



India: Karnataka Integrated Urban Water Management Investment Program - Tranche 1

Project Name	Karnataka Integrated Urban Water Management Investment Program - Tranche 1	
Project Number	43253-025	
Country	India	
Project Status	Active	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	<p>Grant 0399-IND: Karnataka Integrated Urban Water Management Investment Program - Tranche 1</p> <p>Urban Environmental Infrastructure Fund under the Urban Financing Partnership Facility US\$ 1.80 million</p> <p>Loan 3148-IND: Karnataka Integrated Urban Water Management Investment Program - Tranche 1</p> <p>Ordinary capital resources US\$ 75.00 million</p>	
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Partnerships Private sector development	
Sector / Subsector	Water and other urban infrastructure and services - Urban policy, institutional and capacity development - Urban sewerage - Urban water supply	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	Project 1 is representative of subprojects to be financed under the investment program. Under output 1, project 1 will finance Urban Water Supply and Sanitation (UWSS) infrastructure in three towns of the Tungabhadra subbasin: Byadagi, Davangere, and Harihar.	
Project Rationale and Linkage to Country/Regional Strategy	<p>Wide variations exist in coverage in Project 1 urban local bodies (ULBs), ranging from 48% in Harihar to 64% in Byadagi. Use of shared water connections in Project 1 ULBs ranges from 4% to 13%. About 40% of households in Harihar and Byadagi and 20% 24% of households in Davangere are dependent on public taps. None of the Project 1 ULBs have a continuous supply of water. The average per capita water consumption in the three project ULBs is as low as 60 liters per capita per day and even lower for below poverty line households. Of the low income households living in slums, 15% are located within the program areas. Baseline survey results indicate that only 54% 66% of households in the program areas have access to individual toilets. Use of shared toilets is anywhere from 5% to 11%. Open defecation varies from 3% to 41% and access to sewerage systems ranges from 13% to 77%. The baseline results further suggest that the percentage of below poverty line households in Project 1 areas ranges from 17% to 37%, female-headed households from 6% to 11%, and that the percentage of other disadvantaged households is 26%.</p> <p>Project 1 will provide (i) increased water treatment capacity (15,000 cubic meters per day) and improvements to water supply networks (1,065 km) to ensure comprehensive, efficient and continuous water supply; and (ii) increased wastewater treatment capacity (4 new sewage treatment plants with a total capacity of 48,000 cubic meters per day) and improvements to the sewerage networks (365 km of pipeline and 5,000 pro-poor toilets) to promote environmental protection. Output 2 will support reform implementation and will finance (i) a fraction of the ULB incentive fund, and services to (ii) draft the public standpost guidelines, (iii) prepare selected IT-based modules and pilot them in three selected towns, (iv) assist mainstreaming private sector participation through performance-based contracts in water schemes, and (v) develop and deliver a communication and awareness campaign. Under output 3, it will finance consultancies for project management and design and supervision, as well as capacity development activities to strengthen KUIDFC's financial intermediary mandate and ULBs' administrative functions (through training of over 75 officials).</p>	

Impact Improved sustainable water security in the Upper Tunga Bhadra subbasin

Project Outcome

Description of Outcome Improved water resources management in selected urban areas of the Upper Tunga Bhadra subbasin

Progress Toward Outcome All four major civil works contracts for sanitation infrastructure were awarded and are in various stages of implementation.
There are five contract packages for water supply component consisting of two for bulk water supply works and three for water distribution works. Procurement process for the two contract packages for bulk water supply works is ongoing. Awarding of these two packages were scheduled by April 2017 for Harihara, Byadgi and May 2017 for Davanegere. Target tendering of the three contract packages for water distribution works is before May 2017 and awarding by 30 September 2017.

Implementation Progress

Description of Project Outputs Expanded and upgraded UWSS infrastructure in three towns of the Upper Tunga Bhadra subbasin
Improved water resource planning, monitoring, and service delivery
Strengthened operational and administrative capacity of KUIDFC and ULBs

Status of Implementation Progress (Outputs, Activities, and Issues)

1. Expanded and upgraded UWSS infrastructure in three towns of the Upper Tunga Bhadra subbasin.
 - 1.1 Investments in water supply infrastructure. Procurement process for the two contract packages for bulk water supply works is ongoing. Awarding of these packages were scheduled by April 2017 for Harihara, Byadgi and May 2017 for Davanegere. The three contract packages for Harihara, Byadgi and Davanegere for water distribution works are being finalized with target tendering before May 2017 and awarding by 30 September 2017.
 - 1.2 Investments in sanitation infrastructure. The following four major civil works contracts were awarded: (i) Expansion of Sewerage Systems in Davangere City; (ii) Expansion of Sewerage Network and construction of one 18 MLD sewage treatment plant (STP) in Harihar town (iii) Design, Supply, Installation & Commissioning of 20 MLD and 5 MLD STPs including three year operation and maintenance in Davangere City; (iv) Design, Build, Operate & maintain for 6 years for Byadagi comprehensive scheme. The works for these contracts are in various stages of implementation. As of 10 March 2017, overall physical progress of these contracts is around 34% ranging from 11% on recently awarded contract to 57% on advanced contract. About 118 km of sewer pipelines have been laid.
 - 1.3 Recruitment process of consultancy packages ongoing for public communication, awareness and implementation of Output Based Aid (OBA) Toilet program. Engagement of OBA Toilet Program NGO planned by April 2017. Validation process of beneficiaries planned to commence by April 2017 and be completed by July 2017; and construction of toilets planned to commence by May 2017.
2. Improved water resource planning, monitoring, and service delivery. ULB Incentive Fund (UIF) guidelines have been approved by Empowered Committee in October 2016 and launch meeting with ULBs' was held in December 2016. UIF is scheduled to be implemented from April 2017. The project management unit formalized a detailed road map for reforms through UIF in the project towns.
3. Strengthened operational and administrative capacity of KUIDFC and ULBs. Project Management, Design and Construction Supervision Consultant, and Facility Management and Institutional Development Consultant were engaged in Q4 2014 and Q1 2015 respectively and are currently providing operational and administrative support to KUIDFC. Discussion with the State Institute for Urban Development was initiated for the planned ULB capacity development training programs.

