

 Early Warning System

WB-P122770

IN Uttar Pradesh Water Sector Restructuring Project Phase 2



### Quick Facts

<b>Countries</b>	India
<b>Financial Institutions</b>	World Bank (WB)
<b>Status</b>	Active
<b>Bank Risk Rating</b>	A
<b>Voting Date</b>	2013-08-28
<b>Borrower</b>	GOVERNMENT OF UTTAR PRADESH, IRRIGATION DEPARTMENT
<b>Sectors</b>	Water and Sanitation
<b>Potential Rights Impacts</b>	Cultural Rights, Healthy Environment, Housing & Property, Indigenous Peoples, Labor & Livelihood, Right to Food, Right to Health, Right to Water
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 360.00 million
<b>Project Cost (USD)</b>	\$ 515.00 million



### Project Description

World Bank documentation indicates that this project is a follow-up to the previous Uttar Pradesh Water Sector Restructuring Project (UPWSRP) Phase 1 operation (WB Project No. P050647), which was also funded by the World Bank. The overall aim of the Project is to strengthen and modernize the water sector in Uttar Pradesh, India's most populous state. The project will be implemented in 16 districts identified by the Uttar Pradesh government as being priority areas.

#### *Phase 1 of the Project*

During the UPWSRP Phase 1, a long-term program covering a 15-20 year time period including both infrastructure and major institutional reform measures was designed. The UPWSRP Phase 1 (US\$ 173.70 million approved February 19, 2002 and closed October 31, 2011) was the first step in this program.

The following activities were completed under the Phase 1 operation:

- Rehabilitation and modernization of the irrigation and drainage systems covering about 3% of the irrigated area (300,000 ha) in the pilot Jaunpur Branch basin using modern surveys and designs.
- Establishment and strengthening of more than 800 water user associations (WUAs) (at the minor levels) following the passing of the Uttar Pradesh Participatory Irrigation Management Act (2009).
- Establishment of a water regulatory commission and a state-level water resource agency
- Introduction of a management information system for the Uttar Pradesh Irrigation Department (UPID) including an enhanced information technology infrastructure
- Crop demonstrations for farmers (16,955 demonstrations for rice and wheat, 794 demonstrations for zaid green gram, and 800 demonstrations for mustard).

The Implementation Completion Report rated the project a moderately satisfactory operation, due to the fact that the operation took 10 years (2002-2011), which went significantly beyond the planned implementation period due to the delays in civil works. The final disbursed amount was SDR 86 million, falling short of the original commitment of SDR 117 million.

Based on its experience with the Phase 1, World Bank states that "design changes were made and an appropriate level of readiness is needed to avoid the pitfalls of the earlier operation."

#### *Phase 2 of the Project*

The current investment is for Phase 2 of the project, which involves strengthening and supporting various water institutions set up under Phase 1. Phase 2 consists of six components:

##### *Component A: Strengthening of State-Level Water Institutions and Inter-Sector Coordination (\$18 Million)*

- Strengthening the independent Uttar Pradesh Water Management and Regulatory Commission (UPWAMREC)
- Strengthening the technical secretariat of the UPWAMREC, the State Water Resources Agency and Data Analysis Center
- Strengthening the primary training institute for Irrigation Department engineers, the Water and Land Management Institute.

##### *Component B: Modernization and Rehabilitation of Irrigation and Drainage Systems (\$ 305 Million)*

- Expanding rehabilitation and modernization efforts to new areas identified as critical by the Government of Uttar Pradesh, including irrigated areas in the Lower Ganga Canal System, in Haidergarh (23 km and down), and three reservoir systems in Bundelkhand.
- This component represents the major infrastructure and civil works component of the project and constitutes almost 60% of the total project costs.
- World Bank states that "this component directly contributes to improving agricultural productivity as reliable, timely, and



### Early Warning System Project Analysis

#### RISK CATEGORIZATION

The World Bank states that [w]hile no potentially large scale, significant and/or irreversible negative impact is envisaged as a result of project activities, implementation of project components may result in adverse impacts on people and land. Accordingly, the project is rated as Category A. A Category A project is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented.

