



India: Rural Connectivity Investment Program - Tranche 1

Project Name	Rural Connectivity Investment Program - Tranche 1	
Project Number	40423-023	
Country	India	
Project Status	Active	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan 2881-IND: Rural Connectivity Investment Program - Tranche 1	
	Ordinary capital resources	US\$ 252.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Private sector development	
Sector / Subsector	Education - Technical and vocational education and training Transport - Road transport (non-urban) - Transport policies and institutional development	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	The components proposed for financing under the requested PFR include Road Connectivity and Capacity Building. A. Road Connectivity component This comprises construction of rural roads that are part of the PMGSY to provide connectivity to all habitations of population of 500 persons (250 or more in hilly or desert areas, or scheduled tribe areas) or more with all weather roads. Subprojects covering about 3,461 km in total (342 km in Assam, 1,008 km in Chhattisgarh, 1,187 km in Madhya Pradesh, 757 km in Odisha, and 167 km in West Bengal) are proposed to be taken up in the 1st PFR. B. Capacity Building component This component will include (i) support to the establishment of Rural Connectivity Training and Research Centers (RCTRCs); (ii) support to the establishing of Rural Road Network Management Units (RRNMUs) in each participating state; (iii) assistance to the MORD/NRRDA and state governments in implementation of the additional policy, and administrative requirements inherent to ADB-assisted projects; and (iv) additional support in operation, monitoring, evaluation and risk management. One RCTRC and one pilot RRNMU will be established in each state under PFR 1. The support will include construction of modern field offices, including laboratories and providing all necessary state-of-the-art equipment, system and tools. Support to RCTRCs will also include consulting services to assist staff in rolling out systematic and large scale training in participating states and support RCTRCs in research and compiling best practices and experiences in rural roads. Assistance to the MORD/NRRDA and state governments to comply with administrative requirements inherent to ADB-assisted projects, and additional support in operation, monitoring, evaluation and risk management will be provided through the engagement of a Project Implementation Consultant (PIC) engaged and financed by the Government of India, and Technical Support Consultant (TSC) engaged by NRRDA and financed by ADB.	

Project Rationale and Linkage to Country/Regional Strategy	ADB's country partnership strategy (CPS) for India is closely aligned with the priorities of India's Eleventh Five Year Plan, 2007-2012. The CPS reconfirms continuing ADB assistance for development of rural roads, which are critical for rural development as they provide access to markets, health, education, and administrative services. Absence of all-weather road connectivity is a serious problem, making rural communities inaccessible for up to 90 days a year. Poor road infrastructure affects economic growth in rural areas, agricultural productivity, and employment, and has a strong link to poverty. The Government of India is addressing this problem through implementation of a nationwide rural road investment program the Prime Minister's Rural Roads Program (PMGSY) aimed at providing all-weather road connectivity to currently unconnected eligible habitations in India's rural areas. The investment program will support the government's objectives under the PMGSY. The PMGSY identified the investment program states among the 10 states with large rural populations that lack adequate coverage in terms of all-weather road connectivity. The poverty head count rates in these states are among the highest in India. The PMGSY started in 2000 and has thus far constructed 108,637 km of rural roads in the investment program states, connecting 39,721 habitations to a greater transportation network. Construction of an additional 32,158 km of roads is ongoing. According to the June 2011 program update, 85,690 km of roads to connect all remaining eligible habitations in the investment program states are yet to be constructed under the PMGSY. The latest estimate for the remaining PMGSY financing requirement to achieve its goal by 2016 in the investment program states is about \$7.95 billion, while available PMGSY funding for the same period is estimated to be around \$5.04 billion. While exploring the possibilities for domestic borrowing to close the financial gap, the government has approached ADB to provide funding of \$0.8 billion under the investment program to assist with the implementation of the PMGSY in the investment program states. The investment program is consistent with the strategic objective set out in the CPS, 2009-2012 and is included in ADB's country operations business plan, 2011-2013. Apart from the need to provide all-weather road connectivity in India's rural areas, the investment program states need support in improving business procedures covering the whole life cycle of rural roads, and strengthening related capacities. Specifically, while the emphasis is shifting from construction to the operation and maintenance of the rural road network, the related capacities for rural road network management are lagging. There is also a mismatch between the extent of the rural road network (around 80% of the total road network) and supply of skills, as the training of civil engineers, technicians, and site supervisors is oriented towards high-category roads.
Impact	Connectivity of selected rural communities in five RCIP states to markets, district headquarters, and other centers of economic activity is improved and sustainable

Project Outcome

Description of Outcome	Connectivity of selected communities in five RCIP states prioritized by PMGSY for 2012 sanction is improved and sustainable
Progress Toward Outcome	About 1,547 habitations connected as follows: Assam 257 Chhattisgarh 460 Madhya Pradesh 455 Odisha 307 West Bengal 88

