

## India : Punjab Municipal Services Improvement Project

### 1. Project Information

Project ID:	P000448	Instrument ID:	L0448A
Member:	India	Region:	Southern Asia
Sector:	Urban	Sub-sector:	Urban public services
Instrument type:	<input checked="" type="checkbox"/> Loan:105.00 USD million <input type="checkbox"/> Guarantee	Co-financier(s):	International Bank for Reconstruction and Development
ES category:	B	Borrower:	Republic of India
Implementing Entity:	Punjab Municipal Infrastructure Development Company		
Project Team Leader:	Ankur Agrawal		
Project Team Members:	Shodi Nazarov, OSD - Financial Management Specialist; Georgi Georgiev Dzhartov, OSD - Social Development Specialist; Amy Chua Fang Lim, OSD - Environment Specialist; Benedetta Magnaghi, OSD - Procurement Specialist;		
Completed Site Visits by AIIB:			
Planned Site Visits by AIIB:	Feb, 2022 World Bank (lead co-financier) and AIIB will plan physical/virtual implementation support mission in February, 2022.		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:			
Previous Red Flags Assigned Date:			

### 2. Project Summary and Objectives

**Project Objective:** To support strengthening of urban governance, finances, and delivery of sustainable water services in Amritsar and Ludhiana.

**Project Summary:** The project will establish the foundations for more effective and responsive urban services in Amritsar and Ludhiana by strengthening local service delivery systems and creating performance incentives for the two Municipal Corporations (MCs). The project will: (i) invest in bulk water infrastructure; (ii) establish new institutional models for Water Supply and Sanitation (WSS) service delivery; (iii) introduce private sector participation in WSS; and (iv) strengthen financial sustainability and customer orientation in WSS delivery.

The project has four components: Component 1 will support strengthening urban service delivery systems by providing financing to support Amritsar's and Ludhiana's transition into more financially sustainable and administratively efficient MCs and establishing and operationalizing WSS utilities in the two cities; Component 2 will finance water supply infrastructure - raw water intake structures, water treatment plants (WTP, 440 Million Liters per Day (MLD) in Amritsar and 580 MLD in Ludhiana), clear water pumping systems, transmission lines and overhead storage reservoirs (OHSRs) in both cities; Component 3 will finance short- to medium-term non-medical interventions to address the COVID-19 crisis; and Component 4 will support various project management activities.

The project will be implemented from April 2021 to March 2026.

The total project cost is USD 300 million which shall be financed by the World Bank and AIIB to the extent of USD 105 million each while the balance USD 90 million shall be provided by the Government of Punjab.

**3. Key Dates**

Approval:	Apr. 27, 2021	Signing:	Oct. 12, 2021
Effective:	Dec. 15, 2021	Restructured (if any):	
Orig. Closing:	Sep. 30, 2026	Rev. Closing (if any):	

**4. Disbursement Summary (USD million)**

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	0.26	Most recent disbursement (amount/date):	0.26/Dec. 15, 2021
Undisbursed:	104.74	Disbursement Ratio (%) <sup>1</sup> :	0.00

**5. Project Implementation Update**

The Design-Build-Operate (DBO) contract for bulk water supply infrastructure in Amritsar was signed on April 29, 2021, and the design surveys are currently underway. The DBO contract for Ludhiana is in the process of tendering and is expected to be launched in Q3FY2022 as the state is in the process of State Legislative Assembly Elections. The Project Operational Manual has been prepared.

Components	Physical Progress	Environmental & Social Compliance	Procurement	Financial Management
Component 1: Strengthening urban service delivery systems	NA	NA	WSS Utility for both MCs is expected in Q1FY22; consulting firm to support AMC and LMC is expected to be onboarded by Q2FY22	Project has achieved effectiveness conditions recently. PMIDC will submit consolidated Interim Unaudited Financial Reports (IUFRs) quarterly. The audited Project Financial Statements will be submitted within nine months from the end of the financial year.
Component 2: Improving water supply infrastructure	DBO contract for bulk water supply infrastructure in Amritsar was signed on April 29,	E&S Consultants are already onboard for Amritsar project, while for Ludhiana	DBO contract for Amritsar has been signed on April 29, 2021.	

