

INDIA

**MUMBAI URBAN TRANSPORT PROJECT
(LOAN NO. 4665-IN; CREDIT NO. 3662-IN)**

**Follow Up to the
Meeting of the Executive Directors of the World Bank (March 28, 2006) on the
Inspection Panel Investigation Report No. 34725 and
Management Report and Recommendation**

**PROGRESS REPORT ON IMPLEMENTATION
OF THE ACTION PLAN**

March 1, 2007

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ACRONYMS AND ABBREVIATIONS

BEST	Bombay Electricity and Suburban Transport Corporation
CRZ	Coastal Regulation Zone
DEA	Department of Economic Affairs
GoI	Government of India
GoM	Government of Maharashtra
GRC	Grievance Redress Committee
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IMP	Independent Monitoring Panel
JVLR	Jogeshwari-Vikhroli Link Road
MCGM	Municipal Corporation of Greater Mumbai
MHADA	Maharashtra Housing Area and Development Authority
MMRDA	Mumbai Metropolitan Region Development Authority
MRVC	Mumbai Railways Corporation
MSRDC	Maharashtra State Roads Development Corporation
MUTP	Mumbai Urban Transport Project
NGO	Nongovernmental Organization
PAH	Project-affected Household
PAP	Project-affected Person
PIC	Project Information Center
RIP	Resettlement Implementation Plan
SAR	South Asia Region
SATIS	Station Area Traffic Improvement Schemes
SCLR	Santacruz Chembur Link Road
SPARC	Society for Promotion of Area Resources Centers
SRA	Slum Rehabilitation Authority
SRS	Slum Rehabilitation Scheme
USOA	United Shop Owners Association

INDIA
MUMBAI URBAN TRANSPORT PROJECT
(Loan No.4665-IN; Credit No.3662-IN)

**MANAGEMENT REPORT ON STATUS OF IMPLEMENTATION OF THE
ACTION PLAN FOLLOWING THE INSPECTION PANEL INVESTIGATION
REPORT (No.34725) AND MANAGEMENT REPORT AND
RECOMMENDATION (INSP/R2005-0005/4)**

I. INTRODUCTION

1. On March 28, 2006, the Executive Directors discussed the findings of the Inspection Panel's Investigation Report and the Management Report and Recommendations on the India Mumbai Urban Transport Project (MUTP). At the beginning of March, Management had suspended funding of two components of the project, in light of concerns about the equitable resettlement and rehabilitation of people affected by the road component. The Management Report focused on implementation issues, including the resettlement procedures for shopkeepers with medium- and large-size shops, restoration of incomes, post-resettlement services, baseline data, grievance redress mechanisms, and the quality of supervision. The Board endorsed the Management Report's Action Plan that had been prepared in close consultation with the Government of Maharashtra (GoM) and agreed that an update report would be provided periodically on progress made in its implementation.

2. The GoM substantially met the Bank's conditions to address the outstanding issues, and the suspension was lifted on June 29, 2006. One condition, completion of negotiations with the Santacruz Chembur Link Road (SCLR) shopkeepers, was waived because: (a) the Resettlement Implementation Plan (RIP) for SCLR, including a satisfactory set of procedures for negotiation, had been finalized and disclosed; (b) negotiations had started; and (c) further extension of the suspension might have given shopkeepers unrealistic expectations of extensive rehabilitation beyond the set of alternatives agreed upon between the Bank and the GoM. However, Management informed the Borrower that it would maintain active supervision of the project and that it might have to seek remedies, including suspension of the balance of the loan, if resettlement activities were not carried out in conformity with the agreed procedures¹ (see Annex 1, April 7, 2006 Letter from the Country Director).

¹ The prior review process for shifting affected families has been in place since the middle of February, 2006. Since then 1,821 households have either shifted or received keys for shifting. The Mumbai Metropolitan Region Development Authority (MMRDA) submitted requests for prior review for 1,205 households, consisting of 1,056 from the Kurla railway line, 30 shopkeepers from SCLR and 119 from JVLR-II, including 109 shopkeepers. The Bank reviewed these cases and provided its no objection by advising MMRDA to follow certain actions prior to shifting of people, such as the issuance of identity cards, payment of shifting allowances, and ensuring that the buildings are ready for occupation. In some other cases, MMRDA could not submit the request for prior review, since the allotment letters were issued before the prior review process came into existence. The Bank's local consultant and the Bank team verified the process followed in these cases and is satisfied that the process has broadly been followed, except that

3. Over the last months, progress has been made in resolving several outstanding issues at the resettlement sites (e.g., water supply and payment of interest on maintenance funds). A more consultative, consensual, and participatory process is in place for addressing the concerns of project-affected persons (PAPs), including the shopkeepers. The grievance process and Independent Monitoring Panel are operating more effectively. Management, however, remains very concerned about the slow pace of progress in finalizing the project's resettlement component. In particular, the full operationalization of the resettlement data base is slower than expected. Although negotiations have commenced with the shopkeepers on alternative options for compensation, progress has been slow in reaching final agreement with more than a small number of shopkeepers. These issues, combined with systemic difficulties in the identification, sequencing and prioritization of tasks and problems in inter-agency coordination, have resulted in delays in advancing the road component construction works and hence overall project implementation. MMRDA has assured the Bank that no resettlement of shopkeepers will take place, nor will construction of the related sections of roads commence, until agreements satisfactory to the Bank have been reached.

4. While the project offers a significant opportunity to be a showcase for managing complex urban development and resettlement in Mumbai, MMRDA and other government agencies have not yet demonstrated that they have the capacity to deliver on this promise. The Bank has been intensely engaged in monitoring project implementation to ensure the project remains on track, in full compliance with Bank policies. Management notes, however, that unless the various GoM authorities, especially MMRDA, improve their implementation record in a reasonable timeframe, the chances of the project successfully meeting its objectives will be compromised, and the Bank will need to consider restructuring the project to ensure a satisfactory outcome, including a possible reduction in scope of the project (see Annex 2, February 23, 2007 Letter from the Senior Manager, India Program).

5. This report responds to the Board's request to provide periodic updates on the implementation status of the Action Plan, including information on new developments. Management postponed the submission of this report until after the January 2007 supervision mission in order to be able to report to the Board on the basis of a more comprehensive assessment.

II. DESCRIPTION AND STATUS OF THE PROJECT

6. **The project is a highly challenging undertaking in urban development.** MUTP was approved by the Bank's Board of Executive Directors on June 18, 2002 (Loan No. 4665-IN; Credit No. 3662-IN).² The total Project cost is USD 945.0 million, of which USD 463.0 million is financed by an IBRD Loan, SDR 62.5 million (USD 79.0 million equivalent) by an IDA Credit, and additional financing of USD 403.0 million

the issuance of identity cards and payment of shifting allowances are delayed. The Bank team is following up on both these issues .

² It should be noted that during the preparation phase, the resettlement and rehabilitation aspects were for some time considered to be implemented as a separate, but complementary project, the Mumbai Urban Rehabilitation Project (MURP).

from the Government of India (GoI). The Project became effective on November 6, 2002 and is being implemented by the Mumbai Railways Corporation (MRVC); the Municipal Corporation of Greater Mumbai (MCGM); Bombay Electricity and Suburban Transport Corporation (BEST); Maharashtra State Roads Development Corporation (MSRDC); Traffic Police of Mumbai; and the Mumbai Metropolitan Region Development Authority (MMRDA) on behalf of the GoM and the Borrower, the GoI. MMRDA is the coordinating agency and is responsible for implementing the resettlement and rehabilitation component on behalf of all the implementing agencies.

7. **The Project consists of three components:**

- **Component 1 -- Rail Transport**, the main activities of which are: (a) improvement of capacity and performance of the suburban rail network of the Central and Western Railways through provision of infrastructure, (track additions, signaling systems power, etc.), new rolling stock (101 9-car electric motor units); and (b) technical assistance.
- **Component 2 -- Road-based Transport**, the main activities of which are: (a) area traffic control (250 junctions), selected traffic management infrastructure schemes (pedestrian crossings, station areas, over bridges, etc.) implemented by MCGM; (b) buses (644) procured by BEST; (c) road widening to facilitate two East-West linkages, the Jogeshwari-Vikhroli Link Road (JVLR) and SCLR, implemented by MMRDA/MSRDC; and (d) technical assistance.
- **Component 3 -- Resettlement and Rehabilitation (R&R)**, comprising mainly: construction of housing, and provision of services for resettlement and rehabilitation of project-affected families, implemented by MMRDA and financed with an IDA credit.

8. **MUTP has the potential to be a landmark undertaking for the development of Mumbai.** The project has an estimated economic rate of return of 37 percent, which will be achieved through increased volume and efficiency in the provision of goods and services within the city and improved transportation for commuters and residents. The project is already unlocking critical transport bottlenecks and will help accelerate overall urban development. MUTP has improved the quality of life and work for many residents and small businesses, with 16,000 households (out of a total of 20,000) already resettled from squalid and dangerous environments to new apartment blocks. This resettlement has facilitated substantial improvements in transportation connectivity, with significant improvements in the operational efficiency of the commuter rail system – as seen in a 4 to 9 minute reduction in travel time by trains per trip and an increase in peak time passenger capacity by 7 to 10 percent. The resettlement has also enabled planned track addition construction works to move forward. In addition, the urban bus system has been significantly improved with the replacement of 644 buses with newer models.

9. **Project Implementation.** MUTP is being implemented under difficult conditions in densely populated areas of Mumbai. Implementation has progressed slowly, with 34 percent disbursement after four and a half years. Land acquisition and resettlement issues,

poor inter-agency coordination, and procurement difficulties in several contracts have resulted in delays. Recent changes in key project management positions appear to have partially improved inter-agency cooperation, encouraged more proactivity among partners, and improved quality of the R&R process. This is evident in enhanced dialogue with the MCGM on follow-up regarding post-resettlement issues and with the Railways on approvals of designs for Station Area Traffic Improvement Schemes (SATIS). It was expected that this would lead to quicker and more effective implementation overall. However, this has not proven to be the case as yet, and MMRDA's and MCGM's continuing weaknesses in capacity to manage the project as a whole are a source of concern for Bank Management. Following the January 2007 supervision mission, the project was downgraded to unsatisfactory for implementation progress.

