

Government of India and the Asian Development Bank (ADB) Sign \$ 169 Million Loan to Provide Water and Sanitation Services in Tamil Nadu

Asian Development Bank (ADB) and the Government of India signed a \$169 million loan as the First Tranche of a \$500 million multi-tranche financing to develop climate-resilient water supply, sewerage, and drainage infrastructure in at least 10 cities in the State of Tamil Nadu.

The signatories to the loan for the Tamil Nadu Urban Flagship Investment Program were Hon'ble Mr. Sameer Kumar Khare, Additional Secretary (Fund Bank and ADB), Department of Economic Affairs, Ministry of Finance, who signed for the Government of India; and Mr. Kenichi Yokoyama, Country Director of ADB's India Resident Mission, who signed for ADB.

The State has faced recurring droughts and erratic monsoons in the recent past resulting in severe water scarcity and urban flooding. ADB's support will help address these complex urban challenges through innovative and climate-resilient investment and deeper institutional support.

ADB program forms part of its support to the state's Vision Tamil Nadu 2023 to provide universal access to water and sanitation and to develop world-class cities in high-performing industrial corridors.

Though Tamil Nadu is the most urbanized of India's large States, urban service levels remain low, with less than half of households served by piped water, only 42% of households are covered by a

sewerage network, with 43% of sewage disposed directly into waterways untreated.

The program will develop climate-resilient sewerage collection and treatment and drainage systems in 10 cities, and install the country's first solar-powered sewage treatment plant. Introduction of smart water management systems will help reduce non-revenue water and strengthen operational efficiency. Around 4 million people will benefit from piped water and sewerage connections and improved drainage. The program will boost institutional capacity, public awareness, and urban governance as part of a comprehensive approach for developing livable cities.

The First Tranche Loan will target the cities of Chennai, Coimbatore, Rajapalayam, Tiruchirappalli, Tirunelveli, and Vellore. A \$2 million grant from the Asian Clean Energy Fund, established by the Government of Japan, will fund the solar energy pilot project. An ADB technical assistance grant of \$1 million will accompany the program to support capacity building.

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Warm regards,

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