



Project Summary Information

Date of Document Preparation/Updating: 10/20/26	
Project Name	Punjab Municipal Services Improvement Project
Project Number	P000448
AIIB member	India
Sector/Subsector	Urban
Alignment with AIIB's thematic priorities	Green infrastructure
Status of Financing	Approved
Objective	To support strengthening of urban governance, finances, and delivery of sustainable water services in Amritsar and Ludhiana.
Project Description	The project will have the following four components: (i) Component 1: STRENGTHENING URBAN SERVICE DELIVERY SYSTEMS - This component will finance Technical Assistance, training, equipment and studies to support Amritsar's and Ludhiana's transition into more financially sustainable, administratively efficient, focused on gender and workplace diversity, technically capable and institutionally accountable municipal corporations. It will also support establishing and operationalizing water utilities in the two cities. (ii) Component 2: IMPROVING WATER SUPPLY INFRASTRUCTURE - This component will support the urgent need to shift from contaminated and depleting groundwater sources to reliable surface water supply in both cities. It will finance construction of raw water intake systems, water treatment plants (440 MLD in Amritsar and 580 MLD in Ludhiana), clear water pumping systems, transmission lines and overhead storage reservoirs in both cities. (iii) Component 3: COVID-19 CRISIS RESPONSE - This component will finance short- to medium-term non-medical

	interventions to address the COVID-19 crisis, among them, upgrading or rehabilitating vital health/community infrastructure or amenities, provision and/or coordination of local services — both infrastructure and social services — that cater to COVID-19 response especially targeting poor and vulnerable households and communities, strengthening local-level disaster response systems and developing disaster response plans, communication campaigns and awareness building programs, and capacity building of local public officials and civic entities. (iv) Component 4: PROJECT MANAGEMENT - This component will support various project management activities, including but not limited to: Incremental operating costs of the Project Management Unit (PMU) and Project Implementation Units (PIUs) in the two municipal corporations; Social and environmental safeguards management and fiduciary management in the two cities; Monitoring and evaluation activities; and Technical and other studies.
Expected Results	The Expected Results are summarized with below-listed Project Objective indicators: (i) Provide 3 million people in Amritsar and Ludhiana with access to safely managed water supply; (ii) Improve operational efficiency of both municipal corporations through enhanced e-governance; (iii) Establish and operationalize water utilities in Amritsar and Ludhiana.
Environmental and Social Category	A
Environmental and Social Information	Applicable Policy and Categorization. The loan is co-financed with the World Bank (WB) as lead co-financier, and the project's environmental and social (E&S) risks and impacts have been assessed in accordance with the WB's Environmental and Social Framework (ESF). To ensure a harmonized approach to addressing the E&S risks and impacts of the Project, and as permitted under AIIB's Environmental and Social Policy (ESP), the WB's ESF will apply to the Project in lieu of AIIB's ESP. AIIB has reviewed the WB's ESF and is satisfied that: (i) it is consistent with the Bank's Articles of Agreement and materially consistent with AIIB's ESP, including the Environmental and Social Exclusion List and relevant Environmental and Social Standards; and (ii) the monitoring procedures that are in place are appropriate for the Project. The WB has categorized this Project as 'High Risk'. This categorization is equivalent to Category A if AIIB's ESP were to be applied. Environmental and Social Instruments. At the time of approval, the specific sites, scale and design of the Water Treatment Plants (WTPs) and Over Head Service Reservoirs (OHSRs) were not fully known. Hence, an Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF) were prepared in accordance with WB's ESF. Site-specific Environmental and Social Impact Assessments (ESIA), Environmental and Social Management Plans (ESMPs) were subsequently prepared, and site-specific Resettlement Action Plans (RAPs) will be prepared in accordance with the RPF. Any associated facilities that will be identified and meet the requirements of WB's ESSs will adhere to the E&S risk identification and mitigation process spelled out in the project's ESMF and RPF, and AIIB will rely on WB's assessment

on the ESSs on Associated Facilities. The ESMF, ESIA-ESMPs, and the RPF (in English and their Executive Summaries in the local language) have been disclosed on the websites of the Borrower¹, the WB2 and AIIB.

