

Shimla-Himachal Pradesh Water Supply and Sewerage Services Improvement Program

Environmental and Social Systems Assessment (ESSA)

February 22, 2021
(Draft Version)



List of Abbreviations and Acronyms

AMRUT	Atal Mission for Rejuvenation and Urban Transformation
BOD	Biological Oxygen Demand
CAPEX	Capital Expenditure
COD	Chemical Oxygen Demand
CPCB	Central Pollution Control Board
CPF	Country Partnership Framework
DEA	Department of Economic Affairs, Ministry of Finance, GoI
DEST	Department of Environment, Science and Technology, GoHP
DLI	Disbursement-Linked Indicator
E & S	Environmental & Social
EHS	Environmental, Health & Safety
EIA	Environmental Impact Assessment
ESSA	Environmental and Social Systems Assessment
FGD	Focus Group Discussion
FHTC	Functional Household Tap Connection
GHG	Green House Gas
GM	Grievance Mechanism
GoHP	Government of Himachal Pradesh
GoI	Government of India
HH	Households
HP	Himachal Pradesh
HPPFM	Himachal Pradesh Public Financial Management Capacity Building Program
HPPCB	Himachal Pradesh State Pollution Control Board
IT	Information Technology
JJM	Jal Jeevan Mission
KII	Key Informant Interviews
M & E	Monitoring & Evaluation
MoEFCC	Ministry of Environment, Forests and Climate Change
MoHUA	Ministry of Housing & Urban Affairs
MTRP	Medium Term Reform Program
NIV	National Institute of Virology
NPV	Net Present Value

NRW	Non-Revenue Water
O & M	Operations & Maintenance
OPEX	Operational Expenditure
PDO	Program Development Objective
PforR	Program for Results
RTI	Right To Information
SBM	Swachh Bharat Mission
SCM	Smart Cities Mission
SEIAA	State Environmental Impact Assessment Authority
SJPNL	Shimla Jal Prabandhan Nigam Limited
SMC	Shimla Municipal Corporation
SOP	Standard Operating Procedures
STP	Sewage Treatment Plant
WSS	Water Supply and Sewerage

Table of Contents

List of abbreviations and acronyms	1
Table of Contents.....	3
Executive Summary.....	6
1 Background.....	19
1.1 National scenario.....	19
1.2 Scenario in Himachal Pradesh	19
1.3 GoHP Program	20
1.4 Program context.....	20
1.5 Key Features of the Program.....	21
1.5.1 Program Development Objective (PDO)	21
1.5.2 Results Areas	21
1.5.3 Results Indicators	21
1.5.4 Disbursement Linked Indicators (DLIs).....	21
1.5.5 Program Activities	23
1.5.6 About ESSA	23
1.5.7 Bank’s ESSA requirements.....	24
2 Methodology Adopted for ESSA.....	25
2.1 Introduction.....	25
2.2 Secondary literature review	25
2.3 Risk screening	25
2.4 Community consultations	26
2.5 Consultations through the stakeholder workshop	27
2.6 Analysis and synthesis	27
2.7 Preparing the ESSA report.....	27
3 Key Issues, Benefits, Impacts and Risks	28
3.1 Introduction.....	28
3.2 Environmental	28
3.2.1 Issues	28
3.2.2 Benefits.....	28
3.2.3 Impacts	29
3.2.4 Risks	29

3.3	Social.....	30
3.3.1	Issues.....	30
3.3.2	Benefits.....	31
3.3.3	Impacts	31
3.3.4	Risks	32
3.3.5	Conclusion.....	32
4	Applicable policy, legal and regulatory framework.....	33
4.1	Introduction.....	33
4.2	Environmental.....	33
4.2.1	National framework.....	33
4.2.2	State framework	36
4.3	Social.....	38
4.3.2	State framework	40
4.3.3	Adequacy of Legislative Framework on Social Aspects.....	42
5	Institutional systems assessment - procedures, practices and performance	43
5.1	Introduction.....	43
5.2	Environmental.....	43
5.2.1	National-level regulatory institutional systems.....	43
5.2.2	State-level regulatory institutional systems.....	44
5.2.3	Program-level SJPNL systems.....	45
5.3	Social.....	47
5.3.1	National-level regulatory institutional systems.....	47
5.3.2	State-level regulatory institutional systems.....	47
5.3.3	Program-level SJPNL systems.....	49
6	Assessment of the borrower systems against the six core principles	52
6.1	Introduction.....	52
6.2	Core Principle #1:.....	52
6.3	Core Principle #2:.....	53
6.4	Core Principle #3:.....	53
6.5	Core Principle #4:.....	54
6.6	Core Principle #5:.....	54
6.7	Core Principle #6:.....	55

7	Consultations and disclosure	56
7.1	Introduction.....	56
7.2	Consultations during the conduct of ESSA.....	56
7.2.1	Environmental	56
7.2.2	Social.....	57
7.3	Stakeholder workshop on draft ESSA	61
7.3.1	Environmental	61
7.3.2	Social.....	62
7.4	Disclosure	62
7.4.1	Draft ESSA	62
7.4.2	Final ESSA.....	62
7.4.3	During Program implementation.....	62
8	Findings and recommendations	64
8.1	Introduction.....	64
8.2	Findings	64
8.2.1	Program exclusions.....	64
8.2.2	Highlights.....	65
8.3	Recommendations.....	66
8.3.1	ESSA Inputs to the Program Action Plan.....	66
8.3.2	ESSA Inputs to the Implementation Support Plan	68
	Annexes.....	69
	Annex 1: Summary of ESSA Core Principles and Exclusion List	70
	Annex 2: Suggested Terms of Reference for Environmental Specialist and Social Safeguards Specialist	72
	Annex 3: Consultations Checklists	74
	Annex 4: COVID-19 Guidance Adopted for Community Consultations.....	83
	Annex 5: Report of the community / focus group discussions and key informed interviews with stakeholder departments/agencies - Summary	85
	Annex 6 Report of stakeholder Consultation Workshop – Summary	88
	Annex 7: List of STPs in Shimla – Current Status and Proposed upgradation under the GoHP Program.....	104
	Annex 8: Activities, Environmental and Social impacts and risks – A Summary table	105
	Annex 9: List of References.....	108

Executive Summary

Background

The Government of Himachal Pradesh (GoHP) initiated a transformational Medium-Term Reform Program in the Water Supply and Sewerage (WSS) sector in its state capital, Shimla, in 2018. Supported by the World Bank's Shimla Water Supply and Sewerage Service Delivery Reform Programmatic Development Policy Loan 1 (DPL-1), these reforms were a response to a series of jaundice epidemics, acute water crisis during summer of 2018, rapidly increasing water demand, the declining capacity of traditional water sources and limited services offered by existing infrastructure. A major achievement under DPL-1 was the creation of the Shimla Jal Prabandhan Nigam Limited (SJPNL), an incorporated ring-fenced WSS company with full operational autonomy and clear, devolved responsibilities for WSS services, financial sustainability and customer accountability. The SJPNL has established a track record of significant service improvements: expanding access in the state capital, reducing non-revenue water (NRW), improving service hours and water quality, nearly tripling its revenue with city-wide metering and volumetric tariffs, shifting the focus on infrastructure construction to performance-based financing, subsidy and cost recovery policies, energy efficiency improvement policy, and increasing accountability to customers.

The proposed Program for Results (PforR or Program) will be a continuation to the World Bank-financed Development Policy Loan (DPL). This will deepen the interventions within Shimla and address the impact of COVID-19 crisis on a widening gap between revenues and costs, mainly due to loss in tourism activities.

Key Features of the Program

The Program Development Objective is to strengthen the operational and financial performance of the SJPNL Utility and improve water supply and sewerage services in Shimla City.

The Program will focus on three result areas that contribute to the achievement of the PDO:

- Results Area 1: Improved governance, managerial and financial autonomy of SJPNL
- Result Area 2: Improved efficiency, financial sustainability and customer accountability
- Results Area 3: Improved water supply and sewerage services

The following outcome indicators will be used to measure achievement of the PDO:

- (a) SJPNL strengthened as an autonomous WSS Company
- (b) Improvements in operational efficiency and financial sustainability:
 - (i) Non-Revenue Water is less than 30%
 - (ii) Energy efficiency improves by 20%; (iii) O&M Cost Recovery (intra-city) is at least 200%
- (c) Annual Report, including Financial Statements and Citizen Report Card, published and disclosed and
- (d) Number of people benefitting from improved WSS services.

Against each of these result areas, there are Disbursement-Linked Indicators (DLIs) that include:

- Strengthening SJPNL's corporate governance practices
- Strengthening SJPNL's operational efficiency and financial sustainability
- Strengthen the capacity of the utility to be accountable to its customers and

- Expansion of access to continuous water supply and sewerage connections.

To achieve the key result areas and the associated Disbursement-linked indicators, the following activities – institutional reform and investments - will be undertaken:

- Bulk water availability: Small Pumping Systems to maintain the water supply in the transmission lines, water quality lab and storage tanks.
- Water distribution in the SMC area: distribution pipelines and transmission pipelines
- NRW Reduction Program
- Supervisory Control and Data Acquisition (SCADA) system and digitization
- Sewerage Services: sewer transmission and network
- Monitoring and Evaluation; and Grievance Redressal Mechanism
- Capacity building.

About ESSA

In line with the World Bank’s requirements for using the PforR instrument, stipulated in World Bank Policy: Program-for-Results Financing (Policy) and Bank Directive Program for Results Financing Directive; comparison with the core principles found relevant in this context an Environmental and Social Systems Assessment (ESSA) was conducted and this report was prepared. This ESSA examined: (i) the potential E&S effects of the Program (including direct, indirect, induced, and cumulative effects as relevant); (ii) the borrower’s capacity (legal framework, regulatory authority, organizational capacity, and performance) to manage those effects; (iii) the comparison of the borrower’s systems — laws, regulations, standards, procedures, and implementation performance — against the core principles and key planning elements to identify any significant differences between them that could affect Program performance; (iii) the likelihood that the proposed Program achieves its E&S objectives; and (v) recommendation of measures to address capacity for and performance on policy issues and specific operational aspects relevant to managing the Program risks (e.g. carrying out Staff training, implementing institutional capacity- building programs, developing and adopting internal operational guidelines) through a Program Action Plan. The ESSA was done taking into account - the various Bank requirements that include preliminary screening, stakeholder engagement, analysis, grievance mechanism, recommendations and disclosure.

Methodology

The methodology included: (a) secondary literature review, (b) screening, (c) consultations – field-level and state-level; (d) analysis and synthesis of E & S systems strengths & areas for improvement; which is followed by (e) preparing the ESSA report.

Community consultations, key informant interviews and focus group discussions were held between August and November 2020, and the stakeholder workshop was held on 17 December 2020. Using the feedback obtained, the draft ESSA was revised and stakeholder feedback was considered in the context of the Program design.

Key issues, impacts and risks

Environment

Water is a key environmental resource. All the initiatives under the Program are aimed at improved governance, enhanced resilience, efficient and accountable WSS services. The Program will also support the WASH campaign in a big way, particularly during the COVID-19 period. The Program will result in containing water borne diseases, leading to health benefits

and savings in associated costs. Therefore, at a broad level, these initiatives will bring benefits to the people of the state as well as to the environment.

Specifically, the environmental benefits will accrue on account of: (1) augmented water efficiency, (2) improved energy efficiency, (3) intensified water quality and sewage disposal management (including strengthened monitoring to meet required standards), (4) enhanced resilience of selected infrastructure and systems to climate/natural hazard shocks, and (5) improved public outreach and stakeholder engagement.

However, there may be some issues during the construction of the WSS infrastructure that may be temporary but require attention to ensure that any potential adverse impacts are properly managed. The proposed WSS infrastructure expansion has included water supply distribution pipelines and sewerage network, which have limited construction related EHS impacts. This will include (i) possible accidents or incidents due to the undulating nature of the terrain in Shimla, (ii) storage, transport and disposal of construction debris/waste, (iii) temporary impacts of water or sewage leakages at the time of laying the pipeline network and; (iv) health risks to workers and community, particularly in the context of the prevailing COVID-19 pandemic if there is negligence in adhering to worker safety and health standards during the execution phase.

All the infrastructure works under the Program will be undertaken within Shimla and in inhabited locations. There will not be any eco-sensitive areas such as forests or other biodiversity-rich areas and hence no impacts on natural habitats or wildlife is envisaged. Potential impacts on cultural resources are also not envisaged.

As the impacts are minor, temporary, and confined to the area immediately surrounding the construction, the risks are likely to be low-to-moderate.

Social

The findings of ESSA suggest that social impacts of the Program are likely to be positive owing to enhanced efficiency and effectiveness of WSS systems and processes in SJPNL, including through leveraging Information Technology; for improving governance, accountability and internal controls, and enhancing service delivery. The Program will also support the WASH campaign in a big way, particularly during the COVID-19 period. In addition, the Program will result in containing water borne diseases, leading to health benefits, cost and time savings.

While the Program presents an opportunity to enhance social benefit and improve larger system and processes, a few issues of significance include the following: (i) the present works under PforR do not require acquisition of private land. Further, if any sites required for storage tanks, are duly screened to ensure that there are no social impacts and only unencumbered sites are taken up for siting such infrastructure; (ii) laying of pipes for transmission to reservoirs along the roads may lead to temporary impacts such as disruption to access and/or services for a few hours; Provisions of existing acts are expected to address these; (iii) Vulnerable groups – women and other households too will benefit from the Program and these aspects are well monitored; (iv) Tribal population in this urban area is very miniscule and are well mainstreamed into general population; and (v) Further labour health and safety aspects require Contractor's adherence to provisions under existing laws and these require to be monitored.

The GRM system is well established and operational with systematic recording and acknowledgement of grievances, forwarding of grievances to officers responsible for

redressal, updating, monitoring and escalation if required, feedback to customers, and closure after cross verification. Consumer WSS needs are addressed under a single roof, including new connection / name change / tariff change / removal of connection / plugging / un-plugging / replacement of meter / new sewerage connection / sewerage complaints and other water complaints such as water shortage, leakage and overflows.

The risks associated can be mitigated through staff augmentation by having one full time social safeguards staff and training / capacity building initiatives. Also, the implementation of communication strategy to engage various stakeholders, aims to trigger positive behavior change, and generate public support in order to ensure adoption of key water management practices at the household and community level. It shall also enable to enhance inclusion, participation, and strengthen mechanisms on accountability and grievance redressal. Hence all the risks are in the low-to-moderate range.

National and State Legal Framework

Environment

The legal framework includes procedural requirements, standards and practices. There are both the national and state legal framework. At the national level, these are the applicable legislations: Environment (Protection) Act 1986, Air (Prevention and Control of Pollution) Act 1981, Water (Prevention and Control of Pollution) Act 1974, Noise Pollution (Regulation and Control) Rules 2000, Construction and Demolition Waste Management Rules 2016, Solid Waste Management Rules 2016, Plastic Waste Management Rules 2016, Forest legislation (Indian Forest Act 1927, Forest Conservation Act 1980 and Forest Rights Act 2006), Wildlife (Protection) Act 1972, Labour Act 1988 and Ancient Monuments and Archaeological Sites and Remains Act 1958, and associated rules.

At the state level, these are the applicable legislations: HP Land Preservation Act 1978 and associated rules, Plastic Waste Management - Rules & regulation in practice in HP - A compilation of Acts, Rules, Notifications Updated 2018, HP Ground Water (Regulation and Control of Development and Management) Act 2005 and rules, HP Ancient and Historical Monuments and Archaeological Sites and Remains Act, 1976 and National Green Tribunal (NGT) Orders.

This Program does not entail any procedural requirement such as a clearance or permission or consent as per the national legal framework. This is because WSS infrastructure such as water supply pipelines and sewerage network does not have any procedural requirement in a general sense. However, if there are specific situations during implementation as outlined in the table, then procedural requirements apply. If not, it is the standards and practices that need to be adopted in line with the national legal framework.

Social

The legal framework includes Acts, Regulations, Rules and standards. Robust national and state level legal framework exists governing the functioning of SJPNL in general and social aspects in particular relevant to stakeholders. At the national level, the following Acts are found to be relevant: Minimum Wages Act, 1948; Child Labour (Prohibition and Regulation) Act 1986; Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act (RFCTLARRA), 2013; National Policy on Tribal Development, 1999; Right to Information Act, 2005; The Sexual Harassment of Women at Workplace Prevention,

Prohibition, and Redressal Act 2013; The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Central Rules, 1998; Inter-State Migrant Workers Act 1979.

At the state level, the following legislations are found to be relevant: The Himachal Pradesh Transfer of Land (Regulation) Act, 1968; Land Reforms Legislations - HP Village Common Land Vesting and Utilization Act, 1974; Gazette Notification, Urban Development Department, Sept 22, 2018; Himachal Pradesh State Water Policy 2013; Himachal Pradesh Water Supply Act 1968 (Act 8 of 1969); HP Public Service Guarantee Act, 2014; Citizen Charter of SJPNL; Guidance issued by Department of Labour, updated from time to time; Notifications relating to COVID issued by GoHP and/or applicable to Shimla; GoHP Notification for Direct Purchase of Land; Himachal Pradesh Municipal Corporations Act, 1994.

This Program does not entail any procedural requirement such as a clearance or permission or consent as per the legal framework. However, the works contractors shall have to comply with applicable legal provisions as presented above, in the form of obtaining required licenses and submitting periodic compliance reports. SJPNL and other implementation partners shall have to comply with the procedures and notifications in addition to the national & state legal framework.

Assessment of Institutional Systems – Regulatory

Environment

As mentioned earlier, there are no procedural requirements at the national and state level vis-à-vis the Bank's Program. In specific, the investments pertaining to water supply pipeline and sewerage pipe network are not governed by regulations. However, general environmental standards and practices are applicable.

Social

As outlined in environmental section above, there are no procedural requirements related to social issues as well. The contractors engaged for works are required to comply with aforementioned labour regulations and these would need to be monitored by SJPNL. In specific, the investments pertaining to water supply pipeline and sewerage pipe network are not governed by regulations. However, standard practices of SJPNL are applicable.

There are no gaps in the regulatory systems vis-à-vis the Bank's Program that needs to be addressed. And, the organizational capacity pertaining to regulations are streamlined and is sufficient.

Assessment of Institutional Systems – Program Level

Environment

At the Program level, with the expansion of the responsibilities of SJPNL, there is a need to (a) have a full-time Environmental Specialist position and (b) establish and maintain structured and documented procedures in order to institutionalize, be less dependent on individual staff and for it to be effective with the growth of SJPNL's activities. On (a), the full-time position of the Environmental Specialist should suffice. There will also be environmental capacity within the contractor, consultants and third-party monitoring agencies. Together, it will be possible to manage the EHS impacts of SJPNL's activities under the Program. On (b), these procedures should encompass those related to water and sewage quality, aspects of water and sewage treatment plants, integrating EHS with bid/contract documents, and

engaging in source protection initiatives. With the support of global WSS utility partnership that is a part of the Bank's Program design, this should be explored and streamlined.

Social

Presently there is no separate social safeguards staff within SJPNL, and required duties are undertaken by one E&S specialist. However, there would be additional activities to be undertaken, due to the increased GoHP program and the Bank's Program. Hence the study identified the need to strengthen the organization by including a Social Safeguards Specialist on priority to attend to compliance, regulatory, operational as well as capacity enhancement activities. The contractor's and PMC's Social staff are expected further strengthen the Social safeguards management for the programme. The SJPNL has dedicated GRM Cell which has been functioning effectively for over two years now. 12 groups of Jalsakhis are constituted in different wards who educate people around them regarding water conservation, volumetric billing and the SJPNL's continuous water supply program as well as operate as an extended arm of SJPNL and help SJPNL in its customer outreach initiatives.

Assessment Against Core Principles

Core Principle #1: E & S management systems

The GoI/GoHP's regulatory systems - environmental, forests and pollution control acts and regulations - were assessed and found to be adequate to manage the environmental effects. At the Program level, it is proposed to appoint a full-time environmental staff in SJPNL. This staff will be engaged in ensuring regulatory compliance on the one hand, and in streamlining procedures and practices for better on-the-ground environmental performance of SJPNL staff, consultants and contractors on the other. There will be particular focus on construction related EHS impacts across the various infrastructure activities. In the planning, design and execution of all WSS infrastructure, the program will strive for better environmental performance. To improve the procedures and practices, documented management systems has been recommended as a part of this ESSA's Program Action Plan. With that in place, the systems will be consistent with this core principle.

The GoI/GoHP's regulatory systems - Social, Labour, Urban Development, Public Services Guarantee, Citizen Charter, Land Administration & Revenue, Town and Country Planning Acts/Regulations - were assessed and found to be adequate to manage the Social effects. In respect of Social, no regulatory compliances are directly applicable to SJPNL, specifically triggered by the proposed project activities.

The system performance was found to be effective. Equitable access to project benefits through various mechanisms such as tariff and connection policies benefiting the vulnerable and poor consumers is well embedded into the program and will be monitored as part of customer satisfaction surveys. The proposed augmentation/ strengthening of staff in the form of one full time social safeguards staff coupled with capacity building and strong communication strategy should suffice to achieve desired performance in social safeguards management. To improve the procedures and practices, documented management systems has been recommended as a part of this ESSA's Program Action Plan. With that in place, the systems will be consistent with this core principle.

Core Principle #2: Natural habitat and cultural resources

The GoI / GoHP's regulatory systems pertaining to natural habitats, particularly forests and eco-sensitive areas were assessed and found to be adequate to manage the adverse impacts. The forest clearance for the diversion of forest land and compensatory afforestation are mandatory. Construction in the proximity of cultural heritage sites such as protected monuments are also regulated and there is a guideline in place to address chance findings. Further, no significant conversion or degradation of critical natural habitats or physical cultural heritage is envisaged. SJPNL is fully aware and competent of addressing these regulatory requirements. Hence, consistency to this core principle is confirmed.

Core Principle #3: Public and worker safety

Public and worker safety are generally managed through provisions in the bid/contract documents that SJPNL will be using to procure its contractors. The provisions will be made part of agreements with contractors and will be monitored by SJPNL. However, these provisions were reviewed and found to be generic. These can be strengthened to include those safety issues that are specifically relevant to laying water supply and sewerage pipelines.

SJPNL is committed to meet all the relevant codes, standards and guidelines for construction and their environmental staff will coordinate to ensure that all of these requirements are adequately and effectively adhered. As there is scope for strengthening and streamlining safety requirements in civil works contracts, this has been included in this ESSA's Program Action Plan i.e. enhance the contracts/bid provisions for civil works and training the SJPNL's technical & environmental staff on its administration. Given the prevailing COVID-19 pandemic situation, though SJPNL is following the MHA, CPWD, GoHP guidelines/protocols on COVID, the action plan includes additional COVID related requirements such as face masks, social distancing and handwashing practices that may be required of the contractor and sub-contractor personnel.¹ The prevailing labour laws strictly prohibit engaging child labour as well as forced labour. The implementation of Sexual Harassment of Woman at Work Place (prevention, prohibition and redressal) Act 2003 through HP State Commission for Women, HP woman and child welfare department and largely addresses the SEA/SH risk and extending the provisions of the Act to contracts, implementing code of conduct for workers will further mitigate risk in this area and ensure consistency to this core principle as well.

Core Principle #4: Program E&S systems manage land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement and assists affected people in improving, or at the minimum restoring, their livelihoods and living standards

GoHP usually identifies land belonging to the government mainly Revenue or wasteland (which is classified under forest land in the state of HP) and may require internal transfer using established government procedures. In case of forest land, FCA clearances are obtained. As per review of past practices SJPNL requests Revenue department to identify unencumbered land and the department undertakes screening to ascertain that lands selected for construction are free from any encumbrances. No requirement for land acquisition or land transfer from individuals or community is foreseen for the constructions. The Program would not involve any construction where land acquisition or private land

¹ World Bank ESF / Safeguards Interim Note: Covid-19 Considerations in Construction / Civil Works Projects, April 2020

transfers are required or any land for which clear title is not available with the government. Also laying of pipelines is done within available ROW and building off-sets. Where the government land is required to be utilised, it will be transferred to Jal Shakti Vibhag which in turn will lease it to SJPNL.

Core Principle #5: Program E&S systems give due consideration to the cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, and to the needs or concerns of vulnerable groups

The project area is urban Shimla area and as such does not consist of Indigenous people or tribal groups and numbers if any are miniscule. Also these persons are mainstreamed in the general population. The legal/ regulatory system is robust to promote demand responsive WSS service delivery, decentralized planning, implementation and social accountability. In addition, special provisions exist to safeguard the interest of the vulnerable and economically weaker sections.

Core Principle #6: Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

Not applicable. The assessment confirms that the city of Shimla has never been a conflict area. As such the city has never witnessed conflict or fragility. There are no conflicts or territorial disputes in the Program area.

Consultations

On environmental aspects, the following stakeholders provided useful feedback: Forest Department, Tourism Department, Jal Shakti Vibhag / IPH Department, Hotel Association and HP PCB. The main points were as follows:

- There has been a marked improvement in the water supply both in terms of availability and quality after the responsibility has been handed over to SJPNL.
- The sewerage connections cover only about 50 per cent and the drainage is not fully closed with about 53 per cent of open drains.
- There is limited or no ground water abstraction, and groundwater contamination in Shimla.
- Civil works done by local contractors causes problems as they don't not take proper care of air, water and noise pollution during construction.
- Civil works during the rains has the potential to cause safety concerns.
- There are certain forest areas in the vicinity of the current water sources that supply water to Shimla. It is important that these sources are protected.

In addition to the above (covered in the environment section) on social aspects, the following stakeholders provided useful feedback: Consumer groups, individual consumers, GRM staff at SJPNL, Jalsakshis, PRO and Communications officers of SJPNL, technical officers of SJPNL, health department, labour department, revenue department, IPH, HPPCB, among others. The main points were as follows:

- The GRM systems within SJPNL are functioning actively and mainly addressing concerns around volumetric tariff, leakages and sanitation. There is a need for integrating various GRMs available as well as augmenting the strength and competence of staff.
- Consultations with citizens indicated that due to uncertain timings of water supply, consumers, mainly women are put to difficulty to attend to their regular services.
- Revenue Department acts on the instructions of the Government to make available the land through Acquisition through LARR Act. The Department will also conduct negotiations as per stipulations of the notification for direct purchase (2015) on behalf of SJPNL/IPH. Negotiations conclude typically in 2 weeks' time. In case of transfer of Government Land to SJPNL, the land is transferred to IPH free of charge and IPH in turn will have to lease it to SJPNL
- Labour Department identified three areas of concern in respect of migrant labour, they are: health, safety and welfare. The designated officers conduct periodic inspection to assess the conditions in these three areas at labor camps, work sites.
- Within Labour Department, grievances are received through CM helpline and addressed in four levels. Typically, the issues are on the welfare front and include wages, loss of employment, dues not paid, among others.
- No specific laws are applicable to SJPNL but the Contractors have to obtain licenses and submit period compliance reports
- SEA/SH and Gender are addressed by Women and Child Welfare Department and as such not addressed by Labour Department.
- Workers can form as unions and express their voice. Known as CITU locally, the unions are popular and have a strong voice.

