

ATAL BHUJAL YOJANA- National Groundwater Management Improvement Program (Loan No. 8874-IN)
Implementation Support Mission
September 4 - October 6, 2023

Aide-Memoire

INTRODUCTION

1. A World Bank team (the mission)¹ conducted an Implementation Support Mission (ISM) for the Atal Bhujal Yojana (ABHY) between September 4 and October 6, 2023. As part of ISM, the World Bank and National Program Management Unit (NPMU) team visited all the participating States². The visit to States included field visits as well as review of the Program with the Officers of the relevant line departments, State Project Management Units (SPMUs), Project Directors, and Project Coordinators. The field visits covered Gram Panchayats (GP) in each State whose Water Security Plans (WSPs) had been prepared earlier, updated this year, and where field level interventions are underway. The mission also reviewed the findings presented in the Program progress report prepared by NPMU.

2. The mission held discussions with the Additional Chief Secretaries, Principal Secretaries, Secretaries, Project Directors, District Collectors, and officials of SPMUs of all the participating States, together with the Project Director and officials of the NPMU. The mission is grateful for the support from the leadership of Ministry of Jal Shakti (MoJS) and the governments of participating states. The mission also conveys its gratitude to all SPMUs, District Program Management Units (DPMUs), District Implementing Partners (DIPs)³ and their contribution towards developing capacity building program in support of ABHY's implementation. The list of key people met is provided in **Annex 1**.

3. The key objectives of the mission were to: (i) review the progress of Program implementation and key constraints or risks to implementation, and agree actions to ensure Program objectives, including incentive fund utilization; (ii) assess the progress and review the action plan in achieving the Disbursement Linked Results (DLRs) and disbursement; and (iii) review the Program impact emerging from Disbursement Linked Indicators (DLI) implementation on ground.

4. The Aide-Memoire reports on the status of the implementation of the Program and summarizes the key issues discussed and agreements reached, which were also discussed at the wrap-up meeting. Due to unavoidable circumstances, the wrap-up meeting was delayed and held at New Delhi on October 26, 2023, chaired by Ms. Debashree Mukherjee, Secretary, and Mr. Subodh Yadav, Joint Secretary and Program Coordinator, Atal Bhujal Yojana, Department of Water Resources (DoWR), River Development & Ganga Rejuvenation (RD & GR), MoJS. The wrap-up meeting was joined by Special Secretary and Project Coordinator, Gujarat; Principal Secretary and Additional Secretary, Madhya Pradesh; Secretary, Uttar Pradesh; and Project Director, at national level as well as all the Project Directors from the participating States.

KEY DATA AND RATINGS

Table 1: Key Program Data and Ratings.

¹ Mission Members: Satya Priya (Senior Water Resources Specialist and TTL); Mariappa Kullappa (Senior Water and Sanitation Specialist); Tapas Paul (Lead Environmental Specialist); Priti Jain (Senior Procurement Specialist); Puneet Kapoor (Senior Financial Management Specialist); Swati Dogra (Social Development Specialist); Amit Anand (Consultant – Social Development); Arun K Dobhal (Consultant – Senior Water Specialist); M K Goyal (Consultant – Senior Water Specialist); and Roshni John (Program Associate).

² Gujarat, Haryana, Karnataka, Madhya Pradesh (MP), Maharashtra, Rajasthan, and Uttar Pradesh (UP).

³ DIPs are NGOs that have been hired under the Program by States and are operating at GPs level for Program implementation.

Program Data		
Board Approval Date	June 5, 2018	
Effectiveness Date	March 24, 2020	
Closing Date	September 29, 2025	
Loan Amount	US\$420.00 million	
Amount Disbursed	US\$237.73 million (57%)	
Program Ratings		
	Previous	Current
Progress towards achievement of Program Development Objectives (PDO)	MS	S
Overall Implementation Progress (IP)	MS	S
Technical	S	S
Fiduciary Systems	MU	MS
Environment & Social Systems	S	S
DLIs	MS	S

5. **Development Objective:** The Program Development Objective is to improve the management of groundwater resources in the selected states. A core aspect of the Program is centered around community-led Water Security Plans (WSP) preparation at GP level and its implementation through convergence of different on-going schemes with a greater focus on demand side interventions to bring behavioral changes towards management of groundwater resources.

