



India: Wabag Clean Water Supply Project

Project Name	Wabag Clean Water Supply Project				
Project Number	56155-001				
Borrower / Company	VA Tech Wabag Limited				
Country / Economy	India				
Location	Nation-wide				
Type or Modality of Assistance	7744	Debt Security	Ordinary capital resources	INR 2,000.00 million	Approved
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth				
Drivers of Change	Partnerships Private sector development				
Sector / Subsector	Water and other urban infrastructure and services / Urban sewerage				
Gender Equity and Mainstreaming	Some gender elements				
Responsible ADB Department	Private Sector Operations Department				
Responsible ADB Division	Infrastructure Finance Division 1				
Responsible ADB Officer	Agrawal, Keshari Nandan				
Project Sponsor(s)	VA Tech Wabag Limited				
Description	The proceeds of the ADB loan will be utilized to finance the funded long-term working capital requirements of the company to execute engineering, procurement, and construction and operation and maintenance contracts in the water and wastewater treatment segment in India.				
Objectives and Scope	<p>Impacts. The project is aligned with the following impacts: (i) improved water supply and proper sewerage facilities in India provided (National Water Policy 2012), and (ii) minimum ecological flows in the river Ganga maintained with the aim of ensuring water quality and environmentally sustainable development.</p> <p>Outcome. The project will have the following outcome: operation of wastewater/sewage services increased. Supported by the ADB loan to Wabag to augment its working capital requirements, it is expected that the company will be able to commission six new sewage treatment plants by 2026.</p> <p>Outputs. The project will have the following outputs: (i) installation of sewage treatment plants supported (with three engineering, procurement and construction (EPC) contracts expected to be executed to install six new sewage treatment plants), (ii) local employment generated, and (iii) gender equality at Wabag supported.</p>				
Linkage to Country/Regional Strategy	<p>The project aligns with ADB's Water Policy, which emphasizes integrated water management, water conservation, and system efficiencies. The project is consistent with ADB's Strategy 2030 through its support for river preservation and cleaning. It relates to two of the seven operational priorities (OPs) under Strategy 2030: (i) tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability (OP 3), and (ii) making cities more livable (OP 4). It contributes to ADB's ambition to provide climate finance of \$100 billion cumulatively from 2019 to 2030, since \$1.2 million of the ADB loan contributes to ADB's climate financing. The project is also aligned with ADB's Asian Water Development Outlook 2020, particularly key dimension 2 (economic water security) and key dimension 3 (urban household water security). The project will also contribute to ADB's operational goal of scaling up private sector development and private sector operations. The project is aligned with ADB's country partnership strategy for India, 2018-2022, particularly pillar 2 (providing inclusive access to infrastructure networks and services) and pillar 3 (addressing climate change and increasing climate resilience).</p>				
Safeguard Categories					
Environment					B
Involuntary Resettlement					C
Indigenous Peoples					C
Summary of Environmental and Social Aspects					
Environmental Aspects	ADB has undertaken due diligence and reviewed the potential environment and social (E&S) impacts of the project and the measures to avoid, minimize, mitigate, and compensate for adverse impacts in the safeguard reports and plans. The E&S measures and the institutional capacity and commitment of Wabag to manage the project's E&S impacts are deemed adequate. This will be further augmented once Wabag hires a corporate social expert as per ADB's requirement. ADB proceeds will not be utilized to execute contracts with activities categorized A for their environmental impacts.				
Involuntary Resettlement	ADB proceeds will not be utilized to execute contracts with activities that entail involuntary resettlement impacts and are therefore categorized A or B.				
Indigenous Peoples	ADB proceeds will not be utilized to execute contracts with activities that, directly or indirectly, affect indigenous peoples and are therefore categorized A or B.				
Stakeholder Communication, Participation, and Consultation	The project has undertaken and will continue to undertake meaningful consultation with project stakeholders to provide updates about the project and to provide an avenue for stakeholders to raise queries or concerns regarding the project.				
Timetable for assistance design, processing and implementation					
Concept Clearance	03 Jun 2022				
Credit Committee Meeting	11 Oct 2022				

Approval	14 Nov 2022
Last PDS Update	14 Nov 2022

Project Page	https://www.adb.org/projects/56155-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=56155-001
Date Generated	21 November 2022

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