Table 1: Project at a Glance

Project Financing at Appraisal (2002):*	USD million
IBRD:	463.00
<i>Component 1 (Rail)</i>	304.90
<i>Component 2 (Road)</i>	150.50
IDA:	79.00 (SDR 62.5)
<i>Component 3 (R&R)</i>	79.00
GoI:	403.00
TOTAL	945.00
Disbursed (February 13, 2006):	
IBRD:	69.70 (15%)
IDA:	64.20 (81%)
TOTAL	133.90 (24.7%)
Disbursed (January 31, 2007)	
IBRD:	115.70 (25%)
IDA:	68.70 (87%)
TOTAL	184.40 (34.0%)

* excluding the Project Preparation Facility and Front End Fee of USD 7.63 million.

10. **The Inspection Panel Investigation.** The Inspection Panel received four requests representing several hundred residents and shopkeepers in 2004 and subsequently conducted an investigation, the findings of which were presented in December 2005. Most of the requesters, including those with the most complex cases, are located along SCLR. Section III below sets out in detail implementation of the Action Plan, which addresses key concerns raised by the Inspection Panel, including:

- Resettlement of medium- and large-size shopkeepers (Actions 1 and 2);
- Quality of baseline survey data (Actions 3 and 7);
- Management of post-resettlement activities (such as registration of housing cooperative societies, transfer of maintenance funds, adequate water supply and transport facilities, environmental management of resettlement sites, and institutional capacity) (Actions 3, 4, 6, 8, and 10);
- Grievance redress process (Action 9); and

- Supervision (Action 5).

III. ACTION PLAN

A. KEY OUTCOMES

11. **The progress to date in implementing the Action Plan shows improvement in the quality of processes followed in implementing R&R, which has led to better results for project-affected persons.** MMRDA has resettled 1,821 households (residences and shops) in the last eleven months, since the submission of the Management Response to the Inspection Panel Report in February 2006. To date, more than 16,000 households (or 80 percent of the total) have received alternative houses or shops. About 88 percent of residential project-affected persons and 29 percent of shopkeepers have been relocated to permanent houses/shops.

12. Progress has been made in services for resettled people including: (a) substantial and satisfactory improvement in water supply in Mankhurd and Anik resettlement sites (Annex 3 presents a quantitative summary of progress for three key dates – the May 2005 visit of the Inspection Panel, the February 2006 submission of Management’s Report and Recommendation to the Board, and the current status as of December 2006, when the last report by MMRDA on resettlement was prepared); (b) completion of transfer of common facilities to the initial 48 societies; (c) transfers of interest on maintenance funds; and (d) issuance of building maintenance manuals.

13. Good progress has also been made on the consultation and grievance process including: (a) full disclosure of lists of project-affected persons; (b) streamlining and public disclosure of the grievance redress process; (c) improved consultations with project-affected persons; (d) resumption of the work of the Independent Monitoring Panel (IMP) under a new Chairman with extensive experience in urban development and local governance; and (e) follow-up on the implementation of remedial measures at resettlement sites recommended by the IMP.

14. Improvements in MMRDA’s management capacity and processes include: (a) strengthening the R&R unit with additional staff, including secondment of a dedicated Deputy Registrar-Cooperatives; (b) finalizing and utilizing the resettlement implementation manual; (c) completion of baseline survey updates where people are yet to be shifted; and (d) installing Oracle software for more efficient data base management. There has also been progress in resolving the land ownership issues related to shopkeepers of JVLR-II.

Table 2. Status of Resettlement (End December 2006)

Unit Type	Totals	Resettled (as of Jan. 31, 06)	December 31, 2006	To be Resettled
Households	17,378	13,877 (80%)	15, 315 (88%)	2063 (12%)
Shops: [Of which > 225 sq.ft].	2,569 [800]	369 (14%)	752 (29%) 84 (10.5%)	1817 (71%)
Total:	19,947	14,246 (71%)	16,067 (80%)	3,880

				(20%)
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15. **However, progress has been slower than anticipated in some other areas.** During the first months after the Board discussion, the focus of MMRDA’s attention was on meeting Management’s conditions for lifting the suspension; as a result, several of the later items in the Action Plan were not adequately attended to (e.g., registration of cooperative societies). The overall capacity of MMRDA for implementing the Action Plan also remained below expectations as increased staffing proceeded only incrementally.

16. **Negotiations with large shopkeepers have begun but are proceeding slowly.** Of the 800 large shopkeepers (i.e., with premises greater than 225 square feet), some 84 (or 10.51 percent) have been resettled to date, including 48 large shopkeepers along the SCLR. This delay remains a major concern of Management and has been the subject of extensive discussions with MMRDA. According to MMRDA, the delay is related to the complex and intensive nature of the negotiation process, which has been hampered by the need for MMRDA to address monsoon flooding risks for encroachers on the Mithi River banks (for which the High Court issued an order for immediate action to be completed by May 2006). These events coincided with a period of major personnel and administrative changes within MMRDA. MMRDA then focused on resettling people along the Thane-Kurla rail corridor to support a long delayed works contract, and along JVLR, where a conclusion of the process seemed in close reach.

17. Some other challenges remain in achieving full implementation of the Action Plan. These include coordination between civil works and timely completion of land acquisition and relocation of affected religious and other community structures. Also, the registration process for cooperative societies involves several signatures by project-affected households (PAHs) and has affected subsequent payment of interest on maintenance funds, the establishment of Community Revolving Funds (CRFs) and transfer of conveyance deeds.

B. MANAGEMENT ACTION PLAN

18. Since the March 28, 2006 Board meeting, Management has worked closely with the Borrowers and affected communities to resolve the issues identified in the Action Plan, in particular, resettlement and rehabilitation. A number of key issues with respect to the overall management of R&R, the grievance process, communications, and some aspects of post-resettlement are completed or substantially completed. The supervision team has been strengthened with the addition of an urban specialist and a water supply specialist. A Mumbai based social scientist has also been working full time on the project since March 2006.

19. Members of the Bank’s supervision team have made ten visits to Mumbai and maintained intense supervision of the project, as well as an open dialogue with MMRDA and the GoM (see Annex 4, List of Supervision Missions). Most of these visits concerned the issues raised by the Inspection Panel Investigation Report and included meetings with

groups of project-affected persons to get their views on the resettlement process. One mission was a high level fiduciary mission conducted in March 2006. South Asia Region (SAR) senior management proactively monitored implementation progress and maintained dialogue with GoI and GoM officials. The SAR Vice-President and the then Country Director met with the Secretary, Department of Economic Affairs (DEA), Ministry of Finance, (July 24, 2006) to review progress to date; they also met the DEA Deputy Secretary in charge of urban and transport and GoM/MMRDA Principal Secretary, Urban Development. The Senior Country Program Manager met the Project Director and the Chief Secretary, GoM (August 14, 2006), to seek their active cooperation in resolving outstanding issues, such as registration of housing cooperative societies (by providing a Registrar to MMRDA, which has now been done). He also met the Joint Secretary, DEA, Ministry of Finance, in September 2006 and briefed him on the status of the project and progress in the implementation of the Action Plan. The Managing Director met the Chief Minister of Maharashtra in October 2006, and discussed more broadly the future engagement of the Bank in Mumbai's urban development (Vision Mumbai). The Senior Country Manager and acting Country Director again met the Chief Secretary, GoM on December 13, 2006 to express the Bank's concerns over the slow pace in the implementation of several key actions related to resettlement and to deliver a letter on the subject. Finally, a full supervision mission was carried out in January 2007, followed by a discussion with DEA on February 15, 2007 as part of a portfolio review (see Annex 2).

20. **Urban Resettlement Workshop.** As agreed with the GoM in April 2006, the Bank organized a workshop in September 2006 on land acquisition and resettlement issues in an urban context within India. The objective of the workshop was to make progress towards reaching a consensus between the World Bank and Government officials on how to address urban R&R issues. This would in turn lead to a pragmatic policy framework – which could be supported by the Bank – to address complex urban development and land acquisition issues, and facilitate implementation of resettlement. The workshop was attended by senior officials from the Bank, GoI, GoM and other States. It resulted in a positive change of attitude on the part of key officials from the GoM and other States and better appreciation of the potential benefits of the Bank's R&R policies. Since the workshop, the GoM has demonstrated its understanding of the need to adopt a consultative and livelihood-based approach for the resettlement of MUTP affected people, including shopkeepers. For its part, the Bank recognized the need to consider further effective ways to implement the R&R policy in an urban context. The Bank and the GoM now share a conviction that it will be possible to reach consensus on how to implement Bank policies for the resettlement of future project-affected persons within the larger plans for transformation of the Mumbai Region, and they have resolved to work towards that goal.

21. Despite MMRDA's engagement to implement the Action Plan and the Bank's active supervision of the process, Management acknowledges the lack of progress to date in several critical areas, including the full operationalization of the data base, the allocation of multiple identification numbers, the registration of cooperative societies, and pending grievances in transit camps, as well as an action plan for the disposal of the transit units.

C. BORROWER ACTION PLAN

22. The status of issues under the current Board endorsed Action Plan is discussed below and summarized in Annex 5:

Action 1: Negotiations with each eligible shopkeeper will be held on the basis of options listed in the Action Plan when applicable. Agreements reached will be recorded and implemented.

23. **About one-third of the project-affected shopkeepers are located along the SCLR, where the majority of disputes about resettlement and compensation have taken place.** As of December 31, 2006, data from SCLR indicate that 229 shopkeepers out of 745 (31 percent), including commercial-cum residential ones who have opted for commercial resettlement, have been resettled. Negotiations with another 40 shopkeepers are complete. Of the 229 shopkeepers, 48 or about one fifth are medium- or large-size shopkeepers using more than 225 square feet (sq.ft). The revised RIP for SCLR-Phase I, which takes into account both the widening of the cross-section to 45.7 meters and the need for appropriate compensation for shopkeepers, was cleared by the Bank on May 10, 2006. This document has been publicly disclosed on the MMRDA website³ and locally in the project area via information kiosks. The RIP clearly provides for Bank-endorsed options to be used in settling issues with shopkeepers for whom previously proposed resettlement arrangements were found inadequate. MMRDA has confirmed that it will provide compensation, compatible with the principle of restoration of livelihoods that may go beyond MMRDA's general policies; this would include options for large shopkeepers.

