

AGENDA ITEM NO. 199.07

**HARYANA CLEAN AIR PROJECT FOR
SUSTAINABLE DEVELOPMENT LED BY
THE GOVERNMENT OF HARYANA AND
THE WORLD BANK.**

Agenda item no. 199.07

Haryana Clean Air Project for Sustainable Development led by the Govt. of Haryana and the World Bank

Project Name: Haryana Clean Air Project for Sustainable Development		
#	Item	Details
1	Timeline of the project	1 January 2024 - 31 March 2030
2	Duration of the project	6 years and 3 months
3	Central Line Ministry for the Project	Ministry For Environment, Forests and Climate Change
4	Proposed Project Implementation Agency in Haryana	Department of Environment and Climate Change

The Government of Haryana has launched the '**Haryana Clean Air Project for Sustainable Development**' in collaboration with the World Bank to implement priority interventions for the improvement of air quality and contribute towards the collective effort on air quality management in the Indo-Gangetic region.

The World Bank aims to improve air quality management across eight states in the Indo-Gangetic Plain (IGP). As part of their Regional Action Plan they intend to improve air quality and reduce emissions across a common geographic area (the indo-gangetic plain), irrespective of the state boundaries. This is known as the airshed approach. For implementation of the Regional Action Plan, the World Bank is extending financial and technical assistance to the eight IGP States for seven years. Given the geographic and strategic importance of Haryana in the IGP region and 14 out of its 22 districts falling in the National Capital Region (NCR), the World Bank approached the State government on devising a project for Haryana as part of their regional action plan for the IGP states. The state has closely engaged with the World bank over the last eight months. As part of the Haryana Clean Air Project, the state is going to be provided financial assistance of USD 300 million (~2,478 crore rupees) from the World Bank to implement priority interventions for improvement of air quality in Haryana and contribute towards the collective effort on air quality management in the IGP region.

The project aims to reduce air pollution through a multi-sectoral, airshed-based approach. It also envisions building a pioneer model that can be replicated across India. The project will support in:

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- Devising policies on air quality management
- Building institutional capacity
- Strengthening air quality monitoring infrastructure
- Implementing sector-specific air pollution abatement measures

The breakup of the total budget is as follows:

Year wise financial projections of fund utilization (in Rs Crore and USD Million)								
Year	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Total
INR	475	736	736	736	736	164	0	3583
USD	58.0685	89.9756	89.9756	89.9756	89.9756	20.0489	0	438.0198

The budget allocation may vary at a later stage.

Project Process Details

Out of the seven-year tenure of the project, the first year is dedicated to project planning. This includes four steps - submission and approval of initial proposal (Preliminary Project Report (PPR)), setting-up a team for program design and implementation, preparation and finalisation of a Detailed Proposal/Project Report (DPR), and approval of financial assistance by the World Bank. The PPR enclosed as **Annexure A**. The approval of the Hon'ble Chief Minister for the ppr may be referred on the noting enclosed as **Annexure B**. The approval of the FD for submission of the PPR to Department of Economic Affairs enclosed as **Annexure C**. The subsequent six years will be dedicated to the implementation of all the approved interventions to reduce air pollution in the state.

The progress in the project till now is as under: -

#	Process Description	Completion Timeline	Current Status
1	Submission and approval of Preliminary Project Report (PPR) by DAE	31 August 2023	Complete
2	Team formation for Detailed Project Report (DPR) preparation and implementation	October 2023	Complete
3	Finalisation of detailed project report	March 2024	Ongoing

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4	Approval of the detailed project report	April 2024	-
5	Transfer of financial assistance by the World Bank	August 2024	-

