



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 25-Jun-2020 | Report No: PIDISDSA28071



BASIC INFORMATION

A. Basic Project Data

Country India	Project ID P172572	Project Name SECOND TAMIL NADU ROAD SECTOR PROJECT ADDITIONAL FINANCING	Parent Project ID (if any) P143751
Parent Project Name Second Tamil Nadu Road Sector Project	Region SOUTH ASIA	Estimated Appraisal Date 22-Jul-2020	Estimated Board Date 13-Nov-2020
Practice Area (Lead) Transport	Financing Instrument Investment Project Financing	Borrower(s) Republic of India	Implementing Agency Government of Tamil Nadu

Proposed Development Objective(s) Parent

The project development objective is to increase road capacity, enhance quality of maintenance, improve safety and support institutional development of Tamil Nadu's core road network (CRN).

Proposed Development Objective(s) Additional Financing

The project development objective is to increase road capacity, enhance quality of maintenance, improve safety and support the institutional development of Tamil Nadu's transport and logistics sectors.

Components

- Component A: Network Improvement
- Component B: Institutional Capacity Enhancement
- Component C: Road Safety

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	332.12
Total Financing	332.12
of which IBRD/IDA	169.00
Financing Gap	0.00

DETAILS



World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	169.00
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Non-World Bank Group Financing

Counterpart Funding	163.12
Borrower/Recipient	163.12

Environmental Assessment Category

A-Full Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

None

B. Introduction and Context

Country and State Context

India’s Gross Domestic Product (GDP) growth has slowed in the past three years, and the COVID-19 outbreak is expected to have a significant impact. Growth has moderated from an average of 7.4 percent during FY15/16-FY18/19 to an estimated 4.2 percent in FY19/20. The growth deceleration was due mostly to unresolved domestic issues (impaired balance sheets in the banking and corporate sectors), which were compounded by stress in the non-banking segment of the financial sector, and a marked decline in consumption on the back of weak rural income growth. Against this backdrop, the outbreak of COVID-19 and the public health responses adopted to counter it have significantly altered the growth trajectory of the economy, which is now expected to contract in FY20/21. On the fiscal side, the general government deficit is expected to widen significantly to over 10 percent of GDP in FY20/21, owing to weak activity and revenues as well as higher spending needs. However, the current account balance is expected to improve in FY20/21, reflecting mostly a sizeable contraction in imports and a large decline in oil prices. Given this, India’s foreign exchange reserves are expected to remain comfortable (equivalent to over 10 months of imports).

Since the 2000s, India has made remarkable progress in reducing absolute poverty. Between FY11/12 and 2015, poverty declined from 21.6 percent to an estimated 13.4 percent at the international poverty line (US\$1.90 per person per day in 2011 Purchasing Power Parity (PPP), continuing the earlier trend of rapid poverty reduction. Owing to robust economic growth, more than 90 million people escaped extreme poverty and improved their living standards during this period. Despite this success, poverty remains widespread. In 2015, 176 million Indians were living in extreme poverty, while 659 million—half the population—were below the higher poverty line commonly used for lower middle-income countries (US\$3.20 per person per day in 2011PPP). The covid-19 outbreak is likely to further moderate the rate of poverty reduction and risks people falling back into poverty. The slowdown in domestic consumption due to the necessary public health measures will adversely impact labor-intensive sectors, such as construction, retail trade,



transportation, which provide livelihood opportunities for people with lower daily earnings and fewer years of schooling. The lowered demand is likely to reduce farmgate prices of agricultural commodities, increasing vulnerability for small farmers in the rural sector. Poorest households are also more vulnerable to the threat of contagion, as they are more likely to live and work in conditions where social distancing is difficult and are likely to spend a greater share of their budget on out-of-pocket healthcare expenditures if they fall sick. Government schemes to increase food allocations under the public distribution system and income support through direct transfers, social pensions and rural workfare programs are likely to contain these impacts to an extent.

Tamil Nadu, with a population of 83 million, is the seventh most populous state in India. It is among the most urbanized states—48 percent of the population resides in urban areas. Tamil Nadu is one of India's most dynamic states with a strong economy. Gross State Domestic Product (GSDP) has grown by 11 percent annually over the last seven years. Tamil Nadu is India's third largest exporting state, after Maharashtra and Gujarat, achieving an average export value of US\$30 billion for the two financial years 2014-15 and 2016-17. There has been rapid industrial growth with an accompanying increase in employment opportunities in Tamil Nadu.

The Government of Tamil Nadu (GoTN) has prioritized the strengthening and promotion of the primary sector and the attraction of investments in the manufacturing sector, resulting in increased productivity in 2017-18. The State has been very successful in attracting national and international investors in a range of manufacturing industries.