Table 3. Detailed Status of Shops Resettlement (End December 2006)

Location	Totals	Resettled (as of January 31, 06)	Resettled (as of December 31, 06)	
				<i>Of which > 225 sq.ft.</i>
SCLR	745	112 (15%)	229 (31%)	48
Other	1824	257 (14%)	523(29%)	36
Total	2569	369 (14%)	752 (29%)	84

24. MMRDA held a formal meeting with the United Shop Owners Association (USOA) on June 6, 2006, with World Bank and Inspection Panel representatives present as observers. This meeting confirmed disclosure by MMRDA of the process of negotiations to be followed and of the resettlement alternatives offered. The meeting also confirmed the willingness of MMRDA to negotiate with the shopkeepers and to consider their proposals, even if they went beyond the six alternatives in the Action Plan that were approved by the Bank. In response to the USOA's interest in *in situ* redevelopment under the Slum Rehabilitation Scheme (SRS), MMRDA offered to consider the proposal,

³ <http://www.mmrdamumbai.org>

provided the shopkeepers had a concrete plan and met all legal conditions set down for such schemes by the MCGM and the High Court, including necessary approvals from the Slum Rehabilitation Authority (SRA). A detailed procedure on how MMRDA would deal with shopkeepers who refuse to negotiate was approved by Bank Management on September 20, 2006.⁴ Representatives of the Bank, along with MMRDA and an observer from the Inspection Panel, met the USOA on January 23, 2007, during the supervision mission.

25. After several rounds of informal negotiations, MMRDA issued letters on December 18, 2006 to 314 eligible shopkeepers of SCLR (in addition to the 229 that have been or are in the process of being resettled), initiating the process of resettlement in case of failure of negotiation. This letter included a copy of the relevant procedure. On January 18, 2007, the USOA submitted a formal proposal for *in situ* redevelopment to which MMRDA has responded that it is not feasible because: (a) the land identified in the proposal belongs to MCGM and has been designated in the Development Plan reservations for Muslim and Jewish cemeteries and recreation space; (b) the area is zoned under CRZ-2 regulations; and (c) it is very likely to be affected by the Mithi River widening work now underway. The IMP carried out a field visit to SCLR with MMRDA officers on February 22, 2007 during which they held discussions with USOA regarding their in-situ resettlement. The IMP decided that MMRDA will issue 'no objection certificate' for the *in situ* redevelopment scheme proposed by USOA (which will help resettle about 200 SCLR shopkeepers), provided the latter gives a 'written undertaking' in advance to clear the site by May 2007. The IMP informed the shopkeepers that within its jurisdiction MMRDA can only recommend the proposal to the competent authorities for approval. A decision on the issue is expected in the IMP meeting scheduled for March 12, 2007.

26. In total, there are 1,824 project-affected shopkeepers in various sub-projects other than the SCLR. Some 523 (29 percent) have been resettled to date. Of these 523 shopkeepers, 36 are medium- or large-size shopkeepers with premises above 225 sq.ft. MMRDA held discussions with the representatives of the Powai Merchants Association (on the JVLR-II) on May 4, 2006 to specifically discuss land ownership matters. MMRDA convened a follow-up meeting on July 26, 2006 with the shopkeepers of JVLR-II, which included observers from the World Bank and the Inspection Panel. The meeting discussed key issues related to determination of ownership and tenancy, allotment procedures for shops at the Powai shopping plaza, and availability of extra space for purchase. In the last few months, MMRDA held several rounds of consultations with the land owners of the shops in JVLR-II and reached a satisfactory agreement to provide an equivalent area in lieu of compensation to owners of land and residential structures. The

⁴ These procedures include mapping shopkeepers (and their current business categories) with the two most suitable options proposed in the Action Plan and notifying the shopkeepers to accept one or propose any other mutually acceptable option within 10 working days for negotiation. If the shopkeeper does not come forward or exercise any of the options proposed in the Action Plan, then MMRDA will assign the most suitable option and issue an allotment letter, along with a legal notice approved by the IMP, requesting that the shopkeeper: (a) accept the allotment; (b) request any changes within the resettlement options available in the Action Plan; or (c) appeal to the Grievance Redress Committee (GRC), if there is any grievance with the allotment. If the shopkeeper does not come forward to negotiate within five days of receiving the allotment letter, MMRDA will then clear the site 48 hours after delivering a legal notice to the shopkeeper.

process of allotment of shops to all other shopkeepers is at an advanced stage. MMRDA convened another meeting on July 27, 2006 with shopkeepers near the Jogeshwari Road over Bridge (RoB) to initiate dialogue on the issues related to resettlement of shopkeepers and small industries.

27. On this basis it is expected that the resettlement of the shopkeepers along Thane-Kurla and JVLR will be substantially completed by March 2007, except for any delays resulting from the grievance redressal process. Resettlement along SCLR should be mostly completed by September 2007. With regard to SATIS and RoBs, design issues in the former case, and readiness of relocation sites for project-affected persons in the latter have led to a revised estimated date of March 2008 for completion of resettlement of shopkeepers in these areas.

28. MMRDA has assured the Bank that no resettlement of shopkeepers will take place, nor will construction of the related sections of roads commence, until agreements satisfactory to the Bank have been reached.

Action 2: MMRDA will publicize policy provisions related to making available up to one year of income on a one time basis to those affected employees who are not reemployed as a result of project resettlement and will process the requests as and when received.

29. The provisions for one-time assistance, equivalent to one year's income, for affected employees who are not re-employed by the relocated shopkeepers, as well as the process to be followed for administering this assistance, is described in the Implementation Manual (paragraph 2.11 and page 12), which was disclosed in the Public Information Centers (PICs), and uploaded on MMRDA's website. MMRDA has yet to receive any requests from affected employees for assistance. In most cases, the employees are expected to be re-hired by the same shopkeepers or they will find alternative employment given the dynamic labor market in Mumbai. Only those employees who cannot be absorbed in any wage earning activity after three months of impact may approach MMRDA for this assistance.

Action 3: MMRDA will improve its resettlement implementation mechanisms through various measures such as: (a) registration process for PAP cooperative societies and cooperative management plan; (b) undertaking construction of additional social services at R&R sites; (c) transferring maintenance funds from the SRA to PAP cooperative societies; (d) transferring conveyance deeds from MMRDA to the cooperative societies; (e) providing building maintenance manuals and brochures for supporting proper management of cooperative societies; (f) taking steps to improve water supply at resettlement sites; (g) improving transport connectivity at resettlement sites; and (h) undertaking impact assessments to determine the improvements in the living standards and proposing remedial measures for any improvement required as a result of assessment findings.

30. Registration Process for PAP Cooperative Societies and Cooperative Management Plan. Registration of cooperative societies is important for the initiation of several post-resettlement activities, one of the key ones being the transfer of interest on maintenance funds to help the residents to pay for building maintenance and other dues (see paragraph 32 below). There should be about 200 PAP cooperative societies at the end of project implementation. To date, 58 cooperative societies have been registered (about 29 percent) and proposals for another 30 societies are in an advanced stage of registration, although they are yet to be finalized because of a delay in delegating administrative powers. Some project-affected persons have come to believe that they may get more support from the Government if they are not yet members of a registered society and this has made the process of registration more complex. The process is expected to advance since the GoM has seconded a Deputy Registrar to MMRDA; about 130 societies in total are anticipated to be registered by August 2007. This progress represents a moderately satisfactory outcome, given the difficulties to date. The project team and Bank senior management will continue to monitor closely this action with the aim of achieving full registration by March 2008.

31. Undertaking Construction of Additional Social Services at R&R Sites. MMRDA is working to improve the educational facilities in the resettlement sites. The construction of a secondary school in a 3,500 sq.ft. plot has commenced in Mankhurd and another site has been identified at Anik. In addition, MMRDA handed over 48 housing units (10,800 sq.ft) at Mankhurd and Anik to MCGM in December 2006 to house temporary schools until new school buildings are built. It is expected that these schools will commence at the start of the next academic session in June 2007. In addition, MMRDA compiled a list of schools within a 1.5 km radius of various resettlement sites for the benefit of the affected people living in those areas. A rapid survey of children going to nearby schools, continuing in old schools and drop outs in 8 resettlement sites has been carried out by MMRDA with the help of nongovernmental organizations (NGOs). The information indicates that there are about 230 drop out children, or about 4 percent of the total (see also paragraph 59 below). MMRDA noted that there are facilities for informal education through centers run by Sarva Shiksha Abhiyan for the children who have dropped out.

32. Transferring Maintenance Fund Interest and Conveyance Deeds. Transfer of interest on maintenance funds is now up to date for 46 cooperative societies. Two cooperative societies are having organizational problems and are not yet ready to receive funds. The funds for the remaining societies will be transferred once the registration process is completed. There has been a delay in initiating the process for the transfer of conveyance deeds for those societies where the registration process has been completed. Little attention has been paid to this issue by MMRDA. This issue affects many buildings in Mumbai, not just those affected by the project. MMRDA's focus has been on other higher priority issues for the time being, which the Bank considers appropriate.

33. Providing Building Maintenance Manuals and Brochures for supporting proper management of cooperative societies. Maintenance manuals are being prepared by the respective developers/contractors for each site and have been distributed to 100 cooperative society management committees (including those societies that have not yet

been legally formalized) in the Mankhurd, Ajgaonkar, Anik and Majas sites. These manuals contain the details of various installations, maintenance aspects such as “Dos and Don’ts”, restrictions on structural changes, etc. In addition, a brochure on society guidelines outlining the management of society premises and internal works in the apartments, and setting out key messages on dealing with emergencies, child safety, respect for all residents, and responsibility for maintenance of the property, etc. was printed in March 2006 and is being distributed widely among the project-affected persons.

34. **Taking Steps to Improve Water Supply at Resettlement Sites.** Significant progress has been made in regular provision of water supply to resettlement sites, which is now comparable to that of other areas of Mumbai. Since March 2006, progress has been made on measures such as looping of the main supply to increase water pressure and removing obstructions in pipelines. All buildings occupied by PAHs in the resettlement colonies have been connected with the piped distribution network of MCGM. Water is received in the assigned underground reservoir of each building, pumped to roof-level tanks and from there distributed through the internal plumbing system to each tenement. Difficulties (inadequate water supply at low pressure) experienced by the people in resettlement colonies at Anik and Mankhurd, over the last summer and earlier, have been addressed by MMRDA with advice from MCGM. Water allocation to M (East) Ward, where most of the resettlement colonies are located, has been increased by MCGM. Supply now ranges from 70-125 lpcd, compared to 25 lpcd in Anik and 69 lpcd in Mankhurd in May 2005 when the Inspection Panel visited the site, and tanker supply was discontinued after September 15, 2006. No complaints on water shortage have been registered of late. There have been reports, however, regarding the intentional breakage of water meters by some tenants, which MMRDA is working to resolve.

