



Luxembourg, 9 October 2024

Environmental and Social Data Sheet

Overview

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| Project Name: | UTTARAKHAND WATER AND SANITATION |
| Project Number: | 2023-0238 |
| Country: | India |
| Project Description: | Project with a strong climate adaptation and gender equality contribution focused on investments to improve water supply and sanitation services across secondary cities of the Indian State of Uttarakhand. |
| EIA required: | This is a multi-scheme Framework Loan operation. Some of the schemes might require an EIA. |
| Project included in Carbon Footprint Exercise ¹ : | no |

Environmental and Social Assessment

The Promoter of this operation is the Government of Uttarakhand (GoU) through its Uttarakhand Urban Sector Development Agency (UUSDA). The Promoter is a public entity and it is responsible for the development and provision of public services such as water supply and sanitation services in the cities of the State of Uttarakhand. The Promoter's responsibilities include planning, preparation, implementation and operation of the project's schemes. Operation of the water supply and sanitation schemes is usually provided through Operation and Maintenance (O&M) contracts with specialised service providers for a limited time period (usually 5 years after completion). Following the expiry of this period the responsibility for operation of the water and sanitation projects is transferred to the Uttarakhand Jal Sansthan (UJS), the public water and sanitation operator for the State of Uttarakhand.

Over 90% of the proposed operation concern water supply, sanitation and storm water management schemes within secondary cities of the State of Uttarakhand. These schemes are part of the GoU's Vision 2030 Programme aimed at meeting water supply and sanitation goals and targets as laid down in the GoU's Vision 2030 document. The main objectives of these policies are to provide universal and equitable access to safe and affordable drinking water and sanitation services for all citizens, improve water quality by reducing pollution and substantially increase water-use efficiency across all sectors in order to reduce water scarcity. The remaining part of the proposed investments will finance developments in public mobility in the secondary cities, which are also part of the same aforementioned programme.

The project is co-financed in parallel with the Asian Development Bank (ADB), which has been actively involved in financing similar schemes for the past ten years. The EIB will exclusively finance water supply and sanitation schemes under this operation.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



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The Promoter has good past experience in management of projects compliant with environmental and social standards from International Financial Institutions (IFIs). Within the past 3 years, the Promoter has already implemented similar type of projects financed by ADB.

Strategic Environmental Assessment

The GoU's Vision 2030 Programme was approved and ratified by the Uttarakhand State Assembly in 2019 and as such it provides the legal foundation for the implementation of the schemes proposed under this operation. The GoU's Vision 2030 programme was subject to widespread and long-term public consultation. The Promoter has confirmed that it is a legally binding document in terms of strategic planning for water supply and sanitation services within the State of Uttarakhand.

Environmental Assessment

Depending on the type of the schemes, the Competent Authority for environmental licensing will be either the Uttarakhand Pollution Control Board (for water supply and sanitation services, except for water abstraction purposes) or the Central Ground Water Board (for water abstraction purposes).

The environmental law relevant to the Project is the Environmental Impact Assessment (EIA) Notification of 2006 (replacing the EIA Notification of 1994) issued by the Government of India, which sets out the requirements for environmental assessment procedure in India. This states that Environmental Clearance (EC) is required for specified activities/projects and must be obtained before any construction work or land preparation (except land acquisition) may commence. Projects are categorized as of category A or category B depending on the scale of the project and the assessment of its impacts to the environment.

At the time of the appraisal, none of the suggested schemes under this operation falls under the EIA Notification Act 2006, and therefore an EIA report is not required for the suggested schemes.

If the schemes were located inside EU, they would likely fall either under Annex II (i.e. be subject to screening by the Competent Authority using criteria similar to the ones included in Annex III) or outside the scope of the Directive 2011/92/EU as amended by the Directive 2014/52/EU.

Therefore, according to the types of schemes expected to be implemented under the proposed operation, it is unlikely that they will require a full Environmental and Social Impact Assessment (ESIA). In case a scheme requires a full ESIA, its implementation will not start before receiving first all the necessary approvals from the Competent Authority. In this case, the Bank will also require from the Promoter to provide a full copy of the required ESIA.

