

# Project Administration Manual

Project Number: 48434-004  
MFF Number: 0093-IND  
April 2023

India: Visakhapatnam–Chennai Industrial Corridor  
Development Program (Tranche 2)

## ABBREVIATIONS

ADB	– Asian Development Bank
AEFS	– audited entity financial statement
APFS	– audited project financial statement
APIIC	– Andhra Pradesh Industrial Infrastructure Corporation
APRDC	– Andhra Pradesh Road Development Corporation
CAAA	– Controller of Aid, Accounts, and Audit
CAG	– Comptroller and Auditor General of India
CAPP	– community awareness and participation plan
DDR	– due diligence report
DOIC	– Department of Industries and Commerce
EARF	– environmental assessment and review framework
EMP	– environmental management plan
EWCD	– elderly, women, children, and persons with disabilities
FMA	– financial management assessment
GESI AP	– gender equality and social inclusion action plan
GoAP	– Government of Andhra Pradesh
GRC	– grievance redressal committee
GRM	– grievance redressal mechanism
IEE	– initial environmental examination
IPPF	– indigenous peoples planning framework
km	– kilometer
MFF	– multitranche financing facility
NGO	– nongovernment organization
O&M	– operation and maintenance
PAM	– project administration manual
PFS	– project financial statement
PIU	– project implementation unit

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### **Project Administration Manual Purpose and Process**

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The State of Andhra Pradesh acting through its Department of Industries and Commerce, Andhra Pradesh Road Development Corporation (APRDC), and Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) are wholly responsible for the implementation of ADB financed projects, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by the executing and implementing agencies of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At loan negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the Loan and Project agreement. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the PAM and Loan and Project agreement, the provisions of the Loan agreement shall prevail.

After ADB Management approval of the project's Periodic Financing Request (PFR) Report, changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.



## I. PROJECT DESCRIPTION

1. **Multitranche financing facility.** The Asian Development Bank (ADB) approved on 20 September 2016 a multitranche financing facility (MFF) worth \$500 million and a policy-based loan worth \$125 million for the Visakhapatnam–Chennai Industrial Corridor Development Program (VCICDP). ADB also approved on that day technical assistance (TA) worth \$1 million for Capacity Development for Industrial Corridor Management in Andhra Pradesh and, on 26 September 2016, ADB administration of a \$5 million grant from the Urban Climate Change Resilience Trust Fund under the Urban Financing Partnership Facility.

2. The VCICDP complements ongoing Government of Andhra Pradesh (GoAP) efforts to enhance industrial growth and create high-quality jobs. It has three outputs: (i) corridor management strengthened and ease of doing business improved, (ii) Visakhapatnam–Chennai Industrial Corridor (VCIC) infrastructure strengthened; and (iii) institutional capacity, human resources, and program management enhanced. The MFF and grant support priority infrastructure investments in the VCIC, and the policy-based loan and TA support policy reform and institutional development in the state. The Department of Industries and Commerce (DOIC) of the GoAP is the MFF executing agency. The implementing units are Andhra Pradesh Industrial Infrastructure Corporation (APIIC), Transmission Corporation of Andhra Pradesh, Andhra Pradesh Road Development Corporation (APRDC), and Greater Visakhapatnam Municipal Corporation.

3. **Tranches.** The report and recommendation of the President for the MFF anticipated two tranches. ADB approved on 26 September 2016 a loan of \$245 million for project 1 under the first tranche of the MFF to (i) develop internal infrastructure in industrial clusters, (ii) strengthen electric power distribution capacity to meet industry demand, (iii) widen a section of a state highway to improve connectivity from the national highway to a port, and (iv) improve the water distribution network in Visakhapatnam for 24/7 supply. The second MFF tranche for project 2 will enhance VCIC infrastructure, with a focus on prioritized industrial nodes in Visakhapatnam and the Srikalahasti–Chittoor. The DOIC remains the executing agency of project 2, and APIIC and APRDC are the implementing agencies.

4. **Project 2.** Project 2 is aligned with the following impact: contribution of the manufacturing sector to the state's gross domestic product, trade, and employment increased. The outcome will be industrial investment and employment of the VCIC increased. With investment support through projects 1 and 2 under the MFF, the VCICDP will develop two industrial clusters in the Visakhapatnam node—Rambilli and Nakkapalli—and two clusters in the Srikalahasti–Chittoor node: Naidupeta and Chittoor–South. These clusters will attract manufacturers with high-quality infrastructure that provides road connectivity, electric power supply, bulk water supply, and other internal infrastructure in line with various interventions to promote investment, develop skills, strengthen climate and disaster resilience, and integrate industrial and urban planning.

5. **Output 1: Visakhapatnam industrial node infrastructure strengthened.** This will (i) develop internal infrastructure in the start-up area of the 160-hectare Rambilli industrial cluster; (ii) develop internal infrastructure in the start-up area of the 441-hectare Nakkapalli industrial cluster with a bulk water transmission line; (iii) widen the 13.8 kilometer (km) Atchuthapuram–Anakapalli road with features friendly to the elderly, women, children, and persons with disabilities (EWCD) for better access to National Highway 16; (iv) improve a 4.4 km access road to the Nakkapalli cluster with EWCD-friendly features; and (v) improve awareness and knowledge among the community members including women in and around Rambilli and Nakkapalli industrial

clusters and along Atchuthapuram to Anakapalli roads on road safety, gender-based violence, sexually transmitted infections, and the risks and benefits of infrastructure projects specifically for women and children. Internal infrastructure in the proposed clusters will include roads, storm water drains, water supply systems, and electric power distribution systems. Target industries in the Visakhapatnam node include pharmaceuticals, transport equipment, electronics and information technology, and textiles.

6. **Output 2: Srikalahasti–Chittoor industrial node infrastructure strengthened.** This will (i) develop internal infrastructure in the start-up area of the 938-hectare Chittoor–South industrial cluster; (ii) improve a 9.5 km access road to the Chittoor–South industrial cluster with EWCD-friendly feature; (iii) improve an 8.7 km access road to the Naidupeta industrial cluster with EWCD-friendly features; and (iv) improve awareness and knowledge among the community members including women in and around Chittoor–South industrial cluster on road safety, gender-based violence, sexually transmitted infections, and the risks and benefits of infrastructure projects specifically for women and children. Internal infrastructure in the start-up area of the Chittoor–South cluster will include internal roads, storm water drains, water supply systems, and electric power distribution systems. Target industries in the Srikalahasti–Chittoor node include machinery, food processing, electronics and information technology, and textiles.

7. **Output 3: Sustainable, green, and integrated industrial development enhanced.** This will (i) roll out an updated marketing action plan for investment promotion; (ii) enhance skills of people including socially vulnerable and those belonging in the economically weaker section; (iii) establish green corridor model operational guidelines at industrial cluster level; (iv) develop a disaster risk management plan to strengthen industrial cluster resilience under extreme weather; (v) formulate a plan for the sustainable operation and maintenance (O&M) of start-up industrial clusters; (vi) roll out a toolkit with gender-responsive and socially inclusive guidance, to integrate industrial and urban planning including industry housing in areas adjacent to industrial clusters; (vii) prepare and implement gender mainstreaming guidelines of DOIC; and (viii) disseminate knowledge of innovative corridor program designs including gender equality and socially inclusive intervention results, among other industrial clusters across the region.

8. Design and summary of subprojects (outputs 1 and 2) are in Appendix 2 and outline terms of reference (TORs) of Project Management and Supervision Consultant for project 2 are in Appendix 3.



## II. IMPLEMENTATION PLANS

### A. Project Readiness Activities

**Table 1: Project Readiness Activities**

Indicative Activities	Month-Year														Responsible Agency/ Government
	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	
Advance contracting actions															GoAP
Government budget inclusion <sup>a</sup>															GAP
Retroactive financing actions															GoAP
ADB Management approval															ADB
Loan signing															ADB, MOF, GoAP
Government legal opinion provided															MOF
Loan effectiveness															MOF and ADB

ADB = Asian Development Bank, GoAP = Government of Andhra Pradesh, MOF = Ministry of Finance.

<sup>a</sup> Government budget inclusion for first year implementation

Source: Asian Development Bank.

### B. Overall Project Implementation Plan

9. The project will be implemented from April 2023 (loan signing) to March 2026.<sup>1</sup> The overall project implementation schedule in Table 2 shows key activities on a quarterly basis. The implementation plan will be updated annually and submitted to ADB with contract and disbursement projections for the following year.

<sup>1</sup> The MFF period is extended from 30 June 2025 to 19 September 2026.

Table 2: Overall Project Implementation Plan

Activities	2022				2023				2024				2025				2026			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
<b>A. DMF</b>																				
<b>Output 1. Visakhapatnam industrial node infrastructure strengthened</b>																				
1.1 Award all civil works contracts by June 2023																				
1.2 Complete construction and commissioning of all sub-projects by March 2026																				
1.3 Complete community awareness raising program by December 2025																				
<b>Output 2. Srikalahasti-Chittoor industrial node infrastructure strengthened</b>																				
2.1 Award all civil works contracts by June 2023																				
2.2 Complete construction and commissioning of all sub-projects by March 2026																				
2.3 Complete community awareness raising program by December 2025																				
<b>Output 3. Sustainable, green, and integrated industrial development enhanced</b>																				
3.1 Update marketing action plan for investment promotion by December 2023																				
3.2 Conduct trainings for enhancing skills by December 2025																				
3.3 Draft Green Corridor Model Operational Guidelines at industry cluster level by December 2025																				
3.4 Draft disaster risk management plan for industrial clusters by December 2025																				
3.5 Prepare Sustainable Operation and Maintenance Improvement Plan by December 2025																				
3.6 Prepare toolkit for enhancing integrated industry-urban planning linkage with gender-responsive and socially inclusive guidance by December 2025																				
3.7 Prepare and implement Gender Mainstreaming Guidelines of DOIC by December 2025																				
3.8 Prepare knowledge products including GESI intervention results of VCICDP by December 2025																				
<b>B. Management Activities</b>																				
Strengthen project management and supervision consultant for Project 2 scope by March 2023																				
Implement gender equality and social inclusion action plan from March 2023 to March 2026																				
Review missions, midterm review, and preparation of progress reports, annual reports, APFS, and AEFS																				

APFS = Audited Project Financial Statement, AEFS = Audited Entity Financial Statement, DMF = design and monitoring framework, DOIC = Department of Industries and Commerce, GESI = gender equality and social inclusion, VCICDP = Visakhapatnam–Chennai Industrial Corridor Development Program.

Source: Asian Development Bank.

### III. PROJECT MANAGEMENT ARRANGEMENTS

#### A. Project Implementation Organizations: Roles and Responsibilities

10. The roles and responsibilities of project management unit (PMU) and project implementation units (PIUs)—APIIC and APRDC—are summarized below and described in detail in Appendix 4.

**Table 3: Project Implementation Organizations–Roles and Responsibilities**

Project Implementation Organizations	Management Roles and Responsibilities
Executing agency: Government of Andhra Pradesh through its Department of Industries and Commerce	(i) Overall strategic planning and guidance, and management support; (ii) Coordinate with other departments on project issues; (iii) Coordinate with finance department to mobilize counterpart funding for the project; and (iv) Overall management of project implementation;
PMU: Directorate of Industries	<b>Project Management</b> (i) Overall project management; (ii) Liaise and correspond with ADB on all issues related to the MFF and each project; (iii) Finalize procedures and guidelines, including standard bidding documents and evaluation of bids for procurement of civil works and equipment, in consultation with PIUs and ADB; (iv) Developing annual work plans, job descriptions, staffing schedules, and budgets; (v) Establish financial accounting and control systems and ensure accurate and timely report submissions and funds flow from ADB and onwards to the implementing agencies; (vi) Confirm procurement methods as per ICB, international shopping, or NCB, for each subproject component; (vii) Coordinate land acquisition actions for subprojects and proposed projects; and (viii) Coordinate with all PIUs for the implementation of GESI action plan activities.  <b>Monitoring and Reporting</b> (i) Supervise, coordinate and monitor the work of PIUs; (ii) Ensure compliance with loan covenants; (iii) Prepare project accounts, treasury sub-ledger advance account statements and submit timely statements to ADB and government; (iv) Prepare and submit monthly, quarterly, midterm, and final progress reports; (v) Prepare monthly compliance to financial management action plan; (vi) Prepare and submit external monitoring report (vii) Verify contractor/supplier invoices submitted by PIUs; and (viii) Oversee implementation and prepare quarterly and bi-annual monitoring report of GESI action plan implementation  <b>Institutional Strengthening</b> (i) Assist DOIC in formulation and implementation of policy reforms; (ii) Lead reform-related consultations and policy workshops; (iii) Coordinate learning events related to the project and corridor management; and

	<p>(v) Coordinate skill development programs with Andhra Pradesh Skill Development Corporation and GoAP/DOIC.</p> <p><b>Promotion and Marketing</b></p> <p>(i) In consultation with GoAP, prepare promotion plans and coordinate marketing programs with the Government of India; and</p> <p>(ii) Coordinate visits of delegations with respective PIUs and industrial area authorities in the state.</p> <p><b>Project Development</b></p> <p>(i) Oversee additional subprojects to be developed for future financing;</p> <p>(ii) Manage a project development facility; and</p> <p>(iii) Coordinate road safety components through a road safety management facility and related departments.</p> <p><b>Disbursement</b></p> <p>(i) Submit withdrawal applications;</p> <p>(ii) Retain supporting documents; and</p> <p>(iii) Provide reporting requirements, including the annual audit report and financial statements.</p> <p><b>Safeguards</b></p> <p>(i) Monitor project implementation and ensure compliance with safeguard related covenants, EARF, resettlement framework, IPPF, ADB Safeguard Policy Statement, and applicable government laws and regulations;</p> <p>(ii) Monitor and ensure that grievances are addressed timely and effectively through the GRM;</p> <p>(iii) Submit safeguards monitoring reports to ADB—semiannually during construction phase and annually during O&amp;M phase, until project completion</p> <p>(iv) Implement any corrective action as may be required</p> <p><b>GESI action plan</b></p> <p>(i) Oversee and monitor the implementation of GESI action plan and submit the quarterly progress report including GESI action plan monitoring matrix, to ADB till project completion</p>
Program Steering Committee	<p>(i) Steering Committee to meet at least twice in a calendar year</p> <p>(ii) Policy decisions to support project approvals and implementation;</p> <p>(iii) Review project progress;</p> <p>(iv) Facilitate/resolve inter departmental coordination for implementation by the PIUs; and</p> <p>(v) Review progress of implementation of financial plus elements</p>

Implementing Agencies: Project Implementation Units	<p><b>Design</b></p> <ul style="list-style-type: none"> <li>(i) Oversee design consultants in preparing or prepare in-house DPRs;</li> <li>(ii) Finalize project components, packages and preparation of contract documents;</li> <li>(iii) Check, verify, and update designs, engineering estimates and contract documents; and</li> <li>(iv) Ensure inclusion of gender-responsive features in the design, and the associated costs.</li> </ul> <p><b>Procurement</b></p> <ul style="list-style-type: none"> <li>(i) Prepare DPRs and bidding documents for good and works and submit through PMU, for ADB review and no objection, as per updated procurement plan;</li> <li>(ii) Issue invitation for bids, evaluate bids and submit report through PMU, for ADB review and no objection, and award contracts after ADB's no objection; and</li> <li>(iii) Check and ensure availability of all licenses and statutory approvals.</li> </ul> <p><b>Advance Preparation</b></p> <ul style="list-style-type: none"> <li>(i) Coordinate and confirm shifting of utilities;</li> <li>(ii) Confirm land acquisition requirements, resettlement actions, and assess each site's environmental aspects for detailed design of project component;</li> <li>(iii) Prepare a detailed implementation schedule covering all work stages for each subproject; and</li> <li>(iv) Prepare community consultation and public awareness programs as required.</li> </ul> <p><b>Supervision and Monitoring</b></p> <ul style="list-style-type: none"> <li>(i) Monitor supervision of works;</li> <li>(ii) Supervise, coordinate, and monitor the civil works and supply of equipment and materials ensuring sound supervision and quality control and resolve any technical matters and issues</li> </ul> <p><b>Safeguards</b></p> <ul style="list-style-type: none"> <li>(i) Implement resettlement plans, RPPs/IPPs, IEEs including EMPs, and a GESI action plan, and monitor and report on safeguards compliances to PMU</li> <li>(ii) Obtain rights of way and necessary clearances and permits timely</li> <li>(iii) Ensure compliance with labour regulations and ADB Safeguard Policy Statement prohibited list by contractors and their subcontractors and suppliers, etc.</li> <li>(iv) Ensure that stipulated conditions and recommendations of environmenta are complied with in establishment and operation of the start-up areas</li> <li>(v) Carryout consultation with stakeholders and disclose information in consultation with PMU;</li> <li>(vi) Address grievances through the GRM; and</li> <li>(vii) Submit quarterly safeguard monitoring reports to PMU.</li> </ul>
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Project Implementation Organizations	Management Roles and Responsibilities
ADB	(i) Overall supervision of the project; and (ii) Review and no objection to procurement packages . (iii) Review withdrawal applications/replenishment request and release disbursement / replenishment of advance (iv) Disclose project information to the public as per ADB policy (v) Approve and monitor safeguards documents and implementation compliance (vi) Approve annual audits of project accounts (vii) Monitor and review the GESI action plan implementation

ADB = Asian Development Bank, DOIC = Department of Industries and Commerce, DPR = detail project reports, EARF = environmental assessment and review framework, EMP = environmental management plan, GESI = gender equality and social inclusion, GoAP = Government of Andhra Pradesh, GRM = grievance redress mechanism, ICB = international competitive bidding, IPP = indigenous peoples plan, IPPF = indigenous peoples planning framework, NCB = national competitive bidding, PIUs = project implementation units, PMSC = project management and supervision consultant, PMU = project management unit, RIPP = resettlement and indigenous peoples plan.

Source: Asian Development Bank.

## B. Key Persons Involved in Implementation

### Executing Agency

Government of Andhra Pradesh  
through its Department of  
Industries and Commerce

Mr. Karikal Valaven  
Special Chief Secretary (Industries and Commerce) and  
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### Asian Development Bank

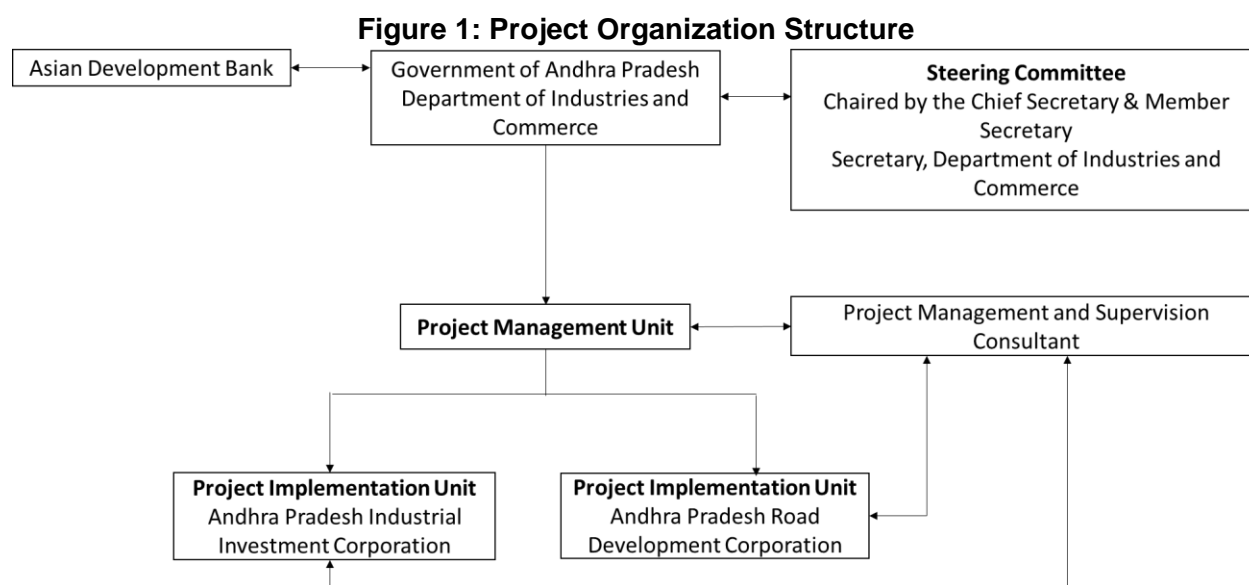
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### C. Project Organization Structure



### IV. COSTS AND FINANCING

11. The project is estimated to cost \$214.80 million, and its investment plan is shown in Table 4. The Government of India submitted a request for a loan of \$141.12 million from ADB's ordinary capital resources to help finance the project. The loan will have a 26-year term, including a grace period of 5 years, an annual interest rate determined in accordance with the ADB's Flexible Loan Product, a commitment charge of 0.15% per year; and such other terms and conditions set forth in the loan and project agreements. Based on the straight-line method, the average maturity is 15.75 years, and the maturity premium payable to ADB is 0.10% per year. The summary cost estimates for the project are in Table 4.

**Table 4: Summary Cost Estimates**  
(\$ million)

Item	Amount <sup>a</sup>
<b>A. Base Cost <sup>b</sup></b>	
1. Visakhapatnam industrial node infrastructure strengthened	103.27
2. Srikalahasti–Chittoor industrial node infrastructure strengthened	74.29
3. Sustainable, green, and integrated industrial development enhanced	2.22
<b>Subtotal (A)</b>	<b>179.78</b>
<b>B. Contingencies <sup>c</sup></b>	<b>21.98</b>
<b>C. Financial Charges During Implementation <sup>d</sup></b>	<b>13.04</b>
<b>Total (A+B+C)</b>	<b>214.80</b>

Note: Numbers may not sum precisely because of rounding.

<sup>a</sup> Includes taxes and duties of \$24.14 million to be financed from government resources by cash contribution. Such amount does not represent an excessive share of the project cost.

<sup>b</sup> In November 2022 prices; exchange rate of \$1.0 = ₹81.89 is used.

<sup>c</sup> Physical contingencies are computed at 5.0% for civil works. Price contingencies are computed at 1.7% - 1.8% on foreign exchange costs and 4.0% - 6.7% on local currency costs; include provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

<sup>d</sup> Includes interest and commitment charges. Interest during construction for the Asian Development Bank loan has been computed at the 5-year United States dollar fixed-swap rate plus a spread of 0.5%, a maturity premium of 0.1%

and a funding cost margin of 0.16%. Commitment charges for Asian Development Bank loan are 0.15% per year to be charged on the undisbursed loan amount.

Source: Asian Development Bank.

12. The loan from ADB will finance: (i) civil works, (ii) consulting services and skill development, and (iii) the part of incremental administrative costs. The GoAP will contribute \$73.68 million equivalent to cover: (i) taxes and duties, (ii) land acquisition and resettlement, (iii) part of incremental administrative costs, (iv) contingencies, and (v) financing charges. GoAP has assured that it will meet any financing shortfall to ensure that the project outputs are fully achieved. The summary financing plan for the project is in Table 5.

13. Climate adaptation is estimated to cost \$51.77 million, of which ADB will finance \$44.17 million (85%) and the government \$7.60 million (15%). Climate mitigation is estimated to cost \$0.34 million, of which ADB will finance \$0.29 million (85%) and the government \$0.05 million (15%). Details are in the climate change assessment linked document.

**Table 5: Financing Plan**

Source	Project Loan (\$ million)	Share of Total (%)
Asian Development Bank		
Ordinary Capital Resource (Regular OCR)	141.12	65.7
Government	73.68	34.3
<b>Total</b>	<b>214.80</b>	<b>100.0</b>

Source: Asian Development Bank estimates.

## **A. Cost Estimates Preparation and Revisions**

14. The cost estimates were prepared based on the detailed project report, where available, and other relevant details of subprojects. The cost estimate model was prepared using Microsoft Excel and is available from the project preparation team. The cost estimates will be further revised during the implementation by the PMU.

## **B. Key Assumptions**

15. The following key assumptions underpin the cost estimates and financing plan:

- (i) Exchange rate: ₹81.88 = \$1.00 (as of November 2022); and
- (ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

**Table 6: Escalation Rates for Price Contingency Calculation**

	2022	2023	2024	2025	2026	Average
Domestic	6.7%	5.8%	5.0%	4.5%	4.0%	5.2%
Foreign	1.7%	1.7%	1.8%	1.8%	1.8%	1.8%

Source: Asian Development Bank estimates.

- (iii) In-kind contributions cannot be easily measured and have not been quantified.



### C. Detailed Cost Estimates by Expenditure Category

**Table 7: Detailed Cost Estimates by Expenditure Category**  
(\$ million)

Item		Gross Amount	Net Amount    %		Tax Amount    %	
<b>A.</b>	<b>Investment Costs</b>					
1	Civil works	158.04	134.80	85.3%	23.24	14.7%
2	Land acquisition and resettlement	14.09	14.09	100.0%	-	0.0%
3	Consulting services and skill development	5.88	4.99	84.7%	0.90	15.3%
	<b>Subtotal (A)</b>	<b>178.01</b>	<b>153.87</b>	<b>86.4%</b>	<b>24.14</b>	<b>13.6%</b>
<b>B.</b>	<b>Recurrent Costs</b>					
1	Incremental administrative costs	1.77	1.77	100.0%	-	0.0%
	<b>Subtotal (B)</b>	<b>1.77</b>	<b>1.77</b>	<b>100.0%</b>	<b>-</b>	<b>0.0%</b>
	<b>Total Base Cost</b>	<b>179.78</b>	<b>155.65</b>	<b>86.6%</b>	<b>24.14</b>	<b>13.4%</b>
<b>C.</b>	<b>Contingencies</b>					
1	Physical contingencies	7.90	7.90	100.0%	-	0.0%
2	Price contingencies	14.08	14.08	100.0%	-	0.0%
	<b>Subtotal (C)</b>	<b>21.98</b>	<b>21.98</b>	<b>100.0%</b>	<b>-</b>	<b>0.0%</b>
<b>D.</b>	<b>Financing Charges</b>					
1	Interest during implementation	12.58	12.58	100.0%	-	0.0%
2	Commitment charges	0.46	0.46	100.0%	-	0.0%
	<b>Subtotal (D)</b>	<b>13.04</b>	<b>13.04</b>	<b>100.0%</b>	<b>-</b>	<b>0.0%</b>
	<b>Total Project Cost (A+B+C+D)</b>	<b>214.80</b>	<b>190.67</b>	<b>88.8%</b>	<b>24.14</b>	<b>11.2%</b>

Notes: 1. Numbers may not sum precisely because of rounding.

2. The costs of the actual audits of the program are minor and will be borne by the government.

3. Environmental monitoring is absorbed in A1. Resettlement costs are covered under A2. The implementation costs of gender equality and social inclusion action plan and community awareness and participation plan are covered under A3 and B1.

Source: Asian Development Bank estimates.

**D. Allocation and Withdrawal of Loan Proceeds****Table 8: Allocation and Withdrawal of Loan Proceeds (ADB Ordinary Capital Resource)**

<b>No.</b>	<b>Item</b>	<b>Amount Allocated for ADB Financing (\$) Category</b>	<b>Basis for Withdrawal from the Loan Account</b>
1	Civil works	134,800,000	85.3% of total expenditure claimed
2	Consultancy services and skill development	4,990,000	84.7% of total expenditure claimed
3	Incremental administrative costs	1,330,000	75.0% of total expenditure claimed
	<b>Total ADB Loan</b>	<b>141,120,000</b>	

ADB = Asian Development Bank.

Source: ADB.

