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World Bank Board Approves Action Plan Following Inspection Panel Investigation of the India Rural Water Supply and Sanitation Project for Low Income States



WASHINGTON, March 7, 2023 – The World Bank’s Board of Executive Directors on March 2 approved a Management Action Plan, which responds to an independent Inspection Panel investigation of the **India Rural Water Supply and Sanitation Project for Low Income States** (the Project).

The [Project](#) supported investments to improve piped water supply and sanitation services for selected rural communities in the low-income states of Assam, Bihar, Jharkhand, and Uttar Pradesh. It provided 2.3 million rural people with access to improved water sources through the construction of new piped water systems and rehabilitation and expansion of existing systems.

The Project also trained 1.6 million people on improved hygiene and sanitation practices and has benefitted women and children significantly as they bear most of the burden of securing daily water supplies and are also most affected by diseases resulting from poor water and sanitation practices. Over 335,000 households were provided new piped water connections and more than 3,000 community water points

were rehabilitated, representing a notable increase in access to piped water connections in states covered by the Project. The Project, approved by the Bank's Board of Executive Directors on December 30, 2013, was a US\$1 billion operation, of which IDA financed US\$500 million.

The two Requests for Inspection, filed in September 21 and December 12, 2018, came from two Santhal and Ho tribal communities living on the outskirts Jamshedpur city in Jharkhand who were affected by the construction of a water treatment plant (WTP) and an elevated water storage reservoir (ESR) near their habitations. The Requesters maintained that the site selection did not adequately analyze alternatives that would have avoided or minimized adverse impacts on their communities, and specifically complained that both facilities were built on sites of cultural or religious significance to their communities. They alleged that this occurred because appropriate consultations did not take place at the village level.

The Panel's investigation found shortcomings in consultations and disclosure of project documents which led to the absence of free, prior, and informed consultations with the two affected tribal communities. As a consequence, the WTP and ESR were built on land customarily used by the Santhal and Ho tribes, and were not approved by the relevant Gram Sabhas, as required by the tribal decision-making process set forth in the Tribal Development Implementation Plan. Moreover, while high-level Social Assessment and Tribal Development Plan (TDP) were prepared for the State of Jharkhand, those were not followed through by site-specific plans. As a result, appropriate mitigation measures were lacking, which led to harm to the affected tribal communities. Similarly, the Environment Management Framework was not followed. The construction of the Multi-village Schemes proceeded without preparation of required, site-specific environmental and social assessments and Environment Management Plans to manage adverse impacts.

The Action Plan, developed by Management was agreed with the Government of Jharkhand (GoJ) and consulted with the affected communities. It details how the Bank will work together with the GoJ to address the Panel's findings. The State Government of Jharkhand has confirmed its commitment to implement the Action Plan while the World Bank will support and monitor its implementation.

“The World Bank takes accountability very seriously,” said **World Bank Group President David Malpass**. *“We are working closely with the Indian authorities to ensure that the corrective actions approved by the Board are implemented in a timely manner. We greatly appreciate the work of the Inspection Panel and learn lessons from each investigation.”*

“It is important to have integrated environmental, social, and cultural assessments and incorporate them into the Project design, and implementation – particularly when the affected people are indigenous. As per Bank policies, it is important to incorporate the views and values of these communities into project design and implementation especially when such projects affect their cultural properties, values and ways of life (...). There is a need for framework approaches to be implemented through a rigorous management system that ensures on-the-ground risk-based assessments, which are followed through by detailed, site-specific assessments and mitigation plans.” said **Inspection Panel Chair Ramanie Kunanayagam**.

The Board recognized the importance of the Project to India and the significant development benefits it delivered to poor and tribal communities. It stressed the need to learn from the implementation challenges that have led to the Panel investigation to better manage risks and improve the development impact of World Bank supported operations. Executive Directors specifically welcomed the action taken by Bank Management and the Borrower to address issues of concern before the Board meeting.

“While this Project has delivered significant development benefits to millions of poor households in India, the investigation has revealed important areas where we need to learn and improve,” said **Martin Raiser, World Bank Vice President for the South Asia Region**. *“We have drawn key lessons from this case that future project designs will take into account as we move towards more integrated multi-state and multi-sector projects.”*

Management will report annually to the Board on the progress in implementing the Action Plan.

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For a full copy of the Inspection Panel Report and Management Report and Recommendation, please visit: <https://www.inspectionpanel.org>

For more information on the World Bank's work in India, visit

<https://www.worldbank.org/en/country/india>

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