From the stakeholder workshop held on 17 December 2020, the following were the main points:

- Environment: (i) The importance of protecting the natural sources of water and augmenting them; (ii) Rainwater harvesting and the need to streamline practices within the city; and (iii) The need to build resilience in the context of climate change impacts and the long- term sustainability of water resources.
- Social: (i) importance of complying with labour laws and documentation by the contractors, (ii) timings of water supply, (iii) maintaining regular billing cycles, (iv) coordination of stakeholder agencies to effectively address water and sanitation issues (v) consumer outreach methods, (vi) collecting public perception and feedback

All of these were considered in the context of the Bank's Program design and the GoHP's overall WSS program.

Disclosure

The draft ESSA was first disclosed prior to the stakeholder workshop held on 17 December 2020. The feedback obtained during the workshop was used to further refine and finalize the ESSA. Once final, the ESSA will be disclosed on SJPNL's website and also the World Bank website. Print copies of the ESSA will be made available upon request at the SJPNL office.

Findings – Program Exclusion

Environment

The Bank's Program was reviewed to ensure that the activities do not include those not eligible for PforR financing. It was confirmed that:

- No conversion or degradation of critical natural habitats or cultural heritage sites;
- No air, water, or soil contamination leading to significant adverse impacts on the health or safety of individuals, communities, or ecosystems;
- No workplace conditions that expose workers to significant risks to health and personal safety;
- No adverse E&S impacts covering large geographical areas, including transboundary impacts, or global impacts such as greenhouse gas (GHG) emissions;
- No significant cumulative, induced, or indirect impacts;

During the implementation, it will be required to ensure that all such activities remain excluded.

Social

The Bank's Program was reviewed to ensure that the activities do not include those not eligible for PforR financing. It was confirmed that:

- No Land acquisition and/or resettlement of a scale or nature that will have significant adverse impacts on affected people, or the use of forced evictions;
- No Large-scale changes in land use or access to land and/or natural resources;
- No Activities that involve the use of forced or child labor;
- No marginalization of, or conflict within or among, social groups;
- No activities that would
 - have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation;
 - cause relocation of Indigenous People or have significant impact on them.

There are no potentially significant, adverse social impacts in the Program design. During the implementation, it will be required to ensure that all such activities remain excluded.

Findings – Highlights

Environment

On the environmental aspects, here are the main findings of the ESSA:

- The GoHP's program and the Bank's Program on WSS will result in positive environmental impacts. As water is a key resource, any improvement of WSS management - the focus of the Bank's Program - in Shimla will result in positive environmental impacts.
- In the WSS sector, the possible negative environmental impacts include source unsustainability, poor water quality, water wastage during bulk supply and distribution, sewerage, impacts on natural and cultural heritage sites due to water and/or sewerage line alignment, and construction-related environmental, health and public safety impacts.
- There are no environmental procedural regulatory requirements – either national or state – that are directly applicable to the contractors, who will be responsible for the construction-related impacts. However, the environmental standards and guidelines, particularly the different Waste Management Rules 2016, will be relevant and have to be adhered. Similarly, there are no specific clearances required in respect of social processes. The stakeholders, contractors/ departments shall however adhere to the statutory provisions/mandates per respective applicable Acts.

- As the infrastructure activities related to the water distribution pipelines and sewerage network will be within the urban areas, the likelihood of using forest land will be low. However, if such a need arises, the required permissions need to be obtained under the Forest Conservation Rules.
- The institutional systems within SJPNL will continue to be developed based on SJPNL experience over the last few years. While the proposed environmental staff plans are adequate, substantial focus needs to be given to training and capacity building throughout the project period.
- While there are EHS issues in the provisions that SJPNL contracts to the construction contractors, these are often not adhered in practice. The contractors tend to be slack on these provisions, and this could result in risks related to public and worker safety. A particular focus on integrating EHS management in contracts and contract administration will be required.

Social

- In general, in WSS sector, the possible negative social impacts include limitations in equitable access to services, quality and quantity of water available to different consumer sections, impact R&R and livelihoods impacts in case the works require acquisition of private land, short term constructions stage impacts to structures, access to structures, temporary disruptions in traffic, labor aspects, SEA/SH, community health and safety risks can also result in WSS works.
- The GoHP's program and the Bank's Program on WSS will result in positive Social impacts.
- The ESSA study noted that the robust systems and processes implementations as part of DPL 1 at SJPNL have significantly reduced the likelihood of the above adverse impacts. No private land will be acquired for the present PforR works and therefore R&R and livelihoods impacts are avoided. Provisions are in place to address the temporary construction stage impacts, which will be further strengthened by the provisions in bids and contracts.
- The GoI / GoHP's regulatory systems - Social, Labour, Urban Development, Public Services Guarantee, Citizen Charter, Land Administration & Revenue, Town and Country Planning Acts/Regulations – were found to be adequate to manage the Social effects. In respect of Social, no regulatory compliances are directly applicable to SJPNL, specifically triggered by the project. The system performance was found to be effective. The stakeholders, contractors/ departments shall however adhere to the statutory provisions/mandates per respective applicable Acts.
- At the Program level, the ESSA study recognised the need to appoint a full-time social staff in SJPNL. This staff will be engaged in ensuring all compliances related social by SJPNL, Contractors and other stakeholders on the one hand, and in streamlining procedures and practices for better on-the-ground social performance of SJPNL staff, consultants and contractors on the other. While the proposed social staff plans are adequate, substantial focus needs to be given to training and capacity building throughout the project period.
- As outlined in the earlier environmental section of the findings EHS issues are often not adhered in practice. The contractors tend to be slack on these provisions particularly in the areas of facilities at labour colonies, minimum wages, community safety and statutory compliances regarding engaging labour, all of which could result in risks at varied levels.

Recommendations for Institutional Strengthening

Environmental

The following table includes the list of activities to be undertaken by SJPNL towards environmental systems strengthening:

No.	Description	Timeline	Indicator for completion
E1	Establish a full-time environmental staff in SJPNL	Before effectiveness	
E2	Establish and maintain documented environmental systems and procedures within SJPNL	End of Year 1	Documented systems and procedure developed and streamlined
E3	Review and strengthen all the contract provisions pertaining to EHS for civil works, particularly those pertaining to water supply pipelines and sewerage network	End of Year 1	Standard SJPNL bid / contract documents include EHS provisions
E4	Review and strengthen monitoring and reporting procedures on testing, EHS provisions in civil works, source protection activities and others	End of Year 1	Evidence that the bid evaluation procedure includes EHS criteria
E5	Streamlining monitoring and progress reports of EHS performance of the contractor of civil works	Half-yearly from end of Year 1	Evidence of reports prepared by SJPNL confirming EHS performance compliance
E6	Engaging in orientation and refresher training on EHS management for SJPNL staff, contractor staff and consultants on an ongoing basis	End of Year 1	Evidence of training conducted and number of persons trained

Social

The following table includes the list of activities to be undertaken by SJPNL towards social systems strengthening:

No.	Description	Timeline	Indicator for completion
S1	Appoint a Social Safeguards staff in the headquarters office of SJPNL	Before effectiveness	
S2	Establish and maintain documented social systems and procedures within SJPNL	End of Year 1	Documented systems and procedure developed and streamlined
S3	Review and strengthen all the contract provisions pertaining to social for civil works in the Bank funded activities	End of Year 1	Standard SJPNL bid / contract documents include Social provisions

No.	Description	Timeline	Indicator for completion
S4	Review and strengthen contracting procedures on Social risks and mitigation measures	End of Year 1	Evidence that the bid evaluation procedure includes social risks mitigation as criteria
S5	Streamlining monitoring and progress reports of Social system performance of the contractor of civil works	Half-yearly	Evidence of reports prepared by SJPNL confirming social performance compliance
S6	Develop training plan and modules on social management rules and procedures; communication strategy and IEC material; and impart training to for SJPNL staff, contractor staff and consultants on an ongoing basis	End of Year 1	Evidence of training conducted and number of persons trained

Recommendations for Implementation Support

Environment

The Bank's Program focuses on policy reform and institutional development, and on infrastructure facilities related to water supply distribution pipelines and sewerage network. Of these, the Bank's implementation support should focus largely on further building the environmental management capacity of SJPNL. Awareness and competence building, streamlining systems and procedures and networking with other stakeholder departments on environmental issues should be strengthened.

Social

The Bank's implementation support should focus on strengthening the social staff at SJPNL on priority followed by awareness and competence building, streamlining systems and procedures and networking with other stakeholder departments on social issues. Strengthening the IT systems for integrating multiple GRMs, augmenting women GRM executive staff, strengthening the outreach activities through Jalsakhis should be implemented early in the programme. Exposure visits and training to the GRM executives, Jalsakhis will enhance its overall performance regarding stakeholder/consumer satisfaction and help SJPNL in its efforts to achieve program objectives

Conclusion

Overall, the ESSA revealed that the environmental and social systems relevant to the Bank's Program are adequate. The initiatives identified in the Program Action Plan will ensure the identified gaps are addressed and the effectiveness of performance is enhanced during implementation.

1 Background

1.1 National scenario

Rapid growth and urbanization are increasing pressure on the Water Supply and Sewerage (WSS) services in cities across India. Policy and institutional reforms have not kept pace with the rapid urbanization which is projected to increase from 31 percent in 2011 to 50 percent over the next 20 years. The urban WSS sector has traditionally been managed through government departments and sector agencies with a high level of subsidies for capital expenditure (CAPEX) and operations and maintenance expenditures (OPEX) and less focus on cost recovery and revenue generation. Although access to WSS has increased, the service quality has remained inadequate. No city in India receives piped water 24 hours a day, drinking water standards are often not met, and few sewerage treatment plants (STPs) are functional. The Non-Revenue Water (NRW) due to leakages, unauthorized connections and other inefficiencies is estimated at 40-60 percent of the water distributed, contributing to low-cost recovery of typically 30-40 per cent. In response, the GoI has initiated three high-level missions: the Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Smart Cities Mission (SCM), and Housing for All. In 2019, GoI also launched its ambitious Jal Jeevan Mission (JJM) to provide piped drinking water to all rural households by 2024.

1.2 Scenario in Himachal Pradesh

Himachal Pradesh's challenges exemplify many of the issues that rapid economic development is posing for the WSS sector across India. In line with national trends, the state of Himachal Pradesh has experienced economic growth, a decline in poverty and rapid urbanization over the past decades. The situation of WSS services in urban and peri-urban areas of the state remains challenging, particularly outside of the capital area. In these secondary towns, water and sanitation services remain integrated in government departments with highly fragmented responsibilities, contributing to poor service outcomes. Water supply is typically limited to 2-4 hours per day, with no monitoring of water quality at point of use and no effective systems for grievance redressal. Coverage of sewerage connections is only 35 percent and a third of the collected sewage cannot be treated due to shortfalls in treatment capacity. Although the state policy provides for metering and volumetric tariffs in smaller towns in urban areas, billing remains on a fixed monthly basis. Non-revenue water (NRW) is not monitored and is likely to be in excess of 40%. The cost recovery of operations and maintenance is only 23%. There was an urgent need for improving water and sanitation services to improve public health and hygiene, and even more critical now, considering the ongoing COVID-19 pandemic.

In the state, the urban and peri-urban areas requires improvements in WSS service levels by implementing appropriate institutional and policy reforms to effectively and efficiently use WSS infrastructure. The state has adopted the Ministry of Housing and Urban Affairs (MoHUA) Service Level Benchmarking for improvement and sustainability as the prime goals for the WSS Program in the urban area.

In the rural areas and peri-urban areas, the Jal Jeevan Mission (earlier implemented as National Rural Drinking Water Programme) has been launched with total national budget of USD 48 billion with an objective of providing 100% coverage of FHTC (Functional Household Tap Connection) by 2024. The HP state with nearly 90% of the population in rural area is in high priority in the Jal Jeevan Mission and has included all the districts in the mission scope.

The national flagship program, Swachh Bharat Mission (SBM) has assisted the rural areas in achieving ODF status and is working towards improved sanitation facilities in the urban areas by increasing the coverage of household and community level toilets. AMRUT scheme is being implemented in Shimla and Kullu cities with special focus on increasing the WSS network coverage with metering mechanism and online MIS based monitoring systems. The extension of the AMRUT mission period upto March 2022 provides the cities with enough time to effectively implement the projects and achieve the set service level benchmarks. Further, Smart City Mission has identified Dharamshala and Shimla, which focuses on smart urban water supply through augmentation and automation of the water supply and decentralized sewage treatment through area-based development.

1.3 GoHP Program

The Government of Himachal Pradesh (GoHP) initiated a transformational Medium-Term Reform Program in the WSS sector in its state capital Shimla in 2018. Supported by the World Bank's Shimla Water Supply and Sewerage Service Delivery Reform Programmatic Development Policy Loan 1 (DPL-1), these reforms are a response to a series of jaundice epidemics, acute water crisis during summer of 2018, rapidly increasing water demand, the declining capacity of traditional water sources and limited services offered by existing infrastructure. A major achievement under DPL-1 was the creation of the Shimla Jal Prabandhan Nigam Limited (SJPNL), an incorporated WSS company with full operational autonomy and clear responsibilities for WSS services, financial sustainability and customer accountability. The SJPNL has established a track record of significant service improvements: expanding access in the state capital, reducing NRW, improving service hours and water quality, and nearly tripling its revenue with city-wide metering and volumetric tariffs. The proposed Program-for-Results (PforR or Program) will deepen the interventions within Shimla and address the impact of COVID-19 crisis on a widening gap between revenues and costs, mainly due to loss in tourism activities.

The GoHP's MTP (2018-30) includes comprehensive reforms of policies, institutions, and infrastructure development, and enhanced accountability to customers, focusing on promoting a professional corporate culture, enhancing efficiency and financing sustainability and improving service delivery and accountability. The MTP aims to improve WSS services across the state with the goals of universal coverage of water supply and sanitation, continuous pressurized water supply, accountability and responsiveness to citizens, and decentralized service delivery through autonomous and professional institutions.

The state has adopted the Ministry of Housing and Urban Affairs (MoHUA) Service Level Benchmarks (SLBs) for improving and sustaining WSS services in the urban areas. The WSS MTP is financed by the State budget and various national missions such as AMRUT, Smart City Mission, SBM-Urban, and Jal Jeevan Mission (JJM), etc. The anticipated expenditure under the Medium Term WSS Program is US\$ 750 million in the period 2018-30. The first phase of this program was initiated in Shimla under the Bank-supported DPL and has resulted in improvement of WSS services. In Shimla, priority was given to improving water quality and quantity through strengthening of the governance system and enabling financial and managerial autonomy.

1.4 Program context

The proposed PforR operation (or Program) will be a continuation to the World Bank-financed Shimla Water Supply and Sewerage Service Delivery Reform Programmatic Development

Policy Loan (DPL). It will continue to support the GoHP's Medium-term Program for improving water supply and sewerage services in the Greater Shimla Area. The reforms will also address vulnerabilities to climate change by increasing the water utility's capacity for adaptive management and mitigation. The Program is consistent with the World Bank's Country Partnership Framework for India (CPF 2018-22) and directly contributes to the World Bank Group's twin goals of ending extreme poverty and promoting shared prosperity. This will contribute towards addressing the impacts of the COVID-19 pandemic in Himachal Pradesh and is aligned with the World Bank Group COVID-19 Crisis Response Approach Paper.

The Program will have a five-year implementation period (2021-2026) and will aim to benefit at least 3.9 million people in Shimla (residents and tourists) by December 2026.

1.5 Key Features of the Program

1.5.1 Program Development Objective (PDO)

The Program Development Objective is to strengthen the operational and financial performance of the SJPNL Utility and improve water supply and sewerage services in Shimla City.

1.5.2 Results Areas

The Program will focus on three result areas that contribute to the achievement of the PDO:

- Results Area 1: Improved governance, managerial and financial autonomy of SJPNL
- Result Area 2: Improved efficiency, financial sustainability and customer accountability
- Results Area 3: Improved water supply and sewerage services

The Program boundary for these improvements as relevant to the Shimla city.

1.5.3 Results Indicators

The following outcome indicators will be used to measure achievement of the PDO:

- a. SJPNL strengthened as an autonomous WSS Company
- b. Improvements in operational efficiency and financial sustainability:
- c. Non-Revenue Water is less than 30%
- d. Energy efficiency improves by 20%; (iii) O&M Cost Recovery (intra-city) is at least 200%
- e. Annual Report, including Financial Statements and Citizen Report Card, published and disclosed and
- f. Number of people benefitting from improved WSS services.

1.5.4 Disbursement Linked Indicators (DLIs)

Against each of the above mentioned result areas, there are Disbursement-Linked Indicators (DLIs) that include:

- Strengthening SJPNL's corporate governance practices
- Strengthening SJPNL's operational efficiency and financial sustainability
- Strengthen the capacity of the utility to be accountable to its customers and
- Expansion of access to continuous water supply and sewerage connections.

More details on proposed DLIs are given in the following table:

Results Area	PDO Indicators	Disbursement Linked Indicators
I. Improved governance, managerial and financial autonomy of SJPNL	SJPNL strengthened as an autonomous WSS Company.	1. SJPNL strengthens its corporate governance practices: (a) Five-year business plan approved and adopted; (b) Performance incentive policy for SJPNL employees adopted and implemented; (c) Performance-based contract awarded for intra city water distribution; (d) Tariff indexed by 10% annually as per tariff policy.
II. Improved efficiency, financial sustainability and customer accountability	Improvements in operational efficiency and financial sustainability: (i) Non-Revenue Water is less than 30%; (ii) Energy efficiency improves by 20%; (iii) O&M Cost Recovery (intra-city) is at least 200%.	2. SJPNL achieves operational efficiency and financial sustainability (a) Energy efficiency improvement; (b) Non-Revenue-Water Reduction; (c) O&M Cost Recovery (intra-city).
	Customer accountability strengthened with SJPNL Annual Report including Audited Financial Statements and Citizen Report Card.	3. SJPNL strengthens systems for customer accountability a. Percentage of WSS grievances redressed within the specified period; b. Annual Report, including Audited Financial Statements and Citizen Report Card, published and disclosed.
III. Improved water supply and sewerage services	Number of people benefitting from improved WSS services: (a) water supply; (b) sewerage.	4. SJPNL achieves improved water supply and sewerage services a. Number of connections with continuous water supply; b. Number of new connections with sewerage services.

These DLIs reflect the core priorities of the ongoing WSS reform program in Shimla and provides incentives to entrench and deepen the governance and performance improvements achieved by SJPNL over the past two years. The DLI#1 and #2 support key enhancements in the governance, strategic planning and financial management of SJPNL, while DLIs #3, #4 and #5 incentivize crucial aspects of utility performance, notably operational efficiency, the expansion of high-quality water and sewer connections, and continued progress in terms of

SJPNL's M&E capacity and customer accountability. The design of the specific DLIs was informed by (a) the importance of the activity, output, or outcome in the results chain; (b) the need to introduce a financial incentive to deliver specific activities, outcomes, or outputs; (c) measurability and ease of verification; (d) a balance of process-related (e.g. business planning) and outcome (e.g. non-revenue water reduction) targets; and (e) the capacity of SJPNL to achieve the DLIs in a timely manner during the implementation period of the Program. Collectively, the five DLIs are designed to reinforce the SJPNL's ongoing reforms, and to achieve the Project Development Objective.

1.5.5 Program Activities

To achieve the key result areas and the associated Disbursement-linked indicators, the following activities – institutional reform and investments - will be undertaken in the Bank's Program:

- Bulk water availability: Small pumping systems to maintain the water supply in the transmission lines, water quality lab and storage tanks.
- Water distribution in the Shimla Municipal Corporation area: distribution pipelines and transmission pipelines
- Non-Revenue Water (NRW) Reduction Program
- SCADA system and digitization
- Sewerage services: sewer transmission and network
- Monitoring and Evaluation; and Grievance Redressal Mechanism
- Capacity building.

1.5.6 About ESSA

At the Program level, the World Bank undertakes the Environmental and Social Systems Assessment (ESSA)² in which the following are examined: (i) the potential E&S effects of the PforR (including direct, indirect, induced, and cumulative effects as relevant); (ii) the borrower's capacity (legal framework, regulatory authority, organizational capacity, and performance) to manage those effects; (iii) the comparison of the borrower's systems—laws, regulations, standards, procedures, and implementation performance—against the core principles and key planning elements to identify any significant differences between them that could affect Program performance; (iii) the likelihood that the proposed operation achieves its E&S objectives; and (v) recommendation of measures to address capacity for and performance on policy issues and specific operational aspects relevant to managing the Program risks (e.g. carrying out Staff training, implementing institutional capacity- building programs, developing and adopting internal operational guidelines) through a Program Action Plan.

ESSA refers both to the process for evaluating the acceptability of a borrower's system for managing the Program's E&S risks in the particular operational context, and to the final report that is an output of that process.

² Requirements for ESSA stipulated in World Bank Policy: Program-for-Results Financing (Policy) and Bank Directive: Program for Results Financing Directive as well as comparison with the core principles found relevant in this context

1.5.7 Bank's ESSA requirements

The following are the World Bank's ESSA requirements:

- Preliminary screening is done to ensure that activities that are “judged to be likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people are not included in the PforR design and are excluded from the Program
- Stakeholder engagement is an essential element of the ESSA process. Through this engagement, both internal and external stakeholders get an opportunity to meaningfully participate in the ESSA process, inform the preparation of the ESSA Report, and provide meaningful inputs throughout the lifecycle of the operation. Generally, during the PforR preparation process, field-level one-to-one and focused group community consultations and a stakeholder workshop are conducted to meet the stakeholder engagement requirements.
- Analysis: Using secondary literature and the information collected during the stakeholder engagement process, the ESSA analyses the borrower's applicable systems, considering the system both as it is defined in laws and regulations, and as it is implemented in practice. The purpose of this analysis is to determine the systems' capacity to manage program risks during preparation and throughout implementation.
- Grievance Mechanism (GM): The ESSA reviews the program-level grievance mechanisms and conducts an assessment of their adequacy and effectiveness. The ESSA confirms that the GMs can receive, record, resolve, and follow up on complaints or grievances received. Further, the ESSA includes any recommendations for enhancing or improving the GM.
- Recommendations: ESSA identifies measures and actions to manage any significant gaps in the borrower's capacity to implement E&S management systems at a level commensurate with the identified risks to the Program, and consistent with the Bank's core principles and planning elements. The Bank and the borrower together agree to implement these as part of the Program.
- Disclosure: It is required for the draft ESSA report to be disclosed before the program appraisal so that the views of interested members of the broader public may be solicited and considered before all Program decisions are made final. Further, the final ESSA Report and recommended actions are to be completed before negotiations, and the final version is disclosed accordingly.

2 Methodology

2.1 Introduction

The methodology included: (a) secondary literature review, (b) screening, (c) consultations – field-level and state-level; (d) analysis and synthesis of systems strengths & areas for improvement; which is followed by (e) preparing the ESSA report.

2.2 Secondary literature review

The ESSA team reviewed the relevant secondary literature prior to and during the conduct of the ESSA. The key documents included the Program Document of the Bank-funded Development Policy Loan (DPL) operation, which was effective, Report on Evaluation of Poverty and Social Impacts Study³, PforRs in water sector in the Country and ESSA report of HPPFM⁴. The list of secondary literature reviewed is included in the Annex 9. Using the findings of the secondary literature, the ESSA team carried out the screening, prepared the scope of work for the consultants⁵ who conducted the consultations with community and key informant interviews. and facilitated the stakeholder workshop in order to collect their inputs on the draft ESSA report.

2.3 Risk screening

Environment

Using the findings of the secondary literature, the ESSA team carried out the environmental risk screening. This considered the likely risks arising from environmental impacts, contextual risks, institutional capacity & complexity risks and political and reputational risk. The screening revealed that the Program will not have any significant adverse environmental impacts.

The construction stage environmental impacts/issues arising from physical activities or civil works to be done as a part of this Program will be managed through the strengthened capacity and the prevailing regulatory framework. The environmental risks due to the context is also limited as these are within the existing, well-established administrative, functional and technical jurisdiction of Shimla. Overall, the screening revealed that the environmental risk was moderate.

The screening also ensured that the Program does not include those components which are not eligible for financing using the PforR instrument. Based on the information available, the following were confirmed: (a) No conversion or degradation of critical natural habitats or critical cultural heritage sites; (b) No air, water, or soil contamination leading to significant adverse impacts on the health or safety of individuals, communities, or ecosystems; (c) No workplace conditions that expose workers to significant risks to health and personal safety; (d) No adverse environmental impacts covering large geographical areas, including transboundary impacts, or global impacts such as greenhouse gas (GHG) emissions; and (e) No significant cumulative, induced, or indirect impacts. Further, the preliminary screening confirmed that the exclusion criteria was adhered to.

3 Sutra consulting pvt limited, 2018

4 Himachal Pradesh Public Financial Management Capacity Building Programme, 2020

5 In view of the COVID 19 conditions, ESSA Team participated in the consultations remotely, facilitated by local consultants.

Social

Using the findings of the secondary literature, the ESSA team carried out the Social risk screening. This considered the likely risks arising from social impacts, contextual risks, institutional capacity & complexity risks and political and reputational risks. In addition, specifically, issues relating to GRMs, customer relationship/satisfaction, stakeholder engagement consultations, gender, labour have also been considered. The screening revealed that the Program will not have any significant adverse social impacts.

The minor, reversible social impacts arising from the incidental physical activities or civil works to be done as a part of this Program will be managed through the strengthened capacity and the prevailing regulatory framework. The social risks due to the context is also limited as these are within the existing, well-established administrative, functional and technical jurisdiction of Shimla. Overall, the screening revealed that the social risk was moderate.

The screening also ensured that the Program does not include those components which are not eligible for financing using the PforR instrument. Based on the information available, the following were confirmed: (a) No Land acquisition and/or resettlement of a scale or nature that will have significant adverse impacts on affected people, or the use of forced evictions; (b) No Large-scale changes in land use or access to land and/or natural resources; (c) No Activities that involve the use of forced or child labour; (d) No marginalization of, or conflict within or among, social groups; or (e) No activities that would (1) have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation; (2) cause relocation of Indigenous People or have significant impact on them.

2.4 Community consultations

With the support of SJPNL, the ESSA team identified the consultant agency who conducted the field-level consultations that included household surveys, focused group discussions (FGDs) and key informant interviews (KIIs). Questionnaires in line with Bank-prepared checklists – Annex 3 - were prepared by the consultants, discussed with the SJPNL and the ESSA team, and finalized prior to their administration. A brief training / capacity-building session was also conducted for the survey team. These field-level consultations were widely carried out in Shimla. As these consultations were done during the COVID-19 pandemic, a special standard operating procedure (SOP) – Annex 4 - was developed taking into consideration the additional care and caution required for administering the survey, duly complying with State and National guidelines.