DPR preparation team

Committee	Roles & Responsibilities	Members
Governing committee	Give final sign-off to the DPR for submission to WB for approval	Chief Secretary, GoH (Chairman, Governing Committee)
		ACSs of stakeholder Departments, Haryana
Steering committee	Review DPR for each sector and provide detailed comments	Chairman, HSPCB
		ACS, Dept. of Environment (Chairman, Steering Committee)
		HoDs of stakeholder Departments, Haryana
		Commissioner MC, Faridabad
Executive committee	Lead creation of DPR & provide comments on the draft version to committee members	Commissioner MC, Gurugram
		Engineer-in-Chief, PWD
		Project Director (Chairman, Executive Committee)
		Nodal officers from departments
		SEE(Air Cell), HSPCB (Coordinating Officer)
		Nodal officers from MC Faridabad & Gurugram
Technical experts from TERI, ARAI, IIT Delhi		
		GDI Partners, Design & Implementation Team

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The order of the above team structure enclosed as Annexure D.

As part of the Haryana Clean Air Project, the state is going to be provided financial assistance of USD 300 million (~2,274 crore rupees) from the World Bank over a term of 6 years beginning from December 2024 to 2030. As per details mentioned above, state contribution in the said project will be USD 127.9951 million.

This is for kind information of the Board please.

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Preliminary Project Report - (PPRID - 12072)

Uploaded Date: 02 May 2023

Sent to DEA Date: 02 May 2023

Created By : PARDEEP KUMAR, Director, ENVIRONMENT DEPARTMENT, Haryana

Contact Details - environment@hry.nic.in, 0172-2581105,

Nodal Officer - Anurag Rastogi, Additional Chief Secretary, acs.finance-hry@gov.in, 0172-2740922,

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SNO.	Item	Details
1.	Name of the Project	Haryana Clean Air Project for Sustainable Development
	Category	Both-(Loan, Grant)
2.	Sectoral Area	ECC-Environment and Climate Change
3.	Central Line Ministry or Department for the Project	Ministry of Environment, Forests and Climate Change
4.	State Line Department for the Project	
5.	Proposed Project Implementation Agency	-Department of Environment and Climate Change, Haryana -
6.	Institutional Structure for Delivery	PMU
7.	Basic Design of the Project	
	Goals and Objectives	The specific objective of the project will be to strengthen systems for airshed management & contribute to the development & implementation of a Haryana Clean Air Action Plan that puts forward selected priority measures to reduce air pollution in the state significantly. The project would support policies, capacity development, & investments & implementation support for (i) AQM Planning & institutional capacity; (ii) Sector specific air pollution abatement measures; (iii) Strengthening Air Quality Monitoring infrastructure & (iv) multi-sector planning, coordination, & convergence of funds.
	Activities Involved	-Strengthen Capabilities for AQM developing a Haryana Clean Air Action Plan; Strengthen Institutional Capabilities; citizen & private sector participation -Strengthen AQ Monitoring infrastructure: Expansion & integration of AQM infrastructure, CEMS expansion -Strengthen fiduciary & multi-sector budget systems for AQM outcomes -Sector interventions: Transport sector; Industries; Biomass-based household & commercial cooking; Agriculture practices & manure, crop-residue management; Solid waste burning; Road & construction dust management; Cost recovery & revenue mode's
	OutPuts of the Project	-Sector specific interventions: Expansion of clean transport fleet, old vehicles scrapped; Mpublic & NMT improved I&M, reduced congestion; industries with improved boilers & complying with emission standards; clean cooking solutions (residential & commercial) increased; Reduction in solid waste burnt; Reduced road & construction dust; Improved fertilizer use efficiency & manure management; Increased paving & greening open surfaces -Advanced skills and capability for AQM -Enhanced AQM infrastructure with data quality control; data use, visualization -Convergence & use of Govt funds for AQ improvement
	Outcome of the Project	1. Improved air quality in Haryana, as well as the NCR due to emission reductions and positive spillover 2. Improved public health and livability conditions throughout Haryana 3. Reduction in greenhouse gases and black carbon emissions causing climate change 4. Strengthened capability of the State to adopt and implement policies and planning tools to sustain clean air benefits. Increasing labor productivity and improving investment climate
8.A	Finance Plus Element	
	System and Transformational Impact	Reducing air pollution through a multi-sector, airshed based approach would have transformational impacts for improved AQM and planning in the state which is pioneering and can be replicated across India. The program will apply best practices and tools for science-based policy making to investments using cost-effectiveness analysis. It will further help Haryana improve its competitiveness and concurrently stimulate the economy. The program will support Haryana to transition to a more sustainable and climate compatible growth trajectory.

