

MATRIX OF POTENTIAL ENVIRONMENTAL AND SOCIAL IMPACTS AND MEASURES

I. INTRODUCTION

A. The Program

1. The Asian Development Bank's (ADB's) support for the Sustainable Urban Development and Service Delivery Program is aligned with India's socioeconomic development strategy, proposed by the National Institution for Transforming India Aayog. It is a programmatic policy-based lending (PBL) with two subprograms. It aims to improve access to basic urban services in India by accelerating a series of policy actions and reforms that will mainstream performance-linked funding for urban service delivery. Subprogram 1 helped establish essential policies and guidelines at the national level. Subprogram 2 will prepare and commence the specific reform actions and program proposals at state and urban local body (ULB) levels.

2. Subprogram 2 is targeted to prepare and commence the specific reform actions and program proposals at state and ULB levels to establish and operationalize: (i) national and subnational policies, guidelines, and programs for accelerated achievement of universal water supply and improved sanitation service delivery with associated urban reforms; (ii) policies and programs for providing rental housing to urban migrant and industrial workers, working women, and the poor; and (iii) policies and guidelines for performance-based central fiscal transfers. In close coordination with the Ministry of Housing and Urban Affairs (MOHUA), the program was designed to align with various national flagship programs such as the *Atal Mission for Rejuvenation and Urban Transformation (AMRUT) 2.0* and *Pradhan Mantri Awas Yojana (Housing for All) – Urban (PMAY-U)*, for achieving dynamic economic growth and contributing to a livable environment. Subprogram 2 policy actions are summarized in Table 1.

B. Purpose of this Report

3. ADB Safeguard Policy Statement (SPS) (2009) requires that for policy-based loans, potential direct or indirect environmental or involuntary resettlement impacts, or impacts on Indigenous Peoples associated with policy actions to be supported by program loans are evaluated, with a qualitative indication of the likely order of magnitude of each impact and a summary of the rationale for the judgment. Appropriate mitigation measures to address these impacts are identified and integrated into the program's design.¹

4. This report documents the environmental and social impact evaluation conducted for subprogram 2. A matrix of potential impacts and implications of the policy actions was prepared and presented in Table 1.

C. Environmental and Social Safeguards Implications

5. **Environmental safeguards.** The program is categorized as category C for environment per ADB SPS (2009) and ADB Operations Manual Section F1/OP (2013). The policy actions are not anticipated to impact the environment and will not result in amending or altering the existing environmental laws or policies. The policy actions, among others, will help conserve and optimize use of water and land resources in urban areas and encourage citizen participation. The program will not support any infrastructure development. The downstream follow-on projects under these policy actions, however, may have potential environmental impacts. Therefore, if the government

¹ ADB. 2009. *Safeguard Policy Statement*. Manila.

pursues, secures funds, prepares, and implements the investment projects, compliance with environmental safeguards related acts, policies, rules and AMRUT 1.0 and 2.0 Guidelines shall be ensured.

6. **Social safeguards.** The formulation and development of policy actions and reforms are not assessed to trigger safeguard policy requirements on involuntary resettlement and indigenous peoples under SPS (2009). The program will not support any infrastructure development, and the policy reforms are not anticipated to affect the dignity, human rights, and livelihood system of the indigenous peoples. The indigenous people communities and the general population will receive benefits from the proposed policy actions. The program is categorized as category C for both involuntary resettlement and indigenous peoples per ADB SPS (2009) and ADB Operations Manual Section F1/OP (2013).

D. Impact Matrix

7. The matrix of impacts provided in Table 1 summarizes potential positive and adverse environmental and social implications of the policy actions or impacts that can be anticipated to arise during the implementation of subsequent initiatives that the government may pursue to implement recommendations of the policy actions for the three program reform areas. Where relevant, measures to mitigate anticipated negative impacts, as well as enhance positive impacts, have been outlined.

