



## Concept Paper

---

Project Number: 55054-001  
August 2021

# Proposed Programmatic Approach and Policy-Based Loan for Subprogram 1 and Technical Assistance Grant

## India: Sustainable Urban Development and Service Delivery Program

This document is being disclosed to the public in accordance with ADB's Access to Information Policy.

Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 5 August 2021)

|               |   |                  |
|---------------|---|------------------|
| Currency unit | – | Indian rupee (₹) |
| ₹1.00         | = | \$0.013          |
| \$1.00        | = | ₹74.17           |

## ABBREVIATIONS

|          |   |   |
|----------|---|---|
| ADB      | – | Asian Development Bank                              |
| ARHC     | – | affordable rental housing complex                   |
| COVID-19 | – | coronavirus disease                                 |
| GDP      | – | gross domestic product                              |
| JJM-U    | – | <i>Jal Jeevan</i> Mission – Urban                   |
| MOHUA    | – | Ministry of Housing and Urban Affairs               |
| PBL      | – | policy-based loan                                   |
| PMAY     | – | <i>Pradhan Mantri Awas Yojana</i> (Housing for All) |
| PPP      | – | public–private partnership                          |
| TA       | – | technical assistance                                |
| ULB      | – | urban local body                                    |

## NOTES

- (i) The fiscal year (FY) of the Government of India and its agencies ends on 31 March. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2021 ended on 31 March 2021.
- (ii) In this report, "\$" refers to United States dollars.

|                                |  |
|--------------------------------|--|
| <b>Vice-President</b>          | Shixin Chen, Operations 1  |
| <b>Director General</b>        | Kenichi Yokoyama, South Asia Department (SARD)   |
| <b>Deputy Director General</b> | Manmohan Parkash, SARD   |
| <b>Director</b>                | Norio Saito, Urban Development and Water Division (SAUW),<br>SARD  |
| <b>Team leader</b>             | Sanjay Joshi, Principal Urban Development Specialist, SAUW,<br>SARD  |
| <b>Team members</b>            | Deepa Ahluwalia, Senior Social Development Officer (Gender),<br>India Resident Mission (INRM), SARD<br>Achyutha Rao Aleti, Environmental Specialist, SAUW, SARD<br>Mikael Andersson, Financial Management Specialist, Portfolio,<br>Results and Quality Control Unit, Office of the Director General,<br>SARD<br>Saswati Belliappa, Safeguards Specialist, SAUW, SARD<br>Jogendra Keshari Ghimire, Principal Counsel, Office of the General<br>Counsel<br>Navendu Karan, Principal Public Management Economist, Public<br>Management, Financial Sector, and Trade Division, SARD<br>Jude Kohlhase, Senior Urban Development Specialist, SAUW<br>SARD<br>Sourav Majumder, Senior Project Officer (Urban), INRM, SARD<br>Nilaya Mitash, Principal Operations Coordination Specialist<br>(Regional Cooperation), INRM, SARD<br>Santosh Pokharel, Urban Economist, SAUW, SARD<br>Hikaru Shoji, Senior Urban Development Specialist, SAUW, SARD<br>Regina Coeli Tan, Associate Info and Research Coordinator (PPP),<br>Information Resources and Services Unit, Corporate Services<br>Department<br>Maria Angelica I. Zosa, Senior Operations Assistant, SAUW, SARD |
| <b>Peer reviewer</b>           | Andrew John McIntyre, Unit Head, Project Administration, Urban<br>and Social Sectors Division, East Asia Department  |

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

## CONTENTS

|  | <b>Page</b> |
|--|-------------|
| PROGRAM AT A GLANCE  |             |
| I. THE PROPOSAL  | 1           |
| II. PROGRAM AND RATIONALE                                  | 1           |
| A. Background and Development Constraints                  | 1           |
| B. Policy Reform, ADB's Value Addition, and Sustainability | 3           |
| C. Expected Outcome of the Reform                          | 5           |
| D. Development Financing Needs and Budget Support          | 5           |
| E. Implementation Arrangements                             | 5           |
| III. TECHNICAL ASSISTANCE                                  | 5           |
| IV. DUE DILIGENCE REQUIRED                                 | 6           |
| V. PROCESSING PLAN   | 6           |
| A. Risk Categorization                                     | 6           |
| B. Resource Requirements                                   | 6           |
| C. Processing Schedule                                     | 6           |
| VI. KEY ISSUES   | 6           |
| APPENDIXES   |             |
| 1. Preliminary Policy Design and Monitoring Framework      | 7           |
| 2. Technical Assistance Facility Utilization Update        | 11          |
| 3. List of Linked Documents                                | 15          |

