

## DEVELOPMENT COORDINATION

### A. Major Development Partners in Madhya Pradesh

1. In recent years, the Asian Development Bank (ADB), the World Bank, and the Government of Japan (through the Japan International Cooperation Agency [JICA]) have been major development partners in supporting the Government of India's ongoing efforts to enhance infrastructure development with a focus on energy, transport, and urban infrastructure services. Several other bilateral development partners, such as the Department for International Development of the United Kingdom (DFID) and the Government of Germany (through KfW and GIZ), are expanding their portfolios in infrastructure development, focusing on improving water and wastewater services. The Government of the United States (through the United States Agency for International Development) is selectively implementing programs aimed at poverty reduction, livelihoods development, and climate change planning and management. In Madhya Pradesh, the major partners are ADB, the World Bank, JICA, KfW, and DFID.

2. The ADB successfully implemented the Urban Water Supply and Environmental Improvement Project from 2003 to 2013,<sup>1</sup> addressing the inadequate urban infrastructure and degradation of the environment in four cities: Bhopal, Gwalior, Indore, and Jabalpur. The project provided basic services of water supply, sanitation, and garbage collection and disposal in these cities. The major outputs have been achieved, benefiting a total urban population of about 5.6 million.

3. The World Bank is preparing to finance the Madhya Pradesh Urban Development Program, which focuses on water supply, sewerage and solid-waste management, transport, and heritage in eight second-tier towns, and sewerage investments in 18 second-tier towns covering a total urban population of about 1.6 million. The Madhya Pradesh Urban Development Company Limited loan processing was completed in 2016. The World Bank is also supporting Madhya Pradesh with a \$396 million loan for the Madhya Pradesh Water Sector Restructuring Project, which will finance the Chambal, Sindh, Betwa, Ken, and Tons river basins, and benefit over 2 million people. Madhya Pradesh will benefit from better water productivity, with improved irrigation and a substantial increase in farm and nonfarm employment produced by the project. The loan will address the rehabilitation and modernization of selected existing irrigation and drainage assets in the five river basins, covering about 620,000 hectares of command area, under about 654 large, medium-sized, and small schemes. This loan will assist Madhya Pradesh in implementing institutional reforms geared toward sustainable and optimal water resources management and improved, reliable irrigation service delivery.

4. The Madhya Pradesh Urban Sanitation and Environment Program, supported by the Government of Germany through KfW, includes (i) capital investment in urban infrastructure, and (ii) technical assistance for a feasibility study and detailed project report. The project proposes to provide sewage treatment system investments in six second-tier towns (Barwani, Hoshangabad, Mandla, Narsinghpur, Sendhwa, and Vidisha) with a total population of about 0.5 million. The project will prevent people from discharging sewage directly into the Narmada River basin.

5. JICA is supporting the government of Madhya Pradesh in developing metro rail services in Bhopal and Indore cities with the project cost of about ₹120 billion (\$2 billion). In addition,

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<sup>1</sup> The project completion report: [https://www.adb.org/sites/default/files/project-document/189422/32254-023-pcr\\_0.pdf](https://www.adb.org/sites/default/files/project-document/189422/32254-023-pcr_0.pdf)

JICA is said to be actively considering a loan for a regional water supply project in Chhatarpur district for full coverage of piped water in villages and towns from a surface water source.

6. The Madhya Pradesh Urban Infrastructure Investment Program was a 3-year partnership program (2013–2015) financed by DFID and the government of Madhya Pradesh with a grant for improved water and sanitation services. The purpose of the program was to enable urban local bodies (ULBs) in Madhya Pradesh to mobilize resources to provide more equitable and sustainable basic services, especially for women. The program builds on the recently concluded Madhya Pradesh Urban Services for the Poor Program, which was implemented from 2006 to 2012. The Urban Infrastructure Investment Program outputs were (i) better facilitation and implementation of private sector investment in urban basic services; (ii) improved transparency, accountability, and effectiveness of ULB functioning, especially for women; (iii) greater financial security from land and improved access to basic services for poor people; and (iv) clean and more energy efficient urban services. The program was concluded in December 2015.