## E. Detailed Cost Estimates by Financier

**Table 9: Detailed Cost Estimates by Financier**  
(\$ million)

Item		Total Cost	ADB Loan		Tax	Government		
			Amount	%		Non-Tax	Total	%
<b>A. Investment Costs</b>								
1	Civil works	158.04	134.80	85.3%	23.24	-	23.24	14.7%
2	Land acquisition and resettlement	14.09	-	0.0%	-	14.09	14.09	100.0%
3	Consulting services and skill development	5.88	4.99	84.7%	0.90	-	0.90	15.3%
<b>Subtotal (A)</b>		<b>178.01</b>	<b>139.79</b>	<b>78.5%</b>	<b>24.14</b>	<b>14.09</b>	<b>38.22</b>	<b>21.5%</b>
<b>B. Recurrent Costs</b>								
1	Incremental administrative costs	1.77	1.33	75.0%	-	0.44	0.44	25.0%
<b>Subtotal (B)</b>		<b>1.77</b>	<b>1.33</b>	<b>75.0%</b>	<b>-</b>	<b>0.44</b>	<b>0.44</b>	<b>25.0%</b>
<b>Total Base Cost</b>		<b>179.78</b>	<b>141.12</b>	<b>78.5%</b>	<b>24.14</b>	<b>14.53</b>	<b>38.67</b>	<b>21.5%</b>
<b>C. Contingencies</b>								
1	Physical contingencies	7.90	-	0.0%	-	7.90	7.90	100.0%
2	Price contingencies	14.08	-	0.0%	-	14.08	14.08	100.0%
<b>Subtotal (C)</b>		<b>21.98</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>21.98</b>	<b>21.98</b>	<b>100.0%</b>
<b>D. Financing Charges</b>								
1	Interest during implementation	12.58	-	0.0%	-	12.58	12.58	100.0%
2	Commitment charges	0.46	-	0.0%	-	0.46	0.46	100.0%
<b>Subtotal (D)</b>		<b>13.04</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>13.04</b>	<b>13.04</b>	<b>100.0%</b>
<b>Total Project Cost (A+B+C+D)</b>		<b>214.80</b>	<b>141.12</b>	<b>65.7%</b>	<b>24.14</b>	<b>49.55</b>	<b>73.68</b>	<b>34.3%</b>

ADB = Asian Development Bank.

Notes: 1. Numbers may not sum precisely because of rounding.

2. The costs of the actual audits of the program are minor and will be borne by the government.

3. Environmental monitoring is absorbed in A1. Resettlement costs are covered under A2. The implementation costs of gender equality and social inclusion action plan and community awareness and participation plan are covered under A3 and B1.

Source: ADB estimates.

**F. Detailed Cost Estimates by Outputs and/or Components**

**Table 10: Detailed Cost Estimates by Outputs**  
(\$ million)

Items		Total Cost	Output 1		Output 2		Output 3	
			Amount	%	Amount	%	Amount	%
<b>A.</b>	<b>Investment Costs</b>							
1	Civil works	158.04	92.77	58.7%	65.28	41.3%	-	0.0%
2	Land acquisition and resettlement	14.09	7.04	50.0%	7.04	50.0%	-	0.0%
3	Consulting services and skill development	5.88	2.40	40.8%	1.44	24.5%	2.04	34.7%
	<b>Subtotal (A)</b>	<b>178.01</b>	<b>102.21</b>	<b>57.4%</b>	<b>73.76</b>	<b>41.4%</b>	<b>2.04</b>	<b>1.1%</b>
<b>B.</b>	<b>Recurrent Costs</b>							
1	Incremental administrative costs	1.77	1.06	60.0%	0.53	30.0%	0.18	10.0%
	<b>Subtotal (B)</b>	<b>1.77</b>	<b>1.06</b>	<b>60.0%</b>	<b>0.53</b>	<b>30.0%</b>	<b>0.18</b>	<b>10.0%</b>
	<b>Total Base Cost</b>	<b>179.78</b>	<b>103.27</b>	<b>57.4%</b>	<b>74.29</b>	<b>41.3%</b>	<b>2.22</b>	<b>1.2%</b>
<b>C.</b>	<b>Contingencies</b>							
1	Physical contingencies	7.90	4.64	58.7%	3.26	41.3%	-	0.0%
2	Price contingencies	14.08	8.09	57.4%	5.82	41.3%	0.17	1.2%
	<b>Subtotal (C)</b>	<b>21.98</b>	<b>12.73</b>	<b>57.9%</b>	<b>9.08</b>	<b>41.3%</b>	<b>0.17</b>	<b>0.8%</b>
<b>D.</b>	<b>Financing Charges</b>							
1	Interest during implementation	12.58	7.23	57.4%	5.20	41.3%	0.16	1.2%
2	Commitment charges	0.46	0.26	57.4%	0.19	41.3%	0.01	1.2%
	<b>Subtotal (D)</b>	<b>13.04</b>	<b>7.49</b>	<b>57.4%</b>	<b>5.39</b>	<b>41.3%</b>	<b>0.16</b>	<b>1.2%</b>
	<b>Total Project Cost (A+B+C+D)</b>	<b>214.80</b>	<b>123.49</b>	<b>57.5%</b>	<b>88.76</b>	<b>41.3%</b>	<b>2.55</b>	<b>1.2%</b>

Notes:

1. Numbers may not sum precisely because of rounding.
2. The costs of the actual audits of the program are minor and will be borne by the government.
3. Environmental monitoring is absorbed in A1. Resettlement costs are covered under A2. The implementation costs of gender equality and social inclusion action plan and community awareness and participation plan are covered under A3 and B1.

Source: Asian Development Bank estimates.

## G. Detailed Cost Estimates by Year

**Table 11: Detailed Cost Estimates by Year**  
(\$ million)

	Item	Total	2023	2024	2025	2026
<b>A.</b>	<b>Investment Costs</b>					
1	Civil works	158.04	20.27	48.34	54.66	34.77
2	Land acquisition and resettlement	14.09	11.27	2.82	-	-
3	Consulting services and skill development	5.88	1.03	1.77	1.77	1.32
	<b>Subtotal (A)</b>	<b>178.01</b>	<b>32.57</b>	<b>52.92</b>	<b>56.43</b>	<b>36.09</b>
<b>B.</b>	<b>Recurrent Costs</b>					
1	Incremental administrative costs	1.77	0.32	0.53	0.53	0.39
	<b>Subtotal (B)</b>	<b>1.77</b>	<b>0.32</b>	<b>0.53</b>	<b>0.53</b>	<b>0.39</b>
	<b>Total Base Cost</b>	<b>179.78</b>	<b>32.89</b>	<b>53.45</b>	<b>56.96</b>	<b>36.48</b>
<b>C.</b>	<b>Contingencies</b>					
1	Physical contingencies	7.90	1.01	2.42	2.73	1.74
2	Price contingencies	14.08	1.47	3.60	4.92	4.09
	<b>Subtotal (C)</b>	<b>21.98</b>	<b>2.48</b>	<b>6.02</b>	<b>7.65</b>	<b>5.83</b>
<b>D.</b>	<b>Financing Charges</b>					
1	Interest during implementation	12.58	0.44	1.93	4.14	6.06
2	Commitment charges	0.46	0.20	0.15	0.08	0.02
	<b>Subtotal (D)</b>	<b>13.04</b>	<b>0.64</b>	<b>2.08</b>	<b>4.23</b>	<b>6.09</b>
	<b>Total Project Cost (A+B+C+D)</b>	<b>214.80</b>	<b>36.01</b>	<b>61.55</b>	<b>68.84</b>	<b>48.40</b>

PBI = performance-based incentive.

Notes:

1. Numbers may not sum precisely because of rounding.
2. The costs of the actual audits of the program are minor and will be borne by the government.
3. Environmental monitoring is absorbed in A1. Resettlement costs are covered under A2. The implementation costs of gender equality and social inclusion action plan and community awareness and participation plan are covered under A3 and B1.

Source: Asian Development Bank estimates.

## H. Contract and Disbursement S-Curve

16. Projected contract awards and disbursements of the ADB loan are given in Table 12 and Figure 2.

**Table 12: Projected Contract Awards and Disbursements**

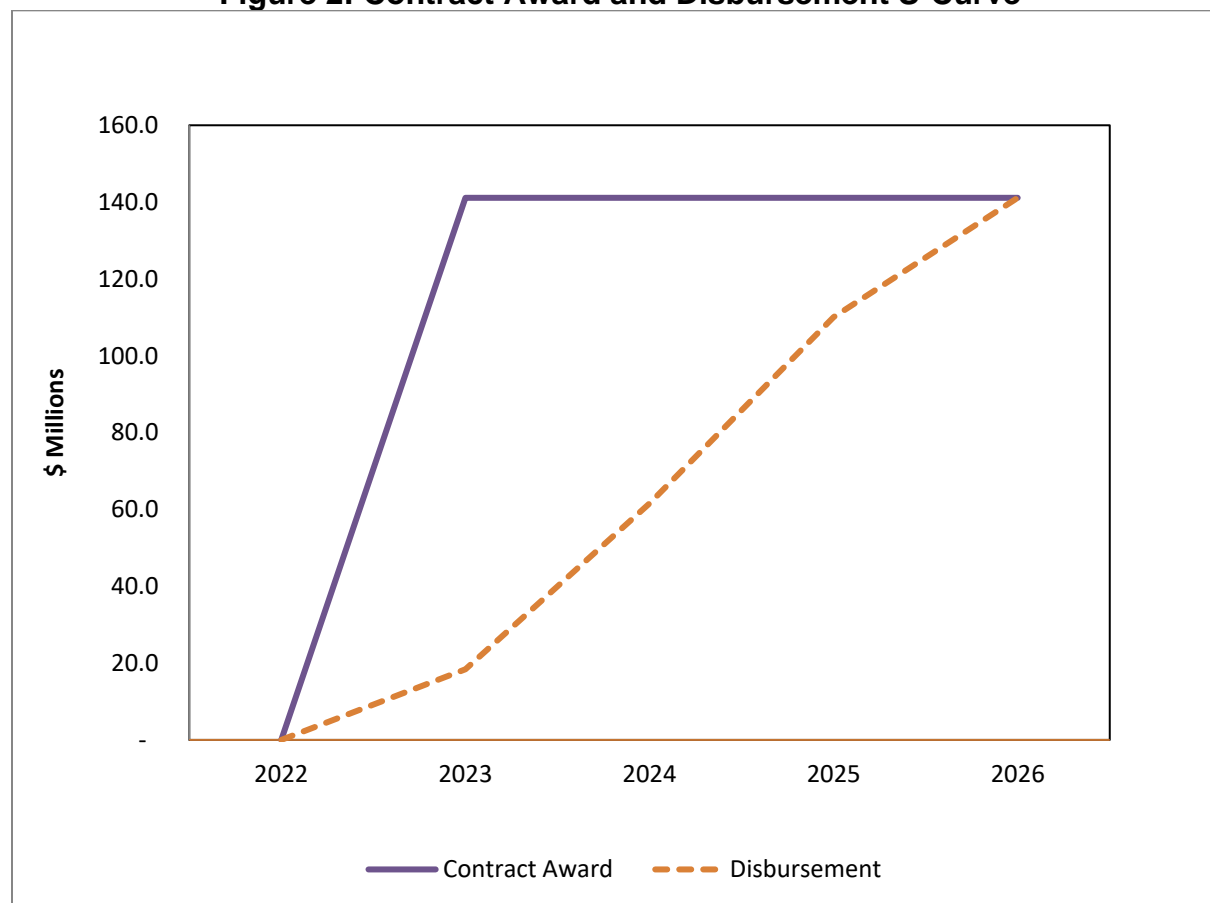
(\$ million)

Year	Contract Awards (in \$ million)					Disbursements (in \$ million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2022	-	-	-	-	-	-	-	-	-	-
2023	-	141.12	-	-	141.12	-	3.02	7.69	7.69	18.40
2024	-	-	-	-	-	10.78	10.78	10.78	10.78	43.13
2025	-	-	-	-	-	12.13	12.13	12.13	12.13	48.52
2026	-	-	-	-	-	11.26	11.26	8.56	-	31.07
Total	-	141.12	-	-	141.12	34.17	37.19	39.16	30.60	141.12

Q = quarter.

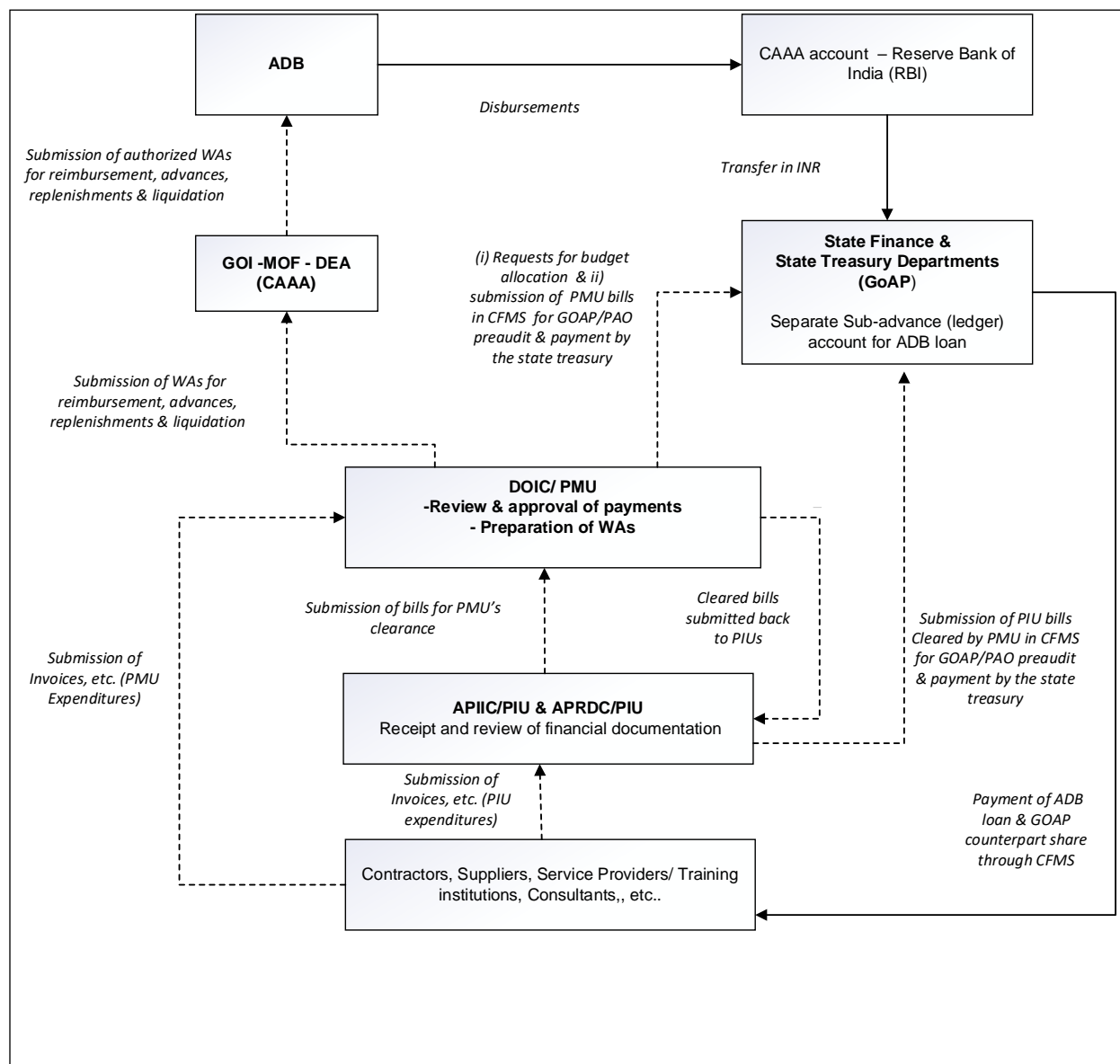
Source: Asian Development Bank.

**Figure 2: Contract Award and Disbursement S-Curve**



Source: Asian Development Bank.

## I. Fund Flow Diagram



ADB = Asian Development Bank, APIIC = Andhra Pradesh Industrial Infrastructure Corporation, APRDC = Andhra Pradesh Road Development Corporation, CAAA = Controller of Aids, Accounts, and Audit, DEA = Department of Economic Affairs, DOE = Department of Expenditure, GOI = Government of India, GoAP = Government of Andhra Pradesh, MOF = Ministry of Finance, PIU = project implementation unit, PMU = project management unit, RBI = Reserve Bank of India, WA = withdrawal application.

## V. FINANCIAL MANAGEMENT

### A. Financial Management Assessment

17. A financial management assessment (FMA) of the executing agency represented by DOIC/PMU and each of the implementing agency, APIIC, and APRDC was conducted in

accordance with ADB's Guidelines.<sup>2</sup> The FMA covered the areas of fund flow arrangements, governance, staffing, budgeting, accounting and financial reporting systems, internal control procedures, financial information systems, and internal and external audit arrangements.

18. Project 2 will follow the financial management arrangements already established under Project 1, with some modifications. The FMA found that DOIC, through its PMU, as well as APIIC and APRDC, have adequate financial management capacity to: (i) record the required financial transactions, (ii) provide reliable annual financial statements and audit reports, and (iii) safeguard the financial assets. The assessment also concluded that DOIC, through its PMU, has adequate capacity to manage the Statement of Expenditure (SOE) procedure up to a ceiling of \$100,000 as well as the advance fund procedure, subject to a successful completion of an assessment of GOAP's comprehensive financial management system (CFMS) as well as strict adherence to the service standards and monitoring mechanisms.

19. However, the assessed pre-mitigation financial management risk is *substantial* mainly because of the following: (i) project 1 experienced significant delays in accessing advances disbursed under the ADB loan and government counterpart funds, (ii) there is scope for improving the quality of financial reporting at the project level, (iii) the audited project financial statements of project 1 were delayed, and (iv) the audited entity financial statements of implementing agencies under project 1 were delayed and qualified. These risks will be mitigated by: (i) engaging financial management experts to support the project; (ii) providing training in ADB's financial reporting, audit, and disbursement requirements; (iii) establishing stringent service standards and monitoring mechanisms to ensure that funds are made available to the project in a timely way; (iv) including comprehensive financial information in quarterly progress reports; and (v) monitoring the timely issuance of audited entity financial statements and resolving the pending audit qualifications in a systematic manner. Moreover, the project financial statements (PFSs) will be audited annually by an independent auditor in accordance with auditing standards acceptable to ADB. The detailed financial management risks and mitigations measures are provided in Table 13 below.

**Table 13: Financial Management Inherent and Control Risk Assessment**

Risk	Risk Assessment	Proposed Mitigation Measures
<b>A. Inherent Risks</b>		
1. Country-specific risks (India)	<b>Moderate</b> The financial management capacity and auditing standard in India are sound although the level of implementation varies from state to state. India has a strong accounting profession, although the accounting is done on cash basis in most levels of the government.	Not applicable
2. Entity-specific risks (GoAP)	<b>Substantial</b> GoAP has been undertaking several steps to improve its financial management capacity and reposting system through adoption of a fiscal policy setting performance targets, and the launch of the Comprehensive Financial Management System (CFMS), which became operational in April 2018. However, the state has, in the past	GoAP to provide assurances as part of the legal agreements that the adequate financing will be provided to the project in a timely manner. In addition, detailed project specific mitigation arrangements are outlined below.

<sup>2</sup> ADB. 2015. [Financial Management Technical Guidance Note: Financial Management Assessment](#). Manila.



Risk	Risk Assessment	Proposed Mitigation Measures
	years, experienced significant liquidity issues, which has resulted in delays in providing funds to externally financed projects and slow implementation.	
3. Project-specific risks	<p style="text-align: center;"><b>Moderate</b></p> <p>The implementation period for the project is relatively short and implementation delays beyond the loan closing date may cause expenditures to become ineligible for Asian Development Bank (ADB) financing.</p>	<p>The project implementation and disbursement rate will be continuously monitored through quarterly progress reports, tripartite portfolio review meetings (TPRMs), and ADB review missions. Moreover, procedures have been included in the project administration manual (PAM) to ensure smooth closure of Project 2.</p>
<b>Overall inherent risk</b>	<b>Substantial</b>	
<b>B. Control Risks – DOIC/PMU, APIIC/PIU, and APRDC/PIU</b>		
1. Executing/ implementing agency	<p style="text-align: center;"><b>Moderate</b></p> <p>The implementation arrangements and financial management roles and responsibilities have been well established under Project 1. Department of Industries and Commerce (DOIC) and its PMU, Andhra Pradesh Road Development Corporation (APRDC), and Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) have experience in implementing externally financed projects including Project 1 assisted by ADB.</p>	<p>Project 2 will follow the same implementation and financial management arrangement as Project 1, with some adjustments. The existing PMUs and project implementing unit (PIU) structures will also be responsible for Project 2.</p>
2. Flow of funds and budget allocation	<p style="text-align: center;"><b>High</b></p> <p>Under Project 1, there has been significant delays in the release of counterpart funding as well as in transferring advances disbursed by ADB to the sub-advance account. This has caused considerable delays in effecting payments to contractors. Under project 2, a sub-advance ledger account will be established in the state treasury in order to streamline the funds flow. However, the assessment of the treasury systems has not yet been completed.</p>	<p>No funds will be disbursed by ADB under the Advance fund procedure, until the assessment of the comprehensive financial management system (CFMS) has been completed and the underlying control and reporting features related to the sub-advance ledger account have been deemed acceptable to ADB.</p> <p>GoAP to provide assurances that counterpart funds will be made available in a timely manner.</p> <p>Stringer service standards are established requiring any advance disbursed by ADB to be deposited in the sub-advance account within 7 days after the receipt by GoAP.</p> <p>The timeliness of depositing of ADB loan proceeds in the sub-advance ledger account and releasing the government counterpart funding will be tracked by the PMU and reported to ADB on a monthly basis, as well as monitored by ADB during</p>

Risk	Risk Assessment	Proposed Mitigation Measures
		review missions and TPRMs. In case of further delays in transferring funds to the sub-advance account, the advance fund procedure may be discontinued.
3. Staffing	<p><b>Moderate</b></p> <p>Given that Project 1 and Project 2 will only overlap for a limited time, the existing financial management positions in the PMU and PIUs are considered mainly adequate. Moreover, the position of Chief Accountant and Financial Management Officer (CAFMO) in the PMU has been filled</p> <p>The accounts staff will require regular training in ADB's financial management financial reporting and audit requirements and disbursement procedures.</p>	<p>APIIC and APRDC to assign an accountant/accounts officer to their respective PIU to cover Project 2.</p> <p>Training in ADB financial reporting and audit requirements including agreed templates as well as disbursement procedures and systems to be provided by the inception mission and annually thereafter.</p> <p>The DOIC/PMU is to be supported by two financial management specialists engaged as part of the project management and supervision consultants (PMSCs) which will be extended to cover the implementation period of Project 2.</p>
4. Accounting policies and procedures	<p><b>Moderate</b></p> <p>Policies and procedures are well documented. PMU uses accounting standards of the government, while APIIC and APRDC follow the Generally Accepted Accounting Principles (GAAP).</p>	DOIC/PMU to maintain records and registers in accordance with government accounting standards under cash basis of accounting. DOIC/PMU to develop supplementary procedures detailing the project specific accounting and financial reporting arrangements including the preparation of consolidated project financial statements.
5. Internal audit	<p><b>Moderate</b></p> <p>APRDC and APIIC have engaged a chartered accountant firm to conduct the periodic internal audit of the entity. Moreover, all project related payments are pre-audited by Pay and Accounts Office (P&amp;AO) of GoAP Treasury before payments are released.</p>	APRDC and APIIC to ensure Project 2 is included in the audit plan of their respective internal audit functions. The internal audit recommendations related to Project 2 are to be implemented within 6 months after the internal audit report has been issued. The status of the internal audit observations/ recommendations related to Project 2 (if any), are to be included in the quarterly progress reports.
6. External audit (entity level)	<p><b>Substantial</b></p> <p>The audited entity financial statement (AEFS) of APIIC and APRDC are issued with some delays although improvements have been noted.</p> <p>The AEFS of APIIC and APRDC includes several audit qualifications and/or observations that need to be resolved.</p>	<p>APIIC and APRDC to issue their respective AEFS within the statutory requirements of 6 and 9 months respectively.</p> <p>APIIC and APRDC to develop a road map with time bound targets to resolve the audit qualifications. Support to the implementing agencies may also be provided by the financial management experts engaged under the PMSC.</p>
7. External audit	<b>Moderate</b>	

<b>Risk</b>	<b>Risk Assessment</b>	<b>Proposed Mitigation Measures</b>
(project level)	Project 1 is subject to separate independent audit by a chartered accounting firm empaneled by Comptroller and Auditor General of India (CAG). The quality and timelines of the audited project financial statement (APFS) has steadily improved under Project 1 although some delays have also been noted.	Audit arrangements under Project 2 to follow the arrangements agreed and established under Project 1. Accordingly, the project financial statements (PFS) will be audited by a private chartered accounting firm empaneled by the CAG. The audit report will follow the audit terms of reference (ToRs) agreed between Department of Economic Affairs (DEA), ADB, and CAG.
8. Reporting and Monitoring	<b>Moderate</b> Comprehensive periodic financial management reporting systems are in place in the PMU and all implementing agencies. However, there is scope for improving the quality of project financial information submitted to ADB.	DOIC/PMU to submit financial information to ADB as part of the quarterly progress reports within 45 days after the reporting period.  The DOIC/PMU will prepare PFSs in a format agreed with ADB within 2 months after the end of the fiscal year.
9. Information Systems	<b>Moderate</b> The APRDC and APIIC have in place their respective computerized accounting software and DOIC PMU has set up a standalone accounting software (tally) as part of Project 1. Moreover, GoAP introduced in 2018 its CFMS which is used to execute payments and generate financial reports. However, the accounting software is not able to generate the PFS in the format required by ADB.	All payments will be executed through the GoAP CFMS which will be extended to also cover payments from the sub-advance ledger account. The DOIC/PMU to record all payments in the Tally and CFMS and conduct reconciliations with the project records as per the CFMS and Tally and ADB's disbursement records as per Loan Financial Information System to ensure all disbursements are accurately recorded in the PFSs and quarterly reports. The PMU will use Excel to generate the PFS in the agreed format based on the information downloaded from the accounting software and the CFMS.
<b>Control risk</b>	<b>Substantial</b>	
<b>Project financial management risk</b>	<b>Substantial</b>	

ADB = Asian Development Bank; APIIC= Andhra Pradesh Industrial Infrastructure Corporation, APRDC= Andhra Pradesh Road Development Corporation, CAAA = Control Aids, Accounts and Audit, CFMS =Comprehensive Financial Management system, DEA = Department of Economic Affairs, DOE = Department of Expenditure, DOIC = Department of Industries and Commerce, GOI = Government of India, GoAP = Government of Andhra Pradesh, MOF = Ministry of Finance, PIU = project implementation unit, PMU = project management unit, RBI = Reserve Bank of India, WA= Withdrawal Application.

20. ADB, DOIC, APIIC, and APRDC have agreed to implement an action plan as key measures to address the deficiencies. The financial management action plan is provided in the Table below.