## PROGRAM AT A GLANCE

|   |   |  |                                       |
|---|---|--|---------------------------------------|
| <b>1. Basic Data</b>  |   | <b>Project Number: 55054-001</b>       |                                       |
| <b>Project Name</b>   | Sustainable Urban Development and Service Delivery Program (Subprogram 1)   | <b>Department/Division</b>             | SARD/SAUW                             |
| <b>Country</b>  | India   | <b>Executing Agency</b>                | Ministry of Housing and Urban Affairs |
| <b>Borrower</b>   | India   |  |                                       |
| <b>Country Economic Indicators</b>  | <a href="https://www.adb.org/Documents/LinkedDocs/?id=55054-001-CEI">https://www.adb.org/Documents/LinkedDocs/?id=55054-001-CEI</a>                     |  |                                       |
| <b>Portfolio at a Glance</b>  | <a href="https://www.adb.org/Documents/LinkedDocs/?id=55054-001-PortAtaGlance">https://www.adb.org/Documents/LinkedDocs/?id=55054-001-PortAtaGlance</a> |  |                                       |
| <b>2. Sector</b>  |   | <b>ADB Financing (\$ million)</b>      |                                       |
| ✓ <b>Water and other urban infrastructure and services</b>  | Urban policy, institutional and capacity development  |  | 350.00                                |
|   | <b>Total</b>  |  | <b>350.00</b>                         |
| <b>3. Operational Priorities</b>  |   | <b>Climate Change Information</b>      |                                       |
| ✓ Addressing remaining poverty and reducing inequalities  |   | GHG reductions (tons per annum)        | 0.000                                 |
| ✓ Accelerating progress in gender equality  |   | Climate Change impact on the Project   | Low                                   |
| ✓ Making cities more livable  |   |  |                                       |
| ✓ Strengthening governance and institutional capacity   |   |  |                                       |
|   |   | <b>ADB Financing</b>                   |                                       |
|   |   | Adaptation (\$ million)                | 0.00                                  |
|   |   | Mitigation (\$ million)                | 0.00                                  |
|   |   | <b>Cofinancing</b>                     |                                       |
|   |   | Adaptation (\$ million)                | 0.00                                  |
|   |   | Mitigation (\$ million)                | 0.00                                  |
| <b>Sustainable Development Goals</b>  |   | <b>Gender Equity and Mainstreaming</b> |                                       |
| SDG 5.c   |   | Some gender elements (SGE)             | ✓                                     |
| SDG 11.1, 11.3, 11.6  |   |  |                                       |
|   |   | <b>Poverty Targeting</b>               |                                       |
|   |   | General Intervention on Poverty        | ✓                                     |
| <b>4. Risk Categorization:</b>  | Complex   |  |                                       |
| <b>5. Safeguard Categorization</b>  | <b>Environment: B</b>   | <b>Involuntary Resettlement: C</b>     | <b>Indigenous Peoples: C</b>          |
| <b>6. Financing</b>   |   |  |                                       |
| <b>Modality and Sources</b>   |   | <b>Amount (\$ million)</b>             |                                       |
| <b>ADB</b>  |   | <b>350.00</b>                          |                                       |
| Sovereign Programmatic Approach Policy-Based Lending (Regular Loan):  |   | 350.00                                 |                                       |
| Ordinary capital resources  |   |  |                                       |
| <b>Cofinancing</b>  |   | <b>0.00</b>                            |                                       |
| None  |   | 0.00                                   |                                       |
| <b>Counterpart</b>  |   | <b>0.00</b>                            |                                       |
| None  |   | 0.00                                   |                                       |
| <b>Total</b>  |   | <b>350.00</b>                          |                                       |
| Note: An attached technical assistance will be financed on a grant basis by the Technical Assistance Special Fund (TASF-OTHERS) in the amount of \$1,500,000. |   |  |                                       |
| <b>Currency of ADB Financing: US Dollar</b>   |   |  |                                       |

## I. THE PROPOSAL

1. The proposed Sustainable Urban Development and Service Delivery Program aims to accelerate and implement a series of policy actions and urban reforms in India by mainstreaming performance-linked funding for urban service delivery. The policy support will help achieve universal and equitable access to urban services in accordance with Strategy 2030 of the Asian Development Bank (ADB) and four of its operational priorities: 1—addressing remaining poverty and reducing inequalities, 2—accelerating progress in gender equality, 4—making cities more livable, and 6—strengthening governance and institutional capacity.<sup>1</sup> The program is also aligned with ADB’s country partnership strategy for India, which envisages inclusive urbanization through policy advice and alignment with the government’s national programs.<sup>2</sup>

2. The Government of India requested financial support from ADB to advance the urban flagship programs and associated reforms supported by the Ministry of Housing and Urban Affairs (MOHUA). A policy-based loan (PBL) using a programmatic approach<sup>3</sup> with two subprograms (subprogram 1 for \$350 million, and subprogram 2 for \$350 million) is proposed to support policy actions in a sequential manner and to ensure that reforms are undertaken coherently at national and state levels respectively under the subprograms within the PBL period of 2021–2023. The modality is designed to drive the implementation of policy actions that are crucial for structural urban reforms and are linked to (i) service delivery outcomes and local revenue improvements under the newly announced *Jal Jeevan Mission – Urban (JJM-U)*, (ii) reforms to enhance access to housing for the poor and migrant labour, and (iii) recommendations of the 15th Finance Commission for revenue transfers to the states and urban local bodies (ULBs).<sup>4</sup> Subprogram 1 will establish essential policies and guidelines at the national level, which will be followed by subprogram 2 for preparing specific reforms incentive programs and proposals at state and ULB level that will be enforced through performance-based grants.

## II. PROGRAM AND RATIONALE

### A. Background and Development Constraints

3. India’s gross domestic product (GDP) growth averaged 6.6% from FY2013 to FY2020, supported by macroeconomic management and economic policies that contributed to a substantial reduction in poverty.<sup>5</sup> But growth declined sharply to –8% in FY2021 because of the coronavirus disease (COVID-19) pandemic. The central government’s fiscal deficit averaged 3.6% during FY2016–FY2020, lower than the 4.8% in FY2011–FY2015.<sup>6</sup> The government rolled out various structural reforms to raise India’s productivity and competitiveness: e.g., it (i) reduced corporate taxes; (ii) streamlined business processes, and launched *Atmanirbhar Bharat Abhiyan* (Self-reliant India Campaign) to complement the “Make in India” program to boost manufacturing; and (iii) committed infrastructure investments of \$1.4 trillion during FY2019–FY2025. The GDP is expected to recover

<sup>1</sup> ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

<sup>2</sup> ADB. 2017. [Country Partnership Strategy: India, 2018–2022—Accelerating Inclusive Economic Transformation](#). Manila.

<sup>3</sup> This lending proposal was not included in ADB. 2020. [Country Operations Business Plan: India, 2021–2023](#). Manila. The Department of Economic Affairs of the Government of India, in a letter dated 6 January 2021, requested ADB’s financial assistance as an addition to the country operations business plan. ADB’s South Asia Department confirmed that such financial assistance can be accommodated in the 2021 resource envelope.

<sup>4</sup> JJM-U aims to provide universal coverage of tap water supply to all households in 4,378 towns in accordance with Sustainable Development Goal 6, reduction in nonrevenue water to less than 20%, sewerage and septage management in 500 towns, promoting wastewater recycling and reuse, rejuvenation of urban water bodies, and advancement of public–private partnerships (PPP).

<sup>5</sup> Computed from Government of India, Ministry of Statistics and Plan Implementation. [Annual GDP data](#) (accessed on 2 June 2021).

<sup>6</sup> Reserve Bank of India. 2020. [Handbook of Statistics on the Indian Economy 2019–20](#) (Table 232).

strongly with growth of 11.0% in FY ending on 31 March 2022, and 7.0% in FY ending on 31 March 2023.<sup>7</sup> The urban share of GDP is estimated between 58% and 70%.<sup>8</sup>

4. India's urban population of 460 million in 2020 is the second largest in the world.<sup>9</sup> However, as a share of the country's total population (34%), it is much less than the Asian average of 49.9%. India's urban population is expected to grow at an annual rate of 2.01% over the next 3 decades to reach 876 million by 2050.<sup>10</sup> Based on the international poverty line of \$3.2/day, the total population living below the poverty line reached 44.1% in 2020 due to coronavirus disease (COVID-19) pandemic, which is expected to fall to 33.5% in 2022.<sup>11</sup> The last comprehensive urban investment framework estimated that India needed to invest about 1.14% of GDP annually in basic urban services (excluding housing).<sup>12</sup> The estimated average annual capital expenditure requirement for urban sector during FY2021–FY2025 is expected to be \$45.7 billion including housing.<sup>13</sup> The average annual grant support from the government since 2014–2015 has been about \$7.7 billion, indicating a significant shortfall.