Principal export products are textiles and garments; leather goods; automobile and components; electronic hardware, and software. The services sector, centered on Chennai, has largely driven the state's economic growth, consistently contributing over 50 percent of Gross State Value Added. Significant economic activity has moved into the higher-productivity sectors. The state's exports in Information Technology and Information Technology Enable Services and Business Process Outsourcing have registered an annual growth of 8.6 percent. Although the services sector is an important contributor to economic growth, the industrial and productive sectors plays an essential role in providing employment for semi-skilled workers.

Sectoral and Institutional Context

Transport infrastructure serves as the linchpin for other major sectors underpinning the State's economy. About 62% of the GSDP comes from the services sector, with predominant contributions from trade, hotels and restaurants, real estate, ownership of dwellings and business, and transport storage and communication - all of which involve significant movement of goods and people. The industry sector, which accounts for 30% of the GSDP, is dominated by mining, quarrying, construction, automotive and textile sub-sectors, which are transport-intensive and spread across the state. In comparison, the agriculture sector contributes only 7.4% to the GSDP, but plays a significant role in providing direct employment; nearly 50% of the state's workforce consists of commuters, cultivators and agricultural laborers spanning large geographical areas across the state. Thus, the demand for transport infrastructure is expected to increase with GSDP growth.

The state has a total of 38 operational Special Economic Zones (SEZ), over 50 percent of which are concentrated in the Chennai region, 18 percent along the Coimbatore-Erode-Salem Corridor and the remainder distributed through other districts. Improvement in terms of cost, time/speed and quality of transport service connectivity of these clusters with gateway ports of Chennai and Tuticorin (in the south of the state) would impact competitiveness of the goods produced.



For these investments to prosper, the efficiency of transport and logistics services is critical, whether for imported raw materials the shipment of finished goods to markets, or the movement of produce and supplies. As traffic levels and congestion grow on the roads of Tamil Nadu, the timely movement of goods between ports and factories or to markets generally is becoming an increasing threat to competitiveness by increasing transport and logistics costs. Even though Tamil Nadu has made major progress in the development of road infrastructure, there is significant need for improving logistics performance. Much of this depends on the functions of government as a steward of the transport, logistics, trade and investment sectors. This includes the need for greater provision of basic infrastructure and even more urgently, strengthening the core public sector functions of coordination, planning, policy making and regulation of service delivery of freight logistics.

Tamil Nadu is regarded as one of India's Lighthouse States, serving as a pilot state for innovation, especially in the road sector. The World Bank has supported the state in the expansion of the state's road network, in the strengthening of the institutions responsible for the management of the road, and in measures to improve road safety. Tamil Nadu has made significant progress in addressing the challenge of road safety but much remains to be done: the state has the highest number of road traffic accidents and second highest number of fatalities amongst all states. The state has been successful in reducing the number of deaths and accidents, with fatalities falling by 24 percent between 2017 and 2018. The key driver for this progress has been the establishment of a collaborative network involving the traffic police, health department and highways departments and the creation of a Road Accident Database Management System (RADMS). Based on the experience with the units established under the parent project, the AF proposes to support the GoTN in the institutionalization and consolidation of these road safety units into a State Road Safety Authority (SRSA).

C. Proposed Development Objective(s)

Original PDO

The project development objective is to increase road capacity, enhance quality of maintenance, improve safety and support institutional development of Tamil Nadu's core road network (CRN).

Current PDO

The project development objective is to increase road capacity, enhance quality of maintenance, improve safety and support the institutional development of Tamil Nadu's transport and logistics sectors.

Key Results

The proposed Additional Financing will expand the scope of the results being delivered by the TNRSPII project, which fall under four areas:

- Increase in roads in good and fair condition as a share of total classified roads
- Reduced average travel time on project roads
- Reduced average Vehicle Operating Cost (VOC) on project roads
- No increase in number of annual fatalities from road accidents on project roads

D. Project Description

The parent project, the Second Tamil Nadu Road Support Project, supports the GoTN's broader state highway development initiative, through three components: (A) Network Improvement; (B) Institutional Capacity Enhancement; and (C) Road Safety. These are described briefly below:



Component A: Network Improvement:

The parent project is supporting the upgradation and/or maintenance of selected roads within the state's core road network, through three contracting approaches: (i) upgradation and maintenance through EPC contracts, construction of civil works for widening and upgrading of approximately 435 km of existing single lane/intermediate lane roads of the state's CRN to two-lanes with paved shoulders standard with maintenance for a 5-year period after the construction, (ii) Upgradation and maintenance through PPP concessions, construction of civil works for widening and upgrading of approximately 165 km of existing single lane/intermediate lane roads of the state's CRN, to four-lane standards and maintenance during the concession period, and (iii) maintenance through Multi-year Performance-based Maintenance Contracts of approximately 600 km of SH for a 5-year period.

Component B: Institutional Capacity Enhancement:

This component is aimed at assisting fine-tuning and implementation of the Institutional Capacity Enhancement Plan (ICEP) developed by the HD and approved by GoTN. The Plan envisages policy level actions and commitments to improve both mobilization and allocation of resources in the road sector and operational level initiatives to enhance enterprise-level efficiency through (i) process improvements; (ii) organizational restructuring; (iii) sustaining investments in ITICT infrastructure; and (iv) Training & Knowledge Management.

