



Project Summary Information

Date of Document Preparation: February 4, 2021	
Project Name	Punjab Municipal Services Improvement Project
Document Code	PD000448-PSI-IND
Country	Republic of India
Sector/Subsector	Urban/Urban Infrastructure
Status of Financing	Under Preparation
Project Description	<p>This project will be co-financed with the World Bank (WB) and comprises the following four components:</p> <p>(i) Strengthening urban service delivery systems. This component will include 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;</p> <p>(ii) Improving water supply infrastructure. The component will finance water supply infrastructure - raw water intake structures, water treatment plants (WTP, 440 MLD in Amritsar and 580 MLD in Ludhiana), clear water pumping systems, transmission lines and overhead storage reservoirs (OHSRs) in both cities;</p> <p>(iii) COVID-19 crisis response. This component will provide funds to the PMIDC, which will be rolled out as block grants to the thirteen MCs based on objective criteria, to finance short- to medium-term non-medical interventions to address the COVID-19 crisis; and</p> <p>(iv) Project management. This component will support various project management activities, including but not limited to: incremental operating costs, social and environmental safeguards management and fiduciary management, monitoring and evaluation activities, and technical and other studies.</p>
Objective	The Project Objectives are to support strengthening of urban governance, finances, and delivery of sustainable water services in Amritsar and Ludhiana
Expected Results	<p>The expected results are:</p> <ul style="list-style-type: none"> (i) People provided with access to safely managed water supply; (ii) Improved operational efficiency in AMC and LMC; and (iii) Water utilities established in AMC and LMC

Environmental and Social Category	World Bank Category “High Risk” (equivalent to AIIB’s Category A if the ESP were applicable).
Environmental and Social Information	<p>The loan will be co-financed with the WB as lead co-financier, and the project's environmental and social (E&S) risks and impacts are being 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.</p> <p>Under the WB’s ESF, the Project has been assigned “High Risk”.</p> <p>As specific sites, scale, and designs of the two WTPs and several OHSRs are not fully known at this stage, an Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF) have been prepared in accordance with WB’s ESF. The ESMF and RPF (in English and their Executive Summaries in local language, Gurmukhi) have been disclosed on the websites of the Borrower (http://mcludhiana.gov.in/IMPUpd.aspx and https://pmidc.punjab.gov.in/projects/world-bank/) and World Bank (https://projects.worldbank.org/en/projects-operations/document-detail/P170811) and links will be provided on AIIB’s project website. Based on the RPF, site-specific Resettlement Action Plans (RAPs) will be prepared once the detailed designs of the subprojects are available.</p> <p>The environmental risk of the project is classified as “substantial” because of the risks and impacts 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; and (iv) construction of OHSRs and repairs of existing OHSRs (v) disposal of sludge from the WTPs during operation phase; (vi) emission of dust, noise, debris, waste products 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 and it will finance short to medium term priorities from a positive list of eligible expenditures that will be covered in the Project Operation Manual (POM). The environmental risks and impacts will be mitigated through the preparation of the Environmental and Social Impact Assessments (ESIAs) and ESMPs once the detailed designs of the subprojects are available.</p> <p>The social risks and impacts likely to arise 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</p>

	<p>and lack of meaningful engagement with communities, particularly vulnerable groups, that may be related to COVID-19 restrictions. These risks will be mitigated in accordance with the provisions of the ESMPs, RAPs and SEA Action plan.</p> <p>The Stakeholder Engagement Plan (SEP) identifies relevant stakeholders, including vulnerable groups, and strategies to engage with them in the context of COVID-19 will be implemented. Two rounds of consultations took place in the periods of August-October 2019 and January-February 2020.</p> <p>A multi-tier Grievance Redress Mechanism (GRM) for project-affected people (PAP) has been designed. An additional mechanism will be put in place to address grievances related to workplace concerns, raised by contracted workers.</p>		
Cost and Financing Plan	<p>Total project cost: USD300.0 million</p> <p>Financing Plan:</p> <ul style="list-style-type: none"> - AIIB loan: USD105.0 million - World Bank loan (IBRD): USD105.0 million - Government of Punjab: USD90.0 million 		
Borrower	Republic of India		
Project Implementation Entity	Punjab Municipal Infrastructure Development Company (PMIDC), Amritsar Municipal Corporation (AMC), and Ludhiana Municipal Corporation (LMC).		
Implementation Period	<p>Start Date: April, 2021</p> <p>End Date: March, 2026</p>		
Expected Loan Closing Date	September 30, 2026		
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Date of Concept Decision	September, 2020		
Date of Appraisal Decision	February, 2021		
Estimated Date of Financing Approval	March, 2021		

Independent Accountability Mechanism	Pursuant to AIIB's agreement with WB, the WB's Safeguards Policies will apply to this Project instead of AIIB's ESP. The WB's Corporate Grievance Redress Service (GRS) and its Independent Accountability Mechanism, the Inspection Panel, which reviews the WB's compliance with its policies and procedures, will handle complaints relating to ES issues that may arise under the Project. In accordance with AIIB's Policy on the Project affected People's Mechanism (PPM), submissions to the PPM under this project will not be eligible for consideration by the PPM. Information on WB's corporate GRS is available at http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service . Information on WB's Inspection Panel is available at http://www.inspectionpanel.org .
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