5. Indian cities score very low in the Ease of Living Index 2021.<sup>14</sup> Urban residents lack access to basic urban services.<sup>15</sup> The state and local governments are responsible for urban planning and development, and various state development authorities undertake these activities under the State Town Planning Act. The extent of urban development, however, varies in view of the widely differing urban landscapes and socioeconomic contexts across India. ULBs implement the development plan and urban development strategies, and are also responsible for providing urban services (e.g., water, sanitation, and solid waste management) from their revenue sources.<sup>16</sup>

6. ULBs' weak financial capacity hampers their ability to provide satisfactory urban services, which in turn results in poor quality of urbanization and underutilization of the urban economic potential. The private sector investment in urban services is negligible due to inadequate municipal reforms to enhance revenues and capacity. The overall size of the municipal finance system is about 1% of GDP. Given the lack of municipal finance reforms, ULBs' own-source revenue has remained low at about 0.55% of GDP, which shows their high dependence on government support. There is tremendous scope to enhance the own-source revenues of ULBs, not least by reforming the property tax regime, since India has one of the lowest ratios of property taxes to GDP.<sup>17</sup>

7. Urban development in India has not been able to maximize the economic benefits associated with increasing urbanization.<sup>18</sup> The key binding constraints include absence of a nationwide articulated

<sup>7</sup> ADB. 2021. [Asian Development Outlook – Financing a Green and Inclusive Recovery](#). Manila.

<sup>8</sup> Government of India, Ministry of Housing and Urban Affairs. 2019. [Consultation Paper on City GDP Measurement Framework](#). Delhi.

<sup>9</sup> United Nations, Population Division. 2018. *World Urbanisation Prospects, Revised Edition 2018*. New York.

<sup>10</sup> Government of India. 2019. [Report of the Technical Group on Population Projections](#). Delhi.

<sup>11</sup> ADB (Economic Research and Regional Cooperation Department). 2021. Updated Poverty Estimates. 19 April (internal).

<sup>12</sup> Government of India, High Powered Expert Committee. 2011. *Report on Urban Infrastructure and Services*. Delhi.

<sup>13</sup> Government of India. 2020. [Report of Task Force on National Infrastructure Pipeline](#). Delhi.

<sup>14</sup> Government of India, Ministry of Housing and Urban Affairs. 2021. *Ease of Living Index 2020*. Delhi.

<sup>15</sup> Only 56.9% of urban households have piped water supply within their premises and only 53.5% are connected to sewerage system. Others dispose of their wastewater in covered surface drains (16.2%) or in an unsafe manner (27.8%). Wastewater treatment capacity is at 37%, which means that untreated sewage is dumped into water bodies and pollutes the environment. About 37.4% of urban households do not own a house, and 17% of the urban population live in slums (2011). Source: Government of India, National Statistical Office. 2019. *Drinking Water, Sanitation, Hygiene and Housing Condition in India. NSS 76th Round*. Delhi.

<sup>16</sup> ULBs' main sources of revenue include property taxes, user fees for urban services, and transfers from the national and state governments.

<sup>17</sup> The ratio of property tax to GDP is 0.20%, which is lower compared to its peers in the Organisation for Economic Co-operation and Development of average 1.08%. World Bank. 2020. [Property Taxation in India: Issues Impacting Revenue Performance and Suggestion for Reforms](#). Washington, DC.

<sup>18</sup> National Institute of Urban Affairs. 2018. *Making Cities Work, Policies and Programs in India*. Delhi.

urban reform agenda, inadequate incentives for reforms, weak financial capacity of ULBs, and inadequate private sector participation in urban services delivery.<sup>19</sup> The poor quality of water, sanitation, and housing creates unhealthy conditions and deprives women of income-generating activities. India's rapid unplanned urbanization constrains social and economic gains, degrades environmental sustainability, and exposes many people to increasing climate and disaster risks. The sustainable urbanization is important for accelerated growth of India as Indian cities continue to contribute to 70% of India's GDP by 2030 and has potential for job creation.

8. The Government of India's first guiding framework for urban governance reforms started with the 74th constitutional amendment of 1992, which gave urban local governments a constitutional status as the third tier of governance. The provisions of this act leave a lot of powers in the hands of state governments. The central government is making continuous efforts to shape the urban reform and governance agenda with a view to promoting the economic development and competitiveness of cities. Also, it has been consistently providing discretionary financial support through fiscal transfers to the states and ULBs, and through its national flagship programs; and encouraged the states to increase their commitment to the sector.

9. The program design takes into consideration the government's vision and renewed strategy for the urban sector. The President of India's address to the Parliament (2021 budget session) emphasized a focus on delivering water, housing, and connectivity, followed up with allocation of funds toward these priorities. The recommendations of India's 15th Finance Commission and national flagship program of JJM-U (footnote 4) stress outcome-based funding and incentives as vital for focusing on the universal delivery of basic urban services (such as water, sanitation, and housing). Also, routine fiscal devolution is conditional on local revenue improvements. This approach is also recommended by the Committee of Secretaries and the National Institution for Transforming India Aayog.<sup>20</sup>

## **B. Policy Reform, ADB's Value Addition, and Sustainability**

10. A preliminary policy design and monitoring framework is in Appendix 1.

11. **Reform area 1: National and subnational policies and guidelines for universal and improved service delivery established.** Under subprogram 1, the Government of India will approve JJM-U as a key national mission that aims to achieve universal delivery of basic services (footnote 4). The JJM-U mission guidelines will help states to prepare investment proposals and formulate reform agenda. MOHUA will ensure compliance with the policy guidelines as eligibility condition for states and ULBs to receive performance-based grants under JJM-U. Under subprogram 2, MOHUA will approve a reforms incentive program under for providing performance-based grants to ULBs on achievement of outcomes by states and ULBs under JJM-U. This will involve (i) ULBs preparing "water action plans" comprising program proposals for providing household water connections, reducing nonrevenue water, and managing wastewater and septage management; (ii) ULBs preparing water bodies rejuvenation plans including urban aquifer management plans; (iii) states approving policy guidelines for recycling and reusing water to meet 20% of total water demand at state level; (iv) ULBs approving policy guidelines on user charges periodic increases to cover operation and maintenance costs and ensure sustainability; (v) setting up a mechanism for paperless monitoring and evaluation of JJM-U implementation anchored on an electronic platform with smart technology; and (vi) establishing a citizen feedback mechanism that involves women in the annual validation of ULBs' performance.