**Table 14: Financial Management Action Plan**

<b>Area</b>	<b>Agreed action</b>	<b>Responsibility</b>	<b>Timeframe</b>
Staffing	(i) Engage a financial management expert on an intermittent basis to support the project management unit (PMU) for the whole implementation period.	DOIC/PMU	By loan effectiveness
	(ii) Appoint an accountant to each project implementation unit (PIU) as project focal.	APIIC APRDC	By loan effectiveness
Capacity building	Provide training in Asian Development Bank (ADB) financial reporting requirements and templates as well as disbursement policies, procedures, and systems for project accounts staff	ADB and DOIC/PMU	By inception mission and annually
Budgeting	Include Project 2 in the 2022-2023 budget under a separate head of account for Project 2.	Government of Andhra Pradesh (GoAP)	February 2023
Flow of funds	Establish a separate sub advance ledger account for the ADB loan in the state treasury system/CFMS.	Government of Andhra Pradesh (GoAP)	Immediately after loan approval
Flow of funds	Reflect the full amount advanced by ADB under the Advance Fund procedure in the ADB loan sub-advance ledger account maintained in CFMS.	State Treasury Department/ GoAP	Within 7 working days after the receipt of the ADB loan funds from the State Treasury
Flow of funds	(i) Maintain a log in a format agreed with ADB <sup>a</sup> , to track the timelines and completeness of transfers to the ADB loan sub-advance ledger account maintained in CFMS. (ii) Submit the log to ADB together with the bank statement of sub-advance ledger account	DOIC/PMU	Bi-monthly, with submission to ADB within 15 days after the end of month.
Flow of funds	Issue the budget release order (BRO) to make funds including counterpart funds available to the project	State treasury department/Go AP	Within ten (10) working days after the receipt of the ADB advance
	Effect the payments in full to contractors, service providers, etc. in a timely manner.	State treasury department/Go AP	Within seven (7) working days after the authorization of the payment
Accounting	(i) Maintain separate books of accounts and record for Project 2.	DOIC/PMU, APIIC and APRDC	From project inception until loan closing date
	(ii) File all project records and supporting documentation (or copies of such documentation) centrally in the PMU, backed up regularly and made available for auditors and ADB for inspection staff as necessary.	DOIC/PMU	From project inception until

Area	Agreed action	Responsibility	Timeframe
	(iii) Maintain project controls register and records including: (a) register of signed contracts and amounts disbursed against each contract, (b) reconciliation by withdrawal application claimed from and disbursed by ADB, and (c) log of any delays in the receipt of advances disbursed by ADB to the project sub-advance account and in the release of government counterpart funds.	DOIC/PMU	loan closing date  From project inception until loan closing date
Financial management manual	Document the project specific budget, and accounting codes, as well as accounting, and financial reporting practices in a project FM manual to be approved by DOIC/PMU, APIIC and APRDC and submit it to ADB.	DOIC/PMU	March 2023
External audit – entity level	(i) Submit to DOIC PMU and ADB: (a) a status report on the external audit observations and internal control weakness identified by the statutory auditor, and (b) a time bound action plan to resolve the pending audit qualifications and observations. (ii) Report the updated status of actions as part of quarterly progress reports submitted to ADB. (iii) Issue the audited entity financial statements (AEFS) within the statutory timeframe. (iv) Collect a copy of the AEFS and submit to ADB.	APIIC and APRDC  DOIC/PMU  APIIC and APRDC  DOIC/PMU	By loan effectiveness  Quarterly  Within 6 and 9 months after the end of the fiscal year Within 1month after the AEFS have been approved.
External audit – project level	(i) Engage a Comptroller and Auditor General of India (CAG) empanelled chartered accountant firm to undertake the independent audit of the project financial statements (PFSS) using the audit terms of reference (TORs) agreed between CAG, ADB, and Department of Economic Affairs (DEA). (ii) Sensitize the auditor on ADB's requirements including the necessary audit opinions, management letter, and the audit submission deadlines.	DOIC/PMU	Within one quarter after loan effectiveness  Annually
Financial reporting	(i) Include financial information in a format agreed with ADB in the quarterly progress reports and submit to ADB. (ii) Prepare project financial statements separately for Project 2 in a format agreed with ADB including analysis of significant variances between budgeted vs actual expenditures in the notes.	DOIC/PMU	Within 45 days after each reporting period  Annually within 60 days after the end of the fiscal year
Information systems	Modify the CFMS (as necessary) to: (i) enable it to report separately on the opening and closing balances and individual receipts and payments made under the ADB loan sub advance ledger account and (ii) route all payments for PMU's	GOAP	February 2023

Area	Agreed action	Responsibility	Timeframe
	clearance before being forwarded for PAO/GoAP preaudit and payment by the state treasury.		
Information systems	Use of ADB systems Loan Financial Information System and Client Portal Disbursement to reconcile project accounts, quarterly progress reports, and financial statements with ADB disbursement records.	DOIC/PMU	Quarterly
Information systems	Record all receipts and payments under Project 2 in CFMS and Tally software separately from Project 1.	DOIC/PMU	From project inception until loan closing date

ADB = Asian Development Bank; APIIC= Andhra Pradesh Industrial Infrastructure Corporation, APRDC= Andhra Pradesh Road Development Corporation, CAAA = Control Aids, Accounts and Audit; DEA = Department of Economic Affairs; DOE = Department of Expenditure; GOI = Government of India; GoAP = Government of Andhra Pradesh; MOF = Ministry of Finance; CFMS=Comprehensive Financial Management system, PIU = project implementation unit; PMU = project management unit; RBI = Reserve Bank of India, WA= withdrawal application.

<sup>a</sup> Template log to track the timeliness of transfer from the state Treasury to the ADB loan sub-advance account, included in Appendix 5 of the PAM.

Source: ADB.

## B. Disbursement

### 1. Disbursement Arrangements for ADB Funds and funds directly administered by ADB

21. The ADB loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2022, as amended from time to time),<sup>3</sup> and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available. Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

22. The DOIC through its PMU will be responsible for (i) preparing disbursement projections, (ii) requesting budgetary allocations for counterpart funds, (iii) collecting all supporting documents, and (iv) preparing and sending withdrawal applications to ADB.

23. **Advance fund procedure.** An advance account will be established and maintained by Controller of Aid, Accounts, and Audit (CAAA) for the ADB loan. The DOIC through its PMU will be responsible for the preparation of liquidation/replenishment of the advance account. The currency of the advance account is United States dollar. The CAAA, who established the advance account in its name, is accountable and responsible for proper use of advances to the advance account. In addition, a sub-advance ledger account will be opened and maintained in the name of the project, in the state treasury by GoAP to receive ADB loan proceeds from the advance account. The advance account and the sub-advance ledger account are to be used exclusively for the ADB loan share of eligible expenditures. The GoAP will ensure funds received from CAAA are transferred in full to the sub-advance ledger account within 7 working days of the receipt of the advance or replenishment.

24. The total outstanding advance to the advance accounts should not exceed the estimate of ADB's share of expenditures to be paid through the advance account for the forthcoming 6

<sup>3</sup> The handbook is available electronically from the ADB website (<http://www.adb.org/documents/loan-disbursement-handbook>).

months. The DOIC through its PMU and PIU may request for initial and additional advances to the advance account based on an Estimate of Expenditure Sheet setting out the estimated expenditures to be financed through the sub-advance account for the forthcoming 6 months.<sup>4</sup> Supporting documents should be submitted to ADB or retained by the PMU in accordance with the ADB's *Loan Disbursement Handbook* (2022, as amended from time to time) when liquidating or replenishing the advance account.

25. **Statement of expenditure procedure.**<sup>5</sup> The SOE procedure may be used for reimbursement of eligible expenditures. The ceiling of the SOE procedure is the equivalent of \$100,000 per individual payment. Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit. Reimbursement and liquidation of individual payments in excess of the SOE ceiling should be supported by full documentation when submitting the withdrawal application to ADB.

26. Before the submission of the first withdrawal application, the borrower should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is stipulated in the *Loan Disbursement Handbook* (2022, as amended from time to time). Individual payments below such amount should be paid by DOIC or GoAP and subsequently claimed to ADB through reimbursement, unless otherwise accepted by ADB. The borrower should ensure sufficient category and contract balances before requesting disbursements. Use of ADB's Client Portal for Disbursements system is mandatory for submission of withdrawal applications to ADB.<sup>6</sup>

27. **Disbursement condition.** No funds will be disbursed by ADB under the Advance fund procedure, until the assessment of the comprehensive financial management system (CFMS) has been completed and the underlying control and reporting features related to the sub-advance ledger account have been deemed acceptable to ADB.

## 2. Disbursement Arrangements for Counterpart Fund

28. The government counterpart funds will be sufficiently allocated in the budget annually. DOIC through its PMU, with input from the PIUs, will be responsible for preparing disbursement projections and requesting budgetary allocations for the project, including counterpart funds from the GoAP. All disbursements under government financing will be carried out in accordance with the regulations of the Government of India and the GoAP and accounting principles acceptable to ADB.

### C. Accounting and Financial Reporting

29. **Accounting.** The DOIC, APIIC and APRDC will maintain, or cause to be maintained separate books and records by funding source (ADB loan, Government counterpart financing etc.)

<sup>4</sup> Estimate of Expenditure sheet is available in Appendix 8A of ADB's *Loan Disbursement Handbook* and is available for download from ADB. [Loan and Grant Financial Information Services](#).

<sup>5</sup> SOE forms are available in Appendix 7B and 7D of ADB's *Loan Disbursement Handbook* and are available for download from ADB. [Loan and Grant Financial Information Services](#).

<sup>6</sup> The Client Portal for Disbursement facilitates online submission of withdrawal application to ADB, resulting in faster disbursement. The forms to be completed by the Borrower are available online at <https://www.adb.org/documents/client-portal-disbursements-guide>.

for all expenditures incurred under the project in accordance with Government of India accounting standards, cash basis of accounting, which are consistent with international accounting principles. All cash receipts and payments will be recorded in the GoAP CFMS and the Tally accounting software implemented by DOIC/PMU.

30. **Project financial statements.** DOIC through its PMU will prepare consolidated project financial statements (PFS) in accordance with government regulations and following the financial statements, template provided in the Standardized Terms of Reference for audit of ADB assisted projects,<sup>7</sup> agreed with the CAG of India, the DEA and ADB. Accordingly, the expected disclosures in the project financial statements should include the following:

- (i) Statement of cash receipts (by financing source: ADB loan, GoAP, etc.) and payments (by expenditure category) for the current reporting period, past reporting period, and cumulative to date;
- (ii) Statement of expenditure by category and financier for the year/period end;
- (iii) Statement of sub-advance account;
- (iv) Statement of disbursement, disclosing all funds claimed from ADB by disbursement method, total expenditure claimed for the current reporting period, past reporting period, and cumulative to date. The notes of the financial statements should include a detailed list of all withdrawal applications submitted to, and the amounts paid by ADB as follows: (a) withdrawal application number; (b) the amount claimed and currency; (c) time period in which expenditures were incurred; (d) date submitted; (e) disbursement method; and (f) the amount disbursed by ADB;
- (v) Disbursement claimed under SOE procedure for the reporting period;
- (vi) Statement of appropriation versus actual expenditures. Any significant variances must be duly explained;
- (vii) Expenditure by output/components for the current reporting period, past reporting period, and cumulative to date; and
- (viii) Notes to the Financial Statements disclosing the used accounting standards and policies and other relevant information and explanations.

31. The expenditure categories and outputs used in the financial reports will be aligned with the expenditure categories of the PAM.

32. **Quarterly financial reporting.** In order to provide timely information on the project's financial progress and the status of financial management to ADB, the DOIC through its PMU will include financial information, in a format agreed with ADB, in the Quarterly Progress Reports (QPRs) to be submitted to ADB within 45 days after the end of the quarter. The information will include at least the following:

- (i) Cumulative contract awards financed by the ADB loan, and counterpart funds (commitment of funds to date), and comparison with time-bound projections (targets – for ADB financing compare the actual contract awards with the contract award curve included in the PAM). Any significant variances between planned and actual contract awards are to be explained;
- (ii) Cumulative disbursements from the ADB loan, and counterpart funds (expenditure to date), and comparison with time-bound projections (targets – for the ADB financing compare the actual disbursement with the disbursement projections as

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<sup>7</sup> Audit ToRs 2013. The ToRs may be amended from time to time as agreed between ADB, CAG and DEA (Appendix 6).



- per the S-curve included in the PAM). Any significant variances between planned and actual disbursements are to be explained;
- (iii) Re-estimated costs to completion, need for reallocation within ADB loan categories, and whether an overall project cost overrun is likely;
  - (iv) Reconciliation of project records and ADB disbursement records for the ADB loan for the financial year to date and cumulative from project inception to end of the reporting period. Any discrepancies and outline follow-up actions required are to be explained;
  - (v) Variance analysis including budget vs actual expenditures and physical versus financial progress, with significant deviations explained;
  - (vi) Summary of the status of financial covenants (if any) as outlined in the legal agreement;
  - (vii) Summary of the status of financial management in the project including: (a) any problems in the existing financial management arrangements and/or flow of funds; and (b) any significant changes occurred during the reporting period (e.g. financial management staff turnover, implementation of new financial systems, emerging financial management related risks, etc.);
  - (viii) Summary of the status of: (a) the financial management action plan outlined in the PAM; (b) recommendations and actions raised by ADB as part of the APFS review (if any); and (c) financial management related recommendations agreed during ADB review missions (if any); and
  - (ix) Summary of the status of past internal or external audit observations (resolved/pending).

33. Detailed financial reports may be included as an annex to the progress report as agreed with ADB. Sample template for the financial information to be included in the quarterly progress report is included in Appendix 7.

34. To ensure the correctness and completeness of the project's disbursement records, DOIC through its PMU shall conduct: (i) monthly reconciliations of the sub-advance ledger account; and (ii) quarterly reconciliation of the project accounts, and ADB's disbursement data available in the Loan and Grant Financial Information Services (L/GFIS). Any discrepancies and/or reconciliation items will be promptly followed up on to ensure these are resolved in a prompt manner. The differences between amounts claimed and the amounts disbursed will be disclosed and explained in the withdrawal application register, in the quarterly progress reports and in the notes of the PFSSs.

#### **D. External Auditing and Public Disclosure**

35. DOIC through its PMU will cause the consolidated PFSSs to be audited by an independent auditor acceptable to ADB and in accordance with International Standards on Auditing or national equivalents,<sup>8</sup> and the audit TORs agreed between ADB, Comptroller and Auditor General of India (CAG), and DEA.<sup>9</sup> The audit will include all the expenditures incurred by APIIC and APRDC/each implementing agencies and the auditor will examine the relevant internal controls of each implementing agencies and other aspects as deemed necessary. An exit conference will be held between the auditors, the PMU and each of the implementing agencies, where the audit observations and recommendations are discussed. The audited project financial statements

<sup>8</sup> Audit standards promulgated by the CAG or the Institute of Chartered Accountants of India.

<sup>9</sup> CAG or a chartered accountant firm empaneled by CAG.

(APFS) and the management letter will be submitted in the English language to ADB within 6 months of the end of the fiscal year by the executing agency.

36. The audit report will include two separate auditor's opinions, on the following (i) whether the PFSs present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; and (ii) whether the proceeds of the ADB loan were used only for the purpose(s) of the project. The audit report must also be accompanied by a management letter containing audit observations for each implementing entity and recommendations for improvements in internal control and other matters coming to the attention of the auditor during the audit examination. The management letter should also include management's response to the audit observations. From the second year onward, the management letter must also include a follow-up on previous year's audit observations. In case the auditor does not issue a management letter, the auditor must issue a written confirmation that no internal control issues were identified as part of the audit.

37. Moreover, the AEFS of APIIC and APRDC, together with the auditor's report, will be submitted in English language to ADB within 1 month after their approval by relevant authorities but no later than 7 months (APIIC) and 10 months (APRDC) after the end of the fiscal year.

38. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal project supervision, and followed up regularly with all concerned, including the external auditor. Accordingly, the submission of the following audit reports, listed in the table below will be monitored by ADB:

**Table 15: Schedule of Submission of Audit Reports**

Entity	Audit report	Date
DOIC PMU	APFS	6 months after the end of the fiscal year - 30 September each year
APIIC	AEFS	1 month after approval by the relevant authority but no later than 7 months after the end of the fiscal year.
APRDC	AEFS	1 month after approval by the relevant authority but no later than 10 months after the end of the fiscal year.

AEFS = audited entity financial statements, APFS = audited project financial statements, APRDC = Andhra Pradesh Road Development Corporation, APIIC = Andhra Pradesh Industrial Infrastructure Corporation Limited, DOIC = Department of Industries and Commerce, PMU = project management unit.

39. The government, DOIC, APIIC, and APRDC have been made aware of ADB's policy on delayed submission of APFSs, and the requirements for the statements being of satisfactory and acceptable quality.<sup>10</sup> If the audits required are not conducted in a manner satisfactory to ADB, or

<sup>10</sup> ADB's approach and procedures regarding delayed submission of audited project financial statements:

- (i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- (ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; (b) withhold the extension of the loan closing date; and (c) defer negotiation or Board presentation of new loan proposals. ADB will inform the executing agency of ADB's actions and advise that the loan may be suspended if the audited project financial statements are not received within the next 6 months.
- (iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend or cancel the loan.

if the audits are substantially delayed, then ADB reserves the right to require an additional auditor, as mutually agreed with the borrower, to complete the audit in a satisfactory and timely manner. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

40. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor. Public disclosure of the APFSs, including the auditor's opinion on the PFSs, will be guided by ADB's Access to information Policy 2018.<sup>11</sup> After the review, ADB will disclose the APFSs and the opinion of the auditors on the PFSs no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.

## **E. Closure of ADB Loan Account**

41. To close the ADB loan account in a timely manner and to comply with ADB's requirements, DOIC through its PMU will ensure that the following measures are undertaken:

- (i) All ADB financed expenditures are incurred before or by the loan closing date;
- (ii) All withdrawal applications including liquidations of the advance account are submitted to ADB preferably by the loan closing date but in no case later the end of the winding up period; that is, within 4 months after the end of the loan and grant closing dates;
- (iii) Any unutilized advances are refunded to ADB within 2 months after the end of the winding up period;
- (iv) The final PFSs are prepared in a timely manner and include all expenditures incurred up to the loan closing dates as well as up to the final withdrawal application. The final PFS is to include a reconciliation of the project account and the ADB disbursement records for the fiscal year and cumulatively from inception. Any differences must be disclosed and explained;
- (v) All past external project audit observations have been duly addressed;
- (vi) The final PFSs are audited by independent auditors as agreed with ADB and the APFS and the management letter are submitted to ADB as soon as possible after the loan closing dates; and
- (viii) All projects financial records are filed in an orderly manner, backed up electronically and stored in a secure location for a for at least one year following receipt by ADB of the final APFS or 2 years after the loan and grant closing dates, whichever is later.

## **VI. PROCUREMENT AND CONSULTING SERVICES**

### **A. Advance Contracting and Retroactive Financing**

42. All advance contracting and retroactive financing will be undertaken in conformity with ADB Procurement Guidelines (2015, as amended from time to time) and ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).<sup>12</sup> The Borrower, GoAP, and Directorate of Industries have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the project.

<sup>11</sup> ADB. 2018. [Access to Information Policy](#). Manila.

<sup>12</sup> The Procurement Guidelines apply to this project since the concept note of the MFF was approved on 11 January 2016. The ADB Procurement and Regulations for ADB Borrowers (2017) apply to projects with concept notes approved on or after 1 July 2017.

43. **Advance contracting.** Advance contracting will apply for (i) civil works and (ii) consultancy services. Advance contracting that may be completed and concluded includes: (i) prequalification (if applicable) of contractors, preparation of procurement documents, procurement, bid evaluation, and award for civil works packages; and (ii) recruitment of consultants.

44. **Retroactive financing.** Retroactive financing refers to ADB's financing of project expenditures incurred and paid for by the borrower prior to the effectiveness of the loan agreement but not earlier than 12 months prior to the signing of the loan agreement. Except as otherwise agreed with ADB, the expenditures incurred for (i) civil works and (ii) consultancy services that are eligible for advance contracting will be eligible for retroactive financing. The maximum amount of eligible expenditures is equivalent to 20% of the ADB loan amount.

## **B. Procurement of Goods, Works, and Consulting Services**

45. All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines (2015, as amended from time to time). The Government has opted for the e-bidding system developed by the National Informatics Center in work contracts which ADB already approved.

46. 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 Guidelines (2015, as amended from time to time). In the event of discrepancy, ADB Procurement Policy and Regulations shall prevail.

47. An 18-month procurement plan indicating review procedures, goods, works, and consulting service contract packages and open competitive bidding (national and international) has been prepared and is on Appendix 1.

48. All consultants will be recruited according to ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The recruitment of consultants will not follow the e-bidding system.

49. A consultancy firm, project management and supervision consultant (PMSC) with estimated 844 person-months of key personnel will be recruited to support PMU and PIUs to conduct project management as well as enhance sustainable and green industrial development.<sup>13</sup>

## **C. Procurement Plan**

50. The procurement plan (Appendix 1) is prepared in accordance with the generic or ADB's country-specific template prepared by the Procurement, Portfolio and Financial Management Department. The procurement plan provides: (i) a list of goods, works, and consulting services contract packages that will be processed over the next 18 months with milestone dates for activities; (ii) the proposed methods for procurement of such contracts that are permitted under the loan agreement; and (iii) the related ADB review procedures. The procurement plan will be updated by the PMU for approval by ADB, at least annually, and more frequently if necessary, and should cover the next 18 months of procurement activity. A delay in loan effectiveness, other

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<sup>13</sup> The services will be provided by the existing PMSC through contract variations.

start-up delays, and delays during implementation will require an unscheduled procurement plan update. ADB will review each updated procurement plan prior to its publication.

51. The TORs for PMSC to be financed by Tranche 2 are detailed in Appendix 3.

## **VII. SAFEGUARDS**

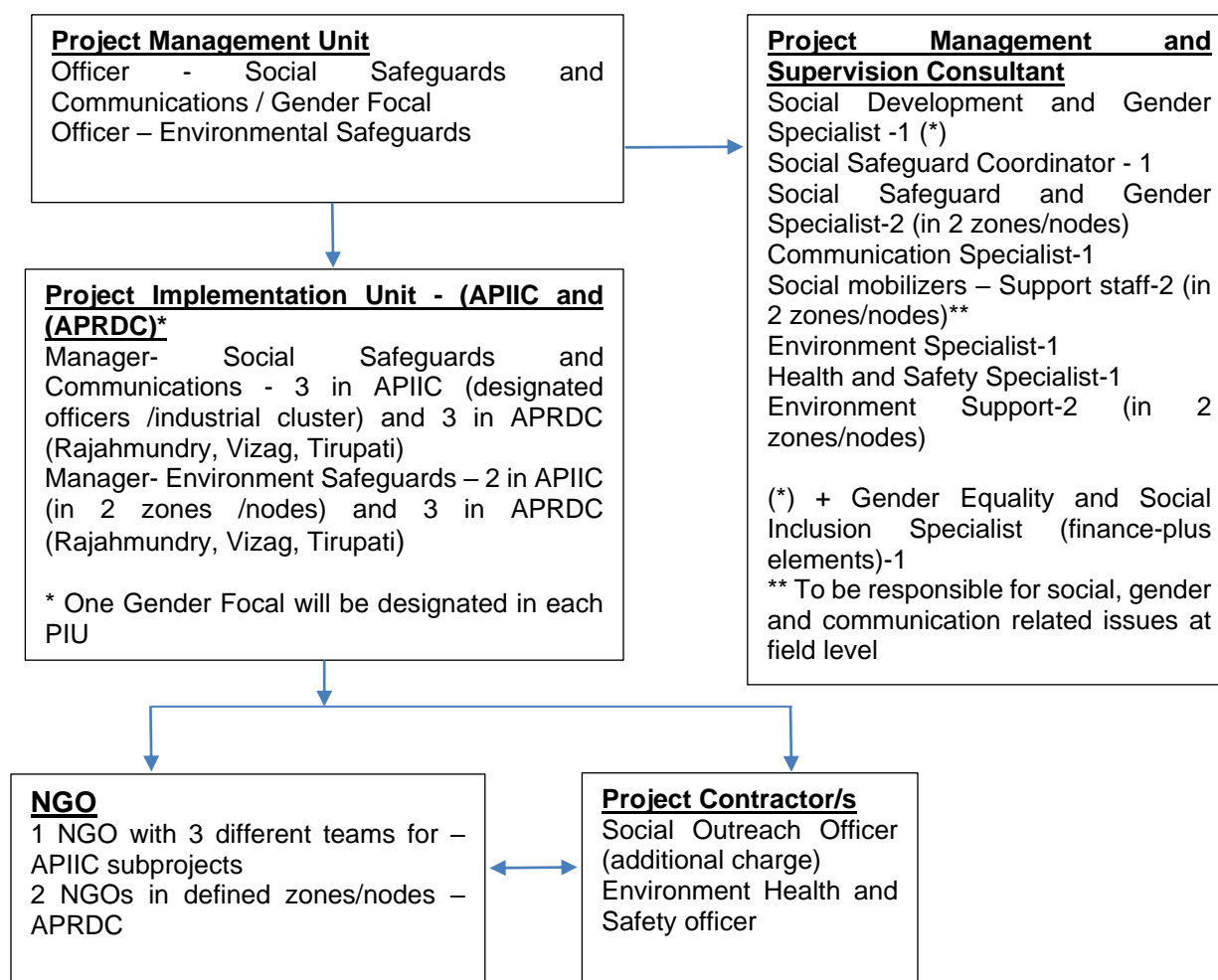
52. The GoAP will ensure that all the requirements prescribed in Schedule 5 of the framework financing agreement, and the following frameworks that have been prepared with respect to the Facility are complied with during the processing and implementation of VCICDP: (i) environmental assessment and review framework (EARF), (ii) resettlement framework, and (iii) indigenous peoples planning framework (IPPF).

53. The safeguard frameworks cover the Facility specific information and requirements in accordance with ADB's Safeguard Policy Statement, 2009: (i) the general anticipated impacts of subprojects likely to be financed under the Facility on the environment, involuntary resettlement, and indigenous peoples; (ii) the safeguard criteria that are to be used in selecting subprojects; (iii) the requirements and procedure that will be followed for screening and categorization, impact assessments, development of management plans, public consultation and information disclosure, and monitoring and reporting; (iv) the institutional arrangements (including budget and capacity requirements) and government's and ADB's responsibilities and authorities for the preparation, review and clearance of safeguard documents.

54. The applicability and relevance of each safeguard framework for Tranche 2 has been reviewed and updated to ensure relevance and consistency with all applicable laws and regulations in India and Safeguard Policy Statement, 2009 as amended from time to time. In the event that there is a discrepancy between the laws and regulations of India and ADB safeguard policies, the ADB safeguard policies will prevail. In addition, Government of India will carry out due diligence works on ongoing subprojects to assess the status of compliance with the safeguards-related plans and frameworks. For each project, GoAP is required to submit safeguard monitoring reports semiannually covering all the subprojects, and aspects and issues from perspectives of environment, land acquisition, and resettlement and indigenous people.

55. All executing and implementing agencies will ensure that VCICDP is implemented with active participation of all stakeholders, using participatory practices, and consultation will continue throughout implementation of the Investment Program. Disclosure of relevant information to these stakeholders will continue throughout implementation of the Investment Program. Safeguards will be the responsibility of the PMU and the respective PIUs. The PMU and PIUs will be supported by experts as part of the PMSC and resettlement plan implementation nongovernment organizations (NGOs). The safeguards implementation organogram is provided in Figure 3.

**Figure 3: Safeguards and Gender Organogram – Visakhapatnam–Chennai Industrial Corridor Development Program**



APIIC = Andhra Pradesh Industrial Infrastructure Corporation, APRDC = Andhra Pradesh Road Development Corporation, NGO = nongovernment organization.

## A. Environmental Safeguards

56. **Project Category B.** Project 2 is classified as category B for environmental safeguards. Project is assessed to be unlikely to have significant adverse environmental impacts that are irreversible, unprecedented or diverse. All proposed subproject sites are located outside sensitive areas and any impacts during construction and operation can be avoided and/or mitigated through proper design and good high-quality construction and operations and maintenance practices. An EARF developed for MFF in 2016 in accordance with ADB Safeguard Policy Statement 2009 and applicable Government of India laws and regulations has been updated and shall govern preparation and implementation of environmental safeguards in Project 2. All future new and amended subprojects will be prepared and implemented in compliance with EARF.<sup>14</sup> The Updated EARF is disclosed on ADB and project/executing agency websites.

<sup>14</sup> Amended subprojects are the ones which revise scope, design, or locations after ADB's clearance of IEE Report.

57. **Environmental Assessment, Management Plans and Monitoring Reports.** Project 1 includes 10 subprojects which are under implementation. There are no significant environmental issues or non-compliances encountered during project implementation till date. The initial environmental examinations (IEEs) have been updated and disclosed and environmental management plan (EMP) implementation and compliance monitoring is reported in the semi-annual monitoring reports. For Project 2, 7 draft IEEs with EMPs have been prepared by PMU for 7 subprojects during loan processing corresponding to: internal infrastructure in startup areas of three industrial clusters and four road subprojects, in accordance with ADB Safeguard Policy Statement, 2009, and government laws. Per government regulations, 3 subprojects related to industrial infrastructure require environmental clearance, and the implementing agency has already obtained environmental clearance for one subproject, and it is in process for the remaining two subprojects. No works will commence until environmental clearance (EC) is obtained. GoAP will ensure the establishment of necessary effluent treatment facilities prior to start of industrial operations. The environmental impact assessment (EIA) studies conducted by APIIC/GoAP for each of the industrial clusters cover effluent treatment facilities. GoAP will comply with the EC conditions and will ensure that individual industries comply with statutory requirements in establishment and operation.

