

 Early Warning System

ADB-53067-005

Himachal Pradesh Rural Drinking Water Improvement and Livelihood  
Project



### Quick Facts

<b>Countries</b>	India
<b>Specific Location</b>	Himachal Pradesh-Bilaspur, Chamba, Hamirpur, Kangra, Kullu, Mandi, Shimla, Sirmaur, Solan, and Una
<b>Financial Institutions</b>	Asian Development Bank (ADB)
<b>Status</b>	Approved
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2022-07-21
<b>Borrower</b>	Government of India
<b>Sectors</b>	Water and Sanitation
<b>Investment Amount (USD)</b>	\$ 96.30 million
<b>Loan Amount (USD)</b>	\$ 96.30 million
<b>Project Cost (USD)</b>	\$ 139.10 million



### Project Description

According to ADB website, proposed investment will provide safe, sustainable, gender-responsive, and inclusive rural water supply and rural sanitation services for about 620,000 people in 10 districts of Himachal Pradesh. The project districts are Bilaspur, Chamba, Hamirpur, Kangra, Kullu, Mandi, Shimla, Sirmaur, Solan, and Una. Using the sector loan modality, it will upgrade rural water schemes and introduce smart water management practices to ensure the effective management of new and rehabilitated water supply assets. Further, the project will pilot an inclusive sanitation program in Sirmaur District to ensure that fecal sludge is safely managed and treated before disposal. The aspirations of rural people are growing, leading to demands for service standards similar to those in urban areas, which support meeting basic human needs, good health, and sustainable environmental outcomes. The project will strengthen institutional capacity in the executing and implementing agency, the Jal Shakti Vibhag (JSV), and in gram panchayats (local administration) to deliver efficient and sustainable services. Women's self-help groups in rural communities will be economically empowered through livelihood skills training, in particular training applicable to drinking water supply augmentation and the operation and maintenance (O&M;) of village rural water supply schemes that provide opportunities to support rural livelihoods. The project will raise public awareness of the health benefits of improved water supply, sanitation, and hygiene practices to prevent the spread of disease, not least the coronavirus disease.

### PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

About 92.9% of the state's rural population has access to drinking water from improved water sources. While this is almost double the national average of 49.1%, it lags the state's urban coverage of 98.4%. The rural water supply infrastructure is old and in poor condition, rendering it either dysfunctional or resulting in services that are of poor quality. Both an asset management system and O&M; funding are lacking. There is no water metering, and supply is typically intermittent (provided for only 6-8 hours per day), with consumption averaging a low 30 liters per capita per day. Small rural water supply schemes are located in remote and steep terrain, which limits data gathering to physical field inspections, and makes rural systems difficult to manage. The current monthly tariff is fixed at INR 34.54 per connection, which is far from sufficient for even O&M; cost recovery. Low-cost recovery translates into a high dependence on subsidies from the government of Himachal Pradesh for O&M;, let alone for system upgrades, and renewal.

Current data shows that 81.3% of rural households have access to improved sanitation facilities, slightly below the 85.0% of urban households. The primary onsite sanitation facilities include pit latrines and flush latrines connected to septic tanks, which discharge directly to the open environment and in open drains. A fecal sludge management facility exists only in Shimla, the state capital.

The government of Himachal Pradesh's JSV manages water supply, including construction and the delivery of bulk water to rural villages. Sanitation is provided by the Rural Development Department. Gram panchayats are involved in the planning, implementation, and management of village water services through village water and sanitation committees constituted by the state's District Water and Sanitation Mission.



### Investment Description

- Asian Development Bank (ADB)

8. The Government of India has requested a sector loan of \$96.3 million from ADB's ordinary capital resources to help finance the project. The loan will have a 25-year term, including a grace period of 5 years; an annual interest rate determined in accordance with ADB's Flexible Loan Product; a commitment charge of 0.15% per year; and such other terms and conditions set forth in the draft loan and project agreements. Based on the straight-line repayment method, the average maturity is 15.25 years, and the maturity premium payable to ADB is 0.10% per year



### Contact Information

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### ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

### ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



### Bank Documents

- [Himachal Pradesh Rural Drinking Water Improvement and Livelihood Project: Environmental Assessment a \[Original Source\]](#)
- [Himachal Pradesh Rural Drinking Water Improvement and Livelihood Project: Indigenous Peoples Plannin \[Original Source\]](#)
- [Himachal Pradesh Rural Drinking Water Improvement and Livelihood Project: Mandi Zone \(CW-MZ 01\), Dis \[Original Source\]](#)
- [Himachal Pradesh Rural Drinking Water Improvement and Livelihood Project: Mandi Zone \(CW-MZ 02\), Dis \[Original Source\]](#)
- [Himachal Pradesh Rural Drinking Water Improvement and Livelihood Project: Mandi Zone Package 1 Land \[Original Source\]](#)
- [Himachal Pradesh Rural Drinking Water Improvement and Livelihood Project: Mandi Zone Package 3 Kullu \[Original Source\]](#)
- [Himachal Pradesh Rural Drinking Water Improvement and Livelihood Project: Package SZ 03 Resettlement \[Original Source\]](#)
- [Himachal Pradesh Rural Drinking Water Improvement and Livelihood Project: Resettlement Framework \[Original Source\]](#)
- [Himachal Pradesh Rural Drinking Water Improvement and Livelihood Project: Shimla Zone \(CW-SZ 03\), Di \[Original Source\]](#)
- [Himachal Pradesh Rural Drinking Water Improvement Project: Initial Poverty and Social Analysis \[Original Source\]](#)
- [Project Disclosure PDF \[Original Source\]](#)