#### APPLICABLE SOCIAL AND ENVIRONMENTAL STANDARDS

##### Environmental Assessment (OP 4.01)

World Bank documentation states that [t]he proposed investments on irrigation infrastructure and water management activities could have adverse but geographically limited environmental impacts, thus triggering Environmental Assessment OP 4.01, but states that [t]he physical works of the project are rehabilitative in nature and since no new canals are proposed for construction, significant adverse environmental or social impacts are not anticipated.

##### Safety of Dams (OP 4.37)

World Bank documentation states that , due to the inclusion of the rehabilitation of three three dams in the Project activities, [a] Dam Safety Cell in the State of Uttar Pradesh would be suitably strengthened to ensure issues of dam safety are addressed. World Bank asserts however, that [n]o significant impacts are anticipated due to inclusion of the command areas of three dams in Bundelkhand under the project [a]n independent safety assessment of the three dams was completed and the findings reveal that there are minimal risks in relation to dam safety.

##### Involuntary Resettlement (OP 4.12)

The World Bank states that [a]ven though it is unlikely that the rehabilitation and modernization of the irrigation systems in the UPWSRP Phase 2 Project area would call for any involuntary resettlement, this policy is triggered to provide for any such requirement that might arise and to ensure that remedial action incorporates the requirements of OP 4.12.

##### Pest Management (OP 4.09)

World Bank documentation states that [a]lthough the project does not plan to finance any pesticides, there is a possibility of induced impact of greater pesticide use due to increased agricultural intensification and diversification. An [environmental management plan] on pest management has been prepared that provides for enhancement of integrated pest management activities. Banned pesticides and those included in the WHO Scheduled Lists would not be financed.

##### Projects on International Waterways (OP7.50)

Lastly, the World Bank states that [a]lthough the project is in an international river basin (Ganges), no significant impact is anticipated upstream or downstream on water quality or quantity given the nature of interventions, which are rehabilitation and modernization of the existing irrigation infrastructure. Given the nature of this project, though the OP is triggered, an exception to notification has been granted similar to the one granted in Phase I.

World Bank contends that [t]he project investments would not convert any critical or non-critical natural habitats. Any identified adverse impact is limited in nature and scope, both spatially and temporally, and is unlikely to impact any natural habitat. As such, Natural Habitats OP/BP 4.04 is not implicated by the project.



### People Affected By This Project

#### ENVIRONMENTAL AND HUMAN RIGHTS RISK ASSESSMENT

World Bank documentation states that [t]he physical interventions are targeted to rehabilitate and modernize the irrigation and drainage system largely in 16 districts, which have been identified by the Government of Uttar Pradesh as priority areas. However, the environmental impact assessment on which project approval relies has examined an overall project area that is split between two major regions. According to the EIA, the first region is the Lower Ganga Canal [LGC] Command Area [which] lies between 27deg 20' 27.31N, 25deg 18' 50.18N and 80deg 36' 47.06E, 83deg 55' 35.99 E. It comprises of 12 districts of Uttar Pradesh with a total area of 30, 619 sq. kms, about 12.7 % of the total geographical area of the State. Geographically, LGC Command Area is a part of Ganga Basin.

The second area known as Bundelkhand region includes Lalitpur district of Bundelkhand region, three districts, Shahuji Maharaj Nagar, Barabanki & Rae Bareli district under Sharda Sahayak Command Area and twelve districts, Kashiram Nagar, Etah, Firozabad, Manipuri, Farrukhabad, Etawah, Kannauj, Auraiya, Ramabai Nagar, Kanpur Nagar, Fatehpur & Kaushambi under Lower Ganga Canal system. According to the EIA, [t]he project interventions are in Bundelkhand and focus on Lalitpur District. The District lies between Latitude 24deg 11' N - 25deg 17'12" N and Longitude 78deg 11' E - 79deg 00' E. The area of the district is 5039 km<sup>2</sup> with total population of 835,790.

The following analysis is based on an eight-volume environmental and social impact assessment spanning the aforementioned regions.

#### LABOR RIGHTS

World Bank documentation states that [a]dverse impacts could arise due to poor construction quality and unsafe construction practices over the course of the project.