58. The executing and implementing agencies will ensure that (i) the design, construction, and O&M of the subprojects under VCICDP are carried out in accordance with ADB Safeguard Policy Statement, 2009, applicable laws and regulations in India, the EARF, and respective IEEs; (ii) potential adverse environmental impacts arising from VCICDP are minimized by implementing all mitigation and monitoring measures as presented in the EMP included in the IEEs. The executing and implementing agencies will ensure that:

- (i) All clearance/approvals per government laws and regulations are obtained in a timely manner. EC from MOEFCC and consent to establish (CTE) and consent to operate (CTO) from Andhra Pradesh Pollution Control Board (APPCB) should be obtained for establishment and operation of effluent treatment facilities;
- (ii) Meaningful consultations with stakeholders are carried out on an ongoing basis throughout the project implementation;
- (iii) IEEs and corresponding EMPs are updated during detailed design, and if necessary, during implementation stage to reflect any changes in project, and submitted to ADB for review, clearance, and disclosure;
- (iv) All safeguard documents including EARF, IEEs, safeguards monitoring reports, and corrective actions plans, if any, are disclosed on ADB and project websites;
- (v) IEE and EMP included in bid and contract, and any updated IEE and EMP during bidding/implementation is reflected in bid/contract with amendment as needed
- (vi) Site-specific EMPs (SEMP) are prepared by the contractor, and approved by PIU prior to construction;
- (vii) Executing and implementing agencies have sufficient resources to implement and record the implementation of the EMPs prepared for VCICDP;
- (viii) Grievance redressal mechanism (GRM) established prior to start of construction;
- (ix) Starting from project commencement, the PMU will submit semi-annual environmental monitoring reports to ADB, within 1 month of the close of each half of the calendar year during implementation of each subproject for review, clearance, and disclosure. The report will include, among other things, a review of progress made on environmental measures detailed in the IEEs and EMPs, and monitoring thereof; and problems encountered and remedial measures taken;
- (x) Detailed engineering designs, civil works and other contracts for VCICDP incorporate applicable environmental measures identified in the IEEs and SEMP;

- (xi) Civil works contractors are supervised to ensure compliance with the requirements of the IEEs and SEMP; and
- (xii) No category A subprojects are included in VCICDP Project 1 and 2.

59. **Prohibited investment activities.** Pursuant to ADB's Safeguard Policy Statement (2009), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the Safeguard Policy Statement (2009).

60. **Occupational Health and Safety.** Executing and implementing agencies shall ensure that workers are provided with a safe and healthy working environment, considering risks inherent to the sector and specific classes of hazards in the project work areas, including physical, chemical, biological, and radiological hazards. Executing or implementing agencies shall ensure steps to prevent accidents, injury, and disease arising from, associated with, or occurring during the course of work by (i) identifying and minimizing, so far as reasonably practicable, the causes of potential hazards to workers; (ii) providing preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances; (iii) providing appropriate equipment to minimize risks and requiring and enforcing its use; (iv) training workers and providing them with appropriate incentives to use and comply with health and safety procedures and protective equipment; (v) documenting and reporting occupational accidents, diseases, and incidents; and (vi) having emergency prevention, preparedness, and response arrangements in place. Executing or implementing agencies shall also adhere to necessary protocols in response to emerging infectious diseases such as the coronavirus disease consistent with the guidelines of relevant government healthcare agencies and the World Health Organization.

61. **Community Health and Safety.** Executing or implementing agencies shall ensure to identify and assess the risks to, and potential impacts on, the safety of affected communities during the design, construction, operation, and decommissioning of the project, and will establish preventive measures and plans to address them in a manner commensurate with the identified risks and impacts.

62. **Pollution Prevention and Abatement.** During the design, construction, and operation of the project the executing and implementing agencies will apply pollution prevention and control technologies and practices consistent with international good practice, as reflected in internationally recognized standards such as the International Finance Corporation's Environmental, Health and Safety (EHS) Guidelines. These standards contain performance levels and measures that are normally acceptable and applicable to projects. When Government of India regulations differ from these levels and measures, the executing or implementing agencies shall achieve whichever is more stringent. If less stringent levels or measures are appropriate in view of specific project circumstances, the executing or implementing agencies will provide full and detailed justification for any proposed alternatives that are consistent with the requirements presented in ADB Safeguard Policy Statement, 2009.

63. **Safeguards Implementation Arrangements.** The implementation arrangements put in place for the MFF and Project 1 will continue for Project 2. PMU established within Directorate of Industries by DOIC (executing agency), is responsible for planning, implementation, monitoring and supervision, and coordination of MFF. PMU is supported by PIUs established in APIIC and APRDC, which will respectively implement industrial infrastructure and road sector subprojects under Project 2) PMU and PIUs are supported by PMSC. Described below are the institutional roles and responsibilities of PMU and PIUs to ensure environmental safeguards are implemented during design, construction, and operation phases. PMU is staffed with a safeguards officer to



oversee and ensure environmental and social safeguards compliance. Each PIU will appoint environmental safeguards managers to oversee the day-to-day implementation of SEMP by the contractors and ensure compliance. PMSC team with an environmental safeguards specialist based in PMU and supported by two field-based environmental engineers in PIUs—one in each Nodes will assist PIUs and PMUs in implementation, monitoring and reporting on environmental safeguards.<sup>15</sup> Contractors will be responsible for implementing the mitigating measures during the design/construction phase, and PIUs and PMU will be responsible for monitoring.

## **1. Project Management Unit**

64. The environmental safeguards officer in the PMU will:

- (i) confirm existing IEEs/EMPs are updated based on detailed designs and that new IEEs/EMPs are prepared in accordance with the EARF, and subproject selection criteria related to safeguards;
- (ii) confirm whether IEEs/EMPs are included in bidding documents and civil works contracts;
- (iii) provide oversight on environmental management aspects of subprojects;
- (iv) ensure SEMP prepared by contractors are cleared by PIUs prior to commencement of civil works;
- (v) establish a system to monitor environmental safeguards of the project including monitoring the indicators set out in the monitoring plan of the SEMP;
- (vi) facilitate and confirm overall compliance with all Government rules and regulations regarding site and environmental clearances as well as any other environmental requirements (e.g., location clearance certificates, environmental clearance certificates, etc.), as relevant;<sup>16</sup>
- (vii) supervise and provide guidance to the PIUs to properly carry out the environmental monitoring and assessments as per the EARF;
- (viii) Oversee and ensure that contractors and their subcontractors comply with labor legislations;
- (ix) review, monitor, and evaluate the effectiveness with which the SEMP are implemented, and recommend necessary corrective actions to be taken as necessary;
- (x) consolidate monthly environmental monitoring reports from PIUs and submit semiannual monitoring reports to ADB;
- (xi) ensure timely disclosure of final IEEs/SEMPs in locations and in a form and language accessible to the public and local communities; and
- (xii) address any grievances brought about through the GRM in a timely manner.

## **2. Project Implementation Units (PIUs)**

65. Each PIU environmental safeguard managers will:

- (i) include IEEs/EMPs in bidding documents and civil works contracts;
- (ii) review and approve SEMP prepared by contractors;
- (iii) oversee day-to-day implementation of SEMP by contractors, including compliance with all government rules and regulations;

<sup>15</sup> The environmental engineers may be based at Vizag and Chittoor/Vijayawada supporting the subprojects in two ends of the VCIC corridor.

<sup>16</sup> All necessary environmental clearances should be obtained prior to contract awards to avoid delay in physical progress of relevant subprojects.

- (iv) take necessary action for obtaining rights of way;
- (v) oversee environmental monitoring by contractors;
- (vi) Ensure that contractors and their subcontractors comply with labor legislations cited in IEEs and ADB's Safeguard Policy Statement Prohibited list requirements; ensure that workers are paid and treated according to the labor legislations
- (vii) take corrective actions when necessary;
- (viii) submit monthly environmental monitoring reports to PMU; conduct continuous public outreach and awareness building related to environmental management;
- (ix) address grievances brought about through the GRM in a timely manner; and
- (x) organize an induction course for the training of contractors in environmental management to be delivered by PMSC consultants.

66. PMSC's environmental specialist supported by two environmental engineers based in PIUs, will provide required assistance and regular progress report on safeguards implementation to PIUs, which will then be communicated to PMU. The PMSC will have overall responsibility in implementation of environmental safeguards, including appropriate monitoring and reporting responsibilities. Key tasks and responsibilities of the PSMC environmental specialists are as follows:

- (i) update the IEEs including site- and subproject-specific EMP;
- (ii) supervise EMP implementation;
- (iii) prepare a monitoring report of final site- and subproject-specific EMPs and communicate with the stakeholders, including ADB on the progress, of the subprojects including environmental safeguards compliance; and
- (iv) prepare semi-annual environmental safeguards compliance reports.
- (v) establish a system to monitor environmental safeguards of the project; prepare indicators for monitoring important parameters of safeguards;
- (vi) ensure all requisite approvals and no objection certificates are in place to allow implementation, and that these are renewed in a timely manner where required;
- (vii) ensure that provisions and conditions of all necessary permits, consents, no-objection certificates, etc., are incorporated in the IEEs;
- (viii) Take proactive action to anticipate the potential environmental impacts of the project to avoid delays in implementation;
- (ix) assist PIUs in the establishment of grievance redressal committee (GRC) for IEE implementation;
- (x) support the PIUs and PMU in the GRM implementation to address any grievances submitted in a timely manner and establish record keeping system for complaint and redressal status of the project;
- (xi) assist PIUs and PMU in the project GRM mechanism and complaint solution;
- (xii) assist PIUs and PMU for GRM record keeping for first tier complaint and redressed actions;
- (xiii) ensure that the relevant environmental mitigation measures specified in the updated EMP will be incorporated into bidding documents and approved by the ADB prior to the issuance of the invitation for bidding;
- (xiv) closely monitor and supervise to ensure that all mitigation measures and monitoring requirements set out in the EMP are implemented and complied with throughout the project implementation, and when required, prepare or recommend necessary corrective actions to be taken and monitor its implementation;

- (xv) conduct regular monitoring and ensure that contractors and their subcontractors comply with labor legislations and ADB Safeguard Policy Statement Prohibited list requirements; ensure that workers are paid and treated according to the labor legislations
- (xvi) provide on-the-job training programs to PIU staff involved in Project implementation for strengthening their capacity in managing and monitoring environmental safeguards; and
- (xvii) assist the PIU safeguards officer to sensitize the turnkey contractors on ADB Safeguard Policy Statement, EARF, and GRM during detailed design and civil works implementation.

67. **Civil works contracts and contractors.** IEEs including EMPs are to be included in bidding and contract documents and verified by the PIUs and PMU. The PMU and PIUs will ensure that bidding and contract documents include specific provisions requiring contractors to comply with (i) all applicable laws and regulations relating to environment, health and safety; (ii) reinstate pathways, other local infrastructure, and agricultural land to at least to their pre-project condition upon the completion of construction; (iii) all applicable labor laws and core labor standards on (a) prohibition of child labor as defined in national legislation, international treaties for construction and maintenance activities; (b) equal pay for equal work of equal value regardless of gender, ethnicity, or caste; (c) no discrimination in respect of employment and occupation; (d) allow freedom of association and effectively recognize the right to collective bargaining, and (e) elimination of forced labor; and (iv) the requirement to disseminate information on sexually transmitted diseases, including HIV/AIDS, to employees and local communities surrounding the project sites.

68. The contractor will be required to appoint a full-time EHS supervisor on-site to implement the EMP. Prior to start of construction, Contractor will be required to prepare and submit to PIU, for review and approval, a SEMP. No works can commence until SEMP is approved by PIU/PMU. Contractors will carry out all environmental mitigation and monitoring measures outlined in EMP, approved SEMP and their contracts. The contractor will be required to undertake day-to-day monitoring of the SEMP implementation and submit reports to the PIU on a monthly basis. A copy of the EMP/approved SEMP will always be kept on-site during the construction period. Non-compliance with, or any deviation from, the conditions set out in the EMP/SEMP constitutes a failure in compliance and will require corrective actions. The contractors will be required to conduct environmental awareness and orientation of workers prior to deployment to work sites. Key responsibilities of the EHS supervisor are:

- (i) prepare SEMP and submit to PMU/PIU for approval prior to start of construction;
- (ii) ensure implementation of SEMP and report to PIU/PMSC on any new or unanticipated impacts; seek guidance from the PMU/PIU/PMSC to address the new or unanticipated impact in accordance with the EARF, and ADB Safeguard Policy Statement;
- (iii) ensure that necessary pre-construction and construction permits are obtained;
- (iv) conduct orientation and daily briefing sessions to workers on EHS;
- (v) ensure that appropriate worker facilities are provided at the workplace and labor camps as per the contractual provisions;
- (vi) carry out site inspections on a regular basis and prepare site-inspection checklists/reports;
- (vii) record EHS incidents and undertake remedial actions;
- (viii) conduct environmental monitoring (air, noise, etc.,) as per the monitoring plan
- (ix) prepare monthly EMP monitoring reports and submit to PIU;

- (x) comply with labor legislations, and ensure that subcontractors also implement labor legislations requirements, through cascading of requirements to subcontractors—human resource policy, labor management requirements, any worksite specific GRM.
- (xi) work closely with PIU Safeguards Officer and PMSC Environmental Engineer to ensure communities are aware of project-related impacts, mitigation measures, and GRM; and
- (xii) coordinate with the PIU and PMSC on any grievances received and ensure that those are addressed in an effective and timely manner.

69. **Capacity building.** Regular capacity building activities on environmental safeguards will be conducted at least once in 6 months. PMSC assess the capacity and will plan and facilitate the implementation of capacity building program for the PMU, PIU, and contractors, with specific topics on environmental safeguards such as but not limited to: (i) environmental safeguard issues in roads and industrial infrastructure sector projects; (ii) government rules and regulations; (iii) ADB Safeguard Policy Statement; (iv) preparation, implementation, and monitoring of SEMP; and (v) public consultation and grievance redress, health and safety etc. The capacity building program will be participatory to the extent possible and will employ variety approaches to be more effective (such as learning by doing, role playing, group exercises, on-the-job training, etc). A pre- and post-training assessment will be undertaken to measure the effectiveness of the program. The contractors will be responsible for conducting site-specific/work-specific orientation on environmental safeguards for their workers.

70. Under output 3 which will enhance sustainable and green industrial development through establishment of model green industrial corridor operational guidelines are the development of disaster risk management plan to strengthen industrial cluster resilience and formulation of a plan for the sustainable O&M of start-up industrial clusters. As part of these, institutional strengthening of APIIC, particularly at industrial park level, will be suggested with an aim to (i) promote environmental sustainability; (ii) ensure regulatory compliance in pollution control and encouraging international good practices and ISO certification; (iii) facilitate redress of public grievances; (iv) facilitate awareness, training and capacity building programs for member industries and other stakeholders; and (v) document, report, and publicly disclose environmental performance etc.

## **B. Social Safeguards**

71. **Resettlement framework.** A draft resettlement framework was prepared for Project 1 conforming to state laws, national law, i.e., the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, and with ADB's Safeguard Policy Statement 2009. The framework has been updated to reflect recent policy changes and will be applicable for both Tranches 1 and 2. The resettlement framework describes the principles and approach in avoiding, minimizing, and mitigating adverse social impacts that may arise in implementing the proposed subprojects under VCICDP. The resettlement framework also provides process for consultations, impact assessment, census, and socioeconomic surveys and preparation and implementation of mitigation plans or resettlement plans. The entitlement matrix summarizes the types of losses and the corresponding nature and scope of entitlements; and is in compliance with state laws, national laws and ADB Safeguard Policy Statement 2009; and has been updated to reflect recent policy changes.

72. **Indigenous peoples planning framework.** A draft IPPF was prepared under Project 1 following the national laws and regulations on the indigenous people or schedule tribes and ADB

Safeguard Policy Statement (2009), Safeguard Requirement III (SR-III) on indigenous peoples. The IPPF has been updated for Project 2 to make it compliant with the policy changes reflected in the updated resettlement framework. The framework describes the principles and approach in the event of indigenous people or scheduled tribes issues are identified during VCICDP project implementation period. The framework also provides process for meaningful consultations, broad community support, impact assessment, census and socioeconomic surveys, and preparation and implementation of mitigation plans or indigenous people plans (IPP) or resettlement and indigenous peoples plan (RIPP). The resettlement plan and IPP/RIPP document outlines and checklists including impacts assessment for involuntary resettlement and indigenous people issues have been prepared.

73. **Categorization.** Project 1 of the MFF is categorized as A for involuntary resettlement and C for indigenous peoples. Project 2 is Category A for involuntary resettlement and B for indigenous peoples. The resettlement framework<sup>17</sup> and IPPF<sup>18</sup> have been prepared in accordance with ADB's Safeguard Policy Statement 2009, and applicable laws. For the involuntary resettlement category A subprojects (comprising roads and industrial start-up areas), engineering alternatives were explored to minimize involuntary resettlement impacts. APRDC will closely monitor identification of resettlement sites for physically displaced persons. The project GRM has been established and functional, and the resettlement nongovernment organizations have been mobilized. An independent external monitoring agency is hired by the project. For Project 2 subprojects, six resettlement plans and one resettlement and indigenous peoples plan (RIPP) have been prepared in consultation with the affected people and will be updated after detailed design.<sup>19</sup> Mitigation measures include in the Project 2 social safeguard documents are adequate to address the assessed risks. Regular capacity development activities on social safeguards are proposed, including training for safeguard officers of PMU, PIUs, and NGOs. Capacity building training will be undertaken by PMSC, which is proposed to be strengthened with enhanced staffing to handle social safeguards under both tranches.

74. **Resettlement planning documents.** The resettlement plans have been prepared based on the findings of the census and socioeconomic survey and consultations. Each resettlement plan includes the findings of the census of displaced persons, and their entitlements to restore losses, socioeconomic characteristics of the displaced persons, institutional mechanisms and implementation schedules, budgets, assessment of feasible income restoration mechanisms, development of resettlement sites and relocation, GRM, coordination of implementation in conjunction with civil works procurement and construction schedules and internal and external monitoring mechanisms. Budget for land acquisition and resettlement (LAR) is included in the resettlement plans, to which the borrower has committed to provide timely budget for

75. Project 2 is assessed as Category B for indigenous peoples impacts. One subproject will cause impact to scheduled tribe families who would be losing access to assigned government land, which is being resumed by government. These affected scheduled tribe families belong to Yenadi tribe and are not counted among Particularly Vulnerable Tribal Groups of the State. No indigenous peoples impact involving direct or indirect impacts to the dignity, human rights, livelihood systems or territories or natural or cultural resources that are used, owned, occupied, or claimed by indigenous peoples as their ancestral domain or asset, is anticipated. The assessed impacts to scheduled tribe populations are involuntary resettlement impacts. The Sastri Yenadi

<sup>17</sup> Resettlement framework (accessible from the list of linked documents in Appendix 2).

<sup>18</sup> Indigenous peoples planning framework (accessible from the list of linked documents in Appendix 2).

<sup>19</sup> Resettlement plan and resettlement and indigenous peoples plan (accessible from the list of linked documents in Appendix 2).

Colony settlement comprising 65 households which is located within the subproject area will be retained to avoid physical displacement in the subproject and also to make them benefit out of the subproject through skill development and employment in the industries that would come up in the industrial cluster. The RIPP prepared for the cluster will ensure cultural appropriateness of any interventions proposed. The RIPP of the subproject will also ensure that scheduled tribe families get focused support and guidance in payment of compensation, rehabilitation assistances and training for skill development. Based on the assessed impact and consultations with the affected tribal families in the subproject area, a specific action plan has been prepared and included in the RIPP and will be implemented by the PIU/PMU with support from project NGO (resettlement plan implementation support). Implementation of the specific action plan will be closely monitored and reported in social safeguards monitoring reports. The project will closely monitor these affected scheduled tribe families to ensure that their standard of living is improved; that they are consulted regarding all interventions proposed. Regular consultation with the community is being and will continue to be carried-out by the project. The project GRM has been modified to include representation of the affected indigenous people community for facilitating resolution of their concerns.

76. The draft resettlement plans/RIPP have been disclosed and final resettlement plans/RIPP incorporating detailed design and 100% census and socioeconomic survey, suggestions, and concerns of the people along with mitigation measures proposed will be submitted to ADB for review prior to award of contracts and disclosure. Compensation for land and structure, in accordance with the eligibility and entitlement, will be paid prior to commencement of civil works. The resettlement framework has been updated to reflect recent policy changes. A copy of the summary resettlement plan/RIPP will be disclosed to affected persons. The summary resettlement plans/RIPPs will be translated to Telugu and will be disclosed and discussed with affected persons and beneficiaries, including those who are unable to read, in Telugu and/or their local dialect.

## **1. Project Management Unit**

77. The officer - social safeguards and communications in the PMU with assistance from PMSC social safeguards coordinator will:

- (i) review the updated resettlement plans/RIPP, prepared by the PIUs in accordance with VCICDP resettlement framework, ADB's Safeguard Policy Statement, 2009 based on final detailed designs and submit to ADB for review, final approval, and disclosure prior to award of contract;
- (ii) ensure payment of compensation and resettlement assistances prior to commencement of civil works;
- (iii) monitor resettlement plan/RIPP implementation and rehabilitation of displaced persons prior to and during construction;
- (iv) conduct internal monitoring and assist the external monitor in external monitoring of the resettlement process to ensure smooth implementation;
- (v) monitor work of NGOs or agency as required;
- (vi) review quarterly resettlement monitoring reports prepared by resettlement agency or NGOs and take required corrective actions, if any and consolidate the reports of all subprojects;
- (vii) prepare and submit semi-annual safeguard monitoring report to ADB based on the quarterly resettlement reports;

- (viii) address and record grievances through the GRM in a timely manner, and taking quick corrective actions where necessary to facilitate the redressal of grievances in coordination with contractors, NGO, and displaced persons;
- (ix) engage in ongoing meaningful consultations with stakeholders and affected persons;
- (x) implement project GRM and maintain the records;
- (xi) recruit independent external monitoring agency for all Category A subprojects, with endorsement from ADB;
- (xii) ensure project compliance to resettlement framework of VCICDP and ADB Safeguard Policy Statement, including safeguards requirement on indigenous people and Indigenous Peoples Development Framework;
- (xiii) monitor the implementation of corrective action plans, if any, consistent with the safeguard frameworks;
- (xiv) Coordinate database management for social safeguards implementation and monitoring;
- (xv) Coordinate public awareness campaigns by the PIUs including resettlement provisions;
- (xvi) Serve as Gender Focal Point at PMU, which would involve overseeing – with the support of PMSC, the implementation, monitoring and reporting on the gender equality and social inclusion action plan (GESI AP);
- (xvii) ensure implementation of the specific action plan proposed in the RIPP; and
- (xviii) Ensure skills training for vulnerable and those belonging in the economically weaker section (footnote 1) including project affected persons, scheduled tribe and women.

## **2. Project Implementation Units**

78. The PIUs, 3 in APIIC (at Rambilli, Nakkapalli, and Chittoor–South) and 3 in APRDC (at Rajahmundry, Vizag, Tirupati), each to be staffed with a manager-social safeguards and communications and assisted by the PMSC specialists/, will be responsible for:

- (xviii) updating resettlement plans/RIPP in accordance with VCICDP resettlement framework, ADB's Safeguard Policy Statement, 2009 based on final detailed designs with supports from PMSC and/or turnkey contractors;
- (ii) supervising NGOs and in coordination with PMSC conducting census and socio-economic surveys, detailed measurement surveys, and verification surveys of affected persons, consultations with affected persons, finalizing the list of affected persons, preparing and/or updating the resettlement plan, RIPP with the assistance of PMSC and submit to PMU for review and approval and submission to ADB;
- (xviii) submitting the final resettlement plans/RIPP to PMU to be submitted to ADB for review, final approval, and disclosure prior to award of contract;
- (iv) implementing resettlement activities through resettlement plan implementation support agency (NGO), line departments, and revenue officials;
- (xviii) assisting the external monitor in external monitoring of the resettlement process to ensure smooth implementation;
- (vi) preparing and reviewing individual entitlement plans/micro plans or implementing resettlement plans and submit for approval;
- (xviii) identifying suitable land for the resettlement/relocation area in coordination with district administration and initiate transfer/acquisition process, after receiving endorsement for the physically displaced persons;
- (xviii) supervising the resettlement plan implementation support NGO/agency involved in implementation;
- (ix) assisting in disbursement of compensation and resettlement assistances;

- (xviii) holding periodical and meaningful consultations with the affected people on implementation of land acquisition and resettlement activities;
- (xi) preparing monthly resettlement plan implementation and physical and financial progress reports;
- (xii) leading the GRM implementation and record keeping at the project/district/PIU level;
- (xiii) updating payment of compensation, disbursement of resettlement assistances, displaced persons socioeconomic data in the database;
- (xiv) verifying claims for inclusion as displaced persons and submit report to PMU for decision;
- (xv) preparing and implementing any corrective action plan, when required, consistent with the frameworks requirements;
- (xvi) assisting in the implementation, monitoring, and reporting progress of gender equality and social inclusion action plan;
- (xvii) ensure implementation of the specific action action plan for Chittoor–South startup area; and
- (xviii) ensuring skills training for vulnerable and those belonging in the economically weaker section including project affected persons, scheduled tribe, and women

### **3. Project Management and Supervision Consultant**

79. The PMSC, reporting to the PMU will work under the overall guidance, technical control, and direction of the project director at PMU.<sup>20</sup> The PMSC will assist PMU to review and ensure resettlement plans/RIPPs are prepared, updated based on detailed design and as per agreed resettlement framework/IPPF and submit to ADB for approval. The PMSC will also assist PMU in implementation and monitoring of overall resettlement plan/RIPP activities, recommend corrective action measures for non-compliance, if any. PMSC will assist in preparation of monitoring reports, continued public consultations and grievance redressal. Adequate training of project staff on social and indigenous peoples safeguards will be PMSC responsibility. PMSC will assist PMU to ensure that the project complies with loan covenants and assurances related to social safeguards. Assisting PMU in implementation of GESI AP and community awareness and participation plan (CAPP) will be PMSC's responsibility. PMSC is expected to extend all support to external monitor in external monitoring of the resettlement process to ensure smooth implementation. PMSC will have a Social Safeguards Coordinator stationed at PMU. The Social Safeguards Coordinator will be supported by two Social Safeguards Specialists stationed at the two zones/nodes and will support the coordinator in all social safeguards activities including resettlement plan/RIPP updating and implementation. Two social mobilizers (one in each zone/node) in the PMSC will provide field level support for social safeguards, gender mainstreaming and communication activities. The detailed TORs for PMSC is attached as Appendix 3.

### **4. Resettlement Plan Implementation Support Agencies/Nongovernment Organizations**

80. The Support Agencies/NGOs financed by the government will assist the respective PIUs in carrying out rehabilitation and resettlement activities at the grass root level as per the approved resettlement plan/RIPP of respective subprojects. The project NGOs will support the project in (i) collecting data and managing and maintaining records related to affected persons, their entitlements, and compensation; (ii) educating the displaced persons on their eligibility, entitlements and obligations; (iii) translating the summary of resettlement plan/RIPP in local

<sup>20</sup> The GoAP proposed these services to be provided by the existing PMSC through contract variations.



language for disclosure and disseminate to displaced persons; (iv) conducting meaningful consultations and ensuring that the displaced persons receive their entitlements as per their eligibility in accordance with the resettlement plan; (v) support PIU in implementation of the specific action plan included in the RIPP for Chittoor–South startup area; (vi) providing support and information to displaced persons for income restoration, skill training opportunities; (vii) assisting the displaced persons in redressing their grievances through the GRM established for the project, and maintaining records of the status of grievance registration, resolution, and feedback to affected persons; (viii) assisting displaced persons in compiling all documents and papers required for receipt of compensation; and (ix) and maintaining records of consultations with affected persons including meeting minutes, photographs, and signature sheets. The NGOs will work in close coordination with the project contractors to ensure smooth implementation of the resettlement plans and RIPP. The detailed TORs are provided in Appendix 17.

## 5. Contractors

80. **Contractors.** The contractor will execute the work as per the final design and in compliance with the approved resettlement plan for the subproject. The contractor will designate one person as social outreach officer who will engage with the PIU, NGO, and PMSC on social safeguards, grievance redressal, health and safety, and core labor standards related issues. The contractor's social outreach officer will support project consultants in updating the draft resettlement plan/RIPP for submission to PIU/PMU and ADB for review and approval; (ii) ensure strict adherence to agreed impact avoidance and mitigation measures in the resettlement plan/RIPP; (iii) assist with grievance redressal and ensure recording, reporting, and follow-up for resolution of all grievances received; and (iv) submit monthly progress reports including social safeguards, health and safety, and gender-disaggregated data as required for monitoring.

