| IFR | Interim Financial Report |
| IMD | Indian Meteorological Department |
| IP/TPDPs | Indigenous People/Tribal People Development Plans |

| | |
|-------|---|
| IPF | Indigenous Peoples Framework |
| IUFRs | Interim Unaudited Financial Reports |
| LA | Land Acquisition |
| M&E | Monitoring and Evaluation |
| MIS | Management Information System |
| NCB | National Competitive Bidding |
| NDMA | National Disaster Management Authority |
| NDRF | National Disaster Response Force |
| NGO | Non-Governmental Organization |
| PD | Project Director |
| PDO | Project Development Objective |
| PIE | Project Implementing Entity |
| PIU | Project Implementation Unit |
| PMU | Project Management Unit |
| PWD | Public Works Department |
| R&B | Roads and Buildings |
| RAP | Resettlement Action Plans |
| RDNA | Rapid Damage and Needs Assessment |
| RPF | Resettlement Policy Framework |
| RWD | Rural Works Department |
| SBDs | Standard Bidding Documents |
| SC | Steering Committee |
| SDMA | State Disaster Management Authority |
| SEC | State Executive Committee |
| SEPA | Procurement Monitoring and Execution Software |
| SMC | Srinagar Municipal Corporation |
| TOR | Terms of Reference |
| TPQC | Third Party Quality Consultant |
| UEED | Urban Environment Engineering Department |

| | |
|----------------------------------|--------------------------|
| Regional Vice President: | Annette Dixon |
| Country Director: | Onno Ruhl |
| Senior Global Practice Director: | Ede Jorge Ijjaz-Vasquez |
| Practice Manager: | Bernice K Van Bronkhorst |
| Task Team Leader: | Saurabh Dani |
| Co-Task Team Leader: | Deepak Singh |

INDIA
Jhelum & Tawi Flood Recovery Project

TABLE OF CONTENTS

| | Page |
|---|-------------|
| I. STRATEGIC CONTEXT | 1 |
| A. Country Context..... | 1 |
| B. Situations in Urgent Need of Assistance | 1 |
| C. Sectoral and Institutional Context..... | 2 |
| D. Higher Level Objectives to which the Project Contributes | 3 |
| II. PROJECT DEVELOPMENT OBJECTIVES | 3 |
| A. PDO..... | 3 |
| B. Project Beneficiaries | 3 |
| C. PDO Level Results Indicators..... | 3 |
| III. PROJECT DESCRIPTION | 4 |
| A. Project Components | 4 |
| B. Project Financing | 6 |
| C. Lessons Learned and Reflected in the Project Design..... | 7 |
| IV. IMPLEMENTATION | 8 |
| A. Institutional and Implementation Arrangements | 8 |
| B. Results Monitoring and Evaluation | 9 |
| C. Sustainability..... | 9 |
| V. KEY RISKS AND MITIGATION MEASURES | 9 |
| A. Risk Ratings Summary Table | 9 |
| B. Overall Risk Rating Explanation | 10 |
| VI. APPRAISAL SUMMARY | 10 |
| A. Economic and Financial Analyses | 10 |
| B. Technical..... | 10 |
| C. Financial Management..... | 11 |
| D. Procurement | 12 |
| E. Social (including Safeguards)..... | 13 |

| | |
|--|-----------|
| F. Environment (including Safeguards) | 15 |
| G. Other Safeguards Policies Triggered | 16 |
| H. World Bank Grievance Redress..... | 16 |
| Annex 1: Results Framework and Monitoring | 18 |
| Annex 2: Detailed Project Description..... | 24 |
| Annex 3: Implementation Arrangements | 30 |
| Annex 4: Implementation Support Plan..... | 49 |
| Annex 5: Gender Action Plan | 52 |

PAD DATA SHEET

India

Jhelum & Tawi Flood Recovery Project (P154990)

PROJECT APPRAISAL DOCUMENT

SOUTH ASIA

0000009081

Report No.: PAD1405

| Basic Information | | | |
|---|---|---|---|
| Project ID P154990 | EA Category B - Partial Assessment | Team Leader(s) Saurabh Suresh Dani Deepak Singh | |
| Lending Instrument Investment Project Financing | Fragile and/or Capacity Constraints [X] - Natural or man-made disaster | | |
| | Financial Intermediaries [] | | |
| | Series of Projects [] | | |
| Project Implementation Start Date 22-May-2015 | Project Implementation End Date 30-Jun-2020 | | |
| Expected Effectiveness Date 31-Jul-2015 | Expected Closing Date 30-Jun-2020 | | |
| Joint IFC No | | | |
| Practice Manager/Manager Bernice K. Van Bronkhorst | Senior Global Practice Director Ede Jorge Ijjasz-Vasquez | Country Director Onno Ruhl | Regional Vice President Annette Dixon |
| Borrower: Department of Economic Affairs | | | |
| Responsible Agency: Project Implementing Entity | | | |
| Contact: Telephone No.: 0191-2546715 | Mr. Bharat Bhushan Vyas | Title: Principal Secretary | Email: bharatbhushanvyasias@gmail.com |
| Safeguards Deferral (from Decision Review Decision Note) | | | |
| Will the review of Safeguards be deferred? [] Yes [X] No | | | |

| Project Financing Data(in USD Million) | | | | | | |
|---|---|--------------------------|--------------------------|--------------------------|------------------------------|--------|
| <input type="checkbox"/> | Loan | <input type="checkbox"/> | IDA Grant | <input type="checkbox"/> | Guarantee | |
| <input checked="" type="checkbox"/> | Credit | <input type="checkbox"/> | Grant | <input type="checkbox"/> | Other | |
| Total Project Cost: | | 250.00 | | | Total Bank Financing: 250.00 | |
| Financing Gap: | | 0.00 | | | | |
| Financing Source | | | | Amount | | |
| BORROWER/RECIPIENT | | | | 0.00 | | |
| International Development Association (IDA) | | | | 250.00 | | |
| Total | | | | 250.00 | | |
| Expected Disbursements (in USD Million) | | | | | | |
| Fiscal Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Annual | 0.00 | 15.00 | 25.00 | 60.00 | 80.00 | 70.00 |
| Cumulative | 0.00 | 15.00 | 40.00 | 100.00 | 180.00 | 250.00 |
| Institutional Data | | | | | | |
| Practice Area (Lead) | | | | | | |
| Social, Urban, Rural and Resilience Global Practice | | | | | | |
| Contributing Practice Areas | | | | | | |
| Agriculture, Education, Health, Nutrition & Population, Transport & ICT | | | | | | |
| Cross Cutting Topics | | | | | | |
| <input checked="" type="checkbox"/> | Climate Change | | | | | |
| <input type="checkbox"/> | Fragile, Conflict & Violence | | | | | |
| <input checked="" type="checkbox"/> | Gender | | | | | |
| <input type="checkbox"/> | Jobs | | | | | |
| <input type="checkbox"/> | Public Private Partnership | | | | | |
| Sectors / Climate Change | | | | | | |
| Sector (Maximum 5 and total % must equal 100) | | | | | | |
| Major Sector | Sector | % | Adaptation Co-benefits % | Mitigation Co-benefits % | | |
| Transportation | General transportation sector | 38 | 50 | | | |
| Water, sanitation and flood protection | General water, sanitation and flood protection sector | 28 | 50 | | | |
| Health and other social services | Health | 22 | 30 | | | |
| Education | General education sector | 12 | 30 | | | |
| Total | | 100 | | | | |

I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.

Themes

Theme (Maximum 5 and total % must equal 100)

| Major theme | Theme | % |
|---------------------------------------|-----------------------------|-----|
| Social protection and risk management | Natural disaster management | 100 |
| Total | | 100 |

Proposed Development Objective(s)

The project development objective is to support the recovery and increase disaster resilience in Project Areas, and increase the capacity of the Project Implementing Entity to respond promptly and effectively to an eligible crisis or emergency.

Components

| Component Name | Cost (USD Millions) |
|---|---------------------|
| Reconstruction and strengthening of critical infrastructure | 60.00 |
| Reconstruction of roads and bridges | 80.00 |
| Restoration of urban flood management infrastructure | 50.00 |
| Restoration and strengthening of livelihoods | 15.00 |
| Strengthening disaster risk management capacity | 25.00 |
| Contingent Emergency Response | 0.00 |
| Implementation Support | 20.00 |

Systematic Operations Risk- Rating Tool (SORT)

| Risk Category | Rating |
|---|-------------|
| 1. Political and Governance | Moderate |
| 2. Macroeconomic | Low |
| 3. Sector Strategies and Policies | Substantial |
| 4. Technical Design of Project or Program | Substantial |
| 5. Institutional Capacity for Implementation and Sustainability | Substantial |
| 6. Fiduciary | Substantial |
| 7. Environment and Social | Substantial |
| 8. Stakeholders | Moderate |
| 9. Other | |
| OVERALL | Substantial |

| Compliance | | | |
|---|------------------|-----------------|------------------|
| Policy | | | |
| Does the project depart from the CAS in content or in other significant respects? | Yes [] | No [X] | |
| Does the project require any waivers of Bank policies? | Yes [] | No [X] | |
| Have these been approved by Bank management? | Yes [] | No [] | |
| Is approval for any policy waiver sought from the Board? | Yes [] | No [X] | |
| Does the project meet the Regional criteria for readiness for implementation? | Yes [X] | No [] | |
| Safeguard Policies Triggered by the Project | Yes | No | |
| Environmental Assessment OP/BP 4.01 | X | | |
| Natural Habitats OP/BP 4.04 | X | | |
| Forests OP/BP 4.36 | X | | |
| Pest Management OP 4.09 | | X | |
| Physical Cultural Resources OP/BP 4.11 | X | | |
| Indigenous Peoples OP/BP 4.10 | X | | |
| Involuntary Resettlement OP/BP 4.12 | X | | |
| Safety of Dams OP/BP 4.37 | | X | |
| Projects on International Waterways OP/BP 7.50 | X | | |
| Legal Covenants | | | |
| Name: | Recurrent | Due Date | Frequency |
| Subsidiary Agreement | No | N/A | Project duration |
| Description of Covenant | | | |
| India and the PIE to enter into a Subsidiary Agreement setting forth the obligations and responsibilities of the PIE under the Project, including provision of funds facilities, services and other resources, necessary or appropriate to comply with the legal agreements and achieve the Project's development objectives. | | | |
| Name: | Recurrent | Due Date | Frequency |
| Ineligible Expenditures | Yes | N/A | Project duration |
| Description of Covenant | | | |
| The PIE to pay any land acquisition, and any compensation, resettlement and rehabilitation payments out of its own resources. | | | |
| Name: | Recurrent | Due Date | Frequency |
| Implementing Units -I | Yes | N/A | Project duration |
| Description of Covenant | | | |
| The PIE to vest the implementation responsibilities for: (a) Components 1, 2 and 7 with the RBD; (b) Components 3(a) and 7 with the SMC with the assistance of the UEED; (c) Components 4 and 7 with the | | | |

ICD; (d) Component 6 with the coordinating authority (to be identified); and (e) Components 3(a), 5 and 7 and procurement under Components 1 and 2 with the RRD.

| Name: | Recurrent | Due Date | Frequency |
|-------------------------|------------------|-----------------|------------------|
| Implementation Units-II | Yes | N/A | Project duration |

Description of Covenant
 The PIE to maintain (a) a PSC for policy guidance and general oversight, and (b) a PMU within the RRD for coordinating the day-to-day financial management and reporting under the Project, carrying out the activities under components 1, 2 and 3(b), monitoring and evaluating the PIUs implementation of other Components, and ensuring compliance with safeguard documents and the handling of Project grievances.

| Name: | Recurrent | Due Date | Frequency |
|---------------------------|------------------|-------------------------------------|------------------|
| Implementation Units -III | Yes | Within 3 months as of effectiveness | Project duration |

Description of Covenant
 The PIE to establish, at least 3 PIUs located within the RRD, SMC and ICD, respectively, with adequate resources, to carry out day to day Project activities including cost estimates, procurement and bids related documentation and reports, contracts, government clearances and permits, financial management under their respective Components, ensuring enforcement/compliance with safeguard documents, etc.

| Name: | Recurrent | Due Date | Frequency |
|--|------------------|-------------------------------------|------------------|
| Third Party Quality Consulting Firm(s) | Yes | Within 3 months as of effectiveness | Project duration |

Description of Covenant
 The PIE to select and hire the services of (a) third party quality consulting firm(s) to carry out quarterly quality monitoring and reporting to the PMU on contract performance and compliance with and/or implementation of the statutory/regulatory requirements, safeguards documents and Operations Manual.

| Name: | Recurrent | Due Date | Frequency |
|-------------------|------------------|-----------------|------------------|
| Operations Manual | Yes | N/A | Project duration |

Description of Covenant
 The PIE to prepare and adopt and Operations Manual as agreed with the Association, and thereafter, implement the Project in accordance with such manual.

| Name: | Recurrent | Due Date | Frequency |
|---------------------|------------------|-----------------|------------------|
| Safeguard Documents | Yes | N/A | Project duration |

Description of Covenant
 The PIE to carry out, and cause the SMC to carry out, the Project in accordance with the ESMF, and the ESIA(s), EMP(s), RAP(s) and/or Indigenous (tribal) Peoples Development Plan(s) (the Safeguard Documents).

| Name: | Recurrent | Due Date | Frequency |
|-----------------------------|------------------|-----------------|------------------|
| Negative List of Activities | Yes | N/A | Project duration |

| | | | |
|--|------------------|-----------------------------------|------------------|
| Description of Covenant | | | |
| The PIE shall refrain from carrying out any activities under the Project that may: (a) have a significant, irreversible and long term environmental and social impact; or (b) involve works in protected areas and/or in or around sensitive natural habitats; or (c) cause any degradation to forest land. | | | |
| Name: | Recurrent | Due Date | Frequency |
| Screening of Activities - Social & Environmental Documents | Yes | Prior to bidding for any contract | Project duration |
| Description of Covenant | | | |
| The PIE to (a) screen (through the PMU/PIUs) any proposed activities as per the ESMF and, whenever required, prepare the necessary EMP(s), RAP(s) and/or Indigenous (tribal) Peoples Development Plan(s); and (b) publicly disclose those safeguards documents, including an executive summary in local language(s) at the relevant project's sites. | | | |
| Name: | Recurrent | Due Date | Frequency |
| Government Permits- Compensation/Relocation Assistance | Yes | N/A | Project duration |
| Description of Covenant | | | |
| The PIE to ensure that prior to commencing any civil works: (a) all governmental permits and clearances have been obtained and pre-constructions conditions imposed have been met; and (b) all resettlement compensation and relocation assistance has been paid/provided. | | | |
| Name: | Recurrent | Due Date | Frequency |
| Contractors' Safeguard Obligations | Yes | N/A | Project duration |
| Description of Covenant | | | |
| The PIE to include compliance with the Safeguard Documents as part of the contractors' obligations pursuant to the bidding documents. | | | |
| Name: | Recurrent | Due Date | Frequency |
| Safeguard Reporting & Monitoring | Yes | N/A | Quarterly |
| Description of Covenant | | | |
| The PIE to: (i) maintain monitoring and evaluation protocols and record keeping procedures to supervise and assess compliance with Safeguard Documents; and (ii) to report on quarterly basis on compliance with Safeguard Documents. | | | |
| Name: | Recurrent | Due Date | Frequency |
| Complaints Mechanism | Yes | N/A | Project duration |
| Description of Covenant | | | |
| The PIE to strengthen, maintain and operate a district-level grievance redressal mechanism. | | | |
| Name: | Recurrent | Due Date | Frequency |
| CER Component | No | N/A | If triggered |
| Description of Covenant | | | |
| The PIE jointly with India to: (a) determine the occurrence of an eligible crisis or emergency; (b) prepare a component-specific operations manual; (c) identify, strengthen and maintain a coordination authority | | | |

capable of carrying out the activities and responsibilities set forth in the operations manual; and (d) prepare and disclosed any required safeguard document.

Conditions

| Source of Fund | Name | Type |
|----------------|-------------------|--------------|
| Credit | Operations Manual | Disbursement |

Description of Condition

To access the funds allocated to Category 1, the PIE has prepared and adopted and Operations Manual

| Source of Fund | Name | Type |
|----------------|---------------------------------|--------------|
| Credit | Emergency Contingency Component | Disbursement |

Description of Condition

To access the funds allocated from time to time to Category 2, India and the PIE must have determined/declared an eligible crisis or emergency, identified response activities and expenditures, prepared and disclosed any required safeguard documents, identified and/or staffed a coordination authority responsible for implementation, and prepared a component-specific operations manual.

| Source of Fund | Name | Type |
|----------------|----------------------|---------------|
| Credit | Subsidiary Agreement | Effectiveness |

Description of Condition

India has signed the Subsidiary Agreement with the Project Implementing Entity and all conditions precedent for the effectiveness have been met; including the submission of a legal opinion that the agreement is legally binding upon both parties.