OVERVIEW - IMPLEMENTATION PROGRESS

6. **Overall Progress:** With institutional and implementation arrangements in full force nearly at all levels, the Program is making good progress in overall implementation. Since the last ISM that was also the Mid-Term Review (MTR) in February 2023, Program has completed two cycles of verification by Third-Party Government Verification Agency (TPGVA). The Program has disbursed US\$148.89 million in past 6 months. The last (6th TPGVA) verification was completed in June and a record US\$100.2 million was disbursed on July 14, 2023. With this, the Program has achieved US\$237.73 million of total disbursement. Around US\$60 million is available in excess due to prevailing USD-INR exchange rate and this amount may be cancelled upon the request from the DEA towards the end of calendar year 2024 or beyond after assessing the stability of the exchange rate.

7. **Key achievements:** The key achievements since the last ISM include:

- DLI 1: Improved groundwater monitoring and disclosure of groundwater data (US\$50 million) – 52% achieved, and 8394 occurrences have been successfully completed and disseminated. (As of March 2023, the progress was 52%)
- DLI 2: Community-led WSPs prepared (US\$75 million) – 100% achieved, a total of 8220 WSPs prepared well before last mission that are under continuous implementation. (As of March 2023, the progress was 100%)
- DLI 3: Public financing allocated to approved WSPs (US\$70 million) – 31% achieved. A total amount of US\$21.7 million public financing mobilized and programmed for implementation of WSP activities in the last FY of GoI. (As of March 2023, the progress was 12 %)
- DLI 4: Area with reduction in water consumption (US\$173.8 million) – 65% achieved. Total 227,156 ha (out of 350,000 ha) area covered under the Program has so far reduced water consumption. (As of March 2023, the progress was 15 %)
- DLI 5 - Arrest in the rate of decline of groundwater levels (US\$50 million) – No achievement as yet, but it is expected that around 52 Blocks with arrest in the rate of decline of groundwater levels are likely to achieve results subject to third party verification towards the end of this year. Through this,

effectiveness of DLIs 3 and 4 can also be assessed. This DLI is on schedule as per the Program design as the results are expected only in the 4th year of the Program.

8. **Projected Disbursements:** The mission agreed with the NPMU that there will be two rounds of verification in the current FY of the Bank. TPGVA shall conduct 7th and 8th round of verifications in Nov-Dec 2023 and April-May 2024 to pursue achievement of results under DLI#1 DLI#3, DLI#4, and DLI#5; and DLI#3 and DLI#4, respectively. The TPGVA reports will be submitted to Bank by NPMU in February 2024 and June 2024, respectively. The verification results are expected to enable disbursement of additional US\$44.0 million⁴ in this FY by June 30, 2024.

9. **Program Expenditure:** As on September 20, 2023, the total Program expenditure stands at INR11404 million or about 59 percent of the World Bank disbursement of US\$237.37 million (equivalent to INR19253 million). The Bank team has conveyed to MoJS to expedite utilization as the total amount of Program expenditure must exceed the total loan amount disbursed by the end of the Program closing date. States must gear up as all states except UP have reported low utilization under incentive released so far. The states have agreed that by end of current Gol fiscal year, the total program expenditure will exceed the total Bank disbursement of US\$237.37 million. This is possible provided incentive funds released are constantly reviewed by SPMUs with the concerned line departments that have programmed interventions to utilize expeditiously to aid sustainable groundwater management actions.

10. **Key challenges and remedial measures:** The Program at this stage is facing the below key challenges:

