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MANAGEMENT REPORT AND RECOMMENDATION
IN RESPONSE TO THE
INSPECTION PANEL INVESTIGATION REPORT

INDIA

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

February 27, 2006

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

Pursuant to paragraph 23 of the Resolution Establishing the Inspection Panel (IBRD Resolution 93-10 and IDA Resolution 93-6), attached for consideration by Executive Directors is Management's Report and Recommendation in response to the findings set out in the Investigation Report No. 34725 dated December 21, 2005, of the Inspection Panel on the captioned Project (India Mumbai Urban Transport Project, Loan No. 4665-IN; Credit No. 3663-IN).

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ABBREVIATIONS AND ACRONYMS

ATC	Area Traffic Control
BNS	Business Needs Study
BP	Bank Procedures
BSES	Baseline Socio-Economic Survey
CBO	Community Based Organization
CEMP	Community Environmental Management Plan
CRF	Community Revolving Funds
EA	Environmental Assessment
EMC	Environmental Management Committee
EMCB	Environmental Management and Capacity Building
EMP	Environmental Management Plan
EMU	Electric Motor Unit
FSI	Floor Space Index
GoI	Government of India
GoM	Government of Maharashtra
GRC	Grievance Redress Committee
IBRD	International Bank for Reconstruction and Development
ICR	Implementation Completion Report
IDA	International Development Association
IMP	Independent Monitoring Panel
JVLR	Jogeshwari-Vikhroli Link Road
MCGM	Municipal Corporation of Greater Mumbai
MLEA	Micro Level Environmental Assessment
MMRDA	Mumbai Metropolitan Regional Development Authority
MRVC	Mumbai Railway Vikas Corporation
MSRDC	Maharashtra State Roads Development Corporation
MUIP	Mumbai Urban Infrastructure Project
MURP	Mumbai Urban Rehabilitation Project
MUTP	Mumbai Urban Transport Project
MVECS	Motor Vehicle Emission Control Strategy
NGO	Non-Governmental Organization
NSDF	National Slum Dwellers Federation
OD	Operational Directive
OMS	Operational Manual Statement
OP	Operational Policy
PAD	Project Appraisal Document
PAH	Project Affected Household
PAP	Project Affected Person
PCD	Project Concept Document
PIC	Public Information Center
PIP	Project Implementation Plan
PLEA	Programmatic Level Environmental Assessment
PPF	Project Preparation Facility
QACU	Quality Assurance and Compliance Unit
R&R	Resettlement and Rehabilitation

RAP	Resettlement Action Plan
RIP	Resettlement Implementation Plan
ROB	Road-Over-Bridge
SATIS	Station Area Traffic Improvement Schemes
SDR	Special Drawing Rights
SCLR	Santacruz-Chembur Link Road
SLEA	Sector Level Environmental Analysis
SPARC	Society for Promotion of Area Resources Centers
SOE	Statements of Expenditure
SRA	Slum Rehabilitation Authority
SRS	Slum Rehabilitation Scheme
TDR	Transfer of Development Rights
TOR	Terms of References
USAID	United States Agency for International Development

MEASUREMENTS

Km	kilometer
Sq. m	square meter
Sq. ft.	square foot

CURRENCY EQUIVALENTS

(Exchange Rate Effective February 15, 2006)
Currency Unit = Indian Rupee
USD 1.00 = INR 44.25 / INR 1.00 = USD 0.022

**LIST OF OPERATIONAL MANUAL STATEMENTS, OPERATIONAL POLICIES AND
OPERATIONAL DIRECTIVES**

OMS 2.20	Project Appraisal, January 1984
OP/BP 4.01	Environmental Assessment, October 1991
OD 4.30	Involuntary Resettlement, June 1990
OP/BP 10.00	Investment Lending: Identification to Board Presentation, June 1994
OP/BP 10.04	Economic Evaluation of Investment Operations, September 1994
OD/OP/BP 13.05	Project Supervision, January 1996 and July 2001, respectively
	World Bank Policy on Disclosure of Information, 2001

I. INTRODUCTION

1. On April 29, 2004, the Inspection Panel (hereafter referred to as “the Panel”) registered a Request for Inspection, IPN Request RQ04/03 (“the First Request”), concerning the India-Mumbai Urban Transport Project (MUTP, or “the Project”) financed by the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). The First Request was submitted by the United Shop Owners Association on its own behalf and on behalf of 118 residents of Mumbai (hereafter referred to as the “Requesters”). The Executive Directors and the President of the IBRD were notified by the Panel of receipt of the Request. Management responded to the Request on May 27, 2004.

2. On June 24, 2004, the Panel registered a second Request for Inspection, IPN Request RQ04/04 (“the Second Request”), concerning the Project. The Second Request was submitted by three non-governmental organizations (NGOs) located in the Kurla West District of Mumbai – the Hanuman Welfare Society, the Gazi Nagar Sudhar Samiti, and the Jai Hanuman Rahiwasi Sewa Sangh – on their own behalf and on behalf of about 350 residents living in the area known as Gazi Nagar.¹

3. The Executive Directors and the President of IBRD were notified by the Panel of receipt of the Request. Management responded to the claims in the Request on July 28, 2004. On June 29, 2004, the Panel sent to the Board of Executive Directors a recommendation to approve the Panel submitting a single Report and Recommendation on whether or not an investigation of the issues raised in either the First or Second Requests or both was warranted. The Board approved the Panel’s recommendation on a non-objection basis on July 13, 2004. The Panel found the Requests and Requesters eligible, and as previously approved by the Board, submitted a single report to the Board on September 3, 2004 that recommended an investigation. The Board authorized the Panel’s investigation on September 24, 2004.

4. On November 29, 2004, the Panel received another Request for Inspection (the “Third Request”) related to the Project, submitted by the Bharathi Nagar Association on its own behalf and on behalf of the residents living in the area known as Bharathi Nagar in Mumbai. Shortly thereafter, on December 23, 2004, the Panel received a “Fourth Request” for Inspection, submitted by the organization Ekta Wyapari Jan Seva Sangh, acting on its own behalf and on behalf of residents and shopkeepers of the area of Bandrekar Wadi, Bhaybani Chowk in the Jogeshwari district of Mumbai. Fifty-eight members of the organization living in the area signed the Request.²

¹ As explained in the Executive Summary of the Inspection Panel Investigation Report, on November 1, 2004, the Panel received a letter from the Aman Chawl Welfare Association asking that the Association be added to the second group of Requesters. The Association represents 118 Project affected people. On February 19, 2005, 21 more residents asked to be added to the Request. All of these parties are part of the Gazi Nagar Request.

² On January 24, 2005 the Inspection Panel received a letter from the Pratap Nagar Welfare Association, a NGO located in the area called Pratap Nagar, representing 41 residents and shopkeepers. The Inspection Panel subsequently added the Association and members to the processing of the four Requests.

5. On December 29, 2004, the Panel notified the Executive Directors, the President and Management that it had received the Third and Fourth Requests. At the same time, the Panel recommended that the Third and Fourth Requests should be processed jointly with the two previous Requests as they all related to the same components of the Project. The Board approved the Panel's recommendation on January 11, 2005.

6. On December 21, 2005, the Panel issued its report outlining the findings of the investigation. As the report was lengthy, dealt with a complex project, and was received during the 2005 holiday period, Management requested an extension to the deadline for its response, from February 7 to February 20, 2006, to give Management sufficient time to prepare and consult on the Action Plan. The Panel did not object to the extension, with the understanding that it would not be detrimental to the Requesters. The Board approved the extension on January 20, 2006. Management subsequently requested a second extension, in light of recent developments concerning the Project and ongoing efforts to prepare a feasible Action Plan. The Board approved the second extension until February 27, 2006.

7. This report, responding to the findings of the Panel and including the Action Plan, is organized as follows; Section II provides an overview of the context in which the Project was developed; Section III briefly describes the Project and provides an update on Project status; Section IV summarizes the findings and observations of the Panel; Section V provides additional background information on several key issues; Section VI summarizes the recent resettlement and demolitions in the Santacruz-Chembur Link Road (SCLR), and the Bank's response to these developments; Section VII discusses lessons learned; Section VIII outlines the Action Plan; and Section IX presents Management's conclusion. A detailed matrix containing the Panel's findings, along with Management's responses, is provided in Annex 1. Annexes 2 to 5 contain supporting materials, and the full Action Plan is found in Annex 6. Maps 1 through 4 provide an overview of the key elements of the Project and detailed information on key sites mentioned in the text.

II. OVERVIEW AND SECTOR BACKGROUND

8. The growth of the urban economy in India is central to its future development and is closely associated with poverty reduction efforts. As in other Asian countries, Indian cities are typically centers of economic growth. Today the urban population stands at 285 million or 28 percent of the total population. This share is expected to grow as high as 40 percent by 2021. It is estimated that by 2011 urban areas would contribute 65 percent of the national Gross Domestic Product. In most large urban areas many people live in unauthorized and unplanned settlements and work in the informal sector. Recently, the Government of India (GoI) approved a National Urban Renewal Mission that recognizes the importance of these issues and plans to allocate about USD 10 billion equivalent over a 7-year period to support investments in urban development and slum improvement by municipal and state governments, along with commitments to undertake reforms aimed at improving urban management and efficient development of urban centers.

9. Transport demand in most Indian cities has increased substantially in recent years, due to population growth, increase in household income, availability of low cost motor-

ized vehicles, intensified commercial and industrial activities, and unplanned development of cities. Cities where travel traditionally was based on walking, bicycling, and buses have thus experienced drastic changes, towards greater use of motorized vehicles, mainly personal motorcycles, auto-rickshaws, or more recently, private cars. The growth in travel and recent changes in the various modes of travel by commuters place heavy pressure on available road infrastructure and on the institutions in charge of traffic management, safety, public transport operations, and road planning. Greater congestion, which is widespread in Indian cities, has led to longer and less predictable travel times, and more traffic accidents. These urban transport problems, if unresolved, are likely to seriously constrain India's economic growth, and in turn undermine the GoI's poverty alleviation efforts.

10. Mumbai is India's main center of urban economic growth and one of the largest and most crowded metropolitan areas of the world. It accounts for 10 percent of India's industrial employment, 33 percent of its income tax revenues, and is the financial capital of the country. Mumbai is a complex urban environment characterized by diverse economic development, high population density, extensive unauthorized settlement and very high land costs. Its population is currently estimated at 13 million. Within its 1,467 square kilometer area enclosed in a narrow north-south corridor, population density varies between 12,000 and more than 45,000 people per square kilometer. Like most large cities in India, Greater Mumbai is experiencing rapid population growth, much of which is in unplanned, informal settlements. Buses carry over 4.5 million passengers per day, 60 percent of whom transfer to rail. Together, the rail and bus services carry 88 percent of metropolitan Mumbai's motorized personal trips.

11. MUTP is a key project in the overall development of Mumbai, with potential benefit for commercial trucking, commuters and residents, resulting in an economic rate of return of an estimated 37 percent. Efficient transport is vital to realize the growth potential in Mumbai. The Project is designed as a major effort to unlock Mumbai's transport bottleneck and to pilot ways to improve the overall urban fabric along the way. Given the density of settlement it is virtually impossible to improve the transport network within Mumbai without relocation of businesses of varying sizes and involuntary resettlement and rehabilitation of residents with all types of land tenure and income levels.

12. MUTP has already improved the quality of life for some. Among the approximately 20,000 households identified for resettlement, many were among the city's poorest, living along the railway tracks in dangerous and squalid conditions. More than ten thousand such households were successfully moved to secure dwellings over a period of 12 to 18 months. This in turn made possible improvements to rail transport and commuter times for hundreds of thousands of middle- and low-income rail passengers. The increased speed of the commuter trains as a result of MUTP supported improvements has reduced travel times from 4 to 9 minutes, increased peak time passenger capacity by 7-10 percent and significantly improved the operational efficiency of the rail system.

13. Following the publication of a report called "Vision Mumbai" in 2003 by a civic group, the Government of Maharashtra (GoM) has embarked on the preparation of an ambitious action plan for the development of the Metropolitan Region of Mumbai, with the

technical assistance of the Bank and other donor agencies (Cities Alliance, United States Agency for International Development, USAID). The goal is to transform Mumbai into a world class city with a vibrant economy and globally comparable quality of life for its citizens. Essential elements of this plan, which is now in outline draft and is expected to be the subject of intensive consultation over the next year, include making basic services available to all and reducing drastically the slum population over a span of 15 years (from 48 percent to less than 20 percent). Implementing this vision would require major reforms and billions of dollars of investments in transport and other types of infrastructure. MUTP has contributed to the preparation of this plan in several respects, including the realization of a comprehensive transport master plan. It also has the potential to contribute the lessons of its experience in implementation of resettlement to the realization of this vision.

14. Almost every major infrastructure improvement in urban India involves land acquisition and significant resettlement of people. The problem is more acute in densely congested areas like Mumbai due to the exceptionally high proportion of the population living in unauthorized settlements – many of them on public land. More than 6 million people live in slums without proper titles. The absence of policy and institutional capacity to deal with these issues is one of the key challenges of urban development in Mumbai. The Mumbai Urban Infrastructure Project (MUIP) currently being implemented by Mumbai Metropolitan Regional Development Authority (MMRDA) is likely to involve the resettlement of an even larger number of households than MUTP.

15. The preparation of MUTP marked a new approach to resettlement in Mumbai that improved both the capacity and standards for resettlement in the city. This approach included a consultative process for developing policy through a task force consisting of members from Government, private sector, NGOs and civil society. NGOs were also involved directly in the implementation of the resettlement aspects of the Project. Many aspects of the overall implementation of the Resettlement and Rehabilitation (R&R) Component of the Project have gone well; for example, about 14,000 households, including over 350 shopkeepers, have already been resettled to permanent houses and shops (71 percent of the Project Affected Households, or PAHs). They have benefited from improved accommodation and amenities and, very importantly, access to ownership rights. If Vision Mumbai is to be realized, undertakings like MUTP will be critical. Urban renewal on this scale will be an imperfect process requiring constant adjustment based on experience. Lessons learned from the Project will help urban planners not only in Mumbai, but in other large, congested cities in India and beyond.

III. PROJECT BACKGROUND, COMPOSITION AND STATUS

16. *The Project.* MUTP was prepared during the period 1994-2002, and approved by the Bank's Board of Executive Directors on June 18, 2002 (Loan No. 4665-IN; Credit No. 3662-IN).³ The total Project cost is USD 945.0 million, of which USD 463.0 million

³ It should be noted that the resettlement and rehabilitation aspects were for some time during the preparation phase considered as a separate, but complementary project, the Mumbai Urban Rehabilitation Project (MURP).

is financed by an IBRD Loan, SDR 62.5 million (USD 79 million equivalent) by an IDA Credit, and additional financing of USD 403.0 million from the GoI. Four legal agreements are pertinent to the Project: the IBRD Loan and IDA Credit Agreements, the Maharashtra Project Agreement, and the Mumbai Railway Vikas Corporation (MRVC) Project Agreement. All of the Agreements were signed on August 5, 2002 and the Project became effective on November 6, 2002. The Project is being implemented by the: MRVC; 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 MMRDA on behalf of the GoM and the Borrower, the GoI. MMRDA is the coordinating agency and is responsible for implementing the R&R Component on behalf of all the implementing agencies.

17. The Project consists of three components:

- *Component 1. Rail Transport* – USD 654.27 million, of which USD 304.90 million is financed by the IBRD Loan: Improvement of the capacity and performance of the suburban railway system through service efficiency improvements (increasing existing track capacity, converting from DC to AC, improving signaling, electrical and telecommunications systems), procurement of new rolling stock and upgrading of existing rolling stock, and expansion of network capacity. The component also supports studies and technical assistance to improve, among other things, Indian Railways capabilities with regard to railway track and rolling stock maintenance, financial management and control systems, railway safety and quality assurance systems.
- *Component 2. Road-Based Transport* – USD 183.02 million, of which USD 150.47 million is financed by the IBRD Loan. This component supports increases in the capacity, efficiency and safety of the road network; better facilities for pedestrians; improvement in the operating efficiency and quality of bus services; and reductions in motor vehicle emissions. It also strengthens the capacity of the responsible agencies to plan, deliver, maintain and operate efficiently road based urban transport infrastructure and services. Sub-components will: (a) support traffic management programs including Area Traffic Control (ATC) to optimize the functioning of traffic signals, pedestrian facilities, Station Area Traffic Improvement Schemes (SATIS) and parking control; (b) increase road network functionality by improving two east-west link roads (Jogeshwari-Vikhroli Link Road, or JVLR, and SCLR) and eliminating the main road level crossings of railway tracks; (c) improve the bus system through support of organizational reforms, efficiency measures and procurement of environment- and user-friendly buses; and (d) strengthen the capacity of transport agencies in Mumbai in traffic management, road maintenance, road safety, communication and air quality monitoring, including provision of technical assistance for updating the Comprehensive Transport Study, reviewing User Charges, and developing a Motor Vehicle Emission Control Strategy (MVECS).
- *Component 3. Resettlement and Rehabilitation* – USD 100.00 million, of which USD 79.00 million is financed by the IDA Credit: This component enables the GoM to implement the Resettlement Action Plan (RAP) to resettle those affected by investments under Components 1 and 2. It also provides assistance to those displaced to

improve their overall living standards. This component further provides for procurement of housing and shops to resettle those affected by the Project. Other activities under this component include the acquisition of a limited amount of land for civil works and construction of basic services, such as water, electricity, sanitation and community facilities. The Project also provides for the establishment of co-operatives and Community Revolving Funds (CRFs) to assure sustainable rehabilitation of those resettled. The technical assistance under this component includes consultancies for baseline surveys, Project supervision and Environmental Management and Capacity Building (EMCB), such as support for supervision of environmental aspects of construction and related environmental training/capacity building for the Project implementing agencies, and training of Project staff/NGOs involved with implementation.

18. The balance of the IBRD/IDA financing is accounted for by refinancing of a Project Preparation Facility (PPF) advance (USD 3.00 million) and a front end fee (USD 4.63 million).

19. **Current Status.** Table 1 below provides key information on the Project:

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
Gol:	403.00
TOTAL	945.00
Project Cost Increase:	213.00
REVISED TOTAL PROJECT COST:	1158.00
Disbursed (February 13, 2006):	
IBRD:	69.70 (15%)
IDA:	64.20 (81%)
TOTAL	133.90 (24.7%)

* excluding the PPF and Front End Fee of USD 7.63 million.

20. The Project has been effective for a little over three years. As of February 13, 2006, 24.7 percent of the Loan and Credit had been disbursed. Most of the components have started, but implementation has been slow, with significant delays in infrastructure works due to resettlement difficulties and in the procurement of the Electric Motor Unit trains (EMUs) and other goods and services. The Project's estimated cost has increased from USD 945.00 million to USD 1.158 billion, i.e., a USD 213.00 million increase. Most of this increase is generated by the Rail Component (USD 164 million) as a result of a revision of the EMU train procurement and the network expansion. A change in accounting method of the Transfer of Development Rights (TDR) resulted also in an apparent cost increase of USD 30 million for the R&R Component. Because of the differential increases in the cost estimates for the various Project components, it is currently estimated that USD 16.00 million of the IDA credit may remain uncommitted, despite an in-

crease in the overall Project costs of USD 213.00 million. The additional financing required is being provided by the GoM. Despite the delay so far, most Project activities are expected to be completed before the current closing date of the Loan/Credit. The main exceptions concern the procurement of EMU trains (for which lengthy rebidding was required) and the conversion from DC to AC electrical current of the railway lines, for which a one-year extension may be necessary.

21. **Overall Progress.** Despite delays in implementation, the Project was rated overall as moderately satisfactory following the Mid-Term Review in October 2005. Some progress also has been made towards achieving the Project development objectives. The scope of several activities was adjusted, however, during the Mid-Term Review to take into account factors such as variation of cost compared to the planned estimates. With a one year extension of the closing date, the Project’s objectives can still be met. See Table 2.

Table 2: Selected Key Indicators for End of Project

	Sub-project	Planned in PAD	Revised Value	Status/Comments
1	Rail cars	101 trains	101 trains	No revision
2	JVLR road	About 11 km (5.75 km Bank funded)	10.3 km	No revision
3	SCLR	About 6 km (3.4 km Bank funded)	3.4 km Bank funded	No revision
4	Station Area Traffic Improvement Schemes	6	4	2 schemes deleted due to cost increases and cost sharing issue with Indian Railways
5	Pedestrian Grade Separators	26 (Rs 710 million)	6 (Rs 750 million)	20 separators deleted due to substantial cost increases
6	Buses	450	644	Additional purchase due to reduced unit costs
7	ATC	250 junctions	250 junctions	No revision

22. Safeguard management performance was also rated moderately satisfactory on the grounds that, although 80 percent of residential Project Affected Persons (PAPs) were successfully relocated, progress in post resettlement actions for those already residing in permanent housing was slow, resolution of the issue of transit housing was delayed, difficulties were experienced in resolving issues with the owners of larger shops, and there were deficiencies in reporting.

23. **Component 1.** The overall progress of Component 1 is 22 percent and implementation of the four sub-components is more than two years behind schedule. Nevertheless, the trains are running more efficiently than was the case before the Project started. The resettlement of about 10,000 households living along the railway tracks in a short period of about 12-18 months during 2000-2001 made possible important improvements in the suburban rail system, resulting in major benefits to the city by increasing the speed from 65 kilometers per hour to about 75 kilometers per hour and reducing travel time for suburban trains by more than 5 minutes; increasing the passenger carrying capacity during

peak hours by more than 7 percent; and reducing accidents along the railway tracks. It is expected that the other sub-components would be implemented well before the delivery of the EMU hardware. The delivery period for components of the EMUs will extend beyond the Project's closing date of June 2009. The cost to completion of this component is projected to be about USD 818.00 million, compared to USD 654.00 million at appraisal. This 20 percent increase is due principally to unforeseen increases in the cost of the EMU trains and the network expansion program.

24. **Component 2.** The overall progress of Component 2 is about 10 percent and implementation is about 18 months behind schedule largely because of delays in resettlement and utility relocation, but also because of the complexities of inter-agency coordination. This component could still be completed by the end of 2008, subject to resolution of outstanding problems in resettlement, progress in the implementation of JVLR and SCLR, and satisfactory arrangements for cost-sharing with the railways for some traffic management sub-components. The cost to completion of Component 2 is projected at about USD 207.00 million, compared to USD 183.00 million at appraisal, with the increase largely due to implementation delays.

25. **Component 3.** Table 3 sets out the current situation with respect to resettlement:

Table 3: Resettlement: Key Figures

	Units to be shifted	Units shifted as of January 31, 2006	Units already shifted as % of total
Households			
Rail Component	12,744	11,305	89%
Road Component	4,620	2,558	55%
Host community at Anik	14	14	100%
Sub-Total	17,378	13,877	80%
Shops			
Rail Component	632	150	24%
Road Component	1,918	200	10%
Host community at Anik	19	19	100%
Sub-Total	2,569	369	14%
TOTAL	19,947	14,246	71%

26. Many aspects of the overall implementation of the R&R Component of the Project have gone well, and so far 13,877 households and 369 shopkeepers have already been resettled to permanent houses and shops (71 percent of the almost 20,000 affected). Indeed, the resettlement in permanent housing of the many thousands of people who were living in very dangerous conditions beside the railway tracks is a significant achievement. About 98 percent of the proposed 21,300 units needed for resettlement have been built or purchased.⁴ (For more details, See Annex 2.)

⁴ This number is greater than the number of households because it includes community spaces and cushion for changes in the number of PAHs. In addition, some housing units and shop units have been made avail-

27. Each household and shop unit has been allocated 225 square feet; shopkeepers have been allocated units equivalent to the size of shops lost up to a maximum of 225 square feet free of charge, with the option of purchasing additional space up to a total of 750 square feet. It is expected that the remaining households and shopkeepers will be resettled by December 2006. About 60 percent of the approximately 6,000 households living in transit housing have moved to permanent housing within the three year time limit stipulated in the Maharashtra Project Agreement; the remaining 40 percent will have spent 4 to 5 years in transit housing before being shifted to permanent housing. The cost to completion of this component is expected to remain within the originally estimated amount of USD 100 million. In general, when effectively implemented, the Project supported resettlement has the potential for a major positive impact on the majority of PAHs, as they will have received larger and better quality housing units with secure ownership rights, and access to basic amenities, such as potable water, drainage, sanitation, etc.

28. However, the implementation of the R&R Component is encountering serious difficulties. These include the challenge of finding suitable alternative locations and opportunities to restore income for medium- and large-sized shopkeepers, particularly those affected by SCLR; management of the R&R process; and, more recently, addressing post resettlement issues, such as provision of utilities and services, access to transportation, management of the cooperative societies, administering CRFs, delays in transferring maintenance funds, and delays in the transfer of title and conveyance deeds. The current status of implementation of key resettlement actions is summarized in the Tables in Annex 2.

IV. FINDINGS AND OBSERVATIONS OF THE PANEL

29. The Panel’s findings regarding Bank compliance with its policies and procedures in relation to the issues raised by the Requesters are summarized in Table 4 below. The issues raised by the Panel were well-known to Management, which had spent more than a year trying to address significant challenges with respect to resettlement, environmental management, and supervision of the Project.

Table 4. Summary of Panel Findings

OD 4.01 – ENVIRONMENTAL ASSESSMENT	
In compliance	<ul style="list-style-type: none"> - Designation of Category A for Project. - Environmental Assessment (EA) process commenced early in the Project cycle.
Not in compliance	<ul style="list-style-type: none"> - Shopkeepers were not consulted regarding alternatives to resettlement sites for their shops. - Final EA for SCLR was not completed until well after initiation of the Project. - Necessary documentation to ensure that all environmental consequences were recognized early in Project cycle was not available. - EA did not consider ambient environmental and social conditions when identifying sites for resettlement. - No consideration in an integrated way of natural and social aspects of the environment. - No consideration of alternatives for Road Component and individual resettlement sites.
OD 4.30 – Involuntary Resettlement	
In compliance	<ul style="list-style-type: none"> - Consultations held subsequent to the selection of resettlement sites with regard to the char-

able at sites developed by MMRDA under the MUIP. Some commercial units have been also made available to MUTP by the builder of Powai.

	<ul style="list-style-type: none"> acteristics of buildings and shops. - Withholding of “No Objection” for changes to the technical design of the Project (widening of SCLR). - Quality of housing edifices.
Not in compliance	<p>Overall Management:</p> <ul style="list-style-type: none"> - Resettlement in Mumbai was precisely type of resettlement that, under OD 4.30, was intended as a free-standing project. While Bank initially broadly complied with OD 4.30, it did not do so after the merger of the two projects. - For substantially different sub-categories of populations affected by Road and Rail Components of the Project, Bank did not ensure that Project design complied with policy. - Preparation, appraisal, and implementation of resettlement operations. - Concern about transfer of the main implementation responsibilities from the state Government and municipal agencies to NGOs with insufficient institutional capacity and knowledge. <p>Surveys:</p> <ul style="list-style-type: none"> - Discrepancies regarding estimated numbers of commercial units that need to be constructed for shopkeepers. - Surveys of affected population, immovable assets affected by resettlement, and income of affected people were deficient and did not provide reliable baseline data. - Bank did not address lack of R&R capacity within implementing agency to deal with tenure issues. <p>Consultation and Public Information:</p> <ul style="list-style-type: none"> - PAPs and shopkeepers were not consulted in advance about resettlement sites or alternatives to resettlement sites. - Lack of consultation on alternative alignments of the road. - Lack of information disclosure on MUTP. <p>Middle income Shopkeepers:</p> <ul style="list-style-type: none"> - Bank overlooked middle income shopkeepers in planning for their resettlement and failed to notice differences in their situation from that of others to be resettled. - With regard to middle income shopkeepers, no appropriate assessment of employee PAPs was undertaken. <p>Post Resettlement:</p> <ul style="list-style-type: none"> - Failure to address income and living standard restoration for PAPs in the Road Component. - Sewerage and water connections not working properly and no collection for garbage and waste. - Implementation Manual is not complete, although people have already been moved to the resettlement sites. - Bank did not ensure requisite institutional capacity was in place for implementing and monitoring operational arrangements at the resettlement location after the PAHs had been resettled.
OP/BP 10.00 – Investment Lending: Identification to Board Presentation	
Not in compliance	<ul style="list-style-type: none"> - Project Appraisal Document (PAD) was incorrect and incomplete regarding the actual magnitude of the envisaged displacement of people and on several other important matters of Bank policy, strategy, and agreements reached with the GoM.
OP/BP 10.04 – Economic Evaluation of Investment Operations	
Not in compliance	<ul style="list-style-type: none"> - PAD was incorrect and incomplete regarding the actual magnitude of the envisaged displacement of people and on several other important matters of Bank policy, strategy, and agreements reached with the GoM. - Insufficient analysis of resettlement and impoverishment risks.
OD/OP/BP 13.05 – Project Supervision	
Not in compliance	<ul style="list-style-type: none"> - Inadequate supervision of resettlement operations. - Discrepancies regarding estimated numbers of commercial units that need to be constructed for shopkeepers. - Failure to identify special problems of shopkeepers affected by the road widening and alignment and to take corrective action. - Failure to address income restoration.
OMS 2.20 – Project Appraisal	
Not in compliance	<ul style="list-style-type: none"> - Insufficient analysis of risk when scope of resettlement changed. - PAD contained incorrect information on several key issues, including PAPs.

Bank Policy on Disclosure	
Not in compliance	- Bank did not consult with and inform the very large number of PAPs about its change in approach (from two projects to one project), and thus did not comply with provisions on disclosure of information.

V. KEY ISSUES

30. This section addresses five sets of issues identified in the Panel investigation – Resettlement, Environmental Issues, Institutional Issues, Project Design, and Supervision – and provides additional background information related to the Action Plan in Section VIII below. The attached matrix (Annex 1) lists each of the Panel’s observations or findings along with Management’s comments and clarifications. This section does not, therefore, discuss all of the issues raised in the Panel’s report.