Team Composition

Bank Staff

| Name | Role | Title | Unit |
|---------------------------|---------------------------------|--|-------|
| Saurabh Suresh Dani | Team Leader (ADM Responsible) | Senior Disaster Risk Management Specialist | GSURR |
| Deepak Singh | Team Member | Senior Disaster Risk Management Specialist | GSURR |
| Muthukumara Mani | Team Member | Lead Economist | SARCE |
| Heenaben Yatin Doshi | Procurement Specialist | Procurement Specialist | GGODR |
| Supriti Dua | Financial Management Specialist | Financial Management Specialist | GGODR |
| Hemang D. Karelia | Team Member | Operations Officer | GCCDR |
| Martin M. Serrano | Counsel | Senior Counsel | LEGES |
| Neha Pravash Kumar Mishra | Environmental Specialist | Senior Environmental Specialist | GENDR |
| Satya N. Mishra | Safeguards Specialist | Social Development Specialist | GSURR |
| Vidya Mahesh | Team Member | Program Assistant | SACIN |

| | | | | | |
|---|--------------------------------------|---|------------------|---------------|--------------------------|
| Sangeeta Kumari | Team Member | Senior Social Development Specialist | GSURR | | |
| James P. Newman | Team Member | E T Consultant | GCCDR | | |
| Vinayak Narayan Ghatate | Team Member | Senior Rural Development Specialist | GFADR | | |
| Ignacio M. Urrutia Duarte | Team Member | E T Consultant | GSURR | | |
| Michel Matera | Peer Reviewers | Senior Disaster Risk Management Specialist | GSURR | | |
| Somil Nagpal | Peer Reviewers | Senior Health Specialist | GHNDR | | |
| Dhushyanth Raju | Peer Reviewers | Senior Economist | SARCE | | |
| Extended Team | | | | | |
| Name | Title | Office Phone | Location | | |
| Alok Bhowmick | Consultant-Bridge Specialist | | New Delhi | | |
| BKD Raja | Consultant, Environmental Management | | Hyderabad | | |
| Malini Nambiar | Consultant, Disaster Risk Management | | New Delhi, India | | |
| Peeyush Sekhsaria | Consultant, Disaster Risk Management | | New Delhi, India | | |
| Sergio De Cosmo | Consultant- Disaster Risk Management | | Washington DC | | |
| Sujit Das | Consultant, Roads | | New Delhi | | |
| Sushenjit Bandyopadhyay | Consultant, Economist | | Washington DC | | |
| Locations | | | | | |
| Country | First Administrative Division | Location | Planned | Actual | Comments |
| India | | Anantnag, Baramula, Budgam, Bandipora, Ganderbal, Kupwara, Kulgam, Pulwama, Shopian, Srinagar, Jammu, Samba, Kathua, Reasi, Doda, Kishtwar, Ramban, Poonch, Rajauri, Udhampur | | X | Flood affected districts |
| Consultants (Will be disclosed in the Monthly Operational Summary) | | | | | |
| Consultants Required? | | Consultants will be required | | | |

I. STRATEGIC CONTEXT

A. Country Context

1. India is the second most populated countries in the world with over one billion people and is vulnerable to a wide range of natural hazards particularly cyclones, floods, earthquakes, drought and landslides. The Global Climate Change and Vulnerability Index 2011, ranked India second in ‘extreme risk’ countries in the world¹ vulnerable to natural and climate change hazards. The country’s high level of poverty, rapid urban infrastructure growth, high population density, and limited community awareness, further increases the vulnerability of its people to the impacts of natural hazards and climate change. New residents, urban poor living in peri-urban areas, and informal settlements concentrated in high risk zones are particularly vulnerable to natural hazards due to lack of adequate infrastructure, insufficient enforcement of building codes, a near absence of financial and insurance mechanisms that help transfer risk, and limited access to basic emergency services. It is estimated that around 200 million city dwellers in India will be exposed to storms and earthquakes by 2050 (World Bank and United Nations 2010)².

2. The flood affected region, consists of 22 districts. According to Census of India 2011, the region has a population of 12.5 million, registering a population density of 56 persons per sq.km and a sex ratio of 883 females per 1,000 men. The literacy level is 67.16 per cent with men having a literacy rate of 76.75 per cent, while female literacy is 49.12 per cent.

3. The region is basically agrarian. Agriculture occupies an important place in the economy of the region whereby nearly 70 per cent of the population derives their livelihood directly or indirectly from the sector. In addition, this is also a tourist and pilgrimage destination. Every year, more than 10 million tourists visit the region, a majority of who are pilgrims visiting the holy shrines of Vaishno Devi, Amarnath, Hazratbal shrine and the Buddhist monasteries of Ladakh which contribute significantly to the overall economy.

4. The region, owing to its geographical and geo-climatic setting, is a multi-hazard prone region that has experienced natural disasters like earthquakes, floods, landslides, avalanches, high velocity winds, and snowstorms. Most parts of the Srinagar Valley and northern districts fall in Seismic Zone V. The rest of the southern districts fall in the Seismic Zone IV. Floods and flash floods are also frequent. Floods generally occur in the summer when heavy rains are followed by snowmelt. Flooding of the river Jhelum is the main cause of floods. Floods also occur occasionally in Jammu and neighboring districts.

B. Situations in Urgent Need of Assistance

5. In September 2014, the northern region of India experienced torrential monsoon rains causing major flooding and landslides. The continuous spell of rains from September 2 - 6, 2014, caused Jhelum and Chenab Rivers as well as many other streams/tributaries to flow above the danger mark. The Jhelum River also breached its banks flooding many low-lying areas in

¹ Maplecroft’s Climate Change Risk Atlas, 2011. Available at <http://maplecroft.com/about/news/ccvi.html>.

² Natural Hazards and Unnatural Disasters: The Economics of Effective Prevention – Overview (2010) World Bank & United Nations, 2010. Available at <http://www.gfdrr.org/sites/gfdrr.org/files/nhud/files/NHUD-Overview.pdf>

Anantnag, Srinagar and adjoining districts. In many districts, the rainfall exceeded the normal by over 600 per cent. The Indian Meteorological Department (IMD) records precipitation above 244.4mm as extremely heavy rainfall, and the region received 558mm of rain in the June-September period, as against the normal 477.4 mm. For example, the district of Qazigund recorded over 550 mm of rainfall in 6 days as against a historic normal of 6.2 mm over the same period.

6. Due to the unprecedented heavy rainfall the catchment areas particularly the low lying areas were flooded for more than two weeks. Some areas in urban Srinagar stayed flooded for 28 days. Water levels were as high as 27 feet in many parts of Srinagar. The areas from the main tributaries of river Jhelum vis-à-vis Brengi nallah, Vishav nallah, Lider nallah and Sandran nallah started overflowing due to the heavy rainfall causing water levels in Jhelum river to rise. Subsequently, the discharge of the river Suran was 200 thousand cusecs as against an average of 50 thousand cusecs. With the excessive discharge of water, the river Suran affected the basin areas and also took a different course at various locations causing damages to the surrounding villages in the catchment area. Water levels also increased in the rivers of Chenab and Tawi, both of which were flowing above normal levels. Due to the rivers overflowing nearly 20 districts were impacted.

7. A Joint team led by the Department of Economic Affairs (DEA), GoI, with representation from the World Bank visited Srinagar on October 21, 2014. Subsequently, a request from GoI was received on January 5, 2015 by the WB to field a Rapid Damage and Needs Assessment (RDNA) Mission. In response, a mission of the World Bank visited the affected districts during February 1-6, 2015 in order to produce a rapid multi-sectoral assessment report of the damages and needs. The RDNA estimates the total damages and loss caused by floods at about INR211,975 million (equivalent US\$3,550.45), most of it to housing, livelihoods, and roads and bridges, which combined represented more than 70 percent of the damages in terms of value. Public service infrastructure and equipment of hospitals and education centers were also severely damaged and are still not fully operational.

C. Sectoral and Institutional Context

8. India's commitment to disaster preparedness and risk reduction at the national and state levels prompted the enactment of the Disaster Management Act in 2005, establishing the NDMA and State Disaster Management Authorities (SDMAs). NDMA has proactively formulated guidelines and procedures for dealing with specific natural disasters and is mandated with framing policies, plans and guidelines for Disaster Management.

9. As per the provisions of National Disaster Management Act, 2005, the affected region has constituted the State Disaster Management Authority (SDMA) and the State Executive Committee (SEC). However, in the present form, the SDMA is only a de-facto committee and is not an autonomous institution involved in the day-to-day work connected with policy, planning, implementation, coordination, and quality control of disaster risk management activities. A state disaster management policy was also developed in 2011 that aimed at mainstreaming disaster risk reduction into all the developmental initiatives to ensure sustainability of investments and minimizing the losses due to disasters.

10. The World Bank has significantly increased its support to India in advancing its Disaster Risk Management (DRM) capacity. The Bank is financing five projects under implementation: the National Cyclone Risk Mitigation Project I, Tamil Nadu and Puducherry Coastal Disaster Risk Reduction Project, Bihar Kosi Disaster recovery Project, Uttarakhand Disaster Recovery Project, and the Odisha Disaster Recovery Project. In addition to reconstruction and adaptation infrastructure, all of these projects finance activities to improve DRM capacity at the state and national levels, including analytical work, equipment, training, and in particular the establishment of systems for better risk management such as improved forecasting, early warning systems, community based DRM, multi-hazard risk assessments for planning, and decision support systems.

D. Higher Level Objectives to which the Project Contributes

11. The proposed Project is aligned to the Bank’s Country Partnership Strategy (Report #76176-IN, discussed by the Board of Executive Directors on April 11, 2013) to enhance disaster risk management systems. The Project is solidly anchored within the “Strategic Engagement Area 3: Inclusion” of the India CPS, which states that the World Bank’s investments in this area will: “(i) help build institutional capacity to prepare for and manage the impact of natural disasters, and (ii) help people protect themselves from natural disasters and recover quickly from them.”

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

12. The project development objective is to support the recovery and increase disaster resilience in Project Areas³, and increase the capacity of the Project Implementing Entity to respond promptly and effectively to an eligible crisis or emergency.

B. Project Beneficiaries

13. The primary beneficiaries would be the communities in the districts that were affected by loss of public service infrastructure that will be restored and improved under the project. By strengthening disaster risk management systems and institutions, the project will benefit the entire affected region.

C. PDO Level Results Indicators

14. The achievement of the PDO will be monitored by the following indicators:

- Number of people⁴ served by restored and improved public buildings.
- Number of people⁵ with access to restored and improved roads and bridges.

³ North-Eastern Districts of Anantnag, Baramula, Budgam, Bandipora, Ganderbal, Kupwara, Kulgam, Pulwama, Shopian, Srinagar, Jammu, Samba, Kathua, Reasi, Doda, Kishtwar, Ramban, Poonch, Rajauri, Udhampur, and/or any successor or subdivisions thereof.

⁴ Including the disabled, elderly, female-headed households, widowed, women and men from low-income families and other marginalized social, religious groups.

⁵ *Ibid.*

- Number of people⁶ benefiting from improved flood management.
- Number of people⁷ who received support to restoration of livelihoods.
- Seismic code guidelines for urban infrastructure updated with inputs from the urban vulnerability assessment and design standards study.

III. PROJECT DESCRIPTION

15. Based on the RDNA results, restoration works underway, restoration works underway, and discussions with the PIE, the project will focus on restoring critical infrastructure using international best practice on resilient infrastructure. Given the region's vulnerability to both floods and earthquakes, the infrastructure will be designed with upgraded resilient features, and will include contingency planning for future disaster events. Therefore, the project aims at both restoring essential services disrupted by the floods and improving the design standard and practices to increase resilience.

A. Project Components

16. The project is comprised of the following seven components: (i) Reconstruction and strengthening of critical infrastructure (US\$60 million); (ii) Reconstruction of roads and bridges (US\$80 million); (iii) Restoration of urban flood management infrastructure (US\$50 million); (iv) Restoration and strengthening of livelihoods (US\$15 million); (v) Strengthening disaster risk management capacity (US\$25 million); (vi) Contingent Emergency Response (US\$0 million); and (vii) Implementation Support (US\$20 million).

Component 1 – Reconstruction and strengthening of critical infrastructure, US\$60 million

17. The objective of this component is to support the reconstruction/restoration of damaged public buildings, such as hospitals, schools, higher and technical education buildings, fire stations, and selected block and district offices, and other important public buildings. It will include the restoration of partially damaged structures and the reconstruction of fully damaged structures, including equipment and furniture.

18. The component will finance infrastructure and equipment damaged by the disaster, and improvements to current structures to increase resilience. Assessments will be carried out to determine the extent of structural integrity and retrofitting/reconstruction needs. For hospitals, the reconstruction will be focused on replacement of damaged specialized medical equipment, setting up specialized equipment on higher levels which will entail strengthening the structural integrity of buildings in order to be able to sustain the heavy load. For some hospitals, special diagnostics and pathology sections/extensions will be built since existing structures will be unable to sustain the load of heavy equipment on higher levels. Some older hospitals will also require retrofitting in order to ensure seismic resistance. The component will also finance the repair and reconstruction of damaged higher education and technical buildings, fire station, and other public buildings, including the procurement of equipment/furniture, etc.

⁶ *Ibid.*

⁷ *Ibid.*

Component 2 – Reconstruction of roads and bridges, US\$80 million

19. The objective of this component is to restore and improve the connectivity disrupted due to the disaster through the reconstruction of damaged roads and bridges. The infrastructure will be designed to withstand earthquake and flood forces as per the latest official design guidelines. The affected areas will benefit by the restored access to markets thereby increasing the economic growth in these areas and timely access to health and education services. Restoration of roads will also serve as supply/rescue lines in the event of a disaster.

20. The component will finance the reconstruction of damaged roads, bridges and associated drainage and slope stabilization works, retaining walls, breast walls and other structures to increase resilience.

Component 3 – Restoration of urban flood management infrastructure, US\$50 million

21. The objective of this component is (i) to strengthen and reinforce existing weak and vulnerable flood control infrastructure. Investments will primarily include rehabilitation/renovation of storm water pumping stations in Srinagar municipal area, and replacement of the power equipment, switch/ panel boards at elevated places, and related investments for improvement and increased resilience; and (ii) assessing urban flood management interventions in other Project Areas

Component 4 – Restoration and strengthening of livelihoods, US\$15 million

22. The flood resulted in damage to infrastructure and assets such as workshops, stores, tools, raw material, and finished product stocks, which severely impacted non-farm livelihoods in urban centers. In addition to the direct impact on livelihood, the sector is an important contributor to tourism in the region. This component will support:

23. *Subcomponent 4.1 – Restoration of physical and productive assets (US\$13 million).* To finance the restoration of the training workshop and display building within the premises of the main handicraft & handloom market in Srinagar and the School of Design, as well as damaged productive assets in livelihood training institutions and affected craftsman families.

24. *Subcomponent 4.2 – Technical assistance for risk proofing non-farm livelihood (US\$2 million).* To finance: i) vulnerability assessment of non-farm livelihoods and to identify opportunities for increased resilience; and ii) developing options to increase access to finance and insurance for non-farm livelihoods.

Component 5 – Strengthening disaster risk management capacity, US\$25 million

25. The objective of this component is to enhance the capabilities of the implementing entities in managing disaster risks, enhancing preparedness, and achieving resilient recovery. This component will entail the following:

26. *Sub-component 5.1: Capacity building for disaster management (US\$17 million).* To finance strengthening of the disaster management systems in the region by augmenting the

capacity of stakeholders and institutions. The activities will include: i) capacity building of the state disaster management authority by strengthening its institutional and organizational structure, staffing, and resources and funding of training programs and regular drills for the emergency operations center staff and Disaster Management Officers at various levels; ii) strengthening the Disaster Response Force; iii) setting up a Decision Support System (DSS) and Emergency Operation Centers to integrate and analyze information from multiple sources in an integrated geospatial system.

27. *Sub-component 5.2: Technical support for risk reduction and response preparedness (US\$8 million).* To finance activities such as: i) preparation of a Hydro-meteorological Resilience Action Plan focusing on extreme weather events to develop resilience solutions/recommendations and a robust, fail-safe EWS in the region including optimum use of strengthened networks and facilities; ii) River Morphology Study for some key rivers impacted by the disaster and to analyze and identify critical protective infrastructure works needed for river bank strengthening; iii) Urban vulnerability assessment study with specific focus on seismic risk mitigation to undertake detailed urban vulnerability analysis and model various risks for effective mitigation planning and disaster response preparedness; iv) Upgrading design guidelines and material specification for construction in seismic zones in order to carry out an update of current construction design standards and material specifications to align them with national and international best practices; v) Disaster Risk Financing and Insurance (DRFI) to work out options to increase the resilience of the PIE's financial response capacity to secure cost-effective access to adequate funding for emergency response, reconstruction, and recovery.

Component 6 – Contingent Emergency Response, US\$0 million

28. Following an adverse natural event that causes a major natural disaster, the PIE may request the Bank to re-allocate project funds to support response and reconstruction. This component would draw resources from the unallocated expenditure category and/or allow the PIE to request the Bank to re-categorize and reallocate financing from other project components to partially cover emergency response and recovery costs. This component could also be used to channel additional funds should they become available as a result of the emergency.

Component 7 – Implementation Support, US\$20 million

29. This component would finance incremental operating costs of the Project, including the operation of the Project Management Unit (PMU) and Project Implementation Units (PIUs). In addition, the component will include consultancies required for the preparation and supervision of specific activities, trainings, exposure visits and knowledge exchange programs, etc.

B. Project Financing

Lending Instrument

30. The lending instrument will be Investment Project Financing, and the implementation period for the project is five years.

Project Cost and Financing

31. A summary of the financing per component, in addition to counterpart contributions, can be found in the table below.

Table1: Project Component Costs

| Project Components | Total Cost (US\$ M) | IDA financing (US\$ M) | Financing |
|---|----------------------------|-------------------------------|------------------|
| Component 1: Reconstruction and strengthening of critical infrastructure | 60 | 60 | 100% |
| Component 2: Reconstruction of roads and bridges | 80 | 80 | |
| Component 3: Restoration of urban flood management infrastructure | 50 | 50 | |
| Component 4: Restoration and strengthening of livelihoods | 15 | 15 | |
| <i>Subcomponent 4.1: Restoration of physical and productive assets</i> | <i>13</i> | <i>13</i> | |
| <i>Subcomponent 4.2: Technical assistance for risk proofing non-farm livelihood</i> | <i>2</i> | <i>2</i> | |
| Component 5: Strengthening disaster risk management capacity | 25 | 25 | |
| <i>Subcomponent 5.1: Capacity building for disaster management</i> | <i>17</i> | <i>17</i> | |
| <i>Subcomponent 5.2: Technical support for risk reduction and response preparedness</i> | <i>8</i> | <i>8</i> | |
| Component 6: Contingency Emergency Response | 0 | - | |
| Component 7: Implementation Support | 20 | 20 | |
| Total | 250.0 | 250.0 | |

C. Lessons Learned and Reflected in the Project Design

32. The proposed Project incorporates lessons learned from ongoing post-disaster recovery projects financed by the Bank in Uttarakhand, Odisha, Bihar, and Andhra Pradesh, as well as worldwide. Some of the lessons incorporated are:

33. Technical codes and standards utilized should be resilient to natural hazards. Previous projects have shown the importance in utilizing technical standards during the design phase in order to rebuild back better by factoring in various natural hazard risks. Hence the type of designs and construction methods should be tailored to local conditions and utilize appropriate material. Technical assistance in this area will be provided to ensure compliance under the project

34. The Disaster Management Act of 2005 paved the way for the creation of the National Disaster Management Authority (NDMA) at the national level, and the State Disaster Management Authority (SDMA), the latter with a clear mandate for spearheading disaster management efforts in the states. The Project recognizes the need for strengthening the capacity of the SDMAs towards disaster risk mitigation and has allocated funds and activities towards the same. The Gujarat State Disaster Management Authority and the Odisha State Disaster Management Authority are good examples and lessons are drawn from their evolution and development process.