35. **Improving Transport Connectivity at Resettlement Sites.** Accessibility and availability of bus service from the resettlement colonies (from 0.5-1 km) is comparable to that of other areas of Mumbai. BEST has added 43 buses to MUTP and Mumbai Urban Infrastructure Project (MUIP) sites, including 11 at Anik and 3 at Mankhurd during the last year. BEST is now operating a total of 293 routes to 20 MUIP and MUTP sites, using about 3,400 buses and covering just fewer than 20,000 trips a day. These are being supplemented by the availability of shared autos (three wheelers) from the resettlement sites to railway stations and other important workplaces, junctions, etc.

36. Since late February 2006, the Society for the Promotion of Area Resources Centers (SPARC) has operated 8 special bus trips a day from Kanjur, Mankhurd and Gautam Nagar to Gazi Nagar and Buddha Colony to provide for just over 250 school children whose families were relocated in mid-year. Two new bus routes that operate inside the resettlement colonies at 15-20 minute intervals – one each in Mankhurd (with 3 buses) and Anik (4 buses) – were introduced by BEST in July 2006. These buses operate from Mankhurd/Anik to the Kurla railway station, an important suburban railway station in Mumbai. The feedback received during the field visit of the Bank's local consultant on August 3, 2006, indicates that the project-affected persons now consider it easier to reach the major bus routes and railways stations during the morning peak hours.

37. **Undertaking Impact Assessments to Determine Improvements in Living Standards and Proposing Remedial Measures** for any improvement required as a result of assessment findings. MMRDA has commissioned the impact assessment for the Anik, Mankhurd and Majas resettlement sites through the Tata Institute of Social Sciences, Mumbai, which submitted an inception report outlining the proposed methodology and size for the household surveys. The study will independently assess the impact of resettlement implementation in terms of changes in the living standards of project-affected persons with regard to housing conditions, access to basic amenities, opportunities for employment and income, and other living conditions. Based on the assessment findings, MMRDA may take any remedial measures that are required to improve the living conditions of project-affected persons. The assessment is expected to be completed by the end of March 2007.

Action 4: MMRDA will assist cooperative societies to maintain public assets and take measures for solid waste management in resettlement sites.

38. MMRDA wrote to all PAP cooperative societies in November 2005 asking them to report on the defects in their building for one time repairs. In response to this, some societies did report defects in their buildings that are being attended to by MMRDA. One issue that has been resolved is the permanent closure of an open drain at Majas. Complaint registers are being kept in each building for the use of project-affected persons. The IMP is following up closely with regular field visits and reviews during its periodic meetings. Compliance with IMP suggestions for improvement of asset management at R&R sites is being monitored with the help of an “Action Taken Matrix,” which is regularly provided by MMRDA to the Bank project team for review and shared with the Inspection Panel consultant based in Mumbai.

39. MMRDA is in the process of appointing Environment Management Capacity Building (EMCB) consultants who will undertake an assessment and prepare an action plan for training of NGOs on environmental issues such as solid waste management and other activities that have implications for community health and tree plantation in resettlement sites. This procurement has been considerably delayed but MMRDA is in the process of finalizing consultant selection and expects to finalize the procurement by end of February 2007, after receiving approval from its Executive Committee.

40. MMRDA has initiated a dialogue with the MCGM to put in place a mechanism for proper solid waste collection. Following MMRDA’s discussion with the MCGM, the latter has developed a transport plan for garbage pick-up from the R&R sites on the condition that MMRDA take responsibility for ensuring waste segregation at source and put in place the required number of garbage bins at various pick-up points in the R&R sites. For its part, MMRDA has prepared a waste disposal assessment report for R&R sites based on which it will put the bins in place and facilitate waste segregation at source in order to allow regular waste collection and disposal by the MCGM garbage vans. MMRDA has submitted a proposal to the Bank for procurement of bins per MCGM’s specifications and guidelines. The Bank will provide its “no objection” by the end of March 2007.

Action 5: MMRDA will strengthen its institutional arrangements for day to day management, assess NGOs' capacities and roles and prepare and implement a training program for sensitization and skills improvement of staff, NGOs and others involved in the implementation.

41. MMRDA has strengthened its R&R capacity with a new Project Director and five additional staff, all of whom have experience in R&R implementation. A detailed organizational chart for the R&R cell has been prepared. The Chief of R&R, who has been named, is now supported by five community development assistants and staff with backgrounds in R&R management, data base management, land acquisition, environmental management, and public relations. The GoM has seconded a Deputy Register-Cooperatives to MMRDA to speed up the process of registration of cooperatives. In spite of advertising the position of Social Scientist on at least two occasions, MMRDA has not yet received suitable applications and recently re-advertised this position in the national newspapers. The Bank has a social development consultant based in Mumbai who is working closely with MMRDA to ensure efficient systems are in place for R&R implementation.

42. MMRDA has identified the activities that: (a) will continue to be carried out by NGOs (i.e., consultations with project-affected persons, management of PICs, facilitating the transfer of ration cards and electoral rolls, and baseline surveys); or (b) will be phased out and/or managed by MMRDA or another professional agency (i.e., management of post-resettlement activities, such as preparation of RIPs, membership in the Grievance Redress Committees [GRCs], payment of allowances, issuance of allotment letters or identity cards, preparation of eligibility lists, assisting project-affected persons in registering cooperative societies, training project-affected persons for management of the cooperative societies, assistance to vulnerable project-affected persons through revolving funds, and liaison with local authorities). MMRDA completed the process for selection of consultants and obtained its Executive Committee's approval for the appointment of the first-ranked agency and accordingly offered the contract. However, there has been considerable delay on the part of the consultants to give their consent to MMRDA's offer. The Bank team met with a representative of the first-ranked agency, who informed that his company was unable to put together a team and that it is highly unlikely that it will accept the offer. MMRDA will approach its management to obtain approval for appointment of the agency that came in second, whose proposal is about three times the cost of the first. As result of this unanticipated delay, vital capacity-building activities for management of cooperative societies by project-affected persons and other post resettlement activities basic to long term sustainability of the housing cooperatives will be compromised unless quick action is taken.

43. A training program schedule has been prepared by MMRDA. Three training programs related to data base management, the documentation process, and resettlement implementation have been conducted with MMRDA staff, other implementing agencies and NGOs to upgrade their skills in these areas. The remaining programs are expected to be conducted as part of the training schedule during 2007.

Action 6: MMRDA will improve its R&R process through measures such as: (a) finalizing the R&R implementation manual to define the procedures; (b) expediting the finalization of outstanding RIPs; (c) expediting the issuance of identity cards and payment of shifting allowances; (d) assessing the magnitude of relocation of community assets and synchronizing their relocation with the civil works time table; and (e) the GoM filling the position of IMP Chairman and clarifying the IMP's role.

44. **Finalizing the R&R Implementation Manual to Define Procedures.** The R&R Implementation Manual has been revised and updated to define the procedures for implementation of various activities, such as the definition of key concepts, administration of entitlements, allotment procedures, readiness filters for resettlement sites, grievance procedures, management of post-resettlement activities, etc. The Manual has been disclosed in the PICs, and uploaded on MMRDA's website.

45. **Expediting the Finalization of Outstanding RIPs.** Out of three pending RIPs, one RIP for SCLR was finalized and endorsed by the Bank in May 2006, and is now under implementation. MMRDA is working on two other RIPs (Vikhroli RoB and SATIS). The shopkeepers of Vikhroli RoB have proposed a site constructed under MUIP as suitable for their resettlement, which is being considered by MMRDA. The RIP will be completed once the alternative relocation site for the shopkeepers has been finalized. In the case of SATIS, both MMRDA and MCGM are researching the availability of shops closer to the SATIS. Once suitable sites are identified the RIP will be finalized.

46. **Expediting Issuance of Identity Cards and Payment of Shifting Allowances.** The issuance of identity cards is in progress. To date, 6,319 identity cards have been issued, which is about 32 percent of the total requirement. Shifting allowances are being paid as project-affected persons are shifted.

47. The IMP is currently looking into media and other reports concerning the issue of multiple allotments of identity cards. MMRDA met with the IMP on this matter in November 2006 and asked the Panel to lead an independent verification exercise. A Task Force has been constituted to undertake a desk review, and based on the findings of this review, the IMP will undertake field verifications, including third party verifications, if required. The IMP will propose appropriate corrective measures in the event that irregularities are found. Completion of this review was anticipated by January 31, 2007; however, this has been delayed, and is now expected by the end of March 2007.

48. **Assessing Magnitude of Community Asset Relocation and Synchronizing with Civil Works Timetable.** MMRDA has identified major religious buildings and sites along the JVLR and SCLR that will be affected by the project (a total of 14) and held meetings with the concerned stakeholders on August 24, 2006 to discuss suitable alternative sites. Details about various community assets to be affected by the sub-projects are being enumerated. The project team is satisfied at this point that effective methods have been applied to manage this issue and the Bank is closely monitoring specific cases as they arise. Because of the sensitivity of the issue, however, no time limit

can be set for the negotiations and it is expected that this action will take several months more to be resolved.

49. **Position of IMP Chairman Filled by GoM and Clarification of IMP's Role.** A new IMP was constituted in mid-March 2006 under the chairmanship of the former MMRDA and MCGM commissioner. The new IMP is actively involved in following up key aspects of resettlement implementation. To date, nine meetings have been held, and the Chairman and other members have also undertaken field visits to Mankhurd, Majas, Anik, Antop Hill, Asgaonkar, Kanjur Marg, Ghatkopar, Wadala and Nahur, following which they provided feedback and suggestions for improvements in water supply, approach roads, social facilities, drain repairs, leakage problems, etc. It was noted that the situation in post-resettlement sites had considerably improved after follow-up action was taken by MMRDA on these issues. The key items identified by IMP on which follow up action has been taken are related to civil work defects (such as roof leakage); management of stormwater drainage and sewage systems; handing over of sites to MCGM for effective management of roads, solid waste, closing of open drains, construction of boundary walls around water tanks at Mankhurd etc.; payment of electricity and water bills; and promoting awareness among PAHs for sustainable self management of resettlement sites. The MMRDA's latest report indicates that, out of 70 actions points made by IMP, MMRDA has fully addressed 26 and partly addressed another 44 points. As explained above (paragraph 47), the IMP is also looking into the issue of multiple allotments.

