

 Early Warning System

IFC-48784

GVMC Loan



Quick Facts

Countries	India
Specific Location	Madhurawada,Vishakapatnam city, Andhra Praadesh
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Borrower	Greater Visakhapatnam Municipal Corporation
Sectors	Water and Sanitation
Investment Type(s)	Loan
Investment Amount (USD)	\$ 60.00 million
Project Cost (USD)	\$ 67.00 million



Project Description

According to IFC, the proposed investment comprises an A-loan of up to US\$60 million in INR equivalent, to Greater Visakhapatnam Municipal Corporation (“GVMC”), an urban local body in the state of Andhra Pradesh. GVMC is responsible for the civic infrastructure and administration of the city of Visakhapatnam. The proposed investment would finance the development of Madhurawada Sewerage System in the northern part of the city as it is one of the fastest growing executive capital area in the city. The project involves the development of sewage collection network, sewage pumping stations, lift stations, and sewage treatment plant. The benefits of the proposed project are increased sustainability of sanitation services, improved environmental outcomes, mitigation of greenhouse gases, and cost efficiency.

GVMC is the civic body that governs the city of [Visakhapatnam](#), which is the largest city of the [Indian state](#) of [Andhra Pradesh](#). The executive power of the GVMC is vested in the [Municipal Commissioner](#), an [Indian Administrative Service](#) officer appointed by the [Government of Andhra Pradesh](#).

IFC’s investment will increase access to sanitation services in Visakhapatnam City through the expansion of the sewerage network, and the development of a wastewater treatment plant and sewerage pumping station, that will contribute to reduce and mitigate pollution generated by untreated wastewater. Beyond the Project, IFC’s investment is expected to demonstrate the financial viability of India’s municipalities’ urban infrastructure projects using commercial debt, enhancing the municipalities’ likelihood for accessing financing in the future from commercial investors.

The project consists of three (3) major components as follows: i) main lines and underground sewerage network of 410 kilometers including provisions of House Service Connections (HSC) and road restoration; ii) installation of two (2) sewage lifting station (SLS) and three (3) sewage pumping station (SPS) and conveyance of raw sewage to the proposed Sewage Treatment Plant (STP); and iii) construction, operation and maintenance of Sewage Treatment Plant (STP). The proposed STP site is to be built on a legacy solid waste dumping site at Kapuluppada. GVMC has since cleared the site of the dumped municipal solid waste.

The Project is presently in the initial planning stage. The proposed STP location and two lifting and three pumping stations within the sewerage network have been finalized. The Project Management Consultant (PMC) and engineering, procurement and construction (EPC) contractor are yet to be finalized. Operation and Maintenance (O&M) of the project will also be contracted out. Post construction of the project, EPC contractor will likely assume responsibility for O&M as O&M contractor.

Andhra Pradesh Urban Infrastructure Asset Management Limited (APUIAML) is in the process of being appointed as a Project Management Consultancy (PMC) for the Project.



Investment Description

- International Finance Corporation (IFC)

Out of total project cost of US\$67 million, IFC will invest up to US\$60 million (in INR equivalent) through subscription of non-convertible debentures issued by GVMC.



Contact Information

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