81. **Project grievance redress mechanism.** A project-specific, three-tier GRM covers both environment and social issues. The GRM has been established to receive, evaluate, and facilitate the resolution of affected persons' concerns, complaints, and grievances about the social and environmental performance at project level. The GRM aims to provide a time-bound and transparent mechanism to voice and resolve social and environmental concerns related to the project. Assessment of the GRM designed and implemented for Project 1 shows that the system was effective in timely resolution of grievances in a transparent manner.<sup>21</sup> The GRM will be disclosed to the affected communities and households prior to the mobilization of contractors in any subproject areas. The project GRC, supported by the PMSC consultants as well as the PMU and PIU safeguard officers will be responsible for timely grievance redress on environmental and social safeguards issues and responsible for registration of grievances, related disclosure, and communication with the aggrieved party. A complaint register will be maintained at field unit, PIU, and PMU levels with details of complaint lodged, date of personal hearing, action taken and date of communication sent to complainant. Contact details, procedures and complaint mechanism will be disclosed to the project affected communities at accessible locations and through various media (i.e. leaflets, newspapers, etc.). Samples of draft project leaflets, grievance registration forms and monitoring templates are in the resettlement framework.

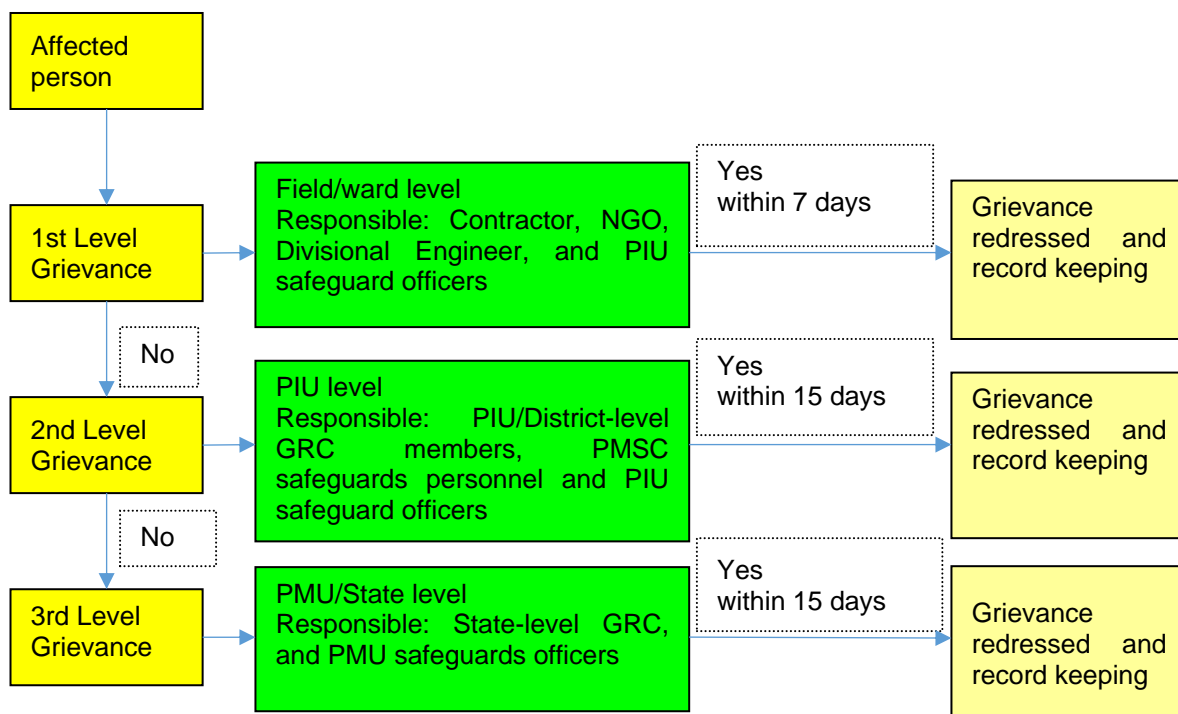
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<sup>21</sup> Regular recording and resolution of grievances at field level indicates that the GRM structure is working effectively. No major grievance was received for project 1 and the GRM helped smoothen the process of project implementation. Hence the proposed architecture for the project 2 of VCICDP GRM remains similar, with some refinement and strengthening for the industrial startup areas, through (a) provision of help desks at each startup area which would serve as accessible platforms for grievance registration for local communities and (b) ensuring indigenous peoples' representation in the GRM structure at district level, for Chittoor–South startup area.

- (i) **1st level grievance.** The phone number of the PIU office should be made available at the construction site signboards. The contractors and field unit staff can immediately resolve onsite, seek the advice of the PIU safeguard manager (social safeguards and communications/environment safeguards) as required, within seven days of receipt of a complaint/grievance.
- (ii) **2nd level grievance.** All grievances that cannot be redressed within 7 days at field/ward level will be reviewed by the GRC at district level headed by Joint Collector. GRC will attempt to resolve them within 15 days. The PIU safeguard manager (social safeguards and communications/ environment safeguards) will be responsible to see through the process of redressal of each grievance.
- (iii) **3rd level Grievance.** All grievances that cannot be redressed within 15 days at district level will be reviewed by the GRC at state level headed by the project director, PMU with support from district GRC, PMU officer - social safeguard and communications/officer-environmental safeguards, and PMC environment and social safeguards specialists. GRC will attempt to resolve them within 15 days. The PMU officer - social safeguard and communications will be responsible to see through the process of redressal of each grievance pertaining to social safeguards.

82. The multi-tier GRM for the project is outlined below (Figure 4), each tier having time-bound schedules and with responsible persons identified to address grievances and seek appropriate persons' advice at each stage, as required. The GRC will continue to function throughout the project duration.

**Figure 4: Grievance Redress Mechanism–Visakhapatnam–Chennai Industrial Corridor Development Program**



GRC = grievance redressal committee, PIU = project implementation unit, PMU = project management unit, PMSC = project management and supervision consultant.

### C. Grievance Redressal Committee

82. GRC consists of two-levels, one at district level and another at state/PMU level, to receive, evaluate and facilitate the resolution of displaced persons concerns, complaints, and grievances. GRC at district level will receive, evaluate, and facilitate the resolution of displaced persons concerns, complaints, and grievances. The GRC will provide an opportunity to the affected persons to have their grievances redressed prior to approaching the State level LARR Authority,<sup>22</sup> constituted by GoAP in accordance with Section 51(1) of the RFCTLARR Act, 2013. The GRC is aimed to provide a trusted way to voice and resolve concerns linked to the project, and to be an effective way to address displaced person's concerns without allowing it to escalate resulting in delays in project implementation. In case of any indigenous peoples impacts in subprojects, the GRC (at district level) must have representation of the affected indigenous people community, the chief of the tribe or a member of the tribal council as traditional arbitrator (to ensure that traditional grievance redress systems are integrated) or an independent indigenous peoples expert or an NGO working with indigenous people groups. GRC will also ensure that grievance mechanism established is gender inclusive in receiving and facilitating resolution of the IPs' concerns.

83. The GRC will continue to function, for the benefit of the displaced persons, during the entire life of the project including the defects liability period. The entire resettlement component of the project has to be completed before the construction starts, and pending grievances resolved. Other than disputes relating to ownership rights and apportionment issues on which the LARR Authority has jurisdiction, GRC will review grievances involving all resettlement benefits, relocation, and payment of assistances. The GRCs will function out of each district where the subprojects are being implemented. The existing setup for coordination, monitoring, and grievance redress at district level which meets once a month, will be used for Project 2 of VCICDP. The GRC chaired by Joint Collector, will comprise of the Divisional/Project Engineer acting as its member secretary and the following members: (i) Revenue Divisional Officer/Sub-Collector of the division; (ii) project director, District Rural Development Agency; (iii) Chief Executive Officer, Zilla Parishad; (iv) District Panchayat Officer; (v) District Education Officer; (vi) District Medical and Health Officer; (vii) District Level representative of power distribution companies; and (viii) Superintendent, Rural Water Supply Panchayat Raj Department, three members from affected persons (with at least one being a woman affected person), team leader of the implementing consulting agency/NGO. The contact details of the GRC, PIUs safeguards manager, and the resettlement plan implementation NGO/agency will be included in the brochures to be circulated among all affected people as a first step in resettlement plan implementation.

84. The project director, PMU will be the appellate authority who will be supported by the PMSC and Safeguard Officer (social safeguards and communications/ environment safeguards) of PMU and concerned PIUs to make final decisions on the unresolved issues. Despite the project GRM, an aggrieved person shall have access to the country's legal system at any stage and accessing the country's legal system can run parallel to accessing the GRM and is not dependent on the negative outcome of the GRM.

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<sup>22</sup> A state level LARR Authority is established to address and ensure speedy disposal of grievances/disputes related to land acquisition, compensation, rehabilitation, and resettlement for the acquisitions carried out under the RFCTLARRA, 2013. As per section 64 of the Act, any person interested who has not accepted award may approach the LARR Authority through written application to the District Collector on matters related to measurement of land, compensation amount, about person to whom compensation is payable, rights related to resettlement and rehabilitation, apportionment of compensation amount among persons interested etc.

85. **Accountability Mechanism.** In the event that the established GRM is not in a position to resolve the issue, the affected person also can use the ADB Accountability Mechanism through directly contacting (in writing) the Complaint Receiving Officer at ADB headquarters or the ADB India Resident Mission. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.<sup>23</sup>

86. **Record keeping.** Each of the PIUs of each town/city will keep records of grievances received, including contact details of complainant, date the complaint was received, nature of grievance, agreed corrective actions, and the date these were affected and final outcome. The number of grievances recorded and resolved, and the outcomes will be displayed/disclosed in the PMU office, PIU offices, and on the web, as well as reported in monitoring reports submitted to ADB on a semi-annual basis. The sample grievance registration format is attached as Appendix 16.

87. **Periodic review and documentation of lessons learned.** The PMU Officer (social safeguard and communications/environmental safeguards) will periodically review the functioning of the GRM in each nodes and record information on the effectiveness of the mechanism, especially on the project's ability to prevent and address grievances.

88. **Costs.** Costs involved in resolving the complaints (meetings, consultations, communication, and reporting/information dissemination) will be borne by the concerned PIU at town level while costs related to escalated grievances will be met by the PMU. Cost estimates for grievance redress are included in resettlement cost estimates.

89. **Capacity building.** Regular capacity building activities on social safeguards are proposed, including quarterly training for safeguards officers of PIUs in year 1, followed by semiannual training in years 2 and 3 of project implementation, and semiannual training for at least 40 staff of PMU, PIUs, and resettlement NGO in the first 3 years of project implementation. Capacity building training will be undertaken by PMSC social safeguards coordinator on safeguards issues of the projects, resettlement framework of VCICDP and ADB Safeguards Policy. The PIU safeguards managers will be further supported by the PMSC experts through on the job training for resettlement plan updating, implementation, complaint resolution and report writing on safeguards.

90. **Civil works contracts.** The PIUs will ensure that bidding and contract documents include specific provisions requiring contractors to comply with all (i) applicable labor laws and core labor standards on prohibition of child labor as defined in national legislation for construction and maintenance activities, on equal pay for equal work of equal value regardless of gender, ethnicity or caste, on elimination of forced or bonded labor; and (ii) the requirement to disseminate information on infectious diseases such as coronavirus disease and sexually transmitted diseases including HIV/AIDS to employees and local communities surrounding the project sites. Relevant provisions of the GESI AP will be shared with the contractors' responsibilities by the PMU and PIUs. Contractors will carry out all environmental and social mitigation and monitoring

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<sup>23</sup> ADB. [Accountability Mechanism](#).

measures outlined in their contract and will maintain grievance registers and place GRM signboards at work sites. PMSC specialists will assist the PMU and PIUs in monitoring contractor's compliance activities.

91. **Prohibited investment activities.** Pursuant to ADB's Safeguard Policy Statement (2009), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the Safeguard Policy Statement (2009).

## VIII. GENDER AND SOCIAL DIMENSIONS

92. Project 2 of the MFF is classified effective gender mainstreaming. A Gender Equality and Social Inclusion Action Plan (GESI/AP) is prepared and includes: (i) incorporating EWCD-friendly features in road subprojects; (ii) improving community awareness of road safety, gender-based violence, sexually transmitted infections, and the risks and benefits of infrastructure projects specifically for women and children in and around industrial areas and Atchuthapuram-Anakapalli road; (iii) providing skills enhancement training for community members including women, socially vulnerable, and those belonging in the economically weaker section; (iv) incorporating gender-responsive and socially inclusive guidance into the toolkit for enhancing integrated industry-urban planning linkage; (v) enhancing the institutional capacity on gender equality issues in entrepreneurship, industrial development, skill development, and the monitoring of sex-disaggregated data; and (vi) preparing and implementing gender mainstreaming guidelines of DOIC (Table 16).<sup>24</sup> The project provides adequate resource allocation and arrangement for GESI/AP implementation and reporting. A Social Development and GESI Specialist in PMSC and non-government organizations to assist the PMU in implementing, monitoring and reporting the GESI/AP under the oversight of a designated gender focal person at the PMU. In addition, the project also provides for a GESI Specialist for finance-plus elements. One Social Safeguards and Gender Specialist each of the PMSC for Vishakhapatnam and Chittoor nodes will support field-level GESI/AP activities in the oversight of the gender focal persons who will be designated at the PIUs.

93. The infrastructure improvements in the industrial nodes will lead to growth in industries resulting in greater employment opportunities. Sectors such as textile and pharmaceutical hire more women than other industries and in all the strength of the women labor force will increase due to the interventions. Further women have greater chances of being engaged in industry-related service sector. Employment will give women economic independence and empower them to play a greater role in managing household finances and decision-making. Strengthening the industries' capacity to have a policy to contain sexual harassment at workplace and a mechanism to deal with complaints will go a long way in making the workplace safe and the work more congenial.

94. The resettlement framework has provided for additional assistance to vulnerable that includes households headed by women in terms of training for skill development and one time grant for income generating activities that will benefit the households headed by women. Attached as Appendix 14 is the GESI AP monitoring format to be used for monitoring and reporting. The CAPP aims at increased role of women in project design, implementation, and monitoring (Appendix 15).

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<sup>24</sup> GESI AP is accessible from the list of linked documents to PFRR.

**Table 16: Gender Equality and Social Inclusion Action Plan**

Activities	Indicators/Targets	Responsibility	Time-frame
<b>Output 1 - Visakhapatnam industrial node infrastructure strengthened</b>			
1. Incorporate EWCD-friendly features in Atchuthapuram–Anakapalli road and access road in Nakkapalli industrial cluster [DMF output 1c and 1d]	(i) EWCD-friendly features incorporated in the design of Atchuthapuram–Anakapalli road (2022 baseline: 0) <sup>a</sup> (ii) EWCD-friendly features incorporated in the design of access road to Nakkapalli industrial cluster (2022 baseline: 0) <sup>a</sup>	PMU/PIUs supported by PMSC	2023–2026
2. Conduct community awareness programs in habitations around Rambilli and Nakapalli industrial clusters and along Atchuthapuram to Anakapalli roads [DMF output 1e]	(iii) At least 900 community members in and around Rambilli and Nakapalli industrial clusters and along Atchuthapuram to Anakapalli roads reported improved awareness and knowledge on road safety, gender-based violence; sexually transmitted infections, and the risks and benefits associated with infrastructure projects specifically for women and children (Target: 300 persons for Rambilli cluster, 300 persons for Nakapalli cluster, 300 persons for Atchuthapuram to Anakapalli road [30% women]) (2022 baseline: 0)	PMU/PIUs supported by PMSC	2023–2026
<b>Output 2 - Srikalahasti–Chittoor industrial node infrastructure strengthened</b>			
3. Incorporate EWCD-friendly features in the improvement of the access road to Chittoor–South industrial cluster and Naidupeta cluster [DMF output 2b and 2c]	(iv) EWCD-friendly features incorporated into the design of the access roads to Chittoor–South industrial cluster (2022 baseline 0) (v) EWCD-friendly features incorporated into the design of the access roads to Naidupeta cluster (2022 baseline 0)	PMU/PIUs supported by PMSC	2023–2026
4. Conduct community awareness programs in habitations around Chittoor South industrial cluster [DMF output 2d]	(vi) At least 300 community members in and around Chittoor–South cluster reported improved awareness and knowledge on road safety, gender-based violence, sexually transmitted infections, the risks and benefits associated with infrastructure projects specifically for women and children (Target: 300 persons [30% women]) (2022 baseline: 0)	PMU/PIUs supported by PMSC	2023–2026
<b>Output 3 - Sustainable, green, and integrated industrial development enhanced</b>			
5. Conduct skills training for vulnerable and those belonging in the economically weaker section and measure their impact [DMF output 3b] <sup>b</sup>	(vii) 200 students in 4 professional educational institutes (private/government) in and around Visakhapatnam and Srikalahasti industrial nodes gained awareness of entrepreneurship and development programs, measured by post surveys by subject experts (Target: 30% girls) (2022 baseline: 0) (viii) 50 tribal women gained improved employable skills through training under the project based on Training Need Assessment (2022 baseline: 0) (ix) 1,000 persons including 30% women in project areas enhanced their employable skills through training (2022 baseline: 0) (x) 500 persons (including at least 40% women), including socially vulnerable and those belonging in the economically weaker section, enhanced skills through training, assessed by post training survey by the skills-training provider (2022 baseline: 0) <sup>b</sup> (xi) An impact assessment study of the skills training program conducted (Target: 100 beneficiaries, including 40 women beneficiaries) (2022 baseline: 0)	PMU support with from PMSC	2023–2026
6. Roll out a toolkit for enhancing integrated industry-urban planning linkage with gender-responsive and socially inclusive guidance [DMF output 3f]	(xii) The toolkit for enhancing integrated industry-urban planning linkage will incorporate gender-responsive and socially inclusive guidance (2022 baseline: 0) <sup>c</sup>	PMU/PIUs supported by PMSC	2023–2026

Activities	Indicators/Targets	Responsibility	Time-frame
7. Implement Gender Mainstreaming Guidelines of DOIC [DMF output 3g]	(xiii) Gender Mainstreaming Guidelines prepared and implemented (2022 baseline: 0) <sup>d</sup>	DOIC supported by PMSC	2026
8. Publish one knowledge product of VCICDP and disseminate it to other cities in India and beyond [DMF output 3h]	(xiv) The knowledge product incorporated with the project GESI intervention results (2022 baseline: 0) <sup>e</sup>	PMU/PIUs supported by PMSC	2025–2026
9. Enhance the capacity of staff of executing and implementing agencies on gender equality issues in entrepreneurship, industrial development, skills development, and monitoring of sex-disaggregated data. [Target from DMF for MFF]	(xv) 70% of the staff including each gender in PMU and PIUs (APRDC and APIIC) trained (2022 baseline: 0) <sup>f</sup>	PMU/PIUs supported by PMSC	2023–2026
10. Disseminate information on new opportunities being created in Visakhapatnam–Chennai Industrial Corridor	(xvi) At least two workshops organized for 50 prospective investors to disseminate information on new investment, employment, and skills enhancement opportunities, and connectivity infrastructure being created in Visakhapatnam–Chennai Industrial Corridor (Target-30% women)	PMU/PIUs supported by PMSC	2023–2026
<b>Project Management Activities</b>			
1. Mobilize Social Development/ GESI Specialists to support GESI AP implementation, monitoring, and reporting 2. Depute a gender focal person at PMU and PIUs for supervision of GESI AP implementation, monitoring, and reporting	<ul style="list-style-type: none"> <li>One Social Development and GESI Specialist at PMSC mobilized to support overall GESI AP implementation, monitoring, and reporting</li> <li>One GESI Specialist for finance-plus elements, including indicators vii to xvi.</li> <li>One Social Safeguard and Gender Specialist each for Visakhapatnam and Chittoor nodes to support field-level GESI/AP activities.</li> <li>PMU and each of the PIUs have a gender focal person for oversight and quarterly reporting of GESI AP implementation.</li> </ul>	PMU/PMSC	2023–2026

APRDC = Andhra Pradesh Road Development Corporation; APSDC = Andhra Pradesh Skill Development Society; BPL = below the poverty line; DMF = design and monitoring framework; DOIC=Department of Industries and Commerce; EWCD= elderly, women, children, and disabled; GESI = gender equality and social inclusion; GESI AP = gender equality and social inclusion action plan; PIU = project implementation unit; PMU = project management unit at the Commiserate of Industries Government of Andhra Pradesh; PMSC = project management and supervision consultant; TNA = training need assessment; VCICDP = Visakhapatnam–Chennai Industrial Corridor Development Project.

<sup>a</sup> EWCD-friendly features include (i) adequate lighting for safety; (ii) cautionary and/or informative signage including women's helpline and emergency numbers; (iii) men and women restrooms; (iv) guard stones, rumble strips, and speed breakers; (v) shoulders as safe sidewalks; and (vi) covered drain cum footpath with wheelchair friendly design.

<sup>b</sup> The term of "socially vulnerable and those belonging in the economically weaker section" defined by the state government include below-poverty-line families of backward castes and other backward classes; poor rural youth, women candidates, and candidates belonging to particularly vulnerable tribal groups; scheduled tribes and scheduled castes; minorities; persons with disabilities; transgender; rehabilitated bonded laborer; victims of trafficking; manual scavengers; and HIV-positive persons who will be given preference based on the Government of India's guidelines. Government of India, Ministry of Rural Development. 2016. [Deen Dayal Upadhaya-Gram Kaushal Yojana \(DDU-GKY\) Programme Guidelines](#). Delhi.

<sup>c</sup> Gender-responsive and socially inclusive guidance in the toolkit will include (but not be limited to) (i) guidance in identifying GESI needs and strategies that are to be mainstreamed in the industry and urban planning linkages; and (ii) guiding principles on inclusive urban infrastructure and industrial housing in the project-influence nodes. Suggested features for industrial housing include (i) separate rooms for privacy to women and girls, separate kitchens, proper ventilation, access to potable water, and open spaces and/or parks; (ii) transport facilities for access to workplaces and markets; and (iii) access to healthcare and educational facilities.

<sup>d</sup> DOIC will prepare and implement the gender mainstreaming guidelines that will aim to ensure the inclusion of women in skills enhancement training; higher women's participation in the industrial labor force; and the provision of business-related licenses, fiscal incentives, and special packages for women.

<sup>e</sup> The knowledge product should capture results from GESI AP and DMF indicators for project 1 and project 2.

<sup>f</sup> Officials and staff total 68, Male 44, Female 24.

## IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

### A. Project Design and Monitoring Framework

95. The project design and monitoring framework (DMF) is shown below.

Impacts the Project is aligned with: Contribution of the manufacturing sector to the state's GDP, trade, and employment increased <sup>a</sup>			
Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
<b>Outcome</b> Industrial investment and employment of the VCIC increased	<p>By 2027:</p> <p>a. New industrial investment proposals of ₹3.8 billion in Visakhapatnam and Srikalahasti–Chittoor nodes approved (2022 baseline: 0) (OP 7.2)<sup>b</sup></p> <p>b. 3,200 additional industrial employment generated, including at least 960 women within the Visakhapatnam and Srikalahasti industrial nodes (2022 baseline: 0) (OPs 1.2 and 2.1)<sup>c</sup></p>	<p>a. (i) Records of Commissioner of Industries and District Industries Centre, and (ii) Single Desk Portal website</p> <p>b. (i) Records of Commissioner of Industries and District Industries Centre, and (ii) Single Desk Portal website</p>	<p>A: GoAP will continue to pursue the cluster-based industrialization.</p> <p>R: Low demand from investors would leave project industrial clusters with low occupancy rate.</p>
<b>Outputs</b> 1. Visakhapatnam industrial node infrastructure strengthened	<p>By 2026:</p> <p>1a. Start-up area in Rambilli industrial cluster (160 ha) developed with internal infrastructure including internal roads of 6.5 km, storm water drains of 14.5 km, and WTP of 3.5 MLD (2022 baseline: 0) (OPs 1.2.1 and 7.2.2)</p> <p>1b. Start-up area in Nakkapalli cluster (441 ha) developed with internal infrastructure including internal roads of 21.9 km, storm water drains of 43.8 km, and WTP of 6.5 MLD (2022 baseline: 0) (OPs 1.2.1 and 7.2.2)</p> <p>1c. Atchuthapuram to Anakapalli road of 13.8 km widened to four lanes with EWCD-friendly features (2022 baseline: 0) (OPs 2.4.1 and 3.2.5)<sup>d</sup></p> <p>1d. Access road of 4.4 km to Nakkapalli industrial cluster improved with EWCD-friendly features (2022 baseline: 0) (OPs 2.4.1 and 3.2.5)<sup>d</sup></p>	1a–1e. (i) Annual reports of the DOIC and PIUs, and (ii) QPRs of VCICDP	<p>R: Lack of coordination among various agencies may result in delay of project implementation.</p> <p>R: The prolong procurement process may cause the delay in project implementation.</p> <p>R: Delayed payment of compensation and assistance and land acquisition would delay the commencement of construction.</p>



	1e. At least 900 community members in and around Rambilli and Nakapalli industrial clusters and along Atchuthapuram to Anakapalli road reported improved awareness and knowledge on addressing gender-based violence (Target: 300 persons for Rambilli cluster, 300 persons for Nakapalli cluster, and 300 persons for Atchuthapuram to Anakapalli road [30% women]) (2022 baseline: 0) (OP 2.2.3)		
2. Srikalahasti–Chittoor industrial node infrastructure strengthened	<p>By 2026:</p> <p>2a. Start-up area in Chittoor–South cluster (938 ha) developed with internal infrastructure including internal roads of 42.8 km, and storm water drains of 86 km, and WTP of 4.5 MLD (2022 baseline: 0) (OPs 1.2.1 and 7.2.2)</p> <p>2b. Access road of 9.5 km to Chittoor–South industrial cluster improved with EWCD-friendly features (2022 baseline: 0) (OPs 2.4.1 and 3.2.5)<sup>d</sup></p> <p>2c. Access road of 8.7 km to Naidupeta cluster improved with EWCD-friendly features (2022 baseline: 0) (OPs 2.4.1 and 3.2.5)<sup>d</sup></p> <p>2d. At least 300 community members in and around Chittoor–South industrial clusters reported improved awareness and knowledge on addressing gender-based violence (Target: 300 persons [30% women]) (2022 baseline: 0) (OP 2.2.3)</p>	2a–2d. (i) Annual reports of the DOIC and PIUs, and (ii) QPRs of VCICDP	<p>R: Lack of coordination among various agencies may result in delay of project implementation.</p> <p>R: The prolong procurement process may cause the delay in project implementation.</p> <p>R: Delayed payment of compensation and assistance and land acquisition would delay the commencement of construction.</p>
3. Sustainable, green, and integrated industrial development enhanced.	<p>By 2024</p> <p>3a. updated marketing action plan for investment promotion rolled out (2022 baseline: 0) (OP 7.2.2)</p> <p>By 2026</p> <p>3b. 500 persons (including at least 40% women), including socially vulnerable and those belonging in the economically weaker section reported enhanced skills (2022 baseline: 0) (OPs 1.1.1 and 2.1.1)<sup>e</sup></p> <p>3c. Green Corridor Model Operational Guidelines at industry cluster level endorsed by the GOAP (2022 baseline: 0) (OP 7.3.1)</p>	<p>(i) APIIC website, and (ii) GoAP website</p> <p>APSSDC Annual Report</p> <p>(i) APIIC website, and (ii) GoAP website</p>	R: Lack of coordination among various agencies may result in delay of project implementation.