<sup>19</sup> Sector Assessment (Summary): Water and Other Urban Infrastructure and Services (accessible from the list of linked documents in Appendix 2).

<sup>20</sup> Government of India. 2017. [Report of the Group of Secretaries, Group 4 – Health, Sanitation and Urban Development](#). Delhi; and Government of India, National Institution for Transforming India Aayog. 2018. *Strategy for New India@75*. Delhi.



12. **Reform area 2: Rental housing policies and programs for urban migrant workers and the poor established.** *Pradhan Mantri Awas Yojana* (PMAY) is a very large, nationwide program launched in 2015 to build 11.3 million households for the urban poor, at a total investment of nearly \$100 billion. The COVID-19 pandemic resulted in the reverse migration of urban migrant workers and the poor, who need decent rental housing at affordable rates near their work sites. MOHUA therefore approved the concept of affordable rental housing complexes (ARHCs) under PMAY, which is included in subprogram 1. Under subprogram 2, MOHUA will ensure that the states promote and implement ARHCs as per policy by (i) converting government-funded vacant houses into ARHCs through public-private partnerships (PPPs) or public agencies; (ii) constructing new ARHCs through public or private entities; and (iii) establishing a system for generating sex-disaggregated data on the beneficiaries, including priority allotment and other benefits to women and other vulnerable groups under PMAY.<sup>21</sup>

13. **Reform area 3: Policies and guidelines for performance-based central fiscal transfers to ULBs established.** Under subprogram 1, MOHUA will approve policy and guidelines to link fiscal transfers to ULBs to improvements in water supply and sanitation services delivery as per JJM-U, and in line with the minimum rate of growth in property tax collection as per recommendation of 15th Finance Commission. Under subprogram 2, the states will issue policy guidelines on allocating grants to ULBs, to ensure that the grants are scrupulously utilized to achieve the outcomes envisaged by the 15th Finance Commission and JJM-U. States will also approve a policy for setting up mandatory floor rates for property tax and annual increase linked to state GDP, to be implemented by ULBs by issuing orders for the floor rates.

14. **ADB value addition.** ADB has been at the forefront of urban investments, institutional capacity building, policy advocacy, and urban sector reforms in various states of India to help develop sustainable infrastructure. The PBL will build on previous ADB support, such as the first national urban mission in 2005.<sup>22</sup> In addition, ADB supported MOHUA's smart cities mission, and fiscal policy advice to the Finance Commission. In subprogram 1 of the PBL, ADB will provide inputs into the reform-linked JJM-U design that underpin (i) focus on targeted outcomes, (ii) emphasis on improving urban governance for better service delivery, (iii) ULBs becoming self-sufficient and able to mobilize resources to improve their viability, and (iv) promoting PPPs. In subprogram 2, ADB will support follow-up policy actions at state and ULB levels by leveraging its experience in the areas of (i) institutional mechanisms, best practices in procurement and financial management, and capacity building for effective program implementation; (ii) data-driven governance via a digital platform for effective monitoring and evaluation of missions to ensure the timely delivery of outcomes; and (iii) stakeholder consultations and engagement, and public outreach. The lessons from ADB's long-term sector involvement in states such as Rajasthan and Karnataka, show the importance of (i) adequate infrastructure financing and a management strategy that ensures self-sustainable service provision, and (ii) capacity development of ULBs to boost operational efficiency and revenue collection commensurate with the level of services.<sup>23</sup> The program design could facilitate future investments in the sector by private players. ADB's involvement in the key national program of JJM-U will facilitate coordination and complementation with other development partners. ADB will have significant opportunities to engage at state level to support program implementation and financing through other modalities, including private financing through One ADB approach.

<sup>21</sup> "Vulnerable groups" refer to those who cannot access various rights, opportunities, and resources because of their situational disadvantage, and not only because of their identity (i.e., older people, disadvantaged youths, migrant workers).

<sup>22</sup> ADB. India: [Support for the Jawaharlal Nehru National Urban Renewal Mission](#) (closed on 28 February 2011).

<sup>23</sup> For instance: Independent Evaluation Department. 2020. [Validation Report – India: Rajasthan Urban Sector Development Investment Program \(Tranche 3 and Multitranches Financing Facility\)](#). Manila: ADB.

15. **Sustainability.** JJM-U and 15th Finance Commission have reform agenda geared towards financial sustainability and water security of ULBs. Annual revision of user charges, property tax reforms, enhancing credit worthiness of ULBs and urban planning reforms are targeted to ensure sustainability. In addition, reducing nonrevenue water, and meeting 20% water demand through recycled water and rejuvenation of water bodies will ensure future water security. ADB will play an important role in implementing these reforms at state and ULB levels with its vast experience in India and Asia.

### C. Expected Outcome of the Reform

16. The program is aligned with the country's overarching development objective of transforming cities into economically vibrant and environmentally sustainable habitats that provide equitable access to basic infrastructure, public services, and opportunities to all citizens (footnote 19). Reforms on national and subnational policies for universal and improved service delivery will ensure access to basic urban services such as water supply, sanitation, and affordable rental housing especially for those most affected by the pandemic. Performance-based fiscal transfers will ensure sustainability of urban services and encourage ULBs to generate local resources. The program will support post-pandemic recovery by providing impetus to critical urban investments. ADB support through attached technical assistance (TA) will complement the PBL to strengthen the capacity and administrative efficiency of ULBs and state implementing agencies to implement the reforms and investment projects.

### D. Development Financing Needs and Budget Support

17. Due to the COVID-19 pandemic, the fiscal deficit of the Government of India widened significantly to 9.5% of GDP (or \$248.1 billion) in FY2021. It is estimated that it could gradually decrease to 6.8% of GDP (or \$210.6 billion) in FY2022 (budget estimate), and to 5.4% of GDP (or \$210.3 billion) by FY2024, in line with the government's targeted ratio of fiscal deficit-to-GDP of 4.5% by FY2026. Fiscal risks have increased given the higher debt level, but India's public debt is denominated in domestic currency and predominantly held by residents, helping reduce the external financing risks.<sup>24</sup> ADB will provide a loan of \$700 million from its ordinary capital resources to the Government of India, of which \$350 million will be disbursed in FY2022 under subprogram 1, and \$350 million in FY2024 under subprogram 2. ADB financing for each subprogram comprises 0.17% of the fiscal deficit for both FY2022 and FY2024. The government's financing requirement will be met almost entirely from domestic sources. External financing has been less than 2% of gross fiscal deficit since FY2016 (footnote 6, Table 98).