The Bank team participated in select consultations remotely. The objectives of the consultations included:

- Engage key stakeholders with information about the scope, timing, expected effects and benefits of the proposed Program.
- Seek inputs and feedback from stakeholders on key questions, covered in the checklists
- Understand how the stakeholders are affected by the programme.
- Offer an opportunity for stakeholders to suggest measures/improvement areas on key areas based on their insights and experience.

Announcement or issuance of invitations for consultations were done, well before the formal consultation dates, so that key stakeholders have an opportunity to plan for their participation.

These consultations were held between August and November 2020, and the summary of the report is included in Annex 5. The full report is furnished as a separate volume.

2.5 Consultations through the stakeholder workshop

For the stakeholder consultations a workshop was conducted under the aegis of SJPNL on 17 December 2020. GoHP officials from the relevant departments, stakeholders from other agencies / institutions and community representatives were invited to this workshop (Refer list of invitees in Annex 6 on the Summary of the workshop). All the invitees to this workshop were provided with the executive summary of the draft ESSA report prior to the conduct of the workshop. Given the constraints due to the COVID-19 pandemic situation, this workshop was conducted on a virtual mode via Google Meet.

The Bank team presented the brief of the Program, the ESSA methodology, the draft findings and recommendations against which a feedback from the participants were sought. The structure of the workshop was such that it solicited stakeholder inputs that will enhance the Program design and the ESSA itself. The consultants were engaged by SJPNL to facilitate the conduct of the workshop and to prepare the minutes of the workshop (including the list of attendees). Using the feedback obtained during this workshop, the draft ESSA was revised and the stakeholder feedback was considered vis-à-vis the Program design. Annex 6 provides a summary of the workshop along with the screen shots of the participants (list of participants connected and photos) attended through Google Meet virtual medium.

2.6 Analysis and synthesis

Using the data / information collected through the consultations and the secondary research, the ESSA team carried out the analysis, which is included in determining the strengths and the weaknesses of the existing regulatory systems and institutional systems that are being considered in the program and identifying gaps that need to be addressed through Program Action Plan (PAP).

2.7 Preparing the ESSA report

While the ESSA report is a product of the World Bank team⁶, the inputs from the SJPNL representatives, the consultants, the respondents to the consultations and the participants of the stakeholder workshop was invaluable. The conduct of the ESSA and preparing the ESSA report was done between July-December 2020.

⁶ The World Bank team responsible for this ESSA include Neha Vyas (Senior Environmental Specialist) and Vaideeswaran S (Consultant) on environmental aspects, and G. Srihari (Social Development Specialist) and JSRK Sastry (Consultant) on social aspects.

3 Key issues, benefits, impacts and risks

3.1 Introduction

Under the broader GoHP's Medium Term Reform Program (MTRP), this Program for Results (PforR) on WSS focuses on policies, institutions, accountability and selected physical infrastructure. Relevant to WSS policies, the focus will be on (i) service delivery orientation policy, (ii) performance-based financing, (iii) Cost recovery, volumetric tariff and subsidy policy, and (iv) Energy efficiency and NRW policy. Pertaining to WSS institutions, the focus will be on (i) Program for devolution of responsibilities, (ii) Corporate governance program, and (iii) Program for managerial and financial autonomy. Related to WSS Accountability, the focus will be on (i) M&E framework, (ii) Grievance redressal and customer engagement systems and (iii) Financial management and digital technology. And, last but not the least, the WSS infrastructure will be restricted to (i) water distribution pipelines and (ii) sewerage pipe network.

This chapter examines these initiatives in order to determine the environmental and social issues, benefits, impacts and risks.

3.2 Environment

3.2.1 Issues

Water is a key environmental resource. All the initiatives under the Program are aimed at improved governance, enhanced resilience, efficient and accountable WSS services. Therefore, at a broad level, these initiatives will result in issues that will be beneficial to the environment. Improved access to safe water, enhanced availability, better sanitation and less contamination will bring benefits to the people of the state as well as to the environment. There may be selected issues during construction of the selected WSS infrastructure that may be temporary but require environmental attention. However, the proposed WSS infrastructure has included only water distribution pipelines and sewerage network, which have limited construction related EHS impacts.

3.2.2 Benefits

The Program will bring about the following environmental benefits:

- The expansion of the WSS company will make possible a more integrated and sustained WSS management for Shimla. Without the deepening of reforms and institutional development and supported with selected physical infrastructure, environmental issues would tend to remain unaddressed.
- The expanded WSS company has an organizational structure that includes environmental expertise with explicit roles and responsibilities. This expertise to undertake and coordinate environmental activities will contribute towards addressing the water-related environmental management issues.
- Enhanced WSS accountability - complaint handling and grievance redressal mechanism - will result in the early resolution of citizen's environmental concerns.
- Policies such as cost recovery will bring indirect positive environmental benefits, e.g. establishing operations and maintenance cost recovery for sewerage will result in improving efficiency and effectiveness in terms of collection, treatment and disposal.
- Similarly, the performance-based service-delivery oriented approach have the potential to improve efficiency and effectiveness in overall water and pollution management. This

will in turn lead to better environmental management, e.g. improved sewage collection and treatment for all households.

- Driving energy-efficiency at a policy level will bring about a positive contribution to reducing carbon emissions. This will result in a significant and permanent contribution towards reducing carbon emissions from Shimla's WSS sector.
- Policies oriented towards NRW will result in conserving water, an important environmental resource.

In summary, the environmental benefits will accrue on account of: (1) augmented water efficiency, (2) improved energy efficiency, (3) intensified water quality and sewage disposal management (including strengthened monitoring to meet required standards), (4) enhanced resilience of selected infrastructure and systems to climate/natural hazard shocks, and (5) improved public outreach and stakeholder engagement.

3.2.3 Impacts

The likely negative environmental impacts arising from the Program could be the following:

- Construction-related environmental, health and safety (EHS) impacts arising out of the civil works related to the WSS infrastructure under the Program. This includes (i) possible accidents or incidents due to the undulating nature of the terrain in Shimla, (ii) storage, transport and disposal of construction debris / waste, (iii) temporary impacts of water or sewage leakages at the time of laying the pipeline network and (iv) Health risks to workers and community, particularly in the context of the prevailing COVID-19 pandemic, due to negligence of worker safety and health standards during construction.
- Commissioning of the sewerage pipeline should be done only after the commissioning of the STP expansion so that they are able to receive and treat. While this is common practice, the timing is important as this could result in untreated sewage disposal at the STP if the planning is not appropriately done. Annex 7 includes information on the present and proposed additional capacity of the STPs being done under the GoHP program.
- Temporary impacts of water or sewage leakages during operation due to poor construction or material quality or possible damage due to natural disasters such as landslides or earthquakes.
- All the infrastructure works under the Program will be within Shimla. These do not include eco-sensitive areas such as forests or other biodiversity-rich areas. If these fall in such areas, then the negative impacts will have to be addressed as per the regulatory systems that are in place. No impacts on cultural resources are also envisaged.

All of these environmental impacts can be managed through appropriate mitigation/management measures. It will be required to address through SJPNL's environmental organisational capacity.

3.2.4 Risks

The Program focuses on policies, institutions, accountability and selected infrastructure. There are no risks arising from the initiatives related to policies, institutions and accountability. All of these are directed towards improved governance, enhanced resilience, efficient and accountable WSS services. There are no negative environmental impacts arising from policy and institutional aspects, there are no political and reputation risks arising from the environmental issues.

However, the environmental impacts related to selected WSS infrastructure works have the potential of causing community disturbances. The short-term construction impacts can be prevented or mitigated with standard operating procedures and good construction management practices. But such performance has been shown to be dependent on the capability of contractors and supervisory personnel. Through this overall institutional capacity strengthening, the environmental staff to manage and coordinate with other line departments, regulatory agencies, communities and contractors will also be enhanced. SJPNL's systems and procedures will also include the management of EHS issues. Nevertheless, as the environmental impacts are minor, temporary, and confined to the area immediately surrounding the construction, the residual risks are low-to-moderate.

There are public and worker's health and safety risks associated with construction work. These risks arise due to the usual impacts of civil works (i.e. dust, noise, erosion, traffic interruptions, temporarily impeded pedestrian access, pollution from construction wastes, improper disposal of debris), as well as waste from temporary worker campsites, interference with local businesses, and disruption of water service. These short-term impacts can be prevented or mitigated with standard operating procedures and good construction management practices that will be a part of SJPNL's systems and procedures. The residual risks are low-to-moderate.

Though it is unlikely, there are risks associated with the selected infrastructure activities being done in ecosensitive areas, e.g. on forest land. Here again, the state Forest Department and SJPNL's systems and procedures will address these requirements during planning and design. The residual risks are low.

3.3 Social

3.3.1 Issues

The findings of ESSA suggest that social impacts of the Program are likely to be positive owing to enhanced efficiency and effectiveness of WSS systems and processes in SJPNL, including through leveraging Information Technology; for improving governance, accountability and internal controls, and enhancing service delivery. The Operation will also support the WASH campaign in a big way, particularly during the COVID period. In addition, the Operation will result in containing water borne diseases, leading to health benefits, cost and time savings. The main social issues identified are:

- Land requirements for storage tanks, temporary access restrictions/disruptions to supply, etc. for a few hours
- Achieving continued customer satisfaction in the context of increased operations and scaling up of SJPNL as an organization
- Continue to provide affordable quality water supply to all consumers, particularly those vulnerable, BPL and women headed households
- Compliance of regulations, more importantly by the Contractors during the implementation of the underlying investment works
- Effective outreach to ensure that all sections of the consumers are participating in achieving programme goals and making SJPNL a sustainable WSS utility

3.3.2 Benefits

- The Program area has about 28%⁷ population belonging to Scheduled Caste (26.51%) and Scheduled Tribe (1.08%), and the proposed Program has direct or immediate social effects and engagement with people and shall benefit all of these groups.
- The program improves public safety especially for women and needs of differently abled people by providing improved access to WSS and will be a step towards ensuring inclusion.
- The HR policy under the proposed program aims to promote recruitment of female staff in various services such as Accounting, IT, M&E systems, GRM and customer relationship and achieve a target of 30% female staff by end of the program. Additionally, practices that were followed by SJNPL under DPL-1 will be strengthened, such as Grievance Redressal Mechanism (GRM) cell with female staff for handling grievances, 'Jal Sakhis', women volunteer groups and their enhanced deployment, in project areas, for improving water conservation, etc.
- As part of its customer outreach initiatives, SJNPL adopted innovative approaches to involve school teachers, eminent women personalities in Shimla to spread the outreach activities. Strengthening and formalizing this arrangement would further catalyse the outreach campaign outcomes.
- Project activities relating to cost recovery, tariff and subsidy policies and strengthening of M&E and grievance redressal program, are expected to have positive poverty and social effects, with respect to affordability and current costly coping mechanisms. Also, these actions would especially benefit women consumers in urban and peri-urban areas of Shimla, as they have a higher demand for good quality water services, but with lower income and lower ability to pay, and would benefit by volumetric tariffs which take into consideration affordability aspects.

3.3.3 Impacts

- The program is expected to have significant positive impacts for beneficiaries, as it shall ensure equitable access to water and sanitation services. The Program has no adverse social impacts and identifies opportunity to improve larger system and processes to benefit the marginalised and vulnerable population i.e. ST and SC population living in Shimla.
- Physical interventions will be done on the Government land in possession of the department. Also, the project would not fund construction on any land for which clear title is not available with the department, or where it impacts livelihood and living of residents, or where any resettlement of squatters is required. Screening checklist will be used to ascertain that land selected for construction are free from any such encumbrances. Laying of pipes for transmission to reservoirs along the roads may lead to temporary impacts such as disruption to access and/or services for a few hours. Provisions of existing acts are expected to address these.
- The proposed operation is expected to positively impact to addressing gender inequality through its prior actions leading to improved and better targeted services which will positively impact women. Preliminary analysis indicates that the provision of 24x7 water supply will benefit all consumers and particularly women consumers across all sections of society. They will benefit significantly in respect of time savings in collection and storage of water. Further, the lower ability of poorer women-headed households to pay due to

⁷ Himachal Pradesh census 2011

lower incomes, despite higher demand for good quality water services will be addressed by ensuring lifeline tariff and appropriate targeting of subsidies. In addition to further support this section of community, SJPNL is in the process of approving a policy that facilitates payment of connection fees over a differed period of 6 months. The proposed program will also create awareness on issues such as existing tariffs and connection charges, procedures to obtain new or regularize connections, and information about the existing complaint system to report water supply, quality, and sanitation related issues. Proposed strengthening of M&E and the grievance redressal program that includes a feedback policy with provisions to reach out to women customers and incorporate their suggestions regarding the WSS operations will be especially positively impact for women customers. Improvements in service delivery and redressal of complaints by women customers will be monitored with regular customer satisfaction surveys for optimizing the operations for enhanced impacts.

3.3.4 Risks

Assessment of the prevalent Social risks as per four criteria is presented below.

The risk from Social effects is low as the proposed activities are not likely to result in land taking with significant adverse impacts on affected people or involve forced evictions. Minor impacts on land may result from laying/repair of pipelines networks and will not involve large-scale changes in land use or access to land and/or natural resources. Also, the program is not expected to lead to marginalization of vulnerable social groups including tribal population. In fact, on the contrary all consumers and in particular poor and vulnerable households are expected to benefit;

Contextual risks shall arise as construction activities would be carried out in hilly mountainous terrain and during the COVID period. This could lead to workplace conditions that expose workers to risks to their health and personal safety. However, the risk is low as SJPNL, historically, has significant experience of operating in such geographical conditions. Further the SJPNL shall undertake the project works with adequate safety protocols and prevalent COVID guidelines.

Preliminary assessment indicates that existing institutional capacity to address E&S risks is moderate as SJPNL has been addressing these risks, though capacity enhancements are needed in the form of one additional social safeguards staff and training. Strengthening of Monitoring and operationalizing effective grievance redressal systems would require support in capacity enhancements.

Political and reputation risk arising from Social aspects is moderate as the proposed policy and institutional reforms would be implemented in a consultative manner and based on a comprehensive communication strategy.

3.3.5 Conclusion

The risks associated can be mitigated through staff augmentation by one additional social safeguards staff and training/ capacity building. Further the, implementation of communication strategy to engage all stakeholders is aimed to trigger positive behavioural change and generate public support in order to ensure adoption of key water management practices at the household and community level. Over the duration of implementation of the programme, SJPNL is expected to enhance inclusion, participation, and strengthen mechanisms on accountability and grievance redressal.

4 Applicable Policy, Legal and Regulatory Framework

4.1 Introduction

This Program for Results (PforR) on WSS focuses on policies, institutions, accountability and selected infrastructure. This chapter examines the environmental and social policy, legal and regulatory framework (referred hereinafter as “framework”) that are relevant to the activities to achieve the key result areas in WSS. By policy, the reference in this chapter is solely to environmental and social policies. By legal, the reference is to acts and rules pertaining to environmental and social issues. Finally, by regulatory, the reference is on the procedures and practices being adopted by the GoHP organisations or agencies to ensure compliance to the legal requirements. There is no particular framework relevant only to the WSS sector, and is a general framework that is applicable to all sectors including WSS. There is a framework at the national level and at the state / HP level that are both applicable to the Program. These are covered briefly in this chapter.

4.2 Environment

4.2.1 National framework

In India, the national framework is well developed. A very brief description of the different important elements of the framework that are directly relevant to the Program is provided in the following table.

No.	Title and brief description	Relevance to the Program
1	<u>Environment (Protection) Act of 1986</u> The Act is an umbrella legislation that provides a framework for Central and State Authorities established under prevailing laws. It provides a single focus for the protection of the environment.	Standards that are specifically applicable to air, water, noise and soil components to all the civil works related to the WSS infrastructure development. None of the works require national or state level EIA clearance. Organization: HP Department of Environment, Science & Technology (DEST) and HP State Pollution Control Board
2	<u>Air (Prevention and Control of Pollution) Act 1981</u> This Act provides for the prevention, control and abatement of air pollution. It is to control emissions of any air pollutant into the atmosphere when it exceeds the standards set under the Act and associated rules	Under the Act, the contractor is required to obtain the Consent to Establish and Consent to Operate for the ready-mix concrete plant (s) if it is used for the concrete for construction. Organization: HP State Pollution Control Board

No.	Title and brief description	Relevance to the Program
3	<p><u>Water (Prevention and Control of Pollution) Act 1974</u></p> <p>This is to control water pollution by controlling water pollutants and the maintaining or restoring of wholesomeness of water, through establishment and empowerment of Boards at the national and state levels. Ensuring adherence to water quality and effluent standards is the main purpose.</p>	<p>Under the Act, the contractor is required to obtain the Consent to Establish and Consent to Operate for all civil works. Further, there should be no dumping the construction waste / debris into nearby water bodies like streams.</p> <p>Organization: HP State Pollution Control Board</p>
4	<p><u>Noise Pollution (Regulation and Control) Rules 2000</u></p> <p>According to the provisions of the rules notified under this act, a person might make a complaint to the designated 'Authority' in the event that the actual noise levels exceed the ambient noise standards by 10dB(A) or more as compared to the prescribed standards. The designated authority will take action against the violator in accordance with the provisions of these rules or other law in force.</p>	<p>Under the Rules, the Contractors need to adhere to these rules in the context of all civil works.</p> <p>Organization: HP State Pollution Control Board</p>
5	<p><u>Construction and Demolition Waste Management Rules 2016</u></p> <p>The rules shall apply to every waste resulting from construction, re-modeling, repair and demolition of any civil structure of individual or organisation or authority who generates construction and demolition waste such as building materials, debris, rubble.</p>	<p>For all civil works, the contractor will have to obtain authorizations for all the different types of wastes as required, and will dispose scrap / waste only to authorized agencies.</p> <p>Organization: HP State Pollution Control Board.</p>
6	<p><u>Solid Waste Management Rules 2016</u></p> <p>These rules define solid waste as those generated by all the households, hospitality industry, big and small market vendors. These rules are applicable to the municipal areas and beyond. In particular, the rules have mandated the source segregation of waste in order to channelise the waste to wealth by recovery, reuse and recycle</p>	<p>These Rules are applicable for any incidental waste generated the contractor during the civil works.</p> <p>Organization: Municipal Corporation Shimla and HP State Pollution Control Board.</p>
7	<p><u>Plastic Waste Management Rules 2016</u></p>	<p>These Rules are applicable for any incidental plastic waste</p>

No.	Title and brief description	Relevance to the Program
	<p>This is to ensure segregation, collection, storage, transportation, processing and disposal of plastic waste in a manner that there is no damage is caused to the environment during this process.</p>	<p>generated the contractor during the civil works.</p> <p>Organization: HP State Pollution Control Board.</p>
8	<p><u>Indian Forest Act 1927, Forest Conservation Act 1980 and Forest Rights Act 2006</u></p> <p>Under this Act, administrative approval must be obtained from the Forest Department to clear designated forestland. According to this although the land is under the control of state government, due to its protected status, approval from the Government for using the land may be required.</p>	<p>The use of forestland for non-forestry purposes, replenishing the loss of forest cover by compensatory afforestation on degraded forestland and non-forest land, and permission for tree felling may be required in the context of civil works pertaining to infrastructure development. Though the likelihood of forest land is low, the appropriate forest clearance will be obtained without fail.</p> <p>Organization: HP State Forest Department.</p>
9	<p><u>Wildlife (Protection) Act 1972</u></p> <p>The Act provides the details the various kinds of endangered and other important faunal groups that need to be protected. In particular, this deals with permissions for working inside or diversion of national parks and sanctuaries.</p>	<p>In the context of civil works pertaining to infrastructure development, this may be relevant.</p> <p>Organization: HP State Forest Department.</p>
10	<p><u>Labour Act 1988</u></p> <p>This Act will ensure the provision of health and safety measures to construction workers by the Contractor.</p>	<p>Related to civil works pertaining to infrastructure development, the health and safety of workers employed by the contractor will be governed by the provisions of this Act.</p> <p>Organization: SJPNL</p>
11	<p><u>The Ancient Monuments and Archaeological Sites and Remains Act, 1958, and the Rules, 1959</u></p> <p>The Act and Rules protect the archaeological sites, and no person shall undertake any construction</p>	<p>Wherever the civil works for infrastructure development are carried out in the vicinity of cultural properties, the</p>

No.	Title and brief description	Relevance to the Program
	within the protected or regulated area except in accordance with the permission granted.	provisions of the Act and Rules are applicable. Organization: Department of State Archaeology, Language & Culture

This Program does not entail any procedural requirement such as a clearance or permission or consent as per the national legal framework. This is because WSS infrastructure such as water supply pipelines and sewerage network does not have any procedural requirement in a general sense. However, if there are specific situations during implementation as outlined in the table, then procedural requirements apply. If not, it is the standards and practices that need to be adopted in line with the national legal framework.

4.2.2 State framework

In Himachal Pradesh, the state framework is also well developed. A very brief description of the different important elements of the framework that are directly relevant to the Program is provided in the following table:

No.	Title and brief description	Relevance to the Program
1	<u>HP Forest Produce (Regulation of Trade) Act 1982.</u> As per this Act, there are particular species of trees (Refer Act) for which permission is required for cut and transit.	If the civil works for infrastructure development require the same, appropriate permission will have to be sought. Organization: HP State Forest Department
2	<u>HP Land Preservation Act, 1978 and HP Land Preservation Rules, 1983</u> This Act and associated Rules provide for better preservation and protection of certain portions of territories of Himachal Pradesh. The State Government may notify the areas that are subject to or likely to be subject to erosion. Activities like clearing, breaking up, quarrying, and cutting trees of timber are not permitted, regulated or restricted in such areas.	There are chances of identification of notified areas for construction or extraction of raw materials for construction from notified areas. Organization: HP State Forest Department
3	<u>Plastic Waste Management - Rules & regulation in practice in HP - A compilation of Acts, Rules, Notifications Updated 2018</u> This is to ensure segregation, collection, storage, transportation, processing and disposal of plastic waste in a manner that there is no damage is caused to the environment during this process.	These Rules are applicable for any incidental plastic waste generated the contractor during the civil works. Organization: HP State Pollution Control Board.

No.	Title and brief description	Relevance to the Program
4	<p><u>HP Ground Water (Regulation and Control of Development and Management) Act, 2005. HP Ground Water (Regulation and Control of Development and Management) Rules, 2006</u></p> <p>This Act aims to regulate and control the development and management of groundwater resources in Himachal Pradesh. Any user of the groundwater desiring to sink a well within the notified area should get permission from the Authority.</p>	<p>Applicable to the Program, where the construction site falls in notified areas or where sinking of a bore well is proposed or where groundwater is used for the construction activities.</p> <p>Organization: HP Ground Water Authority.</p>
5	<p><u>HP Ancient and Historical Monuments and Archaeological Sites and Remains Act, 1976.</u></p> <p>The Act and Rules protect the archaeological sites, and no person shall undertake any construction within the protected or regulated area except in accordance with the permission granted.</p>	<p>Wherever the civil works for infrastructure development are carried out in the vicinity of cultural properties, the provisions of the Act are applicable.</p> <p>Organization: Department of State Archaeology, Language & Culture</p>
6	<p><u>National Green Tribunal (NGT) Orders</u></p> <p>The National Green Tribunal has been established under the National Green Tribunal Act 2010 for effective and expeditious disposal of cases relating to environmental protection and conservation of forests and other natural resources including enforcement of any legal right relating to environment and giving relief and compensation for damages to persons and property and for matters connected therewith or incidental thereto.</p> <p>Original Application. No. 673/2018 dated 20th September, 2018 19th December, 2018 and 08th April, 2019 - Prevention and Control of Pollution in River Ashwani, Shimla District.</p>	<p>A part of the treated sewage from Shimla is released to Ashwani Khad, which is one of the rivers that is being monitored under the NGT Order. SJPNL has to furnish information on the sewage treatment plants.</p> <p>Organization: HPPCB</p>

Like in the case of the national legal framework, this Program does not entail any procedural requirement for the state framework as well. This is because WSS infrastructure such as water supply pipelines and sewerage network does not require any permissions or clearances in a general sense. However, if there are specific situations during implementation as outlined in the table, then procedural requirements apply. If not, it is the standards and practices that need to be adopted in line with the state legal framework.

4.2.3 Social

4.2.3.1 National framework

The national framework and its implementation are well developed. Description of the different Acts/Rules/Regulations/ Policies forming part of the Framework and are directly relevant to the Program is provided in the following table.

