



Project Summary Information

Date of Document Preparation: September 30, 2020	
Project Name	Punjab Municipal Services Improvement Project
Document Code	PD000448-PSI-IND
Country	Republic of India
Sector/Subsector	Urban/Urban Infrastructure
Status of Financing	Under Preparation
Project Description	<p>This project will be co-financed with the World Bank (WB) and comprises the following four components:</p> <p>(i) Strengthening urban service delivery systems. This component will include Technical Assistance, training, equipment and studies to support two biggest cities (Amritsar and Ludhiana) in Punjab State for transition into more financially sustainable, administratively efficient, technically capable and institutionally accountable municipal corporations;</p> <p>(ii) Improving water supply infrastructure. The component will provide raw water intake structures, water treatment plants (WTP, 440 MLD in Amritsar and 580 MLD in Ludhiana), clear water pumping systems, transmission lines and overhead storage reservoirs (OHSRs) in both cities;</p> <p>(iii) COVID-19 crisis response. This component will support various municipalities in Punjab with short to medium term interventions to address the COVID-19 crisis, including, upgrading or rehabilitating vital health/community infrastructure or and amenities, clean-up of city spaces/community amenities, provision and/or coordination of local services — both infrastructure and social services — that cater to COVID-19 responses, especially targeting poor and vulnerable households and communities; and</p> <p>(iv) Project management. This component will support various project management activities, including but not limited to: incremental operating costs, social and environmental safeguards management and fiduciary management, monitoring and evaluation activities, and technical and other studies.</p>
Objective	The Project Objectives are to: (i) support strengthening of urban governance, finances, and delivery of sustainable water services in Amritsar and Ludhiana; and (ii) support Punjab municipalities to respond to the COVID-19 crisis.
Expected Results	<p>The Project's expected results are as follows:</p> <p>(i) Improved operational efficiency in the two municipal corporations as measured by enhancement in e-governance;</p> <p>(ii) Increase in own source revenue in the two municipal corporations as measured by improvement in property tax revenue;</p>

	<p>(iii) Improved quality of water in Amritsar and Ludhiana as measured by reduced levels of arsenic, nitrate and selenium; and</p> <p>(iv) Water utilities established in Amritsar and Ludhiana.</p>
Environmental and Social Category	WB Category: High Risk (equivalent to AIIB's Category A if the ESP were applicable.)
Environmental and Social Information	<p>The project will be co-financed by the WB, and its environmental and social (ES) risks and impacts have been assessed in accordance with the WB's Environmental and Social Framework (ESF). To ensure a harmonized approach to addressing the ES risks and impacts of the project, and as permitted under AIIB's Environmental and Social Policy (ESP), the WB's ESF will apply to the project in lieu of AIIB's ESP. AIIB has reviewed WB's ESF and is satisfied that: (a) it is consistent with AIIB's Articles of Agreement and materially consistent with the provisions of AIIB's ESP, including the ES Exclusion List and the relevant ES Standards; and (b) the monitoring procedures that are in place are appropriate for the project.</p> <p>As specific sites, scale, and designs of the two WTPs and several OHSRs are not fully known at this stage, an Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF) have been prepared in accordance with WB's ESF. The ESMF and RPF (in English and their Executive Summaries in Punjabi) have been disclosed on the websites of the Borrower (http://mcludhiana.gov.in/IMPUpd.aspx) and World Bank (https://projects.worldbank.org/en/projects-operations/document-detail/P170811) and links will be provided on AIIB's website. Based on the RPF, site-specific Resettlement Action Plans (RAPs) will be prepared once the detailed designs of the subprojects are available.</p> <p>The potential environmental risks and impacts of the project will be related primarily to the civil works under the water supply infrastructure improvement component and are limited to: (i) construction of water intakes from canals; (ii) construction of water treatment plants; (iii) laying of clean water transmission lines between WTPs and OHSRs; and (iv) construction of OHSRs and repairs of existing OHSRs. The environmental risk of the project is classified as "substantial" because of the risks and impacts related to: (i) sludge from the WTPs during operation phase; (ii) emission of dust, noise, debris, waste products during construction; and (iii) health and safety of workers and traffic disruption during construction of WTPs and OHSRs. The WB has advised that the COVID-19 Crisis Response component will involve no new infrastructure but rather, is expected to involve provision of equipment or amenities to the nine Municipal Corporations (MCs) in Punjab to enable them to respond to urgent and critical needs arising from the pandemic. The list of eligible expenditures under this component will be covered in the Project Operation Manual (POM). The environmental risks and impacts will be mitigated through the preparation of the Environmental and Social Impact Assessments (ESIAs) and ESMPs once the detailed designs of the subprojects are available.</p> <p>The social risks and impacts likely to arise include: (i) permanent and temporary land acquisition and related livelihood impacts to both title and nontitle holders; (ii) impacts due to labor influx and migrant laborers, including Gender-Based</p>

	<p>Violence (GBV) and Sexual Exploitation and Abuse (SEA); (iii) exclusion of vulnerable communities from project benefits and lack of meaningful engagement with communities, particularly vulnerable groups, that may be related to COVID-19 restrictions. These risks will be mitigated in accordance with the provisions of the ESMPs, RAPs and SEA Action plan.</p> <p>The Stakeholder Engagement Plan (SEP) identifies relevant stakeholders, including vulnerable groups, and strategies to inclusively engage with them in the context of COVID-19 will be implemented.</p> <p>A multi-tier Grievance Redress Mechanism (GRM) for project-affected people (PAP) has been designed. An additional mechanism will be put in place to address grievances related to workplace concerns, raised by contracted workers.</p>		
Cost and Financing Plan	<p>Total project cost: USD296.0 million</p> <p>Financing Plan:</p> <ul style="list-style-type: none"> - AIIB loan: USD105.0 million - World Bank loan (IBRD): USD105.0 million - Government of Punjab: USD86.0 million 		
Borrower	Republic of India		
Project Implementation Entity	Punjab Municipal Infrastructure Development Company (PMIDC), Amritsar Municipal Corporation (AMC), and Ludhiana Municipal Corporation (LMC).		
Implementation Period	<p>Start Date: March 15, 2021</p> <p>End Date: June 30, 2025</p>		
Expected Loan Closing Date	December 31, 2025		
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Date of Concept Decision	September 2020		
Date of Appraisal Decision	December 2020		
Estimated Date of Financing Approval	February, 2021		

Independent Accountability Mechanism	<p>As noted above, WB's ESF will apply to this Project instead of AIIB's ESP. Pursuant to AIIB's agreement with the WB, AIIB will rely on the WB's corporate Grievance Redress Service (GRS) and its Independent Accountability Mechanism, the Inspection Panel, to handle complaints relating to ES issues that may arise under the Project. Consequently, in accordance with the Bank's Policy on the Project affected People's Mechanism (PPM), submissions to the PPM under this Project will not be eligible for consideration by the PPM. Information on the WB's corporate GRS is available at https://projects.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service. Information on the WB's Inspection Panel, is available at http://www.inspectionpanel.org.</p>
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