Action 7: Improving data base management.

50. MMRDA has purchased Oracle software and installed it. A professional to manage the data base has also been appointed. The data base is operational to the extent that it is now possible to generate eligibility lists, issue identity cards, provide socio-economic information and relocation status, produce reports based on simple queries, and it is systematically used for fresh allotments, per World Bank request and prior-review control. However, the data base cannot be used as yet to facilitate decision-making and will require further refinements to enable more sophisticated queries.

51. While MMRDA has essentially met the targets for data base improvements which were specified by Bank Management, a considerable amount of data is yet to be inputted, and programs need to be refined to respond to queries based on multiple variables. The lack of progress is due to several factors, such as staff turnover at MMRDA and at the consultant agency, difficulties in streamlining data collected by NGOs in different formats, system inadequacies, and lack of focused attention. The application is being made more user-friendly and will need further refinement to make it an effective tool for tracking R&R activities. It is expected that the data base will be fully operational by May 2007.

Action 8: MMRDA will engage in communications with project-affected persons and improve documentation.

52. MMRDA has improved communication with project-affected persons, which is evident from several meetings it held over the past several months. These include: meetings with USOA on June 6, 2006, and January 23, 2007; with the Powai Merchants Association along the JVLIR on May 4, 2006 and July 26, 2006, and with the shopkeepers of Jogeshwari RoB on July 27, 2006. In addition, MMRDA also held meetings with representatives of affected religious places on August 24, 2006, and with affected private property owners living in Maharashtra Housing Area and Development Authority (MHADA) buildings along the SCLR on July 28, 2006. In most of these meetings, representatives of the World Bank and Inspection Panel attended as observers. MMRDA also held numerous informal meetings that were not recorded formally. The Chairman of the IMP has undertaken several field visits and interacted with the project-affected persons, as noted above. The various issues discussed during these consultations included options available for resettlement of shopkeepers, land ownership issues, the allotment process, post-resettlement issues, and possible in-situ resettlement for those living in MHADA building, etc.

53. A new PIC with a separate room and arrangements for seating of visitors has been established at MMRDA (1st Floor), and the relevant documents and brochures are now available there. Furthermore, several documents, such as the Implementation Manual, the RIPs, grievance redress process, list of eligible project-affected persons and those who are already resettled, are disclosed on MMRDA's website.

Action 9: Improve grievance redress process.

54. Agreement has been reached between MMRDA and the Bank on a strengthened grievance process, and the revised process has been incorporated into the Implementation Manual. The main improvement in the process is the specification of a clear timeframe for registering a grievance and confirmation that the resettlement of a petitioner will not be carried out before the grievance process is completed. A brochure describing details of the new grievance process has been finalized and disclosed on MMRDA's website. A revised format for allotment letters, to include summary information on the grievance redress process, has also been completed. The brochure on the grievance process has been translated and is being attached to allotment letters. MMRDA has provided support staff and a computer to the GRCs to strengthen record-keeping and documentation.

55. MMRDA has submitted the status report on the grievance redress cases to date. A total of 2,068 cases were redressed out of 2,501 cases (83 percent) by the field level GRC. Out of this, 963 cases (46 percent) have benefited from favorable decisions. Similarly, out of 138 cases, 74 cases (54 percent) have been redressed by the senior level GRC, of which 38 cases (52 percent) have benefited from favorable decisions. The process is now streamlined and slowly improving. The number of cases disposed of by the field level GRC increased from 1,594 as of June 30, 2006 to 2,068 as of December 2006, while the proportion of pending cases decreased from 27 percent to 17 percent in the same period. The process to dispose of grievances takes longer than originally expected because it may require submission of follow-up evidence by the project-affected persons, field verification, cross examination, etc.

56. The pending grievance cases in transit camps have also been resolved. Out of 104 pending cases, 24 were found to be eligible. However, while the grievances have been processed for those project-affected persons residing in transit camps, the allotment of housing units to eligible project-affected persons and issuance of notices to ineligible people is yet to be completed. The action plan for future use of transit camps, including removal of portions of transit camps that are not in compliance with Coastal Regulation Zone (CRZ) regulations, is yet to be prepared. The Government has committed to complete this action by February 28, 2007.

Action 10: Operationalization of the Implementation Manual.

57. The Implementation Manual has been finalized, taking into account the Bank's comments, and is now available in the PICs and has been uploaded on the MMRDA website. The manual is being used to administer the entitlements and apply relevant procedures.

IV. OTHER ISSUES

58. Since the Board discussion in March 2006, a number of challenges affecting the project have arisen. These include the provision of temporary school services for project-affected children and the resettlement of street sellers ("hawkers") and residents of the Lake Powai area due to construction activities.

59. **Temporary School Services.** The need for temporary school services has emerged recently as it appeared that children were dropping out of school for reasons unrelated to access to public or private transport services for commuting to schools. At the suggestion of the Bank and the IMP, MMRDA, with the help of a local NGO, has prepared a needs assessment report on schoolchildren in eight resettlement sites, including Anik and Mankhurd, with information on the number of children going to school, schools available around R&R sites, and gaps between needs and existing facilities. The data indicate that about 3,964 children (74 percent) out of 5,364 children surveyed have received admission in schools in and around the new resettlement sites, while 1,169 (22 percent) children continue to go to schools at the old resettlement sites because of the quality of education, type of institution, continuity, and a non-refundable one-time fee for registration. The remaining 231 (about 4 percent) children can be considered as having dropped out due to various reasons such as unaffordability and non-availability of nearby schools of their choice. MMRDA has offered 48 housing units to MCGM for commencement of temporary schools when the next academic year starts in June 2007. MMRDA also commenced construction of a secondary school at Mankhurd and identified a site at Anik for construction of another.

60. **Hawkers.** A requester on behalf of Urban Street Vendors Lok Seva Kendra (also known as "hawkers") wrote to the Inspection Panel in March 2006, alleging that the vendors were being removed from their street sites without any assistance from the local government. The Bank has investigated the issue and verified that these hawkers are not affected by MUTP. MUTP, for its part, does not consider that it needs to resettle the

hawkers at present. Once the proposed SATIS take place, however, there may be some local impacts to the hawkers.

61. There are no explicit provisions in the MUTP R&R policy to deal with hawkers who are by definition mobile and do not occupy a permanent place. The Supreme Court of India, in an interim order on hawker issues, has directed that areas within 150 meters of railways stations should be declared as “no hawking” zones. Therefore, MCGM has started a drive to clear away hawkers from the suburban railway stations. Any impacts to the hawkers due to the proposed SATIS will be addressed as part of the RIPs, which will include adequate provisions to facilitate sustainable reinstatement of their businesses opportunities.

62. **Lake Powai Residents.** The local residents and NGOs near Lake Powai have expressed concerns about the impacts to the lake due to the widening of JVLR. The main concerns include: (a) demarcation and disclosure of the lake boundary in order to rule out future encroachments on the lake; (b) prevention of silting and contamination of the lake; (c) obstruction of the lake view due to the construction of the retaining wall; (d) the possible construction of flyovers in lieu of widening to avoid impacts; and, (e) representation of local residents on the Citizens’ Committee that is monitoring the construction of JVLR.

63. In order to respond to the concerns of the NGOs and local residents, MMRDA held public consultations on April 25, 2006 and clarified the measures taken to protect the lake which include: (a) MMRDA’s disclosure of the lake demarcation map on its website; (b) explaining that the protection wall under construction is, in fact, aimed at preventing silting in the lake, and that the reason for the proposed low height of the retaining walls (0.75 to 0.9 meters above the road level) is to maintain the lake view; (c) MMRDA’s reconstitution of the Citizens’ Committee for JVLR, including two local residents, which has been meeting at regular intervals; and (d) MMRDA’s explanation to stakeholders that the techno-economic feasibility study that was done at the time of design finalization had considered the possibility of a flyover, but that the current design (i.e., road-widening) is the most feasible option.

V. CONCLUSION

64. **Progress.** MMRDA and GoM have made good progress on many of the above-cited ten actions, especially with respect to resettlement services, and consultation and grievance resolution. Some progress has also been made in strengthening MMRDA’s management capacity and processes, including efforts to improve inter-agency planning and coordination on projects dealing with land acquisition, resettlement and rehabilitation, and utility relocation. Further progress on these issues is still important – including registration of cooperative societies and related post-resettlement actions to assure sustainability of the new living environment for affected households. The Chief Secretary has taken a personal role in monitoring the implementation of the Action Plan and met several times over the past months with Bank teams on these issues. MMRDA, with the help of a reinvigorated IMP, has sought innovative solutions to new problems that have arisen, such as deciding to organize temporary schools on site where needed.

65. **Income Restoration for Large- and Medium-size Shopkeepers.** The central issue of income restoration for medium- and large-size shopkeepers has yet to produce significant numbers of resolved cases. Nevertheless, negotiations are ongoing, and notwithstanding the complexities and past difficulties with resolution of this issue, Management will continue to pay particular attention to progress in achieving closure with the shopkeepers. The implementation of new and clearer procedures for resolution of shopkeeper issues, complemented by strengthened management at MMRDA, will be critical in resolving outstanding issues.

66. Management assessment is that the complex R&R process required by MUTP continues to be an extremely difficult challenge for MMRDA (in particular in the area of data base management and documentation) in spite of reinforcements made in its management structure.

67. **Management will remain actively engaged in supervising the project and in assisting the Borrower to resolve outstanding issues.** A full supervision mission is scheduled for June 2007. In addition, the Mumbai-based social scientist hired by the Bank in March 2006 will continue to monitor closely project implementation on R&R, and to assist MMRDA in completing the Action Plan. Additional missions will be fielded as required.

68. There remains a risk that MMRDA will, in the end, not fully adhere to the policies and procedures agreed upon for implementation of the R&R. The Government is aware that in such a case the Bank reserves the right to apply remedies, including suspending disbursement on the balance of the loan.

69. There is also a risk that MMRDA will not reach closure on resettlement of shopkeepers in a reasonable amount of time, thereby delaying the whole project, which would have a serious negative impact on Mumbai as well as the GoI. In this case as well, the Bank reserves the right to apply remedies.