7. Details of projects assisted by development partners in recent years are given in Table 1.

**Table 1: Major Development Partners in Madhya Pradesh**

Development Partner	Project Name	Project Duration	Project Size (million)
ADB	Urban Water Supply and Environmental Improvement	2003–2013	\$312.0
World Bank	Water Sector Restructure Project	2004–2015	\$412.5
World Bank	Madhya Pradesh Urban Development Project	2016–2020	\$166.0
JICA	Madhya Pradesh Transmission Modernization Project	2011–2018	¥18,475.0
KfW	Madhya Pradesh Urban Sanitation and Environment Program	2015–2019	€50
DFID (grant)	Madhya Pradesh Urban Infrastructure Investment Program	2013–2015	£27.4

ADB = Asian Development Bank, DFID = Department for International Development of the United Kingdom, JICA = Japan International Cooperation Agency.

Sources: [www.worldbank.org/en/country/india/projects/all](http://www.worldbank.org/en/country/india/projects/all); [www.jica.go.jp](http://www.jica.go.jp); presentation by Madhya Pradesh Urban Administration and Development Department on 17 June 2015.

## **B. Institutional Arrangements and Processes for Development Coordination**

8. In Madhya Pradesh, high-level committees mandated to provide policy and strategic guidance and project oversight are functioning and are common to various projects. They include representatives from all key departments (such as the Municipal and Urban Development Department, Planning Department, and Finance Department) and supporting departments (e.g., the State Pollution Control Board and Department of Water Resources). At the national level, institutional coordination at the project level is assured prior to project approval through a screening process. This requires review and approval of concepts by the Ministry of Urban Development, the Department of Industrial Policy and Promotion of the Ministry of Commerce, and the Department of Economic Affairs of the Ministry of Finance. To better facilitate project coordination and implementation, as well as to sustain long-term operation, Madhya Pradesh set up the Madhya Pradesh Urban Development Company to manage the Madhya Pradesh Urban Infrastructure Fund that would provide (i) needs-based financial assistance to cover capital and operation and maintenance expenses, (ii) payment security to private operators engaged through performance-based contracts, and (iii) credit

enhancement for raising financial resources at the state level on a pooled municipal debt obligation basis.

9. Extensive consultations have been held with other development partners during the project preparatory stage of the Madhya Pradesh Urban Services Improvement Project to (i) avoid overlap between ADB's assistance and that of other agencies; (ii) maximize impact and results of the reform agenda; (iii) build partnership and cooperation; (iv) ensure convergence of ADB's support with other national programs, especially under the Smart City and the Atal Mission for Rejuvenation and Urban Transformation programs of the Ministry of Urban Development; (v) promote tourism areas contemplated by the government of Madhya Pradesh; and (vi) ensure convergence with other urban development programs in the state.

10. The proposed project reflects country and state ownership and leadership in shaping the program, relative application of country systems (particularly in procurement systems), and the high degree of development coordination and increasing harmonization of development partner procedures for reporting, financial management, and procurement. Further, key components of policy action would include (i) geographic information systems for the water and wastewater assets created and the operating regime, (ii) pilot initiatives for sustainability of water resources for ensuring climate change resilience, (iii) capacity building of participating ULBs to effectively monitor outsourced service delivery, and (iv) support for skills development with a focus on efficient operation and maintenance by third-party service providers.

### C. Achievements and Issues

11. The ADB-financed Urban Water Supply and Environmental Improvement Project in Madhya Pradesh comprehensively addressed the urban service that will be continued through the Madhya Pradesh Urban Services Improvement Project. Key achievements that resulted from the previous ADB-financed urban development project are listed in Table 2.

**Table 2: Achievements of ADB Assistance**

Key Area	Achievement
Infrastructure development	5.60 million people provided with improved water supply, 0.80 million people with wastewater management services, 0.67 million with storm water drainage, and 4.70 million with improved solid-waste management, and service improved in 65 slums.
Urban service improvement	Four municipal corporations improved their sewage, drainage, and sanitation service; Four cities improved their solid-waste management; Base maps for cities developed using aerial photography.
Project management capacity improvement	Improved financial management capacity, Improved contract management capacity.

Source: Madhya Pradesh Urban Water Supply and Environmental Improvement Project.

### D. Summary and Recommendations

12. By strengthening forums for development partner coordination—through more frequent meetings and consultations, and improved coordination during implementation (e.g., via regular national coordination committee meetings)—ADB can ensure that overlaps are minimized and synergies pursued. Close coordination will enable future development assistance to address gaps and/or complement the activities of ongoing projects. Coordination mechanisms at the state government level maximize impact and minimize disputes. This is overarched by adequate safeguards.