In addition, the suggested schemes are not likely to have negative impacts on nature conservation areas due to their nature/type. Nevertheless, their compliance with the Biodiversity and Habitats National Legislation, their alignment with the Habitats and Birds EU Directives (92/43/EEC, 2009/147/EC), with international conventions, which India has endorsed, and with the EIB Environmental Social Sustainability Framework (ESSF) will be further checked during appraisal of individual schemes, before allocation and during their implementation.

An Environmental and Social Management Framework (ESMF) is being finalized by the Promoter to be applied during the implementation of the project. The ESMF is aligned with the EIB's environmental and social standards, and it will be used for screening the schemes against EIB's ESSF.



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Environmental Impacts

The project contributes significantly to the protection of both surface water and groundwater bodies by improving the efficiency of the water supply infrastructure and at the same time preventing them from pollution due to the discharge of untreated wastewater and overflows of stormwater drainage.

Due to the nature of the investments, the schemes are expected to have only minor and temporary negative environmental impacts during construction phase. Negative environmental impacts are associated with the period of construction and are considered localised and temporary: (i) dust and air emissions, (ii) impacts on water or soil in case of mismanaged waste and (iii) noise and vibrations.

Climate Change

The Project will have a significant contribution to Climate Change Mitigation by achieving reduction in greenhouse gas (GHG) emissions. This stems from several actions, such as energy savings due to water network loss reduction, implementation of centralised sanitation systems including sewage network and wastewater treatment plants due to reduced methane emissions and also purchasing electric buses for public transport.

The Project is also expected to contribute to Climate Change Adaptation by significantly improving the resilience and security of the existing water supply infrastructure as well as implementing storm water management measures against urban flooding. From a recent and similar operation co-financed by the ADB, the Promoter has already produced location specific Climate Risk Vulnerability Assessment (CRVA) studies within the service area (Doiwala, Nainital), which, due to similar climate risk profile and physical proximity to the schemes financed under this operation, can be also applied to the suggested schemes under this operation. All the schemes will be required to incorporate in their designs the necessary measures to mitigate physical climate risks, as identified in this CRVA, and therefore will be adapted to Climate Change.

Carbon Footprint

Framework loans are not covered by the EIB's Carbon Footprint Exercise. Each scheme will be included in the carbon footprint exercise if emissions are above the threshold.

Paris Alignment

The Project has been assessed for Paris Alignment and is considered to be aligned both against low carbon and resilience goals against the policies set out in the Climate Bank Roadmap (CBR).

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty UUSDA is in scope and screened out of the PATH framework, because it is not considered high emitting nor high vulnerability.

Social Assessment

The proposed schemes are designed to enhance both the environment and the livelihoods of affected population by providing access to safe and efficient water supply and sanitation, efficient sewage systems, and improved drainage. They aim to:

- improve public health by reducing waterborne diseases and increasing access to safe drinking water for all residents, especially the underserved segment of the population;
- to protect the environment by preventing groundwater contamination and improving the quality of local water bodies through adequate wastewater treatment; and
- to reduce the time and resources spent on obtaining water from alternative sources.



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The schemes considered are not expected to require any land acquisition. New infrastructures will be constructed on vacant unused government lands. Pipelines will be laid along the right of way of road owned by Public Works Department, Municipal Council, and National Highway Authority of India. The works are expected to create disruptions to the activities of vendors working along roads sections (movable or with fixed structures). Works scheduled will be agreed with impacted population to avoid and minimize impacts. A resettlement policy framework, covering compensation for temporary loss of income and other mitigation measures has been prepared and is now being finalized.

Schemes triggering permanent displacement will not be eligible for financing with the EIB loan.

A labour management procedure is included as part of the ESMF. The promoter has previous experience in the application of international standards related to occupational health and safety (OHS) procedures. Specific provisions will be included in the terms of contracts for civil works in line with EIB standards and the ESMF. A labour and OHSS mid-term review will be conducted to determine if additional measures are needed.

India ranks 108 out of 193 countries on UNDPs 2022 gender inequality index and women are under-represented in the country's workforce. Water supply to households in Uttarakhand's secondary cities tends to be intermittent and delivered at odd hours. The lack of clean water supply and sanitation systems and services in Uttarakhand particularly impact poor households. Women and girls spend on average 70 minutes per day on water collection or caring for family members affected by water related illnesses. This compounds women's and girls' care burden in the project locations.