Component C: Road Safety:

In addition to the provisions for better road safety on project-supported upgradation roads, the parent project is supporting achievement of improved road safety at the state, district, and corridor-levels.

The Additional Financing will provide extra resources to two Components of the present Second Tamil Nadu Road Sector Project, (namely Component A for network Improvement and Component C for Road Safety) and support the introduction of two new Components on Transport and Logistics Services and Contingent Emergency Response as described below:

Under Component A: Network Improvement.

- Sub-component A1: Upgradation and maintenance through EPC contracts. The AF will finance the upgrading of seven additional road sections with an approximate total length of 110 km. This subcomponent would support employment generation and construction sector liquidity in response to COVID-19. Design considerations for the road sections have included road safety improvements, the recycling of materials, resilience to flooding and other climate change vulnerabilities, and groundwater recharge.
- Sub-component A4: Supervision during construction. The AF will support consultancy services contracts for the Authority Engineers to supervise the seven EPC civil works contract, Resettlement Action Plan (RAP) implementation agencies; Third-Party Audit Consultancy (PAC) that will monitor the seven civil works contracts and the achievement of the Performance Based Conditions, and carry out technical and fiduciary audits; and a RAP monitoring consultancy.
- Sub-component A5: Maintenance of project roads for 5 years. The GoTN will fund the maintenance of the seven roads constructed under sub-component A1 through EPC contracts for a period of 5 years.
- Sub-component A8: Other costs. The GoTN will finance land acquisition, resettlement and rehabilitation, and the relocation of utilities for the seven upgraded roads.

Under Component C: Road Safety.

- Sub-component C6: Road Safety Institutions. The establishment and strengthening of road safety management institutions and funding arrangements in the state will be supported under this new sub-component through studies; capacity building; equipment provision; and training.



- Sub-component C7: Road Safety Improvements. The new subcomponent will support prioritized road safety improvements across the state and would include: (i) civil works for localized road realignment, junction improvement, and the provision of road safety features such as paved shoulders, footpaths, bus bays and parking areas; (ii) installation of signs, road markings and crash barriers; (iii) road safety enforcement measures and equipment; (iv) accident response and trauma care; (v) data collection and analysis; (vi) training for staff and capacity building of institutions involved in road safety; and (vii) support COVID-19 response activities by strengthening health and hygiene practices of transport users and workforce.

Under Component D: Transport and Logistics Services - new component.

- Sub-component D1: Institutional support for transport and logistics services. This sub-component will support: (i) development and adoption of a Logistics Strategy; (ii) establishment of institutional arrangements to coordinate transport and logistics services; and (iii) preparation of a Logistics Master Plan and associated State-Level Action Plan.
- Sub-component D2: Infrastructure improvements to remove logistics chokepoints on a pilot corridor which would be selected based on logistics action plan. This sub-component will support: (i) localized civil works to improve accessibility or traffic flow; (ii) preparation of reforms to logistics administration procedures; (iii) civil works, goods, and services required to implement reform of logistics procedures; and (iv) help the state to increase supply chain resilience in the wake of COVID-19 by supporting mechanization and digitization of transport services.

Component E – Contingent Emergency Response - new component. Following an adverse natural event that causes a major natural disaster, the PIU may request the Bank to re-allocate project funds to support emergency response and reconstruction activities. This component would draw resources from the unallocated expenditure category and/or allow the PIU to request the Bank to re-categorize and reallocate financing from other project components to partially cover costs in response to an emergency. This component could also be used to channel additional funds should they become available as a result of the emergency. This Component will give Tamil Nadu continued access to a World Bank CERC facility: the project that the state has used for COVID-19 response¹ will close on June 30, 2020.

E. Implementation

Institutional and Implementation Arrangements

Arrangements for implementation of the Additional Financing will remain the same as those for the original project. The Highways Department of the Government of Tamil Nadu is the responsible agency.

The PIU has developed considerable safeguards management capacity from experience of previous projects. The Environment Management Framework developed for the parent project has been updated as an Environmental and Social Management Framework (ESMF) to include social safeguard measures, the increase in scope of the TNRSP-II project through Additional Financing (AF), the lessons learnt from the implementation of TNRSP-II, the recommendations of guidance notes issued by the World Bank and recent amendments in environmental regulations. The Resettlement Policy Framework (RPF) has also been updated by the Borrower to reflect the experience and lessons learned during the implementation of the parent project. These will help address some of the implementation challenges faced by the parent project related to the updating of land records/rates, expansion of livelihood support to access Government social security schemes, etc.

