



India: Infrastructure Development of Industrial Estates in Tripura

Project Name	Infrastructure Development of Industrial Estates in Tripura				
Project Number	55207-001				
Country / Economy	India				
Project Status	Approved				
Project Type / Modality of Assistance	Loan				
Source of Funding / Amount	<table border="1"> <tr> <td>Loan 6046-IND: Infrastructure Development of Industrial Estates in Tripura</td> <td></td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 2.00 million</td> </tr> </table>	Loan 6046-IND: Infrastructure Development of Industrial Estates in Tripura		Ordinary capital resources	US\$ 2.00 million
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Ordinary capital resources	US\$ 2.00 million				
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration				
Drivers of Change	Governance and capacity development Knowledge solutions				
Sector / Subsector	Industry and trade / Industry and trade sector development - Small and medium enterprise development - Trade and services				
Gender Equity and Mainstreaming					
Description	<p>Tripura's vision is that manufacturing sector employment will be increased from 1.79% (Census of India, 2011) to 4.5% in 2030. The state has established rubber, food and bamboo parks to support existing and potential investors. It is felt that industrial cluster development has the potential to promote manufacturing growth and accordingly, Tripura Industrial Development Corporation Limited (TIDCL) has planned development of 15 industrial estates with the objective of industrial promotion, entrepreneurship development, and overall employment generation. ADB's Northeast Economic Corridor (NEEC) study report also recommended interventions for improved industrial development in Tripura through integrated approach of planning and design, and identified needs for integration of industrial infrastructure development with logistic parks, transportation and trade facilitation at various locations in Tripura.</p> <p>The Government of Tripura (GOT), through its Department of Industries & Commerce (DoI&C) as the nodal agency, has applied for financial assistance through the Department of Economic Affairs, Ministry of Finance, Government of India under the project readiness financing (PRF) facility from the Asian Development Bank (ADB) in the form of a _loan_ for improving readiness of Infrastructure Development in Industrial Estates in Tripura.</p> <p>The PRF will ensure high readiness of the ensuing program/ project by delivering the following outputs, through mobilization of consulting services under the supervision of and coordination with the GOT, DoI&C, TIDCL, and ADB.</p> <p>Output 1: Sector strategy and investment plans prepared. Output 1 will help (i) strengthen the industrial planning/ preparing industrial strategy and promotion requirements; (ii) prepare investment plans and action plans; and (iii) prioritize key subproject and infrastructure components.</p> <p>Output 2: Feasibility study, detailed engineering designs, and due diligence of priority subprojects completed. Output 2 will focus on (i) feasibility studies and preparation of detailed engineering designs; (ii) social and environmental due diligence; (iii) economic and financial analyses; gender equality and social inclusion; (iv) climate and disaster resilience; and (v) procurement risk/ capacity assessment, strategic procurement planning, contract modalities, procurement plan, contract management plan(s); bid documents, tendering and bid processing.</p> <p>Output 3: Institutional capacity development strengthened. This will include capacity building of DoI&C and TIDCL on financial, technical, safeguards, gender equality and social inclusion (GESI), procurement aspects, supporting in sector analysis, and developing the institutional strengthening and capacity development component. It will (i) review institutional capacities and current operation and maintenance practices; (ii) outline reform actions and scope to arrive at industrial development planning and processing framework/ mechanism under the ensuing loan, (iii) outline scope of institutional strengthening component of the ensuing project for sustainability of assets; and (iv) support planning, design, implementation, and management of PRF outputs, and ensuing project.</p>				
Project Rationale and Linkage to Country/Regional Strategy	<p>Tripura is a landlocked state in northeast India, bordering Bangladesh and Indian states of Assam and Mizoram. Tripura is primarily an agrarian State, having favorable climatic conditions for cultivation of various fruit and horticultural crops, however the state still has vulnerability to disaster-triggered natural hazards. It is rich in natural resources such as natural gas, rubber, bamboo, tea, and medicinal plants. In addition, it acts as a gateway between Northeast India and Bangladesh, with an 856-km international border with Bangladesh, offering good potential for international trade. About 39% of gross state domestic product in 2019 2020 is accounted by the primary sector, while tertiary sector accounts for about 45%, and about 14% accounted for by the secondary sector of which only 23% is manufacturing and remaining 77% is utilities and construction. Tripura has been connected to rest of India through railway and national highway network. This has created an opportunity for the state to bring in industrial development to harness its natural resources. Despite being a resource rich state, Tripura has limited capacity of value addition and monetization to address the challenges of industrial backwardness. Better connectivity network and upcoming cross-border infrastructure projects are taking care of geographical isolation and now there is a need to improve the contribution of manufacturing sector, increase employment in industry sector, reduce dependence on agriculture and create opportunities to develop cross-border synergies and integration.</p> <p>Tripura's vision is that manufacturing sector employment will be increased from 1.79% (Census of India, 2011) to 4.5% in 2030. The state has established rubber, food and bamboo parks to support existing and potential investors. It is felt that industrial cluster development has the potential to promote manufacturing growth and accordingly, Tripura Industrial Development Corporation Limited (TIDCL) has planned development of 15 industrial estates with the objective of industrial promotion, entrepreneurship development, and overall employment generation. ADB's Northeast Economic Corridor (NEEC) study report also recommended interventions for improved industrial development in Tripura through integrated approach of planning and design, and identified needs for integration of industrial infrastructure development with logistic parks, transportation and trade facilitation at various locations in Tripura.</p>				
Impact					
Project Outcome					
Description of Outcome					
Progress Toward Outcome					