Resettlement

Overview

31. Resettlement of almost 20,000 households and shops is a challenge in the context of a dense and complex urban setting. As shown in Table 5 below, just over 80 percent of the affected households and about 15 percent of shops have been resettled as of February 2006. Most of the resettlement to date relates to the Rail Component of the Project.

Table 5. Status of Resettlement (Mid-February 2006)

Unit Type	Totals	Resettled	To be Resettled
Households	17,378	13,877 (80%)	3,501 (20%)
Shops: [Of which > 225 sq.ft].	2,569 [800]	369 (14%)	2,200 (86%) [800]
Total:	19,947	14,246 (71%)	5,701 (29%)

32. The nearly 14,000 households resettled to date (most of whom were illegally settled in various sites) have received 225 square foot apartments or shops to which they will have title. Staff supervision and independent follow-up studies by the Tata Institute of Social Sciences have confirmed that resettlement of the initial groups of affected people (about 10,000 households) along the railways has been highly successful, while recommending further improvements mainly in post-resettlement activities (see Box 1 and paragraphs below).

Quality of Baseline Socio-economic Data

33. *The Panel has noted that baseline data were not adequately recorded (Annex 1, Item 4).* Management agrees that greater attention should have been paid by the Bank and MMRDA to developing a better methodology for defining, locating, counting, collecting and recording data. Currently, MMRDA is strengthening its database and consolidating the baseline information it has collected or obtained to date and has committed to have the tracking and retrieval database operational by May 15, 2006. In order to ensure transparency and accountability, MMRDA will post the list of eligible people on its

website as soon as it is available and will issue identity cards to all PAHs who have already moved by April 30, 2006 and prior to all future displacement. The list of people who have already moved into the new houses/shops has been posted on MMRDA's website, and by March 31, 2006, the list of PAHs shifted prior to December 2005 will also be posted on the website. Any deficiencies in the baseline socio-economic data will be corrected on a "recall" basis during impact assessment studies to be conducted after one year of occupying the new houses and shops. The second round of impact assessment for about 4,000 families who have completed one year of stay after resettlement is due to be completed by August 2006.

Box 1: Impact Evaluation of Initial Resettlement Implementation

MMRDA undertook an impact assessment through independent consultants in 2003 (Tata Institute of Social Sciences, Mumbai). The study was carried out among those who were already resettled in the initial phase. It was based on a survey of 2,116 sample households (20 percent) and 36 focus group discussions. The findings indicated an overall improvement in living standards of PAPs in terms of housing and access to basic amenities. More than 90 percent expressed satisfaction with the delivery of entitlements. The study concluded that the participatory process adopted in the resettlement process had been exemplary in the context of urban resettlement. Permanent housing, improved access to basic amenities and security against eviction, accidents and thefts were perceived as the major gains of resettlement. The disadvantages reported include increased distance to the work place, loss of supplementary income opportunities and increased maintenance charges.

The resettlement did not affect the location of occupation of main earners of the family. Eighty-five percent of the main earners continued to retain their earlier jobs. The average incomes fell marginally mainly due to loss of supplementary job opportunities for women in the new sites. Seventeen percent of the households have acquired additional household assets. As regards access to basic amenities, 77 percent reported this as better than the previous place. Neighborhood relations remained more or less the same, or improved, for the majority of households. The physical environment in terms of light, water, noise, garbage removal and overall health conditions were reported to be comparatively better than previously. The report indicated that the overall living conditions in the transit housing were generally poor.

Based on the study findings, the MMRDA prepared and implemented a remedial action plan for addressing some of the deficiencies identified in the report. The remedial measures mostly included improvement of water supply, rectification of defects in sewer systems, improvement in garbage disposal services, construction of boundary walls, repair of lifts to bring them to working condition, expediting the completion of registration of housing co-operatives, transfer of maintenance funds and creation of CRFs for economic rehabilitation. Except for the transfer of maintenance funds (interest on maintenance funds has been transferred to 28 societies) most of the remedial measures are substantially completed.

Rehabilitation of Affected Shopkeepers

34. ***The Panel found that the specific needs of some groups of shopkeepers were not recognized and addressed (Annex 1, Item 7); that the differences between resettlement in the Road and Rail Components were not adequately identified and addressed (Annex 1, Item 2), and that the Bank has overlooked the issues related to middle income and specialized shopkeepers in respect of number of shopkeepers affected, location, allotment of limited floor space, inventory of assets and income restoration measures (Annex 1, Item 7).***

35. The latest estimate is that 2,569 shopkeepers will be affected by the Project, of whom about 800 are medium- and large-sized shopkeepers with shops larger than 225 square feet in size. This accounts for about 4 percent of the total number of PAHs to be

resettled. At present, the overwhelming majority of the shopkeepers have not yet been resettled. The issues related to the medium- and large-sized shopkeepers (very few of whom have already been resettled) were identified during Project implementation as the focus of civil works shifted from the Rail Component to the critical link roads, where diverse and intense commercial activity is a predominant characteristic of the urban landscape.

36. Management agrees with the Panel that the specific circumstances of the medium- and large-sized shopkeepers were not identified in the baseline surveys. It also agrees with the need for special attention to the specific needs of these shopkeepers before they are shifted, and has been working to address this issue with MMRDA since it first emerged in March 2004. A Bank supervision mission in March 2004 (just before the First Request was received by the Inspection Panel) identified a number of issues related to the shopkeepers on the SCLR. These were further investigated during a follow-up mission in April 2004, which advised MMRDA and the Chief Secretary, GoM, that these issues – including improved dialogue and a focus on problem-solving with the affected shopkeepers – required urgent attention. It was clear that the resettlement options in place at that time would not be sufficient to fully compensate some groups of shopkeepers. Given that this would involve a change to the resettlement arrangements under the Project, MMRDA was initially reluctant to consider special provisions to meet the specific situation of the medium- and large-sized shopkeepers. It was also concerned that this might establish a precedent that would be very costly to replicate retroactively. After considerable debate it was agreed that the Bank would undertake a Business Needs Study (BNS), which was eventually contracted in August 2005 to a reputable professional property company, to inform decision-making and facilitate policy compliant outcomes for the shopkeepers. The preparation of the BNS was delayed due to the need to reach an agreement with the Borrower on the use of an innovative problem solving approach to address the issue.

37. The specific objective of the BNS was to determine whether the resettlement options being offered to the shopkeepers with medium- and large-sized shops (i.e., more than the originally agreed allocation of 225 square feet or which have special location needs) would restore income in the new resettlement sites. Where income restoration was not feasible, the study would document what financial and other resources would be required to reinstate the business. In each case, the BNS would propose measures appropriate for restoration of business incomes. Terms of reference (TORs) for this study are attached as Annex 3. The final report of phase one of the study covering SCLR was delivered to the Bank and to MMRDA in mid-December 2005, and a draft report for other sub-projects was submitted in the third week of December 2005.

38. The study developed 15 “business parameters”⁵ to assess need, and considered 15 types of businesses, based on which the consultants concluded that certain businesses,

⁵ These are: location advantage; connectivity and linkages; foot fall (number of clients visiting); quality of foot fall and potential market; availability of frontage and height; floor space; physical condition of the structure; warehousing and storage facility; access to raw material and suppliers; compatibility with adjacent business activities; access to power; access to water disposal and treatment; access to skilled manpower; and access to communication.

mostly industrial/large mechanical in nature,⁶ will not be able to restore income at the new sites in the case of SCLR. Income restoration for some other businesses, particularly in the services sector,⁷ will be difficult in the short term. There will be no noticeable impact for smaller shops that are shifted to the resettlement sites.⁸

39. The BNS proposed various options for consideration by MMRDA to arrive at a solution for the resettlement of shopkeepers affected by SCLR. These include: (a) in-situ resettlement by changing the land use reservations, including allowing the partially affected shopkeepers to continue in the site with necessary permission; (b) segregating business types and identifying suitable alternative sites, including the Wadala Truck Terminal for auto-related activities; (c) finding another suitable location and constructing a separate shopping complex, perhaps at the Wadala Truck Terminal; (d) resettling the shopkeepers at the Bandra Kurla complex by identifying a suitable land parcel; and, (e) offering cash supplements through negotiations on a case-by-case basis.

40. After consideration of the conclusions of the BNS, MMRDA has proposed the following options to address the concerns of medium- and large-sized shopkeepers: (a) allowing them to choose any resettlement site available under MUTP/MUIP (15 possible locations for shopkeepers in contrast to the single location previously available); (b) helping the SCLR shopkeepers to join the Motilal Nehru Slum Rehabilitation Scheme (SRS) being developed at the Bandra Kurla complex and the JVLR shopkeepers to move to premises at Hiranandani complex at Powai; (c) offering a developed plot at the Wadala Truck Terminal for auto-related activities and manufacturing units; (d) obtaining MCGM's permission and support for increasing the height of partially affected structures up to 17 feet and enabling the shopkeepers to continue their businesses at the site itself; (e) allotting municipal markets on long-term lease for shopkeepers affected by SATIS schemes; and (f) on a case-by-case basis, consider allowing immediate salability of title, for those shopkeepers who can demonstrate that none of the other options will restore their livelihoods. To address concerns about floor space, MMRDA proposes to offer additional space beyond 225 square feet, up to a total of 750 square feet at actual construction costs. The impact of resettlement on shopkeepers will be measured in terms of volume of turnover which is an indicator for income of business establishments. Options (d) and (f) will require formal approval by MCGM and GoM respectively, but approval in principle has already been given.

41. These expanded options to address the concerns of the shopkeepers constitute a significant step forward. However, achieving the objective of restoring shopkeepers' income will largely depend on the success of the consultations and negotiations between the MMRDA and the shopkeepers, which MMRDA plans to complete by the end of May 2006 for the SCLR shopkeepers and by October 31, 2006 for the shopkeepers in other areas, such as JVLR. MMRDA has undertaken to ensure that all of the shopkeepers are

⁶ Timber and plywood; printing and related works; auto garage and auto parts; chemical and related trades; and metal forging and blacksmithing.

⁷ Rubber and related works; paper and related works; hotel and restaurant; medical and related works; and mechanic and related works.

⁸ Stationery; groceries; tailors and dressmakers; electrical related works; and other miscellaneous activities (e.g., sweets stalls and related shops).

fully informed of the new options prior to these negotiations. Along with the other significant risks of the Project (see Risks section below), there also remains some risk that MMRDA may not provide the needed flexibility in assigning the demanded option to each concerned shopkeeper. As well, it is possible that not all of the shopkeepers will be satisfied that these options provide a solution to their cases. MMRDA has agreed to consider additional proposals to address exceptional situations on a case-by-case basis.

42. The Bank has indicated to MMRDA that it would need to obtain the Bank's no objection prior to any future resettlement, including resettlement of these shopkeepers.

Post Resettlement Activities

43. ***The Panel expressed concerns over the implementation of post resettlement activities (Annex 1, Items 24, 25, 38, 39, and 52).*** The Bank has raised many of the same post resettlement issues in various Aides Memoires and in direct communications with both MMRDA and with the Society for Promotion of Area Resources Centers (SPARC), and agrees that they require priority attention. Post resettlement activities are those activities intended to ensure that the standard of living of resettled households is maintained, that services are provided in the resettlement sites (water supply, electricity, solid waste, access to transport and social services) and that the structures and services are maintained in a sustainable way.

44. The model for longer-term management and sustainability of these sites is based on creating sustainable housing co-operatives to manage the sites at the community level. Specific activities include supporting the registration and functioning of housing co-operatives, the transfer of maintenance funds to pay for taxes, management of expenses associated with living in apartment buildings, transfer of titles to the community associations, and establishment and management of common services. There has been some progress in a number of areas (e.g., 48 housing co-operative societies have been registered, 28 of which have received interest from the maintenance funds; CRFs have been set up by 48 co-operative societies, 14 of which have been using them productively). However, progress to date overall and in some specific areas has been slow, as articulated in the Panel's report and in Bank supervision mission reports. There have been delays for example in the transfer of maintenance funds and titles to the societies; and problems persist with electricity payments and water supply (which is a big issue in all of Mumbai) and with the management and maintenance of common facilities. The Action Plan includes steps to address these issues in a sequential way, and outlines concrete targets for achieving specific outcomes. For example, by May 31, 2006, MMRDA will complete the registration of an additional 80 cooperative societies. By April 30, 2006, the maintenance funds (Rs. 20,000 per PAP) will be transferred to the first 48 cooperative societies; by July 31, 2007, the funds will be transferred to the next 80 cooperative societies.

45. The approach to management of post resettlement issues (based on community organization) remains valid; the challenge is to accelerate implementation. MMRDA has submitted a detailed Action Plan to the Bank, with specific milestones to address these issues in a defined timeframe. MMRDA has also agreed to contract a professional agency

by May 31, 2006 to assist in the management of these activities, including consultations with the various societies to help them to develop and implement action plans and to complete the steps for the establishment and financing of the societies. As detailed in the Action Plan, significant progress is expected by the end of 2006 on strengthening post resettlement.

46. Provision of key services, such as water supply and transport to and from the sites, and social services (e.g., schools) are a concern of those who have been resettled in the newer sites, especially at Mankhurd. MMRDA has agreed to work with the Bank, GoM and MCGM to ensure that adequate services are provided to all sites. MMRDA will increase the supply of water and availability of buses to those sites requiring the services, and undertake medium-term solutions thereafter. By 2007, MMRDA intends to have a fully functioning water supply system for Mankhurd. A time-bound action plan for the provision of social services at the resettlement sites will be submitted to the Bank with the deadline to complete construction by July 2007.

47. Impact assessments to track what has happened to a sample of households and to assess changes in income and living standards are being carried out one year after resettlement on a rolling basis. As explained earlier, to date, one independent follow-up survey has been carried out by the Tata Institute of Social Sciences (see Box 1). The survey found that the PAHs' living standards and access to basic amenities had improved overall, and that resettlement did not affect the location of occupation of primary wage earners. Disadvantages included increased distance to the work place, loss of supplementary income, and increased maintenance charges. MMRDA subsequently implemented an action plan for remedial measures identified in the follow-up survey. The next survey, covering about 4,000 households at Anik and Majas, is due to be completed by August 31, 2006. MMRDA has undertaken in the Action Plan to implement any remedial actions that are required as a result of the evaluation. A final overall impact assessment is planned prior to loan closure. This final assessment will identify any outstanding issues requiring further action and provide inputs to the Implementation Completion Report (ICR).

Grievance Process

48. ***The Panel found that the grievance system lacks clear accountabilities, procedures and rules and has not been independent, that its procedures were not well known to many PAPs (Annex 1, Item 13), and that the Bank was slow to identify the problems and to follow up (Annex 1, Item 46), but that since the Request, steps have been taken to strengthen the system.***

49. Management fully agrees that an independent, transparent and accessible grievance process is critical to the success of the Project. Since mid-2004, there was substantial dialogue between the Bank and MMRDA regarding the establishment and maintenance of an effective grievance process. While it took MMRDA some time to respond effectively on this matter, a number of actions have been taken to strengthen both the field level and senior level grievance redress committees (GRCs). At the field level, an MMRDA official, not associated with the Project, has been designated to chair the committee; at the senior level, an independent non-MMRDA chairperson was appointed.

A comprehensive booklet on resettlement was prepared (in Marathi and English) and made available to affected people through the Project Information Centers (PICs) and via the NGOs.

50. As part of the Action Plan, MMRDA has committed to further strengthen the process by providing additional staff to support the management of grievances, especially with regard to record-keeping and reporting. The GRCs will be delegated more administrative powers and the composition of the committees will be reviewed to ensure their independence. A Bank team visited Mumbai in February 2006 to work with MMRDA to agree on revised procedures. Detailed instructions on the updated grievance management procedures will be included in the updated Resettlement and Rehabilitation Implementation Manual, which will be issued by May 2006. The procedures for the operation of both the field and senior level GRCs and their membership will be made available on the web and through an additional one-page brochure that will be widely distributed to the PAPs, including through the PICs.

51. The Independent Monitoring Panel (IMP) ensures the implementation of social and environment policy provisions and monitors the implementation process. It is empowered to modify its scope of work to realize the broader objectives of resettlement implementation. The IMP consists of eminent persons from Mumbai in various professions, such as administration, law, environment, and social work. IMP members are not government employees and are not beneficiaries of the process. The IMP was actively involved in holding meetings with the Requesters to find solutions to their concerns, but there were considerable delays in issuing its minutes. Its functioning has come to a temporary halt due to the resignation of its Chairperson in June 2005, but MMRDA and GoM have committed to refine the TORs for the IMP to improve its effectiveness, and to appoint a new Chairman by April 30, 2006. The Bank has requested that the IMP findings also be made available on the web and through the PICs. All of these actions should be completed by June 2006. Bank supervision will ensure that the IMP findings are available on the web.

Environmental Assessment

52. *The Panel found that the tiered structure of the EA process, and the fact that the EAs for some components were finalized significantly later than others means that the ability to consider and integrate all social and natural environmental consequences was compromised, that the use of TDRs did not allow the Bank to consider ambient environmental conditions in selecting resettlement sites on a case-by-case basis (and that some sites are now experiencing environmental problems), and that there is no evidence that a sufficiently wide range of options was considered, taking into account environmental and social issues for road alignments (Annex 1, Items 28-33).*

53. As a multi-component project, MUTP had a relatively long preparation process and several EAs — Sectoral Level EA, Consolidated EA, Programmatic Level EAs (PLEAs), and Sub-Project Level EAs — were prepared, all by independent firms. Given that the large number of potential sub-projects could not be fully determined at the time of appraisal, the Bank relied on the Sectoral Level EA and other framework documents at

that stage; Sub-Project EAs were then undertaken on a rolling basis during implementation, and Community Environmental Management Plans (CEMPs) were prepared for the resettlement sites. The CEMPs (which were prepared in order to satisfy requirements for environmental assessment of the resettlement sites) had to take into account the fact that the selection of sites was severely constrained by the cost and availability of land either in Mumbai or within commuting distance of the city. The various EA and CEMP documents are listed in Table 1 of Annex 5.

54. The CEMPs propose specific actions for improving environmental management at the resettlement sites. Their objective is to assist the resettled communities to effectively access basic urban environmental infrastructure services and, through community initiative and participation, to mitigate environmental health risks. MMRDA is working to address environmental problems related to the construction of the remaining resettlement sites, organizing communities (in housing co-operatives and other units) to deal with environmental issues at resettlements sites (such as household waste management and pest control) and more broadly in the municipality (such as sanitation, landscaping). The Bank is working with MMRDA to resolve urgent problems regarding solid waste management at the resettlement sites and management of storm water drains. Activities are being undertaken in many communities to clean up water sources, improve drainage, and remediate sites by planting trees, including mangroves, after construction.

55. Management acknowledges that while the use of TDR mechanisms provided an innovative way to manage and fund the resettlement activities, it did limit the range of site options available to resettled communities. However, if the post resettlement activities are implemented, and the resettlement impact assessments undertaken and followed up, then, in Management's view, there should be limited negative impacts on the PAHs.

56. The MMRDA has included in the Action Plan measures to address water supply and wastewater disposal, solid waste management, clearance of storm water drains, tree planting programs, and community awareness activities for health and sanitation. The Bank will work with MMRDA and other authorities to accelerate implementation of key actions, especially those related to improving access to water supply, for resettlement communities. Increased emphasis will be given to development of the local capacity to implement the CEMPs and supplemental EAs will be prepared for sub-projects or major revisions to sub-projects as appropriate.

Institutional Issues

57. *The Panel has noted the weaknesses in the implementation capacity of SPARC and MMRDA, in the Bank's assessment of the institutional capacity of these implementing agencies, and in the Bank's disclosure of related implementation risks in the PAD (Annex 1, Items 45 and 57).*

58. The role of SPARC, a Mumbai-based NGO, under a consultant services contract to MMRDA, includes, but is not limited to: preparation of the baseline socio-economic surveys (BSES); consultations; social mobilization of affected people; explaining entitlements and policy provisions to affected people; forming women's savings groups;

serving as members in the GRCs; acting as catalysts between people and government; providing support for post resettlement activities, such as registration of housing co-operatives, facilitating the transfer of maintenance funds, forming neighborhood committees for managing co-operative societies, training and orientation for managing housing co-operatives, etc. Except for payment of transportation allowances, SPARC has no role in transferring funds to PAPs, or managing funds on their behalf. The National Slum Dwellers Federation (NSDF) is a community based organization (CBO) that has been working with slum dwellers affected by the Project in its capacity as a CBO to provide counseling services, but none of this work has been on behalf of or under contract to either MMRDA or the Bank.

59. SPARC's initial performance in assisting with the resettlement of households related to the Rail Component was strong, resulting in the resettlement of around 10,000 poor households from very poor slum housing into modern serviced structures, with minimal problems. Indeed, it was this early performance (evident before appraisal) that led the Bank to believe that large-scale urban resettlement was indeed feasible and formed the basis for awarding the contract to SPARC to manage the resettlement under MUTP. However, as the workload of SPARC increased, serious weaknesses in the quality of the R&R baseline surveys and data management became apparent, as did weaknesses in its ability to manage both the consultation process and the more complex shopkeeper resettlement related to the Road Component. Both MMRDA and the Bank recognized the limited capacity of the NGOs to undertake these complex resettlement activities. The Bank has raised these issues in various Aides Memoires and in direct communications with both MMRDA and SPARC and worked intensively with MMRDA to rectify these weaknesses, mainly by contracting out related services to other providers. For example, the Bank contracted the BNS to inform decision-making on shopkeeper resettlement and MMRDA has contracted resettlement support consultants (ECOSMART) to supplement NGO implemented R&R activities such as reporting, inputs for preparation of Resettlement Implementation Plans (RIPs), drafting a detailed Implementation Manual, improving database management, etc.

60. Despite these various efforts there has been limited improvement in performance, and the role of the NGOs in the Project is being phased out. In the Action Plan, MMRDA has now agreed to bring in a professional agency by May 31, 2006 to do much of the work in support of the post resettlement activities. MMRDA has also agreed to work with the Bank to review, in the context of an assessment of NGO capacity requirements, the future role of NGOs in executing the Project in light of the changing skill requirements.

61. As the Project has progressed, Bank supervision missions have also noted weaknesses in MMRDA's oversight of the NGOs and in its own implementation of the resettlement components. While MMRDA's capacity had been assessed during the appraisal phase, the different types of demand of the diverse shopkeepers on the road sections were not anticipated, nor was the impact of substantial additional non-Bank-funded activities. In addition to the Bank-financed MUTP, MMRDA commenced implementation of the MUIP in 2003. Similar in design to MUTP, this project has involved the resettlement of about 30,000 additional households. These additional activities placed signifi-

cantly increased demands on MMRDA, resulting in the need for further strengthening of capacity for the agency. The complexity of what is being implemented in the MUTP cannot be underestimated – with multiple stakeholders in a very densely populated environment, with different interest groups and political pressures, and many utilities providing services.

62. MMRDA has, at the recommendation of the Bank, already taken a number of steps to help strengthen its own capacity by: (a) recruiting short-term professional expertise in resettlement and social development issues; (b) bringing in professional staff having experience and familiarity with resettlement and social development aspects; (c) strengthening its own data management capabilities and interactions with PAPs; and (d) strengthening the PICs through the services of a public relations firm and improving communications through newsletters, brochures, and media relations.

63. MMRDA has agreed to strengthen its capacity to: (a) further increase its staff complement in R&R to twelve by April 2006; (b) place the leadership of the Resettlement and Development Section under the oversight of a Chief Officer (R&R), already assigned and in post; (c) expand the Implementation Manual to cover environmental and post resettlement activities and provide the expanded manual by May 2006; and (d) install a new database management system by May 2006.

64. Finally, the GoM has assigned a senior officer reporting to the Chief Secretary to oversee the implementation of the Action Plan and to facilitate greater integration with other urban initiatives in Mumbai, including Vision Mumbai.

Project Design

65. *The Panel is of the view that OD 4.30 required that MUTP resettlement be addressed through a freestanding project (Annex 1, Item 56).* Under the provisions of OD 4.30, which was in effect when the Project was prepared, Bank financing of resettlement could be provided as follows: (a) as a component of the main investment project that is causing displacement and requiring resettlement; (b) if large enough, as a free-standing resettlement project with appropriate cross-conditionalities, processed and implemented in parallel with the investment project that causes the displacement; such a project may better focus country and Bank attention on the effective resolution of resettlement issues; or (c) as a sector investment loan. Measures to address the resettlement aspects of the MUTP were initially considered by the Bank to be undertaken as a separate, but linked, project – the Mumbai Urban Rehabilitation Project (MURP). It was anticipated that this proposed project would provide a policy as well as an institutional basis for dealing with resettlement, not only for transport-related investments, but also for other infrastructure investments in Mumbai and other parts of Maharashtra.

66. When it was envisaged as a separate project, the proposed MURP anticipated resettlement of a substantially larger number of households than was eventually included in the MUTP, included more sub-projects, and would have provided a policy as well as an institutional basis for dealing with all infrastructure investments in Mumbai as well as parts of urban Maharashtra. Given the reluctance of the GoM to adopt this broader ap-

proach to addressing resettlement issues, and the need to ensure close coordination between the transport and resettlement aspects of the Project as a whole, Management decided to adopt a single project approach. This decision, which included input from Bank resettlement specialists, reflected the view that implementation outcomes would be more effectively achieved in an integrated project where resettlement results could be considered as part of overall project goals, budgeting, implementation schedule, and monitoring and supervision process.

67. It should be noted that the Bank has successfully used a combined approach to project implementation for both construction and R&R activities in numerous major projects (in South Asia as well as other regions) and that Management continues to view the use of a “free-standing resettlement project” as an option to be considered on a case-by-case basis. This approach was used under OD 4.13 and continues to be used under OP 4.12, *Involuntary Resettlement*, which was approved in December 2001.

68. Management acknowledges that there were a number of issues that should have been better addressed by the Bank at the preparation and appraisal stage, most important of which would have been ensuring better baseline socio-economic data and social analysis, and earlier identification of the issues related to the medium- and large-sized shopkeepers on the Road Component. These two oversights, perhaps, in hindsight, resulting from the strong focus on the relative early successes on the Rail Component, contributed significantly to some of the other issues that the Panel has identified – including the issues of risk and the institutional capacity of the NGOs and MMRDA to address the needs of these different groups.

Supervision

69. *The Panel has found weaknesses in the Bank’s supervision of the Project including: that the Bank’s matrix management system may be contributing to delays in Bank actions and dilute accountability (Annex 1, Item 42); that staffing and mission composition has not been adequate (Annex 1, Item 54); and that a number of issues identified elsewhere in the report have not been adequately supervised, including correctly estimating and tracking the number of PAPs, identifying and addressing the special needs of the shopkeepers, assessing the institutional capacity and risks of the resettlement aspects, and addressing income restoration, the grievance mechanism and post resettlement issues (Annex 1, Items 43-53). The Panel also found, however, that since March 2004, around the time of the Requests, supervision has improved (Annex 1, Item 55).*

70. As the Project progressed and issues were identified, Management strengthened the team by engaging additional Delhi-based and Washington-based technical staff, and has intensified supervision. The Bank allocated substantial resources to supervision – projected at over USD 300,000 in FY06 (excluding over USD 150,000 associated directly with Inspection Panel Responses), USD 200,000 in FY05, USD 181,000 in FY04, and USD 190,000 in FY03 – nearly three times the South Asia regional average and double the average for projects in India. The mission Aides Memoires and communica-

tions between the Bank and the GoM attest to the active engagement of Bank staff with the Project authorities. See Annex 4 for mission timing and composition.

71. As a result of the March 2004 supervision mission, which identified resettlement issues that warranted further scrutiny, additional senior resettlement staff were mobilized to help address the issues. The Lead Social Development Specialist (responsible for resettlement) from the Quality Assurance and Compliance Unit (QACU) and the Regional Safeguards Adviser (a social scientist) traveled to Mumbai in April 2004 to examine the situation in more detail with the Delhi based Senior Resettlement Specialist. That mission concluded that there were significant issues concerning resettlement that required priority attention, including: (a) transfer of PAHs from transit sites to permanent housing units; (b) establishment of co-operatives and completion of other post resettlement activities; (c) strengthening implementation capacity in MMRDA, especially regarding the role of NGOs; (d) focusing on the special issues related to the shopkeepers; (e) strengthening the grievance redress process; and (f) reconstituting or replacing members of the IMP. The July 2004 supervision mission worked with MMRDA to prepare an Action Plan to address the Requesters' concerns and improve the management of the resettlement implementation process. This included strengthening the GRCs, revamping the IMP, and strengthening MMRDA's resettlement capacity.

72. More recently, the Bank, in its November 10, 2005 letter to the Chief Secretary following up on the findings of the October 2005 Mid-term Review mission, stressed several key issues requiring urgent attention: (a) the use of the BNS methodology for assessing requirements for business sustainability and devising individually tailored compensation packages; (b) resumption of construction work in SCLR only after Bank clearance of the resettlement arrangements; (c) steps to strengthen transparency and accountability in the resettlement process; and (d) compliance with the Maharashtra Project Agreement covenant related to the demolition of transit housing. The mission's Aide Memoire covered other resettlement issues such as: limited progress in post resettlement activities; strengthening institutional capacity with additional staff; the need for developing community facilities at resettlement sites; and an accurate assessment of land acquisition needs.

73. Since then, there has been continued close support for the R&R component. The team in Delhi (Task Team Leader, Senior Resettlement Specialist, Senior Environmental Specialist, and Communications Specialist) has continued to be supported by staff from Washington, D.C. (including the Regional Safeguards Adviser).

74. Management recognizes that the Bank could have been more effective in a number of areas of supervision, including having a more intensive resettlement supervision presence on the ground in Mumbai, and providing more support to MMRDA on how to fix problems, rather than just identifying them.