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	Innovations and Piloting of New Approaches	<ol style="list-style-type: none"> 1. International finance secures predictable funding for implementing a pioneering state airshed plan. 2. Support potential co-financing & leveraging other sources of finance that can help fill gaps to control AP 3. Deploy innovative cost-effectiveness analysis (CEA) to determine measures that yield greatest reduction at the least cost. 4. Support piloting & scaling up effective, state-of-the-art technologies for pollution control. 5. AQM strategies will be underpinned by a robust regional AQM model (for the IG?) using CE strategies & consolidating national & global experiences.
	Innovations in Financing Leveraging	Application of the program for results to support a shift to airshed management in India is an innovative use of this instrument. Alignment for implementation of a state clean air action program & the 15th finance commission results-based grants in a novel approach. Positioning Haryana as one of the early leaders in catalysing a regional airshed planning in the Indo-Gangetic Plains, which yields benefits for the entire airshed & the heavily populated National Capital Region. International finance will reimburse for outcomes & results with flexibility on which funds are used to deliver result.
	International Best Practices Proposed to be Adopted	<ol style="list-style-type: none"> 1. Airshed management starting with network expansion to capture a state-wide sources of AP & development of a state level SA & EI 2. Modelling tool development to support evidence-based decision making. 3. CEA informing policy based on experiences of the EU & other developing countries. 4. Implementation of pollution control measures will be informed by success in other parts of the world & customized to suit local conditions. 5. Business models for financial sustainability of clean air investments
8.B.	Budget Plus: Additional financing that project will mobilize, in addition to Budgetary resources (including Loan), e.g. Funding from private sector/beneficiaries/Civil Society Organization etc	-
	Other Element(if any)	
	Private Sector Engagement (Financing, Supply Side, Investment, Provision of Services)	The Project will seek to crowd in private sector participation into several of the activities through a focus on enterprises related to technology upgradation in MSMEs, transport sector, AQ Monitoring infrastructure, rural household clean cookstoves and related technology shifts, etc. The program will also harness RECP measures to improve competitiveness of MSMEs within industrial parks in the state and enable local industry to access global supply chains with sustainability requirements.
9.	Climate Mitigation/Adaptation	<p>The program will have measurable climate co-benefits & help Haryana chart a low carbon development pathway & assist in the abatement of key GHG pollutants- ground level ozone & black carbon. A clean air path for India would have significant climate co-benefits estimated as:</p> <ul style="list-style-type: none"> -CO₂ emission reductions: 12% by 2025; 23% by 2030; & 42% by 2040. -Black carbon emission reductions: 51% by 2025; 81% by 2030; & 90% by 2040 -Methane emission reductions: 20% by 2025; 25% by 2030; & 32% by 2040 <p>Climate co-benefits for Haryana will be calculated during project preparation & are expected to be significant.</p>
	Beneficiary Engagement /Community Involvement /Community Monitoring	Citizens of Haryana, particularly vulnerable groups as women, children, elders & people with pre-existing COPD will be engaged through improved transparency & awareness campaigns. State Government Departments, ULBs, & Panchayats will be closely engaged, with efforts to improve technical capacity to implement multi-sector air quality control measures, to design & monitor new multi-year plans. Knowledge management system will be strengthened to help stakeholders understand & apply lessons from other AP control programs & international experience.
	Mainstreaming of Gender	The program will be screened for the involvement & engagement of women. Women are especially critical for actions targeting clean cookstoves, rural waste burning, and agriculture residue management/fertilizer use and livestock management. It will seek to leverage Haryana's extensive institutional network of women's self-help groups to help implement elements of the project in rural areas. The outcomes of the program will also help improve health of women (as well as infants), particularly in low-income households that continue to rely fully or partly on traditional biomass based cookstoves.
10.	Name/Names of the State/States Involved	Haryana
11.A.	Name/Names of the District/Districts Involved	Selected measures across all 22 Districts of Haryana [Ambala, Bhiwani, Charkhi Dadri, Faridabad, Fatehabad, Gurugram, Hisar, Jhajjar, Jind, Karnal, Kurukshetra, Mahendragarh, Nuh, Palwal, Panchkula, Panipat, Rewari, Rohtak, Sirsa, Sonapat, Yamunanagar] based on a cost effectiveness prioritization process
11.B.	(For North Eastern Region Only) Whether Project Involves India's border districts; If yes, name of the	NA