### E. Implementation Arrangements

18. The Government of India, through the Ministry of Finance, will be the borrower of this loan. MOHUA will be the executing and implementing agency. MOHUA will guide and monitor the implementation of the PBL. The funds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time) in two subprograms. The overall implementation period for the program is April 2021–December 2023 (subprogram 1: April 2021–October 2021; subprogram 2: November 2021–December 2023). MOHUA receives no direct financing support from any other development partner, but several development partners are involved in helping state governments implement urban programs.

## III. TECHNICAL ASSISTANCE

19. The attached TA is proposed to provide knowledge and advisory support to MOHUA and state governments in rolling out policy reforms at state and ULB level mainly under subprogram 2. It will

<sup>24</sup> International Monetary Fund. 2021. *India—Assessment Letter for ADB*. Washington, DC.

provide capacity development support to the states and ULBs in formulation of reform incentive program and its implementation including monitoring. The ULBs and states will be responsible to prepare investment proposals while undertaking policy actions and reforms. The TA is estimated to cost \$1,500,000, which will be financed on a grant basis from ADB's Technical Assistance Special Fund (TASF-other sources). The government will provide counterpart support such as staff, office space, administrative help, logistics support, and other in-kind contributions.

#### IV. DUE DILIGENCE REQUIRED

20. **Safeguards and gender.** In compliance with ADB's Safeguard Policy Statement (2009), the program is category *B for environment*, and *C for involuntary resettlement and indigenous peoples*. The program is categorized as having *some gender elements* based on a preliminary gender analysis reflected in the initial poverty and social analysis. The categorization will be reviewed and upgraded as appropriate during the due diligence process.

21. **Governance.** ADB financing will be provided as budget support to the Government of India. The regular statutory external audit is done by the Office of the Comptroller and Auditor General of India (the supreme audit institution of India). Budgeting is linked to fiscal targets, under the Fiscal Responsibility and Budget Management Act, 2010, which aims to ensure prudence in fiscal management and fiscal stability.

#### V. PROCESSING PLAN

##### A. Risk Categorization

22. The program is categorized *complex* because the loan amount exceeds \$50 million.

##### B. Resource Requirements

23. The program will be processed by ADB with external consultants in the areas of sector development, urban institutional development, economic assessment, and public finance.<sup>25</sup>

##### C. Processing Schedule

#### Proposed Processing Schedule

| Milestone                         | Expected Completion Date |
|-----------------------------------|--------------------------|
| 1. Concept paper approval         | August 2021              |
| 2. Loan fact-finding mission      | August 2021              |
| 3. Informal Board seminar         | August 2021              |
| 4. Management Review Meeting      | September 2021           |
| 5. Loan negotiations              | October 2021             |
| 6. Board consideration            | December 2021            |
| 7. Loan signing and effectiveness | December 2021            |

Source: Asian Development Bank.

#### VI. KEY ISSUES

24. Since the proposed PBL is designed for policies cutting across national programs, coordination between different MOHUA verticals becomes a challenge. Also, ongoing COVID-19 situation may delay processing and implementation.

<sup>25</sup> The consultants will be engaged under ADB. India. [India Urban and Water Projects Support Facility](#).

## PRELIMINARY POLICY DESIGN AND MONITORING FRAMEWORK

|  |  |  |
|--|--|--|
| <b>Country's Overarching Development Objective</b><br>Cities transformed into economically vibrant and environmentally sustainable habitats that provide equitable access to basic infrastructure, public services, and opportunities to all citizens (Strategy for New India@75) <sup>a</sup>   |  |  |
| <b>Outcome</b><br>Access to basic urban services for water, sanitation, and housing improved.  |  | <b>Risks and Critical Assumptions</b><br>R: Weak capacity and administrative inefficiency of state level implementing agencies and ULBs will hinder timely achievement of service delivery performance targets.<br>A: Grant support and performance-based schemes from Government of India will encourage states and cities to achieve service delivery and policy reform outcomes.                |
| <b>Indicative Policy Actions: Subprogram 1</b><br>April 2021–October 2021  | <b>Indicative Policy Actions: Subprogram 2</b><br>November 2021–December 2023  | <b>Outcome Indicators</b><br>December 2024   |
| <b>Reform Area 1: National and subnational policies and guidelines for universal and improved service delivery established</b>   |  |  |
| 1.1 Government of India will approve a national urban water mission (JJM-U) <sup>b</sup> to clearly articulate a national policy with the following key strategic elements: <ul style="list-style-type: none"> <li>(i) achieving universal coverage of piped water supply,</li> <li>(ii) reducing nonrevenue water to less than 20% in all towns,</li> <li>(iii) achieving 100% sewage and septage management in 500 towns,</li> <li>(iv) recycling or reuse of treated wastewater to meet 20% of water demand of ULBs, and</li> <li>(v) mechanism to provide grants to ULBs for policy implementation.<sup>c</sup></li> </ul> <p><b>Document:</b><br/>         (a) Cabinet approval of JJM-U, and (b) JJM-U Guidelines.</p> | 2.1 MOHUA will approve state and ULB action plans to translate at the subnational level the JJM-U objective of achieving universal coverage of piped water supply and sewerage and/or septage connections. <ul style="list-style-type: none"> <li>(i) At least [xx] ULBs in select states will prepare and submit to MOHUA for approval City Water Action Plans with year-wise road map of providing water tap connections and sewerage and/or septage connection to all.</li> <li>(ii) MOHUA will approve State Water Action Plans by aggregating City Water Action Plans prepared by ULBs in [xx] select states.</li> </ul> 2.2 At least [xx] states will approve policy guidelines for recycling and reuse of water to meet 20% of total water demand at state level towards achievement of the corresponding JJM-U objective.         2.3 At least [xx] ULBs will prepare action plans and approve policy guidelines to achieve JJM-U objective of reducing nonrevenue water to less than 20% in all towns.         2.4 At least [xx] ULBs will approve and adopt policy guidelines on user charges for water supply and sewerage with a formula | a. By December 2024, [xx] ULBs in [yy] select states <sup>d</sup> utilized [xx%] of approved grants to increase coverage of water supply based on approved targets (2021 baseline = [xx])<br><br>b. By December 2024, [xx] ULBs in [yy] select states utilized [xx%] of approved grants to increase coverage of wastewater and septage management based on approved targets (2021 baseline = [xx]) |

