



India: Second Rural Connectivity Investment Program - Tranche 1

Project Name	Second Rural Connectivity Investment Program - Tranche 1
Project Number	48226-003
Country	India
Project Status	Active
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	Loan 3611-IND: Second Rural Connectivity Investment Program - Tranche 1 Ordinary capital resources US\$ 250.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development Private sector development
Sector / Subsector	Transport - Road transport (non-urban)
Gender Equity and Mainstreaming	Effective gender mainstreaming
Description	<p>The investment program will improve rural connectivity in the states of Assam, Chhattisgarh, Madhya Pradesh, Odisha, and West Bengal (the investment program states), facilitating safer and more efficient access to livelihood and socioeconomic opportunities for the rural communities. It will construct all-weather rural roads for the unconnected habitations and upgrade rural roads linking to the investment program states' district centers for an aggregate length of 12,000 kilometers (km). For the investment in physical infrastructure to be effective and sustainable, the investment program will strengthen the institutional capacity of the implementing agencies on road safety and road maintenance.</p>
Project Rationale and Linkage to Country/Regional Strategy	<p>In India, rural roads comprise 80% of the overall road network, connecting rural habitations with major district roads, state roads, and national highways. The magnitude of the rural road network and its contribution in delivering inclusive economic growth in the country's rural area require continued engagement in the sector. The requirement of all-weather rural roads is essential for the last mile connectivity to enhance access to markets, health centers, education facilities, and other socioeconomic opportunities.</p> <p>The Government of India seeks to improve rural connectivity through the Prime Minister's Rural Road Program or Pradhan Mantri Gram Sadak Yojana (PMGSY). It is a national flagship program, and is included in India's Three Year Action Agenda for FY2018-FY2020. The first phase of the PMGSY (PMGSY-I) started in 2000 to provide basic connectivity for about 133,900 rural habitations in all states by constructing rural roads to all-weather standards (531,500 km). So far in 2017, 513,000 km of rural roads (96.5%) have been built. Once the states have substantially completed PMGSY-I, they will proceed to the second phase of the PMGSY (PMGSY-II), which plans to upgrade an additional 50,000 km to improve access to district centers and rural hubs.</p> <p>Since 2003, ADB has provided assistance to PMGSY-I in five states-Assam, Chhattisgarh, Madhya Pradesh, Odisha, and West Bengal-through loans totaling \$1.15 billion, and constructed over 22,600 km of all-weather rural roads. These were completed satisfactorily and rated successful or highly successful. In 2012, the first Rural Connectivity Investment Program (RCIP) using the MFF modality was approved for \$800 million to provide additional coverage under PMGSY-I for about 9,000 km of all-weather rural roads in the investment program states. The first and the second tranches were substantially completed, and the third tranche is ongoing. The first RCIP also aims to strengthen institutional capacity to manage rural roads in the investment program states. This entails establishing rural road network management units (RRNMUs) for asset management and operation of the rural road networks, and rural connectivity training and research centers (RCTRCs) for staff training, knowledge management, and research. Under the first RCIP, the implementing agencies have successfully established one pilot RRNMU and one RCTRC in each investment program state, equipped with operation manuals and procedures prepared under ADB's technical assistance. Using the institutional set-up of the pilot RRNMU as a model, the implementing agencies are currently establishing another 25 RRNMUs to manage rural roads in the entire investment program states.</p> <p>The proposed Second Rural Connectivity Investment Program will encompass both PMGSY-I and PMGSY-II to improve about 12,000 km of rural roads in the investment program states. It will also continue capacity development and build on the achievement of the first RCIP by strengthening the operations of the 25 RRNMUs and RCTRCs to sustain rural road maintenance and safety as required by the PMGSY guidelines. Tranche 1 will finance the civil works related to the construction of 6,254.26 km of rural roads in the investment program states.</p>

Impact	Mobility and accessibility in India improved.
Project Outcome	
Description of Outcome	Rural connectivity in the investment program states improved.
Progress Toward Outcome	Project is under execution. Project Outcomes are expected to be realized upon completion.
Implementation Progress	
Description of Project Outputs	Rural roads in the investment program states improved institutional capacity of PMGSY implementing agencies strengthened operation and maintenance of PMGSY roads sustained.
Status of Implementation Progress (Outputs, Activities, and Issues)	1) Contracts are being awarded and are under execution. 2) Institutional Strengthening Consultant mobilized to assist strengthening of institutional capacity of implementing agencies. 3) Post project completion, operation and maintenance will be being undertaken by respective SSRDAs.
Geographical Location	Assam, Chhattisgarh, Madhya Pradesh, Odisha, West Bengal
Safeguard Categories	
Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C
Summary of Environmental and Social Aspects	
Environmental Aspects	The implementation of environmental management plans are being monitored by Project Implementation Consultants and SSRDAs.
Involuntary Resettlement	Road improvements will take place in existing rights-of-way and impacts are marginal, mostly concerning minor widening and only in a few cases realignment, which require narrow strips of land to be made available. A voluntary land donation process was used under the PMGSY and other rural development schemes across India, and has proved effective. It was refined with the guidelines of the state-specific CPFs to comply with ADB's Safeguard Policy Statement (2009). The CPFs are disclosed on the ADB website.
Indigenous Peoples	The census survey identified scheduled tribes and castes along program roads in all five states, but since the program involves minor upgrades to existing roads, it will not lead to further impact on any of these people. Moreover, the CPFs call for proactive measures to link any affected family categorized as vulnerable, which includes scheduled tribes and castes, to the national and state-sponsored poverty alleviation and livelihood enhancement schemes.
Stakeholder Communication, Participation, and Consultation	
During Project Design	The stakeholders have been consulted during design stage.
During Project Implementation	Consultations as required, are being carried out during project implementation.
Business Opportunities	
Consulting Services	Recruitment of Consulting Services are carried out in accordance with ADB's Guidelines on the use of Consultants.
Procurement	Procurement is being/ have been carried out in accordance with ADB's guidelines for procurement.
Responsible ADB Officer	Sahu, Prabhasha
Responsible ADB Department	South Asia Department
Responsible ADB Division	India Resident Mission

Executing Agencies

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Timetable

Concept Clearance	-
Fact Finding	-
MRM	29 Aug 2017
Approval	04 Dec 2017
Last Review Mission	-
Last PDS Update	25 Sep 2018

Loan 3611-IND

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
04 Dec 2017	30 Jan 2018	20 Mar 2018	30 Jun 2021	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	665.32	Cumulative Contract Awards			
ADB	250.00	04 Dec 2017	167.04	0.00	67%
Counterpart	415.32	Cumulative Disbursements			
Cofinancing	0.00	04 Dec 2017	15.14	0.00	6%

Project Page	https://www.adb.org/projects/48226-003/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=48226-003
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