¹ Tamil Nadu and Puducherry Disaster Recovery project



F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The roads under the parent project pass through nine districts (Thiruvannamalai, Kanchipuram, Cuddalore, Villupuram, Namakal, Salem, Virduhanagar, Tirunelveli and Tuticorin) and some of these districts are underdeveloped. The project is helping in improving road network and thus enable the people of these districts to have improved access to markets, schools, health infrastructure, etc. The seven roads proposed to be upgraded under the Additional Financing are located in the center and north of Tamil Nadu. The roads to be widened and improved cover five districts: Kancheepuram, Tiruvannamalai, Salem, Erode and Ariyalur districts. The improvement of roads in these districts will boost economy in agriculture, commercial and religious tourism. It also connects to industrial parks for the garment and automobile sector, and to cement factories. Road safety and logistics corridor improvements will also be supported under Components C and D of the AF. The locations of these improvements will be identified during implementation, and appropriate safeguards documentation prepared based on the updated Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF).

G. Environmental and Social Safeguards Specialists on the Team

- I. U. B. Reddy, Social Specialist
- Sitarama Krishna Addepalli, Environmental Specialist
- Kanchan Rajeevsingh Parmar, Social Specialist
- Avanish Kant, Environmental Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	Yes	
Forests OP/BP 4.36	Yes	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	Yes	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	



Safety of Dams OP/BP 4.37	No
Projects on International Waterways OP/BP 7.50	No
Projects in Disputed Areas OP/BP 7.60	No

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

Environmental Safeguards Issues and Impacts: The detailed impact assessment of three sub-project roads in Phase-I of the Additional Financing (AF) is underway, but for the remaining four roads in Phase-II will be conducted after finalization of the respective Detailed Project Reports, planned for September 30, 2020. The potential environmental issues identified from the environmental impact assessment exercise are similar to those identified for the parent Project (TNRSP-II). However, anticipated environmental impacts are likely to vary in nature and magnitude depending on locations, type and scale of the proposed project interventions. The potential impacts identified from screening are: (a) loss of roadside trees (an estimated 8,000 trees); (b) health and safety of workers, and communities existing along road; (c) impacts on water bodies and natural drainage areas; (d) impacts on community/ common property resources; (e) impacts on several sensitive receptors along the proposed project corridors; and (f) impact on and stressing of natural resource base. The significance of impacts will be known after detailed ESAs are finalized, and are mitigable with corridor specific detailed Environmental and Social Management Plans. The project implementation would also lead to temporary environmental impacts during construction stage. Given this, the proposed project triggered: “Environmental Assessment (OP/BP 4.01)” ; considering expected impacts on cultural properties, the Physical “Cultural Resources (OP/BP 4.11)” policy. Given the presence of Vellore Bird Sanctuary within 2km from Erode to Chennimalai Road and considering the economic importance of roadside trees(though not designated as forest) “Natural Habitats (OP/BP 4.04)” policy; and “Forests (OP/BP 4.36)” policy have been triggered.

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 Social Safeguard Issues and Impacts: The Road Network Improvement component in the parent project involves supporting the up gradation of about 600 Km of roads which includes widening, strengthening and reconstruction of existing carriageways. 3 out of 14 road contracts are being implemented through PPP concessions which involve widening to four lanes from existing intermediate or two lanes. All these activities have triggered social safeguard issues such as loss of land, houses/ shops, community infrastructure, etc. It is assessed that substantial private land acquisition and displacement of families- both title and non-title holders will be affected. As on date, the land acquisition progress is 91.5% of 168 hectares and 68% of 7,167 land owners have received compensation and compensation in case another 27% haven been deposited in special account since they were not available or able to receive for want of certain documents. The reasons for non-receipt of compensation amounts are delays in transfer of title ownership, absentee owners residing outside side project area not coming forward to receive small payments and delay in deciding apportionment of compensation amounts among the family members. The beneficiaries are aware that money is available in a special account. The team is exploring with the PIU ways to assist in securing required documents. In the updated RPF, the updating of land records prior to issue of final notification has been included to avoid this issue in the Additional Financing. Further, 87% of 713 displaced families have resettled in other locations and 64% of 856 have received livelihood support. The loss of livelihood is mostly impacted due to loss of



small shops along the roads especially at junctions. These impacted people were provided cash assistance for reestablishing their shops and cash grants for livelihood support. Transitional support such as moving and subsistence allowances was also provided. This cash was used to improve their shops and also secure other rented shops or some of them have constructed new shops on their own land or land purchased using compensation and livelihood support amounts. As regards livelihood restoration, 54% moved to another rented shops, while 11% constructed new shops to reestablish their businesses and the remainder have taken up other jobs or migrated. The vulnerable people were given additional support in the form of livelihood based assets through Corporate Social Responsibility (CSR) funds from the Banks where the compensation amounts are kept. So far 35 families received support such as providing sewing machines, welding machines, air blower, cutting machines, mobile kiosks, tricycle for use of physically challenged people, hearing aids, cattle food grinder and sugarcane juice maker, Additional skill training were also provided to those who are interested. The skill training provided in tailoring, candle making, computer application (MS office, hardware). Mushroom growing, mobile repairing and servicing, desk top publishing, accounting.