35. Globally, there is evidence that some flood response programs have focused too heavily on rebuilding infrastructure and not enough on better adaptation and preparedness for the future in complementary investments, such as water and flood management, rural finance, early warning communication systems, etc. A strong, and community-owned, disaster response mechanism plays a crucial role in not only saving lives and livelihoods, but also for achieving sustainable recovery and long-term disaster risk reduction. The Project will, therefore, focus on providing technical assistance in community-driven, localized and sustainable risk mitigation and response mechanisms.

36. DRM institutions are frequently overstretched between regular operations and emergencies. This means that the PMU should have a clear role so that staff can continue to work on the ongoing projects independent of emergencies. This would ensure continuity, and is especially important in countries with highly recurrent events.

37. The project also incorporates lessons from the Bogota Disaster Vulnerability Reduction Project, which included retrofitting of hospitals. Functional and nonstructural risk-reduction measures for the health sector carry with them complexities related to shifting equipment and patients, which will be taken into account for the design of interventions.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

38. A Project Steering Committee (SC) will be set up for the overall strategy guidance and monitoring of the project. It will be headed by the Chief Secretary and will comprise all involved line departments, and additionally the departments of Finance, Planning, Environment, and Social Welfare. The SC will formally approve the project investments and help coordinate the activities of various departments, including in obtaining required approvals/clearances for the Project.

39. A Project Management Unit (PMU), housed within the Relief & Rehabilitation Department, will be responsible for overall project management, coordination, and reporting, and for implementation of Component 5. The PMU will also be responsible to carry out procurement of goods, services, and small scale works for other components, with technical inputs from the relevant line departments.

40. There will be three Project Implementation Units (PIUs) that will be set up at the beginning of the Project. During project implementation, additional PIUs might be set-up depending on the volume of investments and capacity. The three PIUs are: (i) Roads and Building Department (R&B), will be responsible for all civil works under Components 1, and 2, and it will receive technical inputs from the Departments of Health, Higher Education, Fire, and others as relevant depending on the civil works; (ii) Srinagar Municipal Corporation (SMC) will be responsible for implementation of Component 3 and it will be assisted by the Urban Environment Engineering Department (UEED) for technical inputs and procurement of goods, works, and services in line with its official responsibilities and capacity; and (iii) Industry & Commerce Department (I&CD) and will be responsible for implementation of Component 4 with support from other agencies.

B. Results Monitoring and Evaluation

41. The multi-tier implementation arrangements under the Project include supervision and monitoring roles and responsibilities of each implementing unit. Supervision will generally entail routine quality certification at various stages of construction, forming the basis of payment certification and other works. Monitoring will occur as a periodic function, and will include process reviews/audits, reporting of outputs, and maintaining progressive records. Broad thematic areas that will be supervised and monitored include the following: (i) Social and Environmental Monitoring, (ii) Regular Quality Supervision & Certification, (iii) Periodic Physical Progress Monitoring & Third Party Quality Audit, and (iv) Monitoring and Evaluation. The PMU will carry out a household survey on a sample basis to record baseline data in line with indicators set out for results monitoring. Further details on data collection, reporting, and responsibilities are included in Annex 1.

C. Sustainability

42. The sustainability of the proposed Project is assured through: i) selection of investments based on a urgent need and opportunity to bring best practices to the region, ii) institutionalizing the capacity for the necessary maintenance within the PIE structure, independent of the Project and iii) promoting community participation (including the participation of socially marginalized groups, female-headed households, widows, unemployed youth) in disaster mitigation planning, preparedness and response.

43. Additional specific mechanisms under the project to support sustainability are: i) a gender-sensitive and inclusive communications strategy and grievance redress mechanism, ii) promotion of insurance for both private and public assets, iii) improved and gender-friendly design standards for infrastructure, iv) the adaptation of investments for the minimum disruption of livelihood activities, and their enhancement when feasible for the vulnerable and marginalized groups in the project area.

V. KEY RISKS AND MITIGATION MEASURES

A. Risk Ratings Summary Table

Table 2: Operational Risk Rating

| Risk Categories | Rating (H, S, M or L) |
|--|------------------------------|
| Political and governance | M |
| Macroeconomic | L |
| Sector strategies and policies | S |
| Technical design of project or program | S |
| Institutional capacity for implementation and sustainability | S |
| Fiduciary | S |
| Environment and social | S |
| Stakeholders | M |
| Other | -- |
| Overall | S |

Note: H=High; S=Substantial; M=Moderate and L=Low

B. Overall Risk Rating Explanation

44. The overall risk for achieving the PDO is Substantial, driven by the post-disaster implementation context and lack of experience implementing projects financed by the Bank.

45. Recovery is underway in the region however, important constraints in terms of connectivity, debris removal, and restoration of services remain. In addition, the PIE has limited experience in implementing projects financed by international institutions. Given this context, significant levels of support will be required to set up adequate implementation arrangements.

VI. APPRAISAL SUMMARY

A. Economic and Financial Analyses

46. An Economic analysis was performed to assess the rate of return of investments in the reconstruction of roads and bridges, flood management, livelihood support and strengthening disaster and risk management capacity. The main benefit considered for this analysis is avoiding damage to private and public properties from floods and earthquakes. The benefit stem from better construction standards and building codes, flood management infrastructure, and specific design considerations in the proposed investments to avoid flood and earthquake damages.

47. Given time and data availability constraints, the following additional benefits of the project investments were not included in the analysis: i) avoided damages from lesser and more frequent floods as compared with the flood of 2014; ii) the project area is under earthquake risks and the proposed project will avoid damages from earthquakes as well as floods; and iii) the reconstruction of roads, bridges, schools, and health facilities results in economic benefits from access to market, reduced travel time, lesser vehicle operating costs, better access to education, as well as health benefits and increased productivity due to reduced sickness. Given this limitation, the benefits are underestimates.

48. The project benefits are based on the following assumptions: life of the project benefit stream is 20 years, project costs are equally divided between the first five years of the project during which time there are no benefits, after the first five years the project will incur operating and maintenance costs of 1% of the project costs every year for the next 15 years, and the discount rate is 12 percent.

49. Since probability of occurrence of a flood of the century would determine the avoided damages we consider four flood return period scenarios: one in 100, 50, 25, and 10 years. Sensitivity analysis was conducted separately for different levels of effectiveness of avoided damages. The results show that if the frequency of similar floods increases to 1 in a 10 year flood, and the proposed project avoids 10 percent of the damages for such floods in the next twenty years, the project fairs very well with IRR of 13 percent and NPV of about 157 million dollars.

B. Technical

50. Reconstruction will be based on the build back better principle. In the design and rehabilitation or reconstruction of project-funded infrastructure, particular care will be put into

improving resilience of infrastructure to future flooding and landslide, as well as seismic risk. For public buildings, structural assessments will be carried out to determine the full extent of reconstruction/retrofitting needs. In some cases, new structures might need to be built within the current premises of hospitals, higher and technical education institutions, and fire stations. Modifications to current layouts and structures will be proposed to ensure the safety of equipment, and access during future disasters. For roads and bridges financed by the project, increased standards will be used to ensure flood and seismic resilience, with special focus on critical sections to avoid severe connectivity disruptions during future events. The urban flood management component investments will be carried out after an analysis of the designs and functioning of the current system to determine the extent of rehabilitation needed and any necessary additional investments. The livelihoods component will support non-farm livelihood most severely affected by the floods by restoring the training workshop and display spaces within the premises of the main handloom market in Srinagar, and will provide skills training to increase their resilient to future events.

C. Financial Management

51. The guiding principles for the design of the financial management arrangements for this project is to use the country fiduciary systems, to the extent feasible and considered satisfactory for meeting the essential fiduciary requirements.

52. **Budgeting, Fund Flow and Financial Accounting:** The project will be budgeted as a separate line under the Project Implementing Entity's Budget to receive funds from the Central Government as external aid. In addition, separate budget code is being created under the Relief and Rehabilitation Department to receive fund releases from the Project Implementing Entity's treasury and will be designed to allow all project-related expenditures to be separately identified, accounted and reported in the consolidated accounts prepared by the Accountant General (AG) of the Project Implementing Entity. The funds for the project will follow the treasury route for all implementing agencies except SMC, wherein separate Bank account will be maintained for handling project related funds. For line departments acting as PIUs will follow the Project Implementing Entity's AG system of accounting will be followed. For PMU and SMC appropriate accounting software be implemented for maintaining separate books of accounts for this project.

53. **Staffing:** The existing staffing of Relief and Rehabilitation Department needs to be augmented and a new dedicated PMU structure will be incorporated into SDMA. The finance function under PMU will require sanctioning and hiring of at least a Deputy General Manager (DGM), assisted by an accounts officer and a computer assistant. The DGM may be a senior gazette officer from the Project Implementing Entity's Finance services or a chartered accountant with at least 10 years of experience. At each of the PIUs, a nodal accounts officer will also be required who will be responsible for maintenance of all books of accounts and vouchers thereof.

54. **Internal Controls and Internal Audits:** The Project Implementing Entity's 'Financial Codes' and 'Books of Financial Powers' provides guidance on internal controls, segregation of duties and delegation of authority for approvals, etc. In addition, Operational Manual at PMU-SDMA will have a separate chapter on financial management arrangements which will include the fund flow, accounting and reporting, disbursement and auditing arrangements for each of the project components and for the project as a whole. Internal control compliance will be monitored

through internal audit. The Bank project will be audited quarterly by a firm of Chartered Accountant appointed by PMU-SDMA, based on selection criteria agreed with the Bank.

55. **External Audit:** The C&AG of India through the office of the Accountant General (Audit) state will be the external auditor. The C&AG's office will conduct an annual audit of the financial statements of the project according to the standard Terms of Reference (TORs) agreed by the Bank with the C&AG and the Government of India (Ministry of Finance/DEA) for audit of all the World Bank projects. For SMC administered component, the annual external audit of the project financial statements will be carried out by a firm of Chartered Accountant appointed based on selection criteria agreed with the Bank and under TOR agreed with the bank. The audit reports will be submitted to the Bank within nine months of the close of the financial year i.e. by December 31.

56. All the associated implementing agencies will be implementing externally funded project for the first time. Further there are multiple line agencies which will come together for implementation. Considering these aspects, the overall financial management risk rating of the project is 'Substantial'. The risk is sought to be mitigated primarily through designing sustainable fiduciary arrangements and constant support in terms of training, and handholding support at the initial stage. Refer Annex 3, financial management section for detailed FM assessment.

57. **Disbursement Methodology:** The applicable disbursement method will be reimbursement. The disbursements by IDA shall be 100 percent of the Eligible Expenditures. Reimbursement will be based on actual expenditure reported in the quarterly Interim Unaudited Financial Reports (IUFRs), subject to audit certification at the end of each financial year. Expenditure categories eligible for financing under the credit agreement and as per the disbursement percentage will be financed out of the proceeds of the credit. The project will submit withdrawal application to CAAA in DEA for onward submission to the World Bank for reimbursement.

58. **Retroactive financing** will be permitted subject to the following conditions: (a) financing up to a limit not exceeding US\$50 million will be available to the project to cover eligible project expenditures as agreed with the Bank, provided the payment is not made before September 2, 2014; and (b) payments made for expenditures for works, goods and services supplied under a contract which any international institution or agency or the Association shall not have been financed or agreed to be financed under any other agreement.

D. Procurement

59. Procurement for the Project shall be carried out in accordance with the World Bank's "*Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by the World Bank Borrower*" dated January 2011, as updated in July 2014 (Procurement Guidelines); and "*Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by the World Bank Borrowers*" dated January 2011, as updated in July 2014 (Consultants Guidelines) and the provision stipulated in the Financing Agreement.

60. The project will establish a steering committee (SC) to monitor and provide strategic direction for the smooth implementation of the project by respective PIUs. The Department of

Relief and Rehabilitation shall be the nodal agency for implementation of this project and shall house the Project Management Unit (PMU). Each component will be implemented by different departments through their line agencies (i.e. Roads & Bridge Department; Srinagar Municipal Corporation, Urban Environmental Engineering Department and Department of Industries). All departments shall establish Project Implementing Unit (PIU) with adequate resources and shall use e-procurement portal <http://www.jktenders.gov.in> for procurement of goods, works and non-consulting services.

61. As a part of preparation process, procurement capacity assessment was carried out on all the IAs using PRAMS and accordingly, the risk mitigation measures were proposed. The overall risk is rated as "Substantial". The proposed project shall use procurement plan (PP) monitoring and execution software (SEPA) to strengthen the management of PP. The Bank will arrange training on use of SEPA when the focal persons are identified.

62. The Project has been triggered by emergency situation (OP 10.00, para 12) and therefore, provisions under para 20 of OP 11.00 procurement under emergency situation shall apply. Further details are provided in Annex 3.

E. Social (including Safeguards)

63. Application of Bank Safeguards Policies: The key sets of activities proposed to be financed under the Project include: (i) reconstruction and strengthening of critical public buildings such as schools and hospital infrastructure, (ii) reconstruction of roads and bridges, (iii) restoration of urban flood management infrastructure, (iv) restoration and strengthening of livelihoods, (v) strengthening disaster risk management capacity, (vi) contingency emergency response, and (vii) project management support. The reconstruction and strengthening of the affected rural roads, bridges and urban flood infrastructure, to be carried out within the existing alignments, may occasionally involve some involuntary resettlement impacts on land owners, lease holders, traditional occupiers, and squatters. Therefore OP 4.12 (Involuntary Resettlement) has been triggered. Similarly, OP 4.10 (Indigenous Peoples) has been triggered in view of the presence of scheduled tribe groups (mostly nomadic Gujjar cattle herdsman) living in the flood affected districts such as Rajouri where some of the activities will be undertaken.

64. **Existing Legal and Policy Framework:** The recently legislated Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act of India (RFCT-LARRA, 2013) is yet to be ratified by the Project Implementing Entity (PIE). The Project Implementing Entity's Land Acquisition (LA) Act (1990) sets out procedure for compulsory land acquisition, which is not at par with the RFCT-LARR, 2013 in terms of compensation package offered. However, the procedure under Section 19-20 of the Project Implementing Entity's LA Act (1990) Rules allow "*Acquisition through Private Negotiations*" providing "replacement value" as agreed with the affected land/lease owner through a high powered negotiations committee headed by the Deputy Commissioner of the concerned district and including the Member of the Legislative Assembly. LA is carried out through special Collectors assigned the responsibility at the district and specific project areas. The PIE has established no generic Resettlement and Rehabilitation Policy, however, has promulgated R&R Policies for specific projects including those aided by the Asian Development Bank (ADB). The Project Implementing Entity has specific legislations,

policies, and schemes for protection and welfare of the scheduled tribes, women, children, and other vulnerable groups.

65. ***Safeguards Framework Preparation:*** A Social Management Framework (SMF) has been prepared as per the Bank requirements, and the PIE has disclosed the said document incorporating the comments provided by the Bank. The PIE has no experience of having implemented a project recently by applying Bank's safeguard policies. However, it has experience in managing social safeguards in infrastructure projects implemented with financial support from the Asian Development Bank (ADB). The Social Management Framework (SMF) prepared for the JTFRP includes a Resettlement Policy Framework (RPF), an Indigenous People's Development Framework (IP/TPDF) and Gender Equity and Social Inclusion (GESI) Guidelines. The RPF sets out principles and procedures for carrying out social screening, and preparing and implementing Resettlement Action Plans (RAP) based on safeguards categorization during screening. The IP/TPDF (i) lays down identifying and addressing IP related impacts through social screening, (ii) records consultations carried out for the project, (iii) sets out a framework for free, prior, and informed consultations with the primary stakeholders including the tribal people for implementing sub-projects, (iv) charts out specific strategies for ensuring that positive benefits are delivered to the tribal groups living in project area by addressing their socio-economic needs in a culturally sensitive manner and through their participation, and (iv) measures to mitigate adverse impacts, if any, compliant with Bank safeguards policy. The GESI guidelines set out actions to be taken to ensure equal participation of women and men beneficiaries without discrimination and recommend actions for targeting women and vulnerable people with better outreach. . The social safeguards implementation capacity assessment and proposed arrangements are summarized in the Annex-3.

66. ***Gender Equality and Social Inclusion:*** Recognizing women's needs and vulnerabilities, the project emphasizes attention to gender equity and social inclusion in the implementation process. The proposed livelihoods component will support restoration and strengthening of non-farm livelihoods, about fifty percent of whom are women. The restoration of public buildings including schools and hospitals will have design features that will pay special attention to the needs and interests of vulnerable people including children, women, and aged, differently abled, and other social groups. The proposed disaster risk reduction initiatives will similarly focus on equal participation of and benefits for women, children, and other vulnerable groups. The gender equity and social inclusion outcomes of the project shall be monitored with key performance indicators specified in the results matrix.

67. ***Citizen Engagement Strategy:*** The key elements of the citizen engagement strategy for this operation include the following: (i) suo motu disclosure of important project related information by the PIE on its website and at the appropriate local level under section 4 of the Right to Information Act and disclosure procedures agreed with the Bank, (ii) framework for consultation with the key stakeholders including the scheduled tribes (IPs) during planning, design and implementation of all sub-projects; (iii) ensuring free, prior, informed consultation with the Scheduled Tribe groups and their representatives for obtaining broad community support as a part of preparation of specific sub-projects relevant to that area; (iv) upgrading the established Grievance Redress Mechanisms (GRM) at PIU and PMU levels to meet specific grievance redress requirements of this operation; (v) promoting community based risk reduction initiatives with the participation of and networking with relevant stakeholders including women, school children, youth, civil society organizations, and local bodies. Details are provided in Annex 3.

F. Environment (including Safeguards)

68. The project will target areas that were hit hardest by the devastating floods in the region. Given the magnitude of damage caused by flooding and associated landslides, the project is designed to provide reconstruction and recovery support to affected areas in which public infrastructure and service delivery were impacted severely. It is expected that it will yield benefits and livelihood opportunities through provision of high priority reconstruction and rehabilitation of public infrastructure in the worst affected areas of the region in addition to enhancing PIE's capacity in dealing with future disasters.