Table 1: Table Providing Matrix of Safeguard Impacts and Mitigation Measures

No.	Policy Actions ^a	Potential Environmental Impacts	Potential Social Impacts	Mitigation Measures
Reform Area 1 – National and Subnational Policies and guidelines for universal and improved water supply and sanitation service delivery established				
2.1	MOHUA and state governments operationalized AMRUT 2.0 to achieve its objectives covering the following aspects:		AMRUT 2.0 mandates no land acquisition in subproject implementation during operationalization of policy objectives.	
(i)	More than 10 large states ^a commenced implementation of SWAPs outlining annual targets (2023–2026) with resource requirements and responsible agencies for providing universal coverage of piped water supply through tap connections to all urban households, and sewerage and/or septage connections in AMRUT towns through 6,125 projects with estimated financial outlay of about \$16.3 billion;	<p>Policy action relates to commencement of implementation of water action plans by providing budgetary allocations and scheduling activities. No environmental impacts envisaged. The follow-on / downstream projects to be prepared and/or implemented beyond PBL period may have following impacts:</p> <p>Positive Environmental Impacts - Universal coverage shall lead to potable water availability and citizens adopting better sanitation practices leading to reduced water borne/water-related diseases, improved quality of life and environment improvement.</p> <p>Negative Environmental Impacts – Unsustainable use of water resources, and disposal of untreated and/or partially treated wastewater, septage/ sludge may have negative impacts on environment. Project components, if not properly located, may encroach on protected areas. Construction process is likely to have negative but temporary</p>	<p>Policy action relates to commencement of implementation of water action plans by providing budgetary allocations and scheduling activities. No land acquisition, involuntary resettlement or indigenous peoples' impacts is anticipated due to the policy actions. The follow-on/downstream projects to be prepared and/or implemented beyond PBL period may have following impacts:</p> <p>Positive social impacts: Universal coverage shall lead to potable water availability leading to reduced water borne/water-related diseases, improved quality of life.</p> <p>Negative social impacts: None envisaged.</p> <p>Social safeguards impacts: During implementation, temporary economic impacts (IR) are possible. No impact to the dignity, human rights, livelihood systems, culture, ancestral domains, communal assets, and territorial,</p>	<p>Environmental and Social. Ensure meaningful consultations and reflect the same in water action plan preparation and implementation.</p> <p>For downstream projects: Environment. Ensure that follow-on/downstream projects are prepared and implemented in compliance with (i) the government laws, policies and standards related to environment, forests, protected areas, water resources, health and safety, labour welfare etc., (ii) AMRUT 1.0 and 2.0 Guidelines on considering environmental implications in projects and (iii) safeguards policies of the funding agency (for externally funded projects).</p> <p>Social. Ensure that any follow-on activities are implemented in compliance with the existing laws and regulations including AMRUT 1 and 2 guidelines on consideration of environmental and social impacts, and</p>

No.	Policy Actions ^a	Potential Environmental Impacts	Potential Social Impacts	Mitigation Measures
		impacts on environment and people close to work sites.	natural, and cultural resources of indigenous peoples is anticipated.	avoidance of land acquisition, and safeguards policies of the concerned funding agency (for externally funded follow-on projects). Access to properties will be ensured during implementation to avoid temporary economic impacts.
(ii)	In accordance with the MOU signed between MOHUA, 3,738 ULBs in more than 10 large states ^a are carrying out reforms under AMRUT 2.0 and states are allocating funds to ULBs annually based on identified financing gaps.	The policy action is related to municipal reforms and will not result in alteration/change of existing environmental policies. No potential environmental impacts envisaged.	Positive social impacts: None envisaged. Negative social impacts: None envisaged. Social safeguards impacts. None envisaged.	Environment. None required. Social: None required.
(iii)	More than 10 large states ^b operationalized policy guidelines by inclusion of 95 projects in the SWAPs for recycling and reuse of treated used water to meet 20% of water demand of ULBs and 40% of aggregate industry water demand at state level.	Policy action relates to operationalizing policy guidelines which includes accepting national policy, issuing government orders, budgetary provisions etc. No environmental impacts envisaged. The follow-on/downstream projects to be prepared and/or implemented beyond PBL period may have following impacts: Positive Environmental Impacts – This policy action would help in mainstreaming water conservation practices, and better treated effluent quality. Negative Environmental Impacts – Negative environmental impacts do occur when treated wastewaters do not meet the reuse requirements. Use of substandard water may have	The policy action will not trigger IR as there will be no acquisition of land and non-land assets. No adverse impacts on IP are anticipated. The follow-on / downstream projects to be prepared and/or implemented beyond PBL period may have following impacts: Positive social impacts: Availability of treated water for economic activities, greening, gardening etc. Negative social impacts: If treated water does not meet reuse standards, public health concerns may arise. Conflict among competing users is possible. Hesitation to use treated water by users possible.	Environment. Ensure that follow-on/downstream projects are prepared and implemented in compliance with (i) the government laws, policies and standards, wastewater discharge standards and state wastewater reuse policies (ii) AMRUT 1.0 and 2.0 Guidelines and (iii) safeguard policies of concerned funding agency (for externally funded projects). Government should ensure that sanitation systems are appropriately upgraded to cater to the increased sewage. Social. Meaningful consultations will help avoid and/or resolve potential conflicts and issues related to hesitation to use treated water.