75. Recently supervision has been further strengthened through the following actions:

- There has been high level dialogue concerning MUTP issues, especially R&R, between the Country Director for India and the Department of Economic Affairs (DEA) in Delhi, and the GoM in Mumbai;
- When the team leader was changed in September 2005, a decision was made to place an international staff member with strong multi-country experience in Delhi for this purpose;
- A Sector Manager for Social Development was appointed in November 2004;
- The Senior Manager for the India Program has, since January 2006, taken on specific responsibility for Bank supervision of the Project reporting to the Management Oversight Committee to ensure that key issues are responded to in an integrated and timely manner; and
- Preparation of the responses to the Inspection Panel Requests have been monitored by the Management Oversight Committee recently established to oversee the Project. It is comprised of the South Asia Region Operations Director, India Country Director, Senior Manager for India Operations, Sector Director for Environment and Social Development, Sector Manager for Transport, MUTP Task Team Leader, Regional Safeguards Adviser and the Bank's Senior Safeguards Adviser in QACU.

VI. RECENT RESETTLEMENT AND DEMOLITIONS ON SCLR, AND THE BANK'S RESPONSE

76. During the week of February 6-10, 2006, MMRDA demolished the structures of about 400 households on SCLR (including at Gazi Nagar and other locations where some of the Requesters reside) and residents were relocated to several resettlement sites. The Bank had previously sought and received assurances from MMRDA that as per the Project Agreement with the GoM it will not undertake any resettlement: (a) in areas where the Bank has not provided its no objection to the related RIP; and (b) unless it is fully in accordance with agreed procedures (which are set out in the Project Implementation Plan (PIP)).

77. The Bank has discussed these demolitions with MMRDA, several groups of PAPs, NGOs and consultants working in the area, and has visited some of the demolition sites. From what the Bank has been able to determine, it seems that although the police were present during the demolitions, there was no violence or forceful resistance. It also seems that those resettled were given due notice of the proposed removals and the serving of these papers was generally in line with agreed procedures. However, it is probable that there were a number of concerned PAHs with claims still in the grievance process⁹

⁹ The Bank has recently determined that there are significant gaps in MMRDA's resettlement documentation and approval process, including but not limited to a lack of cross referencing in MMRDA's system between resettlement/eviction/demolition authorizations and cases still pending in the grievance process. As a result the Bank is currently undertaking a detailed review of the MMRDA resettlement and grievance process in the specific context of the recent resettlement activities.

(including some appealing against non-eligibility for resettlement). A number of PAHs have voiced concerns about: (a) the sites to which they were located (all part of the approved list, but some preferring alternative, closer, resettlement sites); (b) the services provided or to be provided at the sites (water supply, access to transport, proximity to medical services, schools, etc.); and (c) transitional arrangements (continuation of schooling in the middle of the year, pending examinations, etc.). Until such time as a detailed analysis has been completed it is not possible to determine the extent of these problems and the validity of the concerns that have been raised.

78. A number of households in the “widening zone” of the SCLR between widths of 39 meters and 45.7 meters have been resettled in this process, even though the corresponding supplemental RIP has not yet been approved by the Bank, and the Bank had advised MMRDA on numerous occasions not to undertake such resettlement in this zone prior to getting the Bank’s approval of the RIP.

79. Management has conveyed in a letter to MMRDA on February 15, 2006 that in accordance with the Maharashtra Project Agreement and prior assurances, MMRDA should refrain from undertaking any further shifting, demolition or eviction along the SCLR beyond the Bank approved 39 meter right of way until such time as the Bank has provided its no objection to the SCLR RIP up to 45.7 meters (even if on a section by section basis). It also sought assurances that: (a) MMRDA will refrain from any such resettlement until a revised resettlement and grievance tracking system has been reviewed and found by the Bank to be acceptable; and (b) in the case of violations of the R&R procedures that have had a negative impact on the PAPs concerned, MMRDA will undertake remedial actions. MMRDA has subsequently provided assurances in a letter on February 16, 2005 that it will refrain from undertaking any further resettlement in the widening section of the SCLR until the end of February 2006, while it works with the Bank team to try to resolve these issues.

80. A Bank team has commenced work in Mumbai to undertake a detailed review of these recent resettlement activities. This will include working with MMRDA and consulting with the concerned people. The team will: (a) review the resettlement approval process and documentation and work with MMRDA on actions to reform the process to ensure that the grievance process is fully aligned with the resettlement process – so that in future PAHs with claims still in the grievance process will not be resettled; (b) obtain a more detailed systematic understanding of how many households were relocated, to where, and the nature and extent of the concerns they have; (c) agree with MMRDA on additional measures to be undertaken in implementing the Action Plan, to reflect these findings, and (d) agree with MMRDA on any specific remedial actions that may be required for the concerned PAHs.

81. The Bank has notified MMRDA that it will only provide no objections to commence construction works in a particular section of road once MMRDA has demonstrated to the satisfaction of the Bank that: (a) relocation of people on that section has been undertaken in accordance with the agreed procedures and the Bank approved RIP for the section, and all outstanding grievances for PAHs on that section have been resolved to the satisfaction of the Bank in accordance with the procedures set out in the PIP and

based on the implementation of the Action Plan; and (b) the section has been cleared of structures, is safe for work, and work can commence without negative environmental impacts. In effect, this means that MMRDA will not be authorized to mobilize the contractor, and any work on a section of road will not be eligible for Bank financing until such time as these issues have been resolved.

82. Management will carefully monitor progress over the coming weeks and is prepared to take further actions as needed to ensure compliance with the legal agreements. Management will update the Board on these activities prior to its discussion of the Panel's Report and the Management Response.

VII. LESSONS LEARNED

83. Management has reflected on the experience with MUTP to date and has identified a number of lessons of experience important for the design of future operations in India involving substantial urban resettlement, in addition to specific remedial activities as set out in the Action Plan:

- *Importance of an Urban Vision and/or Strategy.* Successful participation in urban development and redevelopment programs in large municipalities, including the transport sector, requires an understanding of the larger urban vision and/or strategy by the cooperating parties. While this vision may be implemented over time, its broad principles should underpin and guide the strategic approach adopted for major interventions. In the context of MUTP, such an approach would have ensured a better incorporation of the current and future nature of the urban fabric and the wide range of linkages in an urban environment. A key element of this approach is the identification and integration into the planning and implementation process of resettlement and rehabilitation issues together with the planning of economic development, spatial restructuring and provision of infrastructure services. The Vision Mumbai initiative, led by public and private entities in Mumbai, and supported by the Bank, provides exactly the sort of vision and strategy which, if available at the start of MUTP, would have made a number of issues easier to manage.
- *Capacity to Implement the Overall Investment Program, including those elements outside the Bank-funded projects.* A review of institutional capacity of the implementing agency needs to include the entire portfolio of activities, both Bank and non-Bank funded, in order to obtain an accurate evaluation of capacity that takes into account the concurrent demands on available staff when all investment programs are considered. The cooperating parties need to reach an understanding concerning the measures required to achieve adequate management capacity for concurrent major projects, including arrangements for use of specialized organizations or consultants to provide adequate management skills. In some cases it may be necessary to have agreements on a phased approach to investments, and on the manner in which additional future commitments will be factored in, to avoid overextension of capacity. At the very least the Bank should increase supervision focus on its own projects when implementing agencies take on additional activities. While the use of NGOs provides an innovative approach for undertaking some types of project activities, careful assessment should

be made of their overall capacity and the specific skills required for the assignment, including their ability to transfer successes attained working with one social group to another. Care should be taken not to prematurely expand the scope of activities of such NGOs, even if their initial activities are successful.

- *Increased Emphasis on Consultation.* Recognizing the spatial constraints in already highly developed urban areas, increased emphasis should be given to consultation as part of the preparation and implementation process by all parties. This is especially important given the often very limited site options for key infrastructure and the reduced options for major changes in alignment of road and rail transport. The increased use of consultation would allow for more transparent planning and implementation processes, provide for a better understanding of the concerns and interests of potentially affected communities, support better targeted mitigation measures for affected communities, and reduce conflict over project implementation which often results in delays and cost increases. The use of consultations should be complemented by effective and timely dissemination of project related information.
- *Proactive Management and Rapid Response to Issues.* For complex projects like MUTP, it is especially important that both the implementing agency and the Bank have a proactive approach that can manage issues effectively, identify new concerns, deal with changes and resolve them in a rapid, fair and transparent manner. For such projects, the Bank should take an interactive approach to supervision that provides for continuous engagement with the implementing agencies and project affected communities both formally and informally. In such situations, it is important for the Bank to have one or more members of the Task Team based close to the project area (not just in the same country) to provide advisory support and undertake monitoring activities, especially concerning issues related to R&R.
- *Quality Assurance of Baseline Data.* The Bank should take an active role in working with the implementing agency and its consultants in the design, collection and quality assurance of environmental and socio-economic baseline data. In the case of baseline data for R&R programs, this should include review of the survey methodology, training of survey teams, compilation of data, issuance of identification cards and quality assurance measures. The Bank should work with the implementing agency to ensure that a robust management information system needed to generate accurate data for planning, implementation, monitoring and evaluation purposes, is in place in a timely manner. Such a database should be used to facilitate the coordination of construction and resettlement activities during all phases of the project.
- *Ensuring A Clear Understanding on Principles for Resettlement.* Undertaking resettlement in a complex and highly charged atmosphere such as that in Mumbai is inevitably a challenging task and is made more so by the fact that the Bank's requirements and procedures for resettlement differ from the usual practices prevailing in India. For a project where significant resettlement is likely, this increases the importance of ensuring that the underlying principles for resettlement, conforming to Bank policy, are discussed and formally recorded as early as possible in project preparation and that these principles are reflected appropriately in project documentation.

In addition, Management plans to prepare a comprehensive ICR in order to assess, inventory and disseminate the lessons learned from this complex intervention.

VIII. ACTION PLAN

84. Management appreciates the Panel's findings of broad concurrence with Bank policy in key areas such as the categorization of the Project, early commencement of the EA process, environmental impacts of the Project, consultations regarding housing structures, quality of the edifices, and addressing changes to the technical design of the Project. Management also welcomes the Panel's observations on specific areas for further strengthening the Project and oversight of its implementation and agrees that a range of actions is necessary to achieve this goal. This section presents a proposed Action Plan consisting of actions by MMRDA and Management.

Actions by the Borrower

85. Starting with the Mid-Term Review in December 2005 and in subsequent Bank missions in January and February of 2006, the Task Team and MMRDA agreed on a range of actions that, if implemented, will go a long way in addressing the issues associated with: (a) the resettlement of the shopkeepers; (b) provision of services at resettlement sites; (c) environmental management at the resettlement sites; (d) the overall management of the resettlement and rehabilitation process; and (e) the Bank's supervision of the Project.

86. Specifically, MMRDA has proposed (see full Action Plan in Annex 6), and the Bank has agreed to, the following set of actions:

- Shopkeepers:
 - Expand the choices of R&R sites, including some highly desirable ones, and options to acquire additional space;
 - Allow shopkeepers to continue operating in their current location in cases of partially affected structures while granting them permission to construct a second floor to compensate for lost space;
 - Consider the immediate salability of titles (selectively and on a case-by-case basis);
 - Provide one-year income on a one-time basis to shopkeepers' employees who are not re-employed as a result of Project resettlement;
- Services at resettlement sites:
 - Take short- and medium-term steps to improve water supply at the resettlement sites;
 - Improve the transport connectivity of the resettlement sites;
 - Complete the registration of housing co-operatives, transfer conveyance deeds, and implement the co-operative management action plan;
 - Facilitate the transfer of maintenance funds;

- Provide the training and building facilities maintenance manuals to the cooperative societies;
- Environmental management at resettlement sites:
 - Facilitate the routing of solid waste collection vehicles to the resettlement sites;
 - Facilitate the provision of community facilities including tree plantation;
 - Survey and repair plumbing and sewerage networks at resettlement sites;
- Overall management of R&R implementation:
 - Strengthen the institutional arrangement for the R&R process including the appointment of a Chief R&R Officer reporting to the Project Director;
 - Further refine the procedures in the R&R implementation manual;
 - Improve database management;
 - Strengthen communications and consultations with affected people;
 - Ensure the proper functioning and transparency of the grievance process; and
 - Review the role of NGOs in the implementation of the R&R component.

Actions by Management

87. Management believes that the Action Plan developed by MMRDA in discussion with the Bank, and endorsed by the GoM, should address the concerns raised by the Panel. The challenge lies in the implementation of the proposed Action Plan. The Bank is fully committed to continue working with MMRDA to help it implement the Action Plan and to achieve compliance with Bank policies. However, history shows that the MMRDA and the GoM have found it difficult, in this Project's complex setting, to always deliver on commitments in a timely manner. In addition, the Bank still has concerns about the ability of MMRDA and some of its contracted consultants/NGOs to implement the resettlement components in an effective, sustainable way. Although an agreement has been reached with MMRDA to review options and to take some actions in this regard, the details of the path forward have yet to be agreed and concrete actions yet to be taken to address these issues in a sustainable way.

88. In addition, there are areas, as observed by the Panel, in which MMRDA/GoM are no longer in compliance with the provisions of the Loan, Credit and/or Project Agreements.

89. Therefore, to ensure compliance with the Agreements and to ensure implementation of key actions, the Bank has notified the Borrower that it has suspended financing of Component 2 – Road-Based Transport (part of the IBRD Loan) and Component 3 – Resettlement and Rehabilitation (the IDA Credit) until such time as MMRDA has demonstrated, to the satisfaction of the Bank, that it has: (a) delivered on a number of key commitments/actions contained in the Action Plan and listed below; and (b) put in place acceptable revised implementation arrangements for the Resettlement Component. The Bank has also notified the Borrower that it has downgraded the Project ratings for Development Objectives and Implementation Progress to “Unsatisfactory.”

90. The key items from the Action Plan that would need to be completed, to the satisfaction of the Bank, before the suspension is lifted are:

- Resolution of issues on the demolitions that took place in the week of February 6-10, 2006, including documenting the status of all households affected, the sites to which they were relocated, and resolution, to the satisfaction of the Bank, of any grievances that were outstanding at the time;
- Implementation and publication of an upgraded grievance process;
- Appointment of a new chairman for, and resumption of meetings of, the IMP;
- Appointment of a professional agent to manage the post resettlement program and address the longer-term sustainability issue for the communities living in the resettlement apartments;
- Transfer of maintenance funds and common facilities to 48 cooperative societies;
- Increase in temporary water supply and in bus services for resettlement communities, based on a plan acceptable to the Bank;
- Making the revised Implementation Manual and the Resettlement Policy, including the provisions applicable to employees, available on the web and in the PICs;
- A computerized database in place and functional for tracking all PAHs;
- Completion of negotiations with the shopkeepers on the SCLR, to the satisfaction of the Bank; and
- Revised and strengthened institutional arrangements in place to manage R&R in the MMRDA, including staffing, satisfactory to the Bank. This would include MMRDA taking direct responsibility for remaining resettlement activities and an agreement with the Bank on which consultancy contracts to maintain and which to terminate on the basis of a joint review of all such contracts.

91. During the period of the suspension of Bank and IDA financing for the Road and Resettlement Components, the Bank will remain actively involved in the supervision of these components (which MMRDA is likely to continue to implement from its own funds). The objective would be to help address the non-compliance issues that have arisen, and to ensure that further problems are avoided. In this context, given the importance of the resettlement issues, as noted above in section VI concerning the SCLR, the Bank has requested that MMRDA:

- Refrain from undertaking any further resettlement, demolition or eviction, subsequent to February 15, 2006, until: (a) MMRDA's revised resettlement and grievance tracking system has been reviewed and found by the Bank to be acceptable; and (b) the Bank has reviewed the supporting documentation for any such proposed activities,

and has confirmed compliance with the new procedures, and the agreed MMRDA policies; and

- Refrain from commencing construction works, subsequent to February 15, 2006, in a particular section of road until MMRDA has demonstrated to the satisfaction of the Bank that: (a) relocation of people on that section has been undertaken in accordance with the agreed procedures and the Bank approved RIP for the section, and all outstanding grievances for PAHs on that section have been resolved to the satisfaction of the Bank in accordance with the procedures set out in the PIP and based on the implementation of the Action Plan; and (b) the section has been cleared of structures, is safe for work, and that work can commence without negative environmental impacts.

92. In the case of the demolitions, evictions and resettlements that took place February 6-10, 2006, including at Gazi Nagar, this will mean that, before the Bank gives its no objection for construction to start on each section of the SCLR, MMRDA will be required to document, for that section, the status of all households affected and the sites to which they were relocated, and the resolution, to the satisfaction of the Bank of any grievances that were outstanding at the time.

93. The Bank has also notified the Borrower that it will suspend the entire Loan and Credit, if, at any time, MMRDA acts in a manner that is not consistent with the undertakings requested in the paragraphs above.

94. In parallel, Management recognizes the need to restructure and strengthen its supervision of MUTP in order to achieve the Project objectives, successfully address R&R issues and set the stage for an expanded engagement in the urban sector. In this context, the South Asia Region has, since January 2006, appointed the Senior Manager for the India Program to oversee Bank supervision of Project implementation, reporting to the Management Oversight Committee. The Task Team will include both international and national staff with field based experience in the design and implementation of R&R programs. In addition, Mumbai based consultants will be appointed to allow for intensified supervision of R&R activities. The Task Team will also be strengthened by the addition of staff with urban housing and slum upgrading expertise to focus on some of the post resettlement issues, including a specialist in public consultation and dissemination of information, as well as a legal specialist with specific knowledge of the complex legal status of informally developed homes and businesses in the Indian urban setting.

95. The Bank-wide Management Oversight Committee will be maintained to oversee implementation of the Action Plan. The replacement for the departing internationally recruited Senior Social Development Specialist based in Delhi will have TORs including close focus on MUTP. The Regional Safeguards Adviser's work program will be managed to ensure adequate time for close attention to the Project.

96. The approach used in the supervision of the Project will be both more proactive and more interactive with an emphasis on working with MMRDA and other authorities in the joint identification and timely resolution of issues. There will be a strong emphasis on getting tangible results in the next six months.

97. In order to ensure the maximum effectiveness of, and to re-energize implementation going forward, the Bank will undertake a series of intensive implementation review and support missions, covering the social and fiduciary aspects of Project implementation, in particular for the Road and Resettlement Components. The Bank teams will focus on: (a) reviewing in more depth some of the issues raised by the Panel; and (b) working with counterparts in a manner that focuses on the transfer of knowledge and support for improvement of the overall capacity of MMRDA to address key concerns both in the context of the Project and in its broader development program.

98. In this context, MMRDA and the Bank will jointly focus on a closely monitored program to rapidly undertake actions to address the outstanding concerns related to improvement of the overall process for R&R. This will include the documentation of the R&R process; resolution of the issues related to the relocation of shopkeepers; actions to address income restoration; measures to improve post resettlement conditions with emphasis on provision of water supply and sanitation, access to schools and improved transport links; establishment of a grievance mechanism that is transparent and timely in its operation; and improved use of consultations and dissemination of information. Work on this program commenced in mid February and preliminary work has already been completed on the resettlement documentation review and on strengthening the grievance process.

99. The Bank will also conduct an investigation into the quality issues identified in the baseline socio-economic surveys, and will agree with MMRDA on a time bound action plan to retroactively resolve any issues that may arise from such a study.

100. As part of its ongoing fiduciary oversight, the Bank has already started selection of consultants to carry out an Independent Procurement Review of seven projects in India, one of which is MUTP. These reviews of contracts include physical inspections and verification of quality and quantity of goods, works and services procured. The review will also cover the capacity of the concerned implementing agencies in handling procurement efficiently and an assessment of the quality of the procurement process and the contracting. The Bank will phase this work such that the preliminary Independent Procurement Review findings for MUTP will be available by March 31, 2006.

101. In addition, under the direct guidance of the Regional Procurement Manager, the Bank will carry out a special intensive review of: the quality of post and prior reviews conducted; the quality of filing; deviations from procurement plans; follow up on procurement actions identified in Aides Memoires; level of compliance with procurement requirements in the legal agreements; correctness of contracts and contract amendments and extent of variations; reasons for delay in contract execution; number and trends in complaints; clarity of documents presented to the Bank; quality and independence of the support provided by the consultants who assist the implementing agencies in procurement; and any other actual or impending procurement issues or problems that may affect project implementation in the future.

102. MUTP will be included as a priority in the ongoing Statements of Expenditure (SOEs) review of higher risk projects in the India portfolio. This will examine a sample

of the transactions and related supporting documents that are summarized in the SOEs for eligibility, adequacy of the supporting documentation and any indications of wider systemic internal control issues.

103. With an objective of reviewing the continuing adequacy of the overall Project financial management arrangements, a team including the Regional Manager (Financial Management) will review: (a) all audited financial statements to identify any systemic internal control issues or specific concerns; (b) supporting documentation for SOEs that have been used as the basis of disbursement; (c) the continuing adequacy of internal controls; (d) compliance with legal covenants; (e) specific issues that have been identified; and (f) follow up on previously agreed actions. In addition, the mission will liaise with the auditors of the Project financial statements to follow up on issues raised in the audit reports and any other accountability issues that have emerged.

104. The teams will discuss their findings with the implementing agencies and a procurement and financial management risk mitigation action plan will be drafted by the Bank by March 31, 2006 for discussion with the Borrower to ensure strengthened implementation and supervision going forward.

105. Given the importance of the Project and the broad interest in its successful implementation, Management proposes to provide the Board with a Progress Report every six months starting in October 2006.

Risks

106. MUTP is a complex project that addresses important development issues in urban India. The Project has made progress on a number of issues, and has also successfully implemented significant resettlement and social development for about 14,000 households in a very complex environment, constrained by the scarcity of space. The Panel and Bank missions have identified important issues which Management is committed to address. The Action Plan outlined above represents in Management's view an appropriate response to these issues. However, in a project as complex as this one, challenges are likely to remain, and implementation of the Action Plan involves important risks:

- MMRDA and Management believe that the expanded range of options made available under the Action Plan will go a long way to addressing the concerns of most if not all of the shopkeepers. However, the process of consultation and negotiation still needs to take place and may not yield outcomes agreeable to all parties in all instances; and
- Actions have been proposed by MMRDA to address the post resettlement issues. While these represent credible actions, the fact remains that the PAHs concerned are generally poor, there is limited choice of alternative resettlement locations, and the city of Mumbai has major structural problems with water and sewerage beyond the scope of this Project. There is therefore a risk that it may not be possible to address all of the post resettlement concerns of the PAHs in the short term and that it may take

some of the PAHs quite a while to regain their living standards unless they get incremental transitional support.

107. There are a number of stakeholders in this process, all of whom are negotiating and competing for additional benefits from the Project. It is, therefore, probable that parties will try to use the grievance processes and the Bank to increase negotiating leverage. Some of the claims are likely to be completely legitimate, others less so. Either way the Bank is likely to continue to be used as a vehicle through which some of the competing claims will be contested – with the result that the Bank will not be able to insulate itself from controversy with respect to this Project.

108. MMRDA will continue to face the challenge of applying policies to Bank funded projects that may not be the same as those applied to MMRDA activities more generally. In this context, the risk remains that MMRDA may have difficulties in ensuring timely implementation of actions required to become fully compliant with Bank policies. There is also a risk that MMRDA may take new actions that are not fully compliant with Bank policies.

IX. CONCLUSION

109. In Management's view, the Bank has attempted to apply its policies and procedures and to pursue its mission statement in the context of a very challenging Project which, even if not yet meeting all of the Bank's policies and standards, is delivering significant benefits to large numbers of people in Mumbai. It agrees that there are very important issues and deficiencies that need to be addressed, both by the Bank and the GoM and its agency, the MMRDA. Looking ahead, Management believes that the central challenge is to ensure outcomes for all resettled households and shopkeepers that the Bank can judge to be satisfactory, and Management is committed to taking the actions required to achieve this overarching objective. It is Management's judgment that the Borrower's proposed Action Plan provides a pragmatic approach to address the issues identified in the Panel's report. The Bank's suspension of the Road and Resettlement Components until key actions have been taken underlines the importance of implementing the Action Plan and addressing the institutional issues related to implementation of the Resettlement Component. It also demonstrates the importance that the Bank attaches to ensuring compliance with its policies and agreements with its Borrowers.

**MANAGEMENT REPORT AND RECOMMENDATION
IN RESPONSE TO THE INSPECTION PANEL INVESTIGATION REPORT ON
INDIA – MUMBAI URBAN TRANSPORT PROJECT**

ANNEX 1

FINDINGS, COMMENTS AND ACTIONS

Note: Actions in Annex 1 refer the reader to the Action Plan which is provided in Annex 6

No.	ISSUE / FINDINGS	Para No.	COMMENT / ACTION
	<i>Social Compliance</i>		
1.	<p>MUTP R&R Policy Framework and RAP Resettlement under MUTP was strongly based on respective provisions of SRA, assuming all PAPs would be slum-dwellers. As consequence, Project failed to adequately identify heterogeneity of PAPs and their distinctive needs.</p> <p>RAP fails to pay adequate attention to some of most important aspects of resettlement, such as restoration of income.</p>	228, 230	<p>Comment: When the R&R policy for the Project was formulated, the GoM had already introduced SRS overseen by the Slum Rehabilitation Authority (SRA). Consistency with the SRA's ongoing slum rehabilitation program was considered appropriate given the heavy focus on the relocation of slum dwellers. The Project's R&R policy, however, is not limited to slum dwellers and explicitly covers several categories of PAHs: (a) non-resident land owners and non-resident lessees; (b) resident landlords (land and building) and resident lessees of land and buildings; (c) resident lessees, tenants or sub-tenants of buildings; (d) squatters; (e) pavement dwellers and (f) employees and entrepreneurs. The R&R policy requires that "displaced persons are assisted in improving or at least restoring their former living standards [and] income earning capacity...." The RAP also provides for "support for reestablishing their livelihoods, and ...that the standard of living of PAHs is improved or at least restored..." Thus, the objectives of the R&R policy and the RAP were to ensure restoration for any PAH, including shopkeepers.</p> <p>Management acknowledges that the needs of middle income shopkeepers, in particular, had not been adequately addressed during Project preparation, at which time the focus was chiefly on issues related to railway right of way encroachers. Subsequently, the issue of medium- and large-sized shopkeepers arose as the Road Component was better defined. This issue was identified during the March 2004 supervision mission. MMRDA's decision to further widen the right of way from 39 to 45.7 meters exacerbated the impacts on these shopkeepers. Actions were identified at that time, but progress by MMRDA in undertaking these actions has been slow.</p> <p>Income restoration for the bulk of the PAHs was considered to have been addressed, because the PAHs were being resettled in Mumbai within commuting distance to their employment. In the selection of resettlement sites, specific attention was paid to access to public transportation. Initially, provisions were made for</p>

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			<p>a three-year increased travel distance payment; subsequently, housing societies were allowed to establish CRFs or a cash supplement for travel. In hindsight, greater attention should have been given to this issue, including the journey to work, home-based employment, opportunities for employment in or near the resettlement site and women's employment.</p> <p>Action: See Annex 6, Action Plan, Sections 1, 2, and 3.</p>
2.	<p>Differences between Rail and Road Component Bank failed to recognize substantial differences between the rail and the road components and to incorporate these differences into Project preparation and implementation. Differences involved both the identification of those affected by the road widening and road construction, the surveying of their assets, and their requirements for resettlement. The Panel finds that for the substantially different sub-categories of populations, Bank did not ensure that the Project design met the Bank's Policy OD 4.30. This failure had particular consequences in overlooking fact that many of the road PAPs are middle income shopkeepers. Bank did not display sufficient diligence in this respect in ensuring that the Project design met OD 4.30.</p>	233, 432	<p>Comment: Management concurs with the Panel's finding.</p> <p>When the resettlement of people affected by the rail improvements began, the urgency to resettle was driven by the strict deadline, March 2001, set by the Bombay High Court to move encroachers from the safety zone adjacent to suburban railway lines. On average, one person a day was dying in accidents related to the extremely hazardous conditions of people residing in locations right up to the edge of the railway tracks.</p> <p>For the 10,000 rail-affected PAHs, the GoM purchased about 4,000 housing units and constructed about 6,000 transit housing units under agreed procedures, prior to Board approval, with expectations of retroactive financing from the Bank. Hence, priority focus was placed on the resettlement of people affected by the court order, including their relocation from transit to permanent housing, and rail improvements.</p> <p>The Project was prepared on a rolling basis with the Rail Component moving forward first while the Road Component was under preparation. This included the collection of baseline data, preparation of the environmental assessments, and development of the RIPs for the JVLR and the SCLR. The decision of MMRDA to expand the width of the right of way from 39.0 meters to 45.7 meters increased the impact on the shopkeepers and complicated the resettlement planning process.</p> <p>While the housing needs of the PAPs in the Rail and Road Components are similar, supervision missions since March 2004 have pointed out that the space needs of medium- and large-sized shopkeepers conducting business along roads being improved are substantially different. The application of the R&R policy, which uses a square foot criterion for compensation that is limited to 225 sq. feet, does not take into account the specialized location needs and space requirements for shopkeepers and industrial type facilities. Item 17 describes the surveying of their assets.</p>