69. ***Environment Issues/Impacts:*** While the project is expected to benefit the flood affected communities through restoration of infrastructure and strengthening of disaster risk management capabilities of the PIE, the proposed investments are likely to generate some adverse environmental impacts. Primarily, interventions proposed under Components 1, 2 and 3 have a bearing on the approach and design of environment management and safeguard aspects of the project. Since the proposed activities/works would be largely carried out in the environmentally sensitive mountainous terrain that is marked by various degrees of vulnerability and ecological features, there are some issues and risks that need to be managed through appropriate planning and upfront care during the sub-project selection and preparation phase. Specifically, due diligence during site selection and appropriate engineering/design is required for most sub-projects/activities owing to the challenges emanating from difficult terrain and climatic conditions.

70. Potential adverse impacts on account of activities/works proposed under Components 1 to 3 of the project may include: (i) direct/indirect environmental and social impacts resulting from poor site selection and inappropriate engineering/designs; (ii) impact on the drainage pattern of the area, including risks from future flood events; (iii) felling of trees and clearance of vegetation for sub-project construction; (iv) impact on certain/specific fauna (outside the protected areas, including habitats; nesting/breeding areas; movement zone); (v) safety and health concerns for general public from construction activities; (vi) occupational health and safety concerns for workers involved in construction; (vii) inconvenience and temporary disruption to services and access to certain public places and facilities; (viii) impacts due to construction material (sand, water, earth, aggregate) sourcing and transportation; (ix) concerns arising out of improper disposal of debris and other construction wastes and; (x) slope fragility and stabilization issues.

71. No long term, adverse or irreversible impacts are anticipated as the proposed activities are largely associated with reconstruction and strengthening of flood damaged infrastructure. In view of the potential impacts on the environment and the environmental setting within which the investments are planned, Bank's OP 4.01 on Environmental Assessment, OP 4.04 on Natural Habitats, OP 4.36 on Forests and OP 4.11 on Physical Cultural Resources have been triggered, and the project is designated as Category B.

72. ***Environment Management Approach and Instrument:*** In order to ensure effective environmental management in a scenario where multiple sub-projects are proposed along different locations in the region and their specific locations are not known (at this stage of project preparation), an approach for preparation, application and implementation of an Environment Management Framework (EMF) has been adopted for the project. It includes: (a) Environment and Social Screening approach and methodology; (b) Environment and Social Assessment for

certain type of sub-projects, if and as necessary (determined by the screening results); (c) guidelines and generic management measures for all category of works/activities proposed under the project.

73. The sub-projects will be selected after detailed/appropriate level of assessment, including consultation with concerned key stakeholders. However, any activity/work having significant adverse, irreversible and long term impacts will be excluded from the scope of the project. For this, after identification of proposed works, an Environment Screening Exercise using well-established methodology and process will be carried out.

74. In line with Bank policy requirements, the EMF provides clarity on the following: (i) policy triggers for the project; (ii) the screening criteria to be used for sub-project identification and selection; (iii) list out comprehensively a range of likely environmental impacts for the various types of works/activities envisaged under the project and; (iv) applicable national/state policy and regulatory requirements; (v) the measures to mitigate the identified environmental risks/issues; (vi) assessment of the institutional capacity of the implementing agency and measures for filling capacity gaps; and (vii) an estimate of the budget needed for the implementation of the EMF and related instruments. The EMF provides a list of activities that cannot be financed, and screen out activities that correspond to Category A projects, or that may trigger additional safeguards policies.

75. ***Institutional Capacity:*** The PIE has limited experience in applying Bank's safeguard policies in development projects but has some experience in implementing infrastructure projects supported by the Asian Development Bank (ADB) for which it has in place an Environment Management Framework (EMF) and activity-specific Environment Management Plans (EMPs).

76. A Social and Environment Management Unit (SEMU) with Social Development and Environment Specialists will be established as part of the Project Management Unit (PMU) for JTFRP. The PIUs will have similar arrangement with social and environment specialists. The PIE will establish social and environment safeguards management capacity at the PMU and PIU levels with mobilizing officers having relevant experience and skills.

G. Other Safeguards Policies Triggered

77. As the Jhelum and Tawi Rivers are international waterways, the Project triggers the Bank's policy on *Projects on International Waterways OP/BP 7.50*. Proposed Project activities however only entail rehabilitation or reconstruction of existing infrastructure and technical studies and as such fall under the exception to the notification requirement under paragraphs 7(a) and 7(b) of OP 7.50. In accordance with the requirements of the policy, a memo outlining the rationale has been prepared by the team and exception has been granted by Bank Management.

H. World Bank Grievance Redress

78. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection

Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit www.worldbank.org/grs. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

Annex 1: Results Framework and Monitoring

Country: India

Project Name: Jhelum & Tawi Flood Recovery Project (P154990)

Results Framework

Table: 3

| Project Development Objectives | | | | | | | |
|--|---------------|--------------------------|-----------|------------|------------|------------|------------|
| PDO Statement | | | | | | | |
| The project development objective is to support the recovery and increase disaster resilience in Project Areas, and increase the capacity of the Project Implementing Entity to respond promptly and effectively to an eligible crisis or emergency. | | | | | | | |
| These results are at | Project Level | | | | | | |
| Project Development Objective Indicators | | | | | | | |
| Indicator Name | Baseline | Cumulative Target Values | | | | | |
| | | YR1 | YR2 | YR3 | YR4 | YR5 | End Target |
| Number of people served by restored and improved public buildings (Number) | 0.00 | 0.00 | 500000.00 | 700000.00 | 800000.00 | 1000000.00 | 1000000.00 |
| Of which female (Number - Sub-Type: Supplemental) | 0.00 | 0.00 | 235000.00 | 329000.00 | 376000.00 | 470000.00 | 470000.00 |
| Number of people with access to restored and improved roads and bridges (Number) | 0.00 | 0.00 | 800000.00 | 1000000.00 | 1200000.00 | 1500000.00 | 1500000.00 |
| Of which female (Number - Sub-Type: Supplemental) | 0.00 | 0.00 | 376000.00 | 470000.00 | 564000.00 | 705000.00 | 705000.00 |

| | | | | | | | |
|--|------|---------|----------|-----------|-----------|-----------|-----------|
| Number of people benefiting from improved flood management (Number) | 0.00 | 0.00 | 0.00 | 350000.00 | 500000.00 | 750000.00 | 750000.00 |
| Of which female (Number - Sub-Type: Supplemental) | 0.00 | 0.00 | 0.00 | 164000.00 | 235000.00 | 352500.00 | 352500.00 |
| Number of people who received support to restoration of livelihoods (Number) | 0.00 | 5000.00 | 15000.00 | 20000.00 | 30000.00 | 40000.00 | 40000.00 |
| Of which female (Number - Sub-Type: Supplemental) | 0.00 | 4000.00 | 7500.00 | 10000.00 | 15000.00 | 20000.00 | 20000.00 |
| Seismic code guidelines for urban infrastructure updated with inputs from the urban vulnerability assessment and design standards study (Yes/No) | No | No | No | No | No | Yes | Yes |

Intermediate Results Indicators

| Indicator Name | Baseline | Cumulative Target Values | | | | | |
|---|----------|--------------------------|-----------|------------|------------|------------|------------|
| | | YR1 | YR2 | YR3 | YR4 | YR5 | End Target |
| Direct project beneficiaries (Number) - (Core) | 0.00 | 5000.00 | 850000.00 | 1000000.00 | 1250000.00 | 1500000.00 | 1500000.00 |
| Female beneficiaries (Percentage - Sub-Type: Supplemental) - (Core) | 0.00 | 2500.00 | 376000.00 | 470000.00 | 564000.00 | 705000.00 | 705000.00 |

| | | | | | | | |
|---|------|---------|---------|---------|---------|----------|----------|
| Health facilities constructed, renovated, and/or equipped (number) (Number) - (Core) | 0.00 | 0.00 | 0.00 | 3.00 | 4.00 | 5.00 | 5.00 |
| Number of higher and technical education and other public buildings restored (Number) | 0.00 | 0.00 | 4.00 | 8.00 | 10.00 | 12.00 | 12.00 |
| Roads rehabilitated, Non-rural (Kilometers) - (Core) | 0.00 | 50.00 | 100.00 | 180.00 | 250.00 | 300.00 | 300.00 |
| Number of pumping stations restored and rehabilitated (Number) | 0.00 | 0.00 | 10.00 | 20.00 | 30.00 | 56.00 | 56.00 |
| Training workshop and display building within the main handloom market in Srinagar restored and improved (Yes/No) | No | No | No | No | Yes | Yes | Yes |
| Number of non-farm livelihood beneficiaries that received skills training (Number) | 0.00 | 1000.00 | 4000.00 | 6000.00 | 8000.00 | 10000.00 | 10000.00 |
| Of which female (Number - Sub-Type: Supplemental) | 0.00 | 500.00 | 2000.00 | 3000.00 | 4000.00 | 5000.00 | 5000.00 |
| SDMA strengthened and operating working DSS (Yes/No) | No | No | No | No | No | Yes | Yes |
| Guidelines for construction design and materials updated by SDMA (Yes/No) | No | No | No | No | No | Yes | Yes |

Table 4: Indicator Description

| Project Development Objective Indicators | | | | |
|---|---|-----------|--|------------------------------------|
| Indicator Name | Description (indicator definition etc.) | Frequency | Data Source / Methodology | Responsibility for Data Collection |
| Number of people served by restored and improved public buildings | Number of people living in the area of service by the restored and improved hospitals, higher and technical education, and public buildings, including gender-sensitive design features | Annual | Public Health Department, Higher Education Department, Fire Department | PMU |
| Of which female | Number of females served by restored and improved public buildings | Annual | Health Department, Higher Education Department, Fire Department | PMU |
| Number of people with access to restored and improved roads and bridges | Number of people living in the areas served by the roads and bridges restored and improved under the project | Annual | Census, Construction Reports | Roads and Bridges Department |
| Of which female | Number of females within the overall number of beneficiaries of the roads and bridges component | Annual | Census, Construction Reports | Roads and Bridges Department |
| Number of people benefiting from improved flood management | Number of people living in the area protected by floods by the pumping stations financed under the project | Annual | Census and Construction Report | Srinagar Municipal Corporation |
| Of which female | Number of female beneficiaries out of total beneficiaries of the improved flood management investments | Annual | Census, Construction Reports | Srinagar Municipal Corporation |
| Number of people who received support to restoration of livelihoods | People from households with shops directly benefited by the restoration and improvement of Srinagar market, and people from households directly benefited by non-farm livelihoods skills training | Annual | Construction and Consultants Reports | Industry and Commerce Department |
| Of which female | Number of female beneficiaries out of total beneficiaries of the restoration of livelihoods component | Annual | No description provided. | No description provided. |

| Seismic code guidelines for urban infrastructure updated with inputs from the urban vulnerability assessment and design standards study | Seismic code guidelines for urban infrastructure updated by SDMA based on inputs from the urban vulnerability assessment and design standards study financed by the project | At project completion | PMU | PMU |
|---|---|-----------------------|---|------------------------------------|
| Intermediate Results Indicators | | | | |
| Indicator Name | Description (indicator definition etc.) | Frequency | Data Source / Methodology | Responsibility for Data Collection |
| Direct project beneficiaries | Direct beneficiaries are people or groups who directly derive benefits from an intervention (i.e., children who benefit from an immunization program; families that have a new piped water connection). Please note that this indicator requires supplemental information. Supplemental Value: Female beneficiaries (percentage). Based on the assessment and definition of direct project beneficiaries, specify what proportion of the direct project beneficiaries are female. This indicator is calculated as a percentage. | Annual | Project Monitoring Reports, MIS | PMU |
| Female beneficiaries | Based on the assessment and definition of direct project beneficiaries, specify what percentage of the beneficiaries are female. | Annual | Project Monitoring Reports, MIS | PMU |
| Health facilities constructed, renovated, and/or equipped (number) | This indicator measures the cumulative number of health facilities constructed, renovated and/or equipped, including gender-sensitive design features, through a Bank-financed project. | Annual | Construction Reports, Procurement Reports | PMU, Health Department |
| Number of higher education and other public buildings restored | Number of higher and technical education and other public buildings restored under the project | Annual | Construction reports, Procurement reports | PMU, Higher Education Department |

| | | | | |
|--|---|----------------------------------|---|----------------------------------|
| Roads rehabilitated, Non-rural | Kilometers of all non-rural roads reopened to motorized traffic, rehabilitated, or upgraded under the project. Non-rural roads are roads functionally classified in various countries as Trunk or Primary, Secondary or Link roads, or sometimes Tertiary roads. Typically, non-rural roads connect urban centers/towns/settlements of more than 5,000 inhabitants to each other or to higher classes of road, market towns and urban centers. Urban roads are included in non-rural roads. | Annual | Construction Reports | Roads and Buildings Department |
| Number of pumping stations restored and rehabilitated | The number of pumping stations in the Srinagar valley restored and rehabilitated under the project | Annual | Construction Reports, Procurement Reports | Srinagar Municipal Corporation |
| Training workshop and display building within the main handloom market in Srinagar restored and improved | Completion of reconstruction and improvement works in the main handloom market in Srinagar | Once, at construction completion | Construction Reports | Industry and Commerce Department |
| Number of non-farm livelihood beneficiaries that received skills training | Number of non-farm livelihoods beneficiaries that participated in skill trainings financed by the Project | Annual | Consultants Reports | Industry and Commerce Department |
| Of which female | Number of female non-farm livelihoods beneficiaries that participated in skill trainings financed by the Project | Annual | Consultants Reports | Industry and Commerce Department |
| SDMA strengthened and operating working DSS | The SDMA is operating with sufficient staff and is operating a working decision support system financed under the Project | Once, at project completion | Consultant reports | PMU |
| Guidelines for construction design and materials updated by SDMA | Updated guidelines on design and materials for resilient construction published by SDMA | Once, at project completion | PMU | PMU |

Annex 2: Detailed Project Description

INDIA: Jhelum & Tawi Flood Recovery Project

1. Based on the RDNA results, restoration works underway, and discussions with the PIE, the project will focus on restoring critical infrastructure using international best practice on resilient infrastructure. Given the region's vulnerability to both floods and earthquakes, the infrastructure will be designed with upgraded resilient features, and will include contingency planning for future disaster events. Therefore, the project aims at both restoring essential services disrupted by the floods and improving the design standard and practices in the region to increase resilience.

Project Components

2. The project is comprised of the following seven components: (i) Reconstruction and strengthening of critical infrastructure (US\$60 million); (ii) Reconstruction of roads and bridges (US\$80 million); (iii) Restoration of urban flood management infrastructure (US\$50 million); (iv) Restoration and strengthening of livelihoods (US\$15 million); (v) Strengthening disaster risk management capacity (US\$25 million); (vi) Contingent Emergency Response (US\$0 million); and (vii) Implementation Support (US\$20 million).

Component 1 –Reconstruction and strengthening of critical infrastructure, US\$60 million

3. The objective of this component is to support the reconstruction/restoration of damaged public buildings, such as hospitals, schools, higher and technical education buildings, fire stations, and selected block and district offices, and other important public buildings. It will include the restoration of partially damaged structures and the reconstruction of fully damaged structures, including equipment and furniture.

4. The component will finance infrastructure and equipment damaged by the disaster, and improvements to current structures to increase resilience. Assessments will be carried out to determine the extent of structural integrity and retrofitting/reconstruction needs. For hospitals, the reconstruction will be focused on replacement of damaged specialized medical equipment, setting up specialized equipment on higher levels which will entail strengthening the structural integrity of buildings in order to be able to sustain the heavy load. For some hospitals, special diagnostics and pathology sections/extensions will be built since existing structures will be unable to sustain the load of heavy equipment on higher levels. Some older hospitals will also require retrofitting in order to ensure seismic resistance. The component will also finance the repair and reconstruction of damaged higher and technical education buildings, fire station, and other public buildings, including the procurement of equipment/furniture, etc.

5. The flood destabilized the structural integrity of many critical hospital buildings, especially older hospitals that are load-bearing structures. Two medical colleges were impacted severely along with medical institutions in rural and semi-urban areas.

6. Hospitals need to be redesigned in order to house specialized medical equipment in multi-hazard resistant levels in existing structures or in new structures in required. Structural Assessments need to be conducted of all hospital buildings that were impacted by the floods to

make sure they are structurally safe against seismic risk as well. All hospitals need to have contingency plans in order to remain operational in case of disaster impacts – especially floods and earthquakes.

7. The floods also caused major damage to Education infrastructure as well as equipment and furniture. Schools and higher education institutions (Colleges, Universities, and Technical Institutes) had severe disruptions in classes due to lack of access and damages to the infrastructure. Education Buildings that suffered structural damages will be assessed to ensure their structural integrity against seismic risk and determine reconstruction/retrofitting needs. Fire stations also need to be assessed and potentially redesigned in order to ensure that they remain operational in an emergency.

Component 2 – Reconstruction of roads and bridges, US\$80 million

8. The objective of this component is to restore and improve the connectivity disrupted due to the disaster through the reconstruction of damaged roads and bridges. The infrastructure will be designed to withstand earthquake and flood forces as per the latest official design guidelines. The affected areas will benefit by the restored access to the markets thereby increasing the economic growth in these areas and timely access to health and education services. Restoration of roads will also serve as supply/rescue lines in the event of disaster.

9. The component will finance the reconstruction of damaged roads, bridges and associated drainage and slope stabilization works, retaining walls, breast walls and other structures to increase resilience.

10. The disaster caused damages to thousands of road stretches. The project will undertake permanent restoration, rehabilitation, and reconstruction of selected damaged road sections including protection works, increased cross-drainage, and slope stabilization.

11. In the case of bridges, the following principles will be followed:

- Study and review the hydrological response & capacity of each of the catchment and scour potential for major streams to decide on the bridge length, extent of bank protection.
- Wherever new construction is proposed, attempt should be to go for longer individual span lengths and deep foundation (Well or Pile foundation). Open foundation in the stream shall be discouraged.
- For ‘critical’ bridges, design flood shall be evolved considering floods with 100 year return period. For ‘non-critical’ bridges, 50 year return period may be considered for design. The bridges to be categorized as ‘critical’ or ‘non-critical’ depending upon whether the bridge will be essential for post-disaster scenario in future.