No.	Title and brief description	Relevance to the Program
1	<p><u>Minimum Wages Act, 1948</u></p> <p>This act ensures minimum wages that must be paid to skilled and unskilled labours. The employer shall pay to every employee engaged in scheduled employment under him, wages at the rate not less than the minimum wages fixed by such notification for that class of employee without any deductions except authorized.</p>	<p>Applicable for hiring construction labour.</p> <p>Organization: Works Contractors</p>
2	<p><u>Child Labour (Prohibition and Regulation) Act 1986;</u></p> <p>This act prohibits the engagement of children below 14 and 15 years in certain types of occupations and regulates the condition of work of children in other occupations.</p> <p>No child shall be employed or permitted to work in any of the occupations set forth in Part A of the schedule, processes set forth in Part B of the schedule which includes building and construction industry.</p>	<p>Applicable.</p> <p>Organization: Works Contractors</p>
3	<p><u>Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act (RFCTLARRA), 2013</u></p> <p>Aims to ensure, a humane, participative, informed and transparent process for land acquisition with least disturbance to the owners of the land and other affected families and provide just and fair compensation to the affected families whose land has been acquired or proposed to be acquired or those that are affected by such acquisition and make adequate provisions for their rehabilitation and resettlement and for ensuring that the cumulative outcome of compulsory acquisition should be that affected persons become partners in development leading to an improvement in their post-acquisition social and economic status.</p>	<p>Currently Not Applicable. No requirement for land acquisition or land transfer from individuals or community is foreseen. GoHP is identifying land belonging to other government departments mainly Revenue or Forest Departments and may require internal transfer using government set procedures. The Program would not support any construction where land acquisition or private land transfers are required.</p> <p>Organization: SJPNL.</p>
4	<p><u>National Policy on Tribal Development, 1999</u></p>	<p>Currently Not Applicable as Program activities are</p>

No.	Title and brief description	Relevance to the Program
	<p>The policy seeks to bring scheduled tribes into the mainstream of society through a multi-pronged approach for their all-round development without disturbing their distinct culture development. It lists out measures to be taken in respect of: formal education, traditional wisdom, displacement and resettlement, forest villages, shifting cultivation, land alienation, intellectual property rights, tribal languages, primitive tribal groups, scheduled tribes and schedule areas, administration, research, participatory approach and assimilation.</p>	<p>limited to the urban agglomeration of Shimla only.</p>
5	<p><u>Right to Information Act, 2005</u></p> <p>Provides a practical regime of right to information for citizens to secure access to information under the control of Public Authorities. The act sets out (a) obligations of public authorities with respect to provision of information; (b) requires designating of a Public Information Officer; (c) process for any citizen to obtain information/disposal of request, etc. (d) provides for institutions such as Central Information Commission/State Information Commission</p>	<p>Applicable. As all documents pertaining to the Program would be disclosed to public.</p> <p>Organization: SJPNL</p>
6	<p><u>The Sexual Harassment of Women at Workplace Prevention, Prohibition, and Redressal Act 2013</u></p> <p>An Act to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto.</p>	<p>Applicable</p> <p>Organization: Across all stakeholder organizations involved in implementation (SJPNL, PMC etc) and Contractors</p>
7	<p><u>The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Central Rules, 1998</u></p> <p>Provisions related to safety & health; General Provisions – physical hazards, PPE, electrical hazards, vehicular traffic; fire protection, reporting of accidents; hours of work, rest, welfare of building and other workers</p>	<p>Applicable</p> <p>Organization: Contractors</p>
8	<p><u>Inter-State Migrant Workers Act 1979</u></p> <p>Contractor’s license for engaging migrant works</p>	<p>Applicable</p> <p>as contractors engage migrant workers</p> <p>Organization: Contractors</p>

4.2.3.2 State framework

In Himachal Pradesh, the state framework is also well developed. A very brief description of the different important elements of the framework that are directly relevant to the Program is provided in the following table

No.	Title and brief description	Relevance to the Program
1	<p><u>The Himachal Pradesh Transfer of Land (Regulation) Act, 1968</u></p> <p>Objective is to ensure protection to tribes in respect of their possession of land. It provides that "No person belonging to a Scheduled Tribe transfer his interest in any land by way of sale, mortgage lease, gift or otherwise to any person not belonging to such tribe except with the previous permission in writing of the Deputy Commissioner, excepting i) by way of lease of a building on rent; ii) by way or mortgage for securing loan to any Cooperative land Mortgage bank or cooperative society (all or majority members belonging to any ST) or by acquisition by the state government under LA act". Right, title or interest held by persons belonging to Scheduled Tribes in land are not be attached except when the amount due under such decree or order is due to the state government or to any cooperative land mortgage bank or cooperative society.</p>	Currently Not Applicable
2	<p><u>Land Reforms Legislations - HP Village Common Land Vesting and Utilization Act,1974</u></p> <p>To streamline the utilization of village common lands popularly known as 'Shamlat Land'. Under this act, following categories of land were vested in the State Government Those areas which were vested in a Panchayat under section 4 of the Punjab Village Common Land (Regulation) Act, 1961, as enforced in merged areas of Himachal Pradesh under section 5 of the Punjab Re-Organization Act, 1966. This precluded lands used or reserved for the benefit of village community including streets, lanes, play-grounds, Schools, wells and ponds within Abadideh or Gohrdeh; areas which were described in the Revenue records as shamlat taraf, patties and thola, and not used as per revenue records for the benefit of the village community or a part thereof for community purposes of the village; Areas which were described in revenue records as shamlat, shamlat, deh, taraf, shamat, shamlat chak and patti. This applied in respect of those areas which comprised Himachal Pradesh immediately before November 1, 1966. Through an amendment made later, the vested land can now also be transferred to some other Departments, of the State Government or can be given on lease to an individual in connection with development activities of the state.</p>	Currently Not Applicable

No.	Title and brief description	Relevance to the Program
3	<p><u>Gazette Notification, Urban Development Department, Sept 22, 2018</u></p> <p>Notification in respect of WSS programme and constitution of SJNPL and notifying its functions, jurisdictions, performance standards</p>	<p>Applicable, as the programme will be focussing on deepening the interventions in Shimla through SJNPL</p> <p>Organization: SJPNL.</p>
4	<p><u>GoHP Notification for Direct Purchase of Land</u></p> <p>Notification stipulating guidelines, process and responsibilities for acquiring land on a direct purchase basis for projects in GoHP</p>	<p>Applicable in case taking of private land is required.</p> <p>Organization: SJPNL</p>
5	<p><u>Himachal Pradesh Municipal Corporations Act, 1994</u></p> <p>Section 169 of the Act stipulates Powers for water supply, forcibly accessing the stipulated setbacks, RoW for laying pipelines. It further stipulates process for restoring/ paying compensation to the affected asset</p>	<p>Applicable particularly in case of laying of pipeline networks</p> <p>Organization: SMC, SJPNL</p>
6	<p><u>Himachal Pradesh State Water Policy 2013</u></p> <p>A comprehensive policy outlining the priorities and actions for sustainable use of water – surface/ ground, quality, use; The policy also highlights avoiding development of large storage reservoirs requiring displacement, rehabilitation; promote public private partnerships; development of citizens charter under Public Services Guarantee Act; Drinking water and sanitation; use of water ATMs etc</p>	<p>Applicable, as the policy fully endorses the PforR programme</p> <p>Organization: SJPNL</p>
7	<p><u>Himachal Pradesh Water Supply Act 1968 (Act 8 of 1969)</u></p> <p>An Act to provide for the development, control and management of the water supply works in rural and urban areas of Himachal Pradesh.</p>	<p>Applicable, enables the tariff reforms, formation of consultative committees, liabilities of the consumers</p> <p>Organization: SJPNL</p>

No.	Title and brief description	Relevance to the Program
8	<p><u>HP Public Service Guarantee Act, 2014</u></p> <p>An Act to provide for the delivery of services to the people of the State of Himachal Pradesh within the stipulated time limit and for the matters connected therewith or incidental thereto</p>	<p>Applicable</p> <p>SJPNL as a Utility of GoHP shall comply with the provisions of this Act in providing service to the people of Shimla, within stipulated timelines</p> <p>Organization: SJPNL</p>
9	<p><u>Citizen Charter of SJPNL</u></p> <p>SJPNL services delivery and stipulated timelines (https://sjpnl.com/citizens-charter/)</p> <p>The citizen charter provides description of services, document and other requirements for availing the services, charges for services and maximum timelines for provision of services. The services include – new water connection, water supply by tankers, metering and billing, connection and disconnection at the request of consumer, sewer connection/ reconnection, sewer overflows/blockages, booking of exhauster; water quality complaints.</p>	<p>Applicable</p> <p>Organization: SJPNL</p>
10	<p><u>Guidance issued by Department of Labour, updated from time to time</u></p> <p>https://himachal.nic.in/index.php?lang=1&dpt_id=14</p> <p>The guidance includes advisory to prevent COVID 19, guidelines for restarting labour involved activities after lockdown, implementation of health and safety provisions etc.</p>	<p>Applicable</p> <p>Organization: SJPNL, Contractors</p>
11	<p><u>Notifications relating to COVID issued by GoHP and/or applicable to Shimla</u></p> <p>https://hpshimla.nic.in/COVID-19/</p> <p><u>These include institutional arrangements for tackling COVID, operational arrangements like lockdown, declaration of Curfew, quarantine rules and facilities, exemptions, notifications in respect of opening of services/ facilities, denotification of regulations etc.</u></p>	<p>Applicable</p> <p>Organization: SJPNL, Contractors and other stakeholders</p>

4.2.3.3 Adequacy of Legislative Framework on Social Aspects

The legislative framework provides for social aspects and is adequate to ensure social sustainability of the protection of interest of particularly marginalised and vulnerable population.

5 Institutional Systems Assessment - Procedures, Practices and Performance

5.1 Introduction

This Program for Results (PforR) on WSS focuses on policies, institutions, accountability and selected infrastructure. This chapter examines the environmental and social institutional systems that are relevant to the activities to achieve the key result areas. These institutional systems can be broadly classified as (i) those within the WSS sector, i.e. where SJPNL has a role in dealing with the environmental and social issues, and (ii) those outside the WSS sector, e.g. State Pollution Control Board, that support / guide in order to ensure that all WSS activities are done consistent with sound environmental and social considerations. This chapter covers both the institutions and their systems within and outside the WSS sector insofar as this Program is concerned.

5.2 Environment

5.2.1 National-level regulatory institutional systems

Description

The Ministry of Environment and Climate Change (MoEFCC) is responsible for the planning, promotion, co-ordination and overseeing the implementation of India's environmental and forestry policies and programs. The broad objectives of the MoEFCC are: (i) Conservation and survey of flora, fauna, forests and wildlife; (ii) Prevention and control of pollution; (iii) Afforestation and regeneration of degraded areas; (iv) Protection of the environment and (v) Ensuring the welfare of animals. These objectives are well supported by a set of legislative and regulatory measures, aimed at the preservation, conservation and protection of the environment. Besides the legislative measures, the National Conservation Strategy and Policy Statement on Environment and Development, 1992; National Forest Policy, 1988; Policy Statement on Abatement of Pollution, 1992; and the National Environment Policy, 2006 also guide the MoEFCC's work. Further, at the national level, the Central Pollution Control Board (CPCB) is a statutory organization that provides technical services to the MoEFCC on all matters pertaining to the legal and regulatory systems. These are the institutional systems for the environmental management at the national level.

These broader national-level regulatory systems are a prerequisite and drive state-level policy, legal and regulatory framework that the SJPNL will have to adhere with. It is imperative to have a well-developed, established national system in order to effectively manage environmental effects and risks at the state and the program level. In the Indian context, these national-level systems are well-developed and in place across all sectors. The regulatory procedures and practices are clear, streamlined and widely available. In the context of the Program, the national-level regulatory systems are not directly applicable as the management has been devolved to the state.

Overall assessment

The environmental impacts associated with the Bank's Program are localized, minimal and reversible. There are only low environmental risks. These national-level regulatory institutional systems will not be directly applicable. Further, there are no gaps in these systems vis-à-vis the Bank's Program that needs to be addressed.

5.2.2 State-level regulatory institutional systems

Description

Established in April 2007, the Department of Environment, Science and Technology has the mandate to improve the effectiveness of environmental management, protect vulnerable ecosystems and enhance sustainability of development. This Department also houses the State Level Environment Impact Assessment Authority (SEIAA), which has been established under the Environment Protection Act 1986 in order to accord environmental clearances to development projects as per the Act and its rules.

As a regulator, HP State Pollution Control Board (HPPCB) is the nodal agency in the administrative structure of the State Government, for the planning, promotion, co-ordination and overseeing the implementation of environmental programs. Constituted in 1974 under the provisions of this Water (Prevention & Control of Pollution) Act, the principal activities undertaken by HPPCB consists of the prevention & control of pollution, protection of environment, in the framework of legislations such as Water (Prevention & Control of Pollution) Act, 1974; Air (Prevention & Control of Pollution) Act, 1981; and Environment (Protection) Act, 1986. HPPCB has strong organizational capacity and presence. HPPCB has regulatory (central & 10 regional offices), legal, IT, scientific (including 1 central and 4 regional laboratories), administration and finance divisions. HPPCB is responsible for ensuring compliance to regulatory requirements. In terms of procedural requirements, HPPCB provides the consents to establish and to operate, and also authorizations for waste management after conducting its due diligence. Once the operation starts, the HPPCB monitors the parameters (suspended solids, BOD, COD, Oil & Grease and pH) on a weekly basis of the treated sewage prior to disposal. The monitoring data is maintained in its Environmental Data Bank, which forms the basis of HPPCB for observing deviations and issuing notices to correction. If action is not taken, then prosecution sanctions are issued.

On forest management, HP Forest Department has laid-out the procedures for all its regulatory functions. In particular, the procedures and practices for the conversion of forest land for non-forestry purposes under the Forest Conservation Rules, 2003, is well-established within the state. The application process for the diversion of forest land, the guidelines, the muck management, the norm/ rate of compensatory afforestation, the Net Present Value (NPV) rates and the procedures.

The DEST, SEIAA, HPPCB and the HP Forest Department's regulatory activities are fully functional in the state. All activities of SJPNL will have to abide by the regulations established at the national level, and implemented by these state-level agencies. SJPNL will have to meet the procedural requirements and the environmental standards prescribed by these agencies, and periodically submit reports as well.

Overall assessment

The regulatory agencies are in place. The procedures for compliance are being administered. The compliance monitoring is being periodically undertaken. There is a high level of confidence that managing regulatory aspects and risks of the SJPNL's activities will be effectively undertaken. For instance, HPPCB's regulatory monitoring is streamlined and functional. Pertaining to regulatory monitoring of the WSS sector, the HPPCB is actively involved in verifying compliance of the sewage treatment plants to the water pollution standards. So far, those responsible have been taking appropriate action when notices were

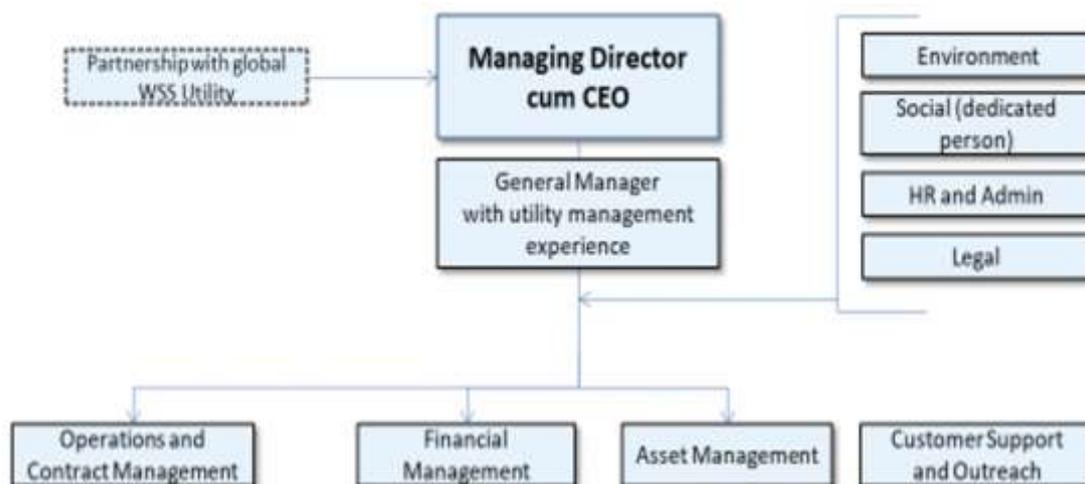
received. No prosecution sanctions have yet been given by the HPPCB. In all, the regulatory systems in HPPCB is functioning effectively and contributing to improving environmental performance in the WSS sector. Compared to the other Indian states, HPPCB has streamlined the use of Information Technology (IT) tools in pollution monitoring, regulation and disclosure. Overall, it is assessed that the state-level systems pertaining to regulations are streamlined and the organizational capacities are sufficient.

The environmental impacts associated with the Bank’s Program are localized, minimal and reversible. There are only low environmental risks. These state-level regulatory institutional systems will not be directly applicable as the Program’s physical investments pertain only to the construction phase, i.e. laying of water supply and sewerage pipeline network. Further, there are no gaps in these state-level systems vis-à-vis the Bank’s Program that needs to be addressed.

5.2.3 Program-level SJPNL systems

Staffing

SJPNL has an existing organizational structure that will be enhanced to address the additional requirements necessitated by its role in the GoHP program as well as Bank’s PforR. The proposed organizational structure is included in the following figure.



Pertaining to environmental management, SJPNL needs to (a) to address the regulatory requirements on the one hand; and (b) to mainstream environmental management in planning, design, construction and operation on the other. For carrying out all its environmental functions, SJPNL will need to have staff with capabilities to deal with these regulatory requirements at its headquarters. Since its establishment, SJPNL has had a position titled “Environmental and Safeguard Expert”, which was intended to coordinate both the environmental management and the social safeguards management. As SJPNL’s activities have grown, SJPNL has decided to have a dedicated position for environmental management. This position will report directly to the General Manager. Further, this position will work closely with the other line functions, particularly the Operations and Contract Management, Asset Management, Customer Support and Outreach. The suggested terms of reference for this position is included in Annex 2. This full-time position should suffice to meet the additional activities due to the increased GoHP program and the Bank’s Program.

Procedures & practices

SJPNL has procedures and practices to undertake its various environmental functions that include (a) daily water quality testing at each treatment plant to ensure that these are as per stipulated norms and guidelines, (b) quarterly testing of water samples for Hepatitis A & E viruses from National Institute of Virology (NIV) Pune, (c) coordinating with the third party agency for daily water samples testing, (d) water bacteriology testing of daily water samples is being done by the Department of Microbiology, IGMC, Shimla, (e) coordinating daily disclosure of water sample reports in the SJPNL website and Shimla Municipal Corporation (SMC), (f) coordinating with three testing laboratories at each Sewerage Treatment Plants, and (f) coordinating with the HPPCB and Eco-Lab, Chandigarh for water quality testing.

Performance

At present, the environmental management activities of SJPNL have been streamlined particularly with relevance with water quality testing and associated activities. The half-time commitment of the staff position was found to be commensurate with its needs. Though there were no documented organisational procedures, the performance was not adversely affected due to its absence.

But for embedding EHS requirements in bid / contracts, the environmental function will be required to integrate with the Operations & Contract Management function. This needs to be streamlined. Presently, these are being done in line with the funding agency requirements. In the Bank's Program, the water supply pipeline investments are being proposed through performance-based contracts that are being developed through external consultants / transaction advisors. While these bids / contracts have EHS provisions, there is potential to enhance. For the sewerage pipeline network, SJPNL is likely to use their own bid / contract documents, whose EHS provisions will also need to be reviewed and enhanced. And, in an institutional context, SJPNL's should establish its internal procedures and standards for integrating EHS requirements in bids / contracts.

Further, the environmental function has to be more integrated with the Asset Management function, which aims to protect the water resources, undertakes water resources planning and engages in the capital investment planning. On source protection, the role of the Environmental Specialist will be to coordinate with the Asset Management function and with the other state departments / agencies in terms of influencing policies, plans and programs. This needs to be streamlined.

Overall assessment

With the expansion of the responsibilities of SJPNL, there is a need to (a) have a full time position and (b) establish and maintain structured and documented procedures in order to institutionalize, be less dependent on individual staff and for it to be effective with the growth of SJPNL's activities.

On (a), the full time position of the Environmental Specialist should suffice⁸. There will also be environmental capacity within the contractor, consultants and third party monitoring agencies. Together, it will be possible to manage the environmental impacts of SJPNL's activities. On (b), these procedures should encompass those related to water and sewage quality, aspects of water and sewage treatment plants, integrating EHS with bid/contract

⁸ SJPNL expects to have the full position staffed by January 31, 2021.

documents, and engaging in source protection initiatives. With the support of global WSS utility partnership that is a part of the Bank's Program design, this should be explored and streamlined.⁹

5.3 Social

5.3.1 National-level regulatory institutional systems

Ministry of Housing and Urban Affairs¹⁰

The Ministry of Housing and Urban Affairs is the apex authority of Government of India at the national level to formulate policies, sponsor and support programme, coordinate the activities of various Central Ministries, State Governments and other nodal authorities and monitor the programmes concerning all the issues of housing and urban affairs in the country. The matters pertaining to urban development have been assigned by the Constitution of India to the State Governments. The Constitution (74th Amendment) Act has further delegated many of these functions to the urban local bodies.

Ministry of Labour and Employment¹¹:

The main responsibility of the Ministry is to protect and safeguard the interests of workers in general and those who constitute the poor, deprived and disadvantaged sections of the society, in particular, with due regard to creating a healthy work environment for higher production and productivity and to develop and coordinate vocational skill training and employment services.

These objectives are sought to be achieved through enactment and implementation of various labour laws, which regulate the terms and conditions of service and employment of workers. The State Governments are also competent to enact legislations, as labour is a subject in the concurrent list under the Constitution of India. The implementation of labour laws is necessary under the proposed construction activities in the Program.

Ministry of Social Justice and Empowerment:

The Ministry of Social Justice and Empowerment is entrusted with the welfare, social justice and empowerment of disadvantaged and marginalized sections of the society viz. Scheduled Castes, Backward Classes, Persons with Disabilities, Aged persons etc. the basic objective is to bring the target groups into the mainstream of development by making them self-reliant. The Ministry is also the nodal agency to oversee the interests of Scheduled Castes.

5.3.2 State-level regulatory institutional systems

Urban Development Department, GoHP

The Directorate of Urban Development was established during the year 1985-86 to direct, control and monitor the activities of the Urban Local Bodies in the state of Himachal Pradesh.

⁹ The SJPNL will receive capacity building support from the Aguas de Portugal (AdP) WSS Utility, through the Utilities of the Future (UoF) Program of the Bank's Water Global Solutions Group (GSG). The goal of the partnership is to support SJPNL in its ongoing effort to become a future-focused utility that provides reliable, safe, inclusive, and responsive WSS services through best-fit practices.

¹⁰ influences the policies and does not directly in regulatory function

¹¹ <http://www.labour.nic.in/>

The Directorate has been assigned the responsibility to look after the legislative, Administrative and Development activities of 54 Municipalities (Local Urban Bodies) i.e. 2 Municipal Corporation, 31 Municipal Councils and 21 Nagar Panchayats which covers 5.59 Lac urban population(2001 census report) which is about 9.2% of the total population of the state.

From 1986 to May,1994, the Directorate was performing nominal regulatory functions which merely relates to the coordination of development works, release of grants and passing of municipal budgets. Consequent upon the 74th amendment of the constitution and the enactment of 3 new Municipal Acts viz. H.P. Municipal Corporation Act, 1994, Municipal Act, 1994 and H.P Municipal Services Act 1994, numerous Constitutional, Statutory and obligatory functions are entrusted to the Directorate. The 74th Constitutional Amendment envisages greater decentralization of administrative , legislative and financial functions to the Urban Local Government coupled with more and more functional autonomy to all the municipalities.

Jal Sakti Vibhag, GoHP (JSV)

The Jal Sakti Vibhag, (formerly known as IPH) is responsible for development of water related infrastructure such as - Drinking Water Supply Schemes; Sewerage Systems; Irrigation systems through source development, lifting water, boring of tube wells & providing distribution systems. Flood protection works to protect life and property in the State. The Department is also responsible for the operation and maintenance of these systems. JSV provides bulk water and prescribes the rates for supplying bulk water. In case of Shimla, the bulk water is also handled by SJPNL in coordination with JSV.

Department of Labour and Employment, GoHP

The Department is vested with the responsibility of implementing about 28 labour Laws (central and state) such as the Labour Act, Minimum Wages Act, BoCW Act of Gol and State Rules notified¹² for BOCW, Himachal Pradesh Child Labour (Prohibition and Regulation) Rules, 1999, Himachal Pradesh minimum Wages (Amendment) Rules, 2006, Contract Labour Rules, 1974.

Department of Schedule Castes, Other Backward Castes & Minority Affairs

The main aim & objective of the Directorate of SCs, OBCs & Minority Affairs is to provide social justice and to empower the most vulnerable section of society i.e. Scheduled Castes, Backward Classes, Minorities, person with disabilities and older persons. The main thrust of the programmes being run by the department is to improve the socio-economic conditions of these sections so as to bring them into the mainstream of the society. The Department is also responsible for formulating plans for SC, BC and minorities and coordinate SCSP implementation under the Special Central Assistance.

Department of Revenue, GoHP

The Revenue Administration is headed by a Senior Secretary designated as Financial Commissioner cum-Principal Secretary (Revenue). The State has been divided into three

¹² vide No: - Shram (A) 4- 6/ 2007- BOCW Dated, Shimla- 171 002, the 4th December, 2008

Divisions viz, Kangra, Mandi and Shimla and each Division, in turn, is responsible for administration of a number of Districts constituting the Division. Each district in turn is headed by a Deputy Commissioner, who, apart from his development role in this capacity, also discharges the twin functions of a District Magistrate and Collector. As collector, a Deputy Commissioner is responsible for regular and timely collection of land revenue in respect of revenue estate under his jurisdiction, along with updating and proper preservation of valuable revenue records. He has under him an officer designated as District Revenue Officer, whose sole job is to keep in proper trim the District Revenue record and to attend to day-to-day business connected with land administration. Land acquisition of any kind, land settlement or updating land records are one of the main responsibilities of the Revenue Department. The Land administration and Revenue matters are in dealt with by Urban/ Rural Sub Divisional Magistrate cum Land Acquisition Officers.

5.3.3 Program-level SJPNL systems

Staff

Section 5.2.3 above presents detailed account of organization structure and staffing. Presently there is no separate staff for social safeguards and the ESSA study identified the need to strengthen the organization by recruiting a full time Social Safeguards Specialist on priority to attend to compliance, regulatory, operational as well as capacity enhancement activities. The suggested terms of reference for this position is included in Annex 2. This full time position should suffice to meet the additional activities due to the increased GoHP program and the Bank's Program.

Procedures and Practices

- a) Land and related impacts: Review of past practices indicated that SJPNL requests Revenue Department to identify unencumbered land and the department undertakes screening to ascertain that lands selected for construction are free from any encumbrances. Revenue Department usually identifies land belonging to the government mainly Revenue or wasteland (which is classified under forest land in the state of HP) and may require internal transfer using established government procedures. In case of forest land, FCA clearances are obtained. No requirement for land acquisition or land transfer from individuals or community is foreseen for the constructions. The Program would not involve any construction where land acquisition or private land transfers are required or any land for which clear title is not available with the government. In case private land parcels are to be taken, then Revenue Department follows a GoHP Notification stipulating guidelines, process and responsibilities for acquiring land on a direct purchase basis and these guidelines ensure that multiple land parcels are available to choose from and only transactions take place on willing buyer willing seller basis. Also laying of pipelines is done with available ROW and building off sets. Where the government land is required to be utilised, it will be transferred to Jal Shakti Vibhag which in turn will lease it to SJPNL.

- b) Customer Satisfaction Surveys/ Report Card

SJPNL conducts customer satisfaction surveys periodically. The survey in 2019-20 was undertaken to determine the current levels of WSS service quality and consumer satisfaction among the consumers served. The focus was on; accessibility of water and sewerage, water

quality, quantity, reliability and affordability, customer service related to WSS services and willingness to use e-services. The survey largely focused on performance measurement after a year of implementation of Institutional reforms, Policy Reforms, Quality, Quantity and Advocacy works undertaken by SJPNL. Emphasis was given to include women respondents in the survey. The key findings indicate with the implementation of works undertaken in last one year, there had been significant improvement in access to water supply in terms of quantity, but quality of water still remains unsatisfactory for about half of the consumers. Satisfaction of sewerage network is about 40%. On other indicator like reliability, affordability, customer service and willingness to adopt e-services more than half of the consumers are still not very satisfied. The most dissatisfied among the user group is the hotel category users.

Performance evaluation is carried out through a score card approach for operational, financial, management and asset management indicators. The score card for customer satisfaction area of performance has achieved a score of 5 on 5 for indicators such as – compliant redressal, quality of water supplied, coverage of water supply connections, treated water into distribution system, predictability of water supply/adherence to supply schedule whereas for quality of sewerage treatment the score achieved was 4.18. Overall, it is assessed that the process of customer satisfaction surveys and report card are serving as important program level SJPNL systems.

c) BIDs/Contracts

At present the implementation measures are overseen by PMC. The proposed Social Safeguards expert is expected to review, monitor and strengthen the Bids/ Contracts as during works implementations in accordance with the prevailing laws and rules applicable to labor, community health and safety.

d) GRM

The SJPNL has established a dedicated GRM Cell with five executives under a Customer Relationship Manager. Customers can lodge their complaints through any of the following options: Call Centre with Toll Free Number (1916), the SJPNL Website, written complaints, e-mail, social media, walk-in complaints, through Jal Sakhis groups, and via the Chief Minister helpline (1100). The SJPNL resolves 92% grievances within scheduled time limits. A review of the grievance redress process indicated that 40% of the grievances are billing related, followed by 20% related to metering and data handling and others relating to leakages and supply continuity issues. Majority of the grievances pertain to volumetric tariff, more specifically by senior citizens, indicating need for strengthening awareness on volumetric tariff provisions in the proposed program.