No.	Policy Actions ^a	Potential Environmental Impacts	Potential Social Impacts	Mitigation Measures
		health and environmental implications. Conflicts may arise from competing demands.	Social safeguards impacts. None envisaged.	
(iv)	1,148 ULBs in more than 10 large states ^a commenced implementation of action plans (2023–2026) for continuous water supply with NRW reduction; and	Policy action relates to commencement of implementation of water action plans. No environmental impacts envisaged. The follow-on/downstream projects to be prepared and/or implemented beyond PBL period may have following impacts: Positive Environmental Impacts: Policy action focuses on demand side management, will reduce water wastage. This will augment water availability to consumers, will improve quality of life. Negative Environmental Impacts: Construction process is likely to have negative but temporary impacts on environment and people close to work sites.	Positive Social Impacts: Improved access to treated water. Negative Social Impacts: None anticipated. Social safeguards impacts: None anticipated.	Environment. Ensure that follow-on/downstream projects consider temporary impacts and implement mitigation measures as part of civil works contracts. Social: None required.
(v)	more than 10 states implemented a policy or government order on user charges for water supply and sewerage with periodic increase to recover operation and maintenance costs for sustainable operations and improve collection efficiency.	Policy action relates to implementation of policy or government order on user charges. Positive Environmental Impacts: Policy action may lead to sustainable operation of water supply and sewerage assets, which will in turn improve environmental performance. Negative Environmental Impacts: Unaffordable user charges may deter citizens to access service and may lead to poor public health and environmental practices.	Policy action relates to implementation of policy or government order on user charges. Positive social impacts: Sustainable operations will benefit communities. Negative social impacts: User charges may be unaffordable for below poverty line population, deterring universal access. Social safeguards impacts. None anticipated.	Environment and Social. Ensure that such policy action will not lead to unaffordable charges that may deter citizens access to services. User charges to be defined in consideration of affordability parameters for below poverty line population.
2.2	MOHUA operationalized a paperless AMRUT 2.0 monitoring system to	No potential environmental impacts envisaged. Positive impact of policy	Positive social impacts: None envisaged.	Environment. None required. Social: None required.

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	promote data-driven and participatory governance using:	action includes resource conservation.	Negative social impacts: None envisaged. Social safeguards impacts. None anticipated.	
(i)	Technology-based M&E platform where states and ULBs upload all real time information electronically, and	No impact envisaged.	Positive social impacts: None envisaged. Negative social impacts: None envisaged. Social safeguards impacts. None anticipated.	Environment: None Required. Social: None required.
(ii)	MOHUA implemented a citizen feedback mechanism involving women for direct validation of ULBs' performance on annual basis by commissioning Pey Jal Survekshan (drinking water surveys) in December 2022.	Positive environmental impact. Enhanced ULBs performance will improve environmental performance of ULBs	Positive social impacts: Citizen empowerment and ownership. Negative social impacts: None envisaged with adequate awareness raising activities. Social safeguards impacts: None anticipated.	Environment and Social: Awareness raising among citizens (women and men) to enable meaningful contribution to the feedback mechanism. Capacity building of ULBs to consider citizen feedback in planning and implementation of downstream activities.
2.3	MOHUA rolled out eight e-learning modules to sensitize states and ULBs for inclusion of GESI components in urban water supply service delivery including climate and disaster resilience. The intended audience includes elected representatives and municipal functionaries, plant operators, plumbers, and workmen, citizens including women and members of self-help groups at the ULB level, town planners as well	Policy action relates to learning and capacity building. No potential environmental impacts envisaged.	Positive social impacts: GESI mainstreaming by ULBs and states on e-learning platform. Negative social impacts: None envisaged. Social safeguards impacts: None anticipated.	Environment: None required. Social: None required.