Component 3 – Restoration of urban flood management infrastructure, US\$50 million

12. The objective of this component is (i) to strengthen and reinforce existing weak and vulnerable flood control infrastructure. Investments will primarily include rehabilitation/renovation of storm water pumping stations in Srinagar municipal area, and

replacement of the power equipment, switch/ panel boards at elevated places, and related investments for improvement and increased resilience; and (ii) assessing urban flood management interventions in other Project Areas.

13. Dewatering/drainage pumping stations in the Srinagar city collect the rain water in low-lying areas. Most of the pumping stations, machinery and supporting civil structures got submerged due to heavy flow, and were not able to function in the absence of power and pump submergence. The old centrifugal pumps housed at lower levels have got damaged due to frequent submergence, and panel board, motors burning up during floods.

14. The project will support the rehabilitation/renovation of all the storm water pumping stations in Srinagar city. Investments include replacement of existing centrifugal pumps with submersible pumps, power equipment, switch/ panel boards at elevated places. It will also analyze and propose improved operation management procedures, potentially including SCADA systems for better operations.

Component 4 – Restoration and strengthening of livelihoods, US\$15 million

15. The flood resulted in damage to infrastructure and assets such as workshops, stores, tools, raw material, and finished product stocks, which severely impacted non-farm livelihood in urban centers. In addition to the direct impact on livelihood, the sector is an important contributor to tourism in the region. This component will support:

16. *Subcomponent 4.1 - Restoration of physical and productive assets (US\$13 million)*. To finance the restoration of the training workshop and display building within the premises of the main handicraft & handloom market in Srinagar and the School of Design, as well as damaged productive assets in livelihood training institutions and affected craftsman families.

17. *Subcomponent 4.2 -Technical assistance for risk proofing non-farm livelihood (US\$2 million)*. To finance: i) vulnerability assessment of non-farm livelihoods and to identify opportunities for increased resilience; and ii) developing options to increase access to finance and insurance for non-farm livelihood.

Component 5 – Strengthening disaster risk management capacity, US\$25 million

18. The objective of this component is to enhance the capabilities of the implementing entities in managing disaster risks, enhancing preparedness, and achieving resilient recovery. This component will entail two subcomponents as below:

19. *Sub-component 5.1: Capacity Building for Disaster Management (US\$17 million)*. The subcomponent will include the following activities:

20. *Capacity Building of the State Disaster Management Authority (SDMA) and Disaster Response Network*. To finance the development of SDMA's institutional set up including its organizational structure, staffing, and resources. It will also fund training programs and regular drills for the emergency operations center staff and Disaster Management Officers.

21. *Strengthening Disaster Response Force and upgrading of fire services.* The region is exposed to various hazards and therefore needs to have its own disaster response force effectively carry out search and rescue operation and support the early recovery. Similarly the fire department plays major role in the search and rescue during both natural and manmade disasters. The component will help train the forces including financing equipment needs, training and collaborative programs etc.
22. *Setting up Decision Support System (DSS) and Emergency Operation Centers.* To finance the establishment of a DSS that will integrate and analyze information from multiple sources in an integrated geo-spatial system. The system will be designed to display information and provide access in a user-friendly manner. It will also finance the upgrading of existing Emergency Operation Centers and the establishment of new ones in critical areas.
23. *Sub-component 5.2: Technical support for risk reduction and response preparedness (US\$8 million).* The subcomponent will have the following activities:
24. *Hydro-meteorological Resilience Action plan.* To finance the review of existing hydro-meteorological capabilities and preparation of resilience action plan that will focus on extreme weather events; develop resilience solutions/recommendations for sectors impacted by disasters such as agriculture, livelihoods, energy, infrastructure etc.; and focus on urban hot-spot areas in helping develop urban resilience plans. This will also review existing early warning systems (EWS), identify gaps and establish a robust, fail safe EWS in the region including optimum use of strengthened networks and facilities. Capacities of representatives (including women) from urban local bodies and other relevant local government agencies will be built in the optimum use of the EWS. The resilience action plan will be prepared in consultation with stakeholders. The project will ensure that local knowledge is integrated with the science of hydro–meteorological hazards mitigation methods.
25. *River Morphology Study.* This will support the study of the entire morphology of some key rivers impacted by the disaster. The study will also analyze and identify critical protective infrastructure works needed for river bank strengthening.
26. *Urban vulnerability assessment study with specific focus on seismic risk mitigation.* To finance a detailed urban vulnerability analysis and model various risks for effective mitigation planning and disaster response preparedness, with a focus on seismic risk. The vulnerability assessment study will focus on bringing together the science of disaster risk mitigation and local knowledge to create various models for effective mitigation planning and disaster preparedness. This will include, *inter alia* assessment of existing compliance and enforcement mechanisms for disaster risk management, consultation workshops for policy makers/decision-makers on technological regimes and amendments to existing by-laws, workshops for engineers/town planners/municipal corporations on urban risk reduction, preparation of city/ward level DRM plans, including evacuation routes and identification of safe shelters, disaster resources, advocacy workshops on mainstreaming/integrating urban risk reduction in development plans, and awareness for community on safer construction practices and disaster preparedness.

27. *Upgrading design guidelines and material specification for construction in seismic zones.* To carry out an update of current construction design standards and material specifications to align them with national and international best practice given the risk profile of the region.

28. *Disaster Risk Financing and Insurance (DRFI).* To finance an assessment of options to increase the financial resilience of the PIE, which is essential to increase a PIE's financial response capacity to secure cost-effective access to adequate funding for emergency response, reconstruction, and recovery. This involves ensuring that funds can be allocated and disbursed effectively following disasters. This includes, *inter alia*, targeted public sector insurance coverage to protect critical assets, including public infrastructure, and promoting responsible property and agricultural insurance.

Component 6 – Contingent Emergency Response, US\$0 million

29. Following an adverse natural event that causes a major natural disaster, the PIE may request the Bank to re-allocate project funds to support response and reconstruction. This component would draw resources from the unallocated expenditure category and/or allow the PIE to request the Bank to re-categorize and reallocate financing from other project components to partially cover emergency response and recovery costs. This component could also be used to channel additional funds should they become available as a result of the emergency.

30. Disbursements would be made against a positive list of critical goods or the procurement of works, and consultant services required to support the immediate response and recovery needs. All expenditures under this component, should it be triggered, will be in accordance with paragraph 11 of OP 10.00 and will be appraised, reviewed and agreed with the Bank before any disbursement is made. In accordance with paragraph 11 and 12 of OP 10.00, this component would provide immediate, quick-disbursing support to finance goods (positive list agreed with the Governments), works, and services needed for response, mitigation, and recovery and reconstruction activities. Operating costs eligible for financing would include the incremental expenses incurred for early recovery efforts arising as a result of the impact of major natural disasters.

31. Goods, Works and Services under this component would be financed based on review of satisfactory supporting documentation presented by the PIE including adherence to appropriate procurement practices in emergency context. All supporting documents for reimbursement of such expenditures will be verified by the Internal Auditors of the Government and by the Project Director, certifying that the expenditures were incurred for the intended purpose and to enable a fast recovery following the damage caused by adverse natural events, before the Application is submitted to the Bank. This verification should be sent to the Bank together with the Application.

32. Specific eligible expenditures under the category of Goods include, *inter alia*: (i) construction materials; water, land and air transport equipment, including supplies and spare parts; (ii) school supplies and equipment; (iii) medical supplies and equipment; (iv) petroleum and fuel products; (v) construction equipment and industrial machinery; and (vi) communications equipment.

33. Specific eligible expenditures under the category of works may include urgent infrastructure works (repairs, rehabilitation, construction, etc.) to mitigate the risks associated with the disaster for affected populations. Specific eligible expenditures under the category of Services may include urgent studies (either technical, social, environmental, etc.) necessary as a result of the effects of the disaster (identification of priority works, feasibility assessments, delivery of related analyses, etc.).

Component 7 – Implementation Support, US\$20 million

34. This component would finance incremental operating costs of the Project, including the operation of the Project Management Unit (PMU) and Project Implementation Units (PIUs). In addition, the component will include consultancies required for the preparation and supervision of specific activities, trainings, exposure visits and knowledge exchange programs, etc.

Annex 3: Implementation Arrangements
INDIA: Jhelum & Tawi Flood Recovery Project

A. Institutional and Implementation Arrangements

1. A Project Steering Committee (SC) will be set up for the overall strategy guidance and monitoring of the project. It will be headed by the Chief Secretary and will comprise all involved line departments, and additionally the departments of Finance, Planning, Environment, and Social Welfare. The SC will formally approve the project investments and help coordinate the activities of various departments, including in obtaining required approvals/clearances for the Project.. This shall be done through semi-annual review meetings, where the SC shall:

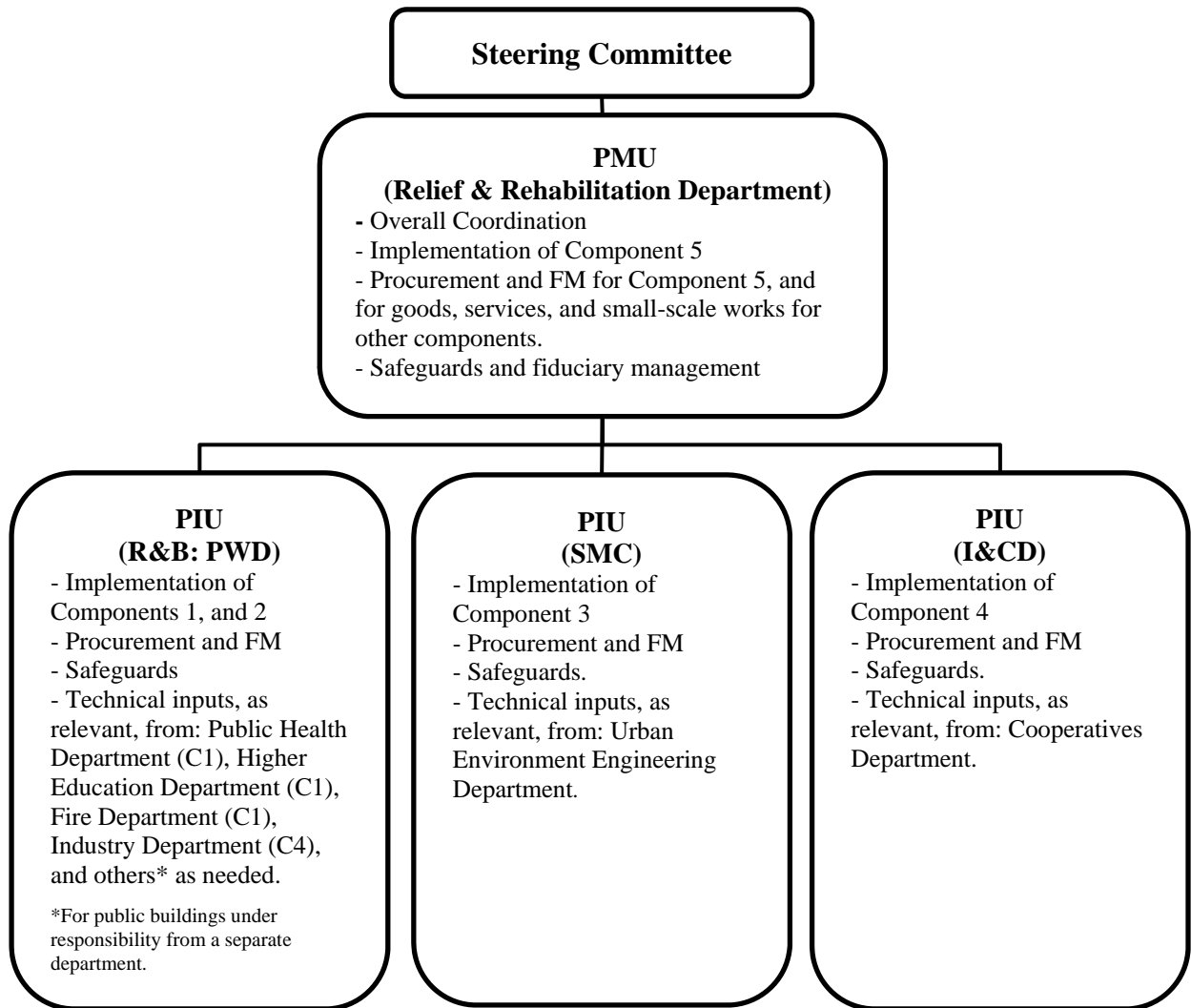
- Review the budgets
- Review progress against the defined milestones
- Review critical findings of the audit and evaluation reports
- Provide such guidance, as it may deem necessary for the Project

2. A Project Management Unit (PMU), housed within the Relief & Rehabilitation Department (R&RD), will be responsible for overall project management, coordination, and reporting, and for implementation of Component 5. The PMU will also be responsible to carry out procurement of goods, services, and small scale works for other components, with technical inputs from the relevant line departments.

3. There will be three Project Implementation Units (PIUs) that will be set up at the beginning of the Project. During project implementation, additional PIUs might be set-up depending on the volume of investments and capacity. The three PIUs are: (i) Roads and Building Department (R&B), will be responsible for all civil works under Components 1, and 2, and it will receive technical inputs from the Departments of Health, Higher Education, Fire, and others as relevant depending on the nature of the civil works; (ii) Srinagar Municipal Corporation (SMC) will be responsible for implementation of Component 3 and it will be assisted by the Urban Environment Engineering Department (UEED) for technical inputs and procurement of goods, works, and services in line with its official responsibilities and capacity; and (iii) Industry & Commerce Department (I&CD) will be responsible for implementation of Component 4 with support from other agencies.

4. The graph Figure 1 below outlines the proposed implementation arrangements:

Figure 1: Project Implementation Arrangements



5. The PMU will be responsible for:
 - a. Overall project management and reporting.
 - b. Coordination with PIUs and line departments in approval of designs, assisting the PIUs in preparation of: DPRs, bidding documents, tendering schedules, etc.
 - c. Appointment of technical assistance consultants and others safeguards management support to the implementing agencies.
 - d. Quality Assurance through third party audits.
 - e. Maintaining MIS and Quarterly reporting.
 - f. Progress reporting, financial management, monitoring and reporting.
 - g. Implementation of Component 5.
 - h. Ensuring compliance with agreed implementation procedures and other Bank requirements, etc.
 - i. Grievance redress.

6. The PIUs will be responsible for:
 - a. Preparation of Detailed Project Reports including technical designs, surveys and investigations, etc.
 - b. Tendering, bid evaluation, contract award, contract management, etc.
 - c. Financial Management and safeguards compliance.
 - d. Progress and expense reporting to the PMU.
 - e. Coordination with line departments for design, implementation, and hand-over arrangements.
 - f. Grievance redress.
7. Line departments will provide technical inputs to the PIUs as relevant, in line with their sectoral responsibility. In line with their capacity and, as agreed by the PMU and the respective PIU, they will also carry out procurement of goods, works, and services.
8. **Monitoring:** The PMU will put in place a monitoring mechanism that includes photo identification and geo-referenced tracking system for works. The PIUs will be responsible for feeding the required information into the system.

B. Financial Management, Disbursements and Procurement

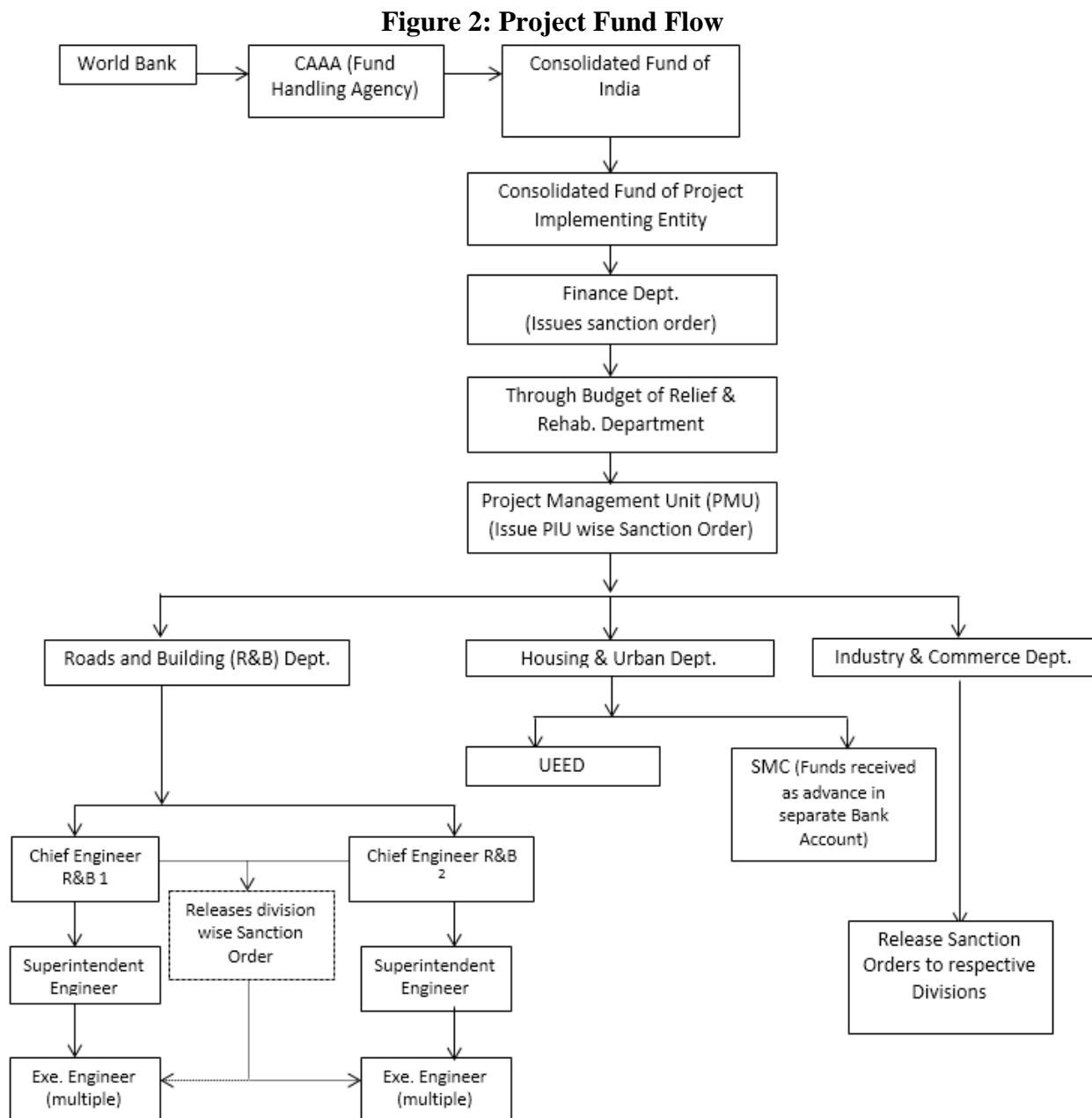
9. **Summary Assessment:** The guiding principles for the design of the financial management arrangements for this project is to use the country fiduciary systems, to the extent feasible and considered satisfactory for meeting the essential fiduciary requirements. All the associated implementing agencies will be implementing externally funded project for the first time. Further there are multiple line departments which will come together for implementation.
10. **Implementing Entity:** The main implementing agencies for the project are: State Disaster Management Authority (SDMA) acting as Project Management Unit (PMU) under the Relief and Rehabilitation (R&R) Department of the Project Implementing Entity; Roads and Building (R&B) Department of the Project Implementing Entity; Srinagar Municipal Corporation (SMC) and Urban Environment and Engineering Department (UEED)⁸ under the Housing and Urban Development Department of the Project Implementing Entity; and Industry & Commerce Department (I&CD) of the Project Implementing Entity. Each implementing agency will have a PIU at the head office (nodal office) which will manage the FM requirements and coordinate with all divisions working under it for ensuring proper accounting and reporting for the Project. The summary of the overall FM arrangements is provided below:
11. **Budgeting:** The project will be budgeted as a separate line under the Project Implementing Entity's Budget to receive funds from the Central Government as external aid. In addition, separate budget code is being created under Project Implementing Entity's Relief and Rehabilitation Department to receive fund releases from the Project Implementing Entity's treasury and will be

⁸ A separate FM assessment has been carried out for the implementing agency. However as per the preparatory mission discussion, it is foreseen that in near future funds would flow only to PMU, R&B, SMC and ICD. For UEED only limited assessment was performed with an agreement that in the event of its engagement as PIUs as detailed FM assessment shall be carried out. In addition, during project implementation additional PIUs might be set-up depending on the future needs.

designed to allow all project-related expenditures to be separately identified, accounted and reported in the consolidated accounts prepared by the Accountant General (AG) of the Project Implementing Entity. Basis the estimated expenditure for financial year 2015-16 expenditure provision also needs to be created under this new budget code. Details of expenditures by project components and sub components will be tracked at the activity level at the time of issuance of Sanction Orders enabling availability of funds to PIUs.