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11.C.	(For North Eastern Region Only) Whether project involves any inter-boundary river; if yes, name of the river(s):	NA							
12.	Proposed Project Duration								
	From -	01/01/2024							
	To -	31/03/2030							
	Years -	6							
	Month-	3							
13.	Type of Project	Central Sector							
14.	Category of State	General							
15.	Financial Arrangement(in crores and USD Million)								
	Tranche	Total external assistance sought	Implementing Agency	State Govt	Central Govt	Others, If any	Total Cost		
	In INR Cr.								
	Tranche-1	818	0	343	0	41	1202		
	Tranche-2	818	0	352	0	25	1195		
	Tranche-3	818	0	352	0	16	1186		
	Total	2454	0	1047	0	82	3583		
	Percentage	68.4901	0	29.2213	0	2.2886	100		
	In USD Million								
	One USD = 81.8000								
	Tranche-1	100	0	41.9315	0	5.0122	146.9438		
	Tranche-2	100	0	43.0318	0	3.0562	146.088		
	Tranche-3	100	0	43.0318	0	1.956	144.9878		
	Total -	300	0	127.9951	0	10.0244	438.0195		
Percentage	68.4901	0	29.2213	0	2.2886	100			
16.	Year wise financial projections of fund utilisation(in Crores and USD Million)								
	Year	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Total
	INR	475	736	736	736	736	164	0	3583
	USD	58.0685	89.9756	89.9756	89.9756	89.9756	20.0489	0	438.0198
17.	Name of the Multilateral Development Bank / International Financial Institution	SINo.	MDB's/BA's Name.			Amount (Cr)		Amount (Million).	
		1	World Bank-IBRD			2454.00		300.00-	
18.	Previous Phase, If any	No							
19.	Whether Feasibility Study for the project is available?	Yes							
20.	Whether Detailed Project Report(DPR) or Detailed Engineering Design for the project is available?	No							
21.	Whether following clearances are involved in the project								
	Environment	No							
	Coastal Regulation Zone	No							

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	Forest	No
	Heritage	No
	Any Other(Please Specify)	
22.	Whether any court or tribunal proceedings are pending that could impact the project?	No
	Whether Land pooling/land acquisition/Resettlement and Rehabilitation is involved in the project?	
	Land Pooling	No
23.	Land Acquisition	No
	Resettlement & Rehabilitation	No
	Any Other(Please Specify)	
24.	Whether External Assistance has been availed in the past for similar project(i.e., earlier phase etc.) ? - No	
25.	Details of externally aided projects (completed/ongoing/pipeline/posed/under examination) since 01.04.2008 undertaken by the proposed borrowing Agency (Central line Ministry/Department/Central PSU/State Government)	
a	No	

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It is therefore requested that Hon'ble Chief Minister may kindly approve the Preliminary Project Report for further submission to the Department of Economic Affairs, for seeking financial & technical assistance from the World Bank please.

Level
Hon'ble
CM

Old Deputy PSCM, Maryana
Diary - (F.R.) 6/520
Date 27/12/2022
W/Chairman

(Pardeep Kumar)
MS, HSPCB
16.12.2022

For kind approval after which
Commencement of PD will be taken.