- a. **Inordinate delay in incentive funds utilization by the states:** As detailed above, states have slow pace of utilization of funds under Incentive Component. The mission agreed with the states and MoJS on developing a mechanism by Nov 30, 2023, to critically monitor the monthly targets set by states to expedite the utilization of incentive funds. While the Program Coordinator at MoJS reviews the Program every month, the mission recommended that SMPUs and DPMUs should discuss the progress including the progress of DLIs specifically DLI#3 and DLI#4, leading to expenditure in their respective states every fortnight and weekly, respectively.
- b. **Delay in commissioning of Piezometers, Digital Water Level Recorders (DWLRs), and Water Flow Meters (WFMs):** Haryana is lagging in the construction of piezometers (696/1000). DWLRs installation progress is lacking in four states - Gujarat (168/836), Haryana (385/1000), Maharashtra (492/1133), and Rajasthan (0/1004). Three states have no progress in the procurement of WFMs – Karnataka (11990 nos.), Maharashtra (11330 nos.), and Rajasthan (4557 nos.). It was agreed that the balance construction of piezometers and DWLRs will be completed by the respective states latest by Nov 30, 2023, and Dec 31 respectively, whereas procurement of remaining WFMs to be completed latest by Dec 31, 2023.
- c. **Assessment of GPs level impacts to assess emerging impact of the program at scale:** As the Program enters the second half of implementation, it is planned to verify the “arrest in the rate of decline of the groundwater levels”, later this year. This Disbursement Linked Indicator – DLI#5 (DLI#1 of PAD) is ultimate visible and targeted impact of the program on ground but there are many other invisible impacts which eventually translate in arrest of declining groundwater in due course of time. To begin the process, as part of the mission, the Bank team visited a couple of GPs in each of the states⁵ and witnessed the emerging impacts of the program. In Gujarat, the team observed increased drip irrigation in more than 85% of the total cultivable area and the development of a sizable scale pond to store rainwater as well as the supply from the Narmada link system. In Haryana, besides recharge structures, the team observed demand-side interventions - sprinkler & drip irrigation, underground pipelines, crop diversification, and direct seeded rice zero-tillage (DSR) - being adopted by the farmers. In MP, series of ponds at differential elevation have been developed to store and divert rainwater and a sizable pond

⁴ Disbursements projection for 7th verification is in tune of US\$25.0 million, whereas for the 8th verification will be about US\$19.27 million.

⁵ In Karnataka, the Bank team could not go to field on scheduled date due to State Bandh (lockdown).

developed under Amrit Sarovar where pisciculture activities have been initiated. In Maharashtra, the mission observed the resolutions passed by GPs to restrict sugarcane cultivation and bore well drilling and implementation of innovative practices, such as polyhouse with water-efficient micro-irrigation, biogas-powered organic farming, employing horticultural inter-cropping techniques. In Rajasthan, the team saw the construction of farm ponds to collect the rainwater, clubbed with solar powered sprinkler/drip systems and underground pipelines. In UP, recharge structures like percolation tanks, check dams, and ponds have been implemented. The impact of the program interventions in these select GPs claims to reflect not only in the increase in the groundwater levels but also in the improvement of the groundwater quality. The field visit details are placed at **Annex 2**.

11. **Progress against PDO indicators:** The mission assessed that PDO indicators remain achievable as tabulated below in Table 2. The updated status against the results framework is given in **Annex 3**.

Table 2: Current Progress and Projected achievement of PDO indicators

Indicators	Unit	Baseline	Jan 2023	October 2023	June 2024 (Projection)	End of Program Target-Sept 2025
PDO Indicator 1: States with improved groundwater monitoring and disclosure of groundwater data (DLI 1)	Number	0	7	7	7	7
PDO Indicator 2: GPs with Community led WSPs prepared and approved (DLI 2)	Number	0	8204	8220	8220	3750
PDO Indicator 3: Direct Program beneficiaries (million)	Number	0	0.45	1.1	2.5^	15
PDO Indicator 4: GPs which have adopted participatory groundwater management (DLI 4)	Number	0	8204	8220	8220	2000
PDO Indicator 5: Area with reduction in water consumption (DLI 5)	Hectares	0	60,000	227,157	256,057	200,000
PDO Indicator 6: Blocks with arrest in the decline of groundwater levels (DLI 5)	Number	0	0*	0*	30 **	80

*This DLI is scheduled to trigger in year 4 as per PAD. The next verification by TPGVA is due in Nov-Dec, 2023.

** Likely projections after TPGVA verification. ^ This will be re-assessed after verification of DLI 5: decline of groundwater depletion in April-May 2024.

12. **Ratings:** The program has exceeded several of Program results target, while others are progressing as planned. Based on the PDO indicators and implementation results, in particular progress with the achievement of several DLIs, as well as overall disbursements achieved to date, the ratings of both the PDO and IP have been upgraded from 'Moderately Satisfactory' to "Satisfactory".

13. **Extension of Closing Date:** The Ministry informed the mission that during the fourth National Level Steering Committee Meeting held on May 26, 2023, the chair, Secretary, DoWR, RD & GR, MoJS after consulting all the stakeholders has taken an in-principal decision to extend the program closing date of Gol, which is March 31, 2025, by two additional years. The Secretary, DoWR, RD & GR, MoJS during the wrap-up informed the house that this will soon be processed through proper channel for extension of Program until March 31, 2027. The current closing date of Bank loan is September 30, 2025. This is because that the achievement of the Program results from DLIs 1 and 3 will go beyond the current closing date, leading to an undisbursed balance of both Gol and Bank funds. Therefore, an extension of the closing date of the Program would facilitate achievement of not only the DLI results and complete disbursement of the balance funds but also to accomplish the sustained Program Development Objective.

