

**India****Tamil Nadu Sustainable Urban Development Project****Chair Summary\*****March 31, 2015**

Executive Directors approved an IBRD loan in the amount of US\$400 million to the Republic of India for the Tamil Nadu Sustainable Urban Development Project (R2015-0052) on the terms and conditions set out in the President's Memorandum. The Minutes will reflect that Mr. Sheets wished to be recorded as abstaining.

Directors expressed support for the operation, which aims to improve urban services in participating Urban Local Bodies in a financially sustainable manner and to pilot improved urban management practices in selected cities in Tamil Nadu. Directors noted the importance of this operation in directly contributing to the "Spatial Transformation" pillar of the World Bank Group's FY2013-FY2017 India Country Partnership Strategy. They welcomed that this operation will help facilitate transfer of good practices and knowledge from Tamil Nadu to low-income states in India which have also started to strengthen urban development and service delivery.

Directors took note of the substantial risks associated with environmental and social safeguards, and urged broad consultations, close monitoring, and robust management of both reputational and operational risks. Noting that this operation is building on earlier engagements in Tamil Nadu in the urban sector, Directors appreciated its enhanced design to address India's urbanization challenges. They particularly noted the Urban Governance Component which provides results-based incentives for governance improvements, and the Credit Enhancement Sub-Component which supports leveraging financial resources from the capital market for Urban Local Bodies in Tamil Nadu. Looking ahead, Directors encouraged the Bank to use the operation as a platform for learning to improve sustainable urban services and management in other Indian cities.

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\*This summary is not an approved record.