The ESSA assessment found that the GRM executives are well educated, trained and possess strong knowledge on the citizen charter, concerned officials to reach out for guiding the citizens. The executives are also well aware of the procedures of SJPNL regarding typical customer requests/ grievances

e) Communications

The study indicated that SJPNL systematically communicates with its stakeholders. A communication cell staffed with an experienced media professional is functional. The communication team regularly conducts awareness programs on water conservation, new billing and tariff structure at Government Institutions, Schools, Colleges, various Clubs, Community-based organizations, and with citizens in various wards and localities of the town.

Meetings are also held with hotel organizations and clubs like the ice-skating club. The team has carried out: Staff Orientation Workshops, Ward level Consultations with special focus on slum areas, consultations in Offices. In addition - a Water Conservation Guide is prepared in house; awareness programs are organised by Joining hands with NGO- Rotary Club and Rotary Mid-town. Specific programs are conducted aimed at educating children which include regular workshops and messages disseminated to children; inclusion of water conservation and tariff calculation related questions in examinations; visits of school children to water supply facilities, etc.

It is noted that special attention is being given to focus outreach activities in slums and to ensure coverage of vulnerable sections like women, migrant labor, scheduled castes. Systematic media outreach is being carried out by the SJPNL through press conferences, routine interactions, documentary on Shimla WSS, and radio broadcasts.

f) Jalsakhi¹³ program in Shimla

12 groups are constituted in different wards. Members of these groups (ladies) were part of the already constituted self help groups in different wards. They educate people around them regarding water conservation, volumetric billing and the SJPNL's continuous water supply program. Jal sakhis receive initial training at Junior Engineer offices and are introduced to their respective area officers and keymen. Interested Jalsakhis are supported monetarily by involving them in meter reading and distribution of bills. The programme is further strengthened by the contributions of school teachers in the groups. A Whatsapp group consisting of all the officers and Jalsakhis is created and the complaints mentioned by the jalsakhis in the Whatsapp group are to be resolved on priority. In addition day to day information regarding water supplies is also shared in the group so that it is further disseminated to the public. The ESSA study found that there is great interest to be a Jalsakhi, as it gives them 'recognition' as well as a limited financial support. The study indicated that for smooth continuance of Jalsakhi programme, sustainable arrangements shall be put in place.

Overall assessment

The overall assessment in respect of social aspects indicates that augmentation of Staff as proposed, coupled with capacity enhancement; strengthening of GRM staff as well as Jalsakhi programme, outreach activities are expected to achieve desired results of the Programme.

¹³ Background of Jalsakhi programme -SJPNL started workshops to educate people regarding 24x7 in localities, wards, then in govt offices and clubs. While interacting with people it was observed that the ladies were more active and more concerned during the interactive sessions. As SJPNL was requesting people to use water judiciously and inform SJPNL about leakages, the maximum information was given by ladies. Through a study, SJPNL was aware that ladies were the worst affected during the water crisis. Therefore, SJPNL decided to make groups of ladies (voluntary) in every ward who will be the custodians of water and SJPNL in their respective. The ladies of the group were termed as Jal Sakhis.

6 Assessment of the Borrower Systems against the Six Core Principles

6.1 Introduction

In this chapter, the borrower systems is assessed against the six core principles and the associated key planning elements. In carrying out this assessment, the guiding questions given in the analytical framework provided in the ESSA Guidance have been used. The application of this framework helped to identify areas in which E & S systems are consistent with Bank principles, those in which systems are functioning well, and those in which there may be important system gaps that need to be addressed before or during implementation. The consistency of the Program systems with these principles on two levels: (1) as systems that are defined in laws, regulations, and procedures (those external to the Program institutions), and (2) the capacity of Program institutions to effectively implement the Program's E & S system (those internal to Program institutions).

The core principle 1 and 3 are relevant to environmental and social issues, whereas core principles 2 is relevant to environmental aspects only. Similarly, Core principle 4 and 5 are relevant to social aspects only while core principle 6 is not relevant and is not applicable in the context of program area – Shimla.

6.2 Core Principle #1:

Program E&S management systems are designed to (a) promote E&S sustainability in the Program design; (b) avoid, minimize, or mitigate adverse impacts; and (c) promote informed decision-making relating to a Program's E&S effects.

The GoI / GoHP's regulatory systems - environmental, forests and pollution control acts and regulations - were assessed and found to be adequate to manage the environmental effects. In particular, on pollution aspects, the treatment of and discharge from sewage is only aspect that is regulated. The system performance was found to be effective [Refer Section 4.2]. Further, the underlying investments to achieve the result areas are only related to laying the water supply and sewerage network pipelines. Hence, none of the pollution-related regulations are applicable. And, if the forest land is required for laying the water or sewerage pipelines, the regulatory systems are being effectively implemented by the State Forest Department. [Refer Section 0]

At the Program level, it is proposed to appoint a full-time environmental staff in SJPNL. This staff will be engaged in ensuring regulatory compliance on the one hand, and in streamlining procedures and practices for better on-the-ground environmental performance of SJPNL staff, consultants and contractors on the other. There will be a particular focus on construction related EHS impacts across the various infrastructure activities. In the planning, design and execution of all WSS infrastructure, the staff will strive for better environmental performance. The proposed staff capacity should suffice. To improve the procedures and practices, documented management systems has been recommended as a part of this ESSA's Program Action Plan. With that in place, the systems will be consistent with this core principle.

Social

The GoI / GoHP's regulatory systems - Social, Labour, Urban Development, Public Services Guarantee, Citizen Charter, Land Administration & Revenue, Town and Country Planning Acts/Regulations - were assessed and found to be adequate to manage the Social effects. In respect of Social, no regulatory compliances are directly applicable to SJPNL, specifically

triggered by the project. The system performance was found to be effective [Refer Section 4.3]. No land acquisition is required and therefore no resulting R&R/ livelihoods impacts are envisaged. The proposed works typically do involve at least temporary economic displacement and restricted access to resources. These would be addressed through ESMP. The programme takes into account equitable access to project benefits through various mechanisms such as GRM, tariff and connection policies benefiting the vulnerable and poor consumers.

At the Program level, it is proposed to appoint a full-time social staff in SJPNL. This staff will be engaged in ensuring all in ensuring meeting all social safeguards requirements by SJPNL, Contractors and other stakeholders on the one hand, and in streamlining procedures and practices for better on-the-ground social performance of SJPNL staff, consultants and contractors on the other. Specific focus will be given to strengthening the GRMs, citizen engagement, consultations. The communication strategy focussed on advocacy, programme communication and social mobilization. The proposed strategy is - to trigger positive behaviour change, and generate public support in order to ensure adoption of key water management practices at the household and community level; to win public buy-in and support for new policies or reforms with clear communication of the purpose of the reform agenda and its effect on people's daily lives.

The proposed augmentation/ strengthening of staff in the form of one full time social safeguards staff coupled with capacity building and strong communication strategy should suffice to achieve desired performance in social safeguards management. To improve the procedures and practices, documented management systems has been recommended as a part of this ESSA's Program Action Plan. With that in place, the systems will be consistent with this core principle.

6.3 Core Principle #2:

Program E&S management systems are designed to avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources resulting from the Program. Program activities that involve the significant conversion or degradation of critical natural habitats or critical physical cultural heritage are not eligible for PforR financing.

The GoI / GoHP's regulatory systems pertaining to natural habitats, particularly forests and eco-sensitive areas were assessed and found to be adequate to manage the adverse impacts [Section 4.2]. The forest clearance for the diversion of forest land and compensatory afforestation are mandatory. Constructions in the proximity of cultural heritage sites such as protected monuments are also regulated and there is a guideline in place to address chance findings. Constructions in the proximity of cultural heritage sites such as protected monuments are also regulated and there is a guideline in place to address chance findings. Further, no significant conversion or degradation of critical natural habitats or physical cultural heritage is envisaged. SJPNL is fully aware and competent of addressing these regulatory requirements. Hence, consistency to this core principle is confirmed.

6.4 Core Principle #3:

Program E&S management systems are designed to protect public and worker safety against the potential risks associated with (a) the construction and/or operation of facilities or other operational practices under the Program; (b) exposure to toxic chemicals,

hazardous wastes, and otherwise dangerous materials under the Program; and (c) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards.

Public and worker safety are generally managed through provisions in the bid / contract documents that SJPNL will be using to procure its contractors. The provisions will be made part of agreements with contractors and will be monitored by SJPNL. However, these provisions were reviewed and found to be generic. These can be strengthened to include those safety issues that are specifically relevant to laying water supply and sewerage pipelines. SJPNL is committed to meet all the relevant codes, standards and guidelines for construction and their environmental staff will coordinate to ensure that all of these requirements are adequately and effectively adhered. As there is scope for strengthening and streamlining safety requirements in civil works contracts, this has been included in this ESSA's Program Action Plan, i.e. to review and enhance the contracts / bid provisions for civil works, and training the SJPNL's technical & environmental staff on its administration. Given the prevailing COVID-19 pandemic situation though SJPNL is following the MHA, CPWD, GoHP guidelines/protocols on COVID, the action plan includes additional requirements of the use of PPEs (face masks), physical distancing and handwashing practices that may be required of the contractor and sub-contractor personnel.¹⁴ The prevailing labour laws strictly prohibit engaging child labour as well as forced labour. The implementation of Sexual Harassment of Woman at Work Place (prevention, prohibition and redressal) Act 2003 through HP State Commission for Women, HP woman and child welfare department and largely addresses the SEA/SH risk, Extending the provisions of the Act to contracts, implementing code of conduct for workers will further mitigate risk in this area. With this further strengthening, consistency to this core principle is also ensured.

6.5 Core Principle #4:

Land acquisition and loss of access to natural resources are managed in a way that avoids or minimizes displacement, and affected people are assisted in improving, or at least restoring, their livelihoods and living standards

GoHP usually identifies land belonging to the government mainly Revenue or wasteland (which is classified under forest land in the state of HP) and may require internal transfer using established government procedures. In case of forest land, FCA clearances are obtained. Review of past practices indicated that screening checklist are used to ascertain that lands selected for construction are free from any encumbrances. No requirement for land acquisition or land transfer from individuals or community is foreseen for the constructions. The Program would not involve any construction where land acquisition or private land transfers are required or any land for which clear title is not available with the government. Where the government land is required to be utilised, it will be transferred to Jal Shakti Vibhag which inturn will lease it to SJPNL.

6.6 Core Principle #5:

Program E&S systems give due consideration to the cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, and to the needs or concerns of vulnerable groups

¹⁴ World Bank ESF / Safeguards Interim Note: Covid-19 Considerations in Construction / Civil Works Projects, April 2020

The project area is urban Shimla area and as such does not consist of Indigenous/tribal groups. The legal/ regulatory system is robust to promote demand responsive WSS service delivery, decentralized planning, implementation and social accountability. In addition, special provisions exist to safeguard the interest of the vulnerable and provision of subsidies to the economically weaker sections and other marginalized groups. Decisions making process will be further strengthened by way of - social mobilization at ward level, mobilization of women, facilitate preparation, implementation and post implementation of programme interventions, all of which will also enable equitable access to vulnerable groups.

6.7 Core Principle #6:

Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

Not applicable. The assessment confirms that the city of Shimla has never been a conflict area. As such the city has never witnessed conflict or fragility. There are no conflicts or territorial disputes in the Program area.

7 Consultations and disclosure

7.1 Introduction

This chapter includes the main findings of the consultations, both during the conduct of the ESSA (between August and November 2020) and also in the stakeholder workshop conducted in November 2020. This chapter also informs of the disclosure processes adopted for the ESSA during its preparation and also during implementation. This chapter provides reference to the Annexes that include the summary of the consultations during the conduct of the ESSA (Annex 5) and the stakeholder workshop (Annex 6) as well.

7.2 Consultations during the conduct of ESSA

7.2.1 Environment

Community consultations through household survey, key informant interviews and focus group discussions were carried out in August 2020. Of these, about 500 households were surveyed but the scope of the discussions had limited feedback on environmental aspects. The key informant interviews and focus group discussions included more environmental content. The highlights are covered in the following table and the summary of these consultations are provided in Annex 5.

No.	Feedback on environmental aspects
1	<u>Household survey</u> : The primary survey revealed that the sewerage connections cover only about 50 per cent and the drainage is not fully closed with about 53 per cent of open drains. This leads to a possible potential for disease.
2	<u>Forest Department</u> : <ul style="list-style-type: none">• The Gol's Forest Conservation Act has exempted the sewerage line and water supply pipeline from obtaining forest clearance.• Protecting the watershed around the cities and towns is critical. With the expansion of the city, there is conversion of land use. This has a negative impact on the urban watershed, and source gets progressively depleted. This is a problem in Shimla and the same is likely in other HP towns as well.• The urban watersheds have forest areas that are affected due to so many buildings being constructed without proper sewerage. The sewerage discharge is affecting the forest area.
3	<u>Shopkeepers, Shimla</u> : <ul style="list-style-type: none">• Drains are not cover properly at some of the places. During the rainy season, garbage goes into the drains and clogs it. It frequently happens.• The condition of drainage system is good in Lower Bazaar and Ram Bazaar in Shimla. Most of the places has covered drainage system. But at some places it is not properly covered.• We don't have ground water contamination issues. We don't use hand pump or bore well.• All such type of construction works is done by local contractors and they don't not take proper care of air, water and noise pollution during construction.• Sometime construction work starts during raining time, that time it creates a lot of problem related to safety.

No.	Feedback on environmental aspects
4	<p><u>Tourism Department:</u></p> <ul style="list-style-type: none"> • Efforts are being made by govt. to improve the drainage system at tourist places. In other areas, more such efforts are required to be taken to improve the condition. • Though concerned contractor are taking care of these issues - air, water and noise pollution - on regular basis but the requirements have to be more stringent and strict; a special provision under the agreement may be made to ensure timely completion of work also. • During construction of water/sewerage pipeline in peak season, tourists face huge traffic jam problem.
5	<p><u>Jal Shakti Vibhag / IPH Department:</u></p> <ul style="list-style-type: none"> • There are no impacts that cause risk to the public. However, the contractors need to ensure works safety as per relevant acts and rules prescribed in the bidding documents before start of any projects.
6	<p><u>Hotel association:</u></p> <ul style="list-style-type: none"> • Drainage system is different for different areas. Some area has good drainage system whereas some have open drains. Open drainage system impacts the forest and land. Therefore, systematic drainage system is good for environment. • Renowned companies take care of air, water, noise pollution during water/sewerage pipeline construction. Local construction companies don't bother about these issues.
7	<p>HPPCB</p> <ul style="list-style-type: none"> • There has been a marked improvement in the water supply both in terms of availability and quality after the responsibility has been handed over to SJPNL. • Coordination between SJPNL and HPPCB has improved in terms of testing for water quality and ensuring that the post-treated sewage meets the discharge standards due to expanding the treatment capacity in the different plants. • There are certain forest areas in the vicinity of the current water sources that supply water to Shimla. It is important that these sources are protected. Else, the conversion to other urban land use will deplete the source even further. • There is little or no groundwater abstraction in Shimla. There are only a few handpumps that are in use in selected areas.

All of these were considered in the context of the Bank's Program design and the GoHP's overall WSS program.

7.2.2 Social

Consultations were held with – consumers of various types; IPH and implementing partners; SJPNL; Women and Child Welfare Department; Health Department; Revenue Department; Water Resources/Ground Water Department; Tourism Department; Public Relations Officer (PRO) of SJPNL; NGOs working in the areas of awareness, Gender; Officials responsible for Grievances at SJPNL/ State level; Resident Welfare Association representatives; Jal sakhi representatives; Skill/livelihoods department officials; SBM officials; PSIA consultants; In

addition, FGDs with commercial establishes, women groups, domestic/ non domestic users, BPL families, GRM female customer care representatives were held.

In addition to the consultations summarised above (in environment section), consultations/FGDs with relevant stakeholder departments, consumers are furnished hereunder:

No. Feedback on social aspects

1 Consultations with individual consumers/ FGDs with different sections including BPL/Women Headed HH

- Municipal water supply is available for 2-4 hours a day and water quality during rainy season is sometimes not good and occasionally leads to water borne diseases. People use own filter/RO/ boil for treatment of water before drinking.
- Around 96% households have municipal water connection. Around 4% of households get water from tanker truck for household need. Mostly Women have responsibility of collecting water for household needs and they only clean toilet. Most of the households have own toilet inside house and directly connected to Sewerage connection
- Around 32% of the household don't get monthly bill for water supply and sewerage.
- Respondents are willing to get new connection and they prefer monthly bills.
- Majorly, where there is no separate meter connection for tenants, it's difficult to segregate the consumption done by them and owners.
- Most of the people have direct number of local officer and they file any complaint directly to concern officers.
- Most of the respondents are seeking additional clarifications on payments related to 24x7 water supply and sewerage network regarding increase in tariffs, volumetric tariffs
- HHs expressed that since the houses in Shimla are located very close to each other, during construction of pipeline or sewerage line it creates lot of problem for neighbors

2 FGD with GRM executives of SJPNL

- GRM executives discussed on the day to day activities of GRM function. Consisting of 5 executives currently (4F,1M), supervised by CRM executive.
- Majority of the grievances comprised of volumetric tariff billing, mainly from senior citizens.
- Each GRM executive handles about 8-9 wards and receive about 9-10 calls per day. Since majority services are now online at SJPNL, the executives guide the callers to the appropriate online locations and guide them to access the required services.
- Requested for training and capacity building to enable them to deliver enhance services

3 FGD with Jalsakhis SJPNL

- The Jalsakhis expressed that they are extremely proud of the recognition they receive for being Jalsakhis and satisfied with the work they attend to, which is for the overall benefit of fellow residents of Shimla.

No. Feedback on social aspects

- Use Whatsapp groups to interact with citizens, plumbers, officials, GRM executives with respect to their respective operational areas.
- Each Jalsakhi caters to about 500-1200 connections and maintains close communication with consumers
- Issues are mainly regarding volumetric tariff and over the last few months this has been explained to consumers and now the complaints are much less
- Jalsakhis also take meter readings, alert the owners on dead meters, location of meter installation to the pipe, alert citizens and SJPNL on leakages, overflows.
- Jalsakhis also attend to Hotels and other commercial, institutional consumers and typically are faced with the issue of high bill values on account of volumetric tariff.
- While there are no major complaints from consumers other than volumetric tariff, other complaints include not receiving bills, pressure not being adequate, occasional complaints on quality, all of which are addressed by Jalsakhis with the support from SJPNL officials.
- Jalsakhis expressed that while they enrolled to be a Jalsakhi on voluntary basis, meter reading is providing them some income through billing Contractors. However, there are delays in payments and as such requested for support through a sustainable model which can enhance their commitment. They have also requested for exposure visits for overall improvement in their functioning.

4 FGD with PRO and Communications officers of SJPNL

- Communication material in the form of print and electronic content is made available by SJPNL, focussing on water conservation, volumetric tariff, service delivery etc
- Jalsakshi programme evolution, with the help of SHG women, school teachers and current issues of Trade union discussed. It is expressed that the programme shall propose and implement sustainable institutional models for better engaging Jalsakhis.
- SJPNL is contemplating to rename Jalsakhis as 'friends of water' and also include male volunteers and expand the outreach to more educational facilities, community areas.
- The communication/ outreach activities have been put on hold during the COVID period and awaiting to restart

5 Consultations with GM bulk water supply of SJPNL

- SJPNL is making available the land required for bulk water supply as part of GoHP Programme and is currently pending with GoHP. For the DBO project, land is being made available by direct negotiation method by paying circle rates, plus solatium and other mutually agreed amounts as per notification (2015)
- The pipe network will be through anchor blocks and pillars and no road digging or resulting diversion of traffic requirement.
- By the powers vested with SMC conveyed to SJPNL through the HP Municipal Corporations act 1994, section 169, utilities can be laid within in RoW and setbacks, without seeking permissions from owners. The utility company, SJPNL

No. Feedback on social aspects

will be responsible for restoring asset or compensating the owner for the damages to asset.

- SMC has a street vendor policy and no encroachments by small vendors on RoW are foreseen. Similarly, no unauthorized encroachments on RoW for larger periods are encountered, requiring to trigger R&R benefits to the encroachers towards resettlement or access to livelihoods or livelihoods losses.
- A 7ML tank is proposed at Peterhof hotel, below parking area and the land is in the possession of Tourism department, which will be made available to SJPNL with operational rights through General Administration Department, GoHP (owner). No land transfer will be required.

6 HPPCB

- Land use restrictions/ upstream development regulations are required in the catchment area to protect the intake sources.
- No sperate GRM, CMs helpline is accessed for complaints and resolution.
- It would help to integrate GRM, health data and quality data to monitor and alert and arrest spread of waterborne diseases due to bad water quality.

7 Revenue Department Shimla

- SDM informed that the department for Shimla is Headed by Sub Divisional Magistrate/ Revenue officer and the Jurisdiction of Shimla area is covered under two officers – Shimla Urban and Shimla Rural.
- Department acts on the instructions of the Government to make available the land through Acquisition through LARR Act. The Department will also conduct negotiations as per stipulations of the notification for direct purchase (2015) on behalf of SJPNL/IPH. Negations conclude typically in 2 weeks' time.
- In case of transfer of Government Land to SJPNL, the land is transferred to IPH free of charge and IPH in turn will have to lease it to SJPNL
- The land free of encumbrances is transferred after due process is complete as per LARR or negotiated direct purchase
- No pending requests from SJPNL for making land available

8 Labour Department Shimla

- Labour Department identified three areas of concern in respect of migrant labour, they are: health, safety and welfare. The designated officers conduct periodic inspection to assess the conditions in these three areas at labor camps, work sites.
- Commissioner, Labour apprised the 28 labour laws implemented by the department
- State Rules have been notified and the designated officers of the department oversee the implementation of the Rules
- Grievances are received through CM helpline and addressed in four levels. Typically, the issue are on the welfare front and include wages, loss of employment, dues not paid, among others.

No. Feedback on social aspects

- The four level GRM consists of – labour inspector at the entry level followed by Labour Officer and Joint Labour Commissioner at level two and three. All unresolved grievances are attended to by the Labour Commissioner (level four). Constant feedback is exchanged between the complainant and helpline. The progress of GRM is monitored from CM’s office periodically.
- No specific laws are applicable to SJPNL but the Contractors have to obtain licenses and submit period compliance reports
- SEA/SH and Gender are addressed by Women and Child Welfare Department and as such not addressed by Labour Department.
- Workers can form as unions and express their voice. Known as CITU locally, the unions are popular and have a strong voice.
- The Department did not come across any pending issues with SJPNL or its contractors as on date.

Feedback and inputs from consultations held with Health Department (05.08.2020), Information and Public Relations Department (05.08.2020), IPH (06.08.2020) have been considered at appropriate sections of the ESSA study. Similarly, Details on participants, questionnaires employed to conduct KIIs/ FGDs and individual consultations with different sections of consumers (BPL/women headed households etc) are available in ESSA project files.

All of these consultations’ outcomes were considered in the context of the Bank’s Program design and the GoHP’s overall WSS program, appropriately.

7.3 Stakeholder workshop on draft ESSA**7.3.1 Environment**

The main points on environmental systems that emerged from the stakeholder workshop included the following:

- The importance of protecting the natural sources of water and augmenting them.
- Rainwater harvesting and the need to streamline practices within the city.
- The need to build resilience in the context of climate change impacts and the long- term sustainability of water resources.

All of these were already considered in the context of the Program design. The following were the salient points relevant to these stakeholder concerns (in the same order as the above):

- Source protection and ensuring sustainability was identified as an important issue. In fact, the bulk water supply source for the city will be from a perennial source once the new abstraction and pipeline connections are laid. In terms of protecting the existing sources, a multi-department approach will be required and SJPNL will initiate such cooperation to strive for such source protection measures.
- Rainwater harvesting was considered during the overall planning. Being a water surplus state, the focus was not found to be required at the level of city systems. However, this is being encouraged and facilitated particularly with the large establishments such as hotels.
- Resilience in the water supply systems was accepted as important and has been one of the core principles in the Program design.

Further information is available in the summary of consultations done in the stakeholder workshop (Annex 6).

7.3.2 Social

The stakeholders actively elicited their views and suggestions on the social aspects during the workshop. Major inputs included the following:

- the need to maintain regular and water supply timings with prior intimation to consumers and also the need to maintain regular monthly billing cycles was emphasized; adding of helpline numbers to the bills was suggested;
- The communications and outreach activities to be strengthened by enlisting the support of associations and institutions;
- The agencies involved in water supply and sanitation to improve coordination and communication among them to improve efficiency, services and address grievances effectively;
- The contractor agencies to be encouraged to hire local workforce during works and as such the contractors to strictly adhere to the laws, regulations; and
- The public perception and feedback mechanism to be strengthened and inputs used to improve functioning of the service delivery and GRM systems.

The above inputs and suggestions have already been incorporated in the project design. Citizen score cards, strengthening of GRM and engaging social safeguards specialist to augment SJPNL's existing capacity, proposed training to SJPNL staff, strengthening of IT systems for billing and GRM are expected to duly address these inputs and concerns. Further, the recommendations and future actions highlighted in the ESSA also mandate providing channels for ongoing consultations, periodic monitoring and evaluation on social aspects and help systems improvements.

7.4 Disclosure

7.4.1 Draft ESSA

After the draft ESSA was completed, the disclosure workshop was conducted on 17 December 2020 in Shimla. The executive summary of the draft ESSA was sent ten days in advance to all the participants of the stakeholder for their review, comments and feedback. During the workshop (December 17, 2020), a presentation covering both the Bank Program and the ESSA was made.

All the feedback obtained through this disclosure was used to strengthen the Program design and the ESSA report. The ESSA report is disclosed in the SJPNL website as well as the World Bank's website (to be done).

7.4.2 Final ESSA

The draft ESSA report was replaced with the final ESSA report in the SJPNL website and the World Bank website (To insert Date).

7.4.3 During Program implementation

On its website, SJPNL will disclose information on the Program as a whole and about the ESSA implementation in particular. This will be periodically kept up-to-date.

Further, the disclosure of information will be done in line with the Right to Information Act 2005. This mandates timely response to citizen requests for government information. Further,

Section 4(1)(b) of the RTI Act lays down the information which should be disclosed by Public Authorities on a *suo moto* or proactive basis.

8 Key Findings and Recommendations

8.1 Introduction

This chapter includes the findings and recommendations emerging from the analysis presented in the earlier chapters. As part of the findings, the Program exclusions and highlights both on environmental and social issues have been included. And, as part of the recommendations, the ESSA inputs to the Program Action Plan and to the Implementation Support Plan covering both environmental and social issues have been included. In these inputs, the focus is on strengthening the environmental and social systems relevant to the WSS sector in HP. These will be important not only for the Bank Program but also for the Government program at large.