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			<p>Of the PAHs in the MUTP, about 13 percent are shopkeepers (2,569 out of 19,947 as of January 31, 2006). Those shopkeepers with a floor space above 225 sq. feet represent some 4 percent of the total PAHs. In the Road Component, shopkeepers are more prevalent, representing about 30 percent of the PAHs in contrast to 5 percent in the Rail Component. About 40 percent of the shopkeepers in the Road Component have shops with floor area greater than 225 square feet, compared to about 7 percent of the shopkeepers affected by the Rail Component.</p> <p>In March 2004, prior to the registration of the First Request for Inspection, the Bank identified the issues of the shopkeepers and other inadequacies in resettlement implementation. Beginning in April-May 2004 and in July 2004 (see Management Response to the Second Request for Inspection), the Bank agreed with MMRDA on an Action Plan to address these issues. Because the part of the Action Plan that called for discussions with middle income shopkeepers was not achieving success, the Bank subsequently agreed with MMRDA in April 2005 to pursue a BNS (contracted by the Bank in August 2005). The purpose of this study was to determine objectively what alternatives could provide opportunities for restoration of incomes and, accordingly, propose suitable measures to restore shopkeepers' income levels. The TORs for this study are provided in Annex 3.</p> <p>The BNS developed business typologies and groups all affected shops under the following 15 typologies: metal forging and blacksmith; timber and plywood; chemical and related industries; tailors and dress makers; mechanic and related trades; electrical and related trades, rubber and related trades; paper and related works; printing and related trades; medical and related professions; hotel and restaurant; stationery; grocery; auto garage and auto parts; and miscellaneous. The study distinguishes different types of shopkeepers with different level of impacts and concludes:</p> <ul style="list-style-type: none"> • The types of shopkeepers which may be particularly disadvantaged by the policy are those engaged in the following activities: (a) timber and plywood; (b) printing and related works; (c) auto garage and auto parts; (d) chemical and related; and (e) metal forging and blacksmithing; • Income restoration for those engaged in activities such as: (a) rubber and related works; (b) paper and related works; (c) hotel and restaurant; (d) medical and related works; and (e) mechanic and related works, would be difficult in the short term;

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			<p>and</p> <ul style="list-style-type: none"> Those types of shopkeepers for whom there would be no noticeable impacts and who could be shifted to the resettlement sites are those engaged in activities such as: (a) stationery; (b) grocery; (c) tailors and dress makers; (d) sweets stalls and related; (e) electrical related works; and (f) other miscellaneous activities. The shopkeepers' concerns have been partly addressed by opportunities for alternative resettlement sites, but this is not yet complete and is being addressed by the Action Plan. <p>Developing equitable solutions for the shopkeepers poses a challenge for MMRDA, for it either has to seek an exemption to its internal resettlement policies, or change the policy, possibly creating a precedent to be managed in the future. However, the Action Plan provided by MMRDA provides a way forward.</p> <p>Action: See Annex 6, Action Plan, Section 1.</p>
3.	<p>Institutional capacity and delegation of responsibilities to NGOs The Panel believes that the lack of capacity within MMRDA was one of the reasons why MMRDA delegated substantial parts of its responsibilities for R&R to outside NGOs. Panel appreciates effort to involve NGOs in the Project, but is concerned about the transfer of main implementation responsibilities from State Government and Municipal Agencies to NGOs with insufficient institutional capacity and knowledge to deal with overwhelming magnitude of responsibilities transferred.</p> <p>Regarding involvement in post-resettlement actions, Panel was informed that contract was awarded on a sole source basis. NSDF indicated to the Panel that it does not generally keep receipts of or otherwise document expenditures.</p> <p>With regard to the resettlement capacity of the NGOs, the Panel found...that the NGOs tasked with conducting the surveys on the road component and later charged with implementing resettlement operations did not have the requisite institutional capacity.</p>	250, 240, 608, 703	<p>Comment: The NGOs were considered, at the time, to be better equipped than government agencies to implement the day-to-day resettlement activities on the ground. At the time, the Project implementers thought the use of NGOs was an appropriate and innovative approach. MMRDA retained the responsibility for policy issues, monitoring, resettlement related construction activities, following up with municipal agencies for providing basic amenities, grievance redress and oversight.</p> <p>At the time of Project appraisal, 10,000 PAHs from along the railway lines had already been moved either into purchased housing or into the transit housing. This move had been accomplished with the assistance of the NGOs. This experience led Management to consider that the NGOs had the capacity to undertake the resettlement for the Project and that MMRDA had the capacity to supervise it. The contract was awarded to the NGO, SPARC, on a sole-source basis, given its pre-MUTP experience in the areas along the railway lines.</p> <p>As the Project progressed, the gaps in the NGOs' capacity and MMRDA's ability to supervise post resettlement activities became clearer and were noted in several supervision reports since March 2004. MMRDA was slow to respond in mobilizing sufficient resources to fill these gaps when SPARC became over extended, following the award of other contracts within India and beyond.</p> <p>No Project funds flow to NSDF or through it. NSDF is a</p>

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			<p>CBO that does not have any contractual relationship with either MMRDA or with the Bank. It has been working with slum dwellers in its capacity as a CBO to provide counseling services, but none of this work has been on behalf of either MMRDA or the Bank. All payments to PAPs are made directly by MMRDA and appropriate procedures are in place for these payments and maintenance of receipts.</p> <p>Action: See Annex 6, Action Plan, Sections 3 and 5.</p>
4.	<p>Surveys and Conflicting Descriptions of PAHs:</p> <ul style="list-style-type: none"> • Entities conducting surveys of PAPs and PAHs NGOs lacked capacity to deal with task of such a large scale, and did not receive adequate training. • Methodology used for surveys Methodology used for population counts from early phases of preparation was structurally imprecise and flawed. This resulted inevitably in inexact physical data and in highly conflicting demographic estimates, with negative consequences for Project planning. <p>Bank staff did not carry out their professional responsibility: they paid scant attention to the method of preparing population surveys, and were remiss in exercising quality-control from the preliminaries of the survey to their reported final results.</p> <ul style="list-style-type: none"> • Consequences of problems in methodologies of surveys: Conflicting descriptions of affected populations Flaws in gathering data appear to have resulted in major misstatements about overall size of displacement, and eventually loss of control by Bank staff over aggregate proportions of displacement under Project. <p>Panel observes an imprecision and variability of population data in this Project that exceeds any normal degree, and does not comply with OD 4.30.</p> <p>The analysis by the Panel found at least two basic causes of the conflicting numbers that dominate the history</p>	262, 277-279, 290, 295, 310	<p>Comment: Management acknowledges the Panel's findings that the NGOs conducting the baseline surveys lacked capacity and did not have adequate training.</p> <p>The Inspection Panel observed a change in the number of PAHs and PAPS at the Project Concept Document (PCD) and the PAD stages. The PCD assumed the number of 13,000 PAHs and used an estimated multiplier for family size of 6.15 PAP/PAH for a total of 80,000 PAPs. The number of PAHs was revised upwards at the time of appraisal (as reflected in the PAD) to 19,228 PAHs; the multiplier was corrected, based on actual survey data, downwards to 4.16 PAP/PAH for a total of 80,000 PAPs. Subsequently, by April 2004, the number of PAHs increased from 19,228 to 23,800 (a rise of 24 percent) due to inclusion of additional sub-projects, mainly rail station area improvements. At the time of the April 2004 supervision mission, a multiplier of 5.0 PAP /PAH was used to make an estimate of 120,000 PAPs. The multiplier of 5.0 PAP/PAH was based on 2001 population census data, which was available at that time. Subsequently it was decided not to include the additional sub-projects and the number of PAHs declined to 19,947. The key driver in estimating the number of PAPs is the number of PAHs. The 48 percent increase in the number of PAHs from the initial PCD stage to the PAD stage and a 48 percent decrease in the multiplier coincided with an outcome of 80,000 PAPs in both instances. Statistics from subsequent RIP surveys give an average PAH/PAP ratio of between 4.0 to 5.0. Management regrets any misunderstanding caused by the initial use of a higher estimated multiplier at the time of the PCD.</p> <p>Action: See Annex 6, Action Plan, Sections 5, 6, and 7.</p>

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	<p>of the MUTP's displacement and resettlement component...(1) the conflicting numbers result from the structural imprecision in the basic methodology employed by the hired NGOs for population counting on the ground...(and) (2) these flaws were compounded by incorrect understatements made by some Bank staff in positions of influence when the separate resettlement project was eliminated.</p> <p>In view of the above, the Panel finds that the Bank has not complied with OD 4.30 with respect to a fundamental matter regarding the displacement/resettlement entailed by a Bank-assisted project, namely the correct assessment and reporting of the magnitude of the population affected.</p> <ul style="list-style-type: none"> • Failure to develop appropriate baseline to assess risks <p>Surveys of affected population, immovable assets affected by resettlement, and income of PAPs were significantly deficient and did not provide reliable baseline data, which does not comply with OD 4.30.</p>		
5.	<p>Problems in assessing the costs and feasibility of resettlement</p> <p>Unreliable data on people and physical assets translated into inability to assess realistically the costs of displacement.</p> <p>Even after "discovery" in 2004 of an increase of 50 percent in estimated number of people to be displaced, no re-examination of the component and its costs took place. Only after the Requests, in October 2005, were the figures updated for the R&R component. This appears to be mostly an accounting change in the way items long included in costs, but not monetized previously, are now reflected, and does not appear to represent an increase in financing for resettlement.</p> <p>As a result, Bank failed to comply with basic policies of OD 4.30 regarding the preparation, appraisal and implementation of resettlement operations.</p>	305-308	<p>Comment: Management wishes to highlight that costs and financing are based on PAHs (not PAPs). The PAH is the planning unit which corresponds to the resettlement units and construction needs.</p> <p>The major cost component of resettlement is the construction cost or purchase cost of units and is based on 19,200 units (as in the PAD, page 48), while the actual number of housing units built or under construction as of January 2006 is 21,000 or an 11 percent increase, which includes both extra units for common spaces and a cushion. Costs are within the range expected.</p> <p>There are two major components of costs for resettlement, which were reflected at appraisal and remain as such today:</p> <ul style="list-style-type: none"> • The cost of the construction or purchase of buildings/units for resettlement is estimated at USD 80 million. The actual bid out prices showed a saving on this cost giving a net IDA saving of about USD 16 million, as reflected in the Mid-Term Review Aide Memoire; and • The monetary valuation of the TDRs was not included in the appraisal cost calculations (i.e., a

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			<p>zero financial cost for about 12,000 units). Since then MMRDA has monetized the TDRs for the purpose of cost sharing between agencies as reflected in the Mid-Term Review and Aide Memoire. There is no actual cost increase but rather an accounting change, which does not impact the costs or financing.</p> <p>Action: No action required.</p>
6.	<p>Neglecting community assets Surveys of community assets were inadequate and did not comply with OD 4.30.</p>	312	<p>Comment: Management agrees that surveys of community assets are important and has made every attempt to ensure that MMRDA included community assets in its surveys.</p> <p>In the RAP and subsequent RIPs, the number of community assets affected, such as places of worship, schools, toilets, etc., have been identified and recorded (para 11 of April 2002, RAP; para 4.17 of draft updated September 2005 RIP for SCLR; para 4.11 of July 2004 RIP for JVLR-Phase-II; paras 2.10-11 and 3.22- 3.23 of April 2002 RIP for JVLR-phase-I).</p> <p>The reconstruction of community facilities is based on consultation with those affected. There has been inadequate follow-up on the timely reconstruction of the facilities, and the Bank team has been working with MMRDA to rectify this.</p> <p>Action: See Annex 6, Action Plan, Section 3.</p>
7.	<p>The special case of the shopkeepers</p> <ul style="list-style-type: none"> • Commercial rehabilitation needs Bank overlooked middle income shopkeepers in planning for resettlement and failed to notice differences in their situation from that of others to be resettled. This does not comply with OD 4.30. <p>Panel is very concerned that unless further actions are taken, shopkeepers will be put in significantly worse conditions as a result of the relocation. This would not comply with Bank Policy.</p> • Issues in relation to shopkeepers and other commercial PAPs Surveys did not appropriately cover employees of middle income shopkeepers. <p>Socio-economic situation of distinct group of middle income and lower-</p> 	429, 443, 322-325	<p>Comment: Management agrees that the commercial rehabilitation of the middle income shopkeepers is a significant challenge, which the Bank has been pursuing since March 2004. Management remains committed to resolving this issue in the Project. See also Item 2.</p> <p>Management acknowledges the Panel's findings regarding surveys of the employees of the shopkeepers. The impacts to employees in business establishments are discussed in all RIPs. For example, this was discussed in paras 3.8 and 4.23 and Annexure VI to Volume II of the draft updated RIP for SCLR; paras 3.7-3.8, 4.13 and Annexure VIII of Volume-II of the July 2004 RIP for JVLR-Phase II; para 4.36 and Annexure III of Volume II of the August 2003 RIP for Jogeshwari Road-Over-Bridge (ROB) South; and para 4.26 and Annexure III of Volume II of the August 2003 RIP for Jogeshwari ROB North. It is also addressed in the BNS.</p> <p>Management was concerned that shopkeepers should not be relocated until adequate provisions had been agreed. Management further requested and received confirmation from the Borrower (letter of October 24,</p>

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	<p>middle income inhabitants, in particular shopkeepers and other commercial PAPs, was not adequately recognized in preparation and planning. This fails to comply with OD 4.30.</p> <p>While Business Needs Study is carried out and its outcomes are being expected, affected groups – who complained about their impending and decapitalizing involuntary displacement – should not be uprooted and relocated as originally envisaged, which would not comply with Bank policies.</p>		<p>2005) that PAPs would not be resettled “without rehabilitating them and [we] fully intend to relocate and rehabilitate the PAPs as per the covenant of our MUTP agreement and as per the established Bank policies on R&R.”</p> <p>Action: See Annex 6, Action Plan, Section 1.</p>
8.	<p>Private ownership of land and shops at the old locations Bank failed to address lack of R&R capacity within MMRDA to deal with complex, case-by-case tenure. This is not consistent with OD 4.30.</p>	338	<p>Comment: Management appreciates the complexities of land tenure. Most of the city of Mumbai operates through informal land tenure arrangements. Many of those in the affected area have lived or operated businesses there for a long period of time with informal or customary arrangements. In accordance with OD 4.30, Management also understands that all affected people are entitled to fair treatment, irrespective of their tenure status. To this end, the approach of the Bank team is to treat all PAHs equitably, independent of their status with regard to customary or informal rights, to restore livelihoods.</p> <p>Management recognized the limited capacity for R&R within MMRDA and sought to partially address this issue through the use of NGOs that had previously achieved success in supporting resettlement of slum residents in Mumbai. Management agrees that steps need to be taken to strengthen the ability of MMRDA to deal with case-by-case tenure situations, especially related to businesses, and is working to address this issue through new actions to provide direct support to MMRDA. It should be noted the MMRDA staff involved with resettlement implementation include employees from the revenue department who are responsible for addressing ownership issues.</p> <p>Action: See Annex 6, Action Plan, Section 5.</p>

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9.	<p>PAPs access to information: Public Information Centers (PICs) Although there were provisions to provide information to PAPs through PICs, these did not operate effectively during crucial period when people needed to be informed about Project. Dissemination of substantive information about Project was neither timely nor effective. Disclosure of information on MUTP has been inadequate and does not comply with OD 4.30. Panel notes Bank's efforts to improve performance of PICs since April 2004.</p>	355	<p>Comment: Public consultation processes were included in the Project design at appraisal and three PICs were already open when the Project was approved. However, the Bank recognized in the supervision missions in March 2004 (Aide Memoire) and the Management letter of May 12, 2004, from the Country Director to the Chief Secretary, GoM, that the delivery of information to PAHs was not satisfactory. The Bank requested the following actions, which were subsequently implemented by MMRDA:</p> <ul style="list-style-type: none"> • The SCLR PIC was opened on April 22, 2004; • Additional PICs were opened at the Mankhurd resettlement site (April 2004), JVLR-Majas resettlement site (May 6, 2004), Jogeshwari ROB South (April 25, 2005) and at Kanjur Marg resettlement site (August 17, 2005); • The October-November 2004 supervision mission focused on the physical aspects and accessibility of the PICs. Weaknesses were not ignored and the need for improvements was regularly pointed out during subsequent field visits. Steps were taken to improve the PIC serving the SCLR, in particular, to ensure that it was staffed and resourced. A public relations firm deployed its representatives at all PICs; • In order to provide for a broader mechanism of communication, since not all those affected would visit a PIC, MMRDA developed a brochure in English and Marathi outlining the details of resettlement issues; and • A public relations firm was appointed on April 11, 2005. Its TORs included producing a 60-day Action Plan to improve the physical condition of the existing PICs, as well as to staff and resource them. Two of the additional sites for PICs resulted from the recommendations of this firm. Relevant documents pertaining to resettlement and entitlements were procured and stocked in each PIC. Signage and posters in local languages were put up in the PICs; a booklet of frequently-asked questions was prepared for distribution among those who did not visit the PICs. <p>As the Panel notes, focused attention on systematic upgrading of the PICs began to show positive results from 2004 onwards. Management expects, however, that timely delivery of information and communication with PAHs will continue to require vigilance.</p> <p>Action: See Annex 6, Action Plan, Section 8.</p>

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10.	<p>Responding to requests for information Information process is inadequate and there is general lack of responsiveness to Requesters' inquiries for information. Disclosure of information on MUTP has been insufficient and not in compliance with Bank Policies.</p>	361	<p>Comment: The Bank team recognized the need for adequate disclosure and these mechanisms were agreed in the Project design and reflected in the PAD. The Bank team noted during supervision that methods for responding to requests for information were insufficient and took several steps to address this issue.</p> <ul style="list-style-type: none"> • The Bank team has responded to requests for information or clarification that it has received directly, either by requesting MMRDA to respond or by responding itself where information was readily available. The Bank team has maintained a log and tracking system of all requests. For example, from March 2005 to date, the Bank is in receipt of 200 letters. The Bank team also developed its own information brochure to send out directly on request for information; • The Bank team has consistently urged MMRDA to respond to all requests for information, to be proactive in its outreach and systematic in its communication. A benefit of this Project will be MMRDA's improved capacity to address resettlement and public relations issues, which was initially absent. The management of the Help Desk at the MMRDA office in the Bandra-Kurla Complex has been streamlined with the help of the public relations firm and it now services affected persons and the media; and • As part of general outreach, MMRDA has substantially improved its website. http://www.mmrdamumbai.org <p>Action: See Annex 6, Action Plan, Section 8.</p>
11.	<p>Consultation Neither shopkeepers nor other PAPs were consulted in advance about resettlement sites. The shopkeepers were not consulted about any possible alternatives to the resettlement sites for their shops. This does not comply with OD 4.30 and OP 4.01.</p> <p>The Panel finds that, when meetings with PAPs took place, "consultation" with them seemed to be more in the nature of telling them what was to occur than engaging them in meaningful discussion on alternative options that might better meet their needs.</p> <p>Lack of meaningful consultation on other elements of Project, such as alternative alignments of the road.</p>	371, 372, EXEC SUM	<p>Comment: Given the limited options available for resettlement sites, advance consultation with PAHs was not possible; however, once the sites were identified the PAHs were consulted on the draft layouts and plans and suitable changes were incorporated, based on their feedback. It should be noted that Mumbai has some of the most expensive real estate in the world (see Item 12).</p> <p><i>Resettlement Sites</i></p> <p>MMRDA selected resettlement sites in the context of extremely high land prices, strong demand for housing, and limited availability of sites.</p> <p>The sites selected were described in the RAP, which was disclosed and discussed with PAHs from December 2002 to February 2003. As part of the preparation for the SCLR RIP, the suitability of the sites and the criteria for their selection were explained to PAHs in</p>

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	<p>Panel notes that certain consultation did take place subsequent to selection of sites with regard to characteristics of buildings and shops, which led to increased height for certain shops or space on the ground level for a limited number of shops. This is consistent with OD 4.30 and OP 4.01. But not all the shopkeepers entitled to consultation were included.</p>		<p>October-December 2002.</p> <p><i>Alternative Alignments</i></p> <p>Scope for consultation on alternative alignments was constrained by a lack of viable alternatives in a highly dense urban environment. See Item 32.</p> <p>Action: See Annex 6, Action Plan, Section 8.</p>
12.	<p>Resettlement Sites</p> <ul style="list-style-type: none"> <p>Selection of resettlement sites</p> <p>Almost no discussion of the social and socioeconomic effects of using TDRs for land acquisition in PAD or RAP. Panel is concerned that use of TDRs in the MUTP has limited availability of sites that were considered. Panel is also concerned that choice of possible resettlement sites was strongly influenced by finding sites that suited the developers.</p> <p>Consideration of the Requesters' proposals for alternative sites</p> <p>Panel was unable to find in Project files systematic schedule of possible locations for resettlement and analysis of advantages and disadvantages of each. Such analysis should have formed integral part of EA of road component of overall Project, and that problems currently being experienced are in part due to this shortcoming. Failure to consider alternative resettlement sites is not consistent with OD 4.30.</p> 	389, 394	<p>Comment: Management acknowledges the Panel's finding.</p> <p>Selecting sites for resettlement in Mumbai's congested urban environment that are both economically feasible and close to areas from which people have been displaced is at the core of the Project's challenges.</p> <p>The use of TDRs is a market-oriented approach that, given the scarcity of land in Mumbai, provides incentives for land owners to make their land available for public purposes since the compensation received under the land acquisition act is not a real market price. Under the land use regulations in Mumbai, the Government has established a maximum floor space (FSI, floor space index) for each location in the city. Developers cannot exceed these maximum limits when constructing buildings. As an incentive for developers to construct low-cost housing, the Government has given developers the rights to exceed these limits. The TDRs are especially valuable because the right to exceed the legal density can be transferred from slum areas to northern suburb areas and can be used for more intensive development. The developer may either use the TDRs to construct and sell the additional space generated from the higher FSI or sell the right to another user.</p> <p>A sub-group was formed in MMRDA prior to appraisal of the Project with representatives from Government and NGOs to identify various available sites for resettlement. Three options evolved out of this process.</p> <ul style="list-style-type: none"> In Option A, six feasible sites were selected out of a number of sites initially identified. These sites were procured based on transfer from other government departments or using TDRs from land owners. Availability of infrastructure, social services and access to employment opportunity, as well as proximity to the areas from which people were being displaced were taken into consideration in finalizing these sites; Under Option B, four large sites were procured from developers and land owners, through an

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			<p>open advertisement, using TDRs for both land and buildings. The resettlement sites were selected by inviting proposals from land owners and developers through an open advertisement and evaluating them based on a rating system; and</p> <ul style="list-style-type: none"> Finally, under Option C, 4,000 readily available housing units were purchased from Maharashtra Housing and Area Development Authority, primarily to respond to the time-bound Bombay High Court Order to resettle the people along the railway tracks in 2000-2001. <p>The use of the various options for procuring houses was considered during 2000 when the urgent shifting of people along the railway tracks was necessary, due to an order from the Bombay High Court. Proximity to the existing location of displaced persons was considered in the purchase of these housing units. Wherever suitable, Government land that was available was used for resettlement sites under the Project (e.g., Asgaonkar, Kanjur Marg and Ghatkopar).</p> <p>The social and economic effects of using TDRs, as suggested by the Panel, limited the availability of sites to those that developers were willing to develop. Nevertheless, the sites were evaluated for their suitability, with access to public transport as one of the prime considerations. Other options could have included searching for sites at a much greater distance from the displacement locations, but this would have had greater socio-economic effects on the displaced populations.</p> <p>Management acknowledges that these issues should have been better discussed in the PAD. Focus in supervision has been and will continue to be on identifying and addressing any problems with the sites.</p> <p>Action: No further action.</p>
13.	<p>Grievance mechanism: structure and functioning</p> <p>Grievance system lacks clear responsibilities, procedures and rules and has not been independent. Many PAPs have learned only recently about existence of grievance system and were not aware of details of the process.</p> <p>During its field visits, the Panel got the impression that there seems to be no clear understanding about the role of the Independent Monitoring Panel</p>	415, 403, 416	<p>Comment: Management acknowledges the Panel's finding regarding the grievance mechanism. The GRCs have been strengthened with the inclusion of independent officers not associated directly with resettlement implementation.</p> <ul style="list-style-type: none"> The field level GRC was strengthened in mid-2004 by including an experienced officer from MMRDA not associated with implementation; The senior level GRC was strengthened by bringing in a retired Deputy Municipal Commissioner. The complainant can refer his/her grievance to the senior committee only after exhausting the field

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	<p>(IMP). After Panel's eligibility visit, MMRDA took significant steps to improve the grievance procedures, but Panel finds that Bank has not ensured that the grievance mechanism is independent and objective. The Panel notes that Requesters and other PAPs complain that there is no independent person on the grievance system when the initial complaint is determined, and they do not accept the members of the Independent Monitoring Panel as independent persons.</p>		<p>level GRC;</p> <ul style="list-style-type: none"> The role of the IMP is to ensure the implementation of social and environment policy provisions and to monitor the implementation process. It is empowered to modify its scope of work to realize the objectives of resettlement implementation; and The IMP consists of eminent persons from Mumbai in different fields, such as administration, law, environment, and social work. The IMP members are neither government staff nor beneficiaries of the process. <p>In spite of these improvements to the grievance process, Management recognized that the GRCs are not functioning as they should, that they require further strengthening, and has engaged MMRDA on this issue.</p> <p>Action: See Annex 6, Action Plan, Section 9.</p>
14.	<p>Overall numbers of shops and shopkeepers Panel found it difficult to find coherent and sufficiently detailed numbers of shopkeepers and shops needed for them.</p> <p>With regard to shopkeepers, the Panel found different estimates in different documents of the number of commercial units that need to be constructed, without recognition or explanation of the discrepancy in estimates. The Panel finds that this is not consistent with OD 4.30 or with OP/BP 13.05. The Panel hopes that the new Business Needs Study, mentioned below, will address this issue.</p>	435, 437	<p>Comment: Management acknowledges the Panel's finding relating to differences in the estimates.</p> <p>In a city as dense and dynamic as Mumbai, a project spanning several years cannot be expected to record the same number of PAHs – shopkeepers or otherwise – over time. Indeed, it would be unlikely for the numbers to remain constant.</p> <p>As indicated by the Panel's historical review of shops and shopkeeper numbers, the estimated numbers of shops (also referred to as shopkeepers or commercial enterprises) have changed over time. Since the detailed surveys for some of the sub-projects were carried out during the initial years of the Project, the initial broad estimates have been refined over time.</p> <p>With the completion of surveys for most of the sub-projects, a more accurate number of project affected shopkeepers is now available (currently 2,569). The term "shopkeepers" has been used in Bank reports, since the term describes the bulk of those affected. This term also includes other commercial, residential-cum-commercial and some industrial enterprises. Further refinements of the numbers are likely to occur.</p> <p>Action: No further action.</p>
15.	<p>Location of new shops Given weak economic situation of the PAPs living at the resettlement sites, Panel is concerned about lack of potential customers for a number of shopkeepers, particularly for more specialized shopkeepers. Many of the</p>	442-443	<p>Comment: Management acknowledges the Panel's finding and its concern regarding the location of the new shops.</p> <p>The small shopkeepers resettled thus far serve the needs of the clientele of the residential areas. Given the concern about the location and space needs of the medium- and large-sized shopkeepers, as well as</p>

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	<p>shops at resettlement sites are located in rather small corridors inside the housing complexes, away from main streets. Low purchasing power of the PAP population, in combination with a non-strategic location, will lead to severe losses in business.</p>		<p>other specialized shopkeepers, they have yet to be moved and more detailed assessment of suitable resettlement arrangements are being facilitated by the BNS.</p> <p>Management acknowledges that it will take time for small shopkeepers to recover their businesses. In the second year, after one year of resettlement, the impacts on PAH income are to be monitored, and if needed, appropriate steps will be taken to address the issue.</p> <p>The Action Plan provides for additional focus on finding appropriate locations for shopkeepers.</p> <p>Action: See Annex 6, Action Plan, Sections 1 and 2.</p>
<p>16.</p>	<p>Limited floor space Entitlement of 225 square feet regardless of actual size of the Requesters' structures does not comply with Bank Policies. This approach neglects the fact that many of the Requesters' current shops are much bigger than 225 square feet and that under the afore-said scheme these small enterprises cannot restore their business to pre-project levels due to limited availability of space.</p> <p>The Panel notes that the space limitations will affect a significant number of shops.</p>	<p>453</p>	<p>Comment: Management acknowledges the Panel's finding and shares its concerns regarding suitable space allocation for shops with more than 225 square feet. The estimated number of shops with areas more than 225 square feet, for the Project as a whole, is about 800 (or about 30 percent of the total number of 2,569 affected shopkeepers).</p> <p>The Project R&R policy entitles all title-holders to full compensation for the land area lost and, in addition, they are also provided a shop free of cost up to 225 square feet and can purchase an additional area up to 750 square feet or receive a cash equivalent for the value of 225 sq. feet.</p> <p>In the case of non-title holders, the same entitlements are provided, except cash compensation, since they are not entitled to such compensation under the Land Acquisition Act or the Maharashtra Regional and Town Planning Act, under which private lands are typically acquired for public purposes in Mumbai.</p> <p>Where these remedies are deemed inadequate to restore livelihoods, the Action Plan provides further options to address these issues. The current Action Plan builds upon the findings of the BNS to more effectively address the needs of these types of shopkeepers. See also item 2.</p> <p>The Bank has received assurances from MMRDA that no shopkeepers will be moved except in accordance with Bank policy (October 24, 2005). This issue has also been the subject of recent correspondence between the Bank and MMRDA on February 15, 2006.</p> <p>Action: See Annex 6, Action Plan, Section 1.</p>
<p>17.</p>	<p>Equipment of the shops, commercial licenses, inventory Inventory of fixed investments on shop</p>	<p>456-457</p>	<p>Comment: The BNS survey captures information related to licenses and inventory of assets of 180 shops. Prior to relocation, additional and more detailed data</p>