| Indicative Policy Actions: Subprogram 1<br>April 2021–October 2021   | Indicative Policy Actions: Subprogram 2<br>November 2021–December 2023   | Outcome Indicators<br>December 2024  |
|--|--|--|
|  | ascertaining periodic increase and recovery of operation and maintenance cost to achieve JJM-U objective of sustainable operations.  |  |
| <p>1.2 Government of India will approve a policy under JJM-U to (i) rejuvenate water bodies in urban areas to augment fresh water supply, (ii) increase green spaces, (iii) reduce flood impacts in urban areas, and (iv) ensure compensation and resettlement for all displaced communities and the poor living along edges of the water bodies.</p> <p><b>Document:</b><br/>(a) Cabinet approval of JJM-U, and (b) JJM-U Guidelines.</p> | <p>2.5 MOHUA will approve action plans and grant proposals for water bodies rejuvenation including aquifer management plans in accordance with the technical manual disseminated by MOHUA with a focus on maintaining positive groundwater balance in urban aquifer system in at least [xx] ULBs in [yy] select states.</p> <p>2.6 MOHUA will take following actions to establish a system to improve governance and monitoring of urban service delivery under JJM-U:</p> <ul style="list-style-type: none"> <li>(i) MOHUA will establish a technology-based M&amp;E platform where states and ULBs upload all information electronically for real-time and paperless monitoring of JJM-U,</li> <li>(ii) MOHUA will approve service level benchmarks to measure ULBs' performance, and</li> <li>(iii) MOHUA will establish and implement citizen feedback mechanism involving women-, advocacy- and identity-based organizations for direct validation of ULBs' performance on annual basis.</li> </ul> | <p>c. By December 2024, [xx] ULBs in [yy] select states utilized [xx%] of approved grants for rejuvenation of water bodies based on approved targets.</p>  |
| <p>1.3 MOHUA will approve a policy to increase private sector participation by providing viability gap financing grants amounting to 10% of the total allocation for cities with population above 1 million for projects taken under PPP mode.<sup>e</sup></p> <p><b>Document:</b><br/>JJM-U guidelines.</p>   | <p>2.7 MOHUA will approve viability gap financing grants for at least [xx] PPP projects under JJM-U.</p>   | <p>d. By December 2024, at least [\$xx million] of private capital mobilized by ULBs for urban service delivery in [yy] select states in urban sector under JJM-U (Baseline 2021 = [\$zz million])</p> |
| <b>Reform Area 2: Rental housing policies and programs for urban migrant workers and the poor established.</b>   |  |  |
| <p>1.4 MOHUA approved policy for providing ARHCs for urban migrant workers and poor</p>  | <p>2.8 At least [xx] states will promote and implement ARHCs as per policy by (i)</p>  | <p>e. By December 2024, at least [xx] migrant workers and poor (including at least [yy%] women) allotted</p>   |

| Indicative Policy Actions: Subprogram 1<br>April 2021–October 2021   | Indicative Policy Actions: Subprogram 2<br>November 2021–December 2023   | Outcome Indicators<br>December 2024   |
|--|--|---|
| <p>in urban areas,<sup>f</sup> which includes priority allotment and other benefits to certain categories of people under PMAY-U.<sup>g</sup> (prior action)</p> <p><b>Document:</b><br/>MOHUA policy guidelines for subcomponent on affordable rental housing under <i>Pradhan Mantri Awas Yojana</i> (Housing for All).</p>  | <p>utilizing existing government-funded vacant houses to convert into ARHCs through PPP or by public agencies, (ii) construction, operation and maintenance of ARHCs by public or private entities on their own vacant land, and (iii) establishing a system for generating sex-disaggregated data on the beneficiaries.</p>   | <p>affordable rental housing units in urban areas in select [zz] states. Baseline 2021 = [xx]</p>   |
| <b>Reform Area 3: Policies and guidelines for performance-based central fiscal transfers to urban local bodies established</b>   |  |   |
| <p>1.5 MOHUA will approve policies and guidelines to link fiscal transfers to ULBs to service delivery improvements in water supply and sanitation.</p> <p><b>Document:</b><br/>(a) JJM-U Guidelines, and (b) MOF guidelines issued based on 15th Finance Commission recommendations.</p>  | <p>2.9 [xx] states will issue policy guidelines for administering grants to ULBs to ensure grants are scrupulously utilized to achieve the envisaged outcomes of 15th Finance Commission and JJM-U.</p> <p>2.10 MOHUA will approve grant proposals for at least [xx] ULBs in [yy] select states for service delivery improvement in water supply and sanitation.</p> |   |
| <p>1.6 MOHUA will approve policies and guidelines to implement recommendation of 15th Finance Commission to link fiscal transfers to ULBs to minimum rate of growth in property tax collection.</p> <p><b>Document:</b><br/>MOHUA guidelines for fiscal transfer linked to growth in property tax collections consistent with 15th Finance Commission recommendations.</p> | <p>2.11 [xx] states will approve policy for mandatory floor rates for property tax and ULBs in respective states will issue orders for the floor rates.</p>  | <p>f. [xx] states reported annual growth in property tax collections above target specified in the policy for FY2024 compared to FY2023. Baseline FY2021 = [xx]</p> |
| <p><b>Budget Support</b><br/>Asian Development Bank: \$350 million for subprogram 1 (regular ordinary capital resources loan)<br/>Asian Development Bank: \$350 million for subprogram 2 (regular ordinary capital resources loan)<br/>Asian Development Bank: \$1.5 million technical assistance grant from Technical Assistance Special Fund (TASF-other sources)</p>    |  |   |

A = assumption, ARHCs = affordable rental housing complexes, FY = fiscal year, JJM-U = *Jal Jeevan Mission–Urban*, M&E = monitoring and evaluation, MOF = Ministry of Finance, MOHUA = Ministry of Housing and Urban Affairs, PMAY-U = *Pradhan Mantri Awas Yojana* - Urban, PPP = public–private partnership, R = risk, ULB = urban local body.

<sup>a</sup> Government of India, National Institution for Transforming India Aayog. 2018. *Strategy for New India@75*. Delhi.

<sup>b</sup> JJM-U aims to provide universal coverage of tap water supply to all households in 4,378 towns in accordance with sustainable development goal 6; reduction in nonrevenue water to less than 20%; sewerage and septage management in 500 towns; promoting wastewater recycling and reuse; rejuvenation of urban water bodies; and advancement of PPP.