8.2 Findings

8.2.1 Program Exclusions¹⁵

Environmental

The Bank's Program was reviewed to ensure that the activities do not include those not eligible for PforR financing. It was confirmed that:

- No conversion or degradation of critical natural habitats or critical cultural heritage sites;
- No air, water, or soil contamination leading to significant adverse impacts on the health or safety of individuals, communities, or ecosystems;
- No workplace conditions that expose workers to significant risks to health and personal safety;
- No adverse E&S impacts covering large geographical areas, including transboundary impacts, or global impacts such as greenhouse gas (GHG) emissions;
- No significant cumulative, induced, or indirect impacts;

There are no potentially significant, adverse environmental impacts in the Program design. During the implementation, it will be required to ensure that all such activities remain excluded.

Social

The Bank's Program was reviewed to ensure that the activities do not include those not eligible for PforR financing using the PforR. It was confirmed that:

- No Land acquisition and/or resettlement of a scale or nature that will have significant adverse impacts on affected people, or the use of forced evictions;
- No Large-scale changes in land use or access to land and/or natural resources;
- No Activities that involve the use of forced or child labor;
- No marginalization of, or conflict within or among, social groups;
- NO activities that would

¹⁵ Refer to Annex 1.

- have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation;
- cause relocation of Indigenous People or have significant impact on them.

There are no potentially significant, adverse social impacts in the Program design. During the implementation, it will be required to ensure that all such activities remain excluded.

8.2.2 Highlights

The following are the main highlights from the findings:

Environmental

- The GoHP's program and the Bank's Program on WSS will result in positive environmental impacts. As water is a key resource, any improvement of WSS management – the focus of the Bank's Program - in the state will result in positive environmental impacts.
- In the WSS sector, the possible negative environmental impacts include source unsustainability, poor water quality, water wastage during bulk supply and distribution, sewerage, impacts on natural and cultural heritage sites due to water and/or sewerage line alignment, and construction-related environmental, health and public safety impacts.
- There are no environmental procedural requirements – either national or state – that are directly applicable to the contractors, who will be responsible for the construction-related impacts. However, the environmental standards and guidelines, particularly the different Waste Management Rules 2016, will be relevant and have to be adhered. Similarly, there are no specific clearances required in respect of social processes. The stakeholders, contractors/ departments shall however adhere to the statutory provisions/mandates per respective applicable Acts.
- As the infrastructure activities related to the distribution network will be within the urban areas, the likelihood of using forest land will be low. However, if such a need arises, the required permissions need to be obtained under the Forest Conservation Rules.
- The institutional systems within SJPNL will continue to be developed based on SJPNL experience over the last few years. While the proposed environmental staff plans are adequate, substantial focus needs to be given to training and capacity building throughout the project period.
- While there are EHS issues in the provisions that SJPNL contracts to the construction contractors, these are often not adhered in practice. The contractors tend to be slack on these provisions, and this could result in risks related to public and worker safety. A particular focus on integrating EHS management in contracts and contract administration will be required.

Social

- In general, in WSS sector, the possible negative social impacts include limitations in equitable access to services, quality and quantity of water available to different consumer sections, impact R&R and livelihoods impacts in case the works require acquisition of private land, short term constructions stage impacts to structures, access to structures, temporary disruptions in traffic. SEA/SH, community health and safety risks can also result

in WSS works. Lack of consultations and communications can lead to adverse impacts including leading to reputational risks.

- The GoHP's program and the Bank's Program on WSS will result in positive Social impacts. As water is a key resource, any improvement of WSS management – the focus of the Bank's Program - in Shimla area will result in positive social impacts.
- The ESSA study noted that the robust systems and processes implementations as part of DPL 1 at SJPNL have significantly reduced the likelihood of the above negative impacts. No private land will be acquired for the present PforR operation works and therefore R&R and livelihoods impacts are avoided. Provisions are in place to address the temporary construction stage impacts, which will be further strengthened by the ESMP provisions in bids and contracts.
- The GoI / GoHP's regulatory systems - Social, Labour, Urban Development, Public Services Guarantee, Citizen Charter, Land Administration & Revenue, Town and Country Planning Acts/Regulations – were found to be adequate to manage the Social effects. In respect of Social, no regulatory compliances are directly applicable to SJPNL, specifically triggered by the project. The system performance was found to be effective. The stakeholders, contractors/ departments shall however adhere to the statutory provisions/mandates per respective applicable Acts.
- At the Program level, the ESSA study recognised the need to appoint a full-time social staff in SJPNL to support the scope of GoHP and PforR programme social aspects scope. This staff will be engaged in ensuring all compliances related social by SJPNL, Contractors and other stakeholders on the one hand, and in streamlining procedures and practices for better on-the-ground social performance of SJPNL staff, consultants and contractors on the other. While the proposed social staff plans are adequate, substantial focus needs to be given to training and capacity building throughout the project period.
- As outlined in the earlier environmental section of the findings EHS issues are often not adhered in practice. The contractors tend to be slack on these provisions particularly in the areas of facilities at labour colonies, minimum wages, community safety and statutory compliances regarding engaging labour, all of which could result in risks at varied levels. A particular focus by SJPNL staff together with PMC shall be given to integrating EHS management in contracts and contract administration.

8.3 Recommendations

8.3.1 ESSA Inputs to the Program Action Plan

Environment

The following table includes the list of activities to be undertaken by SJPNL towards environmental systems strengthening:

No.	Description	Timeline	Indicator for completion
E1	Establish the full time environmental staff in SJPNL	Before effectiveness	
E2	Establish and maintain documented environmental systems and procedures within SJPNL	End of Year 1	Documented systems and procedure developed and streamlined
E3	Review and strengthen all the contract provisions pertaining to EHS for civil works, particularly those pertaining to water supply pipelines and sewerage network	End of Year 1	Standard SJPNL bid / contract documents include EHS provisions
E4	Review and strengthen monitoring and reporting procedures on testing, EHS provisions in civil works, source protection activities and others	End of Year 1	Evidence that the bid evaluation procedure includes EHS criteria
E5	Streamlining monitoring and progress reports of EHS performance of the contractor of civil works	Half-yearly from end of Year 1	Evidence of reports prepared by SJPNL confirming EHS performance compliance
E6	Engaging in orientation and refresher training on EHS management for SJPNL staff, contractor staff and consultants on an ongoing basis	End of Year 1	Evidence of training conducted and number of persons trained

The following table includes the list of activities to be undertaken by SJPNL towards social systems strengthening:

No.	Description	Timeline	Indicator for completion
S1	Contract/hire social safeguards staff in the headquarters office of SJPNL	Before effectiveness	
S2	Establish and maintain documented social systems and procedures within SJPNL	End of Year 1	Documented systems and procedure developed and streamlined
S3	Review and strengthen all the contract provisions pertaining to social for civil works in the Bank funded activities	End of Year 1	Standard SJPNL bid / contract documents include Social provisions
S4	Review and strengthen contracting procedures on Social risks and mitigation measures	End of Year 1	Evidence that the bid evaluation procedure includes social risks mitigation as criteria
S5	Streamlining monitoring and progress reports of Social system performance of the contractor of civil works	Half-yearly	Evidence of reports prepared by SJPNL confirming social performance compliance
S6	Develop training plan and modules on social management rules and procedures; communication strategy and IEC material; and impart training to for SJPNL staff, contractor staff and consultants on an ongoing basis	End of Year 1	Evidence of training conducted and number of persons trained

8.3.2 ESSA Inputs to the Implementation Support Plan

The Bank's Program focuses on policy reform and institutional development, and on infrastructure facilities related to water supply distribution pipelines and sewerage network. Of these, the Bank's implementation support should focus largely on further building the environmental and social management capacity of SJPNL. Awareness and competence building, streamlining systems and procedures and networking with other stakeholder departments on environmental and social issues should be strengthened. There are no direct risks arising from institutional development. But if this is not done effectively, both the Bank's Program and the GoHP program may entail environmental and social risks, which can otherwise be avoided. These pertain to treating and disposing sewage, which is outside the purview of the Bank's Program, but a part of the GoHP program for Shimla.

On civil works with the Bank's Program, the environmental and social impacts of the WSS distribution network are minor and reversible, and can be addressed through the effective implementation of contractual requirements. The systems and procedures developed are unlikely to have any major environmental and social risks given that these are low capital investments being implemented in the Shimla area.

Annexes

Annex 1

Summary of ESSA Core Principles and Exclusion List

Summary of ESSA Core Principles

Core Principle #1: Program E&S management systems are designed to (a) promote E&S sustainability in the Program design; (b) avoid, minimize, or mitigate adverse impacts; and (c) promote informed decision-making relating to a Program's E&S effects

Core Principle #2: Program E&S management systems are designed to avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources resulting from the Program. Program activities that involve the significant conversion or degradation of critical natural habitats or critical physical cultural heritage are not eligible for PforR financing.

Core Principle #3: Program E&S management systems are designed to protect public and worker safety against the potential risks associated with (a) the construction and/or operation of facilities or other operational practices under the Program; (b) exposure to toxic chemicals, hazardous wastes, and otherwise dangerous materials under the Program; and (c) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards.

Core Principle #4: Program E&S systems manage land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement and assists affected people in improving, or at the minimum restoring, their livelihoods and living standards

Core Principle #5: Program E&S systems give due consideration to the cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, and to the needs or concerns of vulnerable groups.

Core Principle #6: Program E&S systems avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

Exclusion List

Under the Policy, activities that are "judged to be likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people are not eligible for financing and are excluded from the Program." More specifically, PforR financing should not be used to support programs, or activities within programs, that in the Bank's opinion involve the following:

- Significant conversion or degradation of critical natural habitats or critical cultural heritage sites;
- Air, water, or soil contamination leading to significant adverse impacts on the health or safety of individuals, communities, or ecosystems;
- Workplace conditions that expose workers to significant risks to health and personal safety;
- Land acquisition and/or resettlement of a scale or nature that will have significant adverse impacts on affected people, or the use of forced evictions;
- Large-scale changes in land use or access to land and/or natural resources;
- Adverse E&S impacts covering large geographical areas, including transboundary impacts, or global impacts such as greenhouse gas (GHG) emissions;
- Significant cumulative, induced, or indirect impacts;

- Activities that involve the use of forced or child labor;
- Marginalization of, or conflict within or among, social groups; or
- Activities that would (a) have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation; (b) cause relocation of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities from land and natural resources that are subject to traditional ownership or under customary use or occupation; or (c) have significant impacts on Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' cultural heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected communities.

Annex 2
**Suggested Terms of Reference for the Environmental Specialist and
the Social Safeguards Specialist**

Environmental Specialist

The scope of work for the Environmental Specialist is responsible for:

- To identify regulatory requirements for all activities of SJPNL that are ongoing and proposed in order to ensure legal compliance at all times.
- To liaise with the authorized agency appointed by the GoHP on National Green Tribunal (NGT) issues on behalf of SJPNL.
- To liaise with the HP PCB, State Forest Department and other regulatory agencies on an ongoing basis.
- To establish and maintain documented EHS management systems (procedures, guidelines, practices and records) to ensure a structured and systematic approach within SJPNL
- To work closely with the Operations and Contract Management function to ensure that EHS requirements are integrated with the bid / contract documents, and the chosen contractors adhere to th
- To liaise and interact with other GoHP Department and agencies on various environmental issues, e.g. Urban Development Department on interventions required for source protection.
- To work with the Asset Management function on preparing and implementing actions on source protection, water safety / security plans and similar initiatives.
- To monitor and report on all aspects of environmental management within SJPNL activities.
- To coordinate on environmental management issues with all external agencies such as multilateral and bilateral institutions and partner agencies, which work with SJPNL towards strengthening the WSS management in Shimla.
- To coordinate the conduct of water quality and treated sewage disposal quality on an ongoing basis, and to inform of deviations / non-compliance with standards if any.
- To prepare Standards Operating Procedures (SOPs) for the operation of water quality testing labs, water treatment plants and sewage treatment plants.
- To monitor and supervise sewage treatment plants STPs and water treatment plants (WTPs) for compliance of standards norms fixed by Central Public Health and Environmental Engineering Organisation (CPHEEO) and State Pollution Control Board.
- To provide the environmental content for IEC campaigns relevant to water management and assist in carrying out the same.
- To provide and keep uptodate the environmental management content on the SJPNL website and coordinate the public disclosure reports on the water quality and treated sewage quality as and when decided.

Social Safeguards Specialist

Scope of work/ToR of Social Safeguards Specialist:

- Identify and assist in legal/ regulatory compliance requirements regarding social aspects, applicable to SJPNL and contractors.
- Responsible for preparation and implementation monitoring of key plan documents in coordination with environmental specialist and other stakeholders. In this respect, s/he will liaise with and interact with concerned institutional stakeholders (such as revenue, urban development, labor, women and child welfare departments), communities, organizing of community level consultations, facilitating data collection for socio-economic surveys and impact assessments.
- Facilitate preparation, maintenance and upkeep of computerized data base related to the land and associated impacts, generation of periodic progress reports on social safeguards activities
- Ensure integration of social safeguards in mitigation plans, designs and bidding documents
- Assist, guide and participate in information dissemination, stakeholder consultations, and proper disclosure of documents through IEC materials, website etc.
- Facilitate strengthening of Grievance redressal mechanisms
- Responsible for internal monitoring of the implementation of social mitigation plans, besides facilitating and contributing to the periodic external impact evaluation/independent verification studies
- Contribute to the continued implementation/strengthening of the citizen engagement and feedback system.
- Monitor compliance by contractors and other stakeholders in respect of all labor laws such as prohibition of child labour, SEA/SH issues by conducting necessary training/orientation programs
- Undertake capacity building activities on provisions and actions listed in the social safeguard documents
- Prepare monthly or quarterly status reports on social management aspects (grievance management, implementation progress on management plans, compliances etc.) based on site visits, inputs from contractors and construction supervision consultants.
- Undertake any other activities as may be assigned for the efficient and smooth execution of the project in accordance with the results framework.
- Qualifications: Masters/ Post Graduate degree in Social Sciences relevant discipline e.g. Social work / Sociology / Anthropology.
- Experience: Minimum seven years' experience in the areas of - social impact assessment, undertaking stakeholder consultation, conducting/facilitating socio-economic surveys, setting up/ strengthening GRMs, assisting/ conducting awareness/communication campaigns, undertaking social impact assessments and preparation and implementation of social safeguards measures. Experience in preparation and implementation of gender action plans is desirable.

Annex 3 Consultations Checklists

Environment

The checklist of questions list here are for the consultants to include in their User Group or Household level questionnaires. Most of these questions are meant for the key informant interviews, i.e. GoHP departments / agencies. The list is indicative.

General

1. Stakeholder's understanding of the Program and its expected environmental effects/impacts/risks
2. How are they (stakeholders) likely to be affected by the proposed Program?
3. What are the potentially most significant issues for each stakeholder group that should be considered or addressed by the project?
4. Recommended changes to the Program scope or design needed to limit environmental impacts/risks and improve environmental sustainability.

Environmental Sustainability

1. What are the possible water-related environmental impacts relevant to urban development? If these are adverse, any suggestions on the procedures or practices that need to be included in the Program?
2. What environmental laws, regulations, or other mandatory legal instruments are applicable to the Program activities? (list separately for water supply and sewerage)
3. Are the laws, regulations and requirements pertaining to water supply and sewerage being effectively implemented? Any suggestions in this regard?
4. Where are the water sourcing/abstraction locations relevant to Shimla? Are the water resources sufficient? Are there other non-urban risks associated with abstracting from these locations?
5. What are the key environmental issues in Shimla? Will the water-related urban development contribute towards worsening these environmental issues? If yes, any suggestions on what could be included in the program?
6. Do applicable procedures require environmental screening or assessment of activities associated with the proposed operation?
7. Are screening procedures comprehensive? Do they include specific consideration of the full range of environment, health and safety risks, including among others biodiversity impacts, land use change, changes to air or water quality and management of hazardous materials/wastes?
8. Do existing procedures include opportunity for stakeholder involvement in the identification of key environmental risks and impacts?
9. Do the applicable systems require the consideration of alternatives or other forms of options assessments to avoid or minimize potential impacts and risks? For example, are strategic, technical, and site-selection alternatives considered?

10. Do the applicable systems effectively promote the application of mitigation hierarchy (e.g., avoid, minimize, mitigate, compensate/offset)?
11. Does Program design (i.e., identification of activities or expenditures) consider the relative environmental costs and benefits of feasible alternatives?
12. Do the procedures include measures for evaluating critical environmental issues such as transboundary pollution, biodiversity loss, pollution of waterways, and climate change?
13. Do the systems require considering the implications to and from climate change associated with Program activities, including estimating GHG emissions from Program activities?
14. Do Program systems require assessing the risks from natural disasters or human induced emergencies?
15. Are institutional/organizational responsibilities supported by adequate human and financial resources to implement environmental management procedures or plans?
16. Do the GoHP agencies have mechanisms to consult with or receive grievances from the stakeholders in the context of water-related infrastructure development? Do consultation processes promote communication and informed decision-making?

Natural Habitats

1. What are the natural habitats/protected in and around Shimla? Would these environmentally sensitive receptors be affected?
2. Does the Program require any conversion or would lead to degradation of critical natural habitats? If yes, any suggestions on the procedures and practices that need to be included in the program?
3. Will the Program activities affect other environmentally sensitive areas/habitats with local importance, such as streams, wetlands, ponds, vegetated riparian areas or wildlife areas/bird habitats (outside protected domain)?
4. Do Environmental Impact Assessment procedures include consideration of measures to avoid or minimize the severity of impacts (for example, through the systematic consideration of viable alternatives) in cases where Program activities are likely to cause conversion or degradation of non-critical natural habitats?
5. Would Program activities lead to the fragmentation of existing habitat areas, both at the level of localized Program activities and at larger landscape levels?
6. Do water sourcing/abstraction locations fall within any natural habitats/ecosystems? Does the piping from the abstraction points to the urban areas have to pass through natural habitats /ecosystems?
7. Has Program screening identified potential impacts on modified, natural, or critical natural habitats?

Physical Cultural Resources

1. Does the Program include management measures to protect, conserve habitats that are at risk, including those required to maintain ecological services? Are these measures consistent with prescriptions in regulatory requirements?

2. Are there any physical cultural properties/resources in and around Shimla with archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance? Would these culturally sensitive receptors be affected?

Public and Worker Safety

1. In the interventions relevant to improve water supply, what are the likely impacts and risks pertaining to public and worker safety that you could envisage?
2. What are your suggestions on procedures and practices that need to be included in the program to minimise such risks/impacts?
3. Does the Program have a legal framework that addresses and promotes workplace safety? How is it applied to the Program activities?
4. Does the Program include adequate measures to protect people and the environment from the effects of hazardous or toxic materials or wastes that are generated as a byproduct of construction or operation of facilities?
5. Are there mandatory measures that compel contractors and facility operators to operate equipment and facilities in a manner that protects workers and public/communities?
6. Does the Program include safety measures and standards for emergency preparedness for pre-existing civil works or works under construction that pose potential hazards to people or the environment?
7. Have there been any public and/or worker safety incidents pertaining to infrastructure development activities in Shimla? If yes, what are the lessons learned that can be included in this program?
8. If emergency preparedness plans are deficient, what safety measures or remedial works do Program entities need to undertake?
9. Are emergency preparedness plans implemented and periodically reviewed?

Stakeholders

A list of key stakeholders to be considered for environmental aspects:

- Urban Development Department
- State Pollution Control Board
- Forest Department
- Department of Environment, Science & Technology
- Municipal Corporation of Shimla
- State disaster management agency
- Jal Shakti Vibhag (formerly Irrigation & Public Health Department)
- SJPNL
- Media
- Hotel Associations
- Non-Governmental Agencies working on water/urban issues

Reference

ESSA Guidance, Pages 18-27 for an elaboration of the above questions.

Social

The checklist of questions list here are for the consultants to include in their User Group or Household level questionnaires. Most of these questions are meant for the key informant interviews, i.e. GoHP departments / agencies. The list is indicative.

General

The consultations are held with the following objectives:

- Engage key stakeholders with information about the scope, timing, expected effects and benefits of the proposed Program
- Seek inputs and feedback from stakeholders on key questions (checklists). Elicit responses on most significant issues for each stakeholder group that should be considered or addressed by the project
- Offer an opportunity for stakeholders to suggest measures/improvement areas on key areas based on their insights and experience leading to recommended changes to the Program scope or design needed to limit social impacts/risks and improve overall performance on social aspects.

Accordingly, the following stakeholder category wise checklist/ questionnaires are employed during consultations.

1. Consultations with SJPNL, IPH and implementing partners

- Current status of water supply (pressure, timing, frequency, chlorination during monsoons),
 - Metered connections (residential and commercial);
 - Major water users; rates for connections, monthly charges
 - Prevalence of water tankers in the area (government deployed and private operators and their charges/litre)
 - Testing approach/laboratories
 - Usage of filtration techniques
 - Water conservation practices
 - Constraints to operations (tail end, construction contractors; particularly due to altitude locations and possible landslides) and
 - Any issues particularly during COVID lockdown such as if there were issues around availability of chemicals for treating water.
 - Sources of water (treated and untreated)
- Tenant – Owner connections single multiple what are the issues?
- Proposed infrastructure (number of WTPs, STPs, intake and other pipelines)
- Who is preparing DPRs, any consultative process being undertaken; how are communities/ward members being involved?
- Other departments who would be involved/depend upon
- Approach to implementation in terms of siting infrastructure (WTP, STP, pipelines);
 - Quantum of land likely per WTP, STP; likely length of pipelines

- Sourcing land (government; private; acquisition, purchase, identifying alternatives;)
- Current system of identification of land, acquisition/direct purchase,
- Dealing with non-titleholders, encroachers,
- Information to them on ROW (an issue seen in road projects)
- Addressing impacts during construction; use of local labor or migrant labor
- Establishment of compensation decision committees to address temporary/permanent-construction stage impacts to assets and livelihoods
- What acts apply to operations e.g. Town and Country act; HP Public Service Guarantee Act, 2014, RTI, Sexual Harassment Act.
- Whether the Govt is contemplating/in the process of amending legal/regulatory framework to improve effectiveness and efficiency. If yes, pl. share documentation.
- Penal provisions available for non-compliance/ misuse/ causing disturbance to water assets
- Presence of sexual harassment prevention measures as per Act
- Presence of ombudsman/ appellate authorities
- Any existing provisions for vulnerable BPL, women groups (charges, connection subsidy, public stand-post); if not, what is their view?
- Any existing government programs that support WS & S
- Current institutional arrangement for overall implementation and in particular for E&S management
- Current mechanisms to provide information on supply and supply disruptions to all users; advisories to the public on boiling water for at least 20 minutes prior to consumption,
- Representation of women in staffing within the WSS utility, including field level workforce
- GRM system (CM helpline, lineman, rates of resolution)
 - Does the system include mechanisms for independent oversight and monitoring where appropriate?
 - Does the Program have accessible GRMs with established procedures for submission of grievances? Do the established GRMs accept and process grievances relating to E&S management issues?
 - Are there established routines and standards for responding to grievances received? Are records available? Does the management of the implementing agency act on identified issues consistently and objectively?
- COVID situation/construction related OHS aspects and Standard Operating procedure
- What are contract clauses currently with respect to aspects such as Labor laws
- Does any measures required to help protect individuals and/or communities from violence, intimidation, harassment, criminal activity, or other negative interactions with contractors, laborers, operators, or other workers associated with a project activity?
- Does specific laws or regulations exist to avoid the use of child and forced labor in the implementation of Program activities?
- OHS issues
- Capacity building requirements at SJPNL/stakeholder organization in the areas of E&S
- Processes in place/ Planned for monitoring of project, involvement of citizens in monitoring, if any is in place currently

2. FGDs with Hotels

- Current status of water supply (pressure, timing, frequency, chlorination during monsoons),
- Major water users; rates for connections, monthly charges
- Prevalence of water tankers in the area (government deployed and private operators and their charges/liter)
- Water conservation practices/water recycling
- Usage of water tankers
- COVID situation issues
- Grievances
- Receipt of bills for payment

3. Consultations with Health Department

- Current mechanisms to provide information on supply and supply disruptions to all users; advisories to the public on boiling water for at least 20 minutes prior to consumption,
- Water scarcity in the area
- Usage of filtration techniques
- Water borne diseases, particularly during rains, loss of wages and loss of school, etc.
- Medical expenses in treating water borne ailments
- Drop out incidents from school (especially of girls) due to water collection from far away locations

4. Consultations with Women and Child Department

- Concerns relating to WSS on women and children, particularly on health; any data
- What are their schemes
- Any existing government programs that support WS & S
- Caregivers, support available for GBV incidents/ victims

5. FGDs with domestic and Non-domestic users/institutional users/also ward members/shop keepers

- Requirement versus availability of water
- Any disputes due to water scarcity, etc.
- Views and perception on the quality (in terms of supply duration, taste, odour and colour): *any changes noticed particularly during COVID times*
- Level of satisfaction with access, quantity and service in terms of frequency and regularity, etc.
- If, any treatment process adopted (current available solution only including What/Why/How –Payment)
- Receipt of bills for payment
- Other sources of water when piped water is not available
- Water conservation practices
- Cost incurred and travel time to access other sources
- Expenditure incurred on water storage for those who don't have piped water supply by water sources (e.g. tankers, water tankers)

- Prevalence of water tankers in the area (government deployed and private operators and their charges/litres) and when are they in demand?
- Comfort levels with frequency of Billing – monthly, quarterly, half yearly
- Tenant – Owner: Issues relating to connections ?
- Current mechanisms to provide information on supply and supply disruptions
- Current mechanisms to record grievances
- Response time
- Satisfaction levels
- Preferred future modes of engagement
- Information /Communication on topics
- Suggestions on grievance redressal mechanism
- Perceptions and rates for connections, monthly charges
- Users' current cost of water and expected cost for the new water connection –
- Expressed felt need for a new water connection – willingness to get new water connection and apprehensions, if any
- Metered connections (residential and commercial);
- In absence of sewerage system, other methods adopted for sanitation
- Incurred cost in adoption of other substitutes of sewerage

6. FGDs with women

- Water scarcity in the area
- Daily requirements of water for drinking & cooking
- Role of men and women in the practice of collection of water
- Time spent in collection of water (Carriage & Storage -Distance)
- Relevance and association with health risks from unsafe water -Recent deaths/illnesses in the family -Why/how often
- Usage of filtration techniques
- Medical expenses in treating water borne ailments
- Health - water borne diseases, particularly during rains, loss of wages and loss of school, etc.
- Drop out incidents from school (especially of girls) due to water collection from far away locations,

7. FGDs with BPL groups

- Water Scarcity In the area
- Current Uses
- Daily requirements of water for drinking & cooking (Approximate per day consumption)
- Water sources being currently used (Public stand post, etc.)
- Time spent in collection of water (Carriage & Storage -Distance)
- Relevance and association with health risks from unsafe water -Recent deaths/illnesses in the family -Why/how often
- Usage of filtration techniques
- Connection/Billing charges and frequency

- Health - water borne diseases, particularly during rains; loss of wages and loss of school, etc.
- Medical expenses in treating water borne ailments
- Drop out incidents from school (especially of girls) due to water collection from far away locations

8. Consultations with Communication officer of SJPNL

- Key stakeholders
- Water supply concerns and specifically during COVID times
- Perceptions on current level of communication
- Need for a communication strategy; if so what elements
- Experience of Jal-sakhis
- What improvements going forward
- NGOs working in the areas of awareness and if they should be contacted

9. FGDs with GRM female customer care representatives

- Current mechanisms to provide information on supply and supply disruptions
- Current mechanisms to record grievances - Call Centre with Toll Free Number (1916); SJPNL Website; Written complaints; E-mail; Through social media; Walk-in; Through Jal Sakhis; CM helpline (1100) – effectivity and efficiency
- Response times
- Satisfaction levels
- Preferred future modes of engagement
- Information/ Communication on topics
- Suggestions on grievance redressal mechanism

10. FGDs with Jal Sakhi representatives

- Current roles; Experiences and key takeaways in respect of
 - informing SJPNL about low pressure, quality issues, if any, water leakages, overflows, and other complaints in their area and all such grievance redressal functions;
 - educating women and children about water usage and conservation and spread message on water conservation messages;
 - Jal Sakhis working on meter reading and bill delivery
- What additional measures can be taken up based on their experience

Stakeholders

A list of key stakeholders considered for social aspects:

- SJNPL
- SMC and elected representatives
- Jal Shakti Vibhag (Irrigation and Public Health)
- Women and Child Welfare Department
- Health Department

- Revenue Department
- Water Resources/Ground Water Department
- Tourism Department
- Disaster Management Authority
- District and local administration
- Public Relations Officer (PRO)
- NGOs working in the areas of awareness, Gender
- Officials responsible for Grievances at ULB/District/ State level
- Resident Welfare Association representatives
- Jal sakhi representatives
- Skill/livelihoods department officials
- SBM officials
- DPR consultants
- PSIA consultants

Reference

ESSA Guidance, Pages 27-32 for an elaboration of the above questions.

