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TAMILNADU URBAN INFRASTRUCTURE
FINANCIAL SERVICES LTD.
02 MAR 2016
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ABSTRACT

SMIF-TN-II - KfW assisted Sustainable Municipal Infrastructure Financing in Tamil Nadu-II-Program - Environmental, Climate Change and Social Management Framework - Approval and Adoption- Orders - Issued.

MUNICIPAL ADMINISTRATION AND WATER SUPPLY (MA2) DEPARTMENT

G.O.(Ms)No.51

Dated 29.02.2016

3/3/16

Read:

1. G.O (Ms) No. 115, Municipal Administration and Water Supply Department, dated 06.10.2006.
2. G.O (Ms) No. 83, Municipal Administration and Water Supply Department, dated 10.6.2013.
3. From the Chairperson and Managing Director, Tamil Nadu Urban Infrastructure Financial Services Limited, Lr.No.TNUIFSL/ECSMF/2013, dated 13.9.2013.
4. G.O (Ms) No. 32, Municipal Administration and Water Supply Department, dated 17.2.2015.
5. G.O (Ms) No.170, Municipal Administration and Water Supply Department, dated 17.11.2015.

ORDER:

The German Development Bank-KfW assisted Sustainable Municipal Infrastructure Financing in Tamil Nadu-II Program (SMIF-TN-II) has been taken up for providing urban infrastructure projects in the Urban Local Bodies, for which Administrative Sanction has been accorded by the Government, vide the Government Orders second, fourth and fifth read above.

2. It is the policy of the Government to promote Environmentally sound, Socially acceptable and Commercially viable projects, which enhance the overall welfare of the people. Environmentally sound projects attempt to conserve natural resources, preserve bio-diversity and ecological equilibrium, minimize release of polluting waste and integrate mechanisms to maintain and enhance environmental quality and project location. Socially accepted projects attempt to avoid or minimize displacements, ensure appropriate resettlement and rehabilitation of the project affected persons and address legitimate concerns of all relevant stake holders.

3. The Chairperson and Managing Director, Tamil Nadu Urban Infrastructure Financial Services Limited, has stated that during the appraisal mission of the KfW for Sustainable Municipal Infrastructure Financing in Tamil Nadu-II Program, as was mandated by KfW, it was agreed to revise the Environment and Social Framework (ESF) approved in the Government Order first read above, taking into account the provisions of "Sustainability Guidelines" of KfW, for adoption in Sustainable Municipal Infrastructure Financing in Tamil Nadu-II Program. Accordingly, the Environment and Social Framework has been revised and KfW has cleared the same. The Environment and Social Framework document has been renamed as "Environmental, Climate Change and Social Management Framework" (ECSMF).

4. The Chairperson and Managing Director, Tamil Nadu Urban Infrastructure Financial Services Limited has requested the Government to issue orders for adopting the "Environmental, Climate Change and Social Management Framework (ECSMF)" for KfW assisted Sustainable Municipal Infrastructure Financing in Tamil Nadu -II Program.

5. The objectives of Environmental, Climate Change and Social Management Framework are to incorporate Environmental, Social and Climate standards into the planning, appraisal, implementation and monitoring of measures in externally aided projects ; promote transparency, predictability and accountability in the decision making process of environmental and social impact assessments (ESIA) and climate change assessments ; improve the assessment of economic risks associated with projects by taking into account the Environmental, Climate and Social aspects.

7. The key principles of Environmental, Climate Change and Social Management Framework, are provision of interest, lack of ownership does not imply lack of compensation rights, all compensation will be at replacement cost and income rehabilitation.

8. The Chairperson and Managing Director, Tamil Nadu Urban Infrastructure Financial Services Limited has informed that the provisions relating to Environmental, Climate Change and Social Management Framework incorporated in the Separate Agreements signed between the KfW and the Tamil Nadu Urban Development Fund on 19.12.2012 and 18.06.2014 for Sustainable Municipal Infrastructure Financing in Tamil Nadu-II-1 Program and Sustainable Municipal Infrastructure Financing in Tamil Nadu-II-2 Program respectively have been covered in the draft Environmental Climate Change and Social Management Framework.

9. The Chairperson and Managing Director, Tamil Nadu Urban Infrastructure Financial Services Limited has requested approval of the Government for the Environmental Climate Change and Social Management Framework and orders for adoption of the same for the KfW assisted Sustainable Municipal Infrastructure Financing in Tamil Nadu-II-Program.

10. The Government after careful examination of the proposal of the Chairperson and Managing Director, Tamil Nadu Urban Infrastructure Financial Services Limited has decided to accept the same and accordingly approves the Environmental Climate Change and Social Management Frame Work as annexed to this order for KfW assisted Sustainable Municipal Infrastructure Financing in Tamil Nadu-II Program.

11. This order issues with the concurrence of the Finance department vide U.O.No.54321/Fin(MAWS)/2014, dated 06.11.2014.

(BY ORDER OF THE GOVERNOR)

**K. PHANINDRA REDDY
PRINCIPAL SECRETARY TO GOVERNMENT**

To

The Managing Director,
Tamil Nadu Urban Infrastructure Financial Services Limited, Chennai -600 028.
The Managing Director,
Chennai Metropolitan Water supply and Sewerage Board, Chennai-600 002.
The Commissioner, Corporation of Chennai, Chennai-600 003.
The Commissioner of Municipal Administration, Chennai-600 005.
The KfW Bank, New Delhi.

Copy to:

The office of the Hon'ble Chief Minister, Chennai-600 009.
The Finance Department, Secretariat, Chennai-600 009.
The Municipal Administration and Water Supply (OP2) Department, Chennai-600 009.
Sf/Sc

/FORWARDED BY ORDER/


SECTION OFFICER