12. **Funds Flow Arrangements:** The funds for the project will follow the treasury route for all implementing agencies except SMC, wherein separate Bank account will be maintained for handling project related funds.

For detailed flow of funds refer the Figure 2 below:



13. **Staffing:** The existing staffing of R&R Department needs to be augmented and a new dedicated PMU structure will be created as SDMA. The finance function under PMU will require sanctioning and hiring of at least a Deputy General Manager (DGM), assisted by an accounts officer and a computer assistant. The DGM can be a senior gazette officer from Project Implementing Entity's Finance services or a chartered accountant with minimum 10 years of relevant experience. At each of the PIUs, a nodal accounts officer will also be required who will be responsible for maintenance of all books of accounts and vouchers thereof.

14. **Accounting:** Accounting for project expenditures will be maintained on cash basis of accounting. However, any advances paid will be classified as advances and will be charged to expenditure only upon receipt of actual expenditure details. For PMU it is suggested that appropriate accounting software be implemented for maintaining separate books of accounts for this project. For R&B and I&CD all project-related expenditures will be separately identified, accounted and reported in the line departments accounts as prepared by the AG of the Project Implementing Entity. SMC at presently is using 'TALLY' accounting software which being financial accounting software is considered adequate for recording financial transactions and for generating reports for financial disclosure requirements. A separate company in TALLY and the related chart of accounts needs to be opened to enable the financial activities of this credit to be tracked and reported separately. The prevailing financial rules and regulations of the Project Implementing Entity will apply to all project related expenditures. Accounts of each PIU, on quarterly basis will be shared with finance section at PMU-SDMA for consolidation.

15. **Financial Reporting:** PMU-SDM will submit quarterly consolidated IUFRR (format to be discussed) providing the financial progress against the project components, within 45 days from the end of each calendar quarter. IUFRRs will be prepared on the basis of actual expenditure information received from the PIUs and actual expenditure incurred at the PMU and reconciled with the sanction orders and bank account, as applicable. IUFRRs would provide contract wise payments and project progress in physical and financial terms.

16. **Internal Controls and Internal Audit:** Project Implementing Entity's 'Financial Codes' and 'Books of Financial Powers' provides guidance on internal controls, segregation of duties and delegation of authority for approvals, etc. Reconciliation of expenditure with the Treasury and AG would be an essential control mechanism in the Project and would be regularly followed up with the implementing departments. It was also suggested that the PMU and each PIUs will maintain a commitment/payments register for tracking activities under the respective contracts (works, consultant services, goods, materials, etc). This will provide the project with information required on pending payments and help track project progress. For newly instituted PMU-SDMA, an Operational Manual also laying down the internal controls shall be prepared. For SMC, since funds will be transferred to separate Bank accounts; reconciliation of bank book with the bank statement will be an essential control mechanism in the project in addition to adherence the internal controls as laid out in Project Implementing Entity's 'Financial Codes'.

17. Internal control compliance will be monitored through internal audit. The Bank project will be audited quarterly by a firm of Chartered Accountant appointed by PMU-SDMA, based on selection criteria agreed with the Bank. The auditors will be responsible for completing the audit

at all the PIUs (including PMU-SDMA) under Terms of Reference (TOR) agreed with the Bank. The audit reports along with the compliance would be shared with the Bank. PMU would review all the audit reports and present the report for discussion in the steering committee meeting and follow up on the action taken.

18. **Operational Manual:** Operational Manual at PMU-SDMA will have a separate chapter on financial management arrangements which will include the fund flow, accounting and reporting, disbursement and auditing arrangements for each of the project components and for the project as a whole.

19. **External Audit:** the C&AG of India through the office of the Accountant General (Audit) state will be the external auditor. The C&AG’s office will conduct an annual audit of the financial statements of the project according to the standard Terms of Reference (TORs) agreed by the Bank with the C&AG and the Government of India (Ministry of Finance/DEA) for audit of all the World Bank projects. For SMC administered component, the annual external audit of the project financial statements will be carried out by a firm of Chartered Accountant appointed based on selection criteria agreed with the Bank and under TOR agreed with the bank. The audit reports will be submitted to the Bank within nine months of the close of the financial year i.e. by December 31. The following table 5 indicates the audit reports required to be submitted to the Bank:

Table 5: Audit Reports

| Implementing Agency | Audit | Auditors |
|------------------------------------|-----------------------|------------------|
| SDMA (PMU), Relief and Rehab. Dept | Project Entity Report | AG |
| SMC | Project Report | Private auditors |
| DEA/GOI | Designated Account | CAG |

20. **Supervision plan:** The Bank will follow risk based approach in supervising the FM activities of the credit. In the first year supervision may be done on a quarterly basis to support the setting up of the accounting and reporting systems. Once the system is established, then more desk reviews with half-yearly missions should be sufficient. The number of site visits will be aligned with the overall supervision plan of the project.

21. **Disbursement Arrangements:** The applicable disbursement method will be reimbursement. The reimbursements will be based on actual expenditure reported in the quarterly Interim Unaudited Financial Reports (IUFs), subject to audit certification at the end of each financial year. Expenditure categories eligible for financing under the credit agreement and as per the disbursement percentage will be financed out of the proceeds of the credit. The project will submit withdrawal application to CAAA in DEA for onward submission to the World Bank for reimbursement.

22. **Retroactive Financing:** Retroactive financing up to a limit not exceeding 40% of the credit amount will be available to the project to cover eligible project expenditures as agreed with the Bank, provided the payment is made not exceeding one year before the loan signing date. The Project would provide the list of such expenses for scrutiny of the Bank before these payments are agreed and paid. Further, the activities financed are included in the Project description and the payments are for items procured in accordance with applicable Bank procurement procedures.

Retroactive financing of all expenditure, would be based on a separate, stand-alone IUFR. The IUFR will be audited by the auditor as per the agreed TORs and the audit report will certify the actual expenditure incurred and the eligible expenditure reimbursed under the project.

23. **Public Disclosure:** In line with the Bank’s Access to Information policy the annual audit report and project financial statements issued by the auditors will be disclosed in the project’s website.

24. The agreed actions for strengthening FM arrangements are indicated in the table 6 below:

Table 6: Financial Management Arrangements

| S.No. | Description | By Whom |
|--------------|---|--------------------------------------|
| 1. | Create budget line under the Project Implementing Entity’s Budget to receive funds from the Central Government as external aid | Finance Department |
| 2. | Create budget code with allocation for Capital and Revenue expenditure under the project under Relief and Rehabilitation Department’s budget. | Relief and Rehabilitation Department |
| 3. | Sanction posts and appoint finance official for finance function at PMU and all PIUs. | PMU, R&B, I&CD and SMC |
| 4. | Open separate bank account for receiving funds for the project | SMC |
| 5. | Prepare Operational Manual with separate chapter on Financial management | PMU |
| 6. | Put in place appropriate accounting arrangements. | PMU, R&B, I&CD and SMC |
| 7. | Appoint internal auditors | PMU |

Procurement

25. Procurement of goods, works and services under the proposed project will be carried out in accordance with the World Bank’s “Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by the World Bank Borrower” dated January 2011, as updated in July 2014 (Procurement Guidelines); and “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by the World Bank Borrowers” dated January 2011, as updated in July 2014 (Consultants Guidelines) and the provision stipulated in the Financing Agreement.

26. The proposed project has been triggered by emergency situation (OP 10.00) and therefore, provisions under paragraph 20 of OP 11.00 procurement under emergency situation shall apply.

27. Procurement of goods works and non-consulting services shall be conducted through e-procurement portal <http://www.jktenders.gov.in> using Bank’s standard bidding documents. Procurement of Consulting Services may be switch over to e-procurement platform when the model RFP for e-procurement becomes ready. General Procurement Notice (GPN) will published in UNDB and Specific Procurement Notice (SPN) shall be published against corresponding contract packages when it becomes ready.

Methods of Procurement

Selection of Consultants

28. Most of the consultancy services are required to be hired immediately for rehabilitation and reconstruction. Single-Source Selection of consulting firms and individuals may be used only if it presents a clear advantage over competition for the required consulting services in accordance to paragraph 3.8.

29. Selection of Consulting Firms through Consultants' Qualification (CQS) may be appropriate for assignments estimated to cost up to US\$ 300,000 or equivalent in accordance with paragraph 3.7 of the Consulting Guidelines. Advertisement for expression of interest may be forgone or limited to regional level for assignments estimated to cost less than US\$ 200,000. For assignments that are estimated to cost less than US\$ 100,000, advertisement is not mandatory as long as a shortlist of at least three qualified firms is established. For selection of Consultants, Quality and Cost Based Selection (QCBS) method is a preferred method and shortlist of consultants for services estimated to cost less and US\$ 800,000 equivalent per contract may be composed entirely of national consultants (paragraph 3.7). In addition, the following selection methods may be adopted depending upon size and complexity of assignments and as agreed in the Procurement Plan.

- Quality Based Selection (QBS);
- Selection under Fixed Budget (FBS);
- Least Cost Selection (LCS);
- Single Source Selection (SSS); and
- Individual Consultant (IC).

Procurement of Works and Goods

30. International Competitive Bidding (ICB): ICB is the preferred method for procurement of goods, works and non-consulting services. However, it is unlikely that there will be any ICB as almost all the packages fall below the ICB threshold value.

31. National Competitive Bidding (NCB): Any contract exceeding shopping threshold shall be procured using NCB method. The model bidding documents for NCB as agreed with the GoI Task Force (and as amended from time to time), shall be used for bidding. The following NCB provisions shall apply:

- i. Only the model bidding documents for NCB as agreed with the GoI Task Force (and as amended from time to time), shall be used for bidding.
- ii. Invitation to bid shall be advertised in at least one widely circulated national daily newspaper (or on a widely used website or electronic portal with free national and international access along with an abridged version of the said advertisement published in a widely circulated national daily inter-alia giving the website/electronic portal details from which the details of the invitation to bid can be downloaded), at least 30 days prior to the deadline for the submission of bids. For smaller packages (lesser than US\$1 million for

- Works and US\$ 500,000 for Goods), advertisement in regional newspapers will be accepted with at least 15 days given for submission of bids;
- iii. No special preference will be accorded to any bidder either for price or for other terms and conditions when competing with foreign bidders, government-owned enterprises, small-scale enterprises or enterprise from any given regional government;
 - iv. Except with the prior concurrence of the Bank, there shall be no negotiation of price with the bidders, even with the lowest evaluated bidder;
 - v. For prior review contracts, extension of bid validity shall not be allowed with reference to Contracts subject to Bank prior review without the prior concurrence of the Bank (i) for the first request for extension if it is longer than four weeks; and (ii) for all subsequent requests for extension irrespective of the period (such concurrence will be considered by Bank only in cases of Force Majeure and circumstance beyond the control of the Purchaser/Employer);
 - vi. For prior review contracts , re-bidding shall not be carried out with reference to Contracts subject to Bank prior review without the prior concurrence of the Bank;
 - vii. The system of rejecting bids outside a pre-determined margin or “bracket” of prices shall not be used in the project;
 - viii. Rates contract entered into by Directorate General of Supplies and Disposal (DGS & D) will not be acceptable as a substitute for NCB procedures unless agreed with the Bank on case to case basis. Such contracts will be acceptable however, for any procurement under the Shopping procedure;
 - ix. Two or three envelop system will not be used (except when suing e-procurement system assessed and agreed by the Bank.

32. Shopping: procurement of goods, works and non-consulting services may be carried out suing shopping method (paragraph 3.5) for procurement of readily available off-the-shelf products of value less than US\$ 500,000, or simple civil works of value less than US\$ 1,000,000. Such method, if any, shall be agreed in the procurement plan. The implementing agency (ies) shall solicit at least three price quotations for the purchase of goods, materials, small works, or services (non-consulting), to formulate a cost comparison report.

33. Direct Contracting: Direct contracting for the procurement of civil works and goods (paragraph 3.7 of the procurement Guidelines) may be used to extend an existing contract or award a new contract. For such contracting to be justified, the Bank shall be satisfied that the price is reasonable and that no advantage could be obtained by further competition. The direct contracting may be from the private sector, UN agencies/programs (for goods), or contractors or NGO that are already mobilized and working in the emergency areas.

34. Force Account: When contractors/suppliers are unlikely to bid at reasonable prices because of the location and risk associated with the project or a certain implementing agency has exclusive rights in certain type of works/supply, borrowers may use their own departments’ personnel and equipment or government owned construction unit may be the only practical method, provided that the borrower has sufficient managerial capacity and possesses the required technical and financial controls to report to the Bank on expenditure as per paragraph 3.9 of the Procurement Guidelines.

35. Framework Agreements: DGS&D rate contracts will be acceptable as framework agreement for procurement of Goods. Regional government level rate contracts will be examined by the Bank and if agreed, may also be used as framework agreements. Implementing agencies also have option to set-up new framework agreements as per paragraph 3.6 of Guidelines.

36. Use of government Institutions and Enterprise: Government owned enterprise or institutions in India may be hired for its unique and exceptional nature if their participation is considered critical to the project implementation. In such cases, the conditions given in clauses 1.13 of Consultant Guidelines shall be satisfied and each case will be subject to prior review by the Bank.

37. Operational Cost: Any operational expenses (incremental cost) which would be financed by the project may be procured using the implementing agency’s administrative procedures.

38. Other Conditions: Bank may consider further simplification of procedures if so requested by the implementing agencies and are within overall framework of Bank Guidelines

Capacity Assessment of the Implementing Agencies

39. There are multiple agencies executing different components of this project. All the agencies will be implementing the externally funded project for the first time. All procurement activities implemented by them are either regionally or centrally funded project following their own procurement system. Therefore, switching over regional government procedures to World Bank procurement procedures would be a challenge and constant support in terms of training, and handholding support will be required at the initial stage. Further, as the project is triggered by emergency situation, simplified procurement procedures as per OP 11.00 are applied for this project. Therefore, there is a risk of fraud and corruption, in particular with regards to the abuse of simplified procurement procedures. The risk rating of IA differ from moderate to high and therefore, overall risk for this project is rated as “**substantial**”.

40. Many staff working in project procurement will be executing World Bank procurement procedures for the first time. Therefore, it is critical for the project staff get familiarized with the Bank procurement procedures by attending trainings or workshops in ASCI or NIFM etc. The Bank will also provide hand holding support as and when required.

Table 7: Procurement Risk and Mitigation measures

| Risk Factor | Initial Risk | Mitigation Measure | Residual Risk |
|---|--------------|--|---------------|
| Record keeping and documentation | Moderate | All IA will maintain all procurement records duly catalogued and indexed. | Low |
| Fiduciary Risk relating to main principles of the Bank Procurement Guidelines | High | Experienced procurement staff/consultant shall be positioned to guide IA Attend training in ASCI and NIFM on Bank procurement procedures Conduct training on Bank procurement procedures | Substantial |

| Risk Factor | Initial Risk | Mitigation Measure | Residual Risk |
|--|--------------|---|--------------------|
| | | Regular supervision support and monitoring | |
| Inefficiencies and delays in procurement process | High | Regular monitoring through procurement plan. Use of SEPA is recommended Use of e-procurement platform | Substantial |
| Insufficient competition in procurement | High | Use of e-procurement platform Proper packaging shall be carried out wherever feasible | Substantial |
| Contract Management | High | Disclosure of all contract awards in IA website as well as central portal website Training on Contract management Establish grievance mechanism in some IA needs to be enhanced | Substantial |
| Probability of staff handling procurements being transferred | High | Continue dialogue with IA to retain trained staff | Substantial |
| Fraud and corruption risks [including collusion and outside interference] in contracting process | High | Disclosure of procurement plan Disclosure of contract awards Creating awareness on effects of fraud and corruption Regular reviews such as PPR, internal Audit, external audit etc. Promoting transparency through use of MIS | Substantial |
| Weak complaint redress system in some agency | High | Disclosure of complaint redress procedure in project website Bi-annual report of all complaints received and action taken and publication of outcome in the project website | Substantial |
| Overall Risk | High | | Substantial |

Procurement Plan and use of SEPA

41. The Procurement Plan for the project shall be prepared detailing the activities to be carried out reflecting the actual project implementation needs. For each contract to be financed under the project, different procurement methods, the estimated cost, prior review requirements and time frame will be agreed between the Borrower and the Bank. The Procurement Plan once finalized will be made available in the projects database and in the Bank's external website. The Procurement Plan shall be subsequently migrated to procurement plan monitoring system SEPA and will be updated annually reflecting the changes in prior review thresholds, if any.