Environmental Aspects. The environmental risks and impacts of the Project are related to: (i) construction of water intakes from canals; (ii) construction of water treatment plants; (iii) laying of clean water transmission lines between WTPs and OHSRs; (iv) construction of OHSRs and repairs of existing OHSRs; (v) disposal of sludge from the WTPs during operation phase; (vi) emission of dust, noise, generation of debris and other waste streams during construction; and (vii) health and safety of workers and traffic disruption during construction of WTPs and OHSRs. Under component 3 for COVID-19 Crisis Response, it will not involve any new infrastructure. Sludge generated after water treatment is safe and can be used as fertilizer after appropriate laboratory tests. Sludge that is not suitable for use will be disposed of following guidelines for safe disposal. These risks will be mitigated through the preparation and implementation of site-specific ESAs and ESMPs once the detailed designs of the subprojects are finalized.

Social and Gender Aspects. The likely social risks and impacts of the Project include: (i) permanent and temporary land acquisition and related livelihood impacts to both title and nontitle holders; (ii) impacts due to labor influx and migrant laborers, including Gender-Based Violence (GBV) and Sexual Exploitation and Abuse (SEA); (iii) exclusion of vulnerable communities from project benefits and limitations in meaningful engagement with communities that may be related to COVID-19 restrictions. These risks will be mitigated in accordance with the provisions of the ESMPs, RAPs, and Sexual Exploitation and Abuse/ Sexual Harassment (SEA/SH) Action Plan.

Occupational Health and Safety (OHS), Labor and Working Conditions (LWC) and Stakeholder Engagement. The ESMP will be used to ensure that all required mitigation and management measures related to OHS and LWC falling under contractors and their subcontractors' responsibilities are appropriately included in bid and contract documents. ESMPs for each subproject under component 2 will be prepared by Project Implementation Units (PIUs) and be shared with WB and AIIB. In addition, the Stakeholder Engagement Plan (SEP) identifies relevant stakeholders, including vulnerable groups, and strategies to engage with them in the context of COVID-19.

Project Grievance Redress Mechanism (GRM) and Monitoring Arrangements. A multi-tier GRM for project-affected people (PAP) has been designed and established. An additional mechanism to address grievances related to workplace concerns has also been established. Each city will have a dedicated Grievance Redress Committee (GRC) which will include civil society and PAPs representatives, along with a community leader. Communities and individuals who believe that they are adversely affected by the project will be able to submit their concerns and/or complaints to the GRCs as the project level

¹ <https://pmidc.punjab.gov.in/projects/world-bank/>

² <https://projects.worldbank.org/en/projects-operations/document-detail/P170811>

	GRMs for their resolution. The E&S Management Unit established in the Project Management Unit will oversee the implementation of E&S plans and instruments. As a category A project, E&S performance will be monitored through regular supervision and reporting arrangements agreed with the WB and AIIB, and semi-annual monitoring reports will be prepared based on agreed format and shared by the PMU with WB and AIIB. Additionally, AIIB together with WB will conduct site visits to selected subprojects to monitor implementation of E&S instruments during project implementation.			
Cost and Financing Plan	Total cost is estimated at USD285.71 million. WB and AIIB will each co-finance USD100 million and the Government of Punjab will cover the rest.			
Borrower/Investee Company/Counter party/Guaranteed entity	Republic of India			
Guarantor				
Implementing Entity/Sponsor	Punjab Municipal Infrastructure Development Company			
Estimated date of loan closing (SBF)/Estimated date of last disbursement (NSBF)/ Estimated Date of first disbursement (Fund)	June 30, 2027			
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Date of Concept Decision	09/29/20
Date of Appraisal Decision	02/05/21
Date of Financing Approval	04/27/21

Independent Accountability Mechanism	The Bank has agreed that WB's ESF will apply to this Project. Pursuant to the agreement with the WB, WB's Grievance Redress Service (GRS) will review all requests regarding ES issues that may arise under the Project. Project affected communities and individuals may also submit their complaints to the WB's Independent Accountability Mechanism (IAM), which will handle submissions relating to E&S issues under the Project. Consequently, in accordance with the Bank's Policy on Project-affected People's Mechanism (PPM), submissions to the PPM under this Project will not be eligible for consideration by the PPM.
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