The following questions therefore may be relevant to determining whether you or your community's labor rights have been adversely affected by the investment project:

- Can all members of your community apply for jobs in the context of the investment project?
- Are your wages sufficient to meet your basic needs and those of your family?
- Have you been forced to work against your will or without adequate compensation?
- Are your working conditions safe and healthy?
- Are there children under the age of 15 working on any aspect of this development project?
- What opportunities (legal or other) are available if you consider that your working conditions are not just and favorable?

#### RIGHT TO FOOD

World Bank documentation states that India has the largest area under wheat, rice, and cotton, largest producer of milk, pulses, and spices and is also home to the largest number of cattle (buffaloes) in the world. with nearly three quarters of Indian families dependent on rural incomes. Despite this fact, according to the 2012 Human Rights Status Report in India, 21% of India's total population remains undernourished, with women, girls and older persons being the most affected [as] 42% of children under five are underweight and 59% are stunted.

The environmental impact assessment emphasizes that in particular Uttar Pradesh is one of the most important states from a food security perspective. In 2002/3, over 44 million tons of food grain (i.e. rice and wheat) w[ere] produced over an area of about 20 million hectares.

As such, the EIA recognizes that [a]griculture will continue to play an important role in alleviating poverty in the State. The major economic activity in the state is agriculture. The sector accounts for about 30 percent of the state GDP and 60 percent of



### Investment Description

- World Bank (WB)

World Bank's International Development Association (IDA) is providing USD\$ 360.36 million of the total \$USD 514.18 million for the project through a Specific Investment Loan Specific Investment Loans are used by the World Bank to support the creation, rehabilitation, and maintenance of economic, social, and institutional infrastructure. The IDA lends money on concessional terms. This means that IDA charges little or no interest and repayments are stretched over 25 to 40 years, including a 5- to 10-year grace period. IDA also provides grants to countries at risk of debt distress. The Government of India will be providing the remaining \$154.44 million in funding.



### Private Actors Description

The borrower in this project is the Government of Uttar Pradesh, India. At the time of publication, the World Bank has financed 708 projects in India, representing a total commitment of \$ USD 116,369.23 million. Of the 708, 123 projects are active, 49 have been dropped, and 22 are in the pipeline. Approximately 151 projects are dedicated to sub-national governmental irrigation, and 88 are dedicated to irrigation and drainage projects.

### PAST HUMAN RIGHTS ABUSES

According to the Indian National Human Rights Commission, as of 2013, Uttar Pradesh topped all of India in terms of the registration of human rights complaints, with the majority of the violations pertaining to failure in taking lawful action by police, abuse of power by police, false implications by police, and inaction by the other State government/ Central government officials.

Complaints against the Government of India have been brought to the World Bank Inspection Panel on 12 separate occasions in Bank-financed projects, including water-restructuring projects.

In the 2010-2011 complaints against the Madhya Pradesh Water Sector Restructuring Project, "[t]he development objective of the [Madhya Pradesh Water Restructuring Project] is to improve productivity of water for sustainable growth and poverty reduction in selected river basins (Chambal, Sindh, Betwa, Ken, and Tons) of Madhya Pradesh. The Project aims to rehabilitate and modernize about 500 irrigation systems, build capacity of Water Users Associations (WUA), introduce improved agricultural, horticultural, and fisheries practices in the project schemes, and reform the Water Resource Department (WRD)," similar to the objectives of the current investment project in Uttar Pradesh.

The complaint stated that local communities were concerned about the health and sanitation issues related to the "Water Quality Enhancement Project of Swarn Rekha River" project, with the complaints "raising issues related to health, pollution, poverty reduction, project design, and supervision by Bank staff. Its main focus is on the health hazard posed to the residents of the city of Gwalior by raw sewage allegedly flowing in the Swarn Rekha River. The Requesters allege that an existing sewage trunk line, which is located under the river bed (and at times besides it), and thus under the concrete lining being constructed under the sub-project, was damaged by 'construction work' connected to the sub-project."