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	<p>interiors has not been included in the BSES. Neither expenses for acquiring new licenses nor application of high assessment taxes on new licenses have been considered.</p> <p>It will be important to ensure that licenses are transferred on time before PAPs are moved.</p>		<p>on licenses, fixed assets and inventories will be needed. Information on business turnover and number of workers employed has been collected and will be used for measuring the volume of business and the commercial impact of relocation in the post resettlement period. MMRDA is also facilitating the transfer of licenses to the new locations. An additional benefit related to the informal status of most of the shopkeepers would be the opportunity to obtain formal licenses for their operations.</p> <p>Action: See Annex 6, Action Plan, Section 1.</p>
18.	<p>Impacts of additional road widening</p> <p>Bank needs to consider viable alternative project designs, e.g., realignment of roads. Bank has not ensured so far that the planning of MUTP addressed Bank policy requirement that involuntary resettlement should be minimized wherever possible.</p> <p>As of December 13, 2005, Bank had not issued a 'No Objection' statement because it was still reviewing the final draft of the supplemental RIP for the SCLR widening. This position of withholding the "No Objection" complies with the provisions of OD 4.30. The Panel notes that in considering further action on the proposed road widening, the Bank will need to assess the proposal, and possible alternatives to it, in compliance with OP/BP 4.01, OD 4.30 and other relevant policies.</p>	470-471	<p>Comment: Management acknowledges the Panel's finding of compliance regarding the withholding of the 'No Objection' statement.</p> <p>During the feasibility study carried out in 2002, four alternative cross-sections and configurations of intersections and interchanges were examined. Resettlement impacts and costs were evaluated in an economic cost-benefit analysis and considered in the selection of the final alignment (See Feasibility Study Report, SCLR, October 2002).</p> <p>Concerning alternative project designs to minimize resettlement, there was limited scope to develop alternative alignments since the alignment for the SCLR runs in the reserved corridor marked in the Development Plan (1994) for Mumbai.</p> <p>The GoM informed the Bank in early 2004 that it was contemplating increasing the road width of the SCLR from the agreed 39 meters to the full Development Plan width of 45.7 meters. During the March 2004 supervision mission, the Bank team expressed concern about the additional cost, increased resettlement and utility relocation impacts associated with the further widening. The team urged MMRDA/MSRDC to consider the technological and economic feasibility of widening the corridor before making a final decision.</p> <p>Given the importance of the resettlement issues, as noted above in section VI concerning the SCLR, the Bank has requested that MMRDA:</p> <ul style="list-style-type: none"> • Refrain from undertaking any further resettlement, demolition or eviction, subsequent to February 15, 2006, until: (a) MMRDA's revised resettlement and grievance tracking system has been reviewed and found by the Bank to be acceptable; and (b) the Bank has reviewed the supporting documentation for any such proposed activities, and has confirmed compliance with the new procedures, and the agreed MMRDA policies; and • Refrain from commencing construction works, sub-

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			<p>sequent to February 15, 2006, in a particular section of road until MMRDA has demonstrated to the satisfaction of the Bank that: (a) relocation of people on that section has been undertaken in accordance with the agreed procedures and the Bank approved RIP for the section, and all outstanding grievances for PAHs on that section have been resolved to the satisfaction of the Bank in accordance with the procedures set out in the PIP and based on the implementation of the Action Plan; and (b) the section has been cleared of structures, is safe for work, and that work can commence without negative environmental impacts.</p> <p>The Bank has also notified the Borrower that it will suspend the entire Loan and Credit, if, at any time, MMRDA acts in a manner that is not consistent with the undertakings requested above.</p> <p>Action: See Annex 6, Action Plan, Section 6.</p>
19.	<p>Recent actions regarding shopkeepers Panel considers that successful completion of the “Business Needs” study and subsequent implementation of measures and necessary changes likely to result from study, may help bring the Project into compliance on some of the provisions of Bank resettlement policy.</p>	476	<p>Comment: Management acknowledges the Panel’s finding regarding the contribution of the BNS to ensuring that the planned resettlement of shopkeepers takes place in compliance with Bank policy.</p> <p>Action: See Annex 6, Action Plan, Section 1.</p>
20.	<p>Income restoration and improvement</p> <ul style="list-style-type: none"> • Assessment and risk analysis of income loss In MUTP, Bank assumed that jobs would not be a problem in Mumbai and thus did not anticipate major income losses. As a result, Bank paid scant attention to income restoration. Evidence demonstrates, however, that income loss and impoverishment risks are major problems in this resettlement action. This particularly applies to shopkeepers, as described above. It also is expected to be the case of other PAPs from road component as they are relocated, unless significant changes are made. • Income loss due to reduced earnings/ job losses Field research indicates that many PAPs have experienced and will face 	494, 558, 496, 505, 466	<p>Comment: In the context of Mumbai, the problem of housing is more severe than unemployment, and Management did indeed devote more attention to housing needs.</p> <p>Shopkeepers. See Items 2, 7, 14-17 and 19 and the Action Plan.</p> <p>Employees. A profile of the employees has been incorporated in each RIP. In the event they are not re-employed, the R&R policy provides for assistance equivalent to one year’s income and other assistance. The absence of any such cases to date suggests that implementation has been lacking. In the case of combined residential and commercial structures, ground floor structures are allotted, to the extent feasible, so that the space can be used for both purposes.</p> <p>No assessment has been made of employees who have family in rural areas.</p> <p>Action: See Annex 6, Action Plan, Section 2.</p>

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	<p>significant financial hardship as a result of relocation.</p> <p>Project has failed to address appropriately needs of PAPs with home-based commercial activities in residential-plus-commercial (R+C) structures.</p> <ul style="list-style-type: none"> • Assessments of employee PAPs With regard to middle income shopkeepers, no appropriate assessment of employee PAPs was undertaken. Employees who are not resident in area but rather support family in rural areas have not been adequately addressed. This does not comply with OD 4.30. 		
21.	<p>Effects on income of costs and expenses associated with resettlement</p> <p>Erosion of income from higher travel expenses Combination of lesser incomes and higher costs is having major effects on living standards. Some PAPs are forced to rent out their flats. Some are pulling children out of school; others are losing water and electricity connections due to inability to make payments. These problems apply especially to most vulnerable.</p> <p>Panel is concerned that PAPs will not be able to deal with increased transportation costs related to relocation. Increased travel costs will not only be necessary to reach work places but also social services.</p> <p>Project has taken some steps in relation to these problems, including providing for travel allowances funds. Panel notes these efforts, but its investigation indicates that they are falling far short of what is needed to meet provisions of OD 4.30, and that there are significant delays in implementation.</p>	559, 560, 522, 561	<p>Comment: Management acknowledges the Panel's finding and shares its concerns regarding increased transportation costs.</p> <p>Management recognizes that for some PAHs it will be difficult to afford the payment of increased transport costs due to their new residential locations as well as the cost of services associated with this new type of tenement occupancy. It is expected that the housing co-operative societies will provide transitional financial support through the CRF, and facilitate training and identification of job opportunities to members.</p> <p>While approximately 15-20 percent of relocated PAHs are less than 2 kilometers from their original homes, some initial disruption is to be expected. It is anticipated that, over time, people will switch to the social services in their new neighborhood, as they become available. In the meantime, it may be necessary to maintain links with previous locations, such as schools, ration shops, etc.</p> <p>The transition is being eased through the following measures: providing transport for children to continue in their former schools until the end of the academic year; setting up temporary schools in the new locations, and allowing PAHs to continue purchasing rations from the shops in their former neighborhoods.</p> <p>Social services are available within the neighborhood or are expected to become available, based on the size of the population. In order to meet demand, it may be necessary to create certain facilities within the resettlement sites themselves.</p> <p>Action: See Annex 6, Action Plan, Section 3.</p>

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22.	<p>Costs of shifting Panel notes importance to adequately assist PAPs with the costs of shifting to the resettlement sites.</p> <p>Maintenance costs As of the date of this Report the Bank has not demonstrated that the maintenance funds have been transferred or that the transfer of funds has been accelerated. The earned interest of the maintenance fund only covers certain taxes that PAPs have to pay, but does not help them to deal with the high maintenance costs that PAPs have to pay in the new buildings.</p> <p>The Panel finds that OD 4.30's most basic requirement that PAPs must be assisted in their efforts to improve their living standards or at least to restore them has not been achieved with regard to the affordability of housing maintenance.</p> <p>Housing co-operatives As of November 2005, most housing co-operatives have not been registered, and no PAH payments had been transferred to any housing cooperative community fund.</p> <p>Given the key role of housing societies, the Panel notes that it will be important to make sure that PAPs are not resettled before the conditions for appropriate resettlement are given. The Panel finds that the proper registration and functioning of housing co-operatives has been a problem throughout Project execution which will require intensive supervision efforts on the part of the Bank to ensure that the implementation of the resettlement component of the Project is consistent with Bank policy.</p>	525, 539, 540, 585, 717, 595	<p>Comment: Management acknowledges the Panel's findings. Shifting large numbers of people and ensuring the working of new housing societies in the resettlement communities has been a challenge.</p> <p>Costs of Shifting. The Project R&R policy contains a provision for arranging transport to shift belongings to the new location and paying an amount of Rs. 300 for moving to the resettlement site. This amount is now being paid promptly. The increased amount of Rs. 600 is yet to be operationalized.</p> <p>Transfer of Maintenance Funds. Registering the co-operative societies and transferring maintenance funds to the co-operative society bank accounts entails lengthy administrative procedures. PAHs are required to sign affidavits in order for the society to process its registration. Out of 220 housing societies, 48 have been registered to date, but none have received maintenance funds due to delays by the SRA. Some (28 out of 48) registered societies have received interest which has been used to pay municipal taxes and some common maintenance expenditures.</p> <p>Affordability of Maintenance Costs. The interactions with the representatives of co-operative societies during the Mid-Term Review indicate that the average monthly expenses are between Rs. 500-800, including individual electricity charges and municipal taxes. Accurate reporting on maintenance charges (water, electricity, etc.) for the original place of living prior to resettlement, is difficult and varies from site to site, but the range is between Rs. 200 and 850 per month. Discussions by the Bank staff with PAHs suggest that approximately 20-30 percent have difficulties in paying regular maintenance fees.</p> <p>Action: See Annex 6, Action Plan, Section 3.</p>
23.	<p>Addressing effects on incomes and living standards Formation of Community Revolving Funds for economic rehabilitation has been difficult and that the Funds are not distributed.</p> <p>RAP promised to provide equivalent of one year's income during transition to</p>	548, 550, 562, 563	<p>Comment: Management acknowledges the Panel's finding.</p> <p>The CRFs have been disbursed to the 48 registered societies to date. The funds to the other societies will be transferred once registration of those societies is complete. The NGOs facilitate the society's choice to opt for CRF or travel costs and accordingly facilitate the transfer of CRF funds. All 48 have opted for the</p>

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	<p>PAPs who lose their livelihoods permanently. Panel is not aware that any such payment has been made as of November 2005. Because of the difficulty of finding jobs at or near the resettlement sites, Panel is concerned that such payment will not sufficiently address PAPs' lack of income at the resettlement sites.</p> <p>If income and living standard restoration had been adequately considered, PAD and RAP could have included requirements that contractors should employ and train large numbers of affected people, which would have helped them to acquire new skills and sources of earnings. This would have been in line with OD 4.30. Panel has not been able to find evidence that PAPs have been offered training programs as stated in RAP.</p> <p>Failure to address income and living standard restoration for PAPs in road component does not comply with OD 4.30. This problem, particularly for shopkeepers and their employees and for vulnerable individuals whose livelihoods are not at risk due to relocation, needs urgent attention by the Bank.</p>		<p>CRF as opposed to travel costs.</p> <p>The payment of one year's income is available to entrepreneurs and employees who permanently lose their source of livelihood because of the Project under the R&R Policy. To date, MMRDA has not utilized this option.</p> <p>Employment by contractors was not considered a practical solution to restore livelihoods, given the very temporary nature of the work.</p> <p>Training programs are noted in RIPs and NGOs have provided limited training to date. The Bank is working with MMRDA to increase the level of training being offered by Project funded NGOs.</p> <p>Action: See Annex 6, Action Plan, Sections 1, 2, 3 and 6.</p>
24.	<p>Concerns related to the resettlement sites and living conditions</p> <ul style="list-style-type: none"> • Building services, quality and functioning • Water, sewerage and waste disposal • Electricity, elevators, parking and security <p>The Panel notes that as of November 2005, the Implementation Manual was still not complete, even though people have already been moved to the resettlement sites. This is not consistent with the provisions of OD 4.30.</p> <p>Bank has complied with OD 4.30 with regard to quality of the housing edifices. Buildings are not of substandard quality, and measured space between buildings did not depart from local re-</p>	Exec Sum, 573, 580, 585, 586	<p>Comment: Management acknowledges the Panel's finding of compliance regarding the quality of the housing. Management also shares the Panel's concerns regarding site environmental and service management.</p> <p>In response to the Second Request for Inspection, MMRDA contracted a consultant to prepare an Implementation Manual. The draft Manual has been submitted and Management has asked MMRDA to substantially strengthen the Manual with additional details and supplementary information related to the R&R process, post R&R management, clarifications on policy provisions, and the environmental management aspects of resettlement. Although a Manual is not required by OD 4.30, the Bank and MMRDA believe that a Manual is necessary to provide practical guidance for dealing with the issues at the sites and to serve as a model for future urban projects in India. Management agrees that it has taken too long to finalize the Manual. Completion of the enhanced Manual is now planned for May 31, 2006.</p> <p>Delivery of basic services, including the provision of adequate water distribution, is a city wide issue. Most</p>

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	<p>quirements.</p> <p>There are other issues, however, that have not been addressed. Importantly, sewerage and water connections are not working properly and there are no collections of garbage and waste. The Panel finds that this does not comply with OD 4.30.</p> <p>The Panel notes that it will be important to ensure that PAPs only have to pay low electricity rates appropriate to their situation, and not higher rates such as those on a par with commercial uses. Further, it will be crucial to find a solution for the accumulated electricity bills.</p> <p>Panel notes need for sufficient parking space for commercially-related vehicles to meet needs of resettled people with commercial businesses.</p>		<p>of Mumbai has water supply for only a few hours a day at most. Pressurized piped water is currently being provided to resettlement sites on a daily basis for short intervals. As an interim solution, until a full piped water supply is available, MMRDA is providing tankers to supply additional water to the resettlement sites. The Bank is working with MMRDA to see if it is possible to accelerate the provision of improved water services sooner than the target date of 2007, increase the number of tankers providing water, and also to extend additional water supplies from adjacent settlements that are being informally used as a source of supplemental water on a paid basis.</p> <p>The electricity utilities charge uniform rates for residential purposes and there will be no concessions for PAHs. The Bank team has not found or been informed of any residential building that is being charged at commercial rates. However, there are some instances where the operation of lifts is being charged at commercial rates and MMRDA has been requested to resolve this issue with the utility companies.</p> <p>Discussions have been ongoing to resolve the issue of the accumulated electricity bills under SPARC and most of these cases have been resolved.</p> <p>Action: See Annex 6, Action Plan, Section 3.</p>
25.	<p>Provision of social services</p> <p>As of time of Panel investigation, resettlement sites lacked adequate access to schools, medical facilities and religious sites, and maintenance costs for buildings and utility services were high.</p> <p>Little attention has been given to provision of social services in resettlement sites.</p>	607	<p>Comment: Management shares the Panel's concerns regarding the provision of social services. Certain facilities, such as pre-schools, welfare centers, and the co-operative society offices are provided by the Project. Open spaces are also made available for the development of other facilities by the municipality and/or the private sector. During the May 2005 supervision mission and the October 2005 Mid-Term Review, Management offered to MMRDA to support its proposal for development of social services within the resettlement colonies, using savings from the Project's IDA financing. Management is working with MMRDA to accelerate the provision of social services to resettlement communities and to overcome administrative bottlenecks where they exist. Further, the Bank will pursue with MMRDA and local transport authorities a linkage of local bus routes to Mankhurd to improve accessibility.</p> <p>Regarding maintenance costs and utility services, see Item 22.</p> <p>Action: See Annex 6, Action Plan, Sections 3 and 5.</p>
26.	<p>Risk of having to sell or rent new housing</p> <p>Because of income losses and high</p>	611	<p>Comment: Management acknowledges the Panel's finding.</p>

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	<p>maintenance costs, some PAPs are forced to rent out their new flats, and, as a consequence, may jeopardize their right to the transferred housing.</p>		<p>The Bank team has assessed the situation based on the feedback from the representatives from the co-operative societies during the Mid-Term Review and found that about 20 percent of PAHs have either sold or rented out housing for a variety of reasons, including supplementing income and/or paying off debts. Since renting out or selling apartments is not allowed (until PAHs have held their apartments for 10 years), this practice could jeopardize their rights to obtain title</p> <p>Action: The Bank, in cooperation with MMRDA, will conduct additional work to better understand the factors leading to this type of action and identify measures that can reduce the extent of this practice. See also Annex 6, Action Plan, Sections 3, 5, and 6.</p>
27.	<p>Legal rights regarding new flats and shops The Panel believes that [the allocation of housing units] reflects positive Bank efforts, because nowhere else in India are such housing benefits given to people considered as “squatters” and informal sector tenants. Thus, the Panel acknowledges this as a major success.</p> <p>Panel could not get uniform view or clarification on concrete legal status of the property rights of PAPs at resettlement sites. It is not clear to Panel whether PAPs receive only right of occupancy or ownership of shops and apartment. There seem to be different views about this among Management, Project authorities and PAPs.</p>	615, 620	<p>Comment: Management acknowledges the Panel’s findings of major success in allocation of housing units to the squatters and informal sector tenants.</p> <p>The PAHs will receive title in the form of share certificates issued by the respective co-operative societies, after the transfer of land title and the conveyance deed to the society by the GoM. To date no titles/share certificates have been issued, because the conveyance deeds and land titles have yet to be issued to the societies.</p> <p>Action: The Bank is working with MMRDA to accelerate the issuance of titles/share certificates.</p>
Environmental Compliance			
28.	<p>Environmental Impact Assessment:</p> <ul style="list-style-type: none"> • Environmental screening • Preparation of EAs in Project cycle <p>Project EA did not meet all OP 4.01’s requirements.</p> <p>Bank assigned MUTP to Category A under OP 4.01. This is appropriate and in compliance with OP 4.01.</p> <p>EA process started early in Project cycle, which complies with OP 4.01. However, final EA for SCLR portion of MUTP was not completed until April</p>	650, 622, 625, 629	<p>Comment: Management acknowledges the Panel’s finding of compliance regarding the environmental screening of the Project as Category A and the start of the EA process early in the Project cycle.</p> <p>MUTP is a multi-component project, which had a relatively long preparation process of about 8 years and for which several EAs were prepared. The EA process started early in the Project cycle and consisted of:</p> <ul style="list-style-type: none"> • Sector Level Environmental Analysis (SLEA, 1996-1998) of the three strategic transport options identified for Mumbai as part of the Comprehensive Transport Strategy; • Sub-project Level EA was undertaken by way of: <ul style="list-style-type: none"> ○ Programmatic Level Environmental Assess-

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	<p>2003. This was well after initiation of Project and does not comply with OP 4.01.</p> <p>Because of tiered EA structure environmental issues related to resettlement have not been considered in a timely manner. As consequence, necessary documentation to ensure that “all environmental consequences are recognized early in the project cycle,” as required by OP 4.01, was not available.</p>		<p>ment (PLEA, 1996-1998) of generic sub-projects; and</p> <ul style="list-style-type: none"> ○ Micro Level Environmental Assessment (MLEA, 1996-1998) of sub-projects with a potential for significant environmental issues; ● Consolidated Environmental Assessment (Consolidated EA, 2002), which updated and brought together the findings of the above mentioned documents into a comprehensive document; ● Updated PLEAs and MLEAs and new EAs for sub-projects added after 1998 (2002–2003), including preparation of fresh Environmental Management Plans (EMPs) for sub-projects earlier subjected only to PLEA; ● Specific EAs for all sub-projects to be implemented during first year of Project implementation (2002–2003); ● Specific EAs for all sub-projects to be implemented after the first year of Project implementation (2002–present); and ● CEMPs for all resettlement sites. <p>The EA process resulted in a number of EA documents, from 1998 onwards. These documents are listed in Annex 5.</p> <p>Given the large number of potential sub-projects to be implemented, not all could be ready for implementation at the same time. EAs of sub-projects implemented in the first year of Project implementation were reviewed and cleared by the Bank before Project appraisal. This approach is reflected in the PAD (page 25) and the Consolidated EA report (para 117). The SCLR was not one of these sub-projects.</p> <p>Management notes that the SCLR EA (Phases I and 2) was not reviewed prior to appraisal or before the date of effectiveness of MUTP in November 2002. The EA for SCLR Phase I was finalized in April 2003. The first SCLR Phase I contract was signed September 29, 2003 with works commencing on site thereafter. Thus, the EA was completed prior to commencement of the SCLR I sub-project. A supplement to the EA for SCLR as a result of changes being made to the designs based on site conditions was completed in November 2005.</p> <p>This is in line with the Bank’s approach to projects with sub-projects that are not sufficiently determined at the time of appraisal. In this case, a SLEA-type or other framework type document is typically reviewed at the</p>

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			<p>project appraisal stage, and sub-project specific EAs are undertaken on a rolling basis during the implementation period, in keeping with the schedule of preparation of the sub-projects.</p> <p>Action: Specific actions in line with what is proposed in the CEMPs for improving environmental management at the resettlement sites are set out in the Action Plan.</p> <p>In addition to the supplementary EMP required for SCLR Phase I, other supplementary EMPs may be prepared as appropriate.</p>
29.	<p>Environmental Assessment of re-settlement sites Sites considered for resettlement were obtained through the use of TDRs. In evaluating the sites offered by land owners through this method, the Bank did not require environmental considerations to be included as one of the criteria for making the selection.</p> <p>EA that does not consider ambient environmental and social conditions when identifying sites for resettlement fails to meet requirements of the Bank's OP 4.01.</p> <p>Bank in its October 2005 Aide Memoire recognizes that the environmental conditions at R&R sites are not good, especially for solid waste management and sanitation, and indicates that it would be appropriate to use Project funds to manage the environment at resettlement sites, provided there was agreement with the communities on sharing the operation and maintenance costs in the future.</p>	632, 636, 637	<p>Comment: Management acknowledges the Panel's finding regarding the absence of environmental screening criteria in the site selection process for re-settlement sites.</p> <p>The selection of resettlement sites, as explained in Item 12 above, was severely constrained by the costs and availability of land at sites that were located in Mumbai and within commuting distance from the location of the PAHs.</p> <p>Because the Bank team recognized that there would be environmental issues at the resettlement sites, CEMPs of the resettlement sites were prepared (as a component of the RIP process, but presented as separate reports). The CEMPs have the objective of assessing access to basic urban environmental infrastructure services and, through community initiative and participation, mitigation of environmental health risks to the community (para 146 of CEA). Seven CEMP reports were reviewed by the Bank at appraisal. Subsequently a total of 14 CEMP reports have been prepared. See Annex 5.</p> <p>A key vehicle for implementing each CEMP was the Environmental Management Committee (EMC), which was to be formed during RIP preparation. EMCs, however, have not yet been formed. The Aide Memoire of the Bank supervision mission in November 2002 specifically noted that CEMPs were not being followed. MMRDA submitted a follow-up report in March 2003, but environmental management and capacity building (EMCB) consultants continued to flag poor environmental conditions.</p> <p>In November 2003, MMRDA and SPARC agreed to actions needed. In October-November 2004, the Bank supervision mission noted that progress on solid waste and sanitation was being made to address specific complaints and recent missions have observed measures being taken for collection of solid waste and maintenance of street level drains. Nevertheless, it remains</p>

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			<p>important for MMRDA and SPARC to take the necessary actions to establish sustainable structures to achieve environmental management at the local level.</p> <p>Draft TORs for consultants to undertake landscaping and household waste management, including the establishment of long-term solutions, at six resettlement sites (Asgaonkar, Kanjur Marg, Mankhurd B, Anik I, Anik II and Dharavi) are awaiting action by MMRDA. It will be appropriate to finalize these TORs and fold them into the Action Plan for property and site management.</p> <p>Action: See Annex 6, Action Plan, Section 4.</p>
30.	<p>Integrated consideration of natural and social aspects In MUTP, consideration of natural and social aspects of environment in an integrated way has not occurred. This is not in accord with the spirit and intent of OP 4.01.</p>	640	<p>Comment: Management acknowledges the Panel's concern about integration of natural and social aspects of the environment.</p> <p>The intent to integrate environmental and social concerns (para 146 of the Consolidated EA) was reflected in the plan for the CEMP to be a component of the RIP, but, in practice, the integration was not fully achieved. Bank environment and social staff recognize the importance of collaborating on these issues and have made every effort to do so, including participating jointly in supervision missions.</p> <p>Action: See Annex 6, Action Plan, Section 5 and 10.</p>
31.	<p>Independence and competence of the entities conducting EA EA for the MUTP was neither conducted by an independent entity nor by EA experts to the extent that SPARC and NSDF were responsible. This does not comply with OP 4.01</p>	646	<p>Comment: Management wishes to note that the various EAs and CEMPs were conducted by independent entities, as indicated in Item 28. The authors of these reports, given in Annex 5, are neither part of MMRDA nor of the implementing NGOs. They include: ERM India (Pvt.) Ltd., who did the EAs for JVLR Section 1 and ROBs; Consulting Engineering Services India (Pvt.), who did the EAs for SCLR Phase I and some Pedestrian Grade Separators; Serene Environmental Services, who did the EAs for all rail-related sub-projects; Center for Advocacy and Research in Environment, who did the CEMPs for resettlement (Option B) sites; and ECOSMART India Ltd., who did the CEMPs for some resettlement (transit) sites.</p> <p>The only CEMP prepared by SPARC was in August 2000 for the 5th and 6th railway line Kurla-Thane Part 1; subsequently, it was reviewed and revised by independent consultants, leading to additional site-specific CEMPs. Management notes that the Consolidated EA report erroneously mentions the name of SPARC as the author of CEMPs dated March 2002. The actual authors of those CEMPs are given in Annex 5.</p> <p>Action: No action required.</p>

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32.	<p>Consideration of alternatives Although policy level alternatives were considered for MUTP as a whole, analysis of alternatives did not extend to road component and to individual resettlement sites. These omissions directly affect the lives of PAPs. Since Bank did not subject the road component and individual resettlement sites to safeguards set forth in OP 4.01, it did not comply with OP 4.01.</p>	649	<p>Comment: Management acknowledges the Panel's finding that the scope of alternatives analyzed for the Road Component and the resettlement sites was limited. As stated in the Consolidated EA (para 22), the scope for considering alternative alignments of individual sub-projects was limited, because the roads to be widened had to follow existing alignment or corridors already reserved and sanctioned in the Development Plan for Mumbai. The constraints on resettlement sites are discussed in Items 12 and 29.</p> <p>Road alignments. Wherever possible, micro level analyses of alternatives were undertaken at the feasibility or design stage. Some examples are:</p> <ul style="list-style-type: none"> • SCLR -- Analysis of alternatives (see Item 19); • JVLR II -- Analysis of three alternatives (refer to the Final Feasibility Report of JVLR, November 2003, Chapter 4) for configuration and cross sections. At the time of feasibility and detailed engineering of JVLR, construction of two flyovers (i.e., L&T flyover and LBS Marg flyover) were already in progress and these two obligatory points in the alignment constrained the opportunity for any major realignment. Nonetheless, resettlement impact and cost were considered in the economic analysis to derive the preferred alternative (Chapter 9 of the November 2003, feasibility study report); and • Maharashtra Housing Area and Development Authority (MHADA) colony Alignment (Km 2+250 to 2+450 of SCLR Phase II) -- Five alternatives with different configurations were analyzed to minimize the resettlement and negative environmental impact. These alternatives included construction on a portal frame (with double deck structure) to minimize the corridor width and impact on the adjoining buildings. Traffic noise impacts were also considered and noise barriers were proposed in four out of five alternatives. The Project management consultants submitted a report on analysis of alternatives in February 2005. <p>Resettlement Sites. See responses to Items 12 and 29.</p> <p>Action: Micro-alternatives will be considered to the extent possible, for designs not yet finalized. Bank staff will continue to discuss micro-alternatives with MSRDC during supervision missions and will review engineering designs with consideration of environmental and resettlement issues and alternatives that reduce impacts. An example of this process is the construction of the retaining wall along Powai Lake as part of JVLR II.</p>

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33.	<p>Environmental problems at the re-settlement sites If environmental factors had been considered appropriately, then many of the environmental problems could have been addressed more efficiently. A concerted effort by Bank Management and the Mumbai Authorities to clean-up and regulate waste disposal practices at the Deonar dump and in the waterways adjacent to the resettlement site could decrease public health risks at the Mankhurd resettlement sites.</p>	675	<p>Comment: Management concurs with the Panel's finding that environmental management at the resettlement sites needs to be improved. The Deonar dump and the waterways are addressed in Items 36 and 39.</p> <p>More broadly, the Bank wishes to note that environmental management and service delivery across the Mumbai metropolitan region need significant improvement – a challenge the city and state authorities are addressing as they implement the Vision Mumbai plan over the next decade.</p> <p>Action: See Items 36 and 39.</p>
34.	<p>Waterways Mankhurd resettlement site is not inherently more at risk of flooding, of health problems from standing waters (that would harbor mosquitoes), or of water-borne diseases than most of city of Mumbai.</p>	652	<p>Comment: Management acknowledges the Panel's finding.</p> <p>Action: No action required.</p>
35.	<p>Air quality / industrial emissions While air pollution is serious, Mankhurd site is not closest resettlement location in terms of proximity to industries with atmospheric emissions or at greatest risk.</p>	654	<p>Comment: Management acknowledges the Panel's finding.</p> <p>Action: No action required.</p>
36.	<p>Deonar municipal solid waste dump Mankhurd resettlement and transit sites are only about 1.5 - 2 kilometers from Mumbai's largest waste dump. A drainage line from the dumping grounds leads to the waterway that passes through the Mankhurd resettlement sites. In selecting resettlement sites, no consideration was given to proximity of Mankhurd site to Mumbai's largest waste dump or to implications of this. EA did not consider ambient environmental and social conditions when identifying sites for resettlement, which does not comply with OP 4.01.</p>	656-657	<p>Comment: Management acknowledges the Panel's finding concerning selection of resettlement sites, as previously indicated under Item 12 and Item 29.</p> <p>The Deonar waste dump site is located in Ward M East under the jurisdiction of the MCGM. The population of this ward is approximately 675,000 within an area of approximately 33 square kilometers; the density is comparable to the average for the city. An estimate of the number of people living within a 2 kilometer radius of Deonar dumpsite based on the ward population (after deducting the approximate area of the dump site which is about 1.2 square kilometers and the area of the creeks) is about 125,000 people. Many of these people live in legal housing constructed in conformity with local laws and regulations, as is the Mankhurd resettlement site. The residents of the Mankhurd resettlement site have no greater risk of exposure to emissions from Deonar than other residents of the area.</p> <p>Annex 4 of Management's Second Response to the Request for Investigation (July 2004) provides data on hydrogen sulfide and methane values monitored at the Mankhurd site. The low values indicate that the air quality and pollution impact of the landfill on the reset-</p>