- <sup>c</sup> The grants are proposed to be released in three installments. First two installments are linked to submission of action plans and progress of works. The third installment of 40% of total grant will be released on achievement of functional outcomes.
  - <sup>d</sup> The “select states” refer to about 10 states that have an urban population of about 50 million and above as per Census 2011, and towns or cities with population above 100,000 in these states will be targeted. The policy actions are however applicable to all the states and union territories of India.
  - <sup>e</sup> The maximum grant would be 50% of the viability gap funding subject to maximum 30% of the project cost. The balance viability gap funding will be borne by respective state and/or ULB. The total viability gap funding should not exceed 60% of project cost.
  - <sup>f</sup> The Affordable Rental Housing Complexes is a sub-scheme under PMAY-U to provide ease of living to urban migrants/poor in industrial sector as well as in nonformal urban economy to get access to dignified affordable rental housing close to their workplace. The program provides concessional finance and tax exemptions to the projects that offer dwelling units on rental basis to poor and migrants workers in urban areas.
  - <sup>g</sup> Government of India, Ministry of Housing and Urban Affairs. [Affordable Rental Housing Complexes - Operational Guidelines](#). July 2020. mention that preference will be given to Scheduled Castes/Scheduled Tribes/Other Backward Classes, Widows and working Women, *Divyang* (people with disabilities), Minorities, subject to beneficiaries being from economically weaker section/ low-income group segments as provisioned by the government.
- Source: Asian Development Bank.

## TECHNICAL ASSISTANCE FACILITY UTILIZATION UPDATE

1. The technical assistance (TA) facility for India Urban and Water Projects Support Facility was approved on 4 November 2019 in an amount of \$2,000,000.<sup>1</sup> As of 10 August 2021, contract awards totaled \$903,131 and disbursements totaled \$234,606.

2. The TA facility will support urban and water projects preparation in India during 2021 and 2022, which are aligned with the operational priorities of the Asian Development Bank's Strategy 2030 to help build livable cities that are green, competitive, inclusive and resilient. The TA facility will assist in development of integrated solutions for urban development and drinking water supply.

3. The major outputs and activities are summarized in Table A2.1.

**Table A2.1: Summary of Major Outputs and Activities**

| Outputs                            | Delivery Dates  | Key Activities with Milestones  |
|------------------------------------|-----------------|---|
| 1. <b>Program quality improved</b> | By October 2021 | 1.1 Program preparation support aligned with government's sector strategies and ADB's Strategy 2030<br>1.2 Sector assessment, institutional development, economic assessment and public finance |

Source: Asian Development Bank.

4. **Resources under the technical assistance facility.** The updated consultants' input allocation from the TA facility is presented in Table A2.2. It is confirmed that (i) the TA facility has adequate resources, and (ii) the existing terms of reference for consultants are sufficient to undertake the activities required to deliver the outputs for the ensuing Sustainable Urban Development and Service Delivery Program.

<sup>1</sup> ADB. [India. India Urban and Water Projects Support Facility](#). Manila



**Table A2.2: Updated Consultants' Input Allocation from the Technical Assistance Facility**  
(person-month)

| Item   | Total        | Original    |             |             |             |             |             |             | Additional Projects (15 January 2021) |             |                       |             |             |             |             | Proposed    |             |             |  |
|--|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------------------------|-------------|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--|
|  |              | Proj. 1     | Proj. 2     | Proj. 3     | Proj. 4     | Proj. 5     | Proj. 6     | Proj. 7     | Proj. 8                               | Proj. 9     | Proj. 10 <sup>a</sup> | Proj. 11    | Proj. 12    | Proj. 13    | Proj. 14    | Proj. 15    | Proj. 6     | Proj. 17    |  |
| Indicative Risk Category                         |              | Complex     | Low         | Complex     | TBD         | Complex     | Complex     | Complex     | Low                                   | Complex     | Low                   | Complex     | Low         | TBD         | Complex     | Complex     | TBD         | Complex     |  |
| <b>A. International Experts</b>                  |              |             |             |             |             |             |             |             |                                       |             |                       |             |             |             |             |             |             |             |  |
| Water Supply Specialist                          | 2.00         | 0.00        | 1.00        | 1.00        |             |             |             |             |                                       |             | 0.00                  | 0.00        |             |             |             |             |             |             |  |
| Sanitation/Drainage Specialist                   | 2.00         | 2.00        | 0.00        | 0.0         |             |             |             |             |                                       |             | 0.00                  | 0.00        |             |             |             |             |             |             |  |
| Institutional Development Specialist             | 2.00         | 1.00        | 0.00        | 0.0         | 1.00        |             |             |             |                                       |             | 0.00                  | 0.00        |             |             |             |             |             | 1.00        |  |
| Urban Infrastructure Specialist                  | 1.00         |             | 1.00        |             | 0.00        |             |             |             |                                       |             | 0.00                  |             |             |             |             |             |             | 1.50        |  |
| Environment Specialist                           | 2.5          | 1.00        | 0.00        | 0.0         | 1.50        |             |             |             |                                       |             | 0.00                  | 0.00        |             |             |             |             |             |             |  |
| Procurement Specialist                           | 2.5          | 0.00        | 0.00        | 0.00        | 0.00        | 1.00        |             |             | 1.50                                  |             | 0.00                  | 0.00        |             |             |             |             |             |             |  |
| Utility Expert                                   | 3.0          |             |             |             |             |             |             |             | 3.00                                  |             | 0.00                  |             |             |             |             |             |             |             |  |
| Smart management and CMMS expert (International) | 3.0          |             |             |             |             |             |             |             | 3.00                                  |             | 0.00                  |             |             |             |             |             |             |             |  |
| <b>Total (A): International Experts</b>          | <b>18.00</b> | <b>4.00</b> | <b>2.00</b> | <b>1.00</b> | <b>2.50</b> | <b>1.00</b> | <b>0.00</b> | <b>0.00</b> | <b>7.50</b>                           | <b>0.00</b> | <b>0.00</b>           | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>3.50</b> |  |
| <b>B. National Experts</b>                       |              |             |             |             |             |             |             |             |                                       |             |                       |             |             |             |             |             |             |             |  |
| Project Management Specialist                    | 4.00         | 0.00        |             |             | 0.00        |             |             |             |                                       | 2.50        | 0.00                  | 1.50        |             |             |             |             |             |             |  |
| Urban Development Specialist                     | 3.00         |             | 3.00        | 0.00        | 0.00        |             |             |             | 1.00                                  |             | 0.00                  | 0.00        |             |             |             |             |             |             |  |
| Water Supply Specialist                          | 4.00         | 1.00        | 1.00        | 0.00        | 1.00        |             |             |             |                                       |             | 0.00                  | 1.00        |             |             |             |             | 0.00        |             |  |
| Sanitation/Drainage Specialist                   | 8.00         |             |             |             | 0.00        |             |             |             | 3.50                                  |             | 1.50                  | 0.00        |             |             |             |             | 3.00        |             |  |
| Solid Waste Management Specialist                | 1.00         | 1.00        | 0.00        | 0.00        | 0.00        |             |             |             |                                       |             | 0.00                  | 0.00        |             |             |             |             |             |             |  |