The Panel Report stated that "[i]n its visit to Gwalior, the Panel team observed numerous places where raw sewage lay visibly in the river, both in the sections that have already been lined under the sub-project and those that have not yet been lined, and can confirm that there is indeed clearly a problem of sewage in segments of the river" and affirmed that "[a]ll parties, including not only the Requesters and other affected people, but also local governmental authorities and the World Bank, agree that this sewage problem is serious and needs to be addressed." However, the Panel determined that "[w]hile there is a clear causal link between the existing sewage system and the problem of sewage in the river and related harms, the Panel is of the opinion that the Bank-financed sub-project cannot be said to have caused the problem of raw sewage in the river as alleged in the [complaint]." Therefore, the Panel did not recommend an investigation of the issues.



### Contact Information

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### CONSULTATION

The World Bank identifies the key "project stakeholders [as] including farmers in the rain-fed area, Water User Associations (WUAs), women self help groups, [Panchayati Raj Institutions (local governing bodies)] NGOs and government line departments and agencies." World Bank provides that "[a]s part of environmental assessment, wide ranging stakeholders' consultations were undertaken in project areas with various stakeholder groups. These consultations were held at individual, household and village/community levels in the field and also with PRIs and included Focused Group Discussions. In addition, the design and survey consultants also undertook Walk Through Surveys with local community representatives and engineers from field divisions."

The environmental impact assessment (EIA) reflects that during these conversations, "[m]any farmers suggested improvement of road (on canal bank/embankment) for better transport facility and connecting marketing centers that would result in getting a better price for farm produce. There is an overall demand for improving agricultural extension services and forward and backward linkages, which help in coverage of more sown area. Better and more animal health care facilities, more cross breeding facilities, more availability of fingerings of relevant breeds of fishes and facilitate composite fish will improve their alternative livelihood. Ground water recharging facilities along primary and secondary channels of the canal network at regular interval was suggested by farmers. Further, waterlogging should be mitigated and improving rain water harvesting facilities should be introduced."

### ACCOUNTABILITY MECHANISM OF WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing [ipanel@worldbank.org](mailto:ipanel@worldbank.org). You can learn more about the Inspection Panel and how to file a complaint at: <http://ewebapps.worldbank.org/apps/ip/Pages/Home.aspx>.





### Bank Documents

- 2015-16 AG Audit Certificate (English,English) [Original Source]
- India - IN Uttar Pradesh Water Sector Restructuring Project Phase 2 : P122770 - Implementation Status [Original Source]
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- India - IN Uttar Pradesh Water Sector Restructuring Project Phase 2 : P122770 - Implementation Status [Original Source]
- India - Second Phase of the Uttar Pradesh Water Sector Restructuring Project (English) [Original Source]
- India - Second Phase of the Uttar Pradesh Water Sector Restructuring Project (English) [Original Source]
- India - Second Phase of the Uttar Pradesh Water Sector Restructuring Project : environmental assessment [Original Source]
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- India - Uttar Pradesh Water Sector Restructuring Project Phase 2 : P122770 - Implementation Status R [Original Source]
- India - Uttar Pradesh Water Sector Restructuring Project Phase 2 : P122770 - Implementation Status R [Original Source]
- Integrated Safeguards Data Sheet (Appraisal Stage) - Uttar Pradesh Water Sector Restructuring Project [Original Source]
- Official Documents- Disbursements Letter for Financing Agreement, Credit 5298-IN (Closing Package) (English) [Original Source]
- Official Documents- Financing Agreement, Credit 5298-IN (Closing Package) (English) [Original Source]
- Official Documents- First Restatement to the Disbursement Letter for Credit 5298-IN (English) [Original Source]
- Official Documents- Project Agreement ref. Financing Agreement, Credit 5298-IN (Closing Package) (English) [Original Source]
- Official Documents- Recommendations of Statutory Committee for Financing Agreement, Credit 5298-IN (Closing Package) (English) [Original Source]
- Official Documents- Supplemental Letter ref. Financial Data for Financing Agreement, Credit 5298-IN (Closing Package) (English) [Original Source]
- Project Information Document (Appraisal Stage) - Uttar Pradesh Water Sector Restructuring Project Phase 2 [Original Source]