P. Prasad
26/12/2022

CFMS No. 1778
Dated 27/12/2022

~~Acc Env~~

Vineet
27/12/22
Vineet Garg
(ACS Env. & CC)

CM

CM has approved as proposed.
by MS, HSPCB.

~~ACS (Env)~~

28/12
K. Makrand Pandurang
Deputy PSCM

ACROW
28/12/22

Chief Minister Secretary
File No. 61530
Dated 27/12/2022

MS, HSPCB (on training)
3/1/23

~~ES (Air Cost)~~

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Government of Haryana
Finance Department



हरियाणा सरकार
वित्त विभाग

Subject: Regarding updated Preliminary Project Proposal Report.

The Finance Department accords approval to the proposal of Administrative Department/ Environment and Climate Change Department, Haryana to submit the Preliminary Project Report(PPR) to the Department of Economic Affairs, Ministry of Finance, GOI for financial and technical assistance from the World Bank.

Further Administrative Department, is also advised to take up the following issues before ^{the} World Bank negotiations:-

- i) The total cost of the project has not been specified. The tenor of the loan needs to be specified clearly, as there is a cost associated with the same.
- ii) Any moratorium required for execution of project also needs to be clearly indicated.
- iii) Will there be any Guarantee of the State Government if so the fee/cost involved needs to be provided.
- iv) The usage plan in respect of the proposed drawal of loan should be clarified as it will have interest cost implication for commitment fee and up front fee charges.
- v) Has decision been taken on choosing the currency of the said loan, as hedging cost is associated with the currency.
- vi) The variable underlying rate i.e. SOFR needs to be indicated whether monthly, six monthly or yearly because monthly Average Rate is 4.558 where as quarterly is 3.899.
- vii) IBRD has started giving Rupee term loan for such project in India by way of raising bonds in Indian Markets on the pattern of other funding agencies. Has this aspect been explored by AD.

[Signature]
Chief Financial Advisor
for Additional Chief Secretary to Govt., Haryana
Finance Department

To
The Additional Chief Secretary to Govt. Haryana,
Environment and Climate Change Department, Haryana.

U.O.No. 2023/ECCD/FA/HBPE(FD)

Dated, Chandigarh, the 21/03/2023

181
CCMS

[Signature]
ACSEFW
21.03.2023

Chairman PCB

Pl examine finally

[Signature]

[Signature]
N.S. (S)
EE/ (H)

21/3/2023

"CONSERVE WATER - SAVE LIFE"
3/4/2023

[Signature]

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Order

That, the World Bank aims to improve air quality management across eight states in the Indo-Gangetic Plain (IGP). As part of their Regional Action Plan they intend to improve air quality and reduce emissions across a common geographic area (the Indo-gangetic plain), irrespective of the state boundaries. This is known as the airshed approach. For implementation of the Regional Action Plan for abatement of the air pollution in the region, the World Bank is extending financial and technical assistance to the eight IGP States for seven years. Given the geographic and strategic importance of Haryana in the IGP region and 14 out of its 22 districts falling in the National Capital Region (NCR), the World Bank approached the State government on devising a project for Haryana as part of their regional action plan for the IGP states. The state has closely engaged with the World bank over the last eight months and formulated the 'Haryana Clean Air Project for Sustainable Development'. As part of the Haryana Clean Air Project, the state is going to be provided financial assistance of USD 300 million (~2,478 crore rupees) from the World Bank to implement priority interventions for improvement of air quality in Haryana and contribute towards the collective effort on air quality management in the IGP region.

The project aims to reduce air pollution through a multi-sector, airshed based approach. The project will support in:

- Devising policies on air quality management
- Building institutional capacity
- Strengthening air quality monitoring infrastructure
- Implementing sector-specific air pollution abatement measures

An initial proposal (Preliminary Project Report (PPR)) was prepared and presented by the state government to the World Bank and the Department of External Affairs (DEA). The proposal was successfully approved by the DEA on 31 August 2023.