70. Intensive supervision will be continued over the next six months, and the situation will be reassessed during the next full supervision mission in June 2007. If insufficient progress is assessed at that time, the Bank will consider restructuring the project, including a possible reduction in scope.

71. Management will report again to the Board on further progress in implementation of the Action Plan and other issues as needed, in September 2007.

ANNEX 1: BANK LETTER TO GOVERNMENT OF MAHARASHTRA, APRIL 7, 2006

ANNEX 2: BANK LETTER TO GOVERNMENT OF MAHARASHTRA, FEBRUARY 23, 2007

ANNEX 3: KEY RESETTLEMENT IMPLEMENTATION PROGRESS

No	Action	Target	April- May, 2005 (at the time of Inspection Panel visit)	February 2006 (at the time of submission of Management Response to Inspection Panel Report)	December 31, 2006 (at the time of preparation of progress report on Action Plan)
1	No. of households shifted to permanent houses	17,378	12,396 (71%)	13,877 (80%)	15,315 (88%)
2	No. of affected shopkeepers provided permanent alternative shops	2,569	249 (10%)	369 (14%)	752 (29%)
3	No. of households issued identity cards	19,947	1,685 (8%)	5,616 (28%)	6,319 (32%)
4	Disclosure of beneficiaries list on the website	19,947	Nil	10,910 (55%)	15,627 (78%)
5	No. of cooperative societies registered (approximate)	200*	47 (23%)	48 (24%)	58 (29%)
6	No. of maintenance funds (Interest) transferred to the joint accounts of cooperative societies	200*	23 (12%)	23 (12%)	46 (23%)
7	No. of cooperative societies that received Community Revolving Funds (CRF)	200*	47 (23%)	47 (23%)	47 (23%)
8	No. of PAPs who received assistance under CRFs	2000	NA	244 (12%)	244 (12%)
9	Transfer of common facilities (pre-school, society office and welfare centre) to cooperative societies)	620	Nil	Nil	114 (18%)
10	Issue of building maintenance manuals to cooperative societies	152	Nil	Nil	100 (66%)
11	No., of community assets reconstructed	65	NA	16 (25%)	18 (28%)
12	Water supply – Mankhurd (sample buildings)- lpcd	90	69	60-65	70-125**
13	Water supply – Anik (sample buildings) lpcd**	90	25	30	70-125**

The figures in parentheses indicate percentages

Building maintenance manuals are not prepared for initial 48 buildings which were purchased directly from Maharashtra Housing Board

* Revised target

**Based on the meter readings taken during middle of January, 2007 by MMRDA

ANNEX 4: WORLD BANK SUPERVISION MISSIONS FROM MARCH 2006 - FEBRUARY 2007

March 9 – 14, 2006

Robert J. Saum	Manager, Financial Management, SAR
Els Hinderdael	Manager, Procurement, SAR
Hubert Nove-Josserand	Task Team leader
Warren Waters	Lead Social Development Specialist
IUB Reddy	Senior Social Development Specialist
Manoj Jain	Senior Financial Management Specialist
Manmohan Singh Bajaj	Senior Procurement Specialist
Rajat Narula	Senior Finance Officer
Priya Goel	Financial Management Specialist

April 12 – 21, 2006

Fayez Omar	Senior Country Program Manager
Hubert Nove-Josserand	Task Team Leader
Frederick Brusberg	Regional Safeguards Advisor
I.U.B. Reddy	Senior Social Specialist
Richard Clifford	Lead Urban Specialist
Sameer Akbar	Senior Environment Specialist
Satya Mishra	Social Development Consultant
Mr. Apte	Architect

May 2 – 5, 2006

Hubert Nove-Josserand	Task Team Leader
Arnab Bandyopadyhay	Transport Specialist
Sujit Das	Transport Specialist
Setty Pendakur	Traffic Management Specialist

June 5 – 6, 2006

Hubert Nove-Josserand	Task Team Leader
Frederic Brusberg	Safeguards Advisor
I.U.B. Reddy	Senior Social Specialist
Michael Carter	Country Director
Satya Mishra	Social Development Consultant

June 28, 2006

Hubert Nove-Josserand	Task Team Leader
Satya Mishra	Social Development Consultant

July 25 – 28, 2006

Hubert Nove-Josserand	Task Team Leader
Arnab Bandyopadhyay	Transport Specialist
Sujit Das	Transport Specialist
I.U.B. Reddy	Senior Social Specialist
Satya Mishra	Social Development Consultant
Sameer Akbar	Environment Specialist
Sonia Sandhu	Environmental Specialist
Sankaran Vaideeswaran	Environmental Specialist

August 14, 2006

Fayez Omar	Acting Country Director
I.U.B. Reddy	Senior Social Specialist
Satya Mishra	Social Development Consultant

August 17 – 25, 2006

Hubert Nove-Josserand	Task Team Leader
Arnab Bandyopadhyay	Transport Specialist
Sujit Das	Transport Specialist
Ke Fang	Transport Specialist
Setty Pendakur	Traffic Management Specialist
Jitendra Sondhi	Rail Transport Specialist
Satya Mishra	Social Development Consultant
Sonia Chandu	Environmental Specialist
Sankaran Vaideeswaran	Environmental Specialist
Manmohan Singh Bajaj	Senior Procurement Specialist
Priya Goel	Financial Management Specialist
Sona Thakur	Public Relations Specialist

September 25 – 26, 2006

I.U.B. Reddy	Senior Social Specialist
Satya Mishra	Social Development Consultant

November 22-24 and 26- 29, 2006

Hubert Nove-Josserand	Task Team Leader
Frederick Brusberg	Regional Safeguards Advisor
Shyamal Sarkar	Senior Water and Sanitation Specialist
I.U.B. Reddy	Senior Social Specialist
Satya Mishra	Social Development Consultant

January 16-25, 2007

Hubert Nove-Josserand	Task Team Leader
Stephen Lintner	Senior Technical Advisor for Safeguards, OPCS
Frederick Brusberg	Regional Safeguards Advisor
I.U.B. Reddy	Senior Social Specialist
Satya Mishra	Social Development Consultant
Sujit Das	Transport Specialist
Sonia Sandhu	Senior Environmental Specialist
S. Vaideeswaran	Environment Consultant
Richard Clifford	Lead Urban Specialist
Shyamal Sarkar	Senior Water and Sanitation Specialist
Priya Goel	Financial Specialist
Jitendra Sondhi	Railway Specialist (consultant)
Sudip Mozumdar	External Relations
K. Srinivasan	Financial Analyst

February 2, 2007

Hubert Nove-Josserand	Task Team Leader
Jitendra Sondhi	Railway Specialist (consultant)
Rajesh Rohatgi	Civil Engineer

ANNEX 5: MUTP: STATUS OF ISSUES AS OF DECEMBER 31, 2006

Issue	Status as of December 31, 2006	Comments
Resettlement of Shopkeepers		
1. Shopkeeper Resettlement Options		
1.1 Complete negotiations / resettlement with all affected shopkeepers of SCLR.	<p>Status: In progress</p> <p><i>Target Date:</i> May 2006 <i>Revised:</i> September 2007</p>	<p>Out of 745 SCLR shopkeepers, 229 (31%) have either resettled or received keys, including 48 medium- or large-size shops. Negotiations have been completed with another 40 shopkeepers. A detailed procedure on how MMRDA would deal with shopkeepers who refuse to negotiate was approved by Bank Management and disclosed on MMRDA's website. MMRDA issued a letter in December 2006 to over 300 eligible shopkeepers of SCLR, initiating the process of resettlement in case of failure of negotiation. MMRDA has responded to USOA's in situ proposal that it is not feasible due to reservations for cemeteries and recreation as well as CRZ-2 zoning and Mithi river development. IMP will facilitate a last meeting in February 2007 before the offer of the MMRDA-determined most suitable option is made to those who fail to come forward for negotiations. The Bank will continue to monitor, advise and assist MMRDA to expedite negotiations with shopkeepers.</p>
1.2 Complete negotiations / resettlement of affected shopkeepers of other sub-projects (non-SCLR).	<p>Status: In progress</p> <p><i>Target Date:</i> October 2006 <i>Revised:</i> March 2007 for JVLR; March 2008 for SATIS/RoBs</p>	<p>Thus far, 523 (29%) out of 1,824 shopkeepers have been resettled, of whom 36 have medium- or large-size shops. MMRDA is in consultations and negotiations with shopkeepers of different sub-projects for their resettlement. MMRDA and land owners of shopkeepers along JVLR-II have reached an agreement to provide an equivalent area in lieu of compensation and resettlement is expected to be substantially completed by March 2007. With regard to SATIS and RoBs, design issues in the former case, and readiness of relocation sites for PAPs in the latter have led to a revised estimated date of March 2008 for completion of resettlement of shopkeepers in these areas.</p>
2. Affected Employees		
2.1 MMRDA will publicize the R&R policy, which provides one year's income on a one-time basis to those employees who are not re-employed as a result of Project resettlement.	<p>Status: Completed</p> <p><i>Target Date:</i> March 2006</p>	<p>The provisions of assistance to affected employees are described in the Implementation Manual which is disclosed in the PICs and uploaded on the MMRDA's website. No further action is envisaged.</p>
2.2 MMRDA will process such cases of assistance as and when formal requests are received. The amount of income will be determined by a valuation committee, per the R&R policy. Funding for this assistance will come from the Bank-financed portion of MUTP.	<p>Status: In progress</p> <p><i>Target Date:</i> Ongoing</p>	<p>MMRDA is yet to receive any requests from the affected employees for assistance. The Bank will continue to monitor this issue.</p>