<sup>1</sup> Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

	2021, and the design surveys are currently underway. The DBO contract for Ludhiana is in the process of tendering and is expected to be launched in Q3FY2022.	it is expected in due course.		
Component 3: COVID-19 crisis response	Grants under this component are expected in FY2022.	NA	Grants under this component are expected by FY2022.	
Component 4: Project management	NA	NA	Consultants for project management are being hired.	

#### 6. Status of the Grievance Redress Mechanism (GRM)

Project Implementing Agencies (Punjab Municipal Infrastructure Development Company (PMIDC), Amritsar Municipal Corporation (AMC), and Ludhiana Municipal Corporation (LMC) have existing grievance redressal mechanism; project specific detailed GRM shall be in place in due course.

#### 7. Results Monitoring

Results Monitoring shall be done in due course.

##### Project Objective Indicators #1

People provided with access to safely managed water supply

Year	Target	Actual	Comments, if any
Aug. 19, 2021	0	0	
Oct. 02, 2022	0	NA	
Oct. 02, 2023	0	NA	
Oct. 02, 2024	0	NA	
Oct. 02, 2025	3	NA	
Oct. 02, 2026	3	NA	

##### Project Objective Indicators #2

Improved AMC operational efficiency as measured by enhancement in e-governance (Yes/No)

Year	Target	Actual	Comments, if any
Aug. 18, 2021	No	No	
Aug. 18, 2021	No	No	
Oct. 01, 2022	No	NA	

Oct. 01, 2022	No	NA	
Oct. 01, 2023	No	NA	
Oct. 01, 2023	No	NA	
Oct. 01, 2024	Yes	NA	
Oct. 01, 2024	Yes	NA	
Oct. 01, 2025	Yes	NA	
Oct. 01, 2025	Yes	NA	
Oct. 01, 2026	Yes	NA	
Oct. 01, 2026	Yes	NA	

**Project Objective Indicators #3**

Improved LMC operational efficiency as measured by enhancement in e-governance (Yes/No)

Year	Target	Actual	Comments, if any
Aug. 18, 2021	No	No	
Aug. 18, 2021	No	No	
Oct. 01, 2022	No	NA	
Oct. 01, 2022	No	NA	
Oct. 01, 2023	No	NA	
Oct. 01, 2023	No	NA	
Oct. 01, 2024	Yes	NA	
Oct. 01, 2024	Yes	NA	
Oct. 01, 2025	Yes	NA	
Oct. 01, 2025	Yes	NA	
Oct. 01, 2026	Yes	NA	
Oct. 01, 2026	Yes	NA	

**Project Objective Indicators #4**

Water utility established in Amritsar

Year	Target	Actual	Comments, if any
Aug. 18, 2021	No	No	
Aug. 18, 2021	No	No	
Oct. 01, 2022	Establishment of autonomous utility	NA	
Oct. 01, 2022	Establishment of autonomous utility	NA	
Oct. 01, 2023	Core staff positions in the company filled with full time staff with minimum tenure	NA	
Oct. 01, 2023	Core staff positions in the company filled with full time staff with minimum	NA	

	tenure		
Oct. 01, 2024	Transfer of all material assets and contracts from the MC to the utility on sale or lease	NA	
Oct. 01, 2024	Transfer of all material assets and contracts from the MC to the utility on sale or lease	NA	
Oct. 01, 2025	Yes	NA	
Oct. 01, 2025	Yes	NA	
Oct. 01, 2026	Utility established and operational	NA	
Oct. 01, 2026	Utility established and operational	NA	