In a way forward, a detailed project report needs to be created. This document will include in-depth particulars for each intervention along with corresponding budget requirements. These interventions will be designed and implemented by the relevant state departments and will be approved by the Chief Secretary, Haryana. Preparation of a convincing and well-grounded detailed project report requires inter-departmental collaboration.

The following 03 level committees are constituted for preparing, finalization and implementation of the DPR:

A. **Governing Committee**, chaired by the Chief Secretary, Govt. of Haryana, and including following as members:

- Chairman, Haryana Pollution Control Board
- ACS Finance & Planning
- ACS Agriculture and Farmers Welfare
- ACS Environment, Forest & Wildlife
- ACS Power Department

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- ACS Town, Country Planning & Urban Estates
- ACS Food, Civil Supplies & Consumer Affairs Department
- ACS PWD (B&R)
- ACS Industries & Commerce Department
- PS Transport Department
- Commissioner & Secretary, Urban Local Bodies

The Governing Committee will provide final approval for the detailed project report for submitting it to the World Bank.

B. Steering Committee, chaired by the ACS Environment, Forest & Wildlife and including following as members:

- Director General, HAREDA
- Director General, Town Country Planning & Urban Estates
- Managing Director, HPGCL
- Director General, Industries & Commerce Department
- Managing Director, HSIIDC
- Director, Urban Local Bodies
- Director, Food Civil Supplies & Consumer Affairs Department
- Director, Agriculture, and Farmers Welfare
- Transport Commissioner, Transport Department
- Commissioner Municipal Corporation, Faridabad
- Commissioner Municipal Corporation, Gurugram
- Engineer-in-Chief, PWD (B&R)

The Steering committee will review the draft proposal for each sector and provide elaborative feedback to the executive committee.

C. An Executive Committee, chaired by the Project Director (DG Environment) and including the following as members:

- Additional Project Director
- Nodal officers from all stakeholder departments
- Senior Environmental Engineer, Air Cell (HSPCB), coordinating officer for the executive committee.
- Nodal officers from Municipal Corporation Faridabad & Gurugram
- Technical experts from TERI, ARAI, IIT Delhi
- GDI Partners as DPR Design and Implementation Team

The Executive committee can invite any member who can contribute technically in the DPR preparation. The executive committee will lead the detailed project report creation and provide comments on the draft version to committee members.

Date:- 24th January, 2024

Chief Secretary
Govt. of Haryana

No. HSPCB/Aircell/2024/ 7292-7320

Dated: 25.01.2024

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A copy of the above is forwarded to the following for information please:-

1. Chairman, Haryana Pollution Control Board
2. ACS Finance & Planning
3. ACS Agriculture and Farmers Welfare
4. ACS Environment, Forest & Wildlife
5. ACS Power Department
6. ACS Town, Country Planning & Urban Estates
7. ACS Food, Civil Supplies & Consumer Affairs Department
8. ACS PWD (B&R)
9. ACS Industries & Commerce Department
10. PS Transport Department
11. Commissioner & Secretary, Urban Local Bodies
12. Director General, HAREDA
13. Director General, Town Country Planning & Urban Estates
14. Managing Director, HPGCI.
15. Director General, Industries & Commerce Department
16. Managing Director, HSHDC
17. Director, Urban Local Bodies
18. Director, Food Civil Supplies & Consumer Affairs Department
19. Director, Agriculture, and Farmers Welfare
20. Transport Commissioner, Transport Department
21. Commissioner Municipal Corporation, Faridabad
22. Commissioner Municipal Corporation, Gurugram
23. Engineer-in-Chief, PWD (B&R)
24. Project Director (DG Environment).
25. Senior Environmental Engineer, Air Cell (HSPCB).
26. Nodal officers from Municipal Corporation Faridabad & Gurugram
27. Technical experts from TERI, ARAI, IIT Delhi
28. GDI Partners as DPR Design and Implementation Team
29. P.S. to worthy Chief Secretary, Govt. of Haryana for information please.

Sr. Env. Engineer (Air Cell)
For Chief Secretary
Govt. of Haryana