Issue	Status as of December 31, 2006	Comments
2.3 Employees will be issued identity cards prior to displacement of the business unit.	Status: In progress <i>Target Date:</i> Ongoing	Issuance of Identity Cards to employees has been initiated. The Bank will monitor the issue of identity cards to the employees prior to their displacement.
Post-Resettlement		
3. Implementation		
3.1 MMRDA will strengthen the R&R management system and engage additional staff for the timely completion of the registration process of the co-operative societies.		
3.1.1. Complete registration of 80 housing cooperative societies	Status: In progress <i>Target Date:</i> May 2006 for 80 societies <i>Revised:</i> June 2007 for 130 societies; March 2008 for full registration (200 societies)	To date, 58 cooperative societies have been registered (about 29 percent) and proposals for another 30 societies are in an advanced stage of registration. Some PAPs have come to believe that they may get more support from the Government if they are not yet members of a registered society and this has made the process of registration more complex. The process is expected to advance since the GoM has seconded a Deputy Registrar to MMRDA; about 130 societies in total are anticipated to be registered by June 2007. The project team and Bank senior management will continue to monitor closely this action with the aim of achieving full registration by March 2008.
3.1.2 Implementation of co-operative management action plan.	Status: In progress <i>Target Date:</i> June 2006 <i>Revised:</i> June 2008	MMRDA completed the process for selection of consultants to manage post-resettlement activities and obtained its Executive Committee's approval for the appointment of the first-ranked agency and accordingly offered the contract. However, the consultants delayed giving their consent to MMRDA's offer for some time. The Bank team met with a representative of the first-ranked agency, who informed that his company was unable to put together a team and that it is highly unlikely that it will accept the offer. MMRDA will approach its management to obtain approval for appointment of the agency that came in second, whose proposal is about three times the cost of the first. The Bank will continue to monitor the progress on this issue.
3.2 Consultations, preparation and substantial completion of action for construction of social services at R&R sites.	Status: In progress <i>Target Date:</i> July 2007 <i>Revised:</i> June 2008	MMRDA is working to improve the educational facilities in the resettlement sites. The construction of a secondary school in a 3,500 sq.ft. plot has commenced in Mankhurd and another site has been identified at Anik. In addition, MMRDA handed over 48 housing units (10,800 sq.ft) at Mankhurd and Anik to MCGM in December 2006 to house temporary schools until new school buildings are built. It is expected that these schools will commence at the start of the next academic session in June 2007. MMRDA is yet to undertake the assessment of need for other services. The Bank is willing to support financing under the IDA credit for construction of any additional social services in the R&R sites, if proposals are received from MMRDA. The Bank will continue to monitor the progress on this issue.

Issue	Status as of December 31, 2006	Comments
<p>3.3 MMRDA will facilitate, through the GoM, the transfer of maintenance funds to the cooperative societies that have been established. If there is a delay, interest on the maintenance funds will be transferred within 3 months of the end of the financial year.</p>	<p>Status: Completed <i>Target Date:</i> April 2006 (first 48 societies)</p> <p>Status: Not yet due <i>Target Date:</i> July 2007 (for 80 societies)</p>	<p>For the initial 48 societies, transfer of interest on maintenance funds* is now up to date for 46 cooperative societies. Two have organizational difficulties and are not yet ready to receive the funds. No further action is envisaged. For the additional 80 societies, the process for this action will be initiated after completion of society registration. The Bank will continue to monitor the progress on this issue. * MMRDA decided, with the Bank's concurrence, to maintain the maintenance funds in escrow for a certain number of years and to pay out the interest only during that time.</p>
<p>3.4 Transfer of conveyance deeds to first 48 co-operative societies.</p>	<p>Status: No action taken <i>Target Date:</i> July 2006 <i>Revised:</i> December 2007</p>	<p>MMRDA has not initiated action towards transferring the title to the cooperative societies. This issue involves many buildings in Mumbai, not just those affected by the project. MMRDA's focus has been on higher priority issues for the time being, which the Bank finds appropriate. The Bank will continue to monitor the progress on this issue.</p>
<p>3.5 Transfer of conveyance deeds to next 80 co-operative societies.</p>	<p>Status: Not yet due <i>Target Date:</i> December 2007</p>	
<p>3.6 Training and building facilities maintenance manuals and brochures will be provided to co-operative societies' committee members to support proper management of the societies, maintenance of lifts and provision of services, such as water supply, sewerage, solid waste management, etc. The Bank is following up with MMRDA on specific additional measures to assure sustainable self-management of co-operative societies in the longer term.</p>	<p>Status: Substantially completed <i>Target Date:</i> June 2006</p>	<p>The maintenance manuals have been distributed to 100 cooperative society management committees in Mankhurd, Ajgaonkar, Anik, Kanjur Marg and Majas sites. A brochure on the society guidelines outlining the management of society premises and internal works of the apartment, and key messages on how to deal with emergency situations, child safety, respect for all residents, responsibility for maintenance of the property, etc. was printed and is being distributed widely among the PAPs. MMRDA is finalizing procurement of services for assisting the PAPs in the self-management of the cooperative societies.</p>
<p>3.7 MMRDA will work with the GoM to engage with MCGM on steps required to improve water supply at the resettlement sites.</p>	<p>Status: Substantially completed <i>Target Date:</i> Ongoing</p>	<p>Water supply situation has considerably improved in the resettlement sites. Progress has been made on measures such as looping of the main supply to increase water pressure and removing obstructions in pipelines. All buildings occupied by PAHs in the resettlement colonies have been connected with the piped distribution network of MCGM. Supply ranges from 70 to 125 lpcd (compared to 25 lpcd in Anik and 69 lpcd in Mankhurd in May, 2005 when the Inspection Panel visited the site), and supply through tankers was discontinued in September 2006. No complaints on water shortage have been registered of late.</p>

Issue	Status as of December 31, 2006	Comments
3.8 The Bank is pursuing measures with GoM and MMRDA to improve transport connectivity to resettlement colonies.	Status: Substantially completed <i>Target Date:</i> Ongoing	Accessibility and availability of bus service from the resettlement colonies is comparable to that of other areas of Mumbai. BEST has added 43 buses to MUTP/MUIP sites in the last year and is now operating 293 routes to 20 MUIP and MUTP sites, using about 3,400 buses and covering just fewer than 20,000 trips a day. Two new bus routes, one each in Mankhurd (with 3 buses) and Anik (4 buses) were introduced in July, which ply inside the resettlement colonies at 15-20 minute intervals.
3.9 Independent resettlement impact assessments will be carried out as and when due for each resettlement site. Remedial measures, if required, will be implemented.	Status: In progress <i>Target Date:</i> August 2006 <i>Revised:</i> March 2007	MMRDA signed a contract with Tata Institute of Social Sciences recently for carrying out impact assessments in Mankhurd, Majas and Anik resettlement sites. An inception report has been submitted. The Bank will review the study findings and subsequent remedial measures proposed by MMRDA based on the study findings.
Environmental Management of Resettlement Sites		
4. Maintenance of Public Assets; Waste Management		
4.1 MMRDA will assist the ad hoc co-operative housing societies to survey repairs needed to rectify construction defects, such as water and sewerage networks, plumbing and civil works before expiration of the contractors' liability period.	Status: In progress <i>Target Date:</i> Ongoing	Defects were reported to MMRDA by the cooperatives that replied to a request to do so. These are being attended to by MMRDA. Complaint registers are being kept in each building. The IMP is following up closely with regular reviews during its periodic meetings. Compliance with IMP suggestions for improvement of asset management at R&R sites is being monitored with the help of an "Action Taken Matrix," which is regularly provided by MMRDA to the Bank project team for review and shared with the Inspection Panel consultant based in Mumbai. MMRDA has completed a comprehensive survey of all buildings at resettlement sites, which shows leakage defects in 5-10 percent of the buildings, and these are being attended to by MMRDA on a priority basis. The Bank will continue to monitor the progress on this issue.
4.2 MMRDA has prepared maintenance manuals which will be handed over to each registered co-operative society.		See Item 3.6
4.3 MMRDA is liaising with MCGM to provide necessary community facilities, including tree plantation.	Status: In progress <i>Target Date:</i> Ongoing	MMRDA is in the process of appointing Environment Management Capacity Building consultants for training of NGOs on environment issues such as solid waste management and other activities which have implications for community health and tree plantation in resettlement sites. This procurement has been considerably delayed but MMRDA is in the process of finalizing consultant selection and expects to finalize the procurement by end of February 2007, after receiving approval from its Executive Committee. The Bank will continue to monitor the progress on this issue.

Issue	Status as of December 31, 2006	Comments
4.4 Concerned Ward Offices will be asked to route solid waste collection vehicles to the resettlement sites for the timely collection and disposal of waste.	Status: In progress <i>Target Date:</i> Ongoing	Further to MMRDA's dialogue with MCGM, the latter has drawn up a transport plan for regular pick up of waste from R&R sites; MMRDA has prepared a waste disposal needs assessment report, based on which it will put in place garbage bins and ensure waste segregation at source in order to address solid waste collection and disposal. MMRDA has submitted a proposal to the Bank for procurement of dust bins. The Bank will continue to monitor the progress on this issue.
Overall Management of R&R Implementation		
5. Strengthening Institutional Arrangements for R&R		
5.1 Day-to-day R&R management (with delegated administrative and financial authority) will be undertaken by a Chief Officer (R&R) reporting to the Project Director. The R&R Chief will be supported by 12 officers with backgrounds in R&R management and community development, database management, land acquisition, environmental management, estate management, public relations, registration of societies, legal, etc. Functions and responsibilities of key officers will be documented soon. Requirements for other support staff will be assessed and provided accordingly. The Bank Task Team will work closely with MMRDA to ensure that effective and efficient management systems are put in place.	Status: Substantially completed <i>Target Date:</i> April 2006	MMRDA has strengthened its R&R capacity with a new Project Director and five additional staff, all of whom have experience in R&R implementation. A detailed organizational chart for the R&R cell has been prepared. The Chief of R&R is supported by five community development assistants and staff with backgrounds in R&R management, data base management, land acquisition, environmental management, and public relations. The GoM has seconded a Deputy Register-Cooperatives to MMRDA to speed up the process of registration of cooperatives. In spite of advertising the position of Social Scientist on at least two occasions, MMRDA has not yet received suitable applications and recently re-advertised this position in the national newspapers. The Bank has a social development consultant based in Mumbai who is working closely with MMRDA to ensure efficient systems are in place for R&R implementation.
5.2 MMRDA will review and assess the NGOs' capacity and future role.	Status: Substantially completed <i>Target Date:</i> To be determined with Bank	MMRDA has identified the activities that: (a) will continue to be carried out by NGOs (i.e., consultations with PAPs, management of PICs, facilitating the transfer of ration cards and electoral rolls, and baseline surveys); or (b) will be phased out and/or managed by MMRDA or another professional agency (i.e., management of post-resettlement activities). The Bank will monitor the role of NGOs in the light of agreements reached.
5.3 MMRDA will prepare and implement a training program for the sensitization and skills improvement of R&R staff, NGOs, and others concerned with R&R implementation.	Status: In progress <i>Target Date:</i> May 2006 <i>Revised:</i> Remainder of training to be provided during 2007	A training program schedule has been prepared by MMRDA. Three training programs related to data base management, the documentation process, and resettlement implementation have been conducted with MMRDA staff, other implementing agencies and NGOs to upgrade their skills in these areas. The remaining programs are expected to be conducted as part of the training schedule during 2007. The Bank will continue to monitor the progress in completing the remaining training programs.