Annex 4

COVID-19 Guidance Adopted for Community Consultations

Purpose: To provide guidance on COVID-19 precaution / safety measures to be taken before data collection, during data collection and after data collection by executives during field visits.

Scope: The scope covers data collection from households, conducting Focus Group Discussion with participants and conducting interviews.

- The team member should not be from a containment zone.
- Team members should not visit notified containment zones for data collection.
- Every Team member should install Arogya Setu App in his/her mobile.

NOTE: *First of all see if the required data collection can be done online using digital platforms or social media without significantly compromising the quality of data collection. If the proposed respondents or communities have sufficient access to and familiarity with these tools then it is advisable to use them instead of physically collecting data and compromising the safety of respondents and the survey team. This guidance is applicable only if this online data collection does not work for the project.*

Measures to be taken BEFORE data collection

- Team leader to ask if enumerators have been in contact with anyone with confirmed or suspected case of COVID-19. If yes, the person should not be participating in the activity and self-quarantine as per government stipulated timelines.
- Wash hands thoroughly and regularly (ideally every 1 to 2 hours and definitely in between each interview conducted) with soap and water or alcohol-based hand rub.
- Do not touch your (or anyone else's) face – particularly eyes, nose and mouth.
- Don't have any physical contact with other people, Keep at least 1 metre distance from other people at all times. Close-up contact should be limited to less than 15 minutes. Keep distance also in cars, i.e. use enough cars so you are maximum 3 people per car. If not enough cars, see if you can use fewer enumerators and extend data collection time
- If a venue has been earmarked for the consultation or group discussion ensure it is properly sanitized before the meeting, seating arrangement follows distancing norms, and all precautions are in place for responsible respiratory and sanitation practices.
- Make sure all respondents or expected participants are appraised about expected behaviour and practices when they come to participate in such meetings/ consultations.
- Sanitize all data collection items prior to each interview (pens, phone, tablets, notebooks, ID cards, etc.)
- Inform your line manager immediately if feeling unwell.

Measures to be taken DURING data collection

- Notify the local authorities in case group consultations or house to house data collection is to be done and also appraise them of the precautions that will be in place for ensuring safety.
- Make sure there is enough provision of safety kits like sanitizers, masks, thermal screening, handwashing arrangements etc at the consultation venue or with the survey team at all times.

- Remind teams of the general guidance and protocols on a daily basis
- Conduct the interviews/ discussions following the required measures
- In general:
 - Conduct the interview/ discussion outside (if possible)
 - Maintain at least 1 metre distance from other people throughout, specifically the respondents.
 - Don't touch anything in or around the households/ interview sites that you are visiting
- **Household (HH) surveys:** maintain distance from other household members as well. If you are asked to go inside and it is not possible to maintain the safe distance, then take the respondent outside or terminate the interview.
- **Key informant interviews (KIIs):** maintain distance from other people in addition to the KIIs
- **Focus group discussion (FGD):** place participants with at least 1 metre distance from one another and conduct the interview outside unless you have a large room with good ventilation
- Make use of telephone calls, video calling where face to face discussion is not possible due to COVID-19.

Measures to be taken AFTER data collection

- Ensure all staff returning from data collection (enumerators, drivers, etc.) thoroughly wash their hands with soap (at least 20 seconds)
- Ensure details of all respondents are available with the survey team in case incidents of infection come up.
- Have a ready list of all participants along with their contact details in case it needs to be shared with the local health authorities subsequently.
- Ensure enumerators are reporting back to line managers as outlined in the protocols
- Ensure enumerators submit the data collected and clean devices on a daily basis

Annex 5
Report of the community/focus group discussions and key informed interviews with stakeholder departments/agencies - Summary

Environment

Forest Department Shimla – Summary points (06 Aug 2020):

- There is huge gap in terms of infrastructure required for sewerage to the cities and in the periphery, we have the forest areas. Forest is the real victim of this gap.
- Forest in Shimla has historical perspective. We have catchment near Dhali area and lots of buildings have come up in the past. This particular forest which is manmade forest with objective of sponging the water and getting into reservoir and from their getting in the shape of water supply to Shimla. Now due to so many buildings constructed in the water catchment area without proper sewerage, the sewerage water is getting pilferage into the forest area.
- The Gol's Forest Conservation Act has exempted the sewerage line and water supply pipeline from obtaining forest clearance.
- Adequate infrastructure: As per the norms 80% of water supply should go as sewerage. If this is not happening then there is lack of infrastructure and this sewerage gets pilferage to low lying areas polluting forest, ground water and river. So local self-government and urban government need to ensure adequacy of infrastructure.
- Awareness: People should be aware of the ill effects of inadequate sanitation. Government departments, Academicians, NGOs, Councillors etc need to join hands to make people aware about this.
- Governance: Integration of various government departments is fundamental.
- Structural deficiencies: There is lot of structural deficiencies in the government department. Pipe lines are laid down without consulting neighborhood. Lakhs of rupees are wasted on pipeline infrastructure and these infrastructures are defunct now.

Shopkeepers, Shimla – Summary points: (10 Aug 2020)

- We generally use water for the purpose of drinking and cleaning of shop. We always keep in mind to use less water during cleaning of shop in the morning.
- Drains are not cover properly at some of the places. So during rainy season garbage goes into the drains and clogs it. It frequently happens during rainy season.
- The condition of drainage system is good in Lower Bazaar and Ram Bazaar in Shimla. Most of the places has covered drainage system. But at some places it is not properly covered
- Used water gets disposed though existing drainage system. We don't have ground water contamination issues.
- We don't use hand pump or bore well. We don't have any such idea about depth of water table.
- All such type of construction works is done by local contractors and they don't not take proper care of air, water and noise pollution during construction.
- Sometime construction work starts during raining time, that time it creates a lot of problem related to safety.

- All houses in Shimla are located very close to each other and during construction of pipeline or sewerage line it creates lot of problem for neighbors. If we are not friendly with neighbors, in that case they won't allow to use their land for water pipes

Tourism Department – Summary points (05 Aug 20):

- Efforts are being made by govt. to improve the drainage system at tourist places. In other areas, more such efforts are required to be taken to improve the condition.
- Though concerned contractor are taking care of these issues - air, water and noise pollution - on regular basis but it is required to make it more stringent and strict; a special provision under the agreement may be made to ensure timely completion of work also.
- During construction of water/sewerage pipeline in peak season, tourists face huge traffic jam problem. Such type of construction should be executed in proper manner to avoid such issues.
- Though the growing inflow of the tourist is putting lot of pressure on existing water supply and sanitation infrastructure but there are other areas of concerns as well for the govt. department. These are issues related to parking facilities, water issues, activity-based tourism.

Jal Shakti Vibhag / IPH Department – Summary points (06 Aug 20):

- There is no such impacts and risk to the public. However contractor need to ensure works safety as per relevant acts and rules prescribed in the bidding documents before start of any projects.
- Existing WTPs & STPs are functioning and comply with the prescribed norms in terms of quality of drinking water and effluent names of CPCB/HPPCB/NGT.
- The department is committed to provide portable water to the public of the state and ensures that the effluent from STPs don't have any adverse impact on the environment.

Hotel association – Summary points (07 Aug 20):

- Municipal Sewerage lines are used for disposal of used water.
- Drainage system is different for different areas. Some area has good drainage system whereas some have open drains. Open drainage system impacts the forest and land. Therefore, systematic drainage system is good for environment.
- Construction issues: (1) If hotel is near to the forest land area then it creates a lot of problems. (2) Renowned companies take care of air, water, noise pollution during water/sewerage pipeline construction. Local construction Companies don't bothered about these issues.

HPPCB – Summary points (06 Aug 20 and 07 Nov 20):

- There has been a marked improvement in the water supply both in terms of availability and quality after the responsibility has been handed over to SJPNL.
- Coordination between SJPNL and HPPCB has improved in terms of testing for water quality and ensuring that the post-treated sewage meets the discharge standards due to expanding the treatment capacity in the different plants.
- There are certain forest areas in the vicinity of the current water sources that supply water to Shimla. It is important that these sources are protected. Else, the conversion to urban land use will deplete the source even further.

- There is little or no groundwater abstraction in Shimla. There are only a few handpumps that are in use in selected areas.

Social

This section is covered in section 7.2.2

Annex 6

Report of Stakeholder Consultation Workshop – Summary

Introduction

Following the conduct of the Environmental and Social Systems Assessment (ESSA), the Bank ESSA team shared the draft report to SJPNL with a request to facilitate the conduct of a stakeholder workshop. A list of invitees was jointly identified by SJPNL and the Bank ESSA team. The executive summary of the draft ESSA report was shared with the invitees prior to the workshop, which was conducted between 10:30 am and 1:30 pm on Thursday, 17 December 2020. SJPNL engaged an external consulting company to support in the facilitation, conduct and follow-up (preparation of the minutes / proceedings) to the workshop. Due to the ongoing COVID-19 pandemic situation, the workshop was conducted using the Virtual Platform- Google Meet. There was limited in-person participation at the SJPNL Office, Shimla.

In all, there were 57 participants in the workshop including about 20 females and included officials from SJPNL, The Mayor of Shimla, Labour Department, Municipal Corporation of Shimla, Department of Environment & Forest, Irrigation & Public Health (Jal Sakti Vibhag), State Pollution Control Board, Revenue Department, Tourism Department, Health Department, Department of Science & Technology, Jal Sakhis, Municipal Councillors, NGOs working on Water & Sanitation issues and Darashaw & Company Ltd, Citizens and members of the academia and the media.

The list of invitees, the list of participants, the presentation slides (6-in-1 page format) and selected photographs are included as an Appendix to this Annex. The external consulting company's Minutes of the Workshop is available upon request. This summary report was prepared based on the Bank team's participation and the Minutes.

Conduct of the workshop

Dr. Dharmendra Gill, Managing Director-cum-CEO, SJPNL, opened the session. He highlighted the importance of such workshops to collect stakeholder inputs that will lead to the delivery of efficient and effective WSS services in Shimla city. He then welcomed Mr. Sahil Sharma, SJPNL, who welcomed the participants and the World Bank. He requested the World Bank to share the presentation. Ms. Neha Vyas, Senior Environmental Specialist, the World Bank, thanked Dr. Dharmendra Gill and SJPNL officials for organizing the workshop session and began the presentation. Program background, objectives, activities and results areas were first shared. Subsequently, the ESSA objectives, methodology, findings and recommendations pertaining to the environmental systems were presented. This was followed by a presentation on the findings and recommendations on the social systems by Mr. G. Srihari Social Development Specialist, and Mr. Sastry JSRK.

Following the presentations, the World Bank ESSA team requested participants for their feedback.

Highlights of the Stakeholder feedback

General

1. A participant noted that the funding received by the World Bank has played a pivotal role in controlling the menace of the aftermath of jaundice outbreak and resolving the water crisis situation. The participant congratulated the officials and staff of SJPNL for their

contribution in improving the water situation in Shimla and increasing pumping capacity from 30 MLD to 60 MLD. She said that she was confident that in the future too, with the support and funding from World Bank, the water situation would be further improved.

2. Another participant thanked and appreciated the World Bank team for a comprehensive presentation.

Environment

3. One participant noted the importance of protecting the natural sources of water and augmenting them.
4. The participant from the State Department of Environment mentioned about the rainwater harvesting and the need to streamline practices within the city. The participant also noted the need to build resilience in the context of climate change impacts and the long-term sustainability of water resources.

Social

5. Jalsakhis noted that the location chosen previously for installing meters is causing difficulty in meter reading as owners are not willing to allow access always. They suggested to choose the location more accessible and acceptable in future installations.
6. One participant (citizen) emphasized the need to maintain regular billing cycles and also suggested that grievance helpline numbers are displayed on the bills.
7. One participant from academia suggested to enlist the support of associations and institutions as important channels for outreach activities.
 - Another participant sought to periodically gather public perception and feedback to improve systems and service delivery by SJPNL
 - Another participant wanted better coordination and communication between agencies dealing with water supply and sanitation to help improve efficiency, services and address grievances effectively
 - Commissioner, Labour Department suggested to give preference to local residents from HP in recruitment and engaging labour in works contracts. He further emphasised the need to follow statutory labor provisions, protocols and documentation requirements to avoid any types of labour disputes and strikes.

The Bank ESSA team noted the feedback obtained and also provided a first-level clarification / elaboration with the support of the SJPNL officials and the consultant team.

Conclusion

The workshop concluded with a Vote of Thanks from Mr. Sahil Sharma, SJPNL and Mr. Sunil Sharma, Darashaw. The Bank team also thanked the participants and requested for any further feedback on the Program and / or the ESSA to be sent to either SJPNL or the World Bank.

Appendix 1

Agenda for the workshop

Himachal Pradesh / Shimla Water Supply & Sanitation [WSS]

Program for Results [PforR]

Environmental and Social Systems Assessment [ESSA]

**Draft ESSA Report - Stakeholder Workshop being held
10:30-13:00, December 17, 2020 [Virtual: MS Teams]**

Agenda

Timing	Session Description	Speaker / Anchor
10:30-10:35	Welcome Remarks	Deep / Salil,
10:35-10:45	Opening Remarks	Dr. Dharmendra Gill
10:45-11:00	Shimla WSS PforR – A Program overview	Dr. Smita Mishra
11:00-11:15	ESSA: Overview and Process	Neha Vyas
11:15-11:30	ESSA: Findings & Recommendation - Environment	Neha Vyas
11:30–11:45	ESSA: Findings & Recommendation – Social	Srihari G
11:45-12:45	Discussions	Vaideeswaran S / Sastry JSRK
12:45-13:00	Closing Remarks	Dr. Dharmendra Gill

Appendix 2
List of invitees

No.	Name	Designation
1	Smt. Satya Kaundal	Hon'ble Mayor, M.C. Shimla
2	Sh. Shalinder Chauhan	Hon'ble Deputy Mayor, M.C. Shimla
3	Dr. Kimi Sood	Councillor, M.C. Shimla
4	Smt. Meera Sharma	Councillor, M.C. Shimla
5	Smt. Sushma Kuthiala	Councillor, M.C. Shimla
6	Sh. Jagjeet Bagga	Councillor, M.C. Shimla
7	Ms Arti Chauhan	Councillor, M.C. Shimla
8	Er. Rajesh Thakur	Executive Engineer, M. C. Shimla
9	Sh. Sanjeev Gupta	Tehsildar (Rural)Shimla
10	Dr. Chetan Chauhan	Corporation Health Officer, M.C. Shimla
11	Sh. Digvijay Chauhan	Independent Director, SJPNL
12	Dr. Ramesh Chand	Deputy Director Health
13	Sh. Sanjay Sood	Hotel Association
14	Sh. Padam Sood	Rotary Club Shimla
15	Sh. Rajesh Sharma	Chief Conservator of Forest, Deptt. of Forest
16	Ms. Archana Phull	Media
17	Ms Shivani Kapoor	Media
18	Sh. Vikrant	Media
19	Sh. Vivek Sharma	Senior Consultant(Disaster), HPSDMA
20	Sh. R.P. Rana	Joint Commissioner, Labour Deptt.
21	Er. Rahul Abrol	Executive engineer, IPH
22	Er. Virender Thakur	Superintending Engineer, IPH
23	Sh. Manoj Sharma	Director, Tourism
24	Sh. Liyakat	Electronic Media
25	Dr. Manoj Chauhan	Principal Scientific Officer, HPSPCB
26	Dr. Mamta Mokta	Professor, HPU Shimla
27	Sh. D.S. Parmar	PS to Hon'ble Mayor
28	Er. Gopesh Behl	Assistant Engineer, M.C.Shimla
29	Dr. Suresh Attri	Principal Scientific Officer, DEST Shimla
30	Dr. Manum Sharma	DEST Shimla
31	Er. Rajesh Kashyap	Additional General Manager, SJPNL
32	Er. Gopal Krishan	Additional General Manager, SJPNL

No.	Name	Designation
33	Er. Ranjeev Sharma	Manager, SJPNL
34	Er. Umesh Sood	Manager, SJPNL
35	Er. Mehboob Sheikh	Manager, SJPNL
36	Er. Sushil Sharma	Manager, SJPNL
37	Er. Adarsh Bhota	Manager, SJPNL
38	Er. Lalit Sharma	Manager, SJPNL
39	Sh. Deep Pathak	Project Preparation Expert, SJPNL
40	Sh. M .L. Chauhan	Finance Manager, SJPNL
41	Smt. Urmila Kashyap	Jal Sakhi
42	Smt. Manorma Devi	Jal Sakhi
43	Smt. Seema Kaushal	Jal Sakhi
44	Smt. Kaushalya	Jal Sakhi
45	Smt. Rita Chandel	Jal Sakhi
46	Smt. Pinki Rana	Jal Sakhi
47	Smt. Richa	Jal Sakhi
48	Smt. Lajja Sharma	Jal Sakhi
49	Smt. Preeti Chauhan	Jal Sakhi
50	Smt. Arti Gupta	Jal Sakhi
51	Smt. Arvind Kaur	Jal Sakhi
52	Ms Shubra Randhawa	Environment & Safeguard Expert, SJPNL
53	Mr. Sahil Sharma	Communication Expert, SJPNL
54	Mr. Abhinav Pathania	IT Manager, SJPNL
55	Ms Leena Sharma	SJPNL
56	Mr. Sandeep Sharma	Accountant, SJPNL
57	Ms Monika Negi	Accountant, SJPNL
58	Ms Reena Sharma	GRM executive, SJPNL
59	Ms Soma Sharma	Dy. HR Manager, SJPNL
60	Ms Manju Mehta	Accountant, SJPNL
61	Sh. Rakesh Sharma	Accountant, SJPNL
62	Sh. Rakesh	Accountant, SJPNL

Appendix 3 List of Participants

Sr. No.	Name of the Participant	Department	Phone Number	E mail ID
1	Sh. Sanjay Sood	Hotel Associations	9816085000	smlsanjay@gmail.com
2	Sh. Padam Sood	Rotary	9418060003	padam.sud@gmail.com
3	Sh. Manoj Sharma	Director, Tourism	9418010040	tourismmin-hp@nic.in
4	Ms Archana Phull	Media	9418028111	archanaphull252@gmail.com
5	Ms Shivani	Media	9736276603	kapoorshivani1981@gmail.com
6	Sh Vikrant	Media	9418433950	vikki.bad@gmail.com
7	Sh. Liyakat	Electronic Media	8894405156	liyakatshimla@gmail.com
8	Sh. Rajesh Sharma	Chief Conservator of Forest	9418000151	rajeshbarog@yahoo.co.in
9	Dr. Chetan Chauhan	Municipal Corporation Shimla	9459302515	choshimla@gmail.com
10	Ms. Kimi Sood	Elected Representatives (MC Shimla)	9816448224	kimi.sood8@gmail.com
11	Sh. Jagjeet Bagga	Elected Representatives (MC Shimla)	9418026700	jageebagga7@gmail.com
12	Ms Meera Sharma	Elected Representatives (MC Shimla)	9459177950	meeracsharma@gmail.com
13	Ms Aarti Chauhan	Elected Representatives (MC Shimla)	9805232799	aarti.chauhan705@gmail.com
14	Sh. Sanjeev Gupta	Tehsildar, Shimla	9816009140	sanjeev.goela@gmail.com
15	Sh. Gopesh Behl	Assistant Engineer, MC Shimla	7018074689	behlgopeshmcs@gmail.com
16	Er. Rajesh Thakur,	Executive Engineer, MC Shimla	9418458702	rajeshthakurmcs@gmail.com
17	Er. Rahul Abrol	Executive Engineer, IPH	9418034034	abrolrahul4@gmail.com
18	Dr. Suresh Attri	Deptt. Of Environment, Science & Technology	9418812787	dbt-hp@nic.in
19	Ms Pinki Rana	Jal Sakhi	9816597643	
20	Ms Lajja Sharma	Jal Sakhi	8278862229	
21	Ms Richa	Jal Sakhi	8219720760	
22	Ms Sheetal	Jal Sakhi	7018910322	
23	Ms Urmila Kashyap	Jal Sakhi	9816079450	
24	Ms Preeti Chauhan	Jal Sakhi	9816060011	ibujishtu@yahoo.co.in
25	Ms Arti Gupta	Jal Sakhi	9418342479	guptaarti@gmail.com
26	Ms Arvind Kaur	Jal Sakhi	9816353041	Arvindkaur76@yahoo.in
27	Sh. Manoj Chauhan	Pollution Control Board	9418044033	pcbpsogmail.com
28	Sh. Inderjeet	Elected Representatives (MC Shimla)	9816000070	
29	Sh. Vivek Sharma	Sr. Consultant, HPSDMA, Revenue deptt	9716019560	sfdrr.hp@gmail.com
30	Sh. R.P. Rana	Joint Labour Commissioner	8219395459	
31	Dr. Ramesh Chand	Deputy Director, Health	9418189900	dr.rameshigmc@gmail.com
32	Mr. Ranjeev Sharma	Manager - II	7018787660	Ranjeev0305@gmail.com
33	Mr. Umesh Sood	Manager - I	9418060730	Umeshksood75@gmail.com
34	Mr. M H Chaughan	Finance Manager	9816232577	chaughanmh@yahoo.co.in
35	Mr. M. A. Sheikh	Manager Water Distribution	9418045400	
36	Mr. D S Parmar	PS To Manager	9882335363	
37	Ms. Rita Chandel	Jal Sakhi	7018728065	
38	Mr. Sandeep Sharma	Accountant	9805030494	Sandeep.june78@gmail.com
39	Ms. Monika Negi	Accountant	88946-32033	Monikanegi.sjpn@gmail.com
40	Ms. Soma Sharma	Dy Manager HR	9736879219	hr.sjpn@gmail.com
41	Ms. Aayush Sharma	Ex Commercial	9625900003	commercial.sjpn@gmail.com
42	Ms. Reena Sharma	GRME	9816072471	gomersjpn@gmail.com
43	Mr. Deep Pathak	Proj Prep Expert	9816008166	rayshimla@gmail.com
44	Mr. Abhinav Pathania	IT Manager	9459041202	managerit.sjpn@gmail.com
45	Mr. Rajesh Thakur	EE	9418458702	rajeshthakurmcs@gmail.com
46	Ms. Manorma Devi	Jalsakhi	9736475261	
47	Ms. Seema Kaushal	Jalsakhi	7807290997	
48	Ms. Kaushalya	Jalsakhi	8278709171	
49	Mrs. Satya Kaundal	The Mayor, Shimla	9816014452	
50	Dr. Rajesh Kashayp	Admin General Manager SJPNL	9418474747	agmbws.sjpn@gmail.com
51	Er. Gopal Krishan	AGM (SEW) SJPNL	9418024204	
52	Mr. Sunil Sharma	Darashaw & Company Pvt. Ltd. (Consultant)	9910014388	sunil-sharma@darashaw.com
53	Mr. Puneet Kaushal	Darashaw & Company Pvt. Ltd. (Consultant)	8894950340	kaushal.puneet72@gmail.com
54	Ms. Sunita Awadh	Darashaw & Company Pvt. Ltd. (Consultant)	9953352601	sunita-awadh@darashaw.com
55	Mr. Prashant Kimothi	Darashaw & Company Pvt. Ltd. (Consultant)	9911384967	prashant-kimothi@darashaw.com
56	Mr Sunny	Darashaw & Company Pvt. Ltd. (Consultant)	7018376779	
57	Mr Mohit	Darashaw & Company Pvt. Ltd. (Consultant)	9882228619	

Appendix 4 Presentation slides

Shimla – Himachal Pradesh Water Supply & Sanitation (WSS) Improvement Program
(Proposed for World Bank Funding)

**State/City Level Consultation
on
Environment and Social Systems Assessment**

 **THE WORLD BANK**
1818 H Street, NW | Washington, DC 20530
South Asia

December 17, 2020

1

Contents

- 1. Overview of the Project**
 - Objectives
 - Cost
 - Timeline
 - Key Components/Activities
- 2. Environment and Social Systems Assessment (ESSA)**
 - Purpose
 - Methodology Adopted
- 3. Environment Systems Assessment**
 - Key Findings
 - Recommendations
- 4. Social Systems Assessment**
 - Key Findings
 - Recommendations
- 5. Discussions/Feedback from Participants**

2

**Part 1
Overview of the Project**

 **THE WORLD BANK**
1818 H Street, NW | Washington, DC 20530
South Asia

3

Program Background

- GoHP initiated a transformational medium-term reform program in WSS sector in its state capital, Shimla, in 2018
- Supported by the World Bank's Shimla Water Supply and Sewerage Service Delivery Reform Programmatic Development Policy Loan 1 (DPL-1)
- Reforms were a response to a series of jaundice epidemics, acute water crisis during summer of 2018, rapidly increasing water demand, the declining capacity of traditional water sources and limited services offered by existing infrastructure.
- Creation of the Shimla Jal Prabandhan Nigam Limited (SIPNL) under DPL-1 to take-up the reforms agenda

4

Program Background

SIPNL has established a track record of significant service improvements:

- Expanding access in the state capital
- Improving service hours and water quality
- Reducing non-revenue water (NRW)
- Nearly tripled revenue with city-wide metering and volumetric tariffs
- Energy efficiency improvements
- Shifting the focus on infrastructure construction to performance-based financing, subsidy and cost recovery policies
- Increasing accountability to customers

Proposed Program for Results (PforR) will continue the World Bank-financed reforms by deepening the interventions within Shimla.