OVERALL PROGRESS AND FY 23-24 DISBURSEMENT PROJECTIONS OF DLIs

14. **DLI 1 - Improved groundwater monitoring and disclosure of groundwater data (US\$50 million)**- As of March 23, 2023, a total of 8394 (52%) successful occurrences achieved against total target of 16,000 occurrences and US\$26.23 million disbursed (52% achieved). In GOI's FY 23-24, **3343** successful occurrences are targeted, projecting a disbursement of US\$10.45 million. With this, the cumulative disbursement at the end of this FY is likely to reach US\$38.68 million (77%).

15. **DLI 2 – Community-led WSPs prepared (US\$75 million)** – Fully disbursed (100% achieved). The WSPs, including water budgets, need to be updated on yearly basis to qualify for the next years' DLI 3 and DLI 4 disbursements. As of October 9, 2023, 8203 WSPs⁶ have been approved by SPMUs and submitted to NPMU for review. These WSPs will be used to undertake DLI#3&4 verification this FY by the TPGVA.

16. **DLI 3 - Public financing allocated to approved Water Security Plans (US\$70 million)** – US\$21.79 million disbursed (31% achieved) till date. Of this, US\$8.34 million disbursed in GOI's FY 22-23 and US\$13.45 million disbursed in FY 23-24 till date. In GOI's FY 23-24, a total amount of 2199.42 Cr - US\$26.82 million (@ 82 INR per \$) is expected under convergence. An additional disbursement of US\$13.37 million is projected for this FY to be used for implementation of WSP activities. With this, the cumulative disbursement at the end of this FY will reach US\$35.16 million (50%). This is a conservative estimate and likely to achieve more.

17. **DLI 4 - Area with reduction in water consumption (US\$173.8 million)** – US\$113.57 million disbursed (65% achieved) till date. Of this, US\$26.77 million disbursed (53540 ha) in GOI's FY 22-23 and US\$86.80 million disbursed (173,610 ha) in FY 23-24 till date. An additional area of 28,900 ha is projected to be achieved, with projected disbursement of US\$14.45 million in this FY. With this, the cumulative disbursement at the end of this FY is likely to reach US\$128.02 million (74%) yet this is a conservative estimate and likely to achieve more.

18. **DLI 5 - Arrest in the rate of decline of groundwater levels (US\$50 million)**- As per the Program design, the results are expected only in the 4th year of the Program. In GOI's FY 23-24, around 52 blocks are being shortlisted through desktop analysis for rise in water level and will undergo field verification by TPGVA. 30 blocks are likely to achieve results in the arrest of the decline of the groundwater levels, after the verification process which would project a disbursement of US\$6.0 million (12%).

To sum up, an additional US\$44.27 million is projected to be disbursed in this FY, which will make the overall disbursements to the tune of US\$282.86 million (68%) by end of June 30, 2024.

STATUS OF IMPLEMENTATION ARRANGEMENTS

19. **Institutional Strengthening:** The NPMU and SPMUs of the seven states and their respective District Program Management Units (DPMUs) are functional, although some are not fully staffed. They have been set up with officials deployed from the national, concerned state and district level Government departments, besides domain experts from different disciplines.

- i.* **NPMU:** The mission apprised the Project Coordinator, MoJS that NPMU needs to be strengthened after the departure of Deputy Secretary. The National Technical Support Agency (NTSA) needs to appoint a Deputy Team Leader, which was recommended at the time of MTR, to support the timeliness and overall program reporting. NPMU was also advised to review the performance of the experts from time to time and necessary actions may be taken, as appropriate.
- ii.* **SPMUs:** The mission reiterated the MTR recommendation that strengthening of DPMUs and DIPs is paramount. The mission agreed that the States will continue to evaluate performance of experts hired under the Program to strengthen the overall functioning of the SPMUs to improve implementation of WSP interventions as these grow many folds in coming years. Karnataka, Rajasthan, and Maharashtra need immediate attention to strengthen their SPMUs. SPMU Rajasthan was advised to make pending

⁶ Out of total 8220 GPs, 17 GPs (9 in Haryana, 7 in Rajasthan and 1 in UP) have been included in their respective Municipal Corporation areas.

payments to DIPs and resolve the issues of travel allowances and related expenses based on contract agreement signed on priority basis.