The project will target water supply and sewerage connections towards poor households where women and girls tend to have higher time/care burdens linked to intermittent water supply and poor sanitation services. UUSDA will establish a Gender Equality and Social Inclusion (GESI) cell to advance gender equality work within the institution, promote inclusive workplaces, including through its contractors so that women can benefit from equal opportunities to access the jobs generated by the project.

Public Consultation and Stakeholder Engagement

The schemes included in this Framework Loan will be consulted with stakeholders according to the applicable country legislation and in line with EIB standards. A stakeholder engagement framework will be prepared to define the communication channels, engagement activities foreseen during implementation, the strategy will be operationalized for each sup-project. A grievance mechanism applicable to the schemes (as part of the ESMF) is also being finalised.

Other Environmental and Social Aspects

The Promoter has good past experience in management of projects compliant with environmental and social standards, namely similar type of projects financed by ADB.

The Promoter has a strong project management team in place supported by an external project Management, Design and Supervision consultant. For the preparation of each scheme the Promoter will be supported by a EIB managed Technical Assistance consultant funded by the Water Sector Fund.

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Conclusions and Recommendations

The project contributes towards the fulfilment of UN Sustainable Development Goals (SDGs), particularly SDG 6 “Clean water and sanitation”, SDG 11 “Sustainable Cities and Communities” and SDG 13 “Climate Action”.

Overall, the project has positive net social and environmental benefits. Based on the information available and characteristics of the Project, ESIA studies are unlikely to be required for the schemes. However, if required, these will be prepared according to the National Legislation, aligned with the EIB’s Environmental & Social standards and to the satisfaction of the Bank.

The negative impacts expected from the schemes are mainly construction related, that means minor and temporary ones and thus they can be addressed through adoption of good engineering practices and appropriate mitigation measures during project implementation.

The following undertakings shall be included in the finance contract:

- Before the first allocation request, the Promoter will finalize an Environmental and Social Management Framework (ESMF), drafted in line with the EIB’s Environmental & Social standards and to the Bank’s satisfaction. The ESMF will include a Resettlement Policy Framework (RFP), a Stakeholder Engagement Framework (SEF) and a Grievance Mechanism (GM). The ESMF will be used during the implementation of the project, and sufficient resources will be dedicated to its implementation.
- Before the first allocation request, the Promoter will prepare a Gender Action Plan to the Bank’s satisfaction. The Gender Action Plan will be used and reported on during the implementation of the project.
- The promoter shall not commit EIB funds to schemes triggering permanent involuntary resettlement.
- Unless a scheme to be financed by EIB is already covered by a Climate Risk Vulnerability Assessment (CRVA) prepared after 2020 and to the Bank’s satisfaction, before the first allocation request, the Promoter will prepare scheme-specific CRVAs satisfactory to the Bank’s requirements. All the schemes financed by the Bank will include in their designs the necessary measures to mitigate identified climate risks (if required).
- The Promoter shall not commit any EIB funds against schemes that require either an ESIA study or a Nature/Biodiversity (Appropriate) Assessment according to applicable laws without, prior to commitment, either receiving the consent from the competent authority or the screening out decision, and sending the ESIA to EIB for publication on the Bank’s website.
- The Promoter shall store and maintain updated the relevant documents (including environmental studies related to the ESIAs, Nature/Biodiversity Assessments, Environmental, Social Management Plans, Resettlement Documents and Stakeholder Engagement Plans) to be provided to the Bank upon request. In case the EIB requires such documentation, the promoter shall provide all documents requested promptly.
- The Promoter shall prepare a Mid-Term Review (mid-term defined on disbursed amount basis) of the occupational health, safety, security (OHSS) and labour practices used by the contractors, undertaking works at EIB financed schemes. The promoter undertakes to implement the recommendations of this review in all ongoing and future works contracts financed by EIB.
- The Promoter will ensure that the contractors implement the schemes in compliance with EIB’s Environmental and Social Standards, and International Labour Organisation core labour standards.

Considered the above, the project is acceptable for EIB financing from an environmental and social point of view.