| Item  | Total         | Original     |              |             |             |          |           |             | Additional Projects (15 January 2021) |             |                       |             |             |          | Proposed    |             |              |             |
|---|---------------|--------------|--------------|-------------|-------------|----------|-----------|-------------|---------------------------------------|-------------|-----------------------|-------------|-------------|----------|-------------|-------------|--------------|-------------|
|   |               | Proj. 1      | Proj. 2      | Proj. 3     | Proj. 4     | Proj. 5  | Proj. 6   | Proj. 7     | Proj. 8                               | Proj. 9     | Proj. 10 <sup>a</sup> | Proj. 11    | Proj. 12    | Proj. 13 | Proj. 14    | Proj. 15    | Proj. 16     | Proj. 17    |
| Procurement Specialist  | 9.00          | 2.50         | 3.00         | 1.50        | 0.50        |          |           |             |                                       |             | 0.00                  | 1.50        |             |          |             |             |              |             |
| Economist   | 10.00         | 1.50         | 2.00         | 1.50        |             |          |           |             | 2.00                                  |             | 1.00                  | 1.00        | 1.00        |          |             |             |              | 1.50        |
| Financial Specialist  | 10.00         | 2.00         | 0.50         | 1.50        | 1.00        |          |           |             | 2.00                                  |             | 1.00                  | 1.00        | 1.00        |          |             |             |              | 0.50        |
| Social Safeguards Specialist                                      | 21.00         | 2.00         | 1.00         |             |             | 1.00     | 6.00      | 1.00        | 2.00                                  | 1.50        | 1.00                  | 3.00        |             |          |             |             |              | 2.50        |
| Gender Specialist   | 5.00          |              |              |             |             |          |           |             | 2.00                                  |             | 1.00                  | 0.00        |             |          |             |             |              | 2.00        |
| Climate Change Resilience and Disaster Risk Management Specialist | 4.00          | 1.50         | 1.00         | 0.50        | 1.00        |          |           |             |                                       |             | 0.00                  | 0.00        |             |          |             |             |              |             |
| Environment Specialist  | 26.00         | 2.50         | 0.50         | 4.00        |             |          | 4.00      |             | 4.50                                  |             | 3.00                  | 0.00        | 3.00        |          |             |             |              | 4.50        |
| Urban Infrastructure and Planning Expert                          | 4.00          |              |              |             | 2.00        |          |           | 1.50        |                                       |             | 1.00                  | 1.50        |             |          |             |             |              |             |
| Water supply and sanitation system expert (national)              | 4.00          |              |              |             |             |          |           |             | 4.00                                  |             | 0.00                  |             |             |          |             |             |              |             |
| Biodiversity Specialist   | 2.00          | 2.00         | 0.00         | 0.00        | 0.00        |          |           |             |                                       |             | 0.00                  | 0.00        |             |          |             |             |              |             |
| Community empowerment specialist                                  | 3.00          |              |              |             |             |          |           |             | 3.00                                  |             | 0.00                  |             |             |          |             |             |              |             |
| <b>Total (B): National Experts</b>                                | <b>118.00</b> | <b>16.00</b> | <b>12.00</b> | <b>9.00</b> | <b>3.50</b> | <b>1</b> | <b>10</b> | <b>2.50</b> | <b>23.00</b>                          | <b>4.00</b> | <b>9.50</b>           | <b>9.50</b> | <b>5.00</b> |          | <b>0.00</b> | <b>0.00</b> | <b>12.00</b> | <b>2.00</b> |
| <b>GRAND TOTAL</b>  | <b>136.00</b> |              |              |             |             |          |           |             |                                       |             |                       |             |             |          |             |             |              |             |

CMMS = computerized maintenance and management system, ICT = information and communications technology, Proj.= Project, TBD = to be determined, WSS O&M = water supply and sanitation operations and maintenance

Note: Project 1: Integrated Stormwater Drain Network in the Chennai-Kosasthalaiyar Basin Project; Project 2: Kerala Urban Water Supply Improvement Project; Project 3: Inclusive, Resilient, and Sustainable Housing for Urban Poor in Tamil Nadu; Project 4: Andhra Pradesh Rural Water Supply Project; Project 5: Tamil Nadu Urban Flagship Investment Program, Project 6: West Bengal Drinking Water Sector Improvement Project; Project 7: Karnataka Integrated Urban Water Management Investment Program Tranche 2; Project 8: Uttarakhand Inclusive Urban Development Project; Project 9: Tamil Nadu Urban Flagship Investment Program Tranche 3; Project 10: Himachal Pradesh Rural Drinking Water Improvement Project; Project 11: Visakhapatnam-Chennai Industrial Corridor Development Program Tranche 2; Project 12: Jharkhand Urban Water Supply Improvement Project; Project 13: Agartala City Urban Development Project; Project 14: Rajasthan Secondary Towns Development Sector Project; Project 15: Madhya Pradesh Urban Services Improvement Project; Project 16: Rajasthan Secondary Towns Development Additional Financing; Project 17: Sustainable Urban Development and Service Delivery Program

<sup>a</sup> The following consultant items will be requested further: (i) International expert: Smart Management and CMMS Expert, Procurement Specialist, and Climate Change Resilience and Disaster Risk Management Specialist; (ii) National expert: Institutional Development Specialist, Social Safeguards Specialist, Social Development (Gender and Poverty) Specialist, Financial Management Specialist, and Water Supply and Sanitation Expert.

Source: Asian Development Bank.

**LIST OF LINKED DOCUMENTS**

<http://www.adb.org/Documents/LinkedDocs/?id=55054-001-ConceptPaper>

1. Initial Poverty and Social Analysis
2. Sector Assessment (Summary): Water and Other Urban Infrastructure and Services