No.	Policy Actions ^a	Potential Environmental Impacts	Potential Social Impacts	Mitigation Measures
	contractors, managers, and consultants from the state and central ministry.			
2.4	More than 10 large states ^a have mainstreamed GESI aspects in SWAPs through the involvement of women self-help groups to enhance service delivery and women's participation in water management.	No potential environmental impacts envisaged. Positive impact of policy action includes water resource conservation.	<p>Positive social impacts: At least 24 states will mainstream GESI in state water action plans.</p> <p>Negative social impacts: None envisaged.</p> <p>Social safeguards impacts: None anticipated.</p>	<p>Environment: None required.</p> <p>Social: None required.</p>
2.5	Following the policy instituted by MOHUA, more than 10 large states ^a incorporated in their SWAPs proposals for time-bound implementation of 1,909 water bodies rejuvenation (2023–2026) to augment fresh water supply, increase green spaces, augment water conservation, reduce flood impacts, and maintain positive groundwater balance.	<p>Policy action relates to incorporation of proposals for water bodies rejuvenation in state water action plans. The policy action will not alter and/or change existing environmental policies. No environmental impacts envisaged. The follow-on/downstream projects to be prepared and/or implemented beyond PBL period may have following impacts:</p> <p>Positive Environmental Impacts – This policy action will contribute to mainstreaming water conservation practices, increased water retention and reduced flooding, augmented groundwater recharge, biodiversity conservation, and improved overall quality of life for citizens.</p> <p>Negative Environmental Impacts – depending on the biodiversity value of the water body, there may be negative impacts. Works may degrade the water quality and impact aquatic life. Existing uses may be disturbed during the works.</p>	<p>Policy action relates to incorporation of proposals for water bodies rejuvenation in state water action plans in at least 10 states. No land acquisition is anticipated as the water bodies will be government owned. The follow-on/downstream projects to be prepared and/or implemented beyond PBL period may have following impacts:</p> <p>Positive social impacts: Reduced floods resulting in lower economic losses to properties and businesses, positive ground water balance resulting in higher water availability.</p> <p>Negative social impacts: None envisaged.</p> <p>Social safeguards impacts: Under rejuvenation activities as envisaged under AMRUT 2.0, civil works like construction of “ghats” (steps approaching the water body), pathways around the pond for walking and minor civil works</p>	<p>Environment. Ensure that follow-on / downstream projects are prepared and implemented in compliance with (i) the government laws, policies and standards related to environment, forests, protected areas, water resources, health and safety, labour welfare etc., (ii) AMRUT 1.0 and 2.0 Guidelines on considering environmental implications in projects and (iii) safeguards policies of concerned funding agency (for externally funded projects). Ensure meaningful stakeholder consultations during preparation and implementation and integrate biodiversity and existing use aspects.</p> <p>Social: Field visits and meaningful consultations will help identify all existing users of water bodies and their concerns, if any. Capacity</p>

