

## India : Kerala Solid Waste Management Project

### 1. Project Information

Project ID:	P000453	Instrument ID:	L0453A
Member:	India	Region:	Southern Asia
Sector:	Urban	Sub-sector:	Integrated waste management
Instrument type:	<input checked="" type="checkbox"/> Loan:105.00 US Dollar million <input type="checkbox"/> Guarantee	Lead Co-financier (s):	World Bank
ES category:	A	Borrowing Entity:	Ministry of Finance, India
Implementing Entity:			
Project Team Leader:	Ankur Agrawal		
Responsible DG:	Rajat Misra		
Responsible Department:	INF1		
Project Team Members:	Christopher Damandl, Project Counsel; Aditi Khosla, Alternate Counsel; Shodi Nazarov, OSD - Financial Management Specialist; Susrutha Goonasekera, OSD - Social Development Specialist; Xinchen Zhang, OSD - Environment Specialist; Guoping Yu, OSD - Procurement Specialist; Ankur Agrawal, Back-up PTL; Jinghui Li, Project admin		
Completed Site Visits by AIIB:	Mar, 2022 World Bank and AIIB conducted a virtual implementation support mission in March 2022. Further, World Bank conducted a physical Technical Mission in June 2022. Nov, 2022 World Bank and AIIB conducted an implementation support mission in November 2022. Further, World Bank conducted a technical visit in February 2023.		
Planned Site Visits by AIIB:	May, 2023 AIIB and World Bank plan a site visit in May 2023.		
Current Red Flags Assigned:	1		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2022/09		

### 2. Project Summary and Objectives

The project's objective is to strengthen the institutional and service delivery systems for Solid Waste Management (SWM) in Kerala.

The project will support the government to improve the SWM situation in Kerala by providing SWM infrastructure investments at both regional and municipal-levels. The project will support all 93 Urban Local Bodies (ULBs) across 14 districts in Kerala in improving access to efficient and reliable delivery of SWM services to their populations.

The total project cost is USD300 million financed by AIIB and World Bank to the extent of USD105 million each and

the balance USD90 million is counterpart funds by the Government of Kerala (GoK). The project includes the following components:

Component A (USD110 million): Development of Regional SWM Facilities which will support construction, rehabilitation, closure and remediation of SWM facilities servicing a cluster of local bodies;

Component B (USD150 million): Improvement of SWM Infrastructure in Participating ULBs will improve local-level SWM service delivery systems by providing funds to the participating ULBs; and

Component C (USD40 million): Institutional Development, Capacity Building and Project Management Support which will provide technical assistance and capacity building at state and local levels.

The project's implementation period is from June 2021 to June 2027.

### 3. Key Dates

Approval:	Mar. 25, 2021	Signing:	Jan. 21, 2022
Effective:	Mar. 29, 2022	Restructured (if any):	
Orig. Closing:	Dec. 31, 2027	Rev. Closing (if any):	

### 4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	1.96	Most recent disbursement (amount/date):	1.67/Jul. 15, 2022
Undisbursed:	103.04	Disbursement Ratio (%) <sup>1</sup> :	1.87

### 5. Project Implementation Update

Hiring of the Consulting firm for taking up feasibility studies under component A is progressing and is expected to be completed by May 2023. Under Component B, major activities for preparation of sub-projects in 90 ULBs such as District Planning Committee (DPC) approval as part of the Annual Development Plan (ADP) has been completed in the last six months. Project proposals aggregating to USD8 million have been prepared. The State Project Management Unit (SPMU) and the 14 District-level Project Management Units (DPMUs) are almost fully staffed with 15 and 70 staff positions respectively.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Development of Regional SWM Facilities	Preliminary screening of the existing dumpsites has been completed. Detailed technical investigations are expected to be conducted in Q3/Q4 2023.	Substantial progress has been made on the mobilization of social staff; completing the screening for sub-projects and for the selected dumpsites; and stakeholder consultations. Good progress has been made on appointing Environmental safeguards	The bidding process has been launched for hiring a firm to conduct feasibility studies for developing regional SWM facilities. RfP has been issued to the shortlisted firms and the contract is expected to be

