

Tamil Nadu Sustainable Urban Development Project (TNSUDP)

Environmental and Social Management Framework (ESMF)

EXECUTIVE SUMMARY

BACKGROUND

TNSUDP:

1.0 The World Bank has had a long partnership with the Government of Tamil Nadu (GoTN) in the area of urban development starting from the 1980s with Chennai centered MUDP-I & II and Tamil Nadu Urban Development Project (TNUDP-II & III). These projects, in addition to creation of infrastructure assets, have influenced reforms in urban sector as well as build new institutions such as the Tamil Nadu Urban Development Fund (TNUDF), a Trust established to fund urban infrastructure projects in Tamil Nadu. The Tamil Nadu Urban Infrastructure Financial Services (TNUIFSL) is the Fund Manager of TNUDF. The Bank funded projects have been going hand-in-hand with urban sector reforms in the state where Tamil Nadu has been one of the leading states In India. In continuation to this, it is proposed to implement urban infrastructure projects under “Tamil Nadu Sustainable Urban Development Project (TNSUDP)” with the aid of the World Bank with a total outlay of about USD 600 M.

2.0 The Project Development Objective (PDO) for the proposed TNSUDP is “to demonstrate improved urban management practices and to improve urban services in participating Urban Local Bodies (ULBs) in a financially sustainable manner”. The project will have three components viz., 1. Model City Component; 2. Urban Investment Component and 3. Urban Sector Technical Assistance (TA) Component. The main objective of model city component is to demonstrate new models of urban management with a focus on building strong governance and financial sustainability at the ULB level. The main objective of urban investment component is to help participating ULBs improve urban services with an emphasis on the urban environment. This has three sub components viz., loans and grants to ULBs, credit enhancement and TA. The main objectives of urban sector TA component are to improve institutional strengthening, municipal e-governance, project preparation and management.

ENVIRONMENTAL AND SOCIAL POLICY OF TNUDF:

3.0 The Policy of TNUDF is to promote the principles of Environmental sustainability and Social relevance in the projects funded by TNUDF.

ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK:

4.0 TNUIFSL has reflected its commitments to the environmental and social policy of TNUDF, through Environmental and Social Framework (ESF) as approved by the Government of Tamil Nadu during the year 2006 for the projects that it finances. The ESF document has now been revised and updated based on the provisions of new Acts, Legislations, revisions in the Operational Policies of the World Bank, besides the experience and lessons learnt while implementing TNUDP-III. The revised

framework is now named as Environmental and Social Management Framework (ESMF) and will now be applicable to the proposed Tamil Nadu Sustainable Urban Development Project (TNSUDP).

5.0 The ESMF has two volumes which outline the policies, assessments and procedures that will enable TNUDF to ensure that subprojects that it funds under TNSUDP are developed in accordance with ESMF and are adequately protected from associated risks. The ESMF also aims to sensitise borrowers in the assessment and management of environmental and social issues arising in urban infrastructure projects.

ENVIRONMENTAL SAFEGUARD FRAMEWORK:

6.0 Regulatory Framework: The National and state level environmental laws and the Operational Policies of the World Bank are applicable to TNUFSL financed projects. The most important of the applicable laws are Water (Prevention And Control of Pollution) Act, 1974, Tamil Nadu Water (Prevention And Control of Pollution) Rules, 1974, The Water (Prevention And Control of Pollution) Cess Act, 1977, Forest (Conservation) Act, 1980, Air (Prevention and Control of Pollution) Act 1981, Coastal Regulation Zone (CRZ) Notification, 2011 (S.O.19(E), dt. 06/01/2011, EIA Notification, 2006 (S.O.1533(E), dt.14/09/2006) etc and the World Bank OP 4.01 Environmental Assessment, OP 4.04 Natural Habitats, OP 4.11 Physical Cultural Resources and OP 4.36 Forests.

7.0 ENVIRONMENTAL CATEGORISATION OF PROJECTS: The urban infrastructure projects are expected to improve general living standards within urban localities. However depending on the location and the nature of project activities , these projects will have varying impacts on urban environment. A Storm water drainage project project may impact the recipient waterbody, cause flooding near confluence points, and also affect the groundwater recharge. Similarly, an underground sewerage scheme may cause impact due to disposal of treated effluent and sludge, a water supply project may be associated with over exploitation of water resources and downstream users, and disposal of sludge etc and so on. Hence, to address the issues from infrastructure projects, TNUFSL has categorized the projects into different categories – E1, E2 and E3 linked to severity of impacts and regulatory requirements. E1 projects require project specific EA by an independent agency, E2 projects require project specific EA as part of DPR and E3 projects require only Generic EMP. Sample environmental management plans for different types of infrastructure projects are provided in the Volume II for guidance which shall be made project specific during EA preparation.