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			(lighting and sitting benches) to value add to the rejuvenated pond have been listed. The water bodies may have non-titled users (fishers, sailors, squatters, businesses etc.) and may have ritualistic uses that may potentially be impacted.	building of ULBs will be undertaken to ensure social safeguards considerations are factored into detailed design. Care will be taken to incorporate all existing uses into the technical design e.g., in the form of allocation of space for affected persons businesses if any and allowing continued access and use of the water body(ies) by existing users.
2.6	869 ULBs in more than 10 large states ^a using groundwater as a source of water supply services incorporated waterbody rejuvenation in their city water action plans as a part of a roadmap for groundwater recharge to conserve water resources and augment aquifer recharge for the sustainable use of groundwater.	Policy action relates to the incorporation of waterbody rejuvenation projects in the city water action plan by 887 ULBs. Positive environmental impacts - Policy action will have positive environmental impact on groundwater regime and on overall water sustainability. Collaborate and ensure synergy with relevant departments / agencies' programs / plans related to groundwater. Negative Environmental Impacts – no notable negative impacts since only minor civil works are anticipated	Policy action relates to the incorporation of waterbody rejuvenation projects in the city water action plan by 887 ULBs. Positive social impacts: Downstream positive impacts over time are anticipated, with improved water availability. Negative social impacts: None envisaged. Social safeguards impacts: None anticipated.	Environmental: To maximize the benefits, ensure that Urban Aquifer Management Plan is designed and implemented in close collaboration of relevant agencies like state groundwater departments and Central Groundwater Board. Social: None required.
2.7	46 ULBs implemented policy guidelines to attract private sector participation in urban water infrastructure and services by inclusion of 57 PPP projects in the SWAPs with an estimated project cost of about \$850 million.	Policy action relates to operationalizing policy guidelines for inclusion of PPP component to enhance private sector participation. No environmental impacts envisaged.	Positive social impacts: None envisaged. Negative social impacts: None envisaged. Social safeguards impacts: None anticipated.	Environment: None required. Social: None required.

No.	Policy Actions ^a	Potential Environmental Impacts	Potential Social Impacts	Mitigation Measures
Reform Area 2 – Housing policies and programs to improve access to rental housing for urban migrant and industrial workers, working women, and the poor established				
2.8	More than 10 large states ^a complied with MOHUA's policy guidelines for the implementation of ARHCs, of which three states allotted houses by converting vacant government-funded 5,142 houses into ARHCs through PPP or by public agencies and incentivized public or private entities to provide 82,273 units under ARHCs on their own property for providing shelter to urban migrant workers, industrial workers, working women, and the poor in urban areas.	Policy action relates to signing memorandums of agreement for implementation of ARHCs. No environmental impacts envisaged. The follow-on / downstream projects to be prepared and/or implemented beyond PBL period may have following impacts: Positive Environmental Impacts – Policy action will provide safe and secure living accommodation with all the infrastructure and basic amenities. This will reduce unregulated urban sprawl and slums and will improve overall environmental quality of the urban areas. Negative Environmental Impacts – This policy action will lead to additional demand for environmental services. Construction impacts are envisaged during the civil works. There may be negative impacts if housing sites are in unsuitable sites such as hazard prone areas, or close to industrial areas with high pollution potential or legacy contamination issues.	Policy action relates to signing memorandums of agreement for implementation of ARHCs. Positive social impacts: With the provision of shelter to urban migrant workers, industrial workers, working women and poor in urban areas, this policy action would have a positive impact on the beneficiaries in terms of improved quality of life and living standard. Negative social impacts: None anticipated. Social safeguards impacts: None anticipated.	Environment. Ensure that follow-on / downstream projects are prepared and implemented in compliance with (i) the government laws, policies and standards related to environment, forests, protected areas, water resources, health and safety, labour welfare etc., (ii) AMRUT 1.0 and 2.0 Guidelines on considering environmental implications in projects and (iii) safeguards policies of concerned funding agency (for externally funded projects). Ensure site suitability assessment as part of project preparation. Social: None required.
2.9	10 states implemented guidelines on collating data on gender and social category of the beneficiaries for the allotted houses to ensure preferred allotment to women and other	Policy action relates to operational guidelines on beneficiary data management. No potential environmental impacts envisaged.	Positive social impacts: Inclusion of the poor, vulnerable and disadvantaged through an improved data management system. Negative social impacts: None envisaged. Social safeguards impacts: None anticipated.	Environment - None required. Social: None required.

