



India: Karnataka Integrated Urban Water Management Investment Program-Tranche 2

Project Name	Karnataka Integrated Urban Water Management Investment Program-Tranche 2	
Project Number	43253-027	
Country	India	
Project Status	Approved	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan: Karnataka Integrated Urban Water Management Investment Program-Tranche 2	
	Ordinary capital resources	US\$ 75.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Partnerships	
Sector / Subsector	Water and other urban infrastructure and services - Urban sewerage - Urban water supply	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>Tranche 2 will enhance urban water supply and sanitation infrastructure; and improve water resource planning, monitoring and service delivery in four coastal towns (Kundapura, Mangalore, Puttur, and Udupi). The rapid pace of economic development and urbanization of the coastal region of Karnataka has put considerable stress on the existing urban water supply and sanitation infrastructure. The groundwater table is shallow and contaminated by saltwater intrusion. The coastal towns should promote the efficient and sustainable use of water by reducing nonrevenue water, expanding water treatment capacity, improving storage facilities, and extending more connections to end-users. The sewerage system of Mangalore requires immediate rehabilitation and upgrading to enhance the capacity of the pumping main and expand coverage. To offer improved water services, urban local bodies (ULBs) must enhance their technical and financial capacity. Climate adaptation measures are required to protect this ecologically sensitive region from climate change impacts.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>On 28 March 2014, the Asian Development Bank (ADB) approved the provision of a loan under a multitranche financing facility for the Karnataka Integrated Urban Water Management Investment Program, for an aggregate amount not exceeding \$150 million until 15 March 2024. Karnataka is one of India's most water-stressed states, and its rapid urbanization and industrialization require effective management of available water resources. The road map of the program seeks to enhance sustainable water security in Karnataka. The policy framework will follow the principle of integrated water resources management (IWRM) to establish a process of coordinated planning, development, and management of urban water resources. The investment program (i) provides investment support to modernize and expand urban water supply and sanitation services; (ii) strengthens institutions to improve water use efficiency, productivity, and sustainability; and (iii) pursues innovative technologies and instruments such as public private partnerships and reform-oriented incentive funds. The executing agency is the State of Karnataka, acting through the Karnataka Urban Infrastructure Development and Finance Corporation Limited.</p>	
Impact	Sustainable water security in selected river basins in Karnataka improved.	
Project Outcome		
Description of Outcome	Urban water resource management in four coastal towns (Kundapura, Mangalore, Puttur, and Udupi) improved.	
Progress Toward Outcome		
Implementation Progress		

Description of Project Outputs	Urban water supply and sanitation infrastructure expanded and upgraded Water resource planning, monitoring, and service delivery system of urban local bodies improved Institutional capacity of executing agency and urban local bodies strengthened.
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Kundapura, Mangalore, Puttur, Udupi
Safeguard Categories	
Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C
Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	
Business Opportunities	
Consulting Services	All consultants will be financed by the State Government. KUIDFC has long standing experience recruiting and managing consultants. In line with ADB's Procurement Guidelines (2015, as amended from time to time), ADB shall satisfy itself that: (i) the procedures to be used will result in the selection of consultants who have the necessary professional qualifications, (ii) the selected consultants will carry out the assignment in accordance with the agreed schedule, and (iii) the scope of the services is consistent with the needs of the project. The consultants will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality: cost ratio of 90:10.
Procurement	All procurement of goods and works will follow ADB's Procurement Guidelines (2015, as amended from time to time). The KUIDFC has prior and ongoing experience in implementing procurement for projects financed by ADB and other organizations. A procurement risk assessment in 2016 recommended that the KUIDFC be given a low to moderate procurement risk rating because it lacked experience in procuring large contract packages. Another risk is that procurement packages will not ensure the participation of capable bidders. These risks will be mitigated through the prior review of evaluation by ADB of contracts worth more than \$20 million, hiring of consultants with experience in procurement of large contracts, and proactive sourcing and classification of competent bidders. The KUIDFC, with support from the PMDCSC, will also implement the capacity building for ULB officials to enhance project management, procurement, and contract administration.
Responsible ADB Officer	Matsunaga, Akira
Responsible ADB Department	South Asia Department
Responsible ADB Division	Urban Development and Water Division, SARD
Executing Agencies	<i>Karnataka Urban Infrastructure Development and Finance Corporation Limited Silver Jubilee Block 2nd Cross, Mission Road, Bangalore-27 INDIA</i>
Timetable	
Concept Clearance	-
Fact Finding	-
MRM	04 Jun 2018
Approval	17 Oct 2018
Last Review Mission	-
Last PDS Update	17 Oct 2018

Project Page	https://www.adb.org/projects/43253-027/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=43253-027
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