

## 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 US Dollar million <input type="checkbox"/> Guarantee	Co-financier(s):	World Bank
ES category:	B	Borrowing Entity:	Ministry of Finance, India
Implementing Entity:	Punjab Municipal Infrastructure Development Company		
Project Team Leader:	Ankur Agrawal		
Responsible DG:	Rajat Misra		
Responsible Department:	INF1		
Project Team Members:	Rizal Rivai, OSD - Procurement Specialist; Shodi Nazarov, OSD - Financial Management Specialist; Georgi Georgiev Dzhartov, OSD - Social Development Specialist; Amy Chua Fang Lim, OSD - Environment Specialist; Ankur Agrawal, Back-up PTL; Jinghui Li, Project admin;		
Completed Site Visits by AIIB:			
Planned Site Visits by AIIB:	Aug, 2022 World Bank (lead co-financier) and AIIB have planned physical implementation support mission in August, 2022.		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2021/12		

### 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> :	0.25

### 5. Project Implementation Update

The Design-Build-Operate (DBO) contract for bulk water supply infrastructure in Amritsar was signed on April 29, 2021. The contractor is currently undertaking design surveys to prepare a detailed design.

The tender documents for the DBO contract for Ludhiana have been approved by the lenders and the tender is expected to be launched soon.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Strengthening urban service delivery systems	Both corporate WSS utilities are expected to be operation by Q4FY22.	NA	Both corporate WSS utilities are expected to be operation by Q4FY22. The recruitment of Consulting firm to support AMC and LMC was being processed.
Component 2: Improving water supply infrastructure	The Design-Build-Operate (DBO) contract for bulk water supply infrastructure in Amritsar was signed on April 29, 2021. The contractor is currently undertaking design	E&S Consultants are already onboard for Amritsar project, while for Ludhiana it is expected in due course.	The tender documents for the DBO contract for Ludhiana have been approved by the lenders and the tender is expected to be launched soon.

<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.

	surveys to prepare a detailed design.  The tender documents for the DBO contract for Ludhiana have been approved by the lenders and the tender is expected to be launched soon.		
Component 3: COVID-19 crisis response	Grants under this component are expected in FY2023.	NA	-
Component 4: Project management	NA	NA	Consultants for project management are being hired.

**Financial Management:**

The first disbursement under the project (aside from the front end fee) has not happened yet and is expected in the next two quarters. PMIDC will submit consolidated Interim Unaudited Financial Reports (IUFs) quarterly. The audited Project Financial Statements will be submitted within nine months from the end of the financial year.

**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 redress mechanism. The Project-specific GRM is being set-up. Due to the overall slow progress, this is not posing substantial social risk.

**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	NA	

	with minimum 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	NA	

	and operational		
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**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:**

Note: Per the Bank's Policy on Public Information, following Sections will be removed from the PIMR before the PIMR is disclosed on Bank's website.