No.	Policy Actions ^a	Potential Environmental Impacts	Potential Social Impacts	Mitigation Measures
	disadvantaged groups as per the policy.			
2.10	MOHUA instituted a policy to provide technology innovation grant to support 127 innovative and replicable technologies (e.g., green and climate resilient, cost-effective, speedier implementation, or meeting diverse geo-climatic conditions) being applied to 13 projects under implementation.	Policy action relates to institution of policy to incorporate innovative technologies. Policy will have positive impacts on resource use and construction duration.	<p>Positive social impacts: Improved quality of life of beneficiaries.</p> <p>Negative social impacts: None envisaged.</p> <p>Social safeguards impacts: None anticipated.</p>	<p>Environment - None required.</p> <p>Social: None required.</p>
2.11	10 states complied with the policy guidelines under PMAY-U to include design features for older persons, women, children, and persons with disability in multi-storeyed tenements, and provisions for rainwater harvesting system to promote sustainable building practices.	Policy action relates to mandating compliance with policy guidelines in housing projects. No potential environmental impacts envisaged. The follow-on / downstream projects to integrate such features in housing projects unlikely to have any notable negative impacts. Positive impacts include improved and inclusive access, and groundwater resource augmentation.	<p>Policy action relates to mandating compliance with policy guidelines in housing projects.</p> <p>Positive social impacts: Downstream activities envisaged to lead to sustainable building and resource conservation.</p> <p>Negative social impacts: None envisaged.</p> <p>Social safeguards impacts: None anticipated.</p>	<p>Environment - None required.</p> <p>Social: None required.</p>
Reform Area 3 – Policies and guidelines for performance-based central fiscal transfers to urban local bodies established				
2.12	More than 10 large states ^a complied with operational guidelines issued by the government through an MOU with MOHUA that included a baseline for urban services as of 1 April 2021, and annual targets for achieving urban	<p>Policy action relates to mandating the states to comply with operational guidelines to achieve annual targets in service delivery. No potential environmental impacts envisaged.</p> <p>Positive Environmental Impacts – None.</p> <p>Negative Environmental Impacts - None</p>	<p>Policy action relates to setting of baselines and annual targets for urban service delivery.</p> <p>Positive social impacts: None anticipated.</p> <p>Negative social impacts: None envisaged.</p> <p>Social safeguards impacts: None anticipated.</p>	<p>Environment. None required.</p> <p>Social: None required.</p>

No.	Policy Actions ^a	Potential Environmental Impacts	Potential Social Impacts	Mitigation Measures
	service delivery benchmarks (water supply, sanitation, rainwater harvesting, water recycling, etc.) until FY2026 in conjunction with investments planned under AMRUT 2.0			
2.13	More than 10 large states ^a have complied with or amended state municipality and municipal corporation acts and rules specifically on the floor rates of property tax for different types of properties (residential, commercial, industrial, etc.) to enhance tax revenue base with immediate effect.	Policy action relates to amendment of existing Acts and Rules on property taxation. No potential environmental impacts envisaged.	Positive social impacts: None envisaged. Negative social impacts: None envisaged. Social safeguards impacts: None anticipated.	Environment: None required. Social: None required.
2.14	MOHUA operationalized an online platform for public disclosure of municipal accounts, and over 2,000 ULBs complied to submission of audited annual accounts for FY2021 and provisional annual accounts for FY2022 following municipal accounts manuals and/or guidelines prepared by respective states based on the National Municipal Accounts Manual published by MOHUA.	Policy action relates to municipal accounts. No potential environmental impacts envisaged.	Positive social impacts: None envisaged. Negative social impacts: None envisaged. Social safeguards impacts: None anticipated.	Environment: None required. Social: None required.

No.	Policy Actions ^a	Potential Environmental Impacts	Potential Social Impacts	Mitigation Measures
2.15	Government of India approved and rolled out operational guidelines for compliance by the states availing special assistance for capital investments, which is linked to urban planning and financing reforms to make ULBs creditworthy for issuance of municipal bonds.	Policy action relates to approval of guidelines. No potential environmental impacts envisaged.	<p>Positive social impacts: None envisaged.</p> <p>Negative social impacts: None envisaged.</p> <p>Social safeguards impacts: None anticipated.</p>	<p>Environment: None required.</p> <p>Social: None required.</p>
2.16	Government of India operationalized guidelines to incentivize states through allocation of special assistance for urban planning reforms including on enhancing the entire ecosystem of urban planning (legal, institutional, capacity building, and community awareness), town planning through land pooling, modernizing building byelaws, vertical agglomeration, strengthening natural ecosystem, comprehensive urban mobility (including transit-oriented development, transferrable development rights), affordable housing, blue-green infrastructure, among others.	Policy action relates to approval of guidelines. No potential environmental impacts envisaged.	<p>Positive social impacts: None envisaged.</p> <p>Negative social impacts: None envisaged.</p> <p>Social safeguards impacts: None anticipated.</p>	<p>Environment: None required.</p> <p>Social: None required.</p>