5

Program Development Objective and Key Indicators

Objective

To support the GoHP in strengthening the policy and institutional development program and improving water supply and sewerage services that are efficient, financially sustainable and accountable for Shimla City.

PDO-level Indicators

- SIPNL strengthened as an autonomous and accountable WSS Company
- Improvements in operational efficiency and financial sustainability:
 - a) Non-Revenue Water is less than 20%
 - b) Energy efficiency improves by 20%
 - c) O&M Cost Recovery is at least 85%
- Beneficiaries
 - a) Number of people benefiting from improved WSS services

6

Project Overview
(Bank funded)

Duration (WB Board approval to closing): **2021-2026**
(Five-year implementation period)

Total Cost: **US\$ 80 million**

Program Activities

- Bulk water availability: Small Pumping Systems to maintain the water supply in the transmission lines, water quality lab and storage tanks.
- Water distribution in the SMC area: distribution pipelines and transmission pipelines
- NRW Reduction Program
- Supervisory Control and Data Acquisition (SCADA) system and digitization
- Sewerage Services: sewer transmission and network
- Monitoring and Evaluation; and Grievance Redressal Mechanism
- Capacity building

7

Result Areas

The PforR Program is organized along three Results Areas.

Each results area builds on the achievements of the past two years under the Bank supported DPL-1, and aims to systematically maintain, institutionalize and deepen prior reforms and improvements.

The three results areas are:

- 1) Improved governance, managerial and financial autonomy
- 2) Improved water supply and sewerage services and
- 3) Improved efficiency, financial sustainability and accountability of water supply and sewerage services.

8

Financing Instrument

Program for Results (PforR)

Finances and supports government programs	Disburses upon achievement of agreed results
Supports institutional strengthening - technical, financial, procurement, environment and social systems	Enhances Partnerships using programs' own systems

Activities not included in the PforR
Potentially significant or have irreversible impact on the environment and affected people

9

Part 2

Environment and Social Systems Assessment

 THE WORLD BANK
1818 H Street, NW Washington, DC 20563 USA
2012

10

Environment and Social Systems Assessment

1. Identifies the key environmental and social risks that may affect the achievement of the development outcomes of the program
2. Assess the Government's ability to manage those risks
3. Extent to which the applicable government environmental and social policies, legislations, program procedures and institutional systems are consistent with the six 'core principles' defined under World Bank Policy for PforR.
4. Recommends actions, if needed to address the gaps for enhancing performance during program implementation

11

Core Principles of ESSA

1. Promote environmental and social sustainability in the Program design
 - a. Operate within an adequate legal and regulatory framework to guide ESS
 - b. Incorporate elements of good practice in ESS assessment and management
2. Early screening, Assessment of potential induced, cumulative, and transboundary impacts; Clear articulation of institutional responsibilities and resources; Responsiveness and accountability through stakeholder consultation
2. Avoid adverse ESS impacts on natural habitats and physical cultural resources
 - a. Identify and screen for adverse effects on biodiversity and cultural resource
 - b. Promote protection and conservation of natural habitats
 - c. Avoid potential adverse effects on physical cultural property
3. Protect public and worker safety against potential risks
 - a. Promote adequate community, individual, and worker health and safety measures
 - b. Promote measures to address issues of child and forced labor
 - c. Promote the use of integrated pest management practices

12

Core Principles of ESSA

4. Avoid or minimize displacement through land acquisition
 - a. Avoid or minimize land acquisition and involuntary resettlements
 - b. Address economic or social impacts caused by land acquisition or loss of access to natural resources, follow replacement value norms
 - c. Provide supplemental livelihood if loss to income generating opportunities
 - d. Restore or replace public infrastructure and community services if adversely affected
5. Rights and interests of indigenous people/tribals and other vulnerable communities
 - a. Undertake meaningful consultations with Indigenous Peoples seeking broad community support to the program
 - b. Ensure that Indigenous Peoples can participate and take benefits of the program
 - c. Give attention to poor and vulnerable groups including women, children, disabled etc. in taking equitable benefits of the program
6. Avoid exacerbating social conflict especially in fragile areas
 - a. Consider conflict risks, including distributional equity and cultural sensitivities.

13

Applicability of ESSA principles to Shimla-HP WSS PforR

S.No.	ESSA Core Principle	Applicability
1	Promote environmental and social sustainability in the Program design	Applicable
2	Avoid adverse E&S impacts on natural habitats and physical cultural resources	Applicable
3	Protect public and worker safety against potential risks	Applicable
4	Avoids or minimizes displacement through land acquisition	Applicable
5	Rights and interests of indigenous people/tribals and other vulnerable communities	Applicable
6	Avoid exacerbating social conflict especially in fragile areas	Currently Not Applicable

14

Methodology Adopted for ESSA

- Given the COVID-19 situation and travel restrictions, primary field assessment by the safeguard team could not be undertaken in a conventional manner.
- Followed World Bank guidance for 'Public Consultations and Stakeholder Engagement in a constraint situation'.
- Used experience and insights from Bank engagement during DPL-1, HPSRP I, HPSRTP and other engagements in the state.

15

Key Stakeholders Consulted for ESSA

- Tourism Department
- Health Department
- Labour Department
- Revenue Department
- Forest Department
- HP PCB
- Jal Shakti Vibhag/IPH Department
- Hotel Association
- Jaisakshis
- Consumer groups
- Individual consumers
- GRM staff at SIPNL
- PRO and Communications officers of SIPNL
- Technical officers of SIPNL

16

Key Stakeholders Consulted for ESSA

Clockwise from top left:
Virtual consultations with SOM and UAO, Shimla; Commissioner, Labour Dept; Jaisakshis

17

Consultations and Interactions in the Field

Clockwise from top left:
FGD with women group; Consultations with residential consumers in Kithru nagar area, Tabu area; Consultations with small traders in Malpura area

18

Methodology Adopted for ESSA	<ul style="list-style-type: none"> • Secondary literature/desk review • Field-level Consultations (Questionnaires Used) • Screening of activities for exclusion • Analysis of E&S systems – identifying its strengths and areas for improvement • Preparation of the draft ESSA report • Stakeholder Workshop to share findings (today's forum) • Finalization of the draft ESSA report • Disclosure of the Report • Integration of key recommendations in the Program Action Plan
-------------------------------------	---

19

Part 3

Environment Systems Assessment



THE WORLD BANK
1818 H Street, NW | Washington, DC 20433
South Asia

20

What do we want to achieve through improved Environment Systems?	<ol style="list-style-type: none"> 1. Improved environmental governance and accountability 2. Enhanced resilience 3. Minimize water pollution 3. Adoption of best EHS practices (including Covid-19 precautions) during construction
---	--

21

Project Stages Considered under Environment Systems Assessment	<ol style="list-style-type: none"> 1. Planning 2. Design/DPR preparation 3. Construction 4. Operation & maintenance <p>* Capacity at each of these stages</p>
---	---

22

Key Aspects Covered under Environment Systems Assessment	<ol style="list-style-type: none"> 1. Bulk water availability 2. Pumping stations 3. Water distribution 4. Sewerage network 5. Construction management (worksite management, including public & workers safety, excavation and earthwork and scrap / debris disposal) 6. Capacity of the Institutions Involved
---	--

23

Key Environment, Health and Safety Risks	<ol style="list-style-type: none"> 1) Water availability and supply disruption 2) Water quality/contamination 3) Pollution of waterways (poor collection, treatment before discharge) 4) Possible accidents or incidents due to the nature of the terrain 5) Construction related impacts, including management of construction debris/waste, worksite safety management etc. 6) Temporary impacts of water or sewage leakages at the time of laying the pipeline network and 7) Health risks to workers and community, particularly in the context of the prevailing Covid-19 pandemic worker safety and health standards during construction are not adhered to.
---	---

24

Legal and Regulatory Framework (EHS related)	Existing System
	<ul style="list-style-type: none"> No procedural requirements for the proposed WSS infrastructure Standards as per national regulations such as the Environment (Protection) Act 1986 and Construction and Demolition Waste Management Rules 2016 NGT orders (if any) during the project duration
	Gaps
	<ul style="list-style-type: none"> Nil
	Recommendations
	<ul style="list-style-type: none"> Nil

25

Institutional Set-up and Systems for Managing EHS Risks/Impacts	Existing System/Capacity/Performance
	<ul style="list-style-type: none"> Environmental capacity in place in SIPNL Procedures – particularly for environmental monitoring and reporting – has been institutionalized in SIPNL
	Gaps
	<ul style="list-style-type: none"> Environmental staff capacity requires strengthening. Documented systems and procedures need to be developed and streamlined. Procedures for EHS in contract management needs to be enhanced.
	Recommendations
	<ul style="list-style-type: none"> Establish a full-time Environmental Specialist position in SIPNL. Establish and maintain structured and documented procedures in order to institutionalize, be less dependent on individual staff and for it to be effective with the growth of SIPNL's activities.

26

Engagement with Key Stakeholders on EHS aspects	<ul style="list-style-type: none"> There has been a marked improvement in the water supply both in terms of availability and quality after the responsibility has been handed over to SIPNL. Sewerage connections cover only about 50 per cent and the drainage is not fully closed with about 53 per cent of open drains. There is limited or no ground water abstraction, and groundwater contamination in Shimla. Civil works done by local contractors causes problems as they don't not take proper care of air, water and noise pollution during construction. Civil works during the rains has the potential to cause safety concerns. There are certain forest areas in the vicinity of the current water sources that supply water to Shimla. It is important that these sources are protected.

27

Key Findings of the Environment Systems Assessment	<ul style="list-style-type: none"> No natural habitat impacts as no eco-sensitive areas such as forests or other biodiversity-rich areas (all within Shimla and in inhabited locations). No impacts on cultural resources are envisaged. All the environmental impacts are minor, temporary, and confined to the area immediately surrounding the construction. Minor public and worker's health and safety risks associated with the usual impacts of civil works. Risks are <u>low-to-moderate</u>.

28

Key Findings of the Environment Systems Assessment	<ul style="list-style-type: none"> The GoHP's program and the Bank's Program on WSS will result in positive environmental impacts. Possible negative environmental impacts include source unsustainability, poor water quality, water wastage during bulk supply and distribution, sewerage, impacts on natural and cultural heritage sites due to water and/or sewerage line alignment, and construction-related environmental, health and public safety impacts. There are no environmental procedural regulatory requirements – either national or state – that are directly applicable to the contractors, who will be responsible for the construction-related impacts. As the infrastructure activities related to the water distribution pipelines and sewerage network will be within the urban areas, the likelihood of using forest land will be low.

29

Key Findings of the Environment Systems Assessment	<ul style="list-style-type: none"> The institutional systems within SIPNL requires to be developed based on SIPNL experience over the last few years. While the proposed environmental staff plans are adequate, substantial focus needs to be given to training and capacity building throughout the project period. While there are EHS issues in the provisions that SIPNL contracts to the construction contractors, these are often not adhered in practice. The contractors tend to be slack on these provisions, and this could result in risks related to public and worker safety. A particular focus on integrating EHS management in contracts and contract administration will be required.

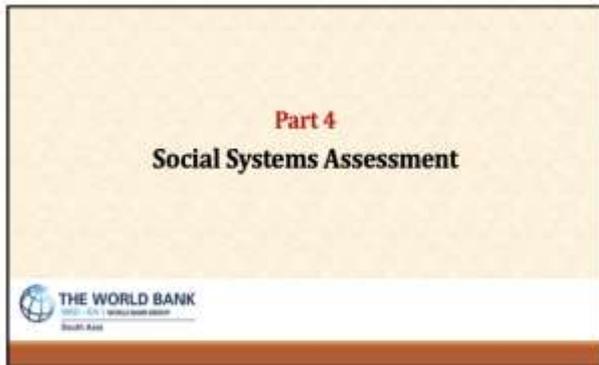
30

Exclusion Criteria	<p>The Bank's Program was reviewed to ensure that the activities do not include those not eligible for PforR financing. It was confirmed that:</p> <ul style="list-style-type: none"> o No limited or significant conversion or degradation of critical natural habitats or critical cultural heritage sites o No air, water, or soil contamination leading to significant adverse impacts on the health or safety of individuals communities, or ecosystem o No workplace conditions that expose workers to significant risks to health and personal safety o No adverse E&S impacts covering large geographical areas, including transboundary impacts, or global impacts such as greenhouse gas (GHG) emissions o No significant cumulative, induced, or indirect impacts
---------------------------	---

31

Key Recommendations To strengthen Environment Systems	<ol style="list-style-type: none"> 1. Establish the full time environmental staff in SIPNL 2. Establish and maintain documented environmental systems and procedures within SIPNL 3. Review and strengthen all the contract provisions pertaining to EHS for civil works, particularly those pertaining to water supply pipelines and sewerage network 4. Review and strengthen monitoring and reporting procedures on testing, EHS provisions in civil works, source protection activities and others 5. Streamlining monitoring and progress reports of EHS performance of the contractor of civil works 6. Engaging in orientation and refresher training on EHS management for SIPNL staff, contractor staff and consultants on an ongoing basis
--	--

32



33

Key Potential Social Risks and Issues	<ol style="list-style-type: none"> 1. Land requirement for storage tanks, possible encroachments 2. Temporary access restrictions/disruptions to supply when laying pipelines 3. Affordable and quality water supply to all consumers, particularly for vulnerable households 4. Compliance of labor regulations by Contractors for construction/laying of pipeline networks, including adherence to COVID related protocols 5. Effective Communication and Customer Outreach so that all consumers are aware and benefit from the program 6. Effective Mechanisms to Monitor and Grievance redressal mechanism <p>Risks are low-to-moderate</p>
--	--

34

Legal and Regulatory Framework	<p>Existing System</p> <ul style="list-style-type: none"> • No procedural requirements for the proposed WSS infrastructure • Standards as per Himachal Pradesh Municipal Corporation Act, 1994; HP Public Service Guarantee Act (2014); Provision of Negotiated Purchase and relevant labor laws <p>Gaps</p> <ul style="list-style-type: none"> • Nil <p>Recommendations</p> <ul style="list-style-type: none"> • Nil
---------------------------------------	--

35

Institutional Set-up and Systems	<p>Existing System/Capacity/Performance</p> <ul style="list-style-type: none"> • Communication and customer Outreach mechanism in place in SIPNL; Cadre of Jal-Sakhis functioning very well • Monitoring and customer satisfaction systems/citizen report card in place • Grievance redressal system is well established, recording and redressing grievances • Safeguards aspects dealt by single E&S specialist and with support from revenue department • Aspects relating to labor, construction stage impacts, COVID protocols, need monitoring <p>Gaps</p> <ul style="list-style-type: none"> • Staff capacity requires augmentation • Documented systems and procedures need to be developed and streamlined particular to monitor aspects relating to land, construction impacts and labor <p>Recommendations</p> <ul style="list-style-type: none"> • Create a full-time Social Specialist position in SIPNL • Develop structured and documented procedures e.g. screening, construction stage impacts, etc.
---	---

36

Land taking/ Construction stage Impacts	Existing System
	Availing of existing Govt./Department lands; avoid encumbered lands; Negotiated purchase of private land is governed by IPH, GoHP Notification, 2015; No land acquisition or displacement is anticipated
	Himachal Pradesh Municipal Corporation Act provides for restoration/replacement of damaged properties
	Gaps The LA act or Negotiated purchase provision does not cover provisions for encroachers and squatters on government land.
	Recommendations Screening checklist shall be used to ascertain that sites selected for construction are free from any encumbrances. Monitoring of impacts and restoration/repair of private properties

37

Rights and Interests of Vulnerable Persons	Existing System
	The project area is urban Shimla area and as such does not consist of Tribal population.
	Legal/regulatory system is robust to promote demand responsive WSS service delivery, decentralized planning, implementation and social accountability.
	Special provisions exist to safeguard the interest of the vulnerable and economically weaker sections.
	Gaps Policy to support vulnerable and weaker sections of consumers already under preparation
	Recommendations Implement the above policy

38

Grievance Redress Mechanism	Existing System
	GRM is Operational with systematic recording and acknowledgement of grievances, forwarding of grievances to officers responsible for redressal, updating, monitoring and escalation if required, feedback to customers, and closure after cross-verification.
	Consumer WSS needs are addressed under a single roof, including new connection/name change/tariff change/removal of connection/plugging/ unplugging/replacement of meter/ new sewerage connection/sewerage complaints and other water complaints such as water shortage, leakage and overflow.
	State level GRM (CM), GRM through Jalsakhis are also effective and functional
	Gaps NIL
	Recommendations NIL

39

Engagement with Key Stakeholders (Consumers, Jalsakhis, Depts. of Revenue and Labor)	Existing System
	Significant improvement in water supply quality; Grievances are normally resolved quickly; Respondents are willing to get new connection and they prefer monthly bills; construction of pipeline or sewerage line creates lot of problem for neighbors (Consumers)
	extremely proud of the recognition they receive for being Jalsakhis and satisfied with the work they attend to, which is for the overall benefit of fellow residents of Shimla (Jalsakhis).
	In case of transfer of Government Land to SJPNL, the land is transferred to IPH free of charge and IPH in turn will have to lease it to SJPNL; SJAC has a street vendor policy and no encroachments by small vendors on RoW are foreseen. The land free of encumbrances is transferred after due process is complete as per LARR or negotiated direct purchase (Revenue Department)
	Labour Department, in respect of migrant labour has concerns relating to health, safety and welfare. The designated officers conduct periodic inspection to assess the conditions in these three areas at labor camps, work sites (Labor Welfare Department).

40

Exclusion Criteria	Existing System
	The Bank's Program was reviewed to ensure that the activities do not include those not eligible for PforR financing using the PforR. It was confirmed that: <ul style="list-style-type: none"> o No Land acquisition and/or resettlement of a scale or nature that will have significant adverse impacts on affected people, or the use of forced evictions; o No Large-scale changes in land use or access to land and/or natural resources; o No Activities that involve the use of forced or child labor; o No marginalization of, or conflict within or among, social groups; o No activities that would have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation; o cause relocation of tribal groups (Indigenous People) or have significant impact on them.

41

Key Recommendations to strengthen Social Systems	Existing System
	<ol style="list-style-type: none"> 1. Contract/hire social safeguards staff in the headquarters office of SJPNL 2. Establish and maintain documented social systems and procedures within SJPNL 3. Review and strengthen all the contract provisions pertaining to social aspects for civil works

42

Key Recommendations to strengthen Social Systems	<ol style="list-style-type: none"> 4. Review and strengthen contracting procedures on social risk mitigation measures 5. Streamlining monitoring and progress reports of Social Systems performance of the contractor of civil works 6. Develop training plan and modules on social management rules and procedures; communication strategy and IEC material; and impart training to for SJPNL staff, contractor staff and consultants on an ongoing basis
---	---

43

Part 5

Questions/Suggestions/Feedback from Participants



THE WORLD BANK
IBRD • IDA • WORLDWIDE GROUP
South Asia

44

Questions from the World Bank team	<ol style="list-style-type: none"> 1. Does the assessment correctly reflect the current system and ground realities? 2. Are there Environmental and Social risks and issues that are missing or not adequately covered in the assessment? 3. Any suggestions/feedback on the recommendations? 4. Any other points related to E&S management relevant to the program?
---	--

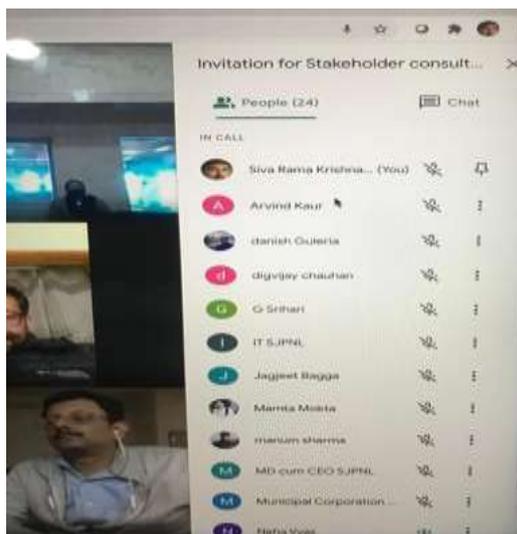
45

Thank You

46

Appendix 5

Selected Photos and Media Coverage of the City Level Stakeholder Workshop



Annex 7 List of STPs in Shimla – Current Status and Proposed upgradation under the GoHP program

Sr. No	STP Location	Installed capacity	Upgradation/ Retrofitting	Total Capacity	Present Status
1	Lalpani	11 MLD	14.2 MLD	22.2 MLD	Up-gradation work is in progress
2	Malyana	3.22 MLD	5.2 MLD	8.42 MLD	Up-gradation work is in progress
3	Dhalli	0.76 MLD	1.5 MLD	2.26 MLD	Up-gradation work is in progress
4	Snowdon	1.35 MMLD	In retrofitting capacity will remain same and we are doing electro mechanical modification.	1.35 MLD	DPR has been prepared and tender is likely to be call
5	North disposal	5.80 MLD	In retrofitting capacity will remain same and we are doing electro mechanical modification.	5.80 MLD	DPR has been prepared and tender is likely to be call
6	Summerhill	3.93 MLD	In retrofitting capacity will remain same and we are doing electro mechanical modification.	3.93 MLD	DPR has been prepared and tender is likely to be call
7	Totu	2 MLD	New STP	2 MLD	Work is in progress.
8	Panthaghati	3.2 MLD	New STP	3.2MLD	Work has been awarded survey and design work is in progress
9	Mashobra and Dhalli-ii	2.5 MLD	Proposed	2.5 MLD	Proposed and DPR has been prepared

The total capacity in these nine STPs will be 51.66 MLD. Of this, the total capacity in the existing six STPs after doing upgradation/ retrofitting will be 43.96 MLD. The balance will be from the three new STPs.

Annex 8

Activities, Environmental and Social impacts and risks – A Summary table

The following table gives the breakdown on the underlying activities that will be done to achieve the key result areas and disbursement-linked indicators. The table also provides a summary classification of the evaluation of the impacts & risks along with broad comments or remarks.

No.	Activities	Impacts	Risks	Remarks
ENVIRONMENT				
A	Bulk water availability (US\$ 21.55 million)			
A1	Small Pumping Systems to maintain the water supply in the transmission lines	Negative - Low	Low	Construction-related EHS impacts
A2	Water Quality Lab	Positive - High	No	Better water quality & sewage discharge management
A3	Storage Tanks	Negative - Low	Low	Construction-related EHS impacts
B	Water Distribution in SMC Area (US\$ 34.14 million)			
B1	Distribution pipelines	Negative - Low	Low	Construction-related EHS impacts
B2	Transmission pipelines	Negative - Low	Low	Construction-related EHS impacts
C	NRW Reduction Program (US\$ 2.14 million)			
C1	NRW Reduction Program	Positive - High	No	Better water management
D	SCADA system and digitization (US\$ 4.57 million)			
D1	SCADA System	Positive - High	No	Better water management
E	Sewerage services (US\$ 11.76 million)			
E1	Sewer transmission lines and network - about 110 km	Negative - Low	Low	Construction-related EHS impacts and commissioning

F	M&E System and GRM (US\$ 0.97 million)	Positive - High	No	Better institutional management
G	Capacity Building (US\$ 4.87 million)	Positive - High	No	Better institutional management

SOCIAL

No.	Activities	Impacts	Risks	Remarks
A	Bulk water availability (US\$ 21.55 million)			
A1	Small Pumping Systems to maintain the water supply in transmission lines	Negative - Low	Low	Construction-related EHS impacts
A2	Water Quality Lab	Positive - High	No	Better water quality & sewage discharge management
A3	Storage Tanks	Negative - Low	Low	Construction-related EHS impacts; No land acquisition and no R&R impacts
B	Water Distribution in SMC Area (US\$ 34.14 million)			
B1	Distribution pipelines	Negative - Low	Low	Construction-related EHS impacts; Pipes laid in existing RoW, no land or R&R impacts
B2	Transmission pipelines	Negative - Low	Low	Construction-related EHS impacts; Pipes laid in existing RoW, no land or R&R impacts
C	NRW Reduction Program (US\$ 2.14 million)			
C1	NRW Reduction Program	Positive - High	No	Better water management
D	SCADA system and digitization (US\$ 4.57 million)			
D1	SCADA System	Positive - High	No	Better water management
E	Sewerage services (US\$ 11.76 million)			

E1	Sewer transmission lines and network - about 110 km	Negative Low	-	Low	Construction-related EHS impacts and commissioning; Lines laid in existing RoW, no land or R&R impacts
F	M&E System and GRM (US\$ 0.97 million)	Positive High	-	No	Better institutional management; Engagement of additional women GRM executives; Strengthening of Jalsakhis initiative
G	Capacity Building (US\$ 4.87 million)	Positive High	-	No	Better institutional management

Annex 9

List of References

Regulations

Solid Waste Management Rules, 2016.

Construction and Demolition Waste Management Rules, 2016.

Plastic Waste Management - Rules & regulation in practice in Himachal Pradesh - A compilation of Acts, Rules, Notifications at State & National Level, Updated till December 2018, Department of Environment, Science & Technology, Government of HP.

Himachal Pradesh Ancient and Historical Monuments and Archaeological Sites and Remains Act, 1976.

HP Municipal Corporation Act, 1994

HP Public Services Guarantee Act, 2011 and Rules

Contract Labour Act, 1970; Interstate Migrant Act, 1979; BOCW Act 1996

Prevention of Sexual Harassment of Women at Work Places 2013

RTI Act, 2015

Other documents

Bank Guidance, Program-for-Results Financing Environmental and Social Systems Assessment, July 2019

ESF / Safeguards Interim Note: COVID-19 Considerations in Construction / Civil Works Projects, April 2020

Shimla Water Supply and Sewerage Service Delivery Reform Programmatic Development Policy Loan 1, Program Document, December 2018 and related documents

Shimla Water Supply and Sewerage Service Delivery Reform Programmatic Development Policy Loan 1 (P167246) – Implementation Status Report, November 2020

Poverty and Social Impacts Study for WSS Program in Multiple Cities in Himachal Pradesh, Darashaw consultants for SJPNL, September 2020

GoHP Notification on Acquisition of Private Land, dated Aug 22, 2015 read with supplementary notifications.

Detailed Project Report, Bulk Water Supply from Sutlej River, Dated Oct 2020, prepared by GM, SJPNL

RFP for implementation of continuous pressurised water supply in Shimla, Dated May 2020 and Draft Performance Based Contract, April 2020

Citizen Charter, SJPNL (<https://sjpnl.com/citizens-charter/>)

Samagr eSamadhan, Grievance Portal including citizen charters of departments (<https://esamadhan.nic.in/welcome.aspx>)