Implementation Progress	
Description of Project Outputs	
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Tripura
Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	
Business Opportunities	
Consulting Services	One consulting firm and five (5) individual consultants are envisaged under the PRF. TIDCL is in process of completing the selection process of four (4) individual consultants and is in the process of selecting consulting firm for the PDMC following the ADB Procurement Policy, 2017 and Procurement Regulations, 2017 (as amended from time to time) and its associated staff instructions. The PDMC consulting firm will be procured on quality- and cost-based selection method with quality-cost ratio of 80:20, to ensure high quality of technical outputs under PRF.
Procurement	With the approval of advance contracting by ADB, TIDCL with ADB support has carried out procurement of individual consultants and initiated the recruitment of consulting firm following ADB's procurement Policy and Regulations. The experts in consulting firm recruited under PRF will enhance TIDCL's procurement and financial management capacities with oversight from ADB staff. The procurement risk is classified as category B as there is no pilot testing activity being financed under this PRF loan. However, as part of the procurement arrangement assessment exercise, the agency's preliminary procurement assessment was conducted in August 2021. Based on the assessment findings, it has been observed that TIDCL does not have any prior experience of working with ADB or any other multilateral development banks, but TIDCL is carrying out procurement for consultants and other services for projects funded by state/ central government. TIDCL has established procurement systems like procurement unit, procurement committees for evaluation and approval of proposals and follow manual for Procurement of Consultancy & Other Services, which focuses on efficient and realistic planning of the entire procurement process to ensure timely completion of the procurement cycle.
Responsible ADB Officer	Chattopadhyay, Soumya
Responsible ADB Department	South Asia Department
Responsible ADB Division	India Resident Mission
Executing Agencies	Department of Industries & Commerce, Government of Tripura Khejurbagan, Agartala, Tripura, India
Timetable	
Concept Clearance	10 Apr 2023
Fact Finding	31 Aug 2021 to 01 Sep 2021
MRM	16 Dec 2021
Approval	21 Mar 2022
Last Review Mission	-
Last PDS Update	21 Mar 2022

Loan 6046-IND

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	2.50	Cumulative Contract Awards			
ADB	2.00	-	0.00	0.00	%
Counterpart	0.50	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Project Page	https://www.adb.org/projects/55207-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=55207-001
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