Frequency of Procurement Supervision and Review by the Bank

42. Frequency of Supervision. The Bank normally carries out the implementation support mission on semi-annual basis. The frequency of the mission may be increased or decreased based on the procurement performance of the project.

43. Review by the Bank. The Bank will prior review the following contracts:

- Works: All contracts more than US\$ 10.0 million equivalent;
- Goods: All contracts more than US\$ 1.0 million equivalent;
- Non-Consulting Services: All contracts more than US\$ 1.0 million equivalent;
- Consultancy Services: All contracts more than US\$ 500,000 equivalent for firm; and
- Consultancy Services: All contracts more US\$ 200,000 equivalent for individuals.

44. The PMU shall prior review the first contract issued by each implementing agency, if the estimate of those contracts are below the prior review threshold value. The Bank will conduct prior review for only those contract whose estimate falls in prior review threshold value. In addition, the justifications for all contracts to be issued on LIB, single-source (>US\$ 30,000) or direct contracting (>US\$ 30,000) basis will be subject to Banks prior review. These thresholds are for the initial 18 months period and are based on the procurement performance of the project, these thresholds will be modified. In addition, the Bank will carry out an annual ex post procurement review of the procurement falling below the prior review threshold mentioned above.

45. All contracts below the specified prior review threshold value shall be subject to Post Procurement Review (PPR). The IA shall prepare a list of contract and submit it to the Bank for conducting PPR. The PPR will be conducted on annual basis.

Use of e-procurement portal

46. Procurement of goods works and non-consultancy services shall be conducted using the e-procurement portal www.jktenders.gov.in. All IAs shall use this e-procurement portal for procurement of goods works and non-consulting services.

Procurement Methods

47. The table below provides highlights of various procurement methods to be used for this project. These methods along with agreed threshold should be reflected in the procurement plan.

Table 8: Procurement Methods

| Category | Method of Procurement | Threshold (US\$ Equivalent) |
|--|-----------------------|---------------------------------------|
| Goods and Non-consulting services (including IT contracts) | ICB | >3,000,000 |
| | LIB | wherever agreed by Bank |
| | NCB | Up to 3,000,000 (with NCB conditions) |
| | Shopping | Up to 500,000 |
| | DC | As per para 3.7 of Guidelines |
| | Force Account | As per para 3.9 of Guidelines |
| | Framework Agreements | As per para 3.6 of Guidelines |

| | | |
|-----------------------|--|--|
| Works | ICB | >40,000,000 |
| | NCB | Up to 40,000,000 (with NCB conditions) |
| | Shopping | Up to 1,000,000 |
| | DC | As per para 3.7 of Guidelines |
| | Force Account | As per para 3.9 of Guidelines |
| Consultants' Services | CQS/LCS | Up to 300,000 |
| | SSS | As per para 3.9-3.11 of Guidelines |
| | Individuals | As per Section V of Guidelines |
| | QCBS/QBS/FBS | for all other cases |
| | (i) International shortlist (ii) Shortlist may comprise national consultants only | >800,000 Up to 800,000 |

48. Under the project the JKPCCLtd. will carry out civil works related to: roads, bridges, and buildings under “FORCE ACCOUNT” procedure as per para 3.9 of the Guidelines for Procurement of Goods, Works and Non-Consulting Services (January 2011, Revised July 2014): Facilitating Procurement Arrangements in Emergency Situations.

49. The additional measure will be as follows:

- Maximum cumulative value of the works awarded to JKPCCLtd will not exceed 15% of the project cost (\$37.5 million of \$250 million).
- Preferred method of contracting single contracts/works exceeding \$10 million will be competitive bidding.
- Individual contracts that need to be awarded to JKPCCLtd will be identified and individually approved in the procurement plan.
- Standard contract form and conditions of contracts will be used while awarding the contracts.
- Contract cost will not exceed estimated cost + 15% as overhead cost.

C. Environmental and Social (including safeguards)

Social (including Safeguards)

50. **Application of Bank Safeguards Policies:** The key sets of activities proposed to be financed under the Project include: (i) reconstruction and strengthening of critical public buildings such as schools and hospital infrastructure, (ii) reconstruction of roads and bridges, (iii) restoration of urban flood infrastructure, (iv) restoration and strengthening of livelihoods, (v) strengthening disaster risk management capacity, (vi) contingency emergency response, and (vii) project management support. The damaged public buildings including schools and hospitals will be reconstructed within the existing premises. The reconstruction and strengthening of the affected rural roads, bridges and urban flood infrastructure, to be carried out within the existing alignments, may occasionally involve some involuntary resettlement impacts on land owners, lease holders, traditional occupiers, and squatters. Therefore OP 4.12 (Involuntary Resettlement) has been triggered. Similarly, OP 4.10 (Indigenous Peoples) has been triggered in view of the presence of scheduled tribe groups (mostly nomadic Gujjar cattle herdsmen) living in the flood affected districts such as Rajouri where some of the activities will be undertaken.

51. ***Existing Legal and Policy Framework:*** The recently legislated Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act of India (RFCT-LARRA, 2013) is yet to be ratified by the PIE. The PIE's Land Acquisition (LA) Act (1990) sets out procedure for compulsory land acquisition, which does not offer compensation at par with the RFCT-LARR, 2013. However, the procedure under Section 19-20 of the PIE's LA Act (1990) Rules allow "*Acquisition through Private Negotiations*" providing "replacement value" as agreed with the affected land/lease owner through a high powered negotiations committee headed by the Deputy Commissioner of the District. Land Acquisition is carried out through special LA-Collectors assigned the responsibility at the district and specific project areas. The PIE has established no generic Resettlement and Rehabilitation Policy, however, has promulgated R&R Policies for specific projects including those aided by the Asian Development Bank (ADB). The PIE has specific legislations, policies, and schemes for protection and welfare of the scheduled tribes, women, children, and other vulnerable groups.

52. ***Safeguards Framework Preparation:*** A Social Management Framework (SMF) has been prepared as per the Bank requirements, and the PIE has disclosed the said document incorporating the comments provided by the Bank. The PIE has no experience of having implemented a project recently by applying Bank's safeguard policies. However, it has experience in managing social safeguards in infrastructure projects implemented with financial support from the Asian Development Bank (ADB). The Social Management Framework (SMF) prepared for the JTFRP includes a Resettlement Policy Framework (RPF), an Indigenous People's Development Framework (IPDF) and Gender Equity and Social Inclusion (GESI) Guidelines. The RPF sets out principles and procedures for carrying out social screening, and preparing and implementing Resettlement Action Plans (RAP) based on safeguards categorization during screening. The IPDF (i) lays down identifying and addressing IP related impacts through social screening, (ii) records consultations carried out for the project, (iii) sets out a framework for free, prior, and informed consultations with the primary stakeholders including the tribal people for implementing sub-projects, (iv) charts out specific strategies for ensuring that positive benefits are delivered to the tribal groups living in project area by addressing their socio-economic needs in a culturally sensitive manner and through their participation, and (iv) measures to mitigate adverse impacts, if any, compliant with Bank safeguards policy. The GESI guidelines set out actions to be taken to ensure equal participation of women and men beneficiaries without discrimination and recommend actions for targeting women and vulnerable people with better outreach. .

53. ***Gender Equality and Social Inclusion:*** Recognizing women's needs and vulnerabilities, the project strongly emphasizes attention to gender equity and social inclusion in the implementation process. The proposed livelihoods component will support restoration and strengthening of non-farm livelihoods and their cooperative societies; about fifty percent of the beneficiaries will be women. The restoration of public buildings including schools and hospitals will pay special attention to the needs and interests of vulnerable people including children, women, and aged, differently abled, and other marginalized and vulnerable social groups. The proposed disaster risk reduction initiatives will similarly focus on equal participation of and benefits for women, children, and other vulnerable groups. The gender equity and social inclusion outcomes of the project shall be monitored with key performance indicators specified in the results matrix.

54. ***Citizen Engagement Strategy:*** The key elements of the citizen engagement strategy for this operation include the following: (i) suo motu disclosure of important project related information by the PIE on its website and at the appropriate local level under section 4 of the Right to Information Act and disclosure procedures agreed with the Bank, (ii) framework for consultation with the key stakeholders including the scheduled tribes (IPs) during planning, design and implementation of all sub-projects; (iii) ensuring free, prior, informed consultation with the Scheduled Tribe groups and their representatives for obtaining broad community support as a part of preparation of specific sub-projects relevant to that area; (iv) upgrading the established Grievance Redress Mechanisms (GRM) at PIU and PMU levels to meet specific grievance redress requirements of this operation; (v) promoting community based risk reduction initiatives with the participation of and networking with relevant stakeholders including women, school children, youth, civil society organizations, and local bodies.

55. ***Grievance Redress Mechanism (GRM).*** The established GRMs of the PIE and relevant PIUs shall be upgraded with guidelines agreeable to the Bank as Senior and Filed level GRMs at PMU and PIU levels. In case of land acquisition, there is a multi-layered GRM with the LA-Collector, District Collector, Revenue Divisional Commissioner, and Finance Commissioner (Department of Revenue) responsible for hearing and resolving grievances relating to the award of compensation. The Committee for Acquisition through Private Negotiations is constituted by the Deputy Collector of the concerned District, elected Member of the Legislative Assembly, District Superintending Engineer, Executive Engineer concerned, and District level officer of the intending department, and the Chairperson of the relevant Notified Area Council. The Project will have district level GRMs will be the second level GRM, chaired by the District Collector or her/his nominees, and PIU representatives. At the PMU level, the Project Steering committee shall be the highest body to entertain and resolve appeals against decisions of lower GRMs. The Project Implementing Entity has an online GRM helpline which will also entertain grievances relating to the project.

Environment (including safeguards)

56. The major activities proposed to be financed under the project include: (i) reconstruction and strengthening of public buildings such as schools and hospital infrastructure, (ii) reconstruction of roads and bridges, (iii) restoration of urban flood infrastructure, (iv) restoration and strengthening of livelihoods, (v) strengthening disaster risk management capacity, (vi) contingency emergency response, and (vii) project management support. Interventions proposed under Components 1, 2 and 3 have a bearing on the approach and design of environment management and safeguard aspects of the project. While the project is expected to benefit the flood affected communities through restoration of infrastructure and strengthening of disaster risk management capabilities of the PIE, the proposed investments are likely to generate some adverse environmental impacts.

57. ***Environment Issues/Impacts:*** Since the proposed activities/works would be largely carried out in the environmentally sensitive mountainous terrain that is marked by various degrees of vulnerability and ecological features, there are some issues and risks that need to be managed through appropriate planning and upfront care during the sub-project selection and preparation phase. Specifically, due diligence during site selection and appropriate engineering/design is

required for most sub-projects/activities owing to the challenges emanating from difficult terrain and climatic conditions.

58. **Environmental and Social Management and Safeguards Instrument:** In order to ensure effective environmental management in a scenario where multiple sub-projects/activities are proposed and their specific locations are not known (at this stage of project preparation), an approach involving preparation, application and implementation of an Environment and Social Management Framework (ESMF) has been adopted for the project. It includes: (a) Environment and Social Screening approach and methodology; (b) Environment and Social Assessment for certain type of sub-projects, if and as necessary (determined by the screening results); (c) guidelines and generic management measures for all category of works/activities proposed under the project.

59. The EMF serves as a comprehensive and a systematic guide covering policies, procedures and provisions, which will be integrated in the over-all project cycle to ensure that the environmental concerns/issues are systematically identified and integrated into the project/sub-project cycle. It will guide the integration of environment, health and safety aspects within the decision making and implementation process of various sub-projects/activities. It will also support compliance with applicable laws and regulations of GoI and the PIE apart from meeting the requirements of the relevant Bank policies.

60. To avoid, minimize and mitigate adverse impacts, generic/standard activity-specific Environmental Management Plans (EMPs) have been developed, which form a part of the EMF. Activity-specific EMPs will help in addressing various construction and operation-stage impacts. However, critical environmental issues, which may result on account of improper site selection (an important factor of consideration in an ecologically sensitive hilly terrain), would be considerably avoided and/or minimized by effectively using results from the Environment Screening Exercise. This will ensure that no sub-project with the likely possibility of creating significant or irreversible adverse impact on environment is taken-up without a proper study (environment assessment/analysis). Accordingly, sub-projects or activities without significant or irreversible adverse impacts will be selected for investment under Phase I while others, which are located inside designated protected areas will be either dropped from the project scope. This over-all environment management approach for the project has been elaborated below and will include the following key steps:

- (i) The sub-projects will be selected after detailed/appropriate level of assessment, including *consultation with concerned key stakeholders*. However, any activity/work having significant adverse, irreversible and long term impacts will be excluded from the scope of the project. For this, after identification of proposed works, an Environment Screening Exercise using well-established methodology and process will be carried out.
- (ii) *Environment screening*, which helps in early identification of key environmental issues at the sub-project level. The screening process forms the first step in the environment management process for the project and will be carried out in parallel with the project identification/engineering feasibility studies for the sub-projects under consideration for inclusion in the project. Proposed investments will be screened and sub-projects with no significant adverse environmental impact would be identified for implementation under the project.

- (iii) If required, for specific sub-projects/activities (as identified from the screening results), an *Environment Assessment (EA) and sub-project specific Environment Management Plan (EMP)* will be prepared in accordance to Bank's OP 4.01. The EA will include an assessment of baseline conditions, analysis of alternative options, assessment of potential impacts, identification of mitigation measures and preparation of sub-project specific environmental management plans.
- (iv) Based on screening results, if a sub-project does not require an EA, the *generic/standard activity-specific EMP*, developed as part of the EMF, will apply. These generic/standard activity-specific EMPs provide over-all guidance on avoidance, minimization and mitigation measures to be adopted during the planning/selection, design, implementation and operation stages of a sub-project.
- (v) *Integration of Environmental Requirements in Bidding Documents*. The considerations/requirements will be mainstreamed as part of the over-all decision making and execution process. For environment, health and safety requirements to be followed by the Contractor during construction, the requirements in form of conditions/specifications will be integrated into the Bidding Documents (as required/relevant) will be provided for.

61. The EMF also describes institutional arrangements, including roles and responsibilities of various players and monitoring requirements, required for effectively managing the environmental aspects of project planning and execution. These arrangements may include Independent/Third Party Audits to assess the application and implementation of the EMF and its instruments such as generic or sub-project specific EMPs, as the case may be. Also, mid-term and end-term project assessment/evaluation will be undertaken by the PMU and the report will be shared with the Bank.

62. *Sustainability of infrastructure* would be considered as part of Component 1, 2 and 3. PIE would develop mechanisms to ensure future operations and maintenance which would be incorporated into the process of sub-project preparation where appropriate sustainability measures would be built into the actual rehabilitation and reconstruction efforts. In addition the reconstruction will take into account the “build back better” principles to ensure better resilience of the infrastructure to future disasters.

Environment and Social Safeguards (Common Aspects)

63. **Stakeholder Consultations:** The primary stakeholders include the intended beneficiaries and people affected by the proposed activities – Project Beneficiaries including health facility users, school children, people using the damaged roads and bridges planned to be reconstructed, city dwellers exposed to hazardous conditions due to urban floods, the affected artisans and their associations, local bodies like village Panchayats, municipalities, local NGOs, and people likely to be affected due to IR impacts. The secondary stakeholders will include the Department of Relief and Rehabilitation, implementing departments and agencies, Public Works Department, Industries, Forest Department Revenue and Social Welfare. Stakeholder participation is/will be central to design and implementation of the project and provides for information sharing, consultation and collaboration measures. A consultation framework has been laid out in the EMF, and SMF (RPF, IPF and GESI guidelines) to ensure proper consultation and participation of stakeholders at the various stages of project preparation and implementation. The ESMF (EMF

and SMF) provide for preparing sub-projects with free, prior and informed consultations including with the tribal stakeholders affected by the floods.

64. Community/stakeholder consultations will also be carried out during the implementation stage of the project. In accordance with the applicable Bank policies, public consultations at the local level (in areas where specific investments will be made) will be carried out. The consultation process for the project will include a range of formal and informal on-site discussions, focus group discussions/meetings and targeted stakeholders. The public consultation process is being designed in a way that: (i) affected people are included in the decision making process; (ii) public awareness and information sharing on project alternatives and benefits is promoted; and (iii) views on designs and solutions from the communities are solicited. The sub-project specific assessments and Action Plan/s, where required, will be prepared in consultation with affected/concerned communities and the draft/s will be disclosed to solicit feedback. Expert opinion on specific issues related to the over-all design/components of the project and applicability of environmental regulations will be sought, including through meetings/workshops. Outputs from this process will be integrated into the project/sub-project design, where technically feasible.

65. **Implementation and Quality Monitoring Arrangements:** The PIE has limited experience in applying Bank's safeguard policies in development projects but has some experience in implementing infrastructure projects supported by the Asian Development Bank (ADB) for which it has in place an Environment Management Framework (EMF) Resettlement Policy Framework (RPF), IPF, GAP and activity-specific RAPs, IPPs, GAPs and Environment Management Plans (EMPs). To implement these instruments, it has established an SPV called Economic Reconstruction Agency (ERA) supported by consultants. The PIE will use its learning so far and expand on its existing capacities.