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			<p>tlement site is negligible. Because the resettlement site is located to the south of the landfill and the dominant wind direction is towards the north, odor-related problems are small.</p> <p>Action: The Bank will request that MMRDA undertake a specific study of the drainage line from the dump site to the waterway passing through Mankhurd to determine if mitigation measures are feasible.</p>
37.	<p>Watercourses carrying blood and excreta from Deonar abattoir Panel finds this most unlikely, as watercourse passing next to abattoir is not the one that borders Mankhurd permanent resettlement site.</p>	660	<p>Comment: Management acknowledges the Panel's finding.</p> <p>Action: No action required.</p>
38.	<p>Solid waste management at resettlement sites While Bank documents indicate considerable effort to communicate that it is important for tenement residents to have effective on-site waste management, the issue urgently still needs to be addressed with the PAPs that have been or will be resettled.</p>	661	<p>Comment: Management concurs with the Panel's finding that this issue needs to be addressed urgently. As noted earlier, environmental management and service delivery are critical issues within the Mumbai metropolitan area and the Bank continues to emphasize the importance of this issue with MMRDA and SPARC.</p> <p>Action: See Annex 6, Action Plan, Section 4.</p>
39.	<p>Management of storm water drains To protect quality of life of people being resettled to Mankhurd and to improve aesthetics of site, a frequent, deliberate and planned maintenance schedule for storm drains is needed. Similarly, on-site and municipal sewers must be connected and efficiently maintained to prevent overflow of sewage to storm water drains.</p>	666	<p>Comment: Management concurs with the Panel's finding.</p> <p>MCGM desilts the storm water drains every year before the monsoon. However, the drains tend to become clogged more quickly than an annual cleaning can address. After discussion with MMRDA during a supervision mission in April 2003, MMRDA agreed to organize cleaning of the storm water drains three to four times a year (letter from the Bank dated May 1, 2003 to MMRDA). Management agrees that the operation and maintenance of sewers need to be made part of a schedule to be executed as part of property and site management plans.</p> <p>Action: See Annex 6, Action Plan, Section 4.</p>
40.	<p>Radioactive waste from Bhabha Atomic Research Center (BARC) In Panel's expert's view, residents of resettlement sites have no greater risk of exposure to radioactive emissions in the event of nuclear reactor accident than other residents of Mumbai.</p>	668	<p>Comment: Management acknowledges the Panel's finding.</p> <p>Action: No action required.</p>
41.	<p>Destruction of mangroves and other trees Panel notes ongoing concern by Bank for mangrove habitat protection in Pro-</p>	670, 672	<p>Comment: Management acknowledges the Panel's finding concerning Mankhurd. As stated in Item 51 below, serious efforts are being made to ensure that the overall Project impact on trees and mangroves is</p>

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	<p>ject, as reflected in its missions and in contract awarded to undertake compensatory planting of mangrove saplings for mangroves destroyed during rail link. Panel did not witness widespread destruction of present-day mangrove habitat at Mankhurd site. Neither Mankhurd site nor its immediate surroundings are currently populated with mangroves (although some trees were noted in nearby tidal creeks).</p> <p>Panel is concerned that the responsive actions relating to loss of Mangrove and other trees are not adequate.</p>		<p>minimal. Particular attention is being paid to the rejuvenation and plantation of mangroves affected by the Project.</p> <p>Action: No action required concerning Mankhurd. See also Item 51.</p>
	<p>Supervision</p>		
42.	<p>Responsibility for project implementation and supervision While Panel understands that matrix structure is widely applied by Bank to Projects of this nature, Panel finds that in dealing with problems as they emerge, this structure may sometimes delay Bank actions and dilute accountability.</p>	Exec Sum, 683	<p>Comment: Management acknowledges the Panel's finding.</p> <p>Given the complexity of the Project, it is critical to have a management structure that not only provides for adequate oversight of and decision-making about the Project, but also allows for the integration of the various sectoral components, including transport, environment, urban development, social development, etc. This structure, as indicated by the Panel, can have disadvantages, but any structure that did not allow for adequate consultation and interaction among sectoral specialists could also pose difficulties for the successful completion of the Project.</p> <p>Action: See Annex 6, Action Plan, Sections 5 and 10.</p>
	<p>Social Supervision</p>		
43.	<p>Social Problem identification and corrective actions Estimates of PAPs Estimates of number of people to be resettled and to a lesser extent the number of businesses affected by the Project shifted significantly over time. Bank did not take adequate responsive measures or re-appraise the Project in light of these shifting estimates. The Panel finds that this does not comply with OP/BP 13.05.</p> <p>Throughout implementation, stated number of affected shopkeepers and businesses varied from document to document, with little recognition of dis-</p>	Exec Sum, 689, 688	<p>Comment: Management acknowledges the Panel's finding regarding estimates of PAHs. Estimating an accurate number of people is difficult in projects of this type because of changes in alignment during implementation, increases in the scope of some works, such as inclusion of additional sub-projects or deletion of current sub-projects, etc. See Items 4 and 14 for additional detail.</p> <p>RIPs for each sub-project are reviewed by the Bank before they are approved for implementation; appraisal of resettlement impacts is taking place on a rolling basis during Project implementation.</p> <p>Action: See Annex 6, Action Plan, Sections 5, 6, and 7.</p>

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	<p>crepancies. The Panel finds that supervision related to determining number of affected shopkeepers and businesses did not comply with OP/BP 13.05.</p> <p>Bank's October 2005 Aide Memoire on its Mid-Term Review and Supervision Mission indicates that there has been only a "marginal increase" of 4 percent in the number of Project Affected Households, raising the figure from 19,200 households to 20,000 households affected by the Project. This differs significantly from the previous figures noted in the Bank's earlier documents, particularly the figures in April 2004, which indicated a 50 percent increase in the number of PAPs.</p>		
44.	<p>Shopkeepers and other commercial issues</p> <p>When R&R was a separate Project, distinctive needs of middle income shopkeepers to be displaced by road were noted. However, issue was lost in the merger of the two projects.</p> <p>Bank initially treated middle income shopkeeper concerns in Project as communications and public relations rather than socioeconomic problem and did not suggest adequate remedies pertaining to substance of complaint.</p> <p>Bank failed to identify the special problems of shopkeepers affected by the road widening and alignment and to take corrective action until the Request was filed with the Panel. This did not comply with OP/BP 13.05.</p>	694-697	<p>Comment: Management acknowledges the Panel's finding. See Responses to Item 2 and Items 15-18.</p> <p>Management wishes to note that soon after the identification of shopkeeper issues during the March 5-26, 2004 supervision mission, the Bank deployed a specialist team composed of the Lead Social Development Specialist (responsible for resettlement) from QACU, Regional Safeguards Adviser (a social scientist), and Senior Social Development/Resettlement Specialist in an April 7-8, 2004 mission. The team examined the commercial as well as other issues related to implementation capacity and subsequently proposed the BNS (see Item 2). The team was concerned that it had identified significant issues that required immediate corrective action.</p> <p>Management has worked diligently to address the issues raised by the shopkeepers (See Item 7), inter alia, through the BNS and increased supervision of the Project (See Annex 4).</p> <p>Action: See Annex 6, Action Plan, Section 1.</p>
45.	<p>Institutional Capacity of NGOs and MMRDA for resettlement</p> <p>Bank did not adequately follow up with the Borrower's commitment to remedy the lack of institutional capacity in MMRDA and the NGOs and hence did not comply with OP 13.05.</p> <p>Bank did not exercise careful supervision of the use of NGOs in the Project and did not comply with OP 13.05.</p>	708, 709	<p>Comment: Management concurs with the Panel's finding regarding the institutional capacity of MMRDA and NGOs for resettlement. MMRDA recognized early on that it did not have the capacity to undertake all the resettlement activities and decided to use the experience and services of local NGOs with successful records of working with PAHs. In appraising the Project, the Bank recognized the importance of building on the innovative and successful work of these NGOs; however, it did not recognize the limited capacity of these groups to scale up to meet the demands of MUTP or</p>

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	<p>Panel was informed that contract with SPARC/NSDF has been awarded on sole source basis. Contract does not include adequate provisions for monitoring use of funds.</p>		<p>their inadequate experience in working with shopkeepers and non-slum residents.</p> <p>As the shortcomings in the NGOs' capacities have become apparent, the Borrower has taken a number of steps to strengthen its capacity in the past year. Two professional resettlement specialists were retained on a short-term basis to accelerate implementation. Professional staff with experience and familiarity with resettlement and social development issues were appointed. These actions are being supplemented by support from R&R consultants. MMRDA has improved its reporting, database management and interactions with PAHs.</p> <p>With regard to NGO capacity, however, in spite of the Bank's follow-up, there has not been sufficient improvement, and the role of the NGOs in the Project is being phased out. In the Action Plan, MMRDA has now agreed to bring in a professional agency by May 31, 2006 to do much of the work in support of the post resettlement activities. MMRDA has also agreed to work with the Bank to review, in the context of an assessment of NGO capacity requirements, the future role of NGOs in executing the Project in light of the changing skill requirements.</p> <p>See also Item 3.</p> <p>Action: See Annex 6, Action Plan, Section 5.</p>
46.	<p>Grievance mechanism Bank was slow to identify problems with grievance mechanism and to follow up to ensure appropriate remedies. This does not comply with OP 13.05.</p>	712	<p>Comment: Management acknowledges the Panel's finding.</p> <p>The grievance redress mechanisms functioned smoothly during the initial resettlement of 10,000 households in 2000-2001 to permanent and transit housing. This was also confirmed by findings of An Impact Assessment of Initial Phase of R&R Implementation for MUTP (Tata Institute of Social Sciences, November 2003).</p> <p>Problems with the grievance redress mechanism, such as omission of names in the baseline surveys, inclusion and exclusion of PAHs due to changes in alignments, re-encroachments after allotment of alternative houses, and a backlog of cases, were targeted in the July 2004 Action Plan as part of the Management Response to the Second Request for Inspection. The GRCs have been strengthened through the naming of independent officers as their heads: however, further steps are planned to improve information management, clarify procedures and processes and strengthen the independent status of the GRCs. Several parties have observed to the Bank that it is difficult to attract and retain senior level individuals from the Mumbai area to serve as members of the IMP. The Bank will be</p>

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			<p>working with MMRDA to identify the nature of these issues and have them addressed in order to make the IMP an effective body in supporting Project implementation.</p> <p>See also Response to Item 13.</p> <p>Action: See Annex 6, Action Plan, Section 9.</p>
47.	<p>Income restoration Successive supervision missions failed to correct Bank's initial assessment that income restoration was not a potential problem for resettlement of people affected by the road component, and thus did not take corrective actions until after the Request was submitted to the Panel. This does not comply with OP/BP 13.05.</p> <p>As of November 15, 2005, the Bank has still not addressed aspects of income restoration such as compensation for permanently lost jobs, shifting costs, job training, and job opportunities at the resettlement sites. The Panel notes the assumption in the Project that PAPs would benefit from the new housing and that "[l]oss of income and livelihood opportunities is not a major issue in this projects..." (PAD, page 101). Consequently, Management did not regard income restoration as a significant problem for resettlement of PAPs and thus did not provide the supervision required by OP 13.05 and did not take necessary corrective actions.</p>	Exec Sum	<p>Comment: Management shares the Panel's concerns regarding income restoration of the PAHs. None of the PAHs from the road sub-projects were resettled at the time of registration of the first Request for Inspection to the Panel on April 28, 2004. As noted in the response to Items 20-26, issues related to income restoration, particularly shopkeepers, were identified in early April 2004. This was prior to registration of the First Request for Inspection.</p> <p>The Bank supervision team was instrumental in commissioning the BNS (contracted in August 2005), which also addresses the impact of resettlement on employees of affected businesses.</p> <p>Action: The Bank will place increased emphasis during supervision and through the use of specialized consultants on better understanding income restoration issues and working with MMRDA to address this important issue.</p> <p>See Annex 6, Action Plan, Section 5.</p>
48.	<p>Post resettlement issues While Bank early on reminded Borrower on need to form and register housing co-operatives, it failed to adequately supervise this aspect of Project in two respects: (1) Management contradicted itself about state of registration of housing co-operatives in different reports. (2) Management's supervision of the co-operatives was incomplete, in that it focused only on their registration and did not consider their operational capacity and effectiveness.</p> <p>Though Management has consistently</p>	725, 726, 728, 730, 733	<p>Comment: Management shares the Panel's concerns regarding post resettlement issues.</p> <p>The NGOs provided training on how to manage the co-operative societies. There was also a separate orientation program on the management of co-operative societies organized at the Tata Institute of Social Sciences, with specialists from the Register of Co-operatives.</p> <p>See also response to Items 22 -25. Deficiencies with respect to post resettlement (e.g., registration of housing co-operatives, maintenance fund, CRF, provision of basic services) were regularly pointed out in supervision missions and Aides Memoires from the beginning of implementation (September 2003 Aide Memoire:</p>

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	<p>mentioned Maintenance Funds, it has done little to ensure that they have been set up and operating properly. Panel found that as of November 1, 2005, MMRDA had not transferred any maintenance funds to the Housing Cooperative Societies.</p> <p>Management has identified problem of slow establishment of the CRFs but has not provided effective supervision of this aspect.</p> <p>While early on Management identified problem of high electrical bills and sought to solve problem through requiring installment of individual meters, it failed to follow up on problem's symptom, high arrears, until the arrears became large problem themselves.</p> <p>Post-resettlement process and issues related to it need intensive supervision, which requires identifying problems and following up by ensuring corrective actions in order to comply with OP/BP 13.05. Management needs to give attention to significant problems related to resettlement process as they are identified by staff as soon as possible.</p>		<p>para 5 of annex 5; March 2004 Aide Memoire: para 14 and para 3 of annex 5; November 2004 Aide Memoire: para 6 of annex 5; May 2005 Aide Memoire: paras 8, 22-23 and para 10 of annex 4; October 2005 Aide Memoire: paras 34 and 37 and para 9 of annex 7; and Management letter of May 12, 2004). Management agrees that the results of the supervision missions have not solved the problems and this issue has contributed to the decision of Management to adopt a new approach to Project supervision as outlined in the narrative. See also Item 46 on the grievance mechanism.</p> <p>Action: See Annex 6, Action Plan, Sections 3 and 5.</p>
	<p><i>Environmental Supervision</i></p>		
49.	<p>Environmental capacity-building consultants Management identified lack of environmental capacity and followed up on the issue to ensure corrective actions were taken, in compliance with OP/BP 13.05.</p>	735	<p>Comment: Management concurs with the Panel's finding.</p> <p>Action: See Annex 6, Action Plan, Section 5.</p>
50.	<p>Waste dump While Bank identified problem of transit site for rail part of Project as being next to toxic waste dumps, it did not identify as problem the proximity of permanent resettlement site Mankhurd to waste dump.</p>	736	<p>Comment: See Item 36</p> <p>Action: See Item 36.</p>
51.	<p>Destruction of mangroves/ other trees Bank expressed ongoing concern for mangrove habitat projection. However, compensatory tree planting is far be-</p>	737	<p>Comment: Management shares the Panel's concern regarding destruction of mangroves and other trees and wishes to clarify what actions are being taken in response to the Panel's observation on the schedule of tree planting.</p>

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	<p>hind schedule. Bank supervision documents do not clarify what actions are being taken. Panel is concerned that the responsive actions relating to loss of mangrove and other trees are not adequate.</p>		<p>Mangroves</p> <ul style="list-style-type: none"> • Clearing of the water channel at the Eastern Express Highway end of JVLR to facilitate rejuvenation of mangroves was recorded in the Aide Memoire of November 2004. Visits by Bank missions have confirmed the improved status of these mangroves; • About 2,000 mangrove saplings were successfully planted by MMRDA in the Bandra-Kurla complex; and • About 22,000 saplings planted by MRVC along the Western Express Highway Creek and at a site in Mankhurd, as noted in the Aide Memoire of the October-November 2004 mission, to compensate for mangroves lost during works on BVQR. The April-May 2005 mission noted that survival of mangroves was not good at one of the sites; a contract for additional mangrove planting has been awarded. <p>Trees</p> <ul style="list-style-type: none"> • JVLR (entire road): About 2,200 trees were planted, primarily in the Aarey Colony site, to compensate for about 850 trees cut. This exceeds the required ratio of 2:1. Additional compensatory tree planting on the roadside is anticipated before the onset of the 2006 monsoons. About 1,000 trees have also been transplanted from JVLR to the Aarey Colony site and the survival rate has been good; • JVLR sections 1 and 3: A tree plantation plan was to be submitted by December 31, 2005 (see Aide Memoire of the Mid-Term Review mission in October 2005). MMRDA recently submitted the report to the Bank. Transplanted trees (from a non-MUTP source) near the Wadala batching plant along JVLR section 2 are likely to be affected due to the frequent truck movement; • SCLR: About 50 trees have been cut to date and compensatory planting of about 130 trees has been completed, primarily in a nearby graveyard in Narayan Nagar. This exceeds the required ratio of 2:1. Additional compensatory tree planting on the roadside will be done after completion of the road works. About 35 trees have also been transplanted from SCLR to the Bandra Kurla Complex site and a study on the survival rate will be completed by the end of February; • SCLR, Kurla dairy (see Mid-Term Review mission Aide Memoire): MSRDC and PMC have studied

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			<p>the feasibility of saving some of the trees. It appears that design modifications will not allow the trees to be saved; hence, it will be necessary to transplant the trees along the roadside;</p> <ul style="list-style-type: none"> • Bandra-Kurla site: The report of the ongoing study of tree transplantation is expected to be available by end-February 2006; • ROBs: The clearances from the Tree Authority under MCGM (as flagged in the Mid-Term Review Aide Memoire) have been obtained; • Virar-Dhanau: According to MRVC, compensatory tree planting of only 63 trees out of the required 740 has been done. The additional tree planting will be done after the construction work is completed to assure better survival; and • Kurla-Thane: MRVC issued a tender for compensatory tree plantation and transplantation on December 28, 2005, but no responses were received. Re-tendering is to be carried out. <p>Action: See Annex 6, Action Plan, Section 4.</p>
52.	<p>On-site solid waste management Despite early identification of the problem of on-site waste management by staff, Management did not follow up on the issues. Back to Office Reports give much greater attention to the issue than is reflected in the Aides Memoires. Moreover, the recommended solutions seem to change between missions and were not consistently addressed.</p>	742	<p>Comment: Management acknowledges the Panel's observations that recommended solutions for solid waste management have changed.</p> <p>Various attempts were made to find solutions along with the NGOs, MMRDA and EMCB consultants. As stated in Item 29, MMRDA also initiated action. The efforts made were not sufficient and were reactive and piecemeal in nature, rather than being proactive and structured so as to achieve long-term sustainability. As a result the actions are stated differently in various documents and no long-term mechanism has yet been developed.</p> <p>Action: See Annex 6, Action Plan, Section 4.</p>
	<p><i>Other Supervision Issues</i></p>		
53.	<p>Consultation with PAPs during supervision Management did not ensure that meaningful consultations with PAPs take place during supervision. Bank supervision missions should document the consultations and contain details about the meetings with PAPs.</p>	744	<p>Comment: Management acknowledges the concerns of the Panel regarding consultation during supervision. Typically, during each supervision mission, visits to resettlement sites and consultations take place. The field visit outcomes are described in the Resettlement Annex of the Aides Memoires. For example, during the recent Mid-Term Review, the Bank team met about 100 PAPs to hear their concerns and feedback. The signed copies of their participation in the meeting are available in Project files. The results of consultations with PAPs and proposed next steps are described in the November 2005 Aide Memoire of the October Mid-Term Review (paras 14-18 of Annex 7). For additional</p>

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			<p>details, see the Aides Memoires of the following supervision missions: September 2002 (paras 42-44, 46-47); March 2004 (para 18); July 2004 (substantial part of Aide Memoire); November 2004 (para 12); April 2005 (paras 13-14 and 23); and August 2005 (paras 12-13).</p> <p>Action: Management will further improve and record in more detail consultations with PAPs during future supervision missions.</p>
54.	<p>Supervision: staff expertise and mission composition</p> <p>Despite significance of resettlement issues, supervision staff in this aspect of Project generally remained constant at only social expert in Country Unit. During investigation, it was brought to Panel's attention that position of Sector Manager for Social Development in South Asia Region, which is especially relevant to resettlement issues, was vacant for more than two years during Project implementation.</p>	747	<p>Comment: Management acknowledges the Panel's concerns regarding staff expertise and mission composition in supervision activities. During initial supervision, the Project team considered that one R&R specialist on the team was sufficient, because attention was focused on the railway R&R issue and that component of the Project was running relatively smoothly.</p> <p>In March 2004, as road issues became increasingly pertinent, the Lead Social Development Specialist (responsible for resettlement) from QACU and Regional Safeguards Adviser (a social scientist) from the South Asia Environment and Social Unit were called in to assist in supervision of the Project. Since March 2003, an architect consultant based in Mumbai has provided support on housing and construction and participated in four supervision missions. In addition, given the Project's high profile, QACU provided a Lead Environmental Specialist to work with the Project. Resettlement issues have also been a key focus area for the Task Team Leader and co-Task Team Leader. There has been a lack of corresponding capacity on the part of the implementing agency and the NGOs to carry out the necessary actions.</p> <p>Management acknowledges that the Sector Manager for Social Development position in South Asia was vacant until the current manager was appointed in November 2004.</p> <p>Action: See Annex 6, Action Plan, Section 5.</p>
55.	<p>Recent steps to comply</p> <p>After Requests were filed, Bank's attention to problems in R&R for road component increased dramatically, and received high level attention. Since then, Bank has taken a number of actions to address some of concerns raised in Requests, culminating in those outlined in latest Aide Memoire of October 2005 and December 2005 agreement to expand coverage of Business Needs Study. Panel appreciates these efforts and regards</p>	748-750	<p>Comment: Management acknowledges the Panel's findings regarding recent steps to comply with OD 4.30. The Bank is working closely with the Borrower to achieve results.</p> <p>Outstanding issues remain, including satisfactory restoration of livelihood of shopkeepers, income restoration for employees and others who have not been able to maintain their employment, and improvement of the social and physical aspects of post-resettlement arrangements.</p> <p>The budget allocated for Project supervision is twice the norm for projects in India, in recognition of the Pro-</p>

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	<p>them positively.</p> <p>However, many issues are still outstanding, including final delineation and implementation of measures needed for SCLR shopkeepers to bring Bank into compliance with OD 4.30.</p> <p>In initial design of Project, Bank was careful to comply with Bank policies and procedures (see below). Once the two separate Projects for Infrastructure and for R&R were merged into one Project, Bank did not comply with a number of important policy and procedures. Pendulum appears to have shifted, and concerned Bank staff is making significant efforts to bring Bank into compliance. Panel finds it essential that these efforts continue, and notes recent significant concerns raised by Requesters relevant to implementation and compliance. Panel acknowledges importance of transport infrastructure to development of Mumbai, and hopes that its report will help to ensure that Project complies with Bank policies and procedures.</p>		<p>ject's size and complexity. The Bank has allocated over USD 300,000 to date in FY06 (excluding working specifically on the Inspection Panel Response), USD 200,000 in FY05, USD 181,000 in FY04, and USD 190,000 in FY03. This is nearly three times the South Asia regional average.</p> <p>Action: See Annex 6, Action Plan, Sections 1, 2, 5, and 10.</p> <p>The Bank will continue to monitor closely the Borrower's compliance with Bank policies and satisfactory implementation of the Project, assisting actively as needed, bearing in mind the precedent-setting nature of the Project in addressing resettlement issues in an Indian urban setting.</p>
	<p>Project Design and Processing (Project History)</p>		
<p>56.</p>	<p>Recommendation by Bank to merge the free-standing resettlement Project into a component of the infrastructure Project</p> <p>Resettlement in Mumbai, because of its size and complexity, was precisely the type of resettlement that, under OD 4.30, was intended to be addressed as a free-standing Project.</p> <p>The MUTP began in 1995 as two full scale Twin Projects, in line with Bank policy. One project was for transport infrastructure, and one for resettlement, with appropriate attention to distinct design, content and staff requirements for each one. In 1999, however, Bank changed course and merged the two distinct projects into one, by downgrading resettlement and rehabilitation from a distinct project to a "component" within the MUTP infra-</p>	<p>188, 191, 199</p>	<p>Comment: Per OD 4.30, Bank financing of resettlement can be provided by any of three approaches as follows: (a) as a component of the main investment project causing displacement and requiring resettlement; (b) if large enough, as a free-standing resettlement project with appropriate cross-conditionalities, processed and implemented in parallel with the investment project that causes the displacement; this may better focus country and Bank attention on the effective resolution of resettlement issues; or (c) as a sector investment loan.</p> <p>The proposed MURP was to be more comprehensive in scope and was anticipated to provide a policy framework and institutional structure and support R&R investments for infrastructure investments in Mumbai as well as parts of urban Maharashtra. Recognizing the reluctance of the GoM to adopt this broader approach to addressing resettlement issues and the need to ensure close coordination between the transport and resettlement aspects of the Project as a whole, Management decided to adopt a single project approach.</p>

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	<p>structure project. While the Bank initially broadly complied with OD 4.30, it did not do so after the merger of the two Projects.</p> <p>By not consulting with and informing the very large number of PAPs about its change in approach, Bank did not comply with provisions on disclosure of information.</p> <p>The information reviewed by the Panel suggests that it was the decision of the Bank's India Country Department, and not the disagreement of the GoM, that in 1999 suddenly reversed the prior five-year course of the Bank's and the Borrower's joint approach to the infrastructure project for Mumbai.</p>		<p>This decision, which included input from Bank resettlement specialists, reflected the view that implementation outcomes would be more effectively achieved in an integrated project where resettlement results could be considered part of overall project goals, budgeting, implementation schedule, and monitoring and supervision process.</p> <p>It should be noted that the Bank has successfully used a combined approach to project implementation for both construction and R&R activities in numerous major projects (including in South Asia) and that Management continues to view the use of a "free-standing resettlement project" as an option to be considered on a case-by-case basis. This approach was used under OD 4.30 and continues to be used under OP 4.12, <i>Involuntary Resettlement</i>, that was approved in December 2001.</p> <p>The Bank does not normally conduct consultations concerning broad project design options nor is it required to. Information on the approach adopted by the Bank and Borrower would be covered as part of normal disclosure of information on a project.</p> <p>Action: No action required.</p>
57.	<p>Insufficient analysis of estimates of affected population and risks relating to resettlement</p> <p>The PAD – the main document given to the Bank's Board of Directors in requesting loan and credit approval – contained incorrect information on several key issues. With respect to number of potentially affected persons, PAD contained estimate significantly lower than number suggested in then existing Project documentation. This information was directly pertinent to the assessment of project quality and the sufficiency of social and economic safeguards included in the MUTP.</p> <p>In addition, PAD did not inform Board of several significant risks raised by very large resettlement operation, especially to vulnerable populations, that had been highlighted in internal documents. PAD is silent on resettlement and impoverishment risks. Larger resettlement risks are not noted in Resettlement Action Plan (RAP). Rather, it notes routine project risks</p>	192, 197, 207-209	<p>Comment: Management acknowledges the Panel's concern regarding the analysis of affected populations and risks relating to resettlement. See response to Item 4 concerning the estimates of affected population.</p> <p>In hindsight, Management underestimated the R&R risks associated with implementation of the MUTP. This was in large part a reflection of Management's confidence at the time, based in part on field based reviews by resettlement specialists and other staff, that these operations could be successfully undertaken in Mumbai. The PAD (page 34) did note that resettlement was likely to be a controversial aspect of the Project.</p> <p>This view was heavily influenced by the Bank's understanding of the successful implementation of resettlement along the rail lines (4,000 PAHs in permanent housing and 6,000 in transit housing, or approximately 50 percent of PAHs) that had recently taken place in connection with the Bombay High Court decision that required relocation of people from the safety zone of the railroad tracks. The Bank, as part of the appraisal process, commissioned a rapid impact assessment through independent consultants to assess the experience and results of initial implementation of this R&R program in terms of benefits, adverse impacts and difficulties experienced by the affected people. The findings of this study were used to support Project design.</p>

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	<p>such as delays in transfer of funds or equipment delivery.</p> <p>Panel is concerned that lack of sufficient analysis and consideration of the many risks of resettlement may be at the root of many problems facing the people affected by the Project.</p> <p>In omitting these risks from key Project documentation and analysis, Bank failed to comply with the requirements of risk analysis in Bank Policies, including OMS 2.20 on Project Appraisal and OP/BP 10.04 on Economic Evaluation of Investment Operations, and weakened the ability of the Project to meet the provisions of Bank's Policy on Involuntary Resettlement in OD 4.30.</p> <p>These failures in providing information to Board were critical flaw in procedure that undercut ability of Board to make informed decisions, and were not consistent with OMS 2.20, BP 10.00 Annex E, and OP/BP 10.04.</p>		<p>In addition, the Bank examined the experience of "vertical resettlement" of PAHs, including slum dwellers, in apartment blocks in Mumbai and in other similar settings such as large urban areas in Brazil, and found this was a successful and innovative approach in densely populated urban settings.</p> <p>Action: See Annex 6, Action Plan, Section 5.</p>
58.	<p>Downsizing the organizational set-up for resettlement</p> <p>Bank has not met OD 4.30 to develop an organizational framework consisting of adequate resources provided to responsible institutions.</p> <p>Failure to comply occurred despite good staff analytical work on institutional matters during initial years of Project implementation. Then Regional management ignored available evidence and findings submitted by staff. Serious errors in managerial judgment were compounded by failures to meet both the word and the spirit of OD 4.30.</p>	219-220	<p>Comment: Management acknowledges that the organizational framework for resettlement has not proved adequate for the task, particularly for resettlement associated with the Road Component. Nevertheless, the analytical work and planning for resettlement put into place mechanisms that were designed to meet the requirements of OD 4.30. The decision to place responsibility for resettlement within the agency implementing the construction had the potential advantage of ensuring that the processes were well-coordinated. The issues that have arisen appear to have as much to do with commitment and capacity as they do with their placement in the institutional and organizational structure of GoM.</p> <p>Bank supervision missions regularly highlighted vacancies in MMRDA staff positions and brought them to the attention of the Project Director and Bank Management.</p> <p>The GMCs and IMP, planned during Project preparation, have been established. Despite this planning, the GMCs and the IMP did not function as intended. Bank supervision missions repeatedly highlighted this to MMRDA. For example, irregular meetings of the GMCs were a root cause of some concerns of the PAHs not being addressed. The institutions were revamped, after the Second Request for Inspection, and functioning</p>

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			<p>has improved. Nevertheless, functioning and implementation of the grievance mechanisms, communication and outreach, resettlement processing and post resettlement social and environmental issues are still not working as they should be. The Bank, GoM and the implementing agency have, therefore, developed a new approach in the Action Plan.</p> <p>Action: See Annex 6, Action Plan, Sections 5 and 6.</p> <p>Management has recognized the risks that have arisen in the Project and has developed with the GoM and the Project implementing agency a strong Action Plan to address the problems analyzed by the Panel as well as other issues, including environmental issues associated with construction management.</p>

ANNEX 2

TABLES ON RESETTLEMENT

Table 1: Status of Occupation of Housing/Shop Units at Various Resettlement Sites¹⁰

No.	Resettlement Sites	No. of Housing Units Available and Under Construction	No. of Shops Available and Under Construction	No. of Housing Units (Occupied)	No. of Shops (Occupied)	Remarks
1.	Majas Plot at Jogeshwari	983	140	700	87	
2.	Asgaonkar Plot at Jogeshwari	1032	192	341	0	
3.	Nirlon and National Standard Engineering Plot at Goregaon	246	40	0	0	
4.	Nesco	230	40	0	0	
5.	Kanjur Marg	759	238	434	0	
6.	Ghatkopar	299	8	107	0	
7.	Mankhurd (SV Patel)-B	5910	175	3883	37	
8.	Anik I (Runwal Plot)	1559	86	1506	19	Occupation largely complete
9.	Anik II (Rockline Plot)	1734	0	1659	0	Occupation largely complete
10.	Mahul: Videocon	2700	140	0	0	
11.	Mankhurd (C)	1814	113	1814	85	Occupation complete prior to appraisal
12.	Kokri Agar, Wadala	1250	62	1245	35	Occupation complete prior to appraisal
13.	Dharavi	560	0	560	0	Occupation complete prior to appraisal
14.	Antop Hill, Wadala	376	0	376	0	Occupation complete prior to appraisal
15.	Mankhurd (Akruti)	-----	-----	133	65	MUIP site (Housing units allotted on PAPs' preference)
16.	Powai	0	325	0	0	These will be available to MMRDA from builder to be used for displaced persons
17.	Borla (Natwar Parekh)	-----	-----	301		MUIP site (allotted on PAPs' preference)
18.	Piramal	-----	-----	5	15	MUIP site (allotted on PAPs' preference)
19.	Kokri Agar, (MMRDA)	-----	-----	169	0	MUIP site (allotted on PAPs' preference)
	TOTAL	19,452¹¹	1,559¹²	13,233	343	Allotments have been accepted for another 399 houses and 38 shops

¹⁰ (a) The numbers have been updated, taking into consideration the change in scope of a few contracts, due either to additional requirements or reductions, as appropriate; (b) The number of occupied units will not match with Table 3, since the updated figures for this Table as of January 31, 2006 are not available; (c) The houses and shops units listed in Nos. 11-14 were occupied prior to Board approval of the Project to meet the Bombay High Court Order with prior approval from the Bank. These units have been financed under retroactive arrangements with prior approval from the Bank; and (d) Construction is complete at all sites, except 325 residential and 102 shops at Kanjur Marg.