Implementation Progress

Description of Project Outputs	1. Selected priority rural roads prioritized by PMGSY for 2012 sanction are constructed to all-weather standard 2. Quality of design of RCIP roads is improved 3. Maintenance of RCIP roads is improved and sustainable 4. Road safety measures are incorporated into the lifecycle of RCIP roads 5. Qualification and skills of PMGSY engineers, technicians, site supervisors, concerned staff of PRI, design consultants and contractors in RCIP states is improved and maintained 6. Effective project management provided
Status of Implementation Progress (Outputs, Activities, and Issues)	1. 3,868 km length of roads constructed: Assam 400 km Chhattisgarh 977 km Madhya Pradesh 1,485 km Odisha 855 km West Bengal 151 km 2. Fully complied with. 3. Barring Odisha, all the states have awarded. One package in Odisha are under evaluation. 4. RSAs are being conducted by assigned staff in the same state. RSAs during implementation: Barring West Bengal and Odisha, all the states have awarded. One package in Odisha and on package in West Bengal are under evaluation Barring Odisha, all the states have awarded. One package in Odisha is under bidding
Geographical Location	

Safeguard Categories

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	Project 1 is classified category B in accordance with ADB's Safeguard Policy Statement (2009). In line with the environmental assessment and review framework (EARF), state initial environmental examinations (IEEs) of all road subprojects have been prepared and are disclosed on the ADB website. Pursuant to provisions of the EARF, environmental assessment of non-road subprojects will be conducted during implementation of the MFF. The IEEs rate the scale of environment impacts from the physical interventions of Project 1 as minor. Mitigation measures for all impacts have been developed and integrated into construction works through incorporation of a standard environmental management plan (EMP) in the bidding documents and provision of road-specific EMPs with the detailed project reports. Assessment of institutional capacities and arrangements confirmed that they are satisfactory to effectively implement the requirements of the EARF, IEEs, and EMPs.
Involuntary Resettlement	The construction of rural roads will be carried out mostly within existing rights-of-way, with widening and minor realignments in some cases, which will require narrow strips of land to be made available. In such cases, the voluntary land donation system will be used. The system has been widely used under the PMGSY and other rural development schemes across India and proved its effectiveness. Specific procedural requirements involving comprehensive consultations with the communities are provided in the state specific CPFs, which are disclosed on the ADB website. Transect walks conducted in the preparation of project 1 have confirmed the effectiveness of the adopted community consultation and social impact mitigation process. Assessment of institutional capacities and arrangements confirmed that they are satisfactory to effectively implement the requirements of the CPFs.
Indigenous Peoples	The social assessment identified the presence of scheduled tribes in all investment program states. However, these groups are largely assimilated into the local population. The investment program will not have any differential impact on scheduled tribes: they will receive similar benefits from the investment program to those received by nonscheduled tribe households, and the impact on tribal and cultural identity will not be significant. All outputs will be delivered in a culturally appropriate and participatory manner. To further mitigate the risks, the CPFs identify special provisions for all scheduled tribe households, ensuring that their living standards are not adversely affected as a result of land donation or in the event of any loss of non-land asset and impacts on their livelihoods.

Stakeholder Communication, Participation, and Consultation

During Project Design	tbd
During Project Implementation	tbd

Business Opportunities

Consulting Services	Consultant to support the RCTRC rollout will be engaged using international recruitment. The services of the national Technical Support Consultant (TSC) will be financed from the loan proceeds under Loan 2535-IND and Loan 2651-IND. TSC has already been engaged by MORD (through NRRDA). TSC will continue providing technical support to the MORD/NRRDA and state governments under the same contract up to May 2014. New TSC will be engaged using national recruitment under tranche 1 of the Investment Program. In addition to above, the services of domestic consultants financed from Borrower's own resources (PIC) will be utilized.
Procurement	Civil Works will be procured using national competitive bidding procedure. The Standard PMGSY Bidding Document and procedure developed by NRRDA for procurement of civil works based on item rates, amended as needed and agreed with ADB, will be used for all national competitive bidding (NCB) contracts for construction of roads under the loan. New bidding documents will be developed for the procurement of civil works (NCB) and goods (ICB, NCB and shopping) for the procurement of civil works and equipment for RCTRCs and RRNMUs. Consultant to support the RCTRC rollout will be engaged using international recruitment.

Responsible Staff

Responsible ADB Officer	Srivastava, Ashok
Responsible ADB Department	South Asia Department
Responsible ADB Division	India Resident Mission

Timetable

Concept Clearance	01 Jan 2011
Fact Finding	06 Dec 2011 to 19 Dec 2011
MRM	20 Mar 2012
Approval	22 Aug 2012
Last Review Mission	-
Last PDS Update	29 Mar 2017

Loan 2881-IND

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
22 Aug 2012	02 Apr 2013	05 Jun 2013	31 Dec 2015	31 Dec 2017	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	341.00	Cumulative Contract Awards			
ADB	252.00	22 Aug 2012	245.72	0.00	103%
Counterpart	89.00	Cumulative Disbursements			
Cofinancing	0.00	22 Aug 2012	202.65	0.00	85%

Project Page	https://www.adb.org/projects/40423-023/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=40423-023
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