- iii. GP Level Training and Capacity Building:** While the States have carried out GP level trainings for preparation of WSPs, the progress of the trainings for WSP implementation is quite slow in all states, except Madhya Pradesh. For cumulative GP level trainings target, Gujarat has carried out only 16% of the trainings, Haryana 28%, Karnataka 33%, MP 71%, Maharashtra 29%, Rajasthan 31%, and UP 28%. The GP functionaries need to be trained further in a timely manner to improve and enhance interventions proposed in WSPs that are currently under implementation.
- iv. Capacity Development:** The teams at NPMU, SPMUs, and DPMUs are progressively strengthening the capacity development profile through a variety of outputs: (i) regularly organizing face to face and virtual trainings, exposure visits and learning exchange⁷; (ii) developing a calendar to set targets and track progress; (iii) introducing feedback mechanisms to gauge impact called the Quality Assessment Framework (QAF); (iv) honing a cadre of national and state level master trainers⁸; (v) streamlining partnerships with training and support organizations; and (v) maintaining a repository of resources. Since 2020, over 50,000 trainings have been organized under the project covering 745,515 participants with an average of 35 percent women. As a part of continued capacity building process, NPMU has adopted new strategy of 'inter-state training cum exposure program' to bring together a team of 10 members comprising the states' officers and experts for training cum exposure visit to the best practices, along with the classroom trainings.
- v.** All SPMUs with their respective DPMUs and DIPs need to focus on the critical component of community ownership for sustainability and expedite the planned trainings for which budgetary provisions have already been made that remain underutilized. The work plans of Training Agencies and coordination with DIPs is critical to achieve this. Therefore, the mission proposed a strategy and implementation plan for achieving training targets including effective local coordination between the State Training Agency, SPMUs, and DIPs to ensure timely, quality based and trackable delivery of trainings. SPMUs need to guide the DIPs to focus on demand generation and improved irrigation efficiency and align their work with trainings being delivered⁹. In addition, clarity on actual number of trainers (not overall human resource/staff) deployed per agency is needed to assess their capacity to deliver on the targets as well as record of unique trainees to be maintained in the management information system (MIS). The details are provided in Annex 4.

20. **Comprehensive MIS.** A fully functional dedicated Program MIS is used to monitor progress across the states and provide a consistent framework for WSP planning/implementation and disclosure of information. The data under the MIS has been captured under three broad modules: (i) Gram Panchayat module; (ii) Monitoring & Evaluation module; and (iii) Training and Workshop module. These modules enhancement continues as per emerging requirements. A dedicated Android and iOS based mobile application named 'Atal Jal' has also been developed to integrate the MIS for expeditious collection and processing of data from the field directly into the system. The app is being currently used by more than 8000 registered users.

21. **Regular review by State-Level Inter-Departmental Steering Committee (SLISC).** All states have constituted SLISC and conduct half yearly meetings chaired by the State Chief Secretary.

22. **Program Guidelines:** The MoJS issued the Program Guidelines in March 2020. This being a live document, NPMU, in consultation with the Bank, has updated the Program Guidelines (Version 1.2) and

⁷ As a part of non-financial MoU with 'Foundation of Ecological Services' (FES), a Gujarat based NGO to ensure 'ecological security' for sustainable and equitable development, the NPMU is working closely with all seven states and conducting trainings on CLART (Composite Landscape Assessment and Restoration Tool) as well as experimental Water Budget games.

⁸ Total number of master trainers across seven states are 500 and expected to increase.

⁹ Trainings are now more focused on water saving, conservation, recharge, and resource efficiency.

disclosed on Atal Jal website - <https://ataljal.mowr.gov.in/Ataljalimages>. The updated version reflects the adoption of interim changes as needed and serves as a single source of information for implementation of the Program.

23. **Program Action Plans (PAPs)** are now broadly complied. All the PAPs related to Program Guidelines, Program Fiduciary Manual, Annual Progress Report, GRM, MIS and Citizen feedback system are largely on track. The details are tabulated in Annex 5.

