



India: Madhya Pradesh Urban Services Improvement Investment Project-Phase 2

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| Project Name | Madhya Pradesh Urban Services Improvement Investment Project-Phase 2 | |
| Project Number | 42486-018 | |
| Country | India | |
| Project Status | Proposed | |
| Project Type / Modality of Assistance | Loan | |
| Source of Funding / Amount | Loan: Madhya Pradesh Urban Services Improvement investment Project II | |
| | Ordinary capital resources | US\$ 300.00 million |
| Strategic Agendas | Environmentally sustainable growth Inclusive economic growth | |
| Drivers of Change | Governance and capacity development Partnerships Private sector development | |
| Sector / Subsector | Water and other urban infrastructure and services - Urban policy, institutional and capacity development - Urban sanitation - Urban water supply | |
| Gender Equity and Mainstreaming | Effective gender mainstreaming | |
| Description | <p>The phase 2 will continue the development and efficient use of surface water sources, to preserve groundwater and enhance climate resilience, and provide near-universal access to piped water supply in small and medium-sized towns, which have a higher prevalence of poverty. It will benefit households below the poverty line and empower women by eliminating drudgery associated with fetching water from distant sources. The project will enhance design build operate contracts, where the contractor will develop high quality infrastructure and efficient operations through a long term performance-based contract for 10 years. This will give adequate time for urban local bodies to build their capacity to operate assets after the end of the O&M contract period. Value additions include a geographic information system-based household survey system to ensure 100% household connections; and innovative components to ensure proper sewage connection, collection and treatment.</p> <p>The project will continue to provide 24/7 water supply with emphasis on 100% metered household connections, efficient water supply zoning, non-revenue water reduction, and high customer satisfaction. It will also provide sustainable sewage management service in selected towns. This is in line with the sustainability lessons learned from ADB's previous water projects. The project will strengthen the management capacity of urban local bodies and the Madhya Pradesh Urban Development Company Limited and improve cost recovery.</p> | |
| Project Rationale and Linkage to Country/Regional Strategy | <p>Madhya Pradesh is the second-largest state by area (308,000 square kilometers), fifth most populous (72 million), and eighth most urbanized state in India. Its urban population expected to increase from around 30.0% in 2018 to 35.0% by 2026. Despite its improving economy, Madhya Pradesh still has a 31.0% poverty rate, and an urban poverty rate (21.0%) that is higher than India's average of 13.7%. Increasing urbanization is putting more stress on urban infrastructure and urban basic services. A 2011 survey of 378 urban local bodies (ULBs) in Madhya Pradesh noted that less than 55% of households have access to piped water supply. About 60% of households with piped water connections have intermittent water supply (from 30 minutes to 2 hours per day), and the rest have water once every 2 days; some urban areas get drinking water even less frequently. Less than 2% of piped water supply connections are metered, and less than 45% of total consumers pay for water supply. Non-revenue water is high, and none of the cities or towns have continuous pressurized water supply services, leading to inefficiencies and potential health risks. About 90% of the state's drinking water is from groundwater, increasing vulnerability of drinking water supply to declining groundwater levels. Many ULBs or local municipal boards do not have piped water supply, and only a fraction have wastewater and sanitation systems. The urban services are also uneven distributed, with small ULBs ranked at the bottom.</p> | |
| Impact | | |
| Outcome | | |
| Outputs | | |
| Geographical Location | Madhya Pradesh | |
| Safeguard Categories | | |
| Environment | B | |
| Involuntary Resettlement | B | |
| Indigenous Peoples | B | |
| Summary of Environmental and Social Aspects | | |
| Environmental Aspects | Safeguards documents are under preparation. ADB is providing support to PMU to ensure ADB SPS requirements are considered in the design of subprojects, support safeguards capacity development of PMU and PIUs, and conduct quality check of safeguards documents prior to submission to ADB. | |
| Involuntary Resettlement | | |
| Indigenous Peoples | | |
| Stakeholder Communication, Participation, and Consultation | | |
| During Project Design | | |

| Business Opportunities | |
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| Consulting Services | Project management consultant recruited for Phase 1 will be extended through contract variation to cover the Phase 2. |
| Procurement | All procurement exercise are under advance action. |

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| Responsible ADB Officer | Alexandra Vogl |
| Responsible ADB Department | South Asia Department |
| Responsible ADB Division | Urban Development and Water Division, SARD |
| Executing Agencies | Madhya Pradesh Urban Development Company Limited Beej Bhawan, Arera Hills, Bhopal 462011 Urban Development and Housing Department Room 327, Vallabh Bhavan, Mantralaya, Bhopal |

| Timetable | |
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| Concept Clearance | 27 Dec 2019 |
| Fact Finding | 13 Feb 2019 to 27 Feb 2019 |
| MRM | 23 May 2019 |
| Approval | - |
| Last Review Mission | - |
| Last PDS Update | 02 Oct 2019 |

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| Project Page | https://www.adb.org/projects/42486-018/main |
| Request for Information | http://www.adb.org/forms/request-information-form?subject=42486-018 |
| Date Generated | 05 October 2019 |

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