	<p>3d. Disaster risk management plan for industrial clusters endorsed by the GOAP (2022 baseline: 0) (OP 3.2.4)</p> <p>3e. Sustainable Operation and Maintenance Improvement Plan for Rambilli, Nakkapalli and Chittoor–South industrial clusters endorsed by the GOAP (2022 baseline: 0) (OPs 4.2.2 and 6.2.2)</p> <p>3f. Toolkit for enhancing integrated industry-urban planning linkage with gender-responsive and socially inclusive guidance rolled out (2022 baseline: 0) (OP 4.2.1)<sup>f</sup></p> <p>3g. Gender mainstreaming guidelines of DOIC prepared and implemented (2022 baseline: 0) (OP 2.3.2)<sup>g</sup></p> <p>3h. At least one knowledge product of VCICDP including GESI intervention results published and disseminated to other cities in India and beyond (2022 baseline: 0)<sup>h</sup></p>	<p>(i) APIIC website, and (ii) GoAP website</p> <p>(i) DOI documents and website, and (ii) APIIC documents and websites</p> <p>(i) MAUDD website, and (ii) DOI website</p> <p>(i) Project QPR, and (ii) DOI website.</p> <p>(i) Project QPR, and (ii) DOI website.</p>	
<p><b>Key Activities with Milestones</b></p> <p><b>1. Visakhapatnam industrial node infrastructure strengthened</b></p> <p>1.1 Award all civil works contracts by June 2023</p> <p>1.2 Complete construction and commissioning of all subprojects by March 2026</p> <p>1.3 Complete community awareness raising program by December 2025</p> <p><b>2. Srikalahasti–Chittoor industrial node infrastructure strengthened</b></p> <p>2.1 Award all civil works contracts by June 2023</p> <p>2.2 Complete construction and commissioning of all subprojects by March 2026</p> <p>2.3 Complete community awareness raising program by December 2025</p> <p><b>3. Sustainable, green, and integrated industrial development enhanced</b></p> <p>3.1 Update marketing action plan for investment promotion by December 2023</p> <p>3.2 Conduct trainings for enhancing skills by December 2025</p> <p>3.3 Draft Green Corridor Model Operational Guidelines at industrial cluster level by December 2025</p> <p>3.4 Draft disaster risk management plan for industrial clusters by December 2025</p> <p>3.5 Prepare Sustainable Operation and Maintenance Improvement Plan by December 2025</p> <p>3.6 Prepare toolkit for enhancing integrated industry-urban planning linkage with gender-responsive and socially inclusive guidance by December 2025</p> <p>3.7 Prepare and implement Gender Mainstreaming Guidelines of DOIC by December 2025</p> <p>3.8 Prepare knowledge products including GESI intervention results of VCICDP by December 2025</p> <p><b>Project management Activities</b></p> <p>Strengthen project management and supervision consultant for Project 2 scope by March 2023</p> <p>Implement GESI AP from March 2023 to March 2026</p> <p>Review missions, midterm review, and preparation of progress reports, annual reports, audited project financial statements, and audited entity financial statements</p>			
<p><b>Inputs</b></p> <p>Asian Development Bank: \$141.12 million (regular ordinary capital resources loan)</p> <p>Government: \$73.68 million</p>			

A = assumption, APSSDC = Andhra Pradesh State Skill Development Corporation, APIIC = Andhra Pradesh Industrial Infrastructure Corporation, BPL = below poverty line, DMF = design and monitoring framework, DOI = Directorate of Industries, DOIC = Department of Industries and Commerce, EWCD = elderly, women, children, disabled, GDP = gross domestic product, GESI = gender equality and social inclusion, GESI AP = gender equality and social inclusion action plan, GoAP = Government of Andhra Pradesh, ha = hectare, km = kilometer, MAUDD = Municipal Administration and Urban Development Department, MLD = million liter per day, OP = operational priority, PIU = project implementation unit, QPR = quarterly progress report, R = risk, STP = sewage treatment plant, VCIC = Visakhapatnam–Chennai Industrial Corridor, VCICDP = Visakhapatnam–Chennai Industrial Corridor Development Program, WTP = water treatment plant.

<sup>a</sup> Government of India, Ministry of Commerce and Industry, Department of Industrial Policy and Promotion. 2011. *National Manufacturing Policy*. Delhi; ADB. 2015. *Indian's First Coastal Corridor: Visag-Chennai Industrial Corridor Conceptual Development Plan*. Manila; and Government of India, Ministry of Commerce and Industry, Department of Commerce. 2015. *Foreign Trade Policy, 2015-2020*. Delhi.

<sup>b</sup> The amount of new approved industrial investment proposals will be ₹23 billion by year 2032 and ₹76 billion by year 2037.

<sup>c</sup> 19,000 industrial employment will be generated by 2032 and 64,000 by 2037.

<sup>d</sup> EWCD-friendly features include (i) adequate lighting for safety; (ii) cautionary and/or informative signage including women helpline and emergency numbers; (iii) women-only restrooms; (iv) guard stones, rumble strips, and speed breakers; (v) shoulders as safe sidewalks; and (vi) covered drain cum footpath with wheelchair friendly design.

<sup>e</sup> The term of “socially vulnerable and those belonging in the economically weaker section” defined by the state government include below-poverty-line families of backward castes and other backward classes; poor rural youth, women candidates, and candidates belonging to particularly vulnerable tribal groups; scheduled tribes and scheduled castes; minorities; persons with disabilities; transgender; rehabilitated bonded laborer; victims of trafficking; manual scavengers; and HIV-positive persons who will be given preference based on the Government of India’s guidelines. Government of India, Ministry of Rural Development. 2016. [\*Deen Dayal Upadhaya-Gram Kaushal Yojana \(DDU-GKY\) Programme Guidelines\*](#). Delhi.

<sup>f</sup> Gender-responsive and socially inclusive guidance in the toolkit will include (but not be limited to) (i) guidance in identifying GESI needs and strategies that are to be mainstreamed in the industry and urban planning linkages; and (ii) guiding principles on inclusive urban infrastructure and industrial housing in the project-influence nodes. Suggested features for industrial housing include (i) separate rooms for privacy for women and girls, separate kitchens, proper ventilation, access to potable water, open spaces and/or parks; (ii) transport facilities for access to workplaces and markets; and (iii) access to healthcare and educational facilities.

<sup>g</sup> DOIC will prepare and implement the gender mainstreaming guidelines that will aim to ensure the inclusion of women in skills enhancement training, higher women’s participation in the industrial labor force, and the provision of business-related licenses, fiscal incentives, and special packages for women.

<sup>h</sup> The knowledge product should capture results from GESI AP and DMF indicators for project 1 and project 2.

#### **Contribution to Strategy 2030 Operational Priorities**

Expected values and methodological details for all OP indicators to which this operation will contribute results are detailed in Contribution to Strategy 2030 Operational Priorities.

Source: Asian Development Bank.

96. Contribution to ADB Results Framework: Expected values and methodological details for all OP indicators to which this operation will contribute results are detailed in Contribution to Strategy 2030 Operational Priorities which is accessible from the list of linked documents to PFRR.

## **B. Monitoring**

97. **Project performance monitoring.** The PMU will establish a project performance management system using the targets, indicators, assumptions, and risks in the DMF. The PMU with the support of PMSC will expand and develop the DMF into a monitoring and evaluation (M&E) framework considering other relevant monitoring parameters in addition to those included in the DMF. The project performance management system will be disaggregated by income levels, sex, and with specific focus on the vulnerable and women. The baseline data corresponding to indicators and targets set out in the DMF and M&E framework will be generated by PMU with support from PMSC within 6 months of loan effectiveness. Based on the M&E framework which incorporates the initial baseline data, the PMU will prepare quarterly, midterm, and annual monitoring reports using the same indicators and submit the reports to ADB

throughout project implementation. The PMU's quarterly reports will provide information necessary to update ADB's project performance reporting system. Results of a comprehensive completion survey will be included in the project completion report. The PMU will also implement, monitor, and report on the GESI AP implementation.

98. **Compliance monitoring.** The PMU with the support from the PMSC will monitor compliance of loan covenants, including that relating to policy, legal, financial, economic, environmental, social safeguards, and others and ensure compliance with loan covenants and assurances. All noncompliance issues, if any, will be updated in quarterly progress reports together with remedial actions. The PMU, with support from PMSC will prepare a quarterly progress report, which among other items will include compliance of implementation of (i) assurances, covenants, and conditions; (ii) safeguards; (iii) GESI AP; and (iv) CPP.

99. **Safeguards monitoring.** The status of safeguards implementation will be discussed at each ADB review mission and with necessary issues and agreed actions recorded in aide-mémoires. PMU will include in the quarterly progress reports, monitoring of compliance against safeguard covenants, summary status of grievance resolution. PMU will also submit separate semiannual environmental and social safeguards monitoring reports to ADB within 30 days from the end of each reporting period (Jan-June and July-Dec), which will be reviewed and disclosed on ADB's and project's websites. The semiannual social and environmental monitoring reports and the QPR sections on safeguards will be prepared and compiled by the PMU with the assistance of PMSC. The status of safeguard implementation, issues, and corrective actions including associated cost and schedule are to be clearly reported to ADB. During operation, PMU will submit environmental monitoring reports annually to ADB until project completion. The outline of the semiannual environmental monitoring report is in Appendix 9 and the outline of the semiannual social safeguards monitoring report is in Appendix 10. ADB will also carry out annual environmental and/or social (including gender) reviews of the project.

100. **Gender and social dimensions monitoring.** Status of the implementation of the GESI AP will be discussed at each ADB review mission. The PMU supported by PMSC, will monitor GESI AP implementation. The PMSC will collect data and prepare monthly reports on GESI AP activities using the GESI AP monitoring and reporting format. The reports will be reviewed and finalized by PMU. A mechanism for collecting sex-disaggregated data will be established. The GESI AP monitoring reports will be submitted to ADB in the appendix to each of the QPRs in the prescribed reporting format (Appendix 14).

## **C. Evaluation**

101. The government and ADB will jointly review the project at least twice a year. This includes (i) the performance of the PMU, consultants, and contractors; (ii) physical progress of subprojects and effectiveness of safeguards including the GESI AP; (iii) compliance with loan assurances; and (iv) assessment of subproject sustainability in technical, financial, and social terms. In addition to the regular loan reviews, the government and ADB will undertake a comprehensive midterm review in the end of the second year of project implementation to identify problems and constraints encountered and suggest measures to address them. Specific items to be reviewed will include (i) appropriateness of scope, design, implementation arrangements, and schedule of activities; (ii) assessment of implementation pace against project indicators; (iii) effectiveness of capacity building programs; (iv) compliance with safeguard measures; (v) extent to which the GESI AP is being implemented; (vi) lessons learned, good practices, and potential for replication;

and (vii) any changes recommended. Within 6 months of physical completion of the project, the GoAP will submit a project completion report to ADB.<sup>25</sup>

## **D. Reporting**

102. The GoAP will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; (e) the status of the implementation of the GESI AP in the prescribed monitoring matrix (Appendix 14) is included in quarterly progress reports, and (iii) a project completion report within 6 months of physical completion of the project. To ensure that projects will continue to be both viable and sustainable, project accounts and the executing agency audited financial statement together with the associated auditor's report, should be adequately reviewed.

103. PMU will provide ADB the following reports, all of which are subject to web disclosure in compliance with ADB's Access to Information Policy (2019).

- (i) quarterly progress reports in a format consistent with ADB's project performance reporting system within 15 days of the end of each quarter;<sup>26</sup>
- (ii) semiannual safeguards monitoring reports;
- (iii) consolidated annual reports including: (a) progress achieved by output as measured through the DMF indicator's performance targets; (b) key implementation issues and solutions; (c) updated procurement plan; and (d) updated implementation plan for next 12 months;
- (iv) a project completion report within 6 months of physical completion of the project; and
- (v) APFSs and associated auditor's report within 6 months of the end of each fiscal year.

## **E. Stakeholder Communication Strategy**

104. The project intends to maximize transparency by communicating project information to the stakeholders by various means. PMU, with support from project preparatory consultants, prepared a gender-sensitive inclusive CAPP for the project (Appendix 15). The objectives of the CAPP are to (i) involve all stakeholders in all phases of project implementation; (ii) encourage dedicated consultations with the affected persons for delivery of scheduled compensation; (iii) share information on skill training opportunities to enhance stakeholders' (including scheduled tribe communities and other vulnerable groups) knowledge and skills for industrial employment opportunities; (iv) help address gender equity, and social inclusion issues in start-up areas; (v) create platform to raise environmental concerns which is critical to achieving better health outcomes; and (vi) ensure widespread, continuous, and meaningful participation of key stakeholders with a focus on the poor and vulnerable groups including scheduled tribe community through a series of activities planned. The PMU, with support from the PIUs, loan consultants, and the project NGOs, will implement the CAPP.

105. To maximize reach, communication tools such as community consultations, inclusive and gender focused meetings, meetings with schedule tribe community, skill training

<sup>25</sup> Project completion report format is available at ADB website.

<sup>26</sup> An outline is provided in Appendix 11,12, and 13.

sessions/workshops, awareness campaigns, dissemination of information brochure will be used. Social media, public service advertisements, talks, and messages using local electronic and print mass media; billboards; and interpersonal communication by consultants and PMU, PIU and concerned line department government staff will be implemented. The project communication strategy also includes a project website disclosing key project related information, including the scope, cost, and financial and institutional arrangements, safeguards reports, such as IEE and resettlement plans/RIPP, and progress on procurement, contract awards, and disbursements. PMU supported by PMSC will be primarily responsible for implementation and reporting of CAPP activities. The implementation of CAPP will be guided by ADB's Access to Information Policy 2018.

## **X. ANTICORRUPTION POLICY**

106. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.<sup>27</sup> All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's Sanctions List are ineligible to participate in ADB-financed, -administered, or -supported activities and cannot be awarded any contracts under the project.<sup>28</sup>

107. To support these efforts, relevant provisions are included in the loan agreement and regulations and the bidding documents for the project. All contracts financed by ADB in connection with the project will include provisions specifying the right of ADB to audit and examine the records and accounts of the PMU, PIUs, contractors, suppliers, consultants, and other service providers as they relate to the project. ADB will disseminate ADB's Anticorruption Policy, 1998 to GoAP, PMU, PIUS, and PMSC.<sup>29</sup>

108. Project-specific measures to enhance governance and prevent corruption, designed with the stages of project implementation and the disbursement chain in mind, include (i) the requirement for PMU and PIUs to follow government rules and procedures for all expenses including cash and the proper and accurate maintenance of financial records, and (ii) establishing a project website at PMU and PIUs to provide transparency on project details including procurement, and (iii) displaying Citizen Charter in areas affected by the project.

109. The project intends to maximize transparency, as described in sections above. Full information disclosure and participatory monitoring at both the central and the local levels are expected to be effective in reducing the risk of corruption and improving governance at central and local levels.

110. The PMU/PIUs have established systems to receive and resolve complaints/grievances relating to the project as outlined in the GRM including but not limited to grievances due to safeguard issues. The GRM will: (i) be independent and with no conflict of interest with the project city wards; (ii) be disclosed to the public who will be made aware of the existence of the GRM ,help desks and recourse available; (iii) review and address grievances of stakeholders of the project, in relation to either the project, any of the service providers, or any person responsible for

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<sup>27</sup> Anticorruption Policy: The PMU/PIU is required to ensure that the awardee is not on the Office of Anticorruption and Integrity's complete list when the contract is to be awarded. The attention should be paid particularly for any procurement under post review.

<sup>28</sup> ADB. [Anticorruption and Integrity](#).

<sup>29</sup> ADB. 1998. [Anticorruption Policy](#). Manila

carrying out any activities or aspects of the project; and (iv) proactively and constructively responding to them.

111. ADB's Anticorruption Policy designates the Office of Anticorruption and Integrity (OAI) as the point of contact to report allegations of fraud or corruption among ADB-financed, -administered, or -supported projects or its staff. OAI is responsible for all matters related to allegations of fraud and corruption. For a more detailed explanation refer to the Anticorruption Policy. Anyone coming across evidence of corruption associated with the project may contact OAI by telephone, facsimile, mail, or e-mail at the following numbers/addresses:

E-mail at [integrity@adb.org](mailto:integrity@adb.org) or [anticorruption@adb.org](mailto:anticorruption@adb.org)

Phone at +63 2 8632 5004

Fax to +63 2 8636 2152

By mail at the following address (Please mark correspondence Strictly Confidential):

Office of Anticorruption and Integrity  
Asian Development Bank  
6 ADB Avenue, Mandaluyong City  
1550 Metro Manila, Philippines

## **XI. ACCOUNTABILITY MECHANISM**

112. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.<sup>30</sup>

### **Contact details:**

Secretary  
Compliance Review Panel  
Asian Development Bank  
6 ADB Avenue  
Mandaluyong City  
1550 Metro Manila, Philippines

Tel + 63 2 632 4149

Fax +63 2 636 2088

E-mail: [crp@adb.org](mailto:crp@adb.org)

Web: [www.compliance.adb.org](http://www.compliance.adb.org)

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<sup>30</sup> ADB. [Accountability Mechanism](#).

## **XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL**

113. The first draft of PAM has been prepared and agreed upon at the loan negotiations on 16 March 2023. All revisions/updates during course of implementation should be retained in this Section to provide a chronological history of changes to implemented arrangements recorded in the PAM, including revision to contract awards and disbursement s-curves.



## PROCUREMENT PLAN

### Basic Data

<b>Project Name:</b> Visakhapatnam-Chennai Industrial Corridor Development Program - Tranche 2		
<b>Project Number:</b> 48434-004		<b>Approval Number:</b>
<b>Country:</b> India		<b>Executing Agency:</b> Department of Industries & Commerce, Government of Andhra Pradesh
<b>Project Procurement Risk:</b>		<b>Implementing Agency:</b> Andhra Pradesh Industrial Infrastructure Corporation Limited, Andhra Pradesh Road Development Corporation
<b>Project Financing Amount:</b> US\$ 214,800,000 <b>ADB Financing:</b> US\$ 141,120,000 <b>Cofinancing (ADB Administered):</b> - <b>Non-ADB Financing:</b> US\$ 73,680,000		<b>Project Closing Date:</b> 19 September 2026 (MFF and loan closing)
<b>Date of First Procurement Plan:</b> 11 December 2020		<b>Date of this Procurement Plan:</b> 23 January 2023
<b>Advance Contracting:</b> Yes	<b>Related to COVID-19 response efforts:</b> No	<b>Use of e-procurement (e-GP):</b> Yes <a href="https://eprocure.gov.in/">https://eprocure.gov.in/</a>

### A. Methods, Thresholds, Review and 18-Month Procurement Plan

#### 1. Procurement and Consulting Methods and Thresholds

1. Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works		
Method	Threshold	Comments
International Competitive Bidding for Goods	US\$ 3,000,000 and Above	Prior Review.
National Competitive Bidding for Goods	Between US\$ 100,001 and US\$ 2,999,999	Prior Review. The first NCB bidding documents for each type is subject to prior review, thereafter, post review. Post Review. If NCB bidding documents approved by ADB in Project 1 for each type will be used without significant change.
Shopping for Goods	Up to US\$ 100,000	Post Review.
International Competitive Bidding for Works	US\$ 50,000,000 and Above	Prior Review.
National Competitive Bidding for Works	Between US\$ 100,001 and US\$ 49,999,999	Prior Review. The first NCB bidding documents for each type is subject to prior review, thereafter, post review. Post Review. If NCB bidding documents approved by ADB in Project 1 for each type will be used without significant change.
Shopping for Works	Up to US\$ 100,000	Post Review.

## 2. Goods and Works Contracts Estimated to Cost \$1 Million or More

2. The following table lists goods and works contracts for which the procurement activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertise-ment Date (quarter/year)	Comments
1. VCICDPT 2- APIIC/06A	Chittoor Node – Chittoor –South Cluster: Development of Major Infrastructure and Utilities in Start-up Area of Chittoor Node, South Cluster, Chittoor District, Andhra Pradesh, India	42,290,000.00	NCB	Prior	1S2E	Q1 / 2023	Prequalification of Bidders: N Domestic Preference Applicable: N Advance Contracting: Y Bidding Document: Large Works e-GP: Yes e-GP Type: e-Bidding Covid-19 Response? No Comments: For re-bidding.
2. VCICDPT 2- APIIC/08A	Visakhapatnam Node – Atchuthapuram Cluster: Development of Infrastructure and Utilities Services in Start-up Area of Atchutapuram – Rambili Cluster	16,050,000.00	NCB	Prior	1S2E	Q1 / 2023	Prequalification of Bidders: N Domestic Preference Applicable: N Advance Contracting: Y Bidding Document: Large Works e-GP: Yes e-GP Type: e-Bidding Covid-19 Response? No Comments: Although this is NCB and not the first Works package the EA requested for prior review. For rebidding.
3. VCICDPT 2- APIIC/09A	Visakhapatnam Node – Nakkapa	43,860,000.00	NCB	Prior	1S2E	Q1 / 2023	Prequalification of Bidders: N Domestic Preference Applicable: N

	Ili Cluster: Development of Major infrastructure and Utilities in Start-up Area of Nakkapali Cluster						Advance Contracting: Y Bidding Document: Large Works e-GP: Yes e-GP Type: e-Bidding Covid-19 Response? No Comments: For rebidding.
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### 3. Consulting Services Contracts Estimated to Cost \$100,000 or More

3. The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Recruitment Method	Review (Prior/Post)	Advertise-ment Date (quarter/year)	Type of Proposal	Comments
None							

### 4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

4. The following table lists smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Goods and Works								
Package Number	General Description	Estimated Value	Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertise-ment Date (quarter/year)	Comments
None								

Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	-Recruitment Method	Review (Prior/Post)	Bidding Procedure	Advertise-ment Date (quarter/year)	Comments
None								

### B. Indicative List of Packages Required Under the Project

5. The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those

expected beyond the current period).

<b>Goods and Works</b>							
<b>Package Number</b>	<b>General Description</b>	<b>Estimated Value (cumulative)</b>	<b>Estimated Number of Contracts</b>	<b>Procurement Method</b>	<b>Review (Prior/ Post)</b>	<b>Bidding Procedure</b>	<b>Comments</b>
None							

<b>Consulting Services</b>							
<b>Package Number</b>	<b>General Description</b>	<b>Estimated Value</b>	<b>Number of Contracts</b>	<b>Recruitment Method</b>	<b>Review (Prior/ Post)</b>	<b>Type of Proposal</b>	<b>Comments</b>
None							

### C. List of Awarded and On-going, and Completed Contracts

6. The following tables list the awarded and on-going contracts, and completed contracts.

#### 1. Awarded and Ongoing Contracts

<b>Goods and Works</b>							
<b>Package Number</b>	<b>General Description</b>	<b>Estimated Value</b>	<b>Awarded Contract Value</b>	<b>Procurement Method</b>	<b>Advertisement Date (quarter/ year)</b>	<b>Date of ADB Approval of Contract Award</b>	<b>Comments</b>
1. VCICDP T2-APRDC/ 04	Development of Roads for External Connectivity to Naidupeta Industrial Cluster	14,750,000.00	14,675,941.63	NCB	Q1 / 2019	5-Jul-21	Contract agreement was signed on 21-Sep-22.
2. VCICDP T2-APRDC/ 05	Development of Roads for External Connectivity to Routhusuramala Industrial Cluster	8,230,000.00	8,192,214.15	NCB	Q1 / 2019	20-Feb-21	Contract agreement was signed on 16-May-22.
3. VCICDP T2-APRDC/ 06	Development of Roads for External Connectivity to Nakkapalli Industrial Cluster	3,160,000.00	3,148,238.36	NCB	Q3 / 2020	12-Aug-21	Letter of Acceptance issued on 21-Oct-22
4. VCICDP T2-APRDC/ 07	Visakhapatnam Node – Atchuthapuram Cluster: Widening and Strengthening	29,670,000.00	29,528,458.80	NCB	Q3 / 2020	8-Jul-21	Contract agreement was signed on 16-May-22.

	g of Anakapalle- Atchtapuram Road (MDR- 1007) to 4 Lanes						
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Consulting Services							
Package Number	General Description	Estimated Value	Awarded Contract Value	Recruitment Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments
PMSC/01	Project Management & Construction Supervision Consultant	4,800,000.00	-	QCBS	Q2 / 2016	22 Aug 2018	PMSC was engaged under L3430-IND (VCICDP T1) to support T1. \$4.80 million is allocated for the contract variation to continue to support T2's implementation.

## DESIGN SUMMARY OF SUBPROJECTS (OUTPUTS 1 AND 2)

### I. VISAKHAPATNAM INDUSTRIAL NODE (OUTPUT 1)

#### A. APIIC-08A/: Development of Major Infrastructure and Utilities in Start-up Area of Rambilli Industrial Park in Atchutapuram Cluster of Visakhapatnam Node

1. Andhra Pradesh Industrial Infrastructure Corporation (APIIC) proposes to develop an industrial cluster in 2532 acres of land in Rambilli Mandal close to Atchutapuram SEZ. The proposed cluster is connected to NH16 through the Venkatapuram road and SH17. The connectivity shall further improve through the proposed widening of Anekappalli Achyutapuram Road under the project. A phased development approach in line with the already prepared master plan shall be adopted. The first phase shall include a start-up area of 787.25 Acres. However, the land in possession of APIIC is only 396.27 Acres (Area 1) and balance 390.98 acres (Area 2) is yet to be acquired. This subproject is identified to provide internal infrastructure to the area 1 of the startup area. The subproject proposed shall construct internal roads, storm water drains, internal water treatment, storage, conveyance and distribution system, electric sub stations, internal power distribution lines, streetlights, to equip the cluster with state of art infrastructure facilities. Water shall be sourced from the Krishnapalem Tank. All works shall be taken up as one package . APIIC shall be the implementing agency.

2. This subproject shall have the following components:

- (i) Site grading of land for industrial plots
- (ii) 6.53 km roads which include 5.4 km of 4 lane divided road with 2 box culverts, storm drain cross structures and 2 minor bridges. Utility ducts, street lighting, road furniture, priority at grade junctions and pathways included for the entire length of the internal road network. Flexible pavements consisting of BC, DBM, WMM and GSB is designed as per IRC 37 – 2012 for the pavement life period of 15 years
- (iii) 14.50 km storm water drains
- (iv) 3.5 MLD water treatment plant with 2 years O&M
- (v) 750 KL sump at WTP
- (vi) 3850 m Clear Water Transmission Mains of 250, 300 and 450 mm DI K9 pipes.
- (vii) One Ground level reservoir of 1200 KL capacity
- (viii) 9774 m water distribution pipeline of 150mm Diameter DI K7 pipe
- (ix) Electrical works with 2 numbers 33 KV bay extension in existing 132/33 KV substation, 33KV overhead line on 12.5 m spun poles for a length of 4 km. 9131 m 33 KV UG cables. 15968 m 11 KV UG cables, 33X11 KV substation, RCC ducts for cabling, and 287 poles for street lighting.
- (x) Environmental Monitoring as per the Schedule Provided in Draft IEE annexed to Section 8 of this Bid Document

#### B. APIIC-09A/: Development of Major Infrastructure and Utilities in Start-up Area of Nakkapalli Industrial Cluster in Visakhapatnam Node

3. APIIC proposes to develop an industrial cluster in 4386.08 acres of land in Nakkapalli. Most of the required land has been acquired. A phased development approach in line with the already prepared master plan shall be adopted. The first phase shall include a start-up area of 1,091.4

acres of which 571.7 acres shall be industrial plots and 31 acres shall be residential and commercial plots. The industrial park shall be connected to NH16 through a new road proposed to be constructed under a separate subproject. This subproject under Project 2 of VCICDP is to provide bulk water supply and internal infrastructure to the start-up area. The subproject shall construct internal roads, drains, bulk water supply facilities, summer storage tank, water treatment plant and internal water supply and internal power distribution lines to equip the industrial park with state of art infrastructure facilities. Water shall be sourced from the Yeluru Left Main Canal and power from the Chandanada substation. The entire works shall be procured through one contract package. APIIC shall be the implementing agency.