**Project Objective Indicators #5**

Water utility established in Ludhiana

Year	Target	Actual	Comments, if any
Aug. 18, 2021	No	No	
Aug. 18, 2021	No	No	
Oct. 01, 2022	Establishment of autonomous utility	NA	
Oct. 01, 2022	Establishment of autonomous utility	NA	
Oct. 01, 2023	Core staff positions in the company filled with full time staff with minimum tenure	NA	
Oct. 01, 2023	Core staff positions in the company filled with full time staff with minimum tenure	NA	
Oct. 01, 2024	Transfer of all material assets and contracts from the MC to the utility on sale or lease	NA	
Oct. 01, 2024	Transfer of all material assets and contracts from the MC to the utility on sale or lease	NA	
Oct. 01, 2025	Yes	NA	
Oct. 01, 2025	Yes	NA	
Oct. 01, 2026	Utility established and operational	NA	
Oct. 01, 2026	Utility established and operational	NA	

**Intermediate Result Indicators #1**

Share of professional MC staff receiving training in technical and professional development disaggregated by gender

Year	Target	Actual	Comments, if any
Aug. 18, 2021	0	0	
Oct. 01, 2022	20	NA	
Oct. 01, 2023	20	NA	
Oct. 01, 2024	30	NA	
Oct. 01, 2025	40	NA	
Oct. 01, 2026	50	NA	

**Intermediate Result Indicators #2**

Percentage of Board Directors in Amritsar water utility who are female

Year	Target	Actual	Comments, if any
Aug. 18, 2021	0	0	
Oct. 01, 2022	0	NA	
Oct. 01, 2023	0	NA	
Oct. 01, 2024	0	NA	
Oct. 01, 2025	0	NA	
Oct. 01, 2026	30	NA	

**Intermediate Result Indicators #3**

Percentage of Board Directors in Ludhiana water utility who are female

Year	Target	Actual	Comments, if any
Aug. 18, 2021	0	0	
Oct. 01, 2022	0	NA	
Oct. 01, 2023	0	NA	
Oct. 01, 2024	0	NA	
Oct. 01, 2025	0	NA	
Oct. 01, 2026	30	NA	

**Intermediate Result Indicators #4**

Number of water treatment plants built and operational

Year	Target	Actual	Comments, if any
Aug. 18, 2021	0	0	
Oct. 01, 2022	0	NA	
Oct. 01, 2023	0	NA	

Oct. 01, 2024	2	NA	
Oct. 01, 2025	2	NA	
Oct. 01, 2026	2	NA	

**Intermediate Result Indicators #5**

Number of storage facilities built/rehabilitated in Amritsar

Year	Target	Actual	Comments, if any
Aug. 17, 2021	0	0	
Sep. 30, 2022	10	NA	
Sep. 30, 2023	20	NA	
Sep. 30, 2024	40	NA	
Sep. 30, 2025	60	NA	
Sep. 30, 2026	90	NA	

**Intermediate Result Indicators #6**

Number of storage facilities built/rehabilitated in Ludhiana

Year	Target	Actual	Comments, if any
Sep. 30, 2022	40	NA	
Sep. 30, 2023	50	NA	
Sep. 30, 2024	70	NA	
Sep. 30, 2025	90	NA	
Sep. 30, 2026	110	NA	

**Intermediate Result Indicators #7**

Reduced energy consumption of the operated water supply system in Amritsar (as a result of rehabilitation) (Megawatt hour)

Year	Target	Actual	Comments, if any
Sep. 30, 2022	0.03	NA	
Sep. 30, 2023	0.03	NA	
Sep. 30, 2024	0.02	NA	
Sep. 30, 2025	0.02	NA	
Sep. 30, 2026	0.02	NA	

**Intermediate Result Indicators #8**

Reduced energy consumption of the operated water supply system in Ludhiana (as a result of rehabilitation)

Year	Target	Actual	Comments, if any
Sep. 30, 2022	0.08	NA	
Sep. 30, 2023	0.08	NA	

Sep. 30, 2024	0.03	NA	
Sep. 30, 2025	0.03	NA	
Sep. 30, 2026	0.03	NA	

**Intermediate Result Indicators #9**

Number of MC receiving support under Component 3

Year	Target	Actual	Comments, if any
Aug. 17, 2021	0	0	
Sep. 30, 2022	5	NA	
Sep. 30, 2023	12	NA	
Sep. 30, 2024	12	NA	
Sep. 30, 2025	12	NA	
Sep. 30, 2026	12	NA	

**Remarks:**