



Project Summary Information

Date of Document: September 20, 2023	
Project Name	Extension, Renovation, and Modernization of Grand Anicut Canal System
Document Code	PD000362-PSI-IND
AIIB member	Republic of India
Sector/Subsector	Water / Irrigation
Status of Financing	Under Preparation
Project Description	The renovation and modernization of the Grand Anicut Canal System (GACS) will be carried out through various interventions including lining the bed and side walls of the canal, repair / replacement of the water regulating structures, de-silting the tanks, and introduction of canal automation system. These interventions are expected to result in increased conveyance efficiency thereby increasing land under irrigation in the region and ensure equitable distribution of water to farmers based on the need (through the automation system) resulting in sustainable agricultural practices. The renovated canal is expected to be much more resilient to the impacts of climate change thereby reducing the instances of canal breaches and flooding of the towns and villages in the Cauvery Delta region.
Objective	To improve the climate resilience, water carrying capacity and the conveyance efficiency of the Grand Anicut Canal System
Expected Results	The project is expected to yield the following results that will be measured and monitored: <ul style="list-style-type: none"> (i) increased water conveyance efficiency of GACS by reducing wastage of water; (ii) increased water carrying capacity of the main canal and its distribution systems to serve farming community at the tail end of GACS; and (iii) increased land area under irrigation to improve the livelihood of the farming community in the region.
Environmental and Social Category	B

Environmental and Social Information	<p>AIB's Environmental and Social Policy (ESP), including the Environment and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL) will apply to this Project. ESS 1 (Environmental and Social Assessment and Management) and ESS 2 (Involuntary Resettlement) are applicable to the project. The project has been categorized as Category B, considering the nature and scale of the activities, which has a limited number of potentially adverse environmental and social (E&S) impacts limited to the project area; few if any of them are irreversible; and can be readily mitigated by following good practice in an operational setting.</p> <p>The project will deliver positive E&S benefits through improving the climate resilience of GACS, water resource conservation and increasing the agricultural productivity. The predicted negative impacts are mainly from construction during the project implementation period, such as noise, dust, tree felling and vegetation clearance, air emissions from construction machinery and vehicle, soil erosion, water contamination, solid waste disposal, occupational and community health and safety issues. During operation phase, increase in the use of agro-chemicals can be an indirect impact resulting from improved irrigation in the project area, and in addition a strengthened baseline analysis on the silt/sediment quality and source analysis of heavy metal pollution will be carried out, and the results reflected in an updated ESIA/ESMP to prevent future pollution during canal operation. The project is unlikely to involve land acquisition since all works will be within the available right-of-way (ROW). To address any potential displacement impacts for the distribution canals, a Resettlement Planning Framework complying with ESS 2 has been prepared.</p> <p>An Environmental and Social Due Diligence (ESDD) was undertaken for the five contract packages already awarded to verify whether E&S management of the tendered packages are in compliance with AIB's ESP. Consultations were conducted with the safeguards officers of the contractors to understand the level of implementation of the safeguard requirements as indicated in the bid document/ contract agreement. To identify the potential impacts of the awarded five sections, reconnaissance and transect walk surveys were carried out and consultations were conducted in all the five packages. Focus group discussions were held with farmers, villagers, village leaders of the farming communities and field level staff of the village panchayats.</p> <p>The ROW of the canal consists of the main canal, its bunds, service roads and embankments of the canal and based on the survey, it was observed that the project does not involve any loss on residential structures or crops due to project activities and no additional land acquisition was required for the purpose of implementation of the project activities. The ESDD did not identify significant non-compliance or legacy issues on environmental management for the five ongoing packages, but contractor's agreement will be updated with the environmental mitigation and monitoring measures as in the ESMP.</p>
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	<p>A Gender Action Plan (GAP) has been prepared for the project, which will benefit women through (i) capacity building programs for WRD female staff, (ii) increased participation in water management through membership in WUAs, and (iii) increased income from improved agricultural productivity.</p> <p>Consultations have been undertaken during the preparation of the E&S instruments and based on community feedback, the ES instruments have been finalized. The consultations will continue during the project implementation. The draft versions of ESIA with ESMP, RPF and ESDD in English have been published in the websites of WRD and AIIB along with the executive summaries in Tamil. WRD will monitor ESMP implementation throughout the Project implementation period. WRD will also prepare bi-annual E&S monitoring reports and submit the reports to AIIB for review. AIIB will monitor the project's E&S management performance through these reports and during its implementation support missions.</p> <p>The ESDD provides evidence of a functional, multi-tier Grievance Redress Mechanism (GRM) being established at the project level to receive and facilitate resolution of concerns or complaints of the people who believe they have been adversely affected by environmental and social impacts of the Project. In addition to the above GRM, a commensurate mechanism has been made available at the contractor level for project worker's grievances. All E&S information including GRM at the project level and the Project-affected People's Mechanism (PPM) of AIIB will be posted timely on the website of the PMU/PIUs in English and Tamil.</p>
Cost and Financing Plan	<p>Project Cost: USD 329 million</p> <p>Financing Plan:</p> <p>AIIB: USD 230 million</p> <p>Government of Tamil Nadu: USD 99 million</p>
Borrower	Republic of India
Implementing Entity	Water Resources Department (WRD), Government of Tamil Nadu
Estimated date of loan closing (SBF)	December 31, 2027

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Date of Appraisal Decision	September 21, 2023		
Estimated Date of Financing Approval	November 2023		
Independent Accountability Mechanism	<p>The Project-affected People's Mechanism (PPM) has been established by the bank to provide an opportunity for the independent and impartial review of submissions from project affected people who believe they have been or are likely to be adversely affected by the AiIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through the project-level GRM or the AiIB's management processes. Information about the PPM is available at https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</p>		