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The land acquisition and resettlement impacts will continue to be substantial in the roads proposed under the AF. It is estimated that about 65 hectares of private land is required and about 2,500 severe impacts are estimated due to the implementation of the AF components. These affected people require additional support for their alternative housing or livelihoods. The nature of impacts includes loss of houses, shops, petrol pumps, community properties, temples, small religious shrines, etc. The social screening survey indicates that there is a significant number of structures on both sides of the project roads and about 100 worship places will be impacted. The extend of losses to these assets will be assessed using census and socio-economic surveys and consultations.

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Private land is acquired using Tamil Nadu Highway Act, 2001, which incorporated the compensation and R&R provisions under India's new LARR Act, 2013, which are assessed to be consistent with OP 4.12 provisions. The Government of Tamil Nadu issued a Gazette notification on January 05, 2015 to allow payment of compensation and resettlement assistance as per the provisions of 2013 LARR Act. The RFCTLAA act, 2013 significantly reduces the gaps since compensation is paid at replacement cost using multiplication factor and 100% solatium and provides resettlement and rehabilitation assistance similar to that expected under Bank's OP with few exceptions. The differences are related to cutoff date for eligibility support to those living on public lands and valuation of assets at depreciated cost. All these are addressed in the entitlement matrix to make the RPF consistent with the Bank's OP. The RPF is being updated to introduce the consent method under the Additional Financing to speed up the land acquisition process. The Consent method is where land owners agree to receive compensation valued in accordance with Land Acquisition Act provisions, plus 25 % additional compensation and foregoes their right to challenge the compensation amount in the court. In parent project only 79 land owners out of 5,107 (1.5%) have challenged their land valuation the courts.

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The other social safeguards policy, OP 4.10, is not triggered as in the case of parent project, since the proposed roads under the AF do not pass through tribal designated areas, nor are people with similar characteristics to those defined in OP 4.10 present along the proposed project roads.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
The project is expected to improve road corridors by strengthening and widening which could result in road safety issues especially relating to community road crossings. This aspect is expected to be effectively addressed through the road safety audit process during design and construction, and the road safety component under the project. The project is likely to contribute positive impact on recharge and conservation of groundwater in the long run due to the adoption of water harvesting techniques in water-scarce project areas through recharging of community ponds/ tanks



and groundwater. Other than this, there are no perceived and / or long-term negative impacts in the project area.

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In the case of some roads, parts of road sections or bypasses for few towns outside the project are either already under implementation or planned to be undertaken. In such cases, there may be differences related to R&R assistance and support to the affected people between the Bank assisted project and roads undertaken outside the project, especially to the non-title holders.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

The project alternatives were considered at two levels. At the first level, the selection of project corridors considered minimum environmental and/or social impacts, without compromising on the network level transport efficiencies. The second level relates to choice of alternative alignments for a given corridor including the choice of geometric corrections. The second level of alternative analysis was an integral part of the corridor level designs, wherein significant optimization efforts were made to minimize adverse environmental impacts. These measures included: (a) concentric or eccentric widening choices depending on location to save maximum number of trees; (b) horizontal alignment optimization to minimize impacts on community and cultural properties whilst improving road safety; (c) thorough investigation of bypass alignments to achieve optimal designs with limited social and environmental impacts; and (d) adopting a cross-section with a toe wall and going for cutting for vertical geometric correction to minimize impact on land and structures at critical locations.

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The choice of alternatives in the project designs also considered realignments, bypasses to congested towns, reduced road width in certain built up areas to avoid or minimize impacts to build up structures, project affected people and minimize loss of wet lands and preserve old buildings and missionary schools and churches (Iddaiyapur). Under additional financing bypasses are proposed for certain towns roads such as Timiri on the Arcot-Arni road.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

Considering the detailed alignments of the four roads to be improved under Phase II of the AF and that the sub-projects locations are still to be identified for the proposed interventions on road safety and logistic infrastructure under the TNRSP-II Additional Financing, and the typical impacts described above, the approach of the parent project's Environmental Management Framework (EMF), disclosed in March 2015 and recently updated as an Environmental and Social Management Framework (ESMF), has been adopted to address the Environmental Assessment requirements of the AF.