<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.

		experts/engineers at DPMUs and at SPMUs. Reviewing the baseline environmental status for all existing SWM facilities in 93 ULBs has been completed.	signed in May 2023.
Improvement of SWM Infrastructure in Participating ULBs	90 ULBs have obtained District Planning Committee (DPC) approvals as part of the Annual Development Plan (ADP) process and investment proposals have been prepared for about USD8 million.	Same as above.	Procurement of goods and works for the sub-projects are expected to be tendered in Q4FY2023.
Institutional Development, Capacity Building and Project Management Support	About 85 positions in SPMU and DPMU have been staffed and are supporting the project implementation. SPMU and DPMU will be supported by the Technical Support Consultants (TSCs).	Training curriculum on environmental management has been developed.	By the end of December 2022, 10 consulting services contracts have been awarded, including all the four Technical Support Consultants (TSCs) to support the district level implementing units (DPMU).

#### Financial Management:

The budget provision of USD13 million for FY 2022-23 (initially for Component B only) has now been re-appropriated to all the components under the project. A new FM expert was deputed to the SPMU from the state finance department on November 1, 2022. Kerala State Audit Department (KSAD) has completed all ULB audits up to FY 2020-21. The IUFR for 1st half of the fiscal year 2022/23 (April 1 to September 30, 2022) was submitted to the WB and accepted by the WB. The copy of the report was shared with AIIB. The first project audit will be for the period from the loan signature date to March 31, 2023, and it will be due by September 30, 2023. Under the current financial arrangements of the project, the joint AIIB/World Bank co-financing funds of US\$300 million cannot be utilized to fund costs related to land acquisition/resettlement. Any land acquisition costs would need to be paid by GoK, in addition to the state share of US\$90 million.

SPMU has agreed to follow up on the following priority activities: (i) maintain adequacy and continuity of FM staffing at SPMU; (ii) utilization of the initial advance received from the WB and the AIIB based on the six-months' cash forecast; (iii) follow up on the adequacy of ULB staffing arrangements; (iv) continuous follow-up on the completion of the FY 2021-22 ULB audits by KSAD; (v) manage the first external audit of the project (for FY 2022-23) and submit the audit report on time; and (vi) obtain the relevant component wise budget provisions for FY 2023-24 from GoK. The implementation of these actions will be assessed during the upcoming mission in May 2023.

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

The Grievance Redress Mechanism has been established and requires a clear workflow for registration, action taken report, and closure of complaints after receiving feedback from the complainant, including the institutional mechanism with the escalation matrix.

**7. Results Monitoring (please refer to the full RMF, which can be found on the last page of this PIMR)**

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Results shall be monitored in due course.

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**Remarks:**

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Project Objective Indicators	Indicator level	Unit of Measure	Cumulative Target Values																		Frequency	Responsibility	Comments	
			Baseline		2021		2022		2023		2024		2025		2026		2027		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual
Number of people with access to improved solid waste management services	Project	Number (Thousand)	2021	0	0	0	500	0	1000		2000		3000		4000		6000			6000				
Solid waste disposed safely in engineered landfills	Project	Metric tons/year (cumulative)	2021	0	0	0	-	0	-		30000		90000		120000		146000			146000				
Number of ULBs that accessed incentive grants for improving SWM services	Project	Number	2021	0	0	0	-	0	-		30		60		60		60			60				

Project Intermediate Indicators	Indicator level	Unit of Measure	Cumulative Target Values																		Frequency	Responsibility	Comments	
			Baseline		2021		2022		2023		2024		2025		2026		2027		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual
Number of dumpsites closed	Project	Number	2021	0	0	0	0	0	0		0		1		2		3			3				
Number of landfills constructed and operational	Project	Number	2021	0	0	0	0	0	0		1		2		3		3			3				
Number of inter-municipal coordination arrangements in place for regional disposal systems	Project	Number	2021	0	0	0	1	0	2		3		3		3		3			3				
Household coverage of door to door segregated	Project	Percentage	2021	0	0	0	10	0	15		20		30		50		70			70				

