



India: Agartala Municipal Infrastructure Development Project

Project Name	Agartala Municipal Infrastructure Development Project				
Project Number	56002-001				
Country / Economy	India				
Project Status	Approved				
Project Type / Modality of Assistance	Loan				
Source of Funding / Amount	<table border="1"> <tr> <td>Loan 6047-IND: Agartala Municipal Infrastructure Development Project</td> <td></td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 3.00 million</td> </tr> </table>	Loan 6047-IND: Agartala Municipal Infrastructure Development Project		Ordinary capital resources	US\$ 3.00 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth				
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development				
Sector / Subsector	Transport / Urban roads and traffic management Water and other urban infrastructure and services / Other urban services - Urban flood protection - Urban policy, institutional and capacity development - Urban water supply				
Gender Equity and Mainstreaming					
Description	<p>The PRF will contribute to the operational priorities by designing climate-resilient urban infrastructure to acceptable standards and coverage, including access for the poor and vulnerable; strengthening institutional capacity and improving resource mobilization of the AMC; boosting technical, procurement, and financial capacities of agencies to prepare and undertake the ensuing project; and supporting the ongoing and proposed sector and institutional reforms. During PRF implementation, climate change mitigation and adaptation components will be incorporated into the ensuing project design to ensure alignment with the Paris Agreement.</p> <p>The PRF will ensure high readiness of the ensuing project by achieving the following outputs, which will be realized by mobilizing consulting services for project preparation, under the supervision and coordination of the Tripura government, the UDD, the AMC, and ADB.</p> <p>Output 1: Feasibility studies, detailed engineering designs, and due diligence of identified subprojects completed. The output will be achieved by performing a preliminary analysis of the NEEC report and the urban strategy being prepared, leading to identification of potential subprojects consistent with the strategy and NEEC. Deliverables consist of (i) feasibility studies; (ii) detailed project reports for identified subprojects; (iii) due diligence of the detailed project reports covering technical, economic, and financial analysis; environmental and social safeguards; gender equality and social inclusion analysis and planning; and climate risk assessment, including preparation of a climate and disaster resilience framework; (iv) a report on the COVID-19 pandemics impact on project preparation, implementation, and cost; and (v) project strategic procurement planning, including contract management plans, preparation of procurement related documents, and support for the bidding process and the ensuing loan-processing activities.</p> <p>Output 2: Institutional capacity strengthened. The output will be achieved by (i) building capacity in financial management, procurement, climate change, safeguards, gender equality and social inclusion, operation and management, and sustainability, through training, workshops and seminars; (ii) strengthening the AMC's governance and systems; (iii) preparing a geographic information system based municipal resource mobilization road map to be implemented during the ensuing project; and (iv) preparing a digital strategy and/or e-governance solutions for municipal services in line with the National Urban Digital Mission.</p>				
Project Rationale and Linkage to Country/Regional Strategy	<p>Agartala, the capital and largest city of the State of Tripura is the second-largest city and municipal body in the northeastern states and one of the fastest developing cities in India. Agartala, accounts for 57% of the urban population and 12% of the states total population; population growth of 2.94% per annum during 2001-2017 resulted in 581,960 inhabitants and a population density of 10,119 people per square kilometer in 2018. Only 2 kilometers from the Bangladesh border and in the Bangladesh-Bhutan-India-Nepal economic corridor, Agartala could take advantage of future infrastructure developments with an increase in cross-border trade and commerce. However, the city's economic growth is limited because of poor infrastructure and degraded livability.