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The EMF is being updated as an Environmental and Social Management Framework (ESMF) to include social safeguard measures, the increase in scope of the TNRSP-II project through Additional Financing (AF), the lessons learnt from the implementation of TNRSP-II to date, the recommendations of guidance notes issued by the World Bank and recent amendments in environmental regulations. The additional social measures under the ESIA/ESMP include risk and impacts related to labor influx, GBV risks, and consultations with people along project roads to assess their need and concerns such as employment opportunities. The ESMF defines the four key process steps to be followed for corridor level ESIA's with relevant illustrations. These include: (i) Environmental and Social Screening and Scoping; (ii) Environmental and Social Assessment; (iii) Environmental and Social Management Plan; and (iv) integration of ESMPs into actionable mechanisms including road construction contracts. The ESMF also defines the public consultations which shall form part of the process steps (i) to (iii), cumulative impact assessment requirements, and the institutional management framework. Based on the application of ESMF, the Environmental and Social Assessment and the Environmental and Social Management Plans for the Phase-I corridors is being prepared. Further, generic environmental management measures which would be applicable for all the corridors have been derived. The



disclosure of the Summary ESIA for Phase-I project roads have been completed by the borrower and the Bank in the Info shop. .

In anticipation of potential future natural disasters in Tamil Nadu, a zero budget Contingent Emergency Response Component (CERC) component has now been included in AF. In case of the occurrence of such an emergency and that the PIU requests the World Bank to activate the Contingent Emergency Response Component (CERC), the ESMF will be updated within 3 months from activating the CERC, including adding a positive list of eligible activities/expenditures at the time of activation. Given the prevailing COVID-19 situation, the updated ESMF now provides reference to guidance notes for screening and measures to minimize the transmission risk of COVID-19 during implementation. Measures to minimize the risk of COVID-19 transmission will be included in Environmental and Social Management Plans (ESMP). The ESMP also has specific clause making it mandatory for the contractors to prepare a COVID response and management plan and take necessary steps for ensuring safety of workers and avoid spread of the virus as per national laws, guidelines and good practice notes.

The corridor specific ESIA's for Phase-I roads will include detailed environmental management measures with necessary implementation arrangements including integration of requirements into the construction contracts. The Bank's Environmental, Social, Health and Safety provisions are incorporated in the bidding documents. In addition, the corridor level designs considered design optimization measures to minimize impacts. Environmental management measures include: (a) upfront identification of construction stage measures and regulatory requirements which will form part of the bid documents; (b) compensatory plantation at 1:10 ratio to offset the loss of roadside trees; (c) protection of all sensitive receptors along the project corridors with appropriate measures during construction and operational phases; (d) protection and conservation of cultural properties and heritage sites; (e) measures to protect water bodies; (g) environmental enhancement measures to benefit the communities along the project corridors; and (h) water harvesting measures in identified water bodies along roads located in water-scarce project areas. In addition, measures to minimize cumulative impacts have also been adequately addressed.

The AF aims to create transport infrastructure that is resilient to the impacts of disasters and climate change induced extreme events and trends. The AF will focus on climate resilient designs including appropriate drainage structures, ground water recharge, highway embankments, hill slope protection works, road safety, the recycling of materials and bio-engineering solutions. The AF will also aim to reduce GHG emissions through the improvement coordination of transport and logistics services, and the removal of bottlenecks on the road network through the construction and maintenance of highways.

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Based on TNRSPP II experience, during the early stages of implementation of the parent project, the Bank team has highlighted the possible improvements in construction safety aspects including use of personal protective equipment. Similarly, issues relating to camp site management were also reported. These issues were addressed effectively through corrective/ remedial actions, continuous training and capacity building, and also systematic supervision and monitoring. An audit of occupational health and safety and work site traffic management at a current major active worksite is being carried out by the PIU at the request of the Bank. The audit will compare the actual situation on the site with the contract requirements related to OHS and traffic management and best practice, and produce an action plan for implementation on the site, with progress being monitored by the PIU and Bank. The option of extending the audit process to other contracts will be considered. Lessons from the audits will be reflected in ESMPs, bidding documents and project monitoring. .

Measures relating to staff strengthening have also led to good results with satisfactory ratings. In view of this, the existing Environmental Cell (EC) in TNRSPP will be adopted for implementing the ESMPs under the Additional Financing. It is currently staffed with one Environment Specialist, deputed from Pollution Control Board, who will oversee the



environmental safeguards management. The EC also comprises one Assistant Conservator of Forests, two Rangers and field staff. The forester will supervise and coordinate compensatory plantation to ensure successful coordination for compensatory afforestation. For implementation effectiveness, under the leadership of the Project Director (PD), the EC will work jointly with a Superintending Engineer and Assistant Divisional Engineer for monitoring and evaluating implementation of mitigation measures at divisional level.

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The PIU has developed considerable safeguards management capacity from experience of previous projects. More specifically, TNRSF has instituted specific implementation protocols in the form of Environmental Management measures with regard addressing pre-construction, construction, and post construction environmental impacts. The Environmental Engineer and Assistant Conservator of Forest, who are part of Environmental Cell are regular government employees through a rigorous selection process. The role of Assistant Conservator of Forest and Range Officers is to ensure timely obtaining of forest clearance, tree cutting permission and coordinate in wildlife clearance, if needed for the project. The responsibility also include monitoring compensatory plantation against estimated more than 8000 trees to be cut for road widening. The resources of EC has been determined based on experiences of the ongoing parent project. The EMP implementation of roads in AF will be overseen by a team of Project Supervision consultants under the guidance of TNRSF Environmental Engineer (by qualification is Environmental Engineer) and will also coordinate with Divisional Engineers. The current resources and system are performing well and will be continued under additional financing.