¹¹ The number of units available is more than the requirement, which includes cushion and additional requirements due to changes in alignment, people affected by the relocation of community assets, etc. In addition, another 611 units have been constructed or purchased for use as pre-schools, welfare centers, and cooperative society offices.

¹² The number of shop units is less than the requirement, and the shortfall will be met from MUIP sites.

Table 2: Resettlement Implementation Status

No	Action	Original Target	Current Target	Progress	Remarks
1	No. of households shifted to permanent houses	17,963	17,378	13,877 (80%)	629 households have accepted allotment letters and will shift any time
2	No. of affected shopkeepers shifted to permanent alternative shops	1,200	2,569	369 (14%)	38 shopkeepers have accepted allotment letters and will shift any time
3	No. of households issued identity cards	19,163	19,947	5,616 (28.0%)	
4	No. of Housing co-operative societies registered	200	220	48 (22.0%)	
5	No. of Housing co-operative societies which have distributed individuals titles in the form of share certificates	200	220	0 (0.0%)	This can be done only after receiving the conveyance deed
6	No. of maintenance funds transferred from SRA to the joint accounts of Housing co-operative societies	200	220	0 (0.0%)	28 societies have received interest on maintenance funds for certain period
7	Transfer of land title and conveyance deed to the Housing co-operative societies	200	220	0 (0.0%)	
8	No. of Housing co-operative societies which received CRF	200	220	48 (22.0%)	
9	No. of PAPs who received assistance under CRFs	-----	2,000	244 (12.0%)	
10	No. of common facilities transferred to Housing co-operative societies (society office, pre-school and welfare centre)	NA	620	NA	Some facilities are being used but no formal arrangement in place for their transfer
11	No. of community assets reconstructed	65	NA	16	11 toilet blocks and 5 worship places
12	Private land acquisition (in hectares) for main investment projects and resettlement	100.92	NA	29.37 (29.1%)	Tentative estimate
13	No. of land owners who received compensation or TDRs	119	NA	53 (44.5%)	Tentative estimate

Table 3: Status of Resettlement of PAHs by Sub-Project (January 31, 2006)

No.	Sub-project	No. of residential PAHs	No. of commercial PAHs	No. of residential PAHs shifted so far	No of commercial PAHs shifted so far	Remarks
(a) Rail Component						
1.	Kurla-Thane 5 th and 6 th line	2957	449	2031	38	
2.	Optimization of suburban railway network	8480	158	8127	109	
3.	5 th Line Mahim-Santacruz-Borivali	760	22	678	0	
4.	Quadrypling Borivali-Virar	547	3	469	3	
	Total Rail Component	12,744	632	11,305 (89%)	150 (24%)	
(b) Road Component						
5.	JVLR-I	731	170	700	88	
6.	JVLR-II	165	327	0	0	
7.	SCLR	2805	745	1,858	112	207 residential and 38 commercial have taken allotments and are yet to shift
8.	ROB at Jogeshwari (S)	600	443	0	0	422 residential PAHs have taken allotments and are yet to shift
9.	ROB at Jogeshwari (N)	316	81	0	0	
10.	ROB at Vikhroli	3	52	0	0	
11.	SATIS	---	100			
12.	Total Road Component	4620	1918	2558 (55%)	200 (10%)	
13.	Host community at Anik	14	19	14	19	
14.	TOTAL	17,378	2569	13,877 (80%)	369 (14%)	

The figures in parentheses indicate percentage of progress.

ANNEX 3

BUSINESS NEEDS STUDY – TERMS OF REFERENCE

Background

1. The Mumbai Urban Transport Project (MUTP) includes the improvements and up-gradation of rail and road infrastructure in Mumbai. One of the components of the project is resettlement and rehabilitation of project affected persons, which is being implemented by Mumbai Metropolitan Region Development Authority (MMRDA) on behalf of the main investment implementing agencies such as Mumbai Rail Vikas Corporation (MRVC), Municipal Corporation of Greater Mumbai (MCGM) and Maharashtra Road Development Corporation (MSRDC). The two NGOs (SPARC and Slum Rehabilitation Society) are providing complementary support in the implementation of resettlement activities. It is estimated that about 23,000 households will be affected by the project activities including about 2,600 commercial establishments. So far about 13,000 households including about 250 shopkeepers have been resettled into the permanent alternative resettlement sites.

The project affected people broadly include two categories- those being resettled from housing and those being resettled from businesses. This study addresses issues related to businesses only. Of the project affected businesses, two types are found. The first type, the largest majority, is petty businesses such as eateries, small grocers, pan shops, clothing shops and the like catering to local retail trade and dependent on foot traffic. Relatively few difficulties have been encountered in moving the petty businesses to resettlement areas where such space is being made available at the ground floor of the new buildings. The second type, a smaller number, are medium- and large-sized shops and small industries (defined here as those with carpet area in excess of 225 square feet). These medium- and large-sized shops mostly consist of restaurants, specialized shops, printing presses, timber suppliers, welding, auto repair and automotive parts re-fabrication, etc. Data are sparse concerning the location and space needs of these kinds of operations.

The Government of Maharashtra has adopted a Resettlement and Rehabilitation (R&R) Policy for the MUTP project (full details available separately). The entitlement matrix of this R&R policy is summarized in **Table 1** below.

Objectives

4. The World Bank's *Involuntary Resettlement* Operational Directive 4.30 (under which the project was processed) requires that those resettled should have their incomes restored and preferably improved. Given the density of Mumbai, the shortage of space and the high costs of real estate, a one to one equivalence of existing to resettled carpet area may not be an adequate measure to assure income restoration. The study addresses the "group" of businesses for which the proposed locational and spatial characteristics of the sites offered may not restore income – this group includes the medium- and large-sized businesses (above 225 sq feet) and may also exceptionally include smaller businesses which have special locational needs. The objective of the study is to determine through a systematic analysis whether the resettlement options being offered to the

“group” will restore income. Where resettlement options are not suitable and income restoration is not likely, this study will propose feasible solutions. In the event that income restoration is not feasible and no appropriate option is available, the study will document what financial and other resources would be required to reinstate the business. In each case, the study will propose reasonable and feasible measures that may be appropriate for restoration of business incomes.

5. The Consultant has no mandate to propose solutions to affected businesses. The role of the Consultant is to provide sound technical analysis and solutions for MMRDA.

Scope of the Services

6. The scope covers *inter alia* the following aspects. The Consultant is expected to use best-practice accepted industry standards in carrying out this work.

7. Attachment 2 outlines the locations/worksites for which this study is applicable. The study will differentiate/categorize enterprises on the basis of locational advantages, floor space (carpet area) and other salient business requirements, such as access to customers, suppliers, to airport, railway stations, roadways or other services and facilities, need to be co-located with similar businesses because of synergies/local economic networks, amount of vertical versus horizontal space, etc.

Methodology

8. The Consultant will examine the data available in the MMRDA data base and the relevant Resettlement Implementation Plans (RIPs). The Consultant will carry out observations in the field to enumerate and categorize the types of businesses for which income restoration is likely to be problematic but will include by definition all business in the 225 square feet and over. For these businesses, the Consultant will employ both objective observational and consultative methods to (1) establish the locational, spatial and other features necessary for successful continuance of the business; and (2) categorize the businesses by similar characteristics, e.g., locational or spatial requirements, number of employees, synergies with related businesses, general level of income or other. For each category of like enterprises, location and space needs as well as other business needs, in particular the ingredients for success would be determined.

9. The next step is to evaluate whether there is a match in the proposed resettlement area (proposed by MMRDA) with the business needs and if not, what modifications would or would not be possible to make a suitable match. Some of the affected shopkeepers are also exploring the possibility of submitting slum rehabilitation schemes for their relocation in around their current place of business. Temporary solutions may need to be devised, if solutions are likely to be available in two to three years, but are not immediately at hand. Transitional allowances can be considered. In some situations, where portions of businesses are being taken, increasing height or moving back or other in-situ solutions may be possible.

10. The Consultant will develop solutions. The pros and cons of resettlement alternatives will be detailed in the study on the basis of cost and business sustainability. In gen-

eral, options that require changing land use designations and the need for approvals of such changes by the local authorities should be precluded as immediate options and only brought forward where a cost-effective transitional strategy is possible. Alternate approaches proposed by the business community will be realistically assessed. It is recognized at the outset that for some categories of enterprise there may not be a feasible resettlement solution in which case, cash compensation and/or training for new employment may be the only remaining options. In such cases, a realistic appraisal of the financial worth of the business will be provided.

11. The Consultant will work closely with MMRDA and keep the two Grievance Redressal Committees and the Independent Monitoring Panel fully apprised as work proceeds. The results of the study are expected to provide the range of feasible solutions, offer recommendations to MMRDA, including the members of the two Grievance Redressal Committees and Independent Monitoring Panel (IMP), and document situations where feasible solutions cannot be found. The analysis and results of the study will not preclude that PAHs use the grievance process.

12. The study will be carried out through collection of secondary data, direct field observations and surveys (as needed) and focused consultations with relevant stakeholders.

Reports and Time Schedule

13. The study is to be completed in 3 months. The Consultant will propose the level of effort in their proposal and provide the rationale therefore. Specific experience required is familiarity with business needs assessment, real estate and urban development.

14. The Consultant will provide:

- an inception report within a week of commencement of the study with a detailed work plan, description of methods to be used, approach to the study and outline of the report, with the specific sub-projects indicated;
- interim report covering the SCLR businesses within 4 weeks of commencement of the study;
- draft report within 9 weeks of commencement of the study covering the tasks outlined in the TOR and setting out the findings and recommendations. If required these should be presented in workshop in Mumbai for MMRDA and the World Bank staff; and
- the final report should be submitted within 10 working days of receiving the comments on the draft report.

The reports should be submitted in MS word files in format suitable for electronic transmission. In addition, 6 hard copies should be submitted.

Table 1

**Mumbai Urban Transport Project
Summary of R&R Entitlements**

Sr. No.	Category of RAP	Legal Compensation	Rehabilitation		
			Monetary Supplement	Type of Shelter related Rehabilitation	Price to be Charged
1.	Non-resident land owners (Including farmers and horticulturists)	Market value of land and buildings according to LA Act.	Nil	Nil	
	Non-resident lessees	Apportionment of compensation for the unexpired period of lease according to LA Act.	Nil	Nil	
2.	Resident landlord (land and building) (including farmers and horticulturists)	As in 1 above,	Nil	Cash supplement equivalent to cost of construction of floor space (subject to a max. of 20.91 sq.m.) occupied prior to resettlement. OR Floor space equal to self occupied floor area, subject to maximum of 70 sq.m., irrespective of use of floor space	First 20.91 sq.m. of floor space free of cost and at actual cost for the area in excess thereof.
	Resident lessee of land and building	Apportionment of compensation for the unexpired period of lease according to LA Act.	Nil	Floor space equal to self occupied floor area, subject to maximum of 70 sq.m., irrespective of use of floor space	First 20.91 sq.m. of floor space free of cost and at actual cost for area in excess thereof.
3.	Resident lessees, tenants or sub-tenants of buildings	Shifting charges according to LA Act.	Nil	Floor space equal to self occupied floor area, subject to a maximum of 70 sq.m., irrespective of use of floor space.	Free of cost on ownership basis up to 20.91 sq.m. of floor space and at actual cost for area in excess thereof.
4.	Squatters				
	Non-Resident structure owners (The status to be established by documentary evidence which is admissible in law.) Resident structure owners	Nil Nil	Replacement cost of lost structure Replacement cost of lost structure	Nil Township option Plot of 25 sq.m. Plot in excess of 25 sq.m.	Free of cost At cost of excess area.
	Tenants	Nil	Nil	PH/HD/SRD Option: Residential: floor space of 20.91 sq.m. Shops & business Area equivalent to existing area with a maximum of 70 sq.m. Out of which 20.91 sq.m. Area in excess of 20.91 sq.m. Township option Plot of 25 sq.m.	Free of cost. Free of cost At actual cost for the excess area Free of cost.

Sr. No.	Category of RAP	Legal Compensation	Rehabilitation		
			Monetary Supplement	Type of Shelter related Rehabilitation	Price to be Charged
				Plot in excess of 25 sq.m.	At cost for the excess area.
				<p>PH/HD/SRD Option: Residential: floor space of 20.91 sq.m.</p> <p>For shops & business Area equivalent to existing area with a maximum of 70 sq.m. out of which 20.91 sq.m.</p> <p>Area in excess of 20.91 sq.m.</p>	<p>Free of cost</p> <p>Free of cost</p> <p>At actual cost for the excess area</p>
5.	Pavement dwellers	Nil	<p>Replacement cost of lost structure</p> <p>Nil</p>	<p>Township option</p> <p>Plot of 25 sq.m.</p> <p>Plot in excess of 25 sq.m.</p> <p>PH/HD/SRD Option: Residential: floor space of 20.91 sq.m.</p> <p>For shops & business: Area equivalent to existing area with a maximum of 70 sq.m. Out of which 20.91 sq.m.</p> <p>Area in excess of 20.91 sq.m.</p>	<p>Free of cost.</p> <p>At cost for the excess area</p> <p>Free of cost.</p> <p>Free of cost</p> <p>At actual cost for the excess area.</p>
6.	<p>Employees and entrepreneurs</p> <p>(a) Employees residing in the affected community and working at some other place</p> <p>(b) Non-resident employees</p> <p>(c) Employees and entrepreneurs who permanently lose their source of livelihood.</p>	<p>Nil</p> <p>Nil</p> <p>Nil</p>	<p>Amount equivalent to the fare of twelve quarterly season tickets for excess distance by suburban railway.</p> <p>Same as above.</p> <p>A lump sum compensation equivalent to one year's income, determined by the R & R Agency's valuation committee.</p>	<p>Nil</p> <p>Nil</p> <p>The rehabilitation package shall include access to employment information through employment exchange, and training facilities for appropriate skills be provided through on going government programs, and credit through, community operated fund.</p>	

ANNEX 4

LIST OF SUPERVISION AND OTHER KEY PROJECT MISSIONS (as of January 31, 2006)

	Date of Visits	Key Members of the Team
1.	November 25, 1995 Bombay Resettlement and Re-habilitation Project 1 st preparation mission	
2.	October 3-13, 1998 Identification Mission	
3.	June 2000 2 nd preparation mission	
4.	September 18-27, 2000 3 rd preparation mission	<ul style="list-style-type: none"> • Task Team Leader • Transport Specialist • 2 Resettlement Specialists • Procurement Specialist • 2 Environmental Specialists • Consultant Railway Specialist • Public Relations Specialist • Financial Management Specialist • Operations Adviser • Sector Director
5.	November 28-December 8, 2001 Pre-appraisal mission	<ul style="list-style-type: none"> • Co-Task Team Leader – Senior Urban Transport Specialist • Co-Task Team Leader – Senior Transport Specialist • Resettlement Specialist • Procurement Specialist • Transport Specialist • Railway Specialist • 2 Environmental Specialists • Public Relations Specialist • Transport Planner • Urban Planning Specialist • Senior Legal Counsel
6.	March 5-13, 2002 Appraisal mission	<ul style="list-style-type: none"> • Co-Task Team Leader – Senior Urban Transport Specialist • Co-Task Team Leader – Senior Transport Specialist • Resettlement Specialist • Procurement Specialist • Consultant Railway Specialist • Consultant Railway Finance Specialist • Consultant Transport Specialist • 2 Environmental Specialists • Public Relations Specialist • Transport Planner/Economist • Highway Engineer • Financial Specialist • Railway Adviser • Urban Specialist • Legal Counsel
7.	August 19 to 30, 2002 1 st supervision mission	<ul style="list-style-type: none"> • Co-Task Team Leader - Senior Transport Specialist • Highway Engineer • Senior Social Development/ Resettlement Specialist • Environmental Specialist • Consultant Railway Specialist • Transport Planner • Urban Specialist
8.	November 13 to 23, 2002 2 nd supervision cum Project launch mission	<ul style="list-style-type: none"> • Co-Task Team Leader- Senior Urban transport specialist • Co-Task Team Leader - Senior transport specialist • Senior Social Development / Resettlement Specialist • 2 Environmental Specialists • Highway Engineer

	Date of Visits	Key Members of the Team
		<ul style="list-style-type: none"> • Senior Urban Specialist • Lead Procurement Specialist • Senior Financial Management Specialist. • Senior Communications/External Affairs Officer • 2 Transport Economists • Disbursement Analyst
9.	March 25 to 28, 2003 Limited resettlement mission	Senior Social Development / Resettlement Specialist Consultant Architect
10.	April 16 – 19, 2003 Limited environment mission	<ul style="list-style-type: none"> • Environmental Specialist • Environmental Specialist, Consultant
11.	May 12 to 28, 2003 3 rd supervision cum technical visit	<ul style="list-style-type: none"> • Co-task leader/Senior Urban Transport Specialist • Co-task leader/Senior Urban Transport Specialist • Senior Urban Specialist • Financial Management Specialist • Social Development /Resettlement Specialist
12.	June 23 to 28, 2003 Limited environment mission	<ul style="list-style-type: none"> • Environmental Specialist • Environmental Specialist, Consultant
13.	July 22 to 25, 2003 Technical visit	<ul style="list-style-type: none"> • Highway Engineer
14.	September 22 to October 1, 2003 4 th supervision mission	<ul style="list-style-type: none"> • Co-Task Team Leader - Lead Urban Transport Specialist • Co-Task Team Leader - Senior Transport Specialist • Senior Social Development / Resettlement Specialist • Environmental Specialist • Consultant Environment Specialist • Highway Engineer • Senior Urban Specialist • Senior Procurement Specialist • Financial Management Specialist • Senior Communications/External Affairs Specialist, • Consultant Railway Specialist, • Consultant Architect • Consultant Bus Specialist
15.	November 18-19, 2003 Limited environment mission	<ul style="list-style-type: none"> • Environment specialist
16.	March 5 to 26, 2004 5 th supervision mission	<ul style="list-style-type: none"> • Co-Task Team Leader (Senior Transport Specialist) • Senior Social Development /Resettlement Specialist • Highway Engineer • Environmental Specialist • Sr. Urban Specialist • Senior Procurement Specialist • Financial Management Specialist • Senior Communications/External Affairs Specialist • Consultant Railway Specialist • Consultant Architect • Consultant Vehicle Maintenance & Inspection Specialist • Consultant Environment Specialist
17.	April 7 and 8, 2004 R&R specific mission	<ul style="list-style-type: none"> • Senior Safeguard Adviser • Lead Sociologist • Senior Social Development /Resettlement Specialist
18.	July 4 – 5, 2004 R&R implementation review mission	<ul style="list-style-type: none"> • Resettlement Specialist
19.	July 5 – 13, 2004 Specific mission regarding In- spection Panel Request	<ul style="list-style-type: none"> • Task Leader/Senior Transport Specialist • Senior Social Development Officer • Lead Environment Specialist • Lead Sociologist • Environmental Specialist • External Affairs Adviser/ Communications Specialist • Operations Adviser

	Date of Visits	Key Members of the Team
20.	October 28 – November 5, 2004 Supervision mission	<ul style="list-style-type: none"> • Task Leader / Senior Transport Specialist • 2 Transport Specialists • Environmental Specialist • Social Development Specialist • Transport Engineer • Urban Specialist • Financial Management Specialist • Communications Specialist • Procurement Specialist • Consultant (Railway Specialist)
21.	April 27 – May 6, 2005 Supervision mission	<ul style="list-style-type: none"> • Transport Sector Manager / South Asia Region • Task Leader / Senior Transport Specialist • Transport Specialist • 2 Environmental Specialists • Social Development Specialist • Transport Engineer • Financial Management Specialist • Communications Specialist • Procurement Specialist • Consultant (Railway Specialist)
22.	June 11, 2005 Environment and road safety mission	<ul style="list-style-type: none"> • Consultant (Environmental Specialist)
23.	June 23 – 24, 2005 Environment mission	<ul style="list-style-type: none"> • Environmental Specialist
24.	July 4 – 5, 2005 Site visit to review PAPs and overall situation of the Project	<ul style="list-style-type: none"> • Senior Manager and Acting Country Director for India • Transport Specialist
25.	August 24 – 27, 2005 R&R issues	<ul style="list-style-type: none"> • Social Development Specialist • Highway Engineer • Environment Specialist
26.	August 25, 2005 Environmental issues	<ul style="list-style-type: none"> • Consultant - Environmental Specialist
27.	October 17 – 26, 2005 Mid-Term Review mission	<ul style="list-style-type: none"> • Task Team Leader / Sr. Urban Transport Specialist • 2 Transport Specialists • 2 Environmental Specialists • Social Development Specialist • Transport Engineer • Financial Management Specialist • Communications Specialist • Procurement Specialist • Consultant (Railway Specialist) • Regional Safeguards Adviser
28.	November 24, 2005	<ul style="list-style-type: none"> • Site visits by Country Director
29.	November 29, 30 2005 Visit of the rail car manufacturing plant ICF in Chennai	<ul style="list-style-type: none"> • Task Team Leader / Sr. Urban Transport Specialist • Rail specialist
30.	December 9, 2005 R&R supervision mission	<ul style="list-style-type: none"> • Task Team Leader / Sr. Urban Transport Specialist • Regional Safeguard Adviser • Senior Social Safeguard Specialist
31.	December 12, 2005 Supervision of public consultation	<ul style="list-style-type: none"> • Site visit of the environmental specialist
32.	January 18, 2006 Follow-up to Mid-Term Review and discussion regarding key findings of Inspection Panel report	<ul style="list-style-type: none"> • Senior Manager, India • Task Team Leader/Senior Urban Transport Specialist • Regional Safeguards Adviser • Resettlement Specialist • Safeguards Policy Specialist
33.	January 20, 2006	<ul style="list-style-type: none"> • Site visit of the highway engineer
34.	January 23-28, 2006	<ul style="list-style-type: none"> • Bus specialist

	Date of Visits	Key Members of the Team
	Supervision mission for the bus component	
35.	January 24, 2006 Technical mission to discuss Action Plan	<ul style="list-style-type: none"> • Task Team Leader/Senior Urban Transport Specialist • Regional Safeguards Adviser • Resettlement Specialist • Consultant Environment/Safeguards Specialist
36.	February 1-2, 2006 Mission to discuss need for Action Plan with GoM/MMRDA	<ul style="list-style-type: none"> • Country Director • Task Team Leader/Senior Urban Transport Specialist • Senior Resettlement Specialist
37.	February 9-10, 2006 Technical mission to review the documentation process for allotment of housing and shop units	<ul style="list-style-type: none"> • Senior Social Specialist • Environmental Specialist
38.	February 10-14, 2006 Mission to follow up on Action Plan with GoM and MMRDA	<ul style="list-style-type: none"> • Operations Director (SAR) • Senior Manager, India Program • Senior Technical Adviser, Safeguards Policies, QACU • Regional Safeguards Adviser • Task Team Leader/Senior Urban Transport Specialist • Senior Resettlement Specialist

ANNEX 5

KEY PROJECT DOCUMENTS

TABLE 1				
LIST OF ENVIRONMENT RELATED REPORTS				
Sl.No.	Name	Date (of Latest Version)	Consultant	Status
Roads				
1	EA of JVLR Section 1	Jun-02	ERM India Pvt. Ltd.	Formal disclosure letter with report sent to Bank by MMRDA on 5 April 2002
2	EA for JVLR-Section 2	Jan-04	Consulting Engineering Services (India) Pvt. Ltd. (CES)	
3	EA of SCLR Phase I	Apr-03	Consulting Engineering Services (India) Pvt. Ltd. (CES)	Sent to DC in Sept 2004
4	Supplementary EA & EMP for SCLR Phase 1	Oct-05	Consulting Engineering Services (India) Pvt. Ltd. (CES)	
5	Independent Review of EA for SCLR Phase 1	Feb-03	Centre for Advocacy & Research in Environment	
6	EA of SCLR Phase 2	Mar-04	Tandon & Associates	
Rail Over Bridge				
7	EA of ROB at Jogeshwari South (ROB)	Oct-02	ERM India Pvt. Ltd.	
8	EA of ROB at Jogeshwari North	Oct-02	ERM India Pvt. Ltd.	
9	EA of ROB at Vikhroli	Jul-04	ERM India Pvt. Ltd.	
Station Area Traffic Improvement Scheme (SATIS)				
10	EA for Ghatkopar	Jul-04	Gherzi Eastern Limited & Transport & Planning Group	
11	EA for Borivali	Sep-04	Sheladia Associates & Consultants Pvt. Ltd.	
12	EA for Dadar	Sep-04	Frishman Prabhu	
13	EA for Andheri	Sep-04	Frishman Prabhu	
14	EA for Malad	Aug-04	Gherzi Eastern Limited & Transport & Planning Group	
15	EA for Chembur	Jul-04	Consulting Engineering Services (India) Pvt. Ltd. (CES)	
Pedestrian Grade Separators (PGSS)				
16	EA of Plaza Cinema	Jan-04	Consulting Engineering Services (India) Pvt. Ltd. (CES)	
17	EA of Mantralaya	Dec-03	Consulting Engineering Services (India) Pvt. Ltd. (CES)	
18	EA of Bainganwadi Junction	Nov-03	Gherzi Eastern Limited & Transport & Planning Group	
19	EA of Sarvodaya Hospital Junction	Nov-03	Gherzi Eastern Limited & Transport & Planning Group	
20	EA of Bandra Talao	Nov-03	Gherzi Eastern Limited & Transport & Planning Group	
21	EA of Mohammed Rafi Chowk	Nov-03	Gherzi Eastern Limited & Transport & Planning Group	
22	EA of Bada Masjid	Nov-03	Gherzi Eastern Limited & Transport & Planning Group	
23	EA of Chembur Naka	Nov-03	Gherzi Eastern Limited & Transport & Planning Group	
24	EA of Maitri Park	Nov-03	Gherzi Eastern Limited & Transport & Planning Group	
25	EA of Poddar Hospital Junction	Aug-03	STUP Consultants Pvt. Ltd.	
26	EA of Worli Naka	Nov-03	STUP Consultants Pvt. Ltd.	
27	EA of Ratna Hotel Junction Goregaon	Sep-03	STUP Consultants Pvt. Ltd.	
28	EA of FOB at Peddar Road	Oct-03	STUP Consultants Pvt. Ltd.	
29	EA of Bhandup Station Road junction - LBS road, Bhandup West	Oct-03	Sheladia Associates & Consultants Pvt. Ltd.	
30	EA of FOB at Bharatmata Cinema junction	Oct-03	Sheladia Associates & Consultants Pvt. Ltd.	