</p> <p>The states Urban Development Department (UDD) is the nodal agency and acts through the Agartala Municipal Corporation (AMC), which is responsible for the development and maintenance of Agartala's urban infrastructure (water supply; urban roads, drains, and bridges; streetlights; and sewerage and solid waste management). Since 2009, several development projects have been undertaken and are ongoing in Agartala through Government of India programs (Smart Cities Mission, Atal Mission for Rejuvenation and Urban Transformation) and Asian Development Bank (ADB) assisted projects. The recently approved Agartala City Urban Development Project (footnote 1) assessed key problems in Agartala. They include (i) limited urban mobility arising from inadequacies in the road network, parking system, traffic management, and encroachment onto footpaths, leading to increased traffic congestion and accidents; (ii) inadequate storm water drainage, causing floods; and (iii) a deficient wastewater network with many sewer lines open to water bodies, polluting the environment. ADB's Northeast Economic Corridor (NEEC) study report identified and recommended Agartala as a key growth center, while identifying key infrastructure gaps to be filled to supplement growth by reducing spatial and socioeconomic imbalances. As infrastructure services remain inadequate, additional investments are sorely needed to increase coverage and improve infrastructure services, such as water supply; storm water drainage; urban roads, footpaths, and footbridges; streetlighting; and parks and open spaces, to comply with national standards. The services will enable the city to explore its full potential for greater economic growth.</p> <p>The gross state domestic product (at current prices with base year 2011-2012) showed an increasing share of the tertiary sector at 46.36% in 2017-2018; the primary sectors share was 40.15% and the secondary sectors 13.49%. In 2020-2021, during the coronavirus disease (COVID-19) pandemic, the share of the tertiary sector declined to 46.13% and that of the secondary sector to 10.86% (advance figures), while that of the primary sector increased to 43.02%. Tripura's own resource mobilization is limited and, like other northeastern states, its economy depends mainly on central government assistance, with grants constituting 85%-88% of state revenue. The AMC's revenue receipt depends mostly on state government transfers and grants, and the AMC's major own sources of revenue are property tax, building rentals, building permission fees, advertisements, mobile tower fees, trade licenses, and parking and about 70% of the revenue expenditure is on establishment expenditure for the AMC. The cost recovery from urban services is observed to be poor in several towns of 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	Agartala
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	A consulting firm and five (5) individual consultants will be recruited under the PRF. AMC is in the process of selecting the consulting firm for the PDMC following the ADB Procurement Regulations for Goods, Works and Consulting Services (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	The procurement risk is classified as moderate' 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 March 2022. Based on the assessment findings, it has been observed that AMC has no prior experience of working for multilateral development banksMDBs, and also has limited experience of procurement of services and will require support from Tripura Urban Planning and Development Authority (TUDA) under UDD, GOT for recruitment of consultant under proposed PRF, which has experience of recruitment of consultants in accordance with ADB's Procurement Policy, 2017 and Procurement Regulations, 2017 (as amended from time to time). Upon approval of advance contracting under the proposed PRF by ADB, the AMC has initiated recruitment of consultant under proposed PRF. The consultants recruited under PRF will further support the AMC and enhance their procurement capacity to meet ADB's procurement requirements. If required, ADB will consider providing training for procurement capacity building to AMC staff. Before the start of any procurement, ADB and the government will review the public procurement laws of the central and state governments to ensure consistency with ADB's Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time). In the event of discrepancy, ADB Procurement Policy and Regulations shall prevail.
Responsible ADB Officer	Srivastava, Ashok
Responsible ADB Department	South Asia Department
Responsible ADB Division	India Resident Mission
Executing Agencies	Urban Development Department, Gov't of Tripura, Agartala
Timetable	
Concept Clearance	-
Fact Finding	15 Mar 2022 to 16 Mar 2022
MRM	28 Jul 2022
Approval	10 Oct 2022
Last Review Mission	-
Last PDS Update	10 Oct 2022

Loan 6047-IND

	Financing Plan	Loan Utilization			
		Date	ADB	Others	Net Percentage
	Total (Amount in US\$ million)				
Project Cost	3.75	Cumulative Contract Awards			
ADB	3.00	-	0.00	0.00	%
Counterpart	0.75	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Project Page	https://www.adb.org/projects/56002-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=56002-001
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