SOCIAL SAFEGUARD FRAMEWORK

Key Principles of Social Safeguard Framework: The basic objective of the social safeguards policy is to mitigate the social adverse impact to the population affected by the project implementation. This policy also emphasizes that the involuntary

resettlement will be avoided and minimized by exploring different options. The ESMF bridges the gap between the World Bank's Policy on Involuntary Resettlement and RTFCTLARR Act 2013. The broad categories of the economic and social impacts that would be mitigated are:

- a) Loss of Land and Assets
- b) Loss of Shelter or homestead lands,
- c) Loss of income or means of livelihood
- d) Loss of access to productive resources, shelter/residences
- e) Loss of collective impacts on groups such as loss of community assets, common property resources and others.

8.0 REGULATORY FRAMEWORK: The relevant national and state level laws are The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013, The Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014, The Scheduled Tribes and other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, Right to Information Act, 2005 and the World Bank Operational Policies include, OP 4.12 Involuntary Resettlement and World Bank Policy on Access to Information and Disclosure.

9.0 SOCIAL CATEGORISATION OF PROJECTS: TNUIFSL has categorized the projects into three categories namely S1, S2 and S3 based on the severity of impacts. Entitlement matrix provides for different impact categories viz. loss of Land, Residential Structures, commercial structures, Community Assets, Impact to title holders, tenants and leaseholders, non-title holders, Loss of Livelihoods, Impacts to Vulnerable Households, and Unidentified impacts and is in accordance with The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013 and OP 4.12 of the World Bank.

ESMF ADOPTION FRAMEWORK:

10.0 ESMF will be adopted in both preparation of projects under Technical Assistance and implementation of projects.

11.0 Project Preparation: EA/SIA shall be prepared while preparing the DPR. Draft reports shall be forwarded to World Bank for approval and the final version of EA/SIA and EMP and RAPs reports in English with a non-technical summary in Tamil, shall be disclosed in the websites of the ULBs/relevant departments and TNUIFSL and will be made available in places accessible to the local people.

Project Appraisal:

- a. The projects shall be screened by TNUIFSL for Environmental and Social impacts and accordingly environmental and social category of the project is determined. EA/SIA, LA/R&R budget, compliance with ESMF etc shall be the borrowers' responsibility.

- b. Prior to award of contracts, the borrowers shall submit the Readiness Certificate certified by the borrower fulfilling the requirements of Social Safeguards.
- c. Borrowers will ensure implementation of ESMF during respective stages and TNUIFSL monitors all projects that it finances to ensure conformity to standards.
- d. Monitoring of Environmental and Social components by TNUIFSL will be carried out through environmental and social compliance reports submitted by the borrower/ PIA and through field visits.

12. ESMF Audit: TNUIFSL will undertake annual audits to review the status of ESMF compliance of all E-1/S1 projects and sample E2/S2 projects. The audit will be carried out during June-July of every year for the activities completed until previous financial year. The draft report shall be forwarded to the World Bank by September 30 and upon approval the final audit report will be disclosed.

INSTITUTIONAL FRAMEWORK

13.0 TNUIFSL: TNUIFSL has two Environmental and Social Safeguard Managers (One Environment and one Social) and the outline TOR for these two Managers in the context of TNSUDP is described in Document-8 in Volume II. TNUIFSL will supervise and monitor implementation of environmental and social safeguards for all sub-projects under TNSUDP as per this ESMF through Environmental and Social Safeguard Managers.

14.0 Borrowers and Implementing Agencies: CMA and PIA will have dedicated environmental and social experts with appropriate qualification and experience for coordinating with Urban Local Bodies for ensuring ESMF compliance and submit the relevant documents/ monthly reports to TNUIFSL.

15.0 COC/ PMC will have dedicated Environmental & Social experts with appropriate qualification and experience for ensuring ESMF compliance in project implementation and submit relevant documents/ monthly reports to TNUIFSL.

16.0 Capacity Building: It has been proposed to appoint dedicated environmental and social experts with appropriate qualification and experience in CMA, , Corporation of Chennai and in implementing agencies/PMC for ensuring ESMF compliance. TNUIFSL envisages capacity building on environmental and social safeguards, technical aspects etc for its borrowers, by organising annual sensitization programs, workshops, training programs, etc in co-ordination with training institutions experienced in various aspects of urban infrastructure projects and World Bank.

17.0 TNUIFSL also proposes enhancing capacity of staffs and ESS managers through orientation programs, trainings, exposure visits to similar projects implemented,

courses and participation in both national and international training courses and seminars/workshops, etc.

18.0 The proposed capacity building activities will be supported through appropriate Technical Assistance of TNSUDP.

Outcome of Stakeholders Workshop and Disclosure:

19.0 A stakeholders' workshop on the Draft ESMF was organized by TNUIFSL. During the workshop, the stakeholders appreciated the provision of entitlement to non-title holders also and expressed their overall satisfaction on the provisions of ESMF document.

20.0 **Public Disclosure:** The Draft ESMF was disclosed in the websites of the TNUIFSL & CMA and no comments were received.