

## World Bank signs USD 147 Million Loan Agreement to Improve Urban Services in Jharkhand

The Government of India, the Government of Jharkhand and the World Bank signed a USD 147 million loan agreement to provide basic urban services to the people of Jharkhand and help improve the management capacity of the urban local bodies (ULBs) in the state. The Jharkhand Municipal Development Project will focus on improving the municipal sector's capacity to provide basic urban services. It will invest in urban services such as water supply, sewerage, drainage, and urban roads; and strengthen the capacity of the Jharkhand Urban Infrastructure Development Company (JUIDCO) as well as that of the ULBs to carry out reforms in the areas of urban finance and governance.

This is in keeping with the needs of a rapidly urbanizing state where about 31 million people reside in urban areas and urban population growth in nine of 24 districts in Jharkhand is above India's overall urbanization pace of 2.7%. Most of the project components will be open to all 43 ULBs in the state who may wish to participate within an agreed framework under the project. Over 350,000 urban residents of the participating ULBs are expected to benefit, of which at least 45% will be women.

Interventions such as piped water supply, storm water drains, climate friendly road construction and energy efficient street lighting will not only help improve urban services but also make it environmentally sustainable. Work on two subprojects – Khunti water supply subproject and the Dhanbad roads subproject is expected to commence shortly. Through its other key components, the project will improve urban governance by assisting ULBs to improve their organizational capacity, manage finances in a sustainable manner, and focus on the development of its nodal implementing agency, JUIDCO. The loan, from the International Bank for Reconstruction and Development (IBRD), has a 7-year grace period, and a final maturity of 22.5 years.

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