66. The PMU will establish a Social and Environment Management Unit (SEMU) with Social Development and Environment Specialists. The PIUs will have similar units with social and environment specialists. The PIE will establish social and environment safeguards management capacity at the PMU and PIU levels with mobilizing officers having relevant experience and skills. The PIE has initiated steps for appointing one of its officers earlier managing the social development unit at the PMU for the ADB funded project as its Social Development Specialist at the PMU to be established at the Department of Relief and Rehabilitation. The PMC hired to support the PMU in designing and implementing activities under this project will have social and environment specialists. While the PMU and PIUs will be responsible for internal monitoring, the Quality Audit Consultants will have social development and environmental expertise to provide external monitoring support. The PMU will hire social and environment management consultants, as necessary, to carry out social and environment screening and impact assessments, prepare and implement activity/sub-project specific safeguard instruments agreed with the Bank. While the PMU and PIUs will be responsible for internal monitoring, the Project Implementation Quality Audit Consultants will have social development and environmental expertise to provide external monitoring support.

67. **Disclosure.** The ESMF (EMF and SMF) has been disclosed by the Project Authority through their website on April 21, 2015. The same has been disclosed through the Bank's Infoshop on April 22, 2015. Other relevant project documents (including screening reports and sub-project

specific plans) will be disclosed on the website and at other places accessible to the general public/interested individuals/groups in line with the requirements of Bank's Operational Policies and at the field office/ community level in compliance with the Right to Information Act. Community level disclosure will cover public disclosure of beneficiary lists, safeguard action plans, key instructions and relevant contact addresses. The project sites will have display boards indicating the project logo, year of construction initiation and completion, funding agency, and contact details to provide suggestions or record grievance.

D. Monitoring & Evaluation

68. The multi-tier implementation arrangements under the Project include supervision and monitoring roles and responsibilities of each implementing unit. Supervision will generally entail routine quality certification at various stages of construction, forming the basis of payment certification and other works. Monitoring will occur as a periodic function, and will include process reviews/audits, reporting of outputs, and maintaining progressive records. Broad thematic areas that will be supervised and monitored include the following: (i) Social and Environmental Monitoring, (ii) Regular Quality Supervision & Certification, (iii) Periodic Physical Progress Monitoring & Third Party Quality Audit, and (iv) Monitoring and Evaluation. The PMU will carry out a household survey on a sample basis to record baseline data in line with indicators set out for results monitoring. Further details on data collection, reporting, and responsibilities are included in Annex 1.

69. Tracking of indicators will include, whenever possible, disaggregate figures for gender, as well as other vulnerable groups such as widows, children, elderly, disabled, SCs, and STs.

70. The safeguards management shall be monitored with the help of Third Party Quality Consultants (TPQC), which will have expertise in monitoring social and environment safeguards management. The details of safeguards implementation and monitoring shall be set out in the ESMF.

Annex 4: Implementation Support Plan
INDIA: Jhelum & Tawi Flood Recovery Project

I. Strategy and Approach for Implementation Support

1. The Implementation Support Plan (ISP) for the Project has been developed based on the specific nature of the Project activities, lessons learned from past project of the Bank and the Project's risk profile in accordance with the systematic operations risk-rating tool. The plan will be regularly reviewed and revised as required.
2. The ISP includes frequent review of implementation performance and progress. The Bank team will monitor progress on several fronts including: (i) key performance indicators as defined in the Results Framework; (ii) regional, district, and block level project implementation; (iii) independent verification of project activities; (iv) proper fiduciary management of all activities carried out by the PMU, PIUs and other implementing agencies; (v) reconciliation of payments with contracts; (vi) supervision of large numbers of District-level procurement activities, and (vii) monitoring of key legal covenants.
3. Information from various sources will be used to assess and monitor the progress of the Project throughout its implementation. In addition to the data generated through the Project's MIS and M&E systems, the Bank will also review the findings and results of third party assessments and environmental and social audits which will be undertaken during the course of project implementation.
4. In addition to formal semi-annual implementation support missions and field visits to the region and the Project components target areas, continuous support through in-situ and off-site training will be provided given the limited experience of the PIE with implementing Bank-financed projects. The semi-annual Implementation Status Reports will be produced to provide Bank management and the public with progress updates, tracking risk development and efficacy of mitigation measures. In addition, as required frequent sector-specific missions will be made to provide targeted support to address emerging issues.
5. The Bank's procurement, financial management, and environmental and social safeguards specialists will also provide timely and effective support. In addition to carrying out an annual ex-post review of procurement that falls below the prior review thresholds, the procurement specialist will lead thematic and focused missions depending on the procurement needs. The financial management specialist will review all financial management reports and audits and take necessary follow-up actions as per the Bank procedures. These team members will also help identify capacity building needs to strengthen procurement and financial management capacity. Semi-annual inputs from the environmental and social specialists will be required throughout the Project, and formal supervision missions and field visits will ensure that the EMF and SMF is implemented in accordance with the Bank safeguard policies.
6. The following Implementation Support Plan reflects the preliminary estimates of the skill requirements, timing, and resource requirements over the life of the Project. Keeping in mind the

need to maintain flexibility over project activities from year to year, the ISP will be reviewed annually to ensure that it continues to meet the implementation support needs of the Project.

II. Implementation Support Plan

7. The table below indicates the level of inputs that will be needed from the Bank to provide implementation support for the proposed Project.

Table 9: Implementation Support Plan

| Time Year | Focus | Primary Skills Needed | Number of Trips | Resource Estimate (US\$) | Partner Role | Comments |
|-----------|--|--|---|--|---|--|
| 1 | <ul style="list-style-type: none"> • Project launch • FM systems functioning effectively • Procurement practices following Bank norms • ESMF is in place | <ul style="list-style-type: none"> • Team lead • FM, Procurement • Safeguards Specialist • Disaster Management Specialist • Communication Specialist • Road and Bridge Specialists | <ul style="list-style-type: none"> • May 2015 • Sept. 2015 • June 2016 | <ul style="list-style-type: none"> • 45,000 • 45,000 • 45,000 | <ul style="list-style-type: none"> • Staff up PMU/ PIU • Contract PFMC consultants | <ul style="list-style-type: none"> • Project will likely become effective in June 2015. • Task team to support smooth start-up following effectiveness |
| 2 | <ul style="list-style-type: none"> • Monitor implementation of project activities • FM, Procurement, Safeguards | <ul style="list-style-type: none"> • Team lead • FM, Procurement • Safeguards Specialist • Disaster Management Specialist • Road and Bridge Specialist • Flood protection specialist • Livelihoods specialist | <ul style="list-style-type: none"> • May 2015 • Sept. 2015 • June 2016 | <ul style="list-style-type: none"> • 45,000 • 45,000 • 45,000 | <ul style="list-style-type: none"> • Provide implementation updates, compliance reports, and organize field visits | <ul style="list-style-type: none"> • Support PIUs as necessary • Ensure safeguards arrangements are built into implementation plans • Mid-Term Review |
| 3 | <ul style="list-style-type: none"> • Monitor implementation of project activities • Mid-Term Review • FM, Procurement, Safeguards | <ul style="list-style-type: none"> • Team lead • FM, Procurement • Safeguards Specialist • Disaster Management Specialist • Road and Bridge Specialist • Flood protection specialist | <ul style="list-style-type: none"> • Oct. 2016 • May 2017 | <ul style="list-style-type: none"> • 45,000 • 45,000 | <ul style="list-style-type: none"> • Prepare comprehensive project progress report in advance of each mission • Mid-term review | <ul style="list-style-type: none"> • Support to monitor progress of activities, provide technical oversight, ideas for improvement, etc. |

| Time Year | Focus | Primary Skills Needed | Number of Trips | Resource Estimate (US\$) | Partner Role | Comments |
|------------------|---|--|---|--|--|---|
| | | <ul style="list-style-type: none"> • Livelihoods specialist | | | | |
| 4 | <ul style="list-style-type: none"> • Project withdrawal and closure • Scaling up of successful models | <ul style="list-style-type: none"> • Team lead • FM, Procurement • Safeguards Specialist • Disaster Management Specialist • Road and Bridge Specialist • Flood protection specialist • Livelihoods specialist | <ul style="list-style-type: none"> • Oct. 2017 • May 2018 | <ul style="list-style-type: none"> • 45,000 • 45,000 | <ul style="list-style-type: none"> • Prepare comprehensive project progress report in advance of each mission | <ul style="list-style-type: none"> • Support to monitor progress of activities, provide technical oversight, ideas for improvement, etc. |
| 5 | <ul style="list-style-type: none"> • Project withdrawal and closure • Scaling up of successful models | <ul style="list-style-type: none"> • Team lead • FM, Procurement • Safeguards Specialist • Disaster Management Specialist • Road and Bridge Specialist • Flood protection specialist • Livelihoods specialist | <ul style="list-style-type: none"> • Oct 2018 • Mar 2019 | <ul style="list-style-type: none"> • 45,000 • 45,000 | <ul style="list-style-type: none"> • Prepare comprehensive project progress report in advance of each mission | <ul style="list-style-type: none"> • ICR Mission |

Annex 5: Gender Action Plan

INDIA: Jhelum & Tawi Flood Recovery Project

Gender and Social Context

1. With a score of 0.56 on a scale of 1 on the human development index, the region performs fairly well compared to other States and Union Territories (UTs)⁹. However, at the same time, it ranks low in the Human Development Index indicating non-income poverty. It also lags behind in terms of access to social services and investments in the infrastructure and manufacturing sectors. This can be attributed to an array of factors including difficult topography, and the prevailing business environment. The region has instability over the past few decades which has impacted the livelihoods of several families and given rise to a fragile social milieu. The worst sufferers have been women and children. Women have been affected by its short and long – term effects and therefore are the most vulnerable group for several reasons. This is especially true for a large number of widows in the region who are unable to provide for themselves and their families due mainly to cultural constraints and low levels of education.

2. With a registered unemployment rate at 105 (per 1,000 persons aged 15 years and above), the region has one of the highest unemployment rates in the country. The urban unemployment rate is equally, if not more, alarming with nearly 7% reportedly unemployed in several cities, including the two main cities where only 59% of the population have access to safe drinking water and more than 32% of the urban population live in slums where basic amenities are lacking.

Gender concerns: Regional context

3. The complexities of gender-related development are accentuated in the region due to host of factors. The main barriers to gender justice and women's empowerment can be summarized as follows: violence against women; lack of decision-making authority; lack of participation in political affairs; poor and low status of women; lack of education; lack of awareness; inadequate and unorganized health care delivery system; and under/unemployment leading to poverty. Hence, in the regional context, gender justice and women's empowerment need to be viewed through an interconnected web of multiple vulnerabilities and restricted access to health, education, gainful employment, social and physical security, and decision-making.

Infant mortality rate and sex ratio

4. As per SRS 2013, the region's infant mortality rate was 37 as against India's figure of 40. Sex ratio, as per Census 2011, was 883 which is a matter of concern. Worth noting is the decadal change; in 2001, the sex-ratio was 941 against India's average of 927.

Education

⁹India Human Development Report, 2011, UNDP

5. Female literacy remains low when compared to men. The literacy rate has increased substantially in the last decade from by 13% in the last decade i.e. from 55% in 2001 to 68.74% in 2011. While female literacy has also increased dramatically from 42.22% in 2001 to 58.01% in 2011, gender disparities in education differential still exists in rural and urban areas. The dropout rate from class 10th to 12th is 25.33%, which is very high¹⁰. Out of 22 districts, the dropout rate in 12 districts is higher than the regional level dropout rate. Huge difference in gross enrollment ratio (GER) at upper primary level and secondary level is also a cause of concern. GER at the upper primary level is 96.7 percent, whereas GER at the secondary level is very low i.e. 63.45. The number of out of school children in the age group of 6-7 years is 13,077. Out of these, 5,391 are boys and 7,686 girls. Similarly, in the age group of 8-10 years, the number of children not attending schools is 16,027. Out of these, 6,605 are boys and 9,422 girls. The number of such children in the age group of 11-14 years is 20,715, out of which 8,391 are boys and 12,324 girls.

Cultural and regional peculiarities

6. A cultural peculiarity that needs to be highlighted is the segregation of public spaces for women and men. For instance mosques, event halls, even major markets have separate marked spaces for men and women. Women remain under-represented across sectors and a majority of their contribution tends to be invisible. 6.8% of the households are female-headed and 52% of these female-headed households are widows (Census 2011). Therefore, there is a need to mainstream women's concerns and development needs more systematically.

Health

7. 51.5% of married women aged 15–49 in urban areas suffer from anemia. Most women are primarily responsible for household work like fetching water, washing, caring for the elderly or children, and cooking (only 42% women do work other than carry out household chores). This prevents them from engaging meaningfully in income generation activities or education, particularly in the case of young and adolescent girls.

Employment

8. The female work force participation (WPR) is 19.11%, which is much lower than 25.51% for rest of India. The female WPR in urban areas is 14.5%, which is slightly lower than the national average of 15.4%. The main reasons for the low WPR is the heavy domestic responsibilities of women. Coupled with weak labor markets and limited job opportunities, this has caused the rate of unemployment amongst women in urban areas to rise significantly to about 25.6%, which is considerably higher than India's average of 6.6% 11%.

9. A sectoral breakdown of women workers reveals that 56% women are cultivators, 5% are agricultural laborers and 10% workers in the household industry. Around 90% of women are

¹⁰ According to the official data presented at the 40th Project Approval Board (PAB) of the RMSA (Rashtriya Madhyamik Shiksha Abhiyan)

involved in agriculture-related activities, thus making them vulnerable to natural disasters¹¹. With respect to skill-training the region has 32 polytechnic institutes, out of which 3 are women-only institutes and 59 ITIs, of which 11 respectively are exclusively for women¹².

Regional government initiatives

10. Government initiatives such as the Skill, Empowerment and Employment Scheme for the region, Special Industry Initiative for the region, Employment Welfare Program, Seed Capital Program, Youth start-up loan, Women Entrepreneurship Program, Bad Pocket Initiatives, creation of new administrative units, exploration of new tourist areas and types of tourism (leisure, adventure, religious, convention, ethnic, winter), crop diversification and food processing are some of the active program that promote employment opportunities.

Regional Policy for Disaster Management

11. The region soon will have its own disaster management plan the draft form of which includes an analysis of hazards, vulnerability profile, covering preventive, risk reduction aspects as well as response and recovery. The PIE's Disaster Management Policy 2011 (draft) prepared by the Ministry of Revenue, Relief and Rehabilitation identifies women as an extreme vulnerable group.

12. It makes space for gender-specific provisions through:
- Specific plans to mitigate the impact of disaster on women and children
 - Special mention to be given to women, differently abled, children and elderly while preparation of Community-Based Disaster Management Plans
 - Rehabilitation centers to make special provisions for women and for ensuring privacy of adolescent girls
 - Ensuring that relief reaches sub-categories such as widows / single women, older women, female-headed households and the differently-abled

Table 10: Gender Strategy and Action Plan

| Project Component | Suggested Action Area | Policy Rationale |
|--|--|--|
| Component 1 – Reconstruction and strengthening of critical infrastructure | Restoration of critical social infrastructure such as public buildings including schools, hospitals and recreational spaces should be gender-informed in terms of design features, benefitting the elderly, disabled, women and children. For instance, women-only colleges for higher education, polytechnics and ITIs could be targeted. | Restoration of public buildings including schools and hospitals is a policy priority. The Economic Survey 2013 - 2014 identifies youth participation in higher education to be a matter of concern and makes provision for several more colleges of |

¹¹Economic Survey, 2013–2014.

¹²*Ibid*

| | | |
|---|---|--|
| | <p>Segregation of public spaces, such as separate waiting rooms, toilets in hospitals and education institutes for men and women.</p> | <p>higher education, including women's only colleges in every district. The prevalent cultural norm strongly follows segregation of men and women in public spaces. For instance, ITIs in the region have functional women-only wings.</p> |
| <p>Component 2 – Reconstruction of roads and bridges</p> | <p>The DPRs for reconstruction of physical infrastructure such as roads, bridges, etc. will make provision for mainstreaming gender concerns and ensure stakeholder participation, including that of women, youth, SCs, STs, and marginalized sub-categories.</p> | <p>Enhancing connectivity is indispensable to accessing education and employment opportunities. The Economic Survey 2013–2014 states the provision of training facilities and employment opportunities for youth, women and other marginalized groups.</p> |
| <p>Component 4 – Restoration and strengthening of livelihoods</p> | <p>Restore handloom centers/Haats in urban areas, will be restored on the lines of recently enacted legislation, like the Street Vendor's Act, 2014.</p> <p>The designing of the market space will be inclusive in nature, marking separate toilet facilities for men and women.</p> <p>Collating and monitoring gender-disaggregated data with respect to beneficiaries of training mechanisms, access to credit and physical infrastructure – work-sheds, equipment, etc.</p> | <p>The implementing entity policy focuses on promoting youth and women entrepreneurs. A significant no, i.e. 10% of women work in the handloom industry.</p> <p>The Street Vendor's Act 2014 aims at providing the right to livelihood and social security to street vendors. It emphasizes on the holistic development and management of traditional market structures. The act succinctly makes provision for a range of issues such as identification, entitlements, insurance and rehabilitation of informal vendors in urban areas.</p> |
| <p>Component 5 – Strengthening disaster risk management capacity</p> | <p>The operational manual of the State Disaster Management Agency will make provisions for gender-sensitive planning and design.</p> <p>The PMU will include one person with responsibility for tracking</p> | <p>The J&K Disaster Management Policy 2011 makes special reference to the preparation of community – based disaster management/resilience</p> |

| | | |
|--|--|---|
| | <p>and monitoring gender-related interventions. The person will also work in line with the policy mandate of mainstreaming gender and inclusion issues that come up in mitigating disaster situations.</p> | <p>action plans and the need to ensure that mitigation measures are in place for elderly women, female headed households, widows, adolescent girls, SCs, STs.</p> |
|--|--|---|

Independent study to be conducted

13. A provision will be made for a ‘Vulnerability Assessment’ to be conducted in the first year of implementation. This study, which could be undertaken as part of Component 7 – Implementation Support, will identify:

- The scale of vulnerability faced by widows, youth (boys/girls), female-headed households, the elderly, differently – abled, and other marginalized categories.
- Barriers that obstruct the reach of services or facilities to these marginalized categories
Policy interventions/recommendations that can reduce the access gap.

14. It is important to undertake this study, as there is a large presence of widows, half – widows, unemployed youth and elderly population. Also, the Disaster Management Policy, 2011 explicitly identifies them as a category that needs to be targeted on a priority basis.