FIDUCIARY MANAGEMENT

24. **Fiduciary arrangements:** Overall, NPMU and the SPMUs have made progress in implementing the fiduciary arrangements as per Program Fiduciary Manuals. The Manuals have been updated to incorporate the significant change due to revision in the funds flow process of central sector schemes made by GoI and that was operationalized by the NPMU and SPMUs. Program accounts are entered in the PFMS by NPMU and SPMUs. With significant increase in the number of executing agencies, the SPMUs will need to enhance their monitoring mechanism to ensure compliance with the fiduciary manuals and the Bank's Anti-Corruption Guidelines and strengthen accounting, financial reporting, and bank reconciliation.

25. **Audits:** Internal audits have been conducted up to March 2023. Internal audit has reported several systemic and recurring audit observations regarding non-compliance with the states' own procurement procedures, contract management issues, gaps in documentation, and accounting issues. The mission was informed that the NPMU and States are in the process of complying with the audit observations. The mission recommended that NPMU may consolidate these observations and disseminate to all the SPMUs for quick cross-learning which will help strengthening the systems and help avoid recurrence of these observations. Internal audit for the first half of the ongoing FY is expected to commence in October 2023. The mission noted that SPMU's have begun to update contract and financial information in the Program MIS which is expected to be the basis for sampling by the internal auditors for their review. There are gaps in data which are expected to be addressed over next few months. Audit of Program annual financial statements would be done by the Comptroller & Auditor General of India and the audit report for FY2022/23 is due by December 31, 2023. Further details are provided in **Annex 6**.

26. **Procurement and contract management aspects:** The mission noted that States are procuring goods, works and services as per their approved annual work plans. Under Program component progress has been made but there are activities which need to be contracted or completed. This delay is attributable to internal delays at the State level which will require close monitoring. For Incentive Component, line departments need to have a procurement point person who is familiar with fiduciary manual and required fiduciary compliances. Given the geographic spread of the program NPMU's proactive engagement to monitor the progress, guiding SPMUs and line department on compliance and providing hand holding support to address challenges is critical. The system will need to be made robust to ensure timely oversight, corrective actions, compliance, and consistency. Further details are provided in Annex 6.

27. **MIS for fiduciary aspects:** Under the physical and financial monitoring module of the MIS the Procurement, contract and financial information is being updated in the Program MIS though there are gaps in available data which are expected to be addressed. The data uploaded in MIS till September 30,2023 comprises of 1437 contracts. Since this data can help reconcile asset generation and is expected to form the basis for internal audit it will need close monitoring by NPMU. The SPMU's have been advised to upload remaining contractual data by December 15, 2023. (For state wise status refer to **Annex 6**).

28. **Grievance redressal:** The information made available by NPMU confirms that there are no fiduciary complaints. No corruption related complaint has been reported by any SPMU or NPMU.

29. **Staffing and Capacity Building:** Keeping in view the change in staff at SPMUs, there is need for inclusion of line departments fiduciary staff while addressing the various audit observations. The mission recommended that NPMU may disseminate information and guidance on lessons learnt through fiduciary workshops.

30. **Fiduciary Management Performance Rating:** In view of the progress made, the fiduciary performance rating is upgraded to Moderately Satisfactory. NPMU and SPMUs are required to adequately address the gaps identified in above paras and requested to resolve the shortcomings reported in the internal audit reports before the next audit, particularly strengthening the contract management aspects. The detailed assessment of fiduciary management is provided in **Annex 6**.

ENVIRONMENT AND SOCIAL SYSTEMS

31. **Environment Management and Cumulative Impact Assessment (CIA):** NPMU has developed an environmental safeguard tool (ESS) for management of the environmental issues across the Program. The ESS tool has been shared with the participating states and training has been organized by NPMU to ensure that the process of screening is followed by the states for the environmental management. The mission was pleased to report that all SPMUs have adequate environmental staff who are well equipped in terms of their knowledge and processes required for dealing with the environmental safeguard issues involved under the Program. At the time of ISM, a total number of 8220 Water Security Plans (WSPs) under implementation have been screened using the ESS tool. The temporary impacts like increase in turbidity of downstream and nearby water bodies incurred during construction of different structures are being monitored using CEMT (Construction Environmental Monitoring Tool) and mitigation measures are being taken care by using EMMT (Environmental Mitigation Measures Tool). In addition, based on the model CIA, a report was prepared for the state of Uttar Pradesh, following which all states have submitted the baseline reports to NPMU. CIAs are currently being used as basis for assessing the impact of the interventions in the field.