4. This subproject shall have the following components:

- (i) 21.93 km roads with 67 culverts, 2 minor bridges and a major bridge
- (ii) 43.80 km storm water drain
- (iii) Offtake work at Yeluru Left Main Canal.
- (iv) Raw water transmission lines of 450 mm diameter DI K7 pipe 38.3 Km, 350mm dia DI K9 pipes for the length of 220 m in the Startup Area, and 200mm dia DI K9 pipes for the length of 200 m in Start up Area including valves, specials etc. Summer storage tank of 546 ML capacity to cater for 60 days of initial stage demand.
- (v) 300 KL raw water sump at WTP
- (vi) Two pumps (1 working and 1 standby) of 20 KW and 300 mm DI K9 pipe of 550 m length to pump water from SST to WTP.
- (vii) 6.5 MLD water treatment plant
- (viii) 600 KL sump, 2 (1 working and 1 standby) 70 KW pump and 300 mm DI K9 pipes to pump water over a length of 1500 m to the Ground Level Service Reservoir
- (ix) Ground Level Service Reservoir of 2200 KL capacity at hillock.
- (x) 24.36 km water distribution pipelines of DI K7 pipe of 100 mm to 400 mm diameter
- (xi) 2 Nos 33 KV Electrical substation, 12.19 km 33KV UG cable, 91.39 km, 11 KV UG cables, internal power units and 7 high masts and Street Lights single arm of 348 no's and double arm poles 345 no's.
- (xii) Landscape and Plantation works in Green and Green areas, Environmental Monitoring, O&M of WTP

**C. APRDC-07: Widening of Acthuthapuram – Anakapalle Road to Four Lanes in Acthuthapuram Cluster of Visakhapatnam Node**

5. The SEZ & IP Acthuthapuram is now connected to National Highway, NH 16, through a two-lane road of 14.3 km length. The right of way varies from 18 m to 30 m except at few isolated built-up locations where it reduces to 12-15m. The existing annual average daily traffic is 11635PCU. The projected traffic volume has already exceeded the design service volume limit for two lane road. The subproject proposes to rehabilitate and upgrade the existing road from Anakapalle to Acthuthapuram to four lanes. The project road being the only major connectivity to SEZ & IP from NH16 and along with the traffic capacity analysis provides strong justification for the selection of this subproject. The road shall be developed to four lane with paved shoulders, a fly over, utility corridor, cross drainage works, service roads in built up areas and road furniture.

The entire works shall be procured through a single contract package. Andhra Pradesh Road Development Corporation (APRDC) shall be the implementing agency. Land acquisition for the widening work is in progress.

6. The subproject shall have the following components:

- (i) 13.78 km four lane road with paved shoulders, flexible pavement consisting of Granular Sub-base, Wet Mix Macadam, Dense Bituminous Macadam and Bituminous Concrete with prime coat and tack coat.
- (ii) Service roads on built-up location.
- (iii) One 610m long flyover with 5.5m vertical clearance at end junction of the road
- (iv) Roadside drains
- (v) Multi Cell Box minor bridge at km 5+676 and km 8+808.
- (vi) New / Reconstruction of 47 pipe and box culverts
- (vii) Traffic signs, road markings, bus/truck laybys, bus shelter and crash barriers for high embankments along with other safety measures.
- (viii) Reconstruction of irrigation canal for a length of -3.75 km
- (ix) Provision of utility ducts along the road and cross ducts across the road.

**D. APRDC-06: Widening and Strengthening of External Connectivity from NH-16 to Nakkapalli Cluster through Two Lane Road with Paved Shoulders in Visakhapatnam Node**

7. Connectivity to Nakkapalli Cluster Road is a part connecting from NH 16, located in Vishakhapatnam district of Andhra Pradesh. The Project Road starts from km 0.000 on NH 16 Road near Kagitha Village in Vishakhapatnam District and runs West-East direction terminate at Pati Meda Village in Nakkapalli Mandal at Km 4+800. The existing ROW is 7.5m throughout along the project road with single lane carriageway of 3.75m wide bituminous surface. Based on the projected traffic volume of 3903 PCU for the year 2030, the subproject proposes two-lane with paved shoulder configuration satisfying level of service B for the entire length of the project road. The cross drainage works include reconstruction and widening of culverts and bridges. Environmental and Social management aspects also form a component of the project. The entire works shall be procured through a single contract package. Andhra Pradesh Road Development Corporation (APRDC) shall be the implementing agency. Land acquisition for the widening work is in progress

8. The subproject shall have the following components:

- (i) 4.427 km long two-lane road with paved shoulders having flexible pavement consisting of Granular Sub-base, Wet Mix Macadam, Dense Bituminous Macadam and Bituminous Concrete with prime coat and tack coat.
- (ii) Major priority at-grade junction at Km 0+000 with NH16 at start of project road and on project road ending at Pati Media village at km 4+427.
- (iii) Roadside drains
- (iv) New / Reconstruction of 21 box culverts
- (v) Traffic signs, road markings, bus shelter and crash barriers for high embankments along with other safety measures.
- (vi) Provision of utility corridor along the road and cross ducts across the road.

**II. SRIKALAHASTI-CHITTOOR INDUSTRIAL NODE (OUTPUT 2)**



**A. APIIC-06A: Development of Major Infrastructure and Utilities in Start-up area of Chittoor–South Cluster of Srialahasti Node**

9. APIIC proposes to develop an industrial cluster in 2,627.45 acres (developable area of 2317.70 Acres) of land in Chittoor–South. There shall be 1235.55 acres industrial plots and 102.63 acres residential plots. The proposed cluster shall be connected to the national highway through a new road proposed to be constructed by APRDC as another subproject under the project. The bulk water supply subproject for industrial clusters in southern region of AP being executed under VCICDP project 1 shall provide bulk water supply to the cluster. The subproject proposed here shall construct internal roads, storm water drains, water treatment plant, clear water transmission lines, sump and reservoirs, internal water supply pipelines, electrical distribution sub stations (33/11 KV), internal power distribution lines with street lighting, green belt and greening . APIIC shall be the implementing Agency. The entire works shall be procured through one works contract package.

10. This subproject shall have the following components:

- (i) 42.83 km, length of roads which include 17 Minor bridges and 112 Cross culverts. Street lighting, road furniture, at grade junctions and pathways included for the entire length of the internal road network. Flexible pavements consisting of BC, DBM, WMM, GSB and SG is designed as per IRC 37 – 2018 for the pavement life period of 20years.
- (ii) 86 km of storm water drains
- (iii) 100 m long 400 mm diameter DI K9 Raw water transmission line from GLBR to WTP
- (iv) 4.5 MLD water treatment plant with SCADA
- (v) 800 KL clear water sump at WTP & pump station with 2 numbers of 75 KW Pumps (1 working+1 standby)
- (vi) 2 numbers of OHSR with 1300KL each (total capacity 2600 KL)
- (vii) 5.53 km clear water transmission pipeline DI K9 of 150mm-350 mm diameter
- (viii) 75.55 km clear water distribution pipelines DI K7 of 100 mm to 300 mm diameter
- (ix) 33/11KV (3 numbers) electrical substations, internal power lines and street lighting.
- (x) Beautification with 15 m green belt and other green areas
- (xi) Landscape and Plantation works in Green and Green areas, Environmental Monitoring, O&M of WTP

**B. APRDC-05: Widening and Strengthening of External Connectivity to Routhusuramala Industrial Cluster to Two Lane with Paved Shoulders in the South Block of Yerpedu – Srialahasthi Node**

11. Connectivity to Routhusuramala cluster (part of south block of proposed Yerpedu–Srialahasthi node) road is a part connecting two State Highways viz. Naidupeta–Tirupati (SH No. 61) & Tada–Srialahasthi Road (SH No. 4437), located in Chittoor district of Andhra Pradesh. The Project Road starts from km 0+000 on Naidupeta–Tirupati Road (Near Neleballi Village at Km 100+000 of SH-61) in Chittoor District and runs north–south direction terminate at Km 9+461 on Tada–Srialahasthi Road at Km 36+000. The existing ROW varies from 15 to 20m along the project road with single lane carriageway of 3.8m wide having bituminous surface. Based on the projected traffic volume of 11172 PCU for the year 2038, the subproject proposes two-lane with paved shoulder configuration satisfying level of service B for the entire length of the project road. The cross drainage works include reconstruction and widening of culverts and bridges.

Environmental and Social management aspects also form a component of the project. The entire works shall be procured through a single contract package. Andhra Pradesh Road Development Corporation (APRDC) shall be the implementing agency. Land acquisition for the widening work is in progress

12. The subproject shall have the following components:

- (i) 9.461 km (existing road length km 9.207 is formed the basis of Land Plan schedule) long two lane road with paved shoulders having flexible pavement consisting of Granular Sub-base, Wet Mix Macadam, Dense Bituminous Macadam and Bituminous Concrete with prime coat and tack coat.
- (ii) Major priority at-grade junctions at Km 0+000 with Naidupeta–Tirupati Road and with Tada – Srikalahasthi Road at km 9+461.
- (iii) Roadside drains
- (iv) Minor bridges (4 Nos) at km 0+374, 0+755, 2+322, 8+905 and major bridge at km 8+172 having 5 x15m span.
- (v) New / Reconstruction of 32 box culverts
- (vi) Traffic signs, road markings, bus shelter and crash barriers for high embankments along with other safety measures.
- (vii) Provision of utility corridor along the road and cross ducts across the road.

**C. APRDC-04: Widening and Strengthening of External Connectivity to Naidupeta Industrial Cluster with NH 16 to Two Lane with Paved Shoulders in Yerpedu–Srikalahasti Node**

13. External Connectivity to Naidupeta Industrial Cluster with NH 16 is connecting State Highway Naidupeta–Venkatagiri Road & Visakhapatnam–Chennai Road (NH 16), located in Chittoor district of Andhra Pradesh. The existing ROW varies from 12 to 15m along the project road with carriageway varying from 3.6 to 7m. Based on the projected traffic volume of 9261 PCU for the year 2038, the subproject proposes two-lane with paved shoulder configuration satisfying level of service B for the entire length of the project road. The cross drainage works include reconstruction and widening of culverts and bridges. Some new structures may also be constructed based on requirement and that include one ROB across the Chennai–Vijayawada Railway Lane and a Trumpet Interchange across the NH 16. Environmental and Social management aspects also form a component of the project. The entire works shall be procured through a single contract package. Andhra Pradesh Road Development Corporation (APRDC) shall be the implementing agency. Land acquisition for the widening work is in progress

14. The subproject shall have the following components:

- (i) 8.70 km long two-lane road with paved shoulders having flexible pavement consisting of Granular Sub-base, Wet Mix Macadam, Dense Bituminous Macadam and Bituminous Concrete with prime coat and tack coat.
- (ii) Trumpet interchange at NH16 with two 42m span opening for NH16 traffic.
- (iii) One road over bridge (ROB) at km 6+966 to replace the existing level cross. The proposed ROB consist of 5 spans (4x36.9 and 1x25m.) with service roads on either side of the ROB structure and its approach.
- (iv) Service roads on ROB and trumpet interchange stretches.
- (v) Major priority at grade junction at Km 0+000 with Naidupeta – Venkatagiri Road
- (vi) Roadside drains throughout the project alignment.

- (vii) Single span minor bridge at km 2+609 and a major bridge of 5 x15m span at km 5+623.
- (viii) New / Reconstruction of 20 box culverts
- (ix) Traffic signs, road markings, bus shelter and crash barriers for high embankments along with other safety measures.
- (x) Provision of utility corridor along the road and cross ducts across the road.

## OUTLINE TOR FOR PROJECT MANAGEMENT AND SUPERVISION CONSULTANT FOR IMPLEMENTING COMPONENTS UNDER PROJECT 2

1. The VCICDP Project 2 shall primarily focus on industrial infrastructure development in Visakhapatnam and Yerpedu–Srikalahasti Nodes of the Visakhapatnam-Chennai Industrial Corridor. The project investments include internal infrastructure, bulk water supply and external connectivity improvements in three industrial clusters—Chittoor–South, Nakappalli, and Rambilli. The project investments also include improving the connectivity through the road development. In addition to these infrastructure subprojects, the project investment shall also include several soft components targeting to meet the Finance-Plus criteria agreed between Government of India and ADB.

### I. EXISTING SCOPE FOR PROJECT SUPERVISION

2. The existing Project Management and Supervision Consultants (PMSC) shall continue to carry out the tasks related to Project Management and Construction Supervision of the project components in Project 2. This includes 7 contract packages planned under the Project and all related supervision, monitoring and management activities with the similar TOR and scope of works as in Project 1 shall continue. The scope related to Project 2 packages procured shall be funded under Tranche 1 of the MFF until the proceeds of Tranche 1 for PMSC is exhausted and it shall be taken over by the proceeds of Tranche 2. This shall be done through a variation in contract. The additional man months required for this variation is given in Table below:

S.No	Position	Variation Under Tranche 2 <sup>a</sup>
	<b>Key Staff</b>	
1	Project Planning & Managing Expert -Team Leader	20
2	Water Supply Engineer	18
3	Transportation Specialist	7
4	Road Safety Specialist	3
5	Electrical and Energy Specialist	2
6	Social Development & GESI Specialist	20
7	Social Safeguard Specialist/Coordinator	20
8	Social Safeguard and gender Specialist (Vizag Node)	18
9	Social Safeguard and gender Specialist (Chittoor Node)	18
10	Communication Specialist	16
11	Env ,& Safeguard Specialist	18
12	Marketing and Promotion Expert	6
13	Financial Management Expert -1	10
14	Financial Management Expert -2	9
15	Procurement/ Contract Management Specialist	9
16	Health & Safety Manager -1	7
17	Institutional Development Expert	2
18	Const.Manager- DTL (Industries)	12

S.No	Position	Variation Under Tranche 2 <sup>a</sup>
19	R.E-1 (Industry Sector)	17
20	R.E-2 (Industry Sector)	12
21	Const.Manager- DTL (Roads)	16
22	R.E-1 (Transportation)	18
23	R.E-2 (Transportation)	18
	<b>Total Key Staff</b>	296
	<b>Non Key Staff</b>	
	<b>Supervision Staff (Existing)</b>	
1	Engineer/ Const. Supervisor-1	17
2	Engineer/ Const. Supervisor-2	17
3	Engineer/ Const. Supervisor-3	17
4	Engineer/ Const. Supervisor-4	17
5	Engineer/ Const. Supervisor-5	17
6	Engineer/ Const. Supervisor-6	12
10	Data Entry Operator	20
11	Engineer/	17
	<b>Supervision Staff (New)</b>	
1	R.E-3 (Industry Sector)	10
2	R.E-3 (Transportation)	15
3	Sr.Planning Engineer	12
4	Sr.Mechanical Engineer	10
5	Billing/ Cost Engineer	12
6	Bridge Engineer	15
7	Material Engineer – 1	15
8	Material Engineer – 2	15
9	Material Engineer – 3	12
10	Material Engineer – 4	12
11	Marketing and Promotion Expert (additional)	15
12	Engineer/ Const. Supervisor-7 (Industry)	8
13	Engineer/ Const. Supervisor-8(Industry)	8
14	Engineer/ Const. Supervisor-9 (Industry)	8
15	Engineer/ Const. Supervisor-10(Industry)	8
16	Engineer/ Const. Supervisor-11(Industry)	8
17	Engineer/ Const. Supervisor-12(Urban)	10
18	Engineer/ Const. Supervisor-13(Road)	15
19	Engineer/ Const. Supervisor-14(Road)	15
20	Engineer/ Const. Supervisor-15(Road)	10

S.No	Position	Variation Under Tranche 2 <sup>a</sup>
21	Engineer/ Const. Supervisor-16(Road)	15
22	Social and gender Mobilizer (Visag node)	20
23	Social and gender Mobilizer (Chittoor node)	20
24	Environmental engineer (Visag node)	20
25	Environmental engineer (Chittoor node)	20
	<b>Sub total</b>	<b>462</b>
	<b>Total Key + Non Key</b>	<b>758</b>
	<b>Office Staff</b>	
1	Accountant	20
2	Office Manager	20
3	CAD Operator	18
4	Office Assistant	20
	<b>Total Office Staff</b>	<b>78</b>

DTL = deputy team leader, GESI = gender equality and social inclusion.

<sup>a</sup> These services assume to cover the period from 1 January 2025 to 19 March 2026.

### III. FINANCE-PLUS SUPPORT

3. In addition to the above, the PMSC shall support certain specific soft components as per the additional scope of work given in the below sections. This shall be financed under Project 2 and be done through a separate contract variation of the PMSC contract. The additional staff and their qualification and experience required are also indicated in this outline TOR below.

#### A. Additional scope

4. The additional scopes of work of the PMSC towards:

##### 1. Implementation support to roll-out updated marketing plan for investor promotion.

5. The project shall support the GoAP to implement the enhanced marketing and investment promotion activities.

6. The consultant shall support the following:

- (i) Update the draft marketing plan prepared by CDTA team and finalize the roll-out program.
- (ii) The updated marketing plan should include the following programs in the short-term (within the loan availability period) and medium-term (by end 2030).
  - (i) Position unique selling proposition - define branding strategy, marketing mix, communication strategy to attract maximum investments.
  - (ii) Boost brand awareness - improve brand awareness through engagement with the potential customers on web-based platforms

- (iii) Content development - create contents to attract and retain a clearly defined audience (focus sectors)
- (iv) Develop web-based media outreach of VCICDP for national and global marketing
- (v) Digitalize communication materials for reaching out to the target audience.
- (vi) Reaching out to the investors - Broad base outreach to ensure coverage of the entire range of target firm to invest in the priority nodes.
- (vii) Support the state government to organize physical and virtual road shows, investor meet nationally and globally
- (viii) Coordinate with central agencies and department such as National Industrial Corridor Development Corporation Limited (NICDCL), Invest India department of Promotion of Industry and Inter Trade (DPIIT) to develop synergy with national level investment promotion strategy.
- (iii) Support implementation of the short-term roll-out program.

## **2. Provision of training for skilling for improved employability**

7. The project shall support to implement skill training programs including project-affected people and non-affected persons, prioritizing socially vulnerable and those belonging in the economically weaker section include BPL families of backward castes and other backward classes; and poor rural youth, women candidates, and candidates belonging to particularly vulnerable tribal groups, schedule tribe, scheduled caste, minority, persons with disabilities, transgender, rehabilitated bonded labor, victims of trafficking, manual scavengers, HIV-positive persons who will be given preference as per GOI's Deen Dayal Upadhaya-Gram Kaushal Yojana (DDU-GKY) Scheme guidelines.

8. The consultant shall
- (i) support in identifying and implementing the priority training programs in coordination with other institutes including APSSDC and priority industry groups.
  - (ii) support in reviewing and updating the modules/curricula to make it appropriate for the targeted beneficiary industrial clusters.
  - (iii) Conduct monitoring and post survey to assess improved awareness and knowledge.
  - (iv) Support in preparing a completion report.
  - (v) Conduct an impact assessment study of the skills training program conducted covering 100 beneficiaries, including 40 women beneficiaries.

## **3. Sustainable Operation and Maintenance Improvement Plan (SOMIP) for Industrial Clusters.**

9. The project shall target to identify and solve core issues related to sustainability including institutional sustainability - such as optimal role demarcation of APIIC, IPs, and IALAs, transformation to SPV arrangement, and MIS; operational sustainability such technical issues, technical training requirements etc; financial sustainability such as enhanced user charges and property tax, adequate O&M budget allocation, supporting revenue actions by APIIC, earmarking of government grants and establish maintenance reserve accounts) and social aspects – such as awareness raising, local employment promotion.

10. The consultant shall support the following:

- (i) Identify issues related to sustainability and linking it to a KPI based performance during the life cycle of the project and overseeing it including listing actions and timelines.
- (ii) Forecast O&M expenditures and propose allocation of appropriate O&M budget.
- (iii) Define problems and propose solutions for improvements in:
  - (a) Inputs and Processes – Related to reporting (database, KPI based reporting, periodicity and schedule), standard operating procedures (related to repair works, upkeep and use of machinery, maintaining infrastructure), project management (inspection, contract milestones & achievement, use of materials) and financial aspects (tax collection, audit, budget allocation & utilization);
  - (b) Project and functional level outputs – Service levels, construction and rehabilitation of infrastructure; energy efficiency etc;
  - (c) Outcomes – Reduced incidence of breakdowns/major repairs, pollution control; loss of production days etc.
- (iv) Help to lay foundation for a well-defined reporting mechanism with required infrastructure and human and ICT resources for:
  - (a) Providing scheduling tools, reporting formats, defining timelines and accountability mechanisms for periodic operations & maintenance
  - (b) Including guidance for preparing physical and financial estimates, tendering of works
  - (c) Monitoring progress in key milestones in maintenance

**4. Toolkit for enhancing industry-urban linkage with gender-responsive and socially inclusive guidance in the areas adjacent to the industrial clusters.**

11. The project shall support to develop a toolkit for enhancing industry-urban linkage to improve livability of areas adjacent to the VCIC clusters.

12. The consultant shall

- (i) Review the node level planning approach of Vizag node and Chittoor–Srikalahasti node proposed in the VCIC Masterplan study;<sup>31</sup>
- (ii) Review of existing Master Plans for Tirupati Urban Development Area and Vishakhapatnam Metropolitan Region and Zonal Development Plans for select neighbouring towns/ adjoining areas, as well as Plan under preparation for Nellore. Besides Tirupati and Visakhapatnam, the assessment should cover zonal development/ Master Plan for at least two Small Towns;
- (iii) Review the Urban and Regional Development Plans Formulation and Implementation (URDPFI) Guidelines. UDPFI Guidelines, 2014 of Government of India and AP Town Planning guidelines 2019 (and updates). Review guidelines as relevant to urban/ area planning with regard to Disaster Risk Management especially with regard to land use/ flooding and industry related safeguards (as per National Disaster Management Act 2005 and related Regulations). (<http://www.ndma.gov.in/Governance/Guidelines>)
- (iv) Review of approaches on climate resilient urban/ area development;
- (v) Review of the transport models that focus on mobility aspects to enhance regional connectivity;

<sup>31</sup> Node is a term used to define industrial clusters as part of preparation of Integrated Master Plan for the Vizag-Chennai Industrial Corridor.



- (vi) Environmental impact assessment perspectives of Ministry of Environment and Forest (MOEF) and best practices to address upfront larger environmental priorities in plan formulation;
- (vii) Review of relevant legislations associated development control regulations and green building codes, including green development codes for strengthening the built environment of Andhra Pradesh;<sup>32</sup>
- (viii) Document current practices in promoting industrial housing, including;
  - (a) a rapid assessment of a market for housing both in terms of ownership and rental.
  - (b) Planning norms/ regulations for such housing in urban and industrial area plans
  - (c) Gender specific responses in industrial housing
  - (d) Green and sustainability concepts
- (ix) Based on the reviews above of both national and international best practices, develop the toolkit for enhanced industry-urban linkage by improving area development;
  - (a) Define VCIC urban ecosystem in preparation for the future influx of new jobs and the resulting increased population (ex. new residential development, community facilities, road enhancement, infrastructure utilities, parks and recreational areas)
  - (b) Articulate elements required for integrated planning adopted in the local context (ex. climate change resiliency, disaster reduction, environmental consideration, sustainable energy, efficient mobility for commuting, conducive living environment, and enhanced municipal resource mobilization)
  - (c) Develop the toolkit for concerned stakeholders to maximize the benefits of urban agglomeration and minimize the adverse impact. It should cover spatial approach and non-spatial approach. Spatial approach may include spatial and land use planning, and environmental, development control, and building code regulations. Non-spatial approach may include fiscal/inter-governmental transfers, tax policies (land-based and service oriented), and industrial, energy and agriculture policies. In this regard, the consultants shall interact with Smart City and Amrut Mission of the state, as well as the State Finance Commission to understand and define the status with regard to agreed reforms with Government of India, and possible mechanisms to scale up in the towns of the industrial corridor
  - (d) Approach to industrial housing and its mainstreaming in industrial/ area planning.
  - (e) Prepare gender-responsive and socially inclusive guidance which include (but not be limited to): guidance on identification of GESI needs and strategies for their mainstreaming in the industry and urban planning linkages; and guiding principles on inclusive urban infrastructure and industrial housing in the project-influence nodes. Suggested features for industrial housing include; separate rooms for privacy to women and girls, separate kitchens, proper ventilation, access to potable water, open spaces/parks; transport facilities for access to workplaces and markets; and access to healthcare and educational facilities (refer to GESI Action Plan for project 2).

<sup>32</sup> Relevant Acts: I. AP Town and Country Planning Act -1920; II. AP Municipal Corporations Act- 1955; III. AP Municipalities Act – 1965; IV. Andhra Pradesh Urban Areas (Development Act 1975) V. 74th Constitutional Amendment Act, 1992; VI. AP Capital Region Development Authority (CRDA) Act -2014; VII. AP Metropolitan and Regional development Authorities Act- 2016, and Andhra Pradesh Building Rules, 2017 (& as amended)

- (x) Disseminate the toolkit and support if required in its adoption by the stakeholders.

## **5. Development of Green Corridor Implementation Model Operational Guidelines at industrial cluster level**

13. Under VCICDP, the CDTA team has developed the Green Corridor Concept Framework (GCCF) which is designed as an enabling framework aimed at making VCIC a green and inclusive manufacturing hub that promotes and accelerates sustainable economic growth, while mitigating the environmental and social impacts. This will be achieved through implementation of a number of suggested initiatives and approaches by industries, SME's and MSME's under a short term, medium term and long-term action plan. The GCCF framework implementation shall support mandatory regulatory compliance and provide guidance to inculcate global best in class environmental practices amongst the industrial clusters.

14. Following on the GCCF, and priority area identified, the project shall further support the PMU/Government of Andhra Pradesh via development of GCCF implementation policy and detailed model operational guideline for implementation at cluster level.

15. The consultants shall

- (i) Review the GCCF and available guidance and training materials developed under the CDTA.
- (ii) Identify and select model / representative industrial clusters within VCIC in greenfield, brownfield, and fully developed categories.
- (iii) Carryout wider stakeholder consultations including APPCB and needs assessment for GCCF policy and implementation.
- (iv) Prepare the model guidelines with the following priorities identified in GCCF:
  - (a) Reduction of Environmental Impacts – (i) implementation of Environmental Management Systems (EMS); (ii) developing and implementing star rating, rewards and recognition programs; and (iii) promoting use of less polluting fuels).
  - (b) Improving Resource Efficiency – (i) promoting energy and water use reporting and establishing Efficiency Targets; (ii) increasing adoption of energy efficient equipment's; (iii) increasing adoption of water efficient systems and water recycling; and (iv) promoting green buildings
  - (c) Reduction of climate change impacts – (i) promoting climate resilient infrastructure; (ii) greenhouse gas reporting and voluntary target adoption, (iii) increasing renewable energy uptake, (iv) local sourcing and supplier localization; and (v) increasing green cover
  - (d) Circular Economy – (i) industrial layout design for promoting circularity and (ii) setting up of waste management centers.
- (v) Facilitate and work closely with APIIC in obtaining/initiate process to obtain ISO 14001 Environmental Management System Certification for at least one industrial cluster
- (vi) Strengthen APIIC's capacity particularly at industrial park level, to promote environmental sustainability; ensure regulatory compliance in pollution control and encourage international good practices and ISO certification; facilitate redress of public grievances; facilitate awareness, training, and capacity building programs for

member industries and other stakeholders; and document, report and implement public disclosure of environmental performance.

## **6. Disaster Risk Management Plan for Industrial Clusters**

16. The project shall support preparation of a Disaster Risk Management Plan for Industrial Clusters.
17. The consultant shall:
  - (i) Identify and select industrial clusters within VCIC in Red-category and Engineering for preparing guidelines.
  - (ii) Develop and disseminate the framework and detailed model operational guidelines for different stakeholders (Industries and Community) by (i) understanding hazard, exposure, and vulnerability; (ii) inter-agency coordination; (iii) investment plan including structural measures and non-structural measures such as capacity building.
  - (iii) Formulate the preparation and response plan covering all phases of disaster management: prevention, mitigation, response and recovery. The plan shall include (i) methods for information dissemination; (ii) evacuation plan of people and animals; (iii) search and rescue measures; (iv) medical care; (v) emergency management of utilities and general services related to drinking water, sanitation, temporary shelters, power, fuel, transportation, etc.
  - (iv) Support to strengthen institutional resiliency to disaster risk by (i) mainstreaming and integrating DRR in industrial cluster management; (ii) establish quality standards, certifications, and awards for DRM; and (iii) awareness raising, capacity building, and promotion of participatory approaches.

## **7. Knowledge dissemination and cross-border exchange to other cities in India and beyond.**

18. The project shall support to implement the knowledge dissemination for wider replication in India and beyond.
19. The consultant shall:
  - (i) Prepare Knowledge Products based on ADB's upstream (Conceptual Development Plan, Regional Perspective Plan, and Master Plan) and downstream work. It will include GESI intervention results from GESI AP and DMF indicators for Tranche 1 and Tranche 2 (refer to GESI AP of Project 2).
  - (ii) Partner with the Government platform - Partnering with NICDCL, Invest India, DPIIT to disseminate the innovative designs, lessons, and good practices of VCIC.
  - (iii) Conduct dissemination workshops through ADB's network and resources - Engage with other Indian states, think tanks, and experts. ADB's Capacity Development Resource Centre (CDRC) at INRM will be providing training and building capacity for other states in pursuing the corridor development.
  - (iv) Support Dissemination at the regional forum highlighting the Economic Corridor Development as one of the 4 pillars of SASEC program and VCIC as a good example of implementation of India's Act East policy.