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Social Safeguards: The following measures were taken by the Borrower to address social safeguard policies.

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Project Specific Resettlement Framework. In order to address the potential social impacts related to land acquisition and resettlement, a project specific Resettlement Policy Framework (RPF) has been prepared based on the provisions available India's new land acquisition and R&R act - RTFCTLARR Act, 2013 and the World Bank's Operational Policy on Involuntary Resettlement. The RPF also includes support to those living on public lands and affected by the AF. This RPF has been updated by the Borrower to reflect the experience and lessons learned during the implementation of the parent project. This updated RPF will be applicable for the remaining implementation under parent project and all components including road safety and logistics under the AF. Some of the updates including introduction of consent method for land acquisition to speed up the land acquisition process with 25 percent higher compensation, land handover schedules, process for updating resettlement unit costs based on annual inflation, land records updated prior to compensation awards, provisions for supporting basic amenities in the resettlement sites, and streamlining the livelihood support. The provisions of the draft RPF were discussion during the RAP preparation and the outcomes of these consultations are summarised in the RPF: they relate primarily to market compensation and livelihood support. The AF also included a CERC component and if this is activated, the RPF will be updated as appropriate.

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India's new LARR Act, 2013. This new Act replaced the previous archaic Land Acquisition Act of 1894, seeking to balance out the interests of the land owners, project affected people and the acquirers, and links land acquisition and the obligations of resettlement and rehabilitation. This law also provides that no one shall be dispossessed of their land and assets until the payments are made and alternative resettlement sites have been prepared. This Act significantly reduces the differences between India's national standards for land acquisition and R&R and the World Bank's operational policy requirements in relation to compensation, transitional support, resettlement sites, and support to vulnerable people, grievance mechanisms, consultations, and disclosure. The provisions of this Act are appropriately incorporated in the project specific Resettlement Policy Framework adopted for this project. The RPF also includes a provision for needs assessment among all affected adult families for livelihood support. The draft RPF has been disclosed by borrower on February 27, 2020 and on the Bank's external website on April 06, 2020. The final



RPF, once approved by Government of Tamil Nadu, will be redisclosed both in PIU and the Bank's external websites.

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Resettlement Action Plan . Implementation of the two RAPs prepared for the parent project is substantially completed. At present, the progress on land acquisition is 91.5% of 168 hectares, and 68% of 7,167 land owners have received compensation and compensation for the cases of another 27% has been deposited in special accounts since the beneficiaries were not available or able to receive for want of certain documents. Further, 87% of 713 displaced families have resettled in other locations and 64% of 856 have received livelihood support. The expenditure to date is 46% of INR 6,267 million available under RAP. The project also provided employment to local people under the works contracts. As on date, 607,885 person days of employment has been created and out of this, 67% are from local area, which exceeds the result indicator target of 50%. The proportion of women employed by contractors among unskilled employees is 7.5% and the proportion among local labor is slightly lower with 6.3%. There are a few minor shortcomings in applying policy provisions in implementation of RAPs related to non-payment of compensation to 3 land owners whose lands have been taken for construction in 2017, livelihood support to those who are eligible and identified, and providing electricity and water connections to one of the resettlement sites built recently. A time bound action plan has been agreed to address these shortcomings by June 30, 2020.

Two RAPs will be prepared for the AF. The first one for Phase-I roads covering 3 roads (32 Km) has been prepared and this RAP will require an addendum to be prepared for two road sections where surveys are not yet completed. The land acquisition in Phase-I roads is limited to only 11 hectares impacting 346 families severely, and among these 57 will be physically displaced. The land rates which are used as the reference for assessing land compensation values were last revised in June, 2017 and the Bank team is discussing with the PIU on how to ensure these rates correspond to current market rates so as to reflect the replacement cost of land as required under Bank's OP 4.12. The second RAP covering the remaining 4 roads under Phase II and impacts due to road safety and logistics will be undertaken subsequently and the RAP is expected to be prepared by December,2020. The draft RAP for Phase-I roads has been disclosed by the Borrower on April 16, 2020 and on the Bank's external website on April 17, 2020. The final RPF once approved by the Borrower,will be redisclosed both in PIU and Bank's external websites.

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Some of the good practices followed in land acquisition and resettlement implementation to date include functional grievance redress mechanism, effective use of escrow account for management of compensation amounts, monitoring of employment for local people through civil work contracts including female labor force participation, successful self-relocation of displaced informal settlers, and support to vulnerable families through Corporate Social Responsibility (CSR) funds. Many of the infrastructure projects in the state are following the project's model in implementation of land acquisition and resettlement impacts.