Geographical Location

Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects Three initial environmental examinations with environmental management plans were prepared for project 1 in accordance with ADB's Safeguard Policy Statement and government laws. The initial environmental examinations conclude that no significant adverse impact is anticipated as a result of UWSS infrastructure expansion and rehabilitation works proposed in the project 1 towns. It is envisaged that the net environmental benefits to the population of the three towns will be positive and significant as a result of improved (i) water efficiency and security through the implementation of non-revenue water reduction programs; and (ii) river water quality through the expansion of sewerage networks, treatment capacity, and sanitation coverage. The initial environmental examinations outline a grievance redress mechanism to ensure easy and quick redress of any complaints or concerns during project implementation. The environmental management plans provide adequate mitigation measures to address temporary construction impacts, including traffic management, to ensure limited disruption to traffic flow and access.

Involuntary Resettlement	Temporary impacts on loss of income to shop owners, street vendors, and hawkers are envisaged due to construction and rehabilitation of water supply and sewerage networks in project towns. A total of 9.09 hectares of private agricultural land will need to be acquired for the construction of sewage treatment plants in Byadagi and Davengere, impacting 12 landowners. The new service reservoirs, sewage treatment plants, lift stations, and community toilets will be located within existing facilities or in government and/or community lands. One voluntary land donation for a sewage lift station in Harihar has been identified. Independent third party validation of the donated land was done and the report is included in the final Harihar resettlement plan. The draft resettlement plans of Byadagi and Davengere were prepared in consultation with affected persons during the preparation stage in accordance with ADB's Safeguard Policy Statement (2009). The final resettlement plans will be prepared upon the completion of detailed design and submitted to ADB for review and approval prior to implementation. The Indian Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act is in effect since 1 January 2014.
Indigenous Peoples	Based on socioeconomic surveys, no indigenous people reside in project sites. Improved water supply and sewerage networks will benefit all households equally.

Stakeholder Communication, Participation, and Consultation

During Project Design	Information flows will focus on: (i) sharing project information (scope and progress) with decision makers, responsible agencies, consultants and contractors; (ii) explain the project and resolve concerns raised by affected persons; and (iii) involve beneficiaries in field-level monitoring activities. They provide information on: (i) who is responsible to ensure the actions and strategy are implemented, and (ii) what resources are required to implement the plan and strategy.
During Project Implementation	Meaningful and widespread consultation will continue throughout implementation. The project will recruit a social development consultant at the regional project management unit who will work closely with the poor, the disadvantaged, and women to promote community participation and development. Household level disaggregated data (by ethnicity, sex, and social and economic status) will be collected to inform targeted programming and identify implementation gaps in relation to social inclusion.

Business Opportunities

Consulting Services	All consultants and nongovernment organizations (NGOs) will be financed by the State Government. KUIDFC has long standing experience recruiting and managing consultants. ADB will satisfy itself that recruitment is in line with Clause 1.8 of ADB's Guidelines on the use of Consultants.
Procurement	All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). The concurred standard bidding documents for national competitive bidding will be applicable for use under all Projects under the Facility. The procurement plan indicates the threshold, mode of procurement and consultant selection, review procedures, and contract packages.

Responsible Staff

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 Infrast. Dev. and Finance Corp. KUIDFC.PMU@SMD.SPRINTRPG.EMS.VSNL.NET.IN Silver Jubilee Block 2nd Cross, Mission Road, Bangalore-27 INDIA</i>

Timetable

Concept Clearance	-
Fact Finding	-
MRM	09 Jul 2013
Approval	29 Jul 2014
Last Review Mission	-
Last PDS Update	28 Mar 2017

Grant 0399-IND

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual

29 Jul 2014

30 Dec 2014

07 May 2015

30 Sep 2019

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Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	42.00	Cumulative Contract Awards			
ADB	0.00	29 Jul 2014	0.00	0.00	0%
Counterpart	40.20	Cumulative Disbursements			
Cofinancing	1.80	29 Jul 2014	0.00	0.00	0%

Loan 3148-IND

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
29 Jul 2014	30 Dec 2014	07 May 2015	30 Sep 2019	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	75.00	Cumulative Contract Awards			
ADB	75.00	29 Jul 2014	32.76	0.00	44%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	29 Jul 2014	9.52	0.00	13%

Project Page

<https://www.adb.org/projects/43253-025/main>

Request for Information

<http://www.adb.org/forms/request-information-form?subject=43253-025>

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