## 8. Implementation Support to GESI Action Plan

20. A GESI AP has been prepared with a list of actions and performance targets. The consultant shall support in implementation, monitoring, evaluation and reporting of GESI activities, mainly the activities indicated for Gender-Equity and Social Inclusion Expert (financial-plus elements) in the column of Project Management Activities in GESI AP. Budget for various campaigns and capacity building activities are included under the Provisional Sum.

## 9. Gender Mainstreaming Guidelines of DOIC

21. The project shall support preparation and implementation of Gender Mainstreaming Guidelines of DOIC to ensure the inclusion of women in skills enhancement training, higher women's participation in the industrial labor force, and the provision of business-related licenses, fiscal incentives, and special packages for women.

22. The consultant shall:

- (i) Review the available policy/strategy/framework to promote gender responsive measures in the GoAP and DOIC.
- (ii) Review the gender mainstreaming guidelines of other state/departments.
- (iii) Identify the areas to enhance the gender responsive measures (including the ones for vulnerable groups such as female-headed households).
- (iv) Prepare draft Gender Mainstreaming Guidelines of DOIC
- (v) Support DOIC to implement the guidelines and monitor the progress

## B. Team Composition

23. In addition to management and construction supervision services to be funded under Loan 2 (758 Man months (Key expert: 296 man months and Non-key expert: 462 man months)), services for financial-plus components require 86 man months (Key expert: 62 man months and non-key expert: 24 man months)

<b>A. Remuneration</b>		<b>Total Man Months</b>
<b>I</b>	<b>International Key Expert</b>	
1	Industrial Area Marketing Expert	3
	International Key Experts Sub-Total	3
<b>II</b>	<b>National Key Expert</b>	
1	Industrial Park Planning & Marketing Expert	20
2	Industrial Risk Management/Safety Expert	5
3	Senior Urban Planner	6
4	Knowledge Management Expert	6
5	Institutional & Governance Expert	3
6	Capacity and Skill Development Expert	3
7	Environmental Policy Expert	3
8	Environmental Management Systems Expert	4
9	Climate Change Specialist	3
10	Public Communication Specialist	3

11	Gender equality and social inclusion specialist expert (finance-plus elements)	3
	<b>National Key Experts Sub-Total</b>	<b>59</b>
<b>III</b>	<b>National Non-Key Expert</b>	
1	Architect	2
2	Legal Advisor	2
3	Municipal Engineer	9
4	Sociologist	3
5	Financial cum Taxation Specialist	3
6	M&E Cum IT Specialist	5
	<b>Non-Key Experts Sub-Total</b>	<b>24</b>

## B. TOR and Qualification and Experience Requirements of Experts

No.	Position	Tasks Assigned	Qualification and Experience Required
<b>I</b>	<b>International Key Expert</b>		
1	Industrial Area Marketing Expert	1 (i),1(ii),1(iii),7(i)	Degree with post-graduation in industrial relations or business administration with 10 years' experience in industrial planning and marketing
<b>II</b>	<b>National Key Expert</b>		
1	Industrial Park Planning & Marketing Expert	1(i),1(ii),1(iii), 3(i to iv),4(i) to 4(iv),4(vi), 4(ix), 4(x),6(i) to 6(iv), 7I)	Degree with post-graduation in industrial relations or business administration with 15 years' experience in industrial planning and marketing
2	Industrial Risk Management/Safety Expert	4(iv),4(ix),6(i) to 6(iv)	Degree with post graduate degree and diploma in industrial risk management or industrial safety. 15 years' experience and led tasks in industrial disaster / risk management guidelines development and implementation
3	Senior Urban Planner	4(i), 4(ii),4(iii), 4(v), 4(vii),4(viii), 4(ix),7(i)	Post-graduation in Urban Planning with around 15 Years' Experience and led tasks in Master Planning
4	Knowledge Management Expert	1(ii), 1(iii), 4(x),7(i) to (iv)	Post-graduation with 10 years' experience in developing knowledge products on social and economic development and computer-based documentation and reporting of urban/industrial planning data
5	Institutional & Governance Expert	4(i),4(ix),6(iii)	Post Graduate Degree in Business Administration/Public Administration/ Urban

No.	Position	Tasks Assigned	Qualification and Experience Required
			Governance with 10 years experience in Municipal/ Industrial sector institutional development/governance.
6	Capacity and Skill Development Expert	2(i),2(ii),2(iii), 7(iii), 7(iv), 8	Post graduate degree in education/training. 10 year experience in training and capacity development
7	Environmental Policy Expert	4(i), 4(vi),4(ix), 5(i) to 5(vi), 7(iii)	Degree with post-graduation in environmental science or engineering with around 15 years' experience and led tasks in environmental policy development for State / National Level
8	Environmental Management Systems Expert	4(vi), 4(vii), 4(viii),4(ix),5(i) to 5(vi)	Post-graduation in Environmental Engineering/ Environmental Science, with around 15-20 years' experience in corporate sustainability strategy, environmental, social and governance (ESG), management systems and standards; should be a certified auditor or trainer for conducting trainings on ISO 14001
9	Climate Change Specialist	4(iv), 4(viii),4(ix),5(i) to 5(vi)	Degree in Engineering/Science with 10 years' experience in energy management / climate change mitigation and adaptation; qualification as GHG auditor (for accounting or verification) will be an advantage
10	Public Communication Specialist	1(ii), 1(iii), 7(i) to (iv)	PG degree in mass communication or Journalism. 5 years relevant experience. Experience in social development sector will be added advantage.
11	Gender Equality and Social Inclusion Expert Specialist (financial-plus element)	4 (ix) e, 7 (i), 8, 9	PG degree in sociology, development studies, social work, or economics, 10 years of experience working with women entrepreneurship and micro-enterprise development in an organization of national repute. A sound familiarity with gender equality and women's empowerment, community development, and

No.	Position	Tasks Assigned	Qualification and Experience Required
			livelihood programs in Andhra Pradesh.
<b>III</b>	<b>National Non-Key Expert</b>		
1	Architect	4	Degree in Architecture with about 5 years of experience in area development projects
2	Legal Advisor	4(iii), 4(ix), 6(iii)	Post-graduation in law. Minimum 5 Year experience in legal aspects of urban and municipal/industrial policies and regulations
3	Municipal Engineer	3(ii), 3(iii), 4(iv), 4(v), 4(viii), 4(ix), 6(i) to 6(iv)	Civil Engineer with around 5 years' experience in public health engineering projects for Urban/Industrial Area
4	Sociologist	4, 6, 8	Masters Sociology with around 5 years' experience in social impact assessment of area development project and in defining programs to address social needs
5	Financial cum Taxation Specialist	4(iii), 4(ix)	PG Degree in Finance or MBA. Minimum 10 Year relevant experience in Municipal /Industrial Financing
6	M&E Cum IT Specialist	2(iii), 3(iv)	Degree in Computer Science or IT or Master of Computer Application. Minimum 5 year experience in urban data systems and related infrastructure.

#### D. Deliverables and Timeline

- (i) Periodic Reports (Monthly, Quarterly, Annual)
- (ii) Situation Analysis and Concept Report for each of the seven components of scope
- (iii) Industrial Cluster Roll Out Plan with Action Items
- (iv) Training Modules & Course Materials
- (v) Sustainable Operation and Maintenance Improvement Plan
- (vi) Toolkit for enhancing industry-urban linkage with gender-responsive and socially inclusive guidance
- (vii) Green Corridor Implementation Policy and Model Operational Guidelines
- (viii) Disaster Risk Management Plan for Industrial Clusters

- (ix) Knowledge Products based on ADB's upstream (Conceptual Development Plan, Regional Perspective Plan, and Master Plan) and downstream work including GESI intervention results
- (x) Any other as discussed and agreed upon

**E. Counterpart Support**

24. Office space shall be provided. Available reports/plans/guidelines and regulation shall be shared. Support shall be provided for inter-agency interactions and public disclosure.

**F. Time Period**

25. From loan effectiveness until March 2026 and as per mutually agreed plan for deployment.



## ROLES AND RESPONSIBILITIES OF THE PROJECT MANAGEMENT UNIT AND PROJECT IMPLEMENTATION UNITS

### A. Project Management Unit

Position	Tasks
Project Director	Overall Project Management
Deputy Project Director	Support Project Director in Overall Project Management
Deputy Collector (Revenue Officer)	Management of land-related issues
Senior Engineer	Technical officer with engineering background and preferably experience of multilateral projects
Deputy Executive Engineers	Support Senior Engineer in procurement, engineering, operational and contract management aspects
Institutional Coordination and Policy Reforms officer	Policy and Institutional support
Investment Promotion Officer	Coordination of VCICDP promotion, marketing
Monitoring and Evaluation Officer	Monitoring project results, including GESI action plan activities
Environmental Safeguards Officer	Environmental safeguards compliance
Social Safeguards and Gender Officer	Resettlement compliance, social, gender
Chief Accountant and Financial Management Officer	Project accounting, audit, and reporting
Accountant	Accounting
Office Manager	Office management
Executive Assistants	Record management and office support

Staff	Responsibilities
Project Director	<p><b>As head of the PMU:</b></p> <p><b>Overall Management of the project:</b></p> <ul style="list-style-type: none"> <li>(i) Day-to-day administration of the project implementation;</li> <li>(ii) Assist the Steering Committee in reviewing project progress; Overall implementation of the project conceptualization to completion;</li> <li>(iii) Oversee project management by PIU's;</li> <li>(iv) Coordination of tasks with ADB and GoAP;</li> <li>(v) Reporting on project performance (Prepare monthly, quarterly midterm and final progress reports) to GoAP and ADB;</li> <li>(vi) Ensure compliance of loan covenants; and</li> <li>(vii) Prepare Project accounts, obtain treasury sub-ledger advance account statements and submit timely statements to ADB and Government.</li> </ul> <p><b>Reforms</b></p> <ul style="list-style-type: none"> <li>(i) roll out updated marketing action plan for investment promotion; and</li> <li>(ii) formulate a plan for the sustainable operation and maintenance of start-up industrial clusters</li> </ul> <p><b>Operational</b></p> <ul style="list-style-type: none"> <li>(i) In coordination with PIUs' develop annual Project work plans, project budget, job descriptions, staffing schedules, equipment budget; and</li> <li>(ii) Coordinate with the state finance department and PIU's in establishing, testing and reviewing financial accounting and control systems and ensuring accurate and timely report submissions and funds flow from the ADB and GoAP.</li> </ul> <p><b>Procurement Related</b></p> <ul style="list-style-type: none"> <li>(i) Finalize procedures and guidelines for procurement of civil works and equipment PMU under advance procurement actions;</li> <li>(ii) Finalize master bidding documents for the project; and</li> <li>(iii) Develop procedures and prepare guidelines for evaluation of bids of contractors/suppliers including their post-qualification wherever necessary.</li> </ul> <p><b>Engineering</b></p> <ul style="list-style-type: none"> <li>(i) Oversee project development activities by PIU's in design of additional projects by DPR consultants and project development facility.</li> </ul> <p><b>Development</b></p> <ul style="list-style-type: none"> <li>(i) Manage Project Development Facility; and</li> <li>(ii) Coordinate with APRDC activities of Road Safety Facility.</li> </ul>
Deputy Project Director (at the level of Joint Director Industries)	<ul style="list-style-type: none"> <li>(i) Support project director in day to day implementation of the Project as per above responsibilities;</li> <li>(ii) take over the role of Project Director in his/her absence</li> <li>(iii) Assist project director in recruitment of staff consultants, attend all staff issues of PIUs and PMU.</li> <li>(iv) Reporting on project performance (Prepare monthly, quarterly midterm and final progress reports) to GoAP and ADB.</li> <li>(v) Prepare, or as necessary, amend existing procedures and guidelines for site supervision, quality control and disbursement including guidelines and detailed job descriptions for engineers, supervisors, accountants, etc.; and</li> <li>(vi) In coordination with PIUs, develop annual project work plans,</li> </ul>

Staff	Responsibilities
	job descriptions, staffing schedules and equipment budgets.
Deputy Collector (Revenue Officer)	<ul style="list-style-type: none"> <li>(i) Management of land aspects of the project and proposed development plans of DOIC;</li> <li>(ii) Review and advise on resettlement aspect of the subprojects; and</li> <li>(iii) In consultation with the District Collectors and APIIC identify and map land available around existing APIIC facility and oversee Master Plan preparation.</li> </ul>
Senior Engineer	<p><b>Procurement</b></p> <ul style="list-style-type: none"> <li>(i) Review evaluation reports, comment and coordinate 'no objection' with ADB for activities being performed by PMU on works, services and goods;</li> <li>(ii) Update procurement plan as necessary; and</li> <li>(iii) Lead in consultation with officers, procurement of services by PMU.</li> </ul> <p><b>Operational</b></p> <ul style="list-style-type: none"> <li>(i) Assist project director in preparation, or as necessary, amend existing procedures and guidelines for site supervision, quality control and disbursement including guidelines and detailed job descriptions for engineers, supervisors, accountants, etc.;</li> <li>(ii) In coordination with APIIC and APRDC develop annual Project work plans; and</li> <li>(iii) Coordinate overall project management with PMSC.</li> </ul> <p><b>Engineering / Design</b></p> <ul style="list-style-type: none"> <li>(i) Oversee project development activities by design consultants and project development consultants as appointed by the project development facility.</li> <li>(ii) Review and appraise projects being developed by design consultants as well as project development consultants.</li> </ul> <p><b>Monitoring and Evaluation</b></p> <ul style="list-style-type: none"> <li>(i) Contribute to M&amp;E for activities related to investment components.</li> </ul>
Deputy Executive Engineers (2 Nos- one each for Vishapatnam and Chittoor node)	<ul style="list-style-type: none"> <li>(i) Support senior engineer in procurement, operational, engineering/design, monitoring and evaluation of the project.</li> <li>(ii) review the proposals on contract modification/variation, extension of time, any other claims of the contractors as per the contract.</li> <li>(iii) Review and appraise projects being developed by design consultants as well as project development consultants</li> <li>(iv) Support PIUs in addressing the contract management aspects</li> </ul>
Institutional Coordination and Policy Reforms officer	<p><b>Policy and Institutional Support and reform support</b></p> <ul style="list-style-type: none"> <li>(i) Lead policy and process re-engineering efforts aimed at ease of doing business, and in service delivery;</li> <li>(ii) Lead and support AP Skill Development Corporation in planning, coordination, support and monitoring of the component; and</li> <li>(iii) Coordinate implementation of TA components/outputs with GoAP, ADB and consultants.</li> </ul>
Investment Promotion Officer	<ul style="list-style-type: none"> <li>(i) Coordination of manufacturing facility development and investor needs with the area developers (APIIC);</li> </ul>

Staff	Responsibilities
	<ul style="list-style-type: none"> <li>(ii) Preparation and support implementation of promotion and marketing plan for various nodes;</li> <li>(iii) Coordination with DIPP on specific marketing / policy events;</li> <li>(iv) Coordination of visits to specific destinations, feedback and response management;</li> <li>(v) Design of promotion materials of the corridor and other requirements as outlined by GoAP; and</li> <li>(vi) Coordinate with visitors to visit proposed facilities and coordinate with agencies on investor needs.</li> </ul>
Monitoring and Evaluation Officer	<p><b>Project and Results Monitoring</b></p> <ul style="list-style-type: none"> <li>(i) Develop the PPMS involving the use of projected targets, performance indicators, assumptions and risks specified in the DMF;</li> <li>(ii) Review Government project M&amp;E procedures and systems in general, with particular reference to policy and investment / development projects;</li> <li>(iii) Advise and train project staff in the overall requirements for monitoring and evaluation, including performance against overall project milestone, safeguards monitoring and financial commitments;</li> <li>(iv) Assist in the preparation of quarterly physical and financial progress report on project achievement, including an annual summary progress report and train project staff in preparing such reports;</li> <li>(v) Assist training project staff in managing the monitoring of resettlement activities and implementation arrangements and preparation of quarterly reports on the status of resettlement plan implementation, information of people affected and assistance provided to displaced people;</li> <li>(vi) Oversee the baseline data and information gathering, conduct necessary surveys and conduct analysis of survey results;</li> <li>(vii) Assist in harmonizing the requirements for monitoring and evaluation of the government and ADB and in developing the project's monitoring and evaluation framework;</li> <li>(viii) Assist and train the project staff in preparing detailed data monitoring formats, survey designs and schedule of monitoring and evaluation activities;</li> <li>(ix) Assist in the preparation of scope of services and TOR for the conduct of detailed monitoring and evaluation studies, procurement and selection of service providers; and</li> <li>(x) Assist in the overall monitoring and evaluation of the GESI action plan implementation and in the reporting of GESI action plan activities and achievements, including preparation of monitoring formats for quarterly and bi-annual progress reports on GESI action plan implementation.</li> </ul>
Environmental Safeguards Officer	<p><b>Environment Compliance in Consultation with PIU:</b></p> <ul style="list-style-type: none"> <li>(i) confirm existing IEEs/EMPs are updated based on detailed designs and that new IEEs/EMPs are prepared in accordance with the EARF and subproject selection criteria related to safeguards;</li> <li>(ii) confirm whether IEEs/EMPs are included in bidding documents and civil works contracts;</li> <li>(iii) provide oversight on environmental management aspects of subprojects;</li> </ul>

Staff	Responsibilities
	<ul style="list-style-type: none"> <li>(iv) ensure SEMP prepared by contractors are cleared by PIUs prior to commencement of civil works;</li> <li>(v) establish a system to monitor environmental safeguards of the project including monitoring the indicators set out in the monitoring plan of the SEMPs;</li> <li>(vi) facilitate and confirm overall compliance with all government rules and regulations regarding site and environmental clearances as well as any other environmental requirements (e.g., location clearance certificates, environmental clearance certificates etc.), as relevant;<sup>33</sup></li> <li>(vii) supervise and provide guidance to the PIUs to properly carry out the environmental monitoring and assessments as per the EARF;</li> <li>(viii) review, monitor and evaluate the effectiveness with which the SEMPs are implemented, and recommend necessary corrective actions to be taken as necessary;</li> <li>(ix) consolidate monthly environmental monitoring reports from PIUs and submit semi-annual monitoring reports to ADB;</li> <li>(x) ensure timely disclosure of final IEEs/SEMPs in locations and in a form and language accessible to the public and local communities; and</li> <li>(xi) address any grievances brought about through the GRM in a timely manner.</li> </ul>
Social Safeguards and Gender Officer	<p><b>Social Safeguard compliance</b></p> <p>The role is to implement the policies and operational procedures of Resettlement Framework and Indigenous People Planning Framework, and other requirements under the GESI and CPP, and also be proactive in identifying likely safeguard issues that could be relevant in the context of its portfolio of projects.</p> <p>The following are the responsibilities to be carried out in consultation with the PIU:</p> <ul style="list-style-type: none"> <li>(i) review resettlement plans prepared by the PIUs in accordance with VCICDP resettlement framework, ADB's Safeguards Policy Statement, 2009 based on final detailed designs and submit to ADB for review, final approval, and disclosure prior to award of contract;</li> <li>(ii) ensure payment of compensation and resettlement assistances prior to commencement of civil works;</li> <li>(iii) monitor resettlement plan implementation and rehabilitation of displaced persons prior to and during construction;</li> <li>(iv) conduct internal monitoring and assist the external monitor in external monitoring of the resettlement process to ensure smooth implementation;</li> <li>(v) monitor work of nongovernmental organization (NGO) or agency as required;</li> <li>(vi) review quarterly resettlement monitoring reports prepared by resettlement agency or NGO and take required corrective actions, if any and consolidate the reports of Category B or C subprojects</li> <li>(vii) prepare and submit semi-annual safeguard monitoring report to ADB based on the quarterly resettlement reports;</li> <li>(viii) address and record grievances through the GRM in a timely</li> </ul>

<sup>33</sup> All necessary environmental clearances should be obtained prior to contract awards to avoid delay in physical progress of relevant subprojects.

Staff	Responsibilities
	<p>manner, and taking quick corrective actions where necessary to facilitate the redressal of grievances in coordination with contractors, NGO, and displaced persons;</p> <ul style="list-style-type: none"> <li>(ix) engage in ongoing meaningful consultations with stakeholders and affected persons;</li> <li>(x) implement project GRM and maintain the records;</li> <li>(xi) for all Category A subprojects support PMU in recruiting independent external monitoring agency with endorsement from ADB;</li> <li>(xii) ensure project compliance to resettlement framework of VCICDP and ADB Safeguards Policy Statement including safeguards requirement on indigenous people and Indigenous Peoples Development Framework;</li> <li>(xiii) monitor the implementation of corrective action plans, if any, consistent with the safeguard frameworks;</li> <li>(xiv) facilitate all PIU/PMU staff in understanding the GESI action plan;</li> <li>(xv) coordinate with PIUs for implementation of GESI action plan;</li> <li>(xvi) assist in conducting gender sensitization workshops;</li> <li>(xvii) participate in consultation meetings on gender components organized by PIU with PIU/PMU staff;</li> <li>(xviii) supervise and monitor GESI action plan implementation;</li> <li>(xix) prepare quarterly and bi-annual reports on progress of GESI action plan; and</li> <li>(xx) take corrective measures as required, to ensure proper implementation of GESI action plan activities.</li> </ul>
Chief Accountant and Financial Management Officer	<ul style="list-style-type: none"> <li>(i) Overall Financial Management;</li> <li>(ii) Responsible for maintenance of accounts and records with respect to the project;</li> <li>(iii) Assist the project director for preparing financial forecast for the year and each quarter;</li> <li>(iv) Assist the nodal officer/ project officers in preparation of the budget;</li> <li>(v) Ensure effective internal controls are in place at all time.</li> <li>(vi) ensure accounts are maintained in accordance with applicable accounting standards;</li> <li>(vii) coordinate with PIUs on financial matters;</li> <li>(viii) Assist the project director in getting the account audited;</li> <li>(ix) Prepare disbursement claims for funds from funding agencies;</li> <li>(x) Classify the expenditure and maintain the account using appropriate software;</li> <li>(xi) Ensure timely disbursement of payments and writing of cash books and other records of account;</li> <li>(xii) Prepare the financial statements and bank reconciliation statement/treasury sub-ledger advance account statement;</li> <li>(xiii) Generate financial information as required; and</li> <li>(xiv) Any other function assigned by the project director, procurement experts and others through the nodal officer.</li> </ul>

Staff	Responsibilities
Accountant	<ul style="list-style-type: none"> <li>(i) Assist the project in preparing annual budget estimates and in maintaining proper budget controls as well as in monitoring budget execution;</li> <li>(ii) Maintain separate book of accounts for the project entity in accordance with applicable accounting standards;</li> <li>(iii) Record all transactions in the PMU accounting software;</li> <li>(iv) Prepare payments for approval;</li> <li>(v) Prepare withdrawal applications in accordance with ADB disbursement handbook and collect all supporting documentation in accordance with ADB loan disbursement handbook;</li> <li>(vi) Monitor the advance account and the sub advance account maintained in the treasury and conduct monthly reconciliations;</li> <li>(vii) Reconcile project accounts with the ADB disbursement data to ensure all funds disbursed by ADB are correctly reflected in the periodic financial reports and the project financial statements;</li> <li>(viii) Prepare quarterly financial reports and project annual financial statements in the agreed format and in a timely fashion;</li> <li>(ix) Support the audit as necessary and follow-up on/implement internal and external audit recommendations to further improve the internal controls of the project</li> </ul>
Office Manager	The office manager would be responsible to assist project director/deputy project director in all administrative aspects and human resources issues of the Project.
4 Executive Assistants	<ul style="list-style-type: none"> <li>a. Organize documents and maintain office records</li> <li>b. Provide administrative and secretarial support to the PMU staff</li> <li>c. Support PMU staff in desktop activities, communications</li> </ul>

ADB = Asian Development Bank, APIIC = Andhra Pradesh Industrial Infrastructure Corporation, APIIC = Andhra Pradesh Industrial Infrastructure Corporation, APRDC = Andhra Pradesh Road Development Corporation, CPP = consultation and participation plan, DMF = Design and Monitoring Framework, DOIC = Department of Industries and Commerce, DPR = detailed project report, EARF = environmental assessment review framework, GESI = gender equality and social inclusion, GoAP = Government of Andhra Pradesh, GRM = grievance redress mechanism, IEE = initial environmental examination, M&E = monitoring and evaluation, NGO = nongovernment organization, PIU = project implementing unit, PMSC = project management and supervision consultant, PMU = project management unit, SEMP = site-specific environmental management plan, TOR = terms of reference, VCIC = Visakhapatnam–Chennai Industrial Corridor, VCICDP = Visakhapatnam–Chennai Industrial Corridor Development Program.

Source: Asian Development Bank.

**B. Project Implementation Units****1. APRDC****(a) Head Office**

<b>Position</b>	<b>Job Description</b>
Project Director APRDC	<p>As Head of the PIU, will be responsible for</p> <p><b>Overall Management of the project:</b></p> <ul style="list-style-type: none"> <li>(i) Day-to-day administration of the project</li> <li>(ii) Overall implementation of the project- conceptualization to completion;</li> <li>(iii) Provide necessary guidance for the Engineers in particular and the PIU staff in general on implementation of the Project, oversee project management by engineers;</li> <li>(iv) Manage all the issues of project implementation including the resettlement, land acquisition, coordination with other agencies;</li> <li>(v) Reporting on project performance (monthly, quarterly midterm and final progress reports) to PMU; and</li> <li>(vi) Review and submission of Project accounts to ADB/ GoAP.</li> </ul> <p><b>Operational</b></p> <ul style="list-style-type: none"> <li>(i) In coordination with PMU develop annual project work plans, staffing schedules and budgets; and</li> <li>(ii) Coordinate with the PMU in establishing, testing and reviewing financial accounting and control systems and ensuring accurate and timely report submissions and funds flow to the project.</li> </ul> <p><b>Procurement Related</b></p> <ul style="list-style-type: none"> <li>(i) Overall review and finalization of all procurement packages and coordinate the process for procurement of civil works and equipment.</li> </ul> <p><b>Engineering and Safety</b></p> <ul style="list-style-type: none"> <li>(i) Overall review of designs and estimates and advise PMSC on additional projects being developed under the loan; and</li> <li>(ii) Lead road safety program activities in coordination with Transport Commissioner of the State.</li> </ul>



Position	Job Description
Executive Engineer	<p>The senior engineer will be the executive head of the PIU and would be in charge of the day-to-day activities.</p> <p>Relevant general management tasks for the PIU will govern the functions of senior engineer.</p> <p><b>Operational</b></p> <ul style="list-style-type: none"> <li>(i) Assist project director in preparation, or as necessary, amend existing procedures and guidelines for site supervision, quality control and disbursement including guidelines and detailed job descriptions for engineers, supervisors, accountants, etc.;</li> <li>(ii) In coordination with field executive engineers, develop annual Project work plans; and</li> <li>(iii) Prepare monthly, quarterly, mid-term and final progress reports.</li> </ul> <p><b>Engineering</b></p> <ul style="list-style-type: none"> <li>(i) Review's design reports as submitted by executive engineers and advise on finalization of detailed designs, drawings, specifications, bills of quantities, cost estimates, tender documents and associated contract documentation for procurement of works and equipment in the Project under ICB, NCB and Shopping;</li> <li>(ii) Overseeing quality assurance and implementation activities under all the sub-projects; and</li> <li>(iii) Review of bills and submit for approval by project director and the accounts unit.</li> </ul> <p><b>Procurement Related</b></p> <ul style="list-style-type: none"> <li>(i) Based on standard bidding documents for the project, prepare guidelines for evaluation of bids of contractors/suppliers including their post-qualification wherever necessary; and</li> <li>(ii) The senior engineer will lead procurement/ bidding (Issue of bidding document, bid evaluation, finalize contract agreement etc.).</li> </ul> <p><b>Accounting</b></p> <ul style="list-style-type: none"> <li>(i) Monitor all billing and payments