Issue	Status as of December 31, 2006	Comments
6. Improving the R&R Process		
6.1 MMRDA will further define procedures in R&R Implementation Manual.	Status: Completed <i>Target Date: May 2006</i>	The R&R Implementation Manual has been revised and updated to define the procedures for implementation of various R&R activities. The Implementation Manual has been disclosed in the PICs, and uploaded on MMRDA's website. No further action is required.
6.2 Strengthen database capability for effective management of resettlement and post-resettlement.		See Items 7.1 and 7.2 below.
6.3 MMRDA will expedite: 6.3.1 Finalizing the draft RIP for SCLR up to 45.7 meters with flexibility to proceed on a section-by-section basis.	Status: Completed <i>Target Date: April 2006</i>	The revised RIP for SCLR has been finalized and endorsed by the Bank. This was disclosed in MMRDA's website and local PICs. This RIP was also disclosed in the Bank's Info Shop. No further action is envisaged.
6.3.2 Finalizing the draft RIP for SATIS, to be submitted to the Bank when railway clearances are obtained for the sub-project.	Status: In progress <i>Target Date: April 2006</i> <i>Revised: June 2007</i>	Railway clearances were obtained in October 2006. MMRDA and MCGM are researching availability of shops closer to SATIS. Once these are identified, the RIP will be finalized and sent to the Bank for clearance prior to issue of bid documents. The Bank will review the draft, which if found consistent with the policy provisions, shall be given clearance.
6.4 Finalizing the Vikhroli ROB draft RIP.	Status: In progress <i>Target Date: April 2006</i> <i>Revised: March 2007</i>	MMRDA is working on the draft RIP for Vikhroli RoB. The shopkeepers have proposed a site under MUIP for resettlement, which is being reviewed by MMRDA. The RIP will be completed once the site is finalized The Bank will review the draft, which if found consistent with the policy provisions, shall be given clearance.
6.5 Updating the baseline socio-economic survey data for JVLR and Jogeshwari ROBs.	Status: Completed. <i>Target Date: April 2006</i>	MMRDA has completed the updating of baseline survey and the copies were submitted to the Bank. No further action is envisaged.
6.6 MMRDA will improve on timely reporting and the submission of progress reports. The Bank Task Team will work with MMRDA on report content and frequency.	Status: Ongoing <i>Target Date: March 2006</i> <i>(1st monthly report)</i>	The Bank team has provided a format and the monthly progress reports are being received regularly. The Bank will continue to monitor the timely receipt of the progress report on implementation of the Action Plan.
6.7 MMRDA will expedite timely issuance of identity cards and payments of shifting allowances for PAPs shifting to new resettlement sites.	Status: In progress <i>Target Date: Ongoing</i>	The issuance of identity cards is in progress. To date, 6,319 identity cards have been issued, which is about 32 percent of the total requirement. Shifting allowances are being paid as PAPs are shifted. The Bank will continue to monitor the progress on this issue.

Issue	Status as of December 31, 2006	Comments
6.8 Road project impacts on community assets will be assessed and their relocation and reconstruction will be synchronized with the timetable for civil works.	Status: In progress <i>Target Date: Ongoing</i>	MMRDA has identified major religious buildings and sites along the JVLR and SCLR that will be affected by the project and held meetings with the concerned stakeholders to discuss suitable alternative sites. Details about various community assets to be affected by the sub-projects are being enumerated. The project team is satisfied at this point that adequate resettlement methods have been applied to manage this issue and the Bank is closely monitoring specific cases as they arise. Because of the sensitivity of the issue in view of religious and linguistic minorities involved, no time limit can be set for the negotiations and it is expected that this action will take several months more to be resolved. An indicative action plan with a tentative time frame for relocation of community assets is expected from MMRDA by February 2007. The Bank will continue to monitor the progress on this issue.
6.9 The GoM will fill the post of Chairman, IMP and will elaborate on and clarify the IMP's role. Secretarial assistance will be provided to the IMP.	Status: Completed <i>Target Date: April 2006</i>	A new IMP was constituted in mid-March 2006 under the chairmanship of former MMRDA and MCGM commissioner. The new IMP is actively involved in following up key resettlement implementation aspects. No further action is required. However, the Bank will follow up on the implementation of IMP decisions.
7. Improving Database Management		
7.1 MMRDA is in the process of procuring state-of-the-art software for the management of all the R&R-related data.	Status: Completed <i>Target Date: May 2006</i>	MMRDA has procured and installed the Oracle software to establish full coordination between grievance management and resettlement. No further action is required.
7.2 Systems will be put in place for providing inputs, updating, using and retrieving various types of information related to R&R and post-resettlement implementation. The database will be linked with family photo IDs to facilitate tracking and management of the process. The resettlement support consultants will conduct hands-on training for MMRDA staff.	Status: Substantially completed <i>Target Date: June 2006</i> <i>Revised: May 2007</i>	Data entry has been completed in part and the User Manual has been prepared. To date, the system can generate eligibility lists, identity cards, baseline socio-economic information, allotment letters, and relocation status for one sub-project, JVLR-II. It is systematically used for fresh allotments. Limited reports on simple queries can be prepared, but reports on queries involving multiple variables cannot yet be generated. The application is being made more user-friendly and will need further refinement to make it an effective tool for tracking R&R activities. A new staff person, satisfactory to the Bank, has been appointed as Data Base Manager. More time is needed to complete the process of entering all PAP-related data and make use of the data base for decision making. The Bank will continue to monitor this issue.

Issue	Status as of December 31, 2006	Comments
8. Improving Communications and Consultation		
8.1 MMRDA will enhance communication with PAPs and improve documentation.	Status: In progress <i>Target Date:</i> Ongoing	MMRDA has improved communication and recently held meeting with shopkeepers of SCLR, JVLR, and Jogeswari (RoBs), and residents of MHADA buildings at SCLR. The key project related documents are now available in PICs and also uploaded in MMRDA's website. There have also been recent reports in the media about the issuance of multiple identification cards to PAPs. MMRDA asked the IMP to lead an independent verification exercise to clarify issues surrounding the issuance of the identification cards. The IMP is expected to complete the review in March 2007. The Bank will continue to monitor the progress.
8.2 MMRDA will make separate space arrangements for a PIC at MMRDA. It will also ensure the timely availability of relevant documents and brochures.	Status: Completed <i>Target Date:</i> March 2006	A new PIC with separate room and arrangements for seating of visitors has been created at MMRDA (1 st Floor), where all the relevant documents and brochures are now available. No further action is required.
8.3 The Bank Task Team will work with MMRDA to assess and implement training needs in public consultation and communications.	Status: Substantially completed <i>Target Date:</i> March 2006	The Bank organized a one day session on public consultation and communications for the staff of MMRDA and NGOs in February 2006. The Bank's local consultant is providing orientation in consultations and communications on a day-to-day basis. The Bank will continue to work with MMRDA in improving skills in consultations and communications.
9. Grievance Redress		
9.1 MMRDA will provide support staff to the Field Level GRC to expedite the hearing and disposal of cases and to improve recording and reporting of decisions.	Status: Completed <i>Target Date:</i> April 2006	MMRDA has provided secretarial assistance and computers to the field level GRC to improve the hearing and disposal of cases. No further action is envisaged.
9.2 A separate one-page brochure on the updated grievance redress process will be prepared, circulated, and posted on the Project website.	Status: Completed <i>Target Date:</i> March 2006	The updated grievance redress process has been incorporated in the Implementation Manual (Chapter 29) and disclosed in PICs and uploaded on the website. The main improvement in the process is the specification of a clear timeframe for registering a grievance and confirmation that the resettlement of a petitioner will not be carried out before the grievance process is completed. Brochures in English and Marathi have been printed and are being attached to the allotment letters /eviction notices. No further action is envisaged.

Issue	Status as of December 31, 2006	Comments
9.3 The Bank Task Team will work closely with MMRDA staff to evaluate the current status of the system, support its revision, and facilitate its effective implementation.	<p>Status: In progress</p> <p><i>Target Date: March 2006</i></p>	<p>The process is now streamlined and slowly improving. The number of cases disposed of by the field level GRC increased from 1,594 as of June 30, 2006 to 2,068 as of December 2006, while the proportion of pending cases decreased from 27 percent to 17 percent in the same period.</p> <p>The Bank has posted a full time Social Development consultant in Mumbai since March 2006 to continuously interact with MMRDA and carry out day-to-day supervision to facilitate effective implementation.</p> <p>The impact assessment consultant's terms of reference include the evaluation of improvements in the systems. The Bank will review the study findings.</p>
10. Operationalization of the Implementation Manual		
10.1 MMRDA will finalize the Implementation Manual in consultation with the Bank, GoM, and consultants. The MMRDA will then identify procedures specified in the Implementation Manual that will be used for the balance of R&R activities and notify the relevant agencies regarding its implementation:		
10.1.1 Revise and amend Implementation Manual to include R&R and environmental procedures	<p>Status: Completed</p> <p><i>Target Date: April 2006</i></p>	<p>The Implementation Manual has been revised in close consultation with Bank staff.</p> <p>No further action is envisaged.</p>
10.1.2 Finalization of Implementation Manual	<p>Status: Completed</p> <p><i>Target Date: May 2006</i></p>	<p>The Implementation Manual has been finalized taking into account the Bank's comments and is now disclosed in PICs and uploaded on the website.</p> <p>No further action is envisaged.</p>
10.1.3 Operationalization of the Implementation Manual	<p>Status: Completed</p> <p><i>Target Date: June 2006</i></p>	<p>The Implementation Manual is being used to administer the entitlements and apply procedures. The Implementation Manual occasionally requires updates when new procedures are adopted.</p> <p>The Bank will continue to monitor to ensure that the provisions in the Implementation Manual are applied and that it is updated when needed.</p>