

Project Summary

Project Overview	
Project Name	Madhya Pradesh Multi Village Water Supply Project
Country	The Republic of India
Sector	Sustainable Development
Approval Date (by the Board)	30 August 2017
Closing Date	(Loan has not been signed.)
Total Project Cost	USD 670 million
Loan Amount	USD 470 million
Borrower	The Government of India
Implementation Agency	Madhya Pradesh Jal Nigam Maryadit

I. Introduction

Madhya Pradesh is the second largest state by area in India, yet it remains socio-economically underdeveloped relative to the rest of the country. Only a small number of the rural households in Madhya Pradesh have access to safe drinking water on their premises. Many villagers have to fetch water from the nearest source which is usually at least half a kilometer away. The state's population depends largely on uncovered dug wells and hand pumps for drinking water. Along with inadequate access to safe drinking water, chemical and bacteriological contamination in current water sources is also a rising concern. The need for clean and safe drinking water from sustainable sources is aggravated and has been highly recognized by both the state and the central government. In this context, the Madhya Pradesh Multi Village Water Supply Project (the Project) is designed, supported by financing from the New Development Bank (NDB) to provide piped drinking water to rural areas and achieve the goal of full access to clean drinking water. The Project is in close alignment with NDB's mandates to help member countries addressing their most urgent development issues through infrastructure and sustainable development.

II. Project Description

The objective of the Project is to provide piped drinking water to rural areas of Madhya Pradesh and to help the state's water program to achieve 100% household water connections. NDB will provide a loan of USD 470 million to the Government of India for on-lending to the Government of Madhya Pradesh to finance the water supply schemes. The Project will support 9 multi-village rural water supply schemes in Madhya Pradesh, ensuring doorstep availability of clean and safe drinking water. The Project will cover 3,400 villages and benefit over 3 million people. Availability of clean water at household level will significantly impact the standards of living for the villagers, who will benefit largely from saved water-fetching time, reduction of water-borne diseases, and improved sanitation conditions.

III. Environmental and Social Aspects

The Project contributes to improved productivity, increased economic activity and enhanced education opportunities as a result of reduced water-fetching time and improved health conditions. The successful implementation of the Project helps extend the development benefits to the most needed rural areas and fulfil the basic human need of having access to safe and clean drinking water.

The Project is classified as Category "B". NDB's due diligence on environmental and social assessments found the limited negative impacts are site-specific and mitigation plans have been put in place. Land acquisition and use of forest land are minimized for optimal project design. Compliance with environment and social regulations in India and with the core principles of NDB's Environment and Social Framework will be ensured.

IV. Financials

The total cost of the Project is estimated to be USD 670 million. NDB will finance the Project with a long term loan of USD 470.0 million, accounting for 70% of the total Project cost. The Government of Madhya Pradesh will provide the counterpart funding of USD 200.0 million.

Financier	Amount (\$ million)
New Development Bank	470
Government of Madhya Pradesh	200

V. Implementation

The Project will be implemented over 4 years. The Government of Madhya Pradesh will be responsible for implementation and oversight. A dedicated project management unit will be formed by the project implementation agency at the headquarter level with 4 project implementation units at field level to closely monitor the implementation of the Project.

The Project loan will be repayable in 32 equal semi-annual instalments over 16 years.

VI. Contact

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