32. **Social Management:** The mission rated the progress on Social Management as Satisfactory based on: (i) continued presence of Social Specialists at SPMUs; (ii) functional GRM where complaints are being received and their resolution tracked through the MIS¹⁰; (iii) all states have publicly disclosed groundwater quality & quantity data- Water level; Water quality; Hydro-geological comparative reports; (iv) positive quantitative and qualitative indicators on gender¹¹ in terms of women's participation in of trainings, outreach activities and role in PGWMCs/VWSCs; and (v) creation of a IEC repository of all states on ABHY portal for sharing and use by others. However, there are some concerns related to a) weak capacities of PGWMCs/VWSCs, b) low accountability of DIPs for ensuring conversion of IEC and mobilization into improved collective demand and water-use efficiency, c) weak coordination between SPMU and DIPs in states like Rajasthan (including significant issues of payment delays), and Uttar Pradesh (including issues such as lack of role clarity and monitoring of 73 DIPs), and d) low demand side convergence in few states which is critical for sustainability.

33. As next steps, mission agreed that (i) NPMU level: provides follow up on Gender Review Study, Social Audit pilot; GRM MIS collates queries and complaints received through other mediums and channels and reports on them from next quarter (ii) SPMU level: complete the pending data under social modules in the MIS¹²; ensures timely payments to DIPs and their staff, including Community Organizers (iii) DPMU level: ensures full participation and ownership of communities during revision of WSPs displays the projects toll-free number at all sites and Gram Panchayat offices. Overall, at all levels: identification of impact areas in terms of social processes and outcomes. The details are provided in **Annex 7**.

¹⁰ So far, 325 queries have been received and 323 resolved.

¹¹ The 'Gender Midterm Evaluation Study' to assess the impact of various initiatives towards gender mainstreaming was completed in April 2023. The results are encouraging and indicated several observations and insights that support the integration of gender considerations in the implementation of ABhY and the overall management of groundwater resources.

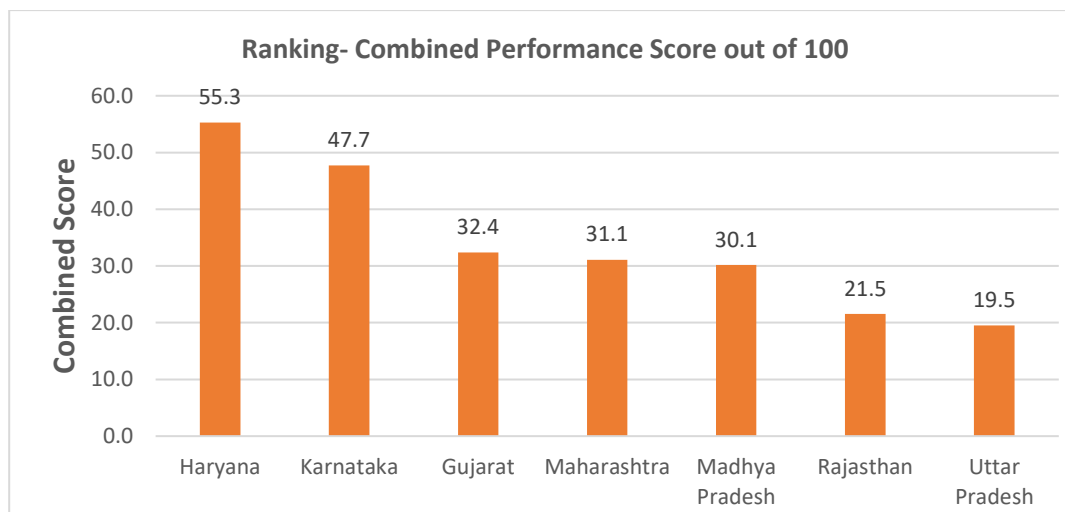
¹² In addition, collate and share disaggregated data on vulnerable groups, as the MIS is now tracking representation of SC/ST/OBC/BPL/ smallholders in the local committees, participation in trainings and outreach meetings.