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Borrower's Capacity for social safeguard Implementation: A separate Land Acquisition and R&R unit (LARRU) has been created within the PIU headed by Chief Engineer reporting to Project Director. In addition, three regional units were established to manage the land acquisition and resettlement impacts at field level. All key staff in these regional units (3 Special District Revenue Officers (SRDO) and 3 Resettlement Officers) are in position except one SDRO which is to be filled in the next couple of months. A separate Government Order has been issued delegating the Special Revenue Officers as competent authority with delegated powers to carry out the land acquisition in a timely manner. The borrower has hired the services of NGOs and concurrent Monitoring consultants to manage the implementing and this arrangement will continue under additional financing also. Three grievance committees headed by retired revenue officers and other independent members were constituted at three regional units, which have worked well. To date 537 grievances were filed before grievance committees and out of these 485 (90%) were closed including 80% with favorable decisions for PAPs. The remaining 52 case are still open. The same committees will continue to function under the AF, and the people also have opportunities to approach the grievance mechanism available under local



government procedures. The grievances among title holders mostly relate to compensation, missing enumeration of affected assets, measurement of affected assets, and tree counting. In case of informal settlers, the grievances are related to the cut-off date for eligibility, missing enumeration of affected assets and eligibility for certain entitlements.

The implementation of land acquisition and resettlement impacts are aligned with procurement and civil works timetables to enable the affected people to receive compensation and R&R assistance prior to taking over of the land and assets. In case of PPP annuity concessions, well-designed coordinated actions are identified to be completed prior to completion of each of the milestones of contracting process to enable 80% of land to be available by the time of financial closure and the remaining land within 6 months of financial closure. These thresholds are updated based on the experience and it is proposed to handover 60 percent of the length in the first-milestone immediately after signing of the contract, the second-section in 12-months and the third-section, if any, within 18 months of contract signing mostly in case of bypasses and major realignments where substantial land acquisition will be involved or where resettlement sites need to be developed to resettle the displaced families. The implementing agency has initiated a process for setting up a "Computerized Monitoring and Information System for land acquisition and resettlement Implementation" to manage and track the implementation progress.

Risks: The likely risks from social safeguard points of view will be: (i) difficulty in timely handover of encumbrance-free road stretches to the contractors due to delays in payment of compensation and R&R assistance, (ii) impact on poor, marginal land owners and vulnerable people requiring careful handling, (iii) inadequate capacity to meet the Bank's requirements and India's new LARR Act provisions in implementation, (iv) resistance from the land owners to impacts on their wet lands and built-up structures, (v) availability of budget from counterpart funding (vi) inter departmental coordination on certain land acquisition and resettlement implementation and (vii) effective grievance mechanism for handling the grievances and complaints from the land owners. The PIU has taken appropriate measures to deal with the above risks through delegation of powers for land acquisition, establishing grievance mechanisms, availing services of local NGOs/consultants for implementing support, adequate R&R support to all affected people, coordination with civil works and procurement time table, and ensuring adequate budget support from the Government. On the other hand the Bank is factoring the readiness and implementation progress in land acquisition and resettlement implementing when providing the No Objections at different stages of procurement of civil work contracts and ascertaining the status on payment of compensation and resettlement assistance at time of handing over road stretches to the contractors. This process will continue to be followed under the AF.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The key stakeholders include local Government, road users, and communities living along the project roads and industry and businesses within the area of influence. At the time of preparation of the parent project, as part of the census and socio-economic surveys, consultations were held with the displaced households and other stakeholders in 23 locations where about 1,350 people including 14% women participated in these consultation meetings. 4 additional consultations were held along three PPP roads where 546 people including 26 women participated. The consultations focused on providing details related to project, potential benefits and likely impacts. Participants' views and concerns about the project were discussed and key outcomes were integrated in the design and mitigation plans. The key outcome of consultations includes: safety concerns due to increased speed and accidents, impacts to trees, toilets and lighting at bus stops/shelter, construction of water harvesting structures, avoiding impacts to drinking water pipelines,



suggestion for bypasses and realignments, loss of livelihoods due to impacts to business establishments, loss of irrigated lands, and suggestions to reduce the width of corridor of impact to avoid physical displacements. These concerns are incorporated in the designs and RAP to the extent possible. The key concerns among women include the safety of school-going children due to anticipated increase in speed of vehicles, support for livelihood impacts, disturbances to drinking water pipelines and loss of certain trees. These were implemented to the extent possible.

The consultations along the project roads under additional financing are underway. To date, 6 consultations were held where 482 people including 15% women participated. The suggestions and concerns expressed included fair compensation to reflect current market prices, access to employment opportunities created by the project, livelihood support, provision of bypass to avoid impacts in built-up areas, enhanced road safety measures, and the need for additional bus bays. These are being considered to incorporate in the project design and mitigation plans.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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"In country" Disclosure

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank	Date of submission for disclosure
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"In country" Disclosure

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)



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