

SUBPROJECT SELECTION CRITERIA AND APPROVAL PROCEDURES

1. The Project will finance the rehabilitation and reconstruction of subprojects in the following key infrastructure sectors damaged by the 2013 disaster

- (i) state highway and major district road including bridges
- (ii) additionally, affected roads under ongoing Uttarakhand State Road Investment Program - Project 1 and 2 can be included
- (iii) trek routes including eco-trails
- (iv) tourism infrastructure
- (v) construction of helipads, heliports, or helidromes as a disaster preparedness and management measure
- (vi) urban infrastructure, primarily urban water supply, urban roads and road side drains

2. **Eligibility Criteria for Subprojects:** The Project would finance only those subprojects, which meet the following eligibility criteria:

Technical Criteria

- (i) The subproject eligible for inclusion in the project are:
 - **State Highways and Major District Roads including bridges and affected roads under ongoing Uttarakhand State Road Investment Program - Project 1 and 2.** Rehabilitation and reconstruction of damaged and affected state highways and major district roads including landslide clearance, protection works, bridges, causeways, culverts, drains and road furniture.
 - **Trek Routes.** Rehabilitation and reconstruction of damaged and affected trek routes, development of alternate trek routes including construction of rest houses, trekker facilities and amenities along trek routes and in enroute villages.
 - **Tourism Infrastructure.** Rehabilitation and reconstruction of damaged and affected rest houses and tourist facilities including construction of multi-purpose halls /shelters, tourist amenities and facilities.
 - **Helipads, heliports, or helidromes.** Construction of helipads, heliports, or helidromes and associated amenities.
 - **Water Supply.** Work relating to transmission mains, distribution networks, reservoirs, pumping stations, pumps, water treatment plant, tube wells and infiltration wells and associated structure. The subproject should ensure availability of potable water as per service level standards to the beneficiaries, with medium term planning horizon. Expansion of the water supply network to uncovered areas of the towns will not be covered under the project.
 - **Urban road and road side drains.** Works related to affected arterial road of the towns, road side drains and culverts.

- (ii) The subproject shall be technically sound, meeting design standards of the Government of India or other equivalent technical authorities and preliminary design will have been prepared.
- (iii) The subproject will be designed and executed as seismic resistant structure in accordance with relevant national standards, as applicable.
- (iv) The subproject shall be cost effective based on a review of technical options available to address the identified problems.
- (v) The subproject should be avoided in core zones of national parks, wildlife sanctuaries and biospheres and the critical habitats. If unavoidable, such subprojects should be strictly confined to minor rehabilitation of existing infrastructure.
- (vi) The design and construction standards will be raised to appropriate level. The revised high flood levels of the rivers or the natural streams or drainage channels shall be considered, while designing facilities, as applicable. Geotechnical studies shall be undertaken and slope stabilization measures considered for slide zones, wherever applicable.
- (vii) The subproject shall be in compliance with all applicable local rules and regulations. All required central and state government approvals/clearances will be in place including those from state disaster management authority/high powered committee. Additionally, necessary statutory clearances should be in place before contract award/commencement of works.

3. **Economic Criteria.** Economic evaluation should cover the key areas of economic analysis indicated in ADB's Key Areas of Economic Analysis of Projects - An Overview. In particular, (i) the analysis should ensure that there is sufficient demand for the critical public and social infrastructure; (ii) the analysis is undertaken for the various alternatives; (iii) the subproject demonstrates an EIRR of at least 12%, is not overly sensitive to changes in key cost and benefit parameters and will likely be sustainable with due provision for O & M, or the chosen technical option is the least cost option for providing the particular service. If there is a justification that the economic benefits cannot be entirely quantified, the economic rate of return of 10% instead of 12% can be acceptable.

4. **Social Criteria.** The subproject will, to the extent possible, not require land acquisition or involuntary resettlement (including the displacement of squatters or encroachers from the rights of way). If land acquisition or involuntary resettlement is required for a subproject, a Resettlement Plan shall have been prepared in accordance with applicable laws and regulations of the National and State Government, ADB's Safeguard Policy Statement (2009) on Involuntary Resettlement and the agreed Resettlement Framework (Appendix 10) and submitted to ADB for approval.

5. If any indigenous peoples/scheduled tribes are likely to be affected significantly by a subproject, an Indigenous Peoples Plan shall have been prepared in accordance with the ADB's Safeguard Policy Statement (2009) on Indigenous People and the agreed Indigenous Peoples Planning Framework (Appendix 11) and submitted to ADB for approval.

6. **Environmental Criteria.** The subprojects will comply with environmental requirements specified in ADB's Safeguard Policy Statement (2009) and those specified in Country's environmental regulations, including legislations and standards of the State Government. Environmental assessment of individual sub project shall have been carried out in accordance with Environmental Assessment and Review Framework (Appendix 9) of the Project and the

environmental management and monitoring plan will be made a part of the contract document. The subprojects with the type of activities listed in ADB SPS 2009 Appendix 5 (ADB Prohibited Investment Activities List) do not qualify for ADB's financing.

7. **Procedures.** Each subproject will be prepared and processed in accordance with the following procedures:

- a) Technical study, for all subprojects, will be conducted by the EA including its cost estimate. The EA will also prepare and fill out checklist for (i) involuntary resettlement; (ii) indigenous people; and (ii) an environmental screening in accordance with the relevant frameworks.
- b) The EA/IAs will translate the resettlement plan in the local language and disclose it to the affected people and incorporate the results of the consultation, before ADB's approval. The final RP will also be disclosed on the ADB website and the website of EA/IA.
- c) The EA/IA will prepare the appraisal reports for all subprojects to be considered under project following the selection criteria, together with the required attachments i.e. appropriate resettlement plan, indigenous peoples plan and environmental assessment and submit the same to ADB for approval. However, if any of the subprojects is categorized as environmentally category A, it requires compliance with the 120-day advance disclosure rule. The environmental impact assessment reports would be disclosed on ADB website 120 days prior to the award of contract for the subproject.
- d) ADB will review the summary appraisal report together with the required attachments. If ADB finds that a proposed subproject is not likely to satisfy the selection criteria and/or that the agreed procedures, ADB will advise the EA/IA either (a) to modify the subproject proposal in a manner that will make it eligible for approval or (b) that the subproject must be rejected.
- e) The above procedure described in (d) will be applied only to those subprojects (i) whose estimated cost exceeds \$1 million.
- f) If the subproject in question is equal to or less than \$1 million in estimated cost and has not been classified as environment category "A", involuntary resettlement category "A" or indigenous peoples category "B", the above review would be carried out by the EA/IA. However, this will not be applied for the first 2 subprojects in each of the sector. ADB will conduct post-facto review of the subprojects on a sample basis. Notwithstanding above, the initial environmental examination (IEE) report including environmental management and monitoring plan; and the resettlement plan, as required, shall have to be prepared for all these subprojects in accordance with the relevant frameworks and submitted to ADB for approval before the award of works.