**TABLE 1
LIST OF ENVIRONMENT RELATED REPORTS**

Sl.No.	Name	Date (of Latest Version)	Consultant	Status
31	EA of FOB at Hindmata Cinema junction	Oct-03	Sheladia Associates & Consultants Pvt. Ltd.	
32	EA of Kataria Junction	Sep-03	Consulting Engineering Services (India) Pvt. Ltd. (CES)	
33	EA of Mahim church	Sep-03	Consulting Engineering Services (India) Pvt. Ltd. (CES)	
34	EA of Gadkari Chowk	Sep-03	Consulting Engineering Services (India) Pvt. Ltd. (CES)	
35	EA of Metro Cinema	Sep-03	Consulting Engineering Services (India) Pvt. Ltd. (CES)	
36	EA of Shivaji Park	Sep-03	Consulting Engineering Services (India) Pvt. Ltd. (CES)	
37	EA of Siddhivinayak Junction	Sep-03	Consulting Engineering Services (India) Pvt. Ltd. (CES)	
38	EA of ESIS Hospital Junction LBS Marg, Mulund (W)	Sep-03	Sheladia Associates & Consultants Pvt. Ltd.	
RAILWAYS				
39	Env. Audit of DC to AC Conversion Project of Railways	Jun. 2002	Serene Environmental Services	Formal disclosure letter with report sent to Bank by MMRDA on 5 April 2002
40	Env. Audit of Kurla-Thane 5th & 6th Railway Line	Jun. 2002	Serene Environmental Services	Formal disclosure letter with report sent to Bank by MMRDA on 5 April 2002
41	Env. Audit of Santacruz-Borivali 5th Railway Line	Jun. 2002	Serene Environmental Services	Formal disclosure letter with report sent to Bank by MMRDA on 5 April 2002
42	Env. Audit of Borivali-Virar Quadrupling of Railway Tracks	Jun. 2002	Serene Environmental Services	Formal disclosure letter with report sent to Bank by MMRDA on 5 April 2002
43	EA/EMP for EMU Services between Virar & Dahanu Road (Inception Report)	Jun. 2003	Serene Environmental Services	
44	EA/EMP for Mahim-Santacruz 5th Railway line Project	Oct-03	Serene Environmental Services	
45	EA/EMP for EMU Services between Virar & Dahanu Road	Oct-03	Serene Environmental Services	
RESETTLEMENT SITES (OPTION-A)				
46	CEMP for site at Ghatkopar	Jun-02	ECON Pollution Control Consultants	Reviewed for appraisal in DC and revised.
47	CEMP for site at Plot No. CTS 190 (pt.) MAJAS Village	Jun-02	ECON Pollution Control Consultants	Reviewed for appraisal in DC and revised.
48	CEMP for site at Kanjur Marg	Jun-02	ECON Pollution Control Consultants	Reviewed for appraisal in DC and revised; Formal disclosure letter with report sent to Bank by MMRDA on 14 June 2002
49	CEMP for Option A3 NIRLON/NSE site	Jun-03	Centre for Advocacy & Research in Environment	
50	CEMP for Option A2 Asgaonkar Plot site	Jun-03	Centre for Advocacy & Research in Environment	
RESETTLEMENT SITES (OPTION-B)				
51	CEMP for Option B2 Anik-2	May-03	Centre for Advocacy & Research in Environment	
52	CEMP for Option B1 Mahul	May-03	Centre for Advocacy & Research in Environment	
53	CEMP for Option B3 Anik-1	May-03	Centre for Advocacy & Research in Environment	
54	CEMP for Option B4 Mankhurd	May-03	Centre for Advocacy & Research in Environment	
RESETTLEMENT SITES (OPTION-C)				
55	CEMP for Permanent Resettlement Sites at (a) Dharavi; (b) Antop Hill; (c) Wadala; (d)	Jun-02	ECON Pollution Control Consultants	Reviewed for appraisal in DC and then revised

TABLE 1 LIST OF ENVIRONMENT RELATED REPORTS				
Sl.No.	Name	Date (of Latest Version)	Consultant	Status
	Mankhurd			
56	CEMP for Powai Plaza Hiranandani Gardens (Final Report)	Jun-04	Tandon & Associates	
57	CEMP for Permanent Resettlement site of MSRDC at Dindoshi	Jun-02	ECON Pollution Control Consultants	Reviewed for appraisal in DC and then revised; Formal disclosure letter with report sent to Bank by MMRDA on 14 June 2002
TRANSIT RESETTLEMENT SITES				
58	CEMP for Transit Resettlement sites at Mankhurd, Turbhe Mandale and Wadala	Jun-02	ECOSMARTINDIA LTD.	Reviewed for appraisal in DC and then revised
59	CEMP for Transit Resettlement site at Kanjur Marg	Jun-02	ECON Pollution Control Consultants	Reviewed for appraisal in DC and then revised; Formal disclosure letter with report sent to Bank by MMRDA on 14 June 2002
CONSOLIDATED EA - June-02				
60	Executive Summary of Consolidated EA in Hindi, Marathi and English	Jun-02	MMRDA	
61	Final CEA Report	Jul-02	MMRDA	
OTHER ENVIRONMENT RELATED DOCUMENTS				
62	PM Reduction Action Plan for Greater Mumbai	Jan-04	National Environmental Engineering Research Institute	
63	Assessment of the Compliance of Resettlement and Rehabilitation Component of Proposed MUTP (with reference to coastal zone)	May-02	TeamOne Architects	
64	Assessment of Sub-project sites in MUTP (compliance with respect to development control regulations, coastal regulation zone, and Bank policies on cultural properties and natural habitat)	Oct-02	Anil Sule (Architect and Town Planner)	
65	EMCB consultants inception report	Oct-03	ERM India Pvt. Ltd.	
66	EMCB consultants interim reports (Vil 1A and 1B)	Jun-04	ERM India Pvt. Ltd.	
67	EMCB consultants draft final report	Sep-05	ERM India Pvt. Ltd.	
68	Study for Strengthening the Air Quality Monitoring Network Operated by BMC	Nov-00	ERM India Pvt. Ltd.	
Old Sector/Programmatic/Micro Level EA reports				
69	Executive Summary	Feb. 2002	MMRDA, Mumbai	
70	Final Report on EIA of MUTP-II		MMRDA, Mumbai	
71	Sectoral Level EIA of MUTP - II	Jul-99	AIC Watson Consultants Ltd.	
PLEA Reports				
72	PLEA of ROB at Vikhroli	Mar-98	AIC Watson Consultants Ltd.	
73	PLEA of Flyover at Khodadad Circle	Mar-98	AIC Watson Consultants Ltd.	
74	PLEA of Traffic Management at Bhendi Bazaar	Mar-98	AIC Watson Consultants Ltd.	
75	PLEA of sub-way at CST		AIC Watson Consultants Ltd.	
76	PLEA of Hazi Ali Rotary	Mar-98	AIC Watson Consultants Ltd.	
77	PLEA of Thane Station Area Improvement	Mar-98	AIC Watson Consultants Ltd.	

**TABLE 1
LIST OF ENVIRONMENT RELATED REPORTS**

SI.No.	Name	Date (of Latest Version)	Consultant	Status
MLEA Reports				
78	MLEA of Widening of Thane-Ghodbunder Road	Mar-98	AIC Watson Consultants Ltd.	
79	MLEA of Jogeshwari-Vikhroli Link Road	Mar-98	AIC Watson Consultants Ltd.	
80	MLEA of Western Relief Road	Mar-98	AIC Watson Consultants Ltd.	
81	MLEA of Quadrupling of Borivali-Virar Rly. Tracks	Mar-98	AIC Watson Consultants Ltd.	
82	MLEA of Anik-Panjarpole Link	Mar-98	AIC Watson Consultants Ltd.	
83	Review of EIA of Bandra-Kurla Railway	Mar-98	AIC Watson Consultants Ltd.	

**TABLE 2
LIST OF BASELINE SOCIO-ECONOMIC REPORTS**

Sl. No.	Title	Author	Date
1	Report of the Task Force on Policy Framework, Institutional Arrangements and Implementation Strategy for BUTP II-Resettlement & Rehabilitation Project	MMRDA	July 1995
2.	MMRDA: Institutional Study for Mumbai Resettlement & Rehabilitation – Vol I Main Report	TISS and TCS	October 1996
3.	MMRDA: Institutional Study for Mumbai Resettlement & Rehabilitation – Vol II Annexures	TISS and TCS	October 1996
4.	Mumbai Urban Rehabilitation Project: Report of the Sub-Committee for R&R of Rail Projects	MMRDA	September 1998
5.	Baseline Socio-Economic Study of persons affected by construction at Kurla (on Santacruz-Chembur Link Road) - Vol I	SPARC	April 1998
6.	Baseline Socio-Economic Study of persons affected by construction at Kurla (on Santacruz-Chembur Link Road): Buddha Colony & Bhagelu Mistry Chawl -Vol II (a)	SPARC	April 1998
7.	Baseline Socio-Economic Study of persons affected by construction at Kurla (on Santacruz-Chembur Link Road): Gazi Nagar -Vol II (b)	SPARC	April 1998
8.	Baseline Socio-Economic Study of persons affected by construction at Kurla (on Santacruz-Chembur Link Road): Bharati Nagar & Sakinabee Chawl -Vol II (c)	SPARC	April 1998
9.	Baseline Socio-Economic Study of persons affected by construction at Kurla (on Santacruz-Chembur Link Road): Sable Nagar -Vol II (d)	SPARC	April 1998
10.	Baseline Socio-Economic Study of persons affected by construction at Kurla (on Santacruz-Chembur Link Road): Rahul Nagar & Jyotiba Phule Nagar -Vol II (e)	SPARC	April 1998
11.	Baseline Socio-Economic Study of persons affected by quadrupling of tracks between Borivali and Virar on Western Railway-Vol I	SPARC	December 1997
12.	Baseline Socio-Economic Study of persons affected by quadrupling of tracks between Borivali and Virar on Western Railway-Vol II	SPARC	December 1997
13.	Baseline Socio-Economic Study of persons affected by construction of 5 th Railway line between Santacruz and Borivali on Western Railway – Vol I	SPARC	December 1997
14.	Baseline Socio-Economic Study of persons affected by construction of 5 th Railway line between Santacruz and Borivali on Western Railway – Vol II	SPARC	December 1997
15.	Baseline Socio-Economic Study of persons affected by construction of part of sixth corridor from Ravli Junction to Bhandup on Central Railway-Vol I	SPARC	October 1997
16.	Baseline Socio-Economic Study of persons affected by construction of part of sixth corridor from Ravli Junction to Bhandup on Central Railway at Ghatkopar (East)-Vol II(a)	SPARC	October 1997
17.	Baseline Socio-Economic Study of persons affected by construction of part of sixth corridor from Ravli Junction to Bhandup on Central Railway at Indira Cross Road (Vikhroli-East)-Vol II(b)	SPARC	October 1997
18.	Baseline Socio-Economic Study of persons affected by construction of part of sixth corridor from Ravli Junction to Bhandup on Central Railway at Hariyali Village – I (Vikhroli-East)-Vol II(c)	SPARC	October 1997
19.	Baseline Socio-Economic Study of persons affected by construction of part of sixth corridor from Ravli Junction to Bhandup on Central Railway at Hariyali Village – II (Vikhroli-East)-Vol II(d)	SPARC	October 1997
20.	Baseline Socio-Economic Study of persons affected by construction of part of sixth corridor from Ravli Junction to Bhandup on Central Railway at Kanjur Marg (East)-Vol II(e)	SPARC	October 1997
21.	Baseline Socio-Economic Study of persons affected by construction of part of sixth corridor from Ravli Junction to Bhandup on Central Railway at Mulund (East)-Vol	SPARC	October 1997

TABLE 2
LIST OF BASELINE SOCIO-ECONOMIC REPORTS

Sl. No.	Title	Author	Date
	II(f)		
22.	Baseline Socio-Economic Study of persons affected by construction of part of sixth corridor from Ravli Junction to Bhandup on Central Railway at Bhandup (East)-Vol II(g)	SPARC	October 1997
23.	Baseline Socio-Economic Study of persons affected by construction of Road-Over-Bridge at Vikhroli in lieu of level crossing No. 14 on Central Railway (Main Line) Vol I	SPARC	September 1997
24.	Baseline Socio-Economic Study of persons affected by construction of Road-Over-Bridge at Vikhroli in lieu of level crossing No. 14 On Central Railway (Main Line) Vol II	SPARC	September 1997
25.	Baseline Socio-Economic Study of Persons Affected by Proposed Widening & Completion of Jogeshwari-Vikhroli Link Road – Vol I Report	Slum Rehabilitation Society, Mumbai	December 1996
26.	Baseline Socio-Economic Study of Persons Affected by Proposed Widening & Completion of Jogeshwari-Vikhroli Link Road – Vol II Census Data	Slum Rehabilitation Society, Mumbai	December 1996
27.	Mumbai Urban Transport Project-II: RAP & CEMP for Jogeshwari-Vikhroli Link Road (Vol I&II)	G.D. Sambhare & Co.	
28.	Mumbai Urban Transport Project-II: RAP & CEMP for Jogeshwari-Vikhroli Link Road (Vol III)	G.D. Sambhare & Co.	
29.	Baseline Socio-Economic Study of Persons Affected by Proposed Road-Over-Bridge at Jogeshwari (N) in lieu of Level Crossing Nos. 26 & 27 on Western Railway – Vol I Report	Slum Rehabilitation Society, Mumbai	January 1997
30.	Baseline Socio-Economic Study of Persons Affected by Proposed Road-Over-Bridge at Jogeshwari (N) in lieu of Level Crossing Nos. 26 & 27 on Western Railway – Vol II Census Data	Slum Rehabilitation Society, Mumbai	January 1997
31.	Baseline Socio-Economic Study of Persons Affected by Proposed Road-Over-Bridge at Jogeshwari (N) in lieu of Level Crossing Nos. 24 & 25 on Western Railway – Vol I Report	Slum Rehabilitation Society, Mumbai	January 1997
32.	Baseline Socio-Economic Study of Persons Affected by Proposed Road-Over-Bridge at Jogeshwari (N) in lieu of Level Crossing Nos. 24 & 25 on Western Railway – Vol II Census Data	Slum Rehabilitation Society, Mumbai	January 1997
33.	Baseline Socio-Economic Survey of PAPs Harbour Line Part I (Mankhurd-Kurla) – Vol I	SPARC	August 2000
34.	Baseline Socio-Economic Survey of PAPs Harbour Line Part I (Mankhurd-Kurla): Table A1 Structure Related Information Table A2 Household Level Baseline Socio-Economic Data – Vol II (a)	SPARC	August 2000
35.	Baseline Socio-Economic Survey of PAPs Harbour Line Part I (Mankhurd-Kurla): Table A3 Socio-Economic Profile of PAPs (for individuals) – Vol II (b)	SPARC	August 2000
36.	Baseline Socio-Economic Survey of PAPs Harbour Line Part I (Mankhurd-Kurla): Tables A4 & A5 Commercial Establishments Tables B1-B4 Summary Tables Maps – Vol II (c)	SPARC	August 2000
Resettlement Action Plans/Resettlement Implementation Plans, impact studies, etc.			
37.	Rapid Impact Assessment of Initial Resettlement under MUTP: Final Report	ECOSMART India Ltd	May 2002
38.	An Impact Assessment of the Initial Phase of R&R Implementation for the MUTP	Tata Institute of Social Sciences	Nov 2003
39.	Resettlement Action Plan	MMRDA	April 2002
40.	Resettlement Implementation Plan & CEMP: Jogeshwari-Vikhroli Link Road – Vol I	MMRDA	April 2002
41.	Resettlement Implementation Plan & CEMP: Jogeshwari-Vikhroli Link Road – Vol II	MMRDA	April 2002
42.	Resettlement Implementation Plan & CEMP: 5 th and 6 th Lines (Kurla-Thane) – Vol I	MMRDA	April 2002
43.	Resettlement Implementation Plan & CEMP: 5 th and 6 th Lines (Kurla-Thane) – Vol II (Annexures)	MMRDA	April 2002
44.	Resettlement Implementation Plan & CEMP: 5 th Line (Mahim-Borivali)	MMRDA	April 2002
45.	Resettlement Implementation Plan & CEMP: Suburban Rail Optimization – Vol I	MMRDA	April 2002
47.	Resettlement Implementation Plan & CEMP: Suburban Rail Optimization – Vol II	MMRDA	April 2002
48.	Resettlement Implementation Plan for People Affected by Santacruz-Chembur Link Road (SCLR) Final Main Report	MMRDA	April 2003
49.	Resettlement Implementation Plan for People Affected by		

**TABLE 2
LIST OF BASELINE SOCIO-ECONOMIC REPORTS**

Sl. No.	Title	Author	Date
50.	Santacruz-Chembur Link Road (SCLR) Final Annexures Resettlement Implementation Plan for People Affected by Road Over Bridge (ROB) at Jogeshwari (North) Final Main Report	MMRDA	August 2003
51.	Resettlement Implementation Plan for People Affected by Road Over Bridge (ROB) at Jogeshwari (North) Final Annexures	MMRDA	August 2003
52.	Resettlement Implementation Plan for People Affected by Road Over Bridge (ROB) at Jogeshwari (South) Final Main Report	MMRDA	August 2003
53.	Resettlement Implementation Plan for People Affected by Road Over Bridge (ROB) at Jogeshwari (South) Final Annexures	MMRDA	August 2003
54.	Resettlement Implementation Plan for Jogeshwari-Vikhroli Link Road – Phase II Final Main Report	MMRDA	July 2004
55.	Resettlement Implementation Plan for Jogeshwari-Vikhroli Link Road – Phase II Annexures	MMRDA	July 2004
56.	Resettlement Implementation Plan for Borivali-Virar Quadrupling of Rail Sub-Project – Main Report Vol I	MMRDA	May 2005
57.	Resettlement Implementation Plan for 5 th Line Mahim-Santacruz – Main Report Vol I	MMRDA	May 2005
58.	Draft Updated RIP for SCLR (Vol-1 and II)	MMRDA	September, 2005
59.	Supplementary Resettlement Implementation Plan for Jogeshwari-Vikhroli Link Road – Phase I Volume I	MMRDA	October 2005
60.	Supplementary Resettlement Implementation Plan for Jogeshwari-Vikhroli Link Road – Phase I Volume II Annexure	MMRDA	October 2005
61.	Business Needs Study-SCLR	Chesterstone Meghraj Private Limited	December, 2005
62.	Draft Business Needs Study for MUTP (Non-SCLR sub-projects)	Chesterstone Meghraj Private Limited	December, 2005

**TABLE 3
OTHER KEY DOCUMENTS**

No.	Title	Date
	Aide Memoire – Preparation Mission – Bombay Resettlement and Rehabilitation Project	11/25/1995
	Aide Memoire – Identification Mission	10/13/1998
	Aide Memoire – Preparation Mission (June 2000)	07/19/2000
	Aide Memoire – Preparation Mission (September 2000)	10/17/2000
	Aide Memoire – Pre-Appraisal Mission (November 28 to December 8, 2001)	01/10/2002
	Aide Memoire – Appraisal Mission (March 2002)	04/04/2002
	Aide Memoire – Supervision Mission (August 2002)	09/27/2002
	Aide Memoire – Supervision and Project Launch (November 2002)	12/26/2002
	Aide Memoire – MUTP Environment Mission (June 23-28, 2003)	07/30/2003
	Aide Memoire – MUTP Supervision Mission (September 22 to October 1, 2003)	10/28/2003
	Aide Memoire – MUTP Supervision Mission (October 28 to November 5, 2004)	11/29/2004
	Aide Memoire – MUTP Supervision Mission (April 27 to May 6, 2005)	05/18/2005
	Aide Memoire – Mid-Term Review	11/04/2005

**ANNEX 6
ACTION PLAN**

No.	Key Issue	Proposed Action	Target Date
Resettlement of Shopkeepers			
1. Shopkeeper Resettlement Options			
Process			
Negotiations with each eligible shopkeeper will be held on the basis of the options listed below when applicable. Agreements reached will be recorded and implemented:			
	<ul style="list-style-type: none"> • Complete negotiations / resettlement with all affected shopkeepers of SCLR. • Complete negotiations / resettlement of affected shopkeepers of other sub-projects (non-SCLR). 		<p style="text-align: right;">May 31, 2006</p> <p style="text-align: right;">October 31, 2006</p>
<i>Options for resettling shopkeepers who are losing more than 225 square feet as a result of resettlement or who have special locational needs:</i>			
Option 1: Expanded choice of R&R sites and option to acquire additional space.			
Previously only one R&R site option was offered to all shopkeepers. Except for the sites mentioned in Options 2 and 3, MMRDA has opened the entire inventory of MUTP and MUIP R&R sites, about 15 locations, to all larger shopkeepers and those smaller units with special location needs.			
	<ul style="list-style-type: none"> • Except as mentioned in Option 2, shopkeepers will be offered a choice to purchase additional area beyond 225 square feet up to a total of 750 square feet at construction cost according to their eligibility, per the R&R policy. The construction cost at each site would be determined by MMRDA and communicated to the PAPs at the time of offering. • MMRDA will facilitate the transfer of service connections (such as telephones, etc.) and licenses to all new locations. 		
Option 2: Offer private redevelopment schemes, highly desired by shopkeepers: Motilal Nehru Nagar Slum Rehabilitation Scheme (SRS) at Bandra Kurla Complex (BKC) for SCLR shopkeepers and the Hiranandani SRS for JVLR shopkeepers.			
	<ul style="list-style-type: none"> • At Motilal Nehru Nagar, SCLR shopkeepers will be offered up to 225 square feet. However, if the shopkeeper is entitled to receive an additional eligible area, he/she would be offered up to 750 square feet in any other resettlement site under Option 1, excluding the Hiranandani complex at Powai, which is reserved for JVLR. MMRDA has already facilitated with the developer the inclusion of 55 eligible SCLR shopkeepers in the Motilal Nehru Nagar scheme. • The same process as that for SCLR shopkeepers at Motilal Nehru Nagar will be followed for JVLR Phase II shopkeepers at Hiranandani. 		
Option 3: Wadala Truck Terminal: MMRDA will offer commercial and warehousing units to shopkeepers engaged in automobile-related activities, which require market access and an industrial environment. This offer includes constructed units and / or serviced plots within the Wadala Truck Terminal if sufficient numbers of eligible shopkeepers, including industrial businesses who have special space requirements, are willing to accept the offer.			
Option 4: Partially-affected structures on public land.			
	<ul style="list-style-type: none"> • Where commercial structures are partially affected and the concerned shopkeepers do not wish to adopt other options, the MCGM will allow such structures to continue operation and will allow construction of a second floor on condition that the height of the remaining structure does not exceed 17 feet. • Shopkeepers whose structures are partially affected will be allowed to continue at the present location, provided that they do not avail themselves of any benefits under the R&R policy (a letter of undertaking shall be obtained in these cases). • MCGM will issue a letter to assure the status quo on the remaining portion, explaining that the structure's status will remain as it was before permission was granted for repairs/reconstruction and additional height. 		

No.	Key Issue	Proposed Action	Target Date
	Option 5: Allowing immediate salability of titles.		
	<ul style="list-style-type: none"> The GoM will waive the restriction regarding the transfer or sale of shops allotted under the MUTP for a minimum period of 10 years on a case-by-case basis. Consideration for waiving the restriction will be given to those shopkeepers who can demonstrate that none of the above options will restore their livelihood. 		
	Option 6: Allotment of commercial units in municipal markets of MCGM on a long-term lease basis for shops affected by SATIS.		
	<ul style="list-style-type: none"> The MCGM will offer commercial units in the municipal markets of MCGM specifically to shopkeepers affected by SATIS (public areas around 4 railway stations). The MCGM will allot such units on a long-term lease basis. 		
	2. Affected Employees		
	<ul style="list-style-type: none"> 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. 		March 31, 2006
	<ul style="list-style-type: none"> 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. 		Ongoing
	Funding for this assistance will come from the Bank-financed portion of MUTP.		Ongoing
	Employees will be issued identity cards prior to displacement of the business unit.		Ongoing
Post-Resettlement			
	3. Implementation		
	<ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> Complete registration of an additional 80 housing co-operative societies Implementation of co-operative management action plan. 		May 31, 2006 June 30, 2006
	<ul style="list-style-type: none"> Consultations, preparation and substantial completion of action for construction of social services at R&R sites. 		July 31, 2007
	<ul style="list-style-type: none"> MMRDA will facilitate, through the GoM, the transfer of maintenance funds from SRA (Rs.20,000 per PAP) to MMRDA. These funds will be transferred to the co-operative 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. 		April 30 2006 (for first 48 societies) July 31, 2007 (for 80 societies)
	<ul style="list-style-type: none"> Transfer of conveyance deeds to first 48 co-operative societies. 		July 3, 2006
	<ul style="list-style-type: none"> Transfer of conveyance deeds to next 80 co-operative societies. 		December 31, 2007
	<ul style="list-style-type: none"> 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. 		June 30, 2006
	<ul style="list-style-type: none"> MMRDA will work with the GoM to engage with MCGM on steps required to improve water supply at the resettlement sites. 		Ongoing
	<ul style="list-style-type: none"> The Bank is pursuing measures with GoM and MMRDA to improve transport connectivity to resettlement colonies. 		Ongoing
	<ul style="list-style-type: none"> Independent resettlement impact assessments will be carried out as and when due for each resettlement site. Remedial measures, if required, will be implemented. 		Ongoing. Anik and Majas by August 31, 2006

No.	Key Issue	Proposed Action	Target Date
Environmental Management of Resettlement Sites			
4. Maintenance of Public Assets; Waste Management			
	<ul style="list-style-type: none"> 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. 		Ongoing
	<ul style="list-style-type: none"> MMRDA has prepared maintenance manuals which will be handed over to each registered co-operative society. 		Ongoing (until registration process is complete)
	<ul style="list-style-type: none"> MMRDA is liaising with MCGM to provide necessary community facilities, including tree plantation. 		Ongoing
	<ul style="list-style-type: none"> Concerned Ward Offices will be asked to route solid waste collection vehicles to the resettlement sites for the timely collection and disposal of waste. 		Ongoing
Overall Management of R&R Implementation			
5. Strengthening Institutional Arrangements for R&R			
	<ul style="list-style-type: none"> 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. 		April 30, 2006
	<ul style="list-style-type: none"> MMRDA will review and assess the NGOs' capacity and future role. 		To be determined with Bank
	<ul style="list-style-type: none"> 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. 		May 31, 2006 (training to be completed by August 31, 2006)
6. Improving the R&R Process			
	<ul style="list-style-type: none"> MMRDA will further define procedures in R&R Implementation Manual. 		May 31, 2006
	<ul style="list-style-type: none"> Strengthen database capability for effective management of resettlement and post-resettlement. 		May 15, 2006
	<ul style="list-style-type: none"> MMRDA will expedite: <ul style="list-style-type: none"> Finalizing the draft RIP for SCLR up to 45.7 meters with flexibility to proceed on a section-by-section basis. 		April 15, 2006
	<ul style="list-style-type: none"> <ul style="list-style-type: none"> Finalizing the draft RIP for SATIS, to be submitted to the Bank when railway clearances are obtained for the sub-project. 		April 30, 2006
	<ul style="list-style-type: none"> <ul style="list-style-type: none"> Finalizing the Vikhroli ROB draft RIP. 		April 30, 2006
	<ul style="list-style-type: none"> <ul style="list-style-type: none"> Updating the baseline socio-economic survey data for JVLR and Jogeshwari ROB. 		April 15, 2006
	<ul style="list-style-type: none"> 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. 		March 10, 2006 (1 st monthly report)
	<ul style="list-style-type: none"> MMRDA will expedite timely issuance of identity cards and payments of shifting allowances for PAPs shifting to new resettlement sites. 		Ongoing
	<ul style="list-style-type: none"> Road project impacts on community assets will be assessed and their relocation and reconstruction will be synchronized with the timetable for civil works. 		Ongoing
	<ul style="list-style-type: none"> 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. 		April 30, 2006

No.	Key Issue	Proposed Action	Target Date
7. Improving Database Management			
	• MMRDA is in the process of procuring state-of-the-art software for the management of all the R&R-related data.		May 15, 2006
	• 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.		June 30, 2006
8. Improving Communications and Consultation			
	• MMRDA will enhance communication with PAPs and improve documentation.		Ongoing
	• MMRDA will make separate space arrangements for a PIC at MMRDA. It will also ensure the timely availability of relevant documents and brochures.		March 31, 2006
	• The Bank Task Team will work with MMRDA to assess and implement training needs in public consultation and communications.		March 31, 2006
9. Grievance Redress			
	• 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.		April 30, 2006
	• A separate one-page brochure on the updated grievance redress process will be prepared, circulated, and posted on the Project website.		March 31, 2006
	• 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.		March 15, 2006
10. Operationalization of the Implementation Manual			
	• 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:		
	○ Revise and amend Implementation Manual to include R&R and environmental procedures		April 30, 2006
	○ Finalization of Implementation Manual		May 31, 2006
	○ Operationalization of the Implementation Manual		June 30, 2006