



India: Tamil Nadu Urban Flagship Investment Program Tranche 3

Project Name	Tamil Nadu Urban Flagship Investment Program Tranche 3	
Project Number	49107-010	
Country / Economy	India	
Project Status	Approved	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan 4253-IND: Tamil Nadu Urban Flagship Investment Program - Tranche 3 Ordinary capital resources US\$ 125.00 million	
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Knowledge solutions Partnerships	
Sector / Subsector	Water and other urban infrastructure and services / Urban flood protection - Urban sewerage - Urban water supply	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	The proposed project is the third tranche of the Tamil Nadu Urban flagship Program, which will develop priority water supply, sewerage, and drainage infrastructure in strategic industrial corridors in Tamil Nadu.	
Project Rationale and Linkage to Country/Regional Strategy	The MFF will address key urbanization challenges, including: (a) acute infrastructure deficits and low service levels; (b) water scarcity from recurring droughts linked to climate change; (c) environmental pollution; (d) weak capacity of urban local bodies (ULBs) to undertake operation and maintenance (O&M); (e) inadequate tariff revisions; and (f) weak governance.	
Impact	(i) Universal access to basic water and sanitation services achieved (Vision Tamil Nadu 2023). (ii) World-class cities and industrial corridors across the state developed (Vision Tamil Nadu 2023). (iii) Water security and reduced vulnerability to climate change in urban areas achieved (Tamil Nadu Sustainable Water Security Mission, State Action Plan on Climate Change).	
Project Outcome		
Description of Outcome	Livability and climate resilience in selected cities in priority industrial corridors enhanced.	
Progress Toward Outcome		
Implementation Progress		
Description of Project Outputs	Climate resilient sewage collection and treatment, and drainage systems developed in two cities (Coimbatore and Thoothukudi). Water supply system in one city (Madurai) improved with smart features. Institutional capacity, public awareness, and urban governance strengthened	
Status of Implementation Progress (Outputs, Activities, and Issues)		
Geographical Location	Nation-wide	
Safeguard Categories		
Environment	B	
Involuntary Resettlement	B	
Indigenous Peoples	C	
Summary of Environmental and Social Aspects		
Environmental Aspects	Three IEEs were prepared. The proposed subprojects and components are located in urban areas of Madurai, Coimbatore and coastal city of Thoothukudi. Water and sewer lines, and drains will be constructed along existing public roads within right of ways, and facilities such as pumping stations, water tanks, and treatment plants etc., will be constructed over vacant land parcels in and around the towns. Given urban setting of project sites, there are no environmentally sensitive areas such as forests or protected areas. There are also no places of archeological, historical or cultural importance. Madurai is a prominent historical and cultural city in the state, however, none of the places of interest, including the famous Madurai temple, is in the project area. In Coimbatore, and selected sewage treatment plant sites are away from habitation. Thoothukudi is located along the east coast of India on Gulf of Mannar, and proposed drains will be constructed along the roads in a part of the town where there are no environmentally or culturally sensitive areas. Project area is about 6 km away from the nearest boundary of Gulf Mannar marine national park comprising 21 islands and spread over 560 sq. km in the Bay of Bengal. It is also about 1-2 km away from the eco sensitive zone notified around the national park. None of the subproject components are located in coastal regulation zone notified by the government.	

Involuntary Resettlement Three resettlement plans were prepared for sewerage subproject in Coimbatore, water supply distribution subproject in Madurai and storm water drainage subproject in Thoothukudi. Construction of these subprojects will be accommodated either within the existing facilities' premises or on vacant government lands. No permanent and/or temporary land acquisition or significant impacts are envisaged. Nonetheless, potential temporary income loss has been assessed to 363 affected households (1,380 family members) comprising street vendors, roadside movable and transitory business, due to proposed pipelaying and drainage construction. 135 households (617 members) will also incur minor structure loss (soak pits and/or ramps) built on government lands - drainage alignments are under the legal jurisdiction of the government in Thoothukudi SWD subproject. Of the total affected households, 265 households (1039 family members) are considered vulnerable. Adequate consultations have been carried out during resettlement plan preparation. The resettlement plans will be finalized during detailed measurement surveys and design validation. Executing and implementing agencies will ensure that consultations will be sustained during construction.

Indigenous Peoples Tranche 3 is classified as category C for Indigenous Peoples impact. No scheduled tribes were identified during the field visits and socioeconomic surveys and assessment undertaken in Coimbatore, Madurai and Thoothukudi. The scheduled tribe population in each of the three city corporation areas is less than 0.5% of their respective total populations and is scattered across city wards. The project does not impact Indigenous Peoples' dignity, human rights, livelihood systems or territories or natural or cultural resources that are used, owned, occupied, or claimed by indigenous peoples as their ancestral domain or asset.

Stakeholder Communication, Participation, and Consultation

During Project Design A project-level community awareness and participation plan (CAPP) has been prepared to strengthen stakeholder participation. The activities, key messages and methodology were planned to involve key stakeholders including the poor and women. Stakeholder mapping was carried out to identify stakeholders and plan information and communication strategies.

During Project Implementation The CAPP will be inclusive and participatory during project planning, implementation and monitoring. Adequate participation of civil society organizations in project implementation will be ensured with the inclusion of specific activities and indicators involving training and capacity building of self-help groups in the design monitoring framework, gender action plan (GAP) and CAPP. The self-help groups will be involved in awareness and consultation activities as part of CAPP implementation, including facilitating participation and empowering the poor. A gender and community development and participation assistant within the construction management and supervision consultant and governance improvement and awareness consultants (GIAC) will be mobilized to implement and monitor CAPP activities, with adequate resources provided.

Business Opportunities

Consulting Services ADB's Guidelines on the Use of Consultants (2013, as amended from time to time)

Procurement ADB Procurement Guidelines (2015, as amended from time to time)

Responsible ADB Officer	Shoji, Hikaru
Responsible ADB Department	South Asia Department
Responsible ADB Division	Urban Development and Water Division, SARD
Executing Agencies	Municipal Administration and Water Supply Dep't Tamil Nadu Urban Infrastructure Financial Services Ltd.

Timetable

Concept Clearance	-
Fact Finding	-
MRM	30 Jun 2022
Approval	23 Nov 2022
Last Review Mission	-
Last PDS Update	24 Nov 2022

Loan 4253-IND

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	193.50	Cumulative Contract Awards			
ADB	125.00	-	0.00	0.00	%
Counterpart	68.50	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Project Page	https://www.adb.org/projects/49107-010/main
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