No.	Policy Actions ^a	Potential Environmental Impacts	Potential Social Impacts	Mitigation Measures
2.17	Government of India operationalized guidelines to incentivize states through allocation of special assistance for financing reforms in ULBs to make them creditworthy through property tax reforms to improve year-on-year collection by at least 20%, user charges reforms for water and sewerage services, and ring-fencing both property tax and user charges to support issuance of municipal bonds by large ULBs or pooled municipal bonds for smaller ULBs.	Policy action relates to approval of guidelines. No potential environmental impacts envisaged.	<p>Positive social impacts: None envisaged.</p> <p>Negative social impacts: None envisaged.</p> <p>Social safeguards impacts: None anticipated.</p>	<p>Environment: None required.</p> <p>Social: None required.</p>

AMRUT = *Atal Mission for Rejuvenation and Urban Transformation*, ARHCs = affordable rental housing complexes, FY = fiscal year, GESI = gender equality and social inclusion, IP = indigenous peoples, IR = involuntary resettlement, MOHUA = Ministry of Housing and Urban Affairs, MOU= memorandum of understanding, NRW = nonrevenue water, PBL = policy-based lending, PMAY-U = *Pradhan Mantri Awas Yojana - Urban*, PPP = public-private partnership, ULB = urban local body.

^a Commencing implementation or operationalizing policy guidelines within the PBL period will involve non-civil works activities such as acceptance of national policy guidelines, issuing state level government orders/policies/guidelines, preparing financing plans, making budgetary provisions by state and ULBs, drawing schedule of activities.

^b For the purpose of the policy actions, “large states” are those with a population of over 25 million based on the 2011 census.
Source: Asian Development Bank.

II. RECOMMENDATIONS

8. The following recommendations are to be acted upon by MOHUA and participating state governments and urban local bodies to strengthen the program and minimize its adverse social and environmental impacts and implications downstream:

- (i) **Coordinate with relevant government agencies on cross-cutting themes and programs.** There is a need for close coordination and integration with the Missions of various ministries, state and ULB level departments dealing with development plans and regulations, land use plans, and water resource management to bring synergies and ensure optimal utilization of natural resources e.g., water and terrestrial/land resources.
- (ii) **Ensure adherence to provisions related to environment and social safeguards in AMRUT 1.0 and 2.0 guidelines and other government regulations.** The participating urban local bodies should commit to ensuring activities and investments that may be pursued in response to the policy actions of the program comply with the government's safeguard system and provisions for consideration of environmental and social implications in AMRUT 1.0 and 2.0 guidelines. For policy action 2.5 related to water body rejuvenation, a detailed design will incorporate provisions for existing users and avoid the physical relocation of households and businesses.
- (iii) **Conduct meaningful consultations.**² The participating ULBs should ensure meaningful consultations during the planning and implementation of downstream projects. Policy action 2.2 (ii), may be expanded to seek citizen feedback on action plans and downstream projects during preparation and implementation. Policy action 2.1 (v) should consider affordability for the poor based on consultations, for setting user charges.
- (iv) **Capacity building of implementing agencies.** MOHUA, with the support of ADB and other development partners and agencies will build the capacity of implementing agencies in integrating environmental and social considerations in the preparation and implementation of plans and projects. ADB is regularly conducting safeguards training programs for various state level implementing agencies through Capacity Development Resource Center of India Resident Mission. AMRUT 2.0 has earmarked significant grant component of \$290 million (3.25% of the central allocation) to support ULBs in setting up of project management and implementation units and capacity building. In addition, separate grant allocations are made for (i) project management at MOHUA level (\$160 million); (ii) information, education, and communication campaigns (\$90 million); and (iii) supporting implementation of innovative environment-friendly technologies in water sector (\$90 million).

² Consultations undertaken throughout project cycle, ensuring timely disclosure of information and wide participation including poor and vulnerable groups.