34. **State Performance Ranking:** The progress details of the Program states for the two key result areas are provided in **Annex 8**. To continue with the healthy competition amongst the states, they have been ranked as below:

- (i) DLIs Performance Score: The state rankings have been arrived as per the states’ progress score of the DLIs, taken in proportion of the Bank’s incentive funds of the individual DLIs to the total planned Program disbursements (in million USD); DLI1: DLI 2: DLI 3: DLI 4: DLI 5: 50: 75: 70: 173.8: 50 respectively (Total 418.8 US\$ m) i.e., in the ratio of 12:18:17:41:12
- (ii) Incentive Funds Expenditure Score: The state rankings arrived at using the formula $IRF * \% \text{ (expenditure/funds released)}$ for individual states; {Incentive Release Factor (IRF) = Funds released/Overall state incentive funds allocation}
- (iii) Combined Performance Score: The overall state rankings are arrived as per the cumulative score of the DLIs score and the Incentive funds expenditure score, both scaled to 50 points each.

The ranking details are provided in **Annex 9**.

The graphical representation of the combined performance score is given below:



35. KEY AGREED ACTIONS

The mission reviewed the status of implementation of the previously agreed actions and found that most actions were implemented satisfactorily. Following are the key actions agreed during the current mission which need to be acted upon:

S. N.	Action to be taken	Responsible	By When
1.	Continue fortnightly/weekly monitoring of the progress of utilization of Incentive Funds (para 10 (a))	All SPMUs/DPMUs	Continuous
2.	Reappropriate/adjust incentive funds allocation to better performing states as per state ranking to maximize Program results in the spirit of encouraging competition among participating States, (paras 10a, 34)	NPMU	December 31, 2023
3.	Appoint (i) Deputy Team Leader in N-TSA, to strengthen Program implementation and monitoring (para 19(i))	MoJS	December 31, 2023
4.	Weekly monitor the progress of DLI#3 and DLI#4 implementation (para 10 (a))	All SPMUs	Continuous

5.	Conduct timely relevant GP level trainings on DLI 3 and DLI 4 implementation (para 19 (iii))	All SPMUs/DPMUs/ DIPs	Continuous; FY target by Dec 31, 2023
6.	For supply-side interventions, Program guidelines to be adhered following the list of interventions/activities identified to claim the incentive under DLI#3 through field verification carried out by TPGVA (para 22)	All SPMUs	Immediate / Continuous
7.	Identify non-performing departments under DLI#3 holding on the allocated incentive amount and plan for utilization by other departments. (para 10(a))	All SPMUs	December 31, 2023
8.	Expedite commissioning of DWLRs (para 10 (b))	SPMUs- Gujarat, Haryana, Maharashtra, and Rajasthan	December 31, 2023
9.	Expedite procurement of WFM (para 10 (b))	SPMUs- Karnataka, Maharashtra, and Rajasthan	December 31, 2023
10.	Expedite commissioning of Piezometer construction (para 10 (b))	SPMU Haryana	November 30, 2023
11.	Resolution of issues pertaining to payments to DIPs (para 33)	SPMU Rajasthan	November 30, 2023
Fiduciary			
12.	Share with the Bank the audited Program Financial Statements for FY2022/23 (para 25)	NPMU	December 31, 2023
13.	Share with the Bank the internal audit reports for the first half of FY2023/24 (para 25)	NPMU	December 31, 2023
14.	Discuss the issues in PFMS with the office of the CGA (para 26)	NPMU	November 15, 2023
15.	Submit satisfactory responses on the internal audit observations, including for previous reports (para 25)	NPMU & All SPMUs	November 30, 2023 (or prior to next audit)
16.	NPMU to consolidate the systemic and recurring issues reported in internal audit and share with all the SPMUs through fiduciary workshops and guidance note for strengthening their systems and call for a response on the actions taken (para 25)	NPMU & All SPMUs	December 31, 2023
17.	Complete the Program MIS in respect of financial and procurement/contract award information, including for line departments, at least till September 30, 2023 (para 27)	All SPMUs	November 30, 2023
18.	Line departments engaged in procurement under ABHY need to identify procurement point person who receives training /guidance from SPMU/NPMU (para 29)	All SPMUs	December 15, 2023
Capacity Building			
19.	Record of unique trainees to be maintained in the MIS by SPMUs (para 19 (iv))	All SPMUs	November 30, 2023
20.	NPMU to track impact of trainings including participant feedback (para 19 (iv))	NPMU/ SPMUs	All Continuous
Social and Environment Management			
21.	Provide follow up plan on Gender Review Study, Social Audit pilot (para 33)	NPMU	November 30, 2023
22.	SPMU ensures timely payments to DIPs and their staff, including Community Organizers (para 33)	All SPMUs	Immediate
23.	Prepare Cumulative Impact Assessment (CIA) reports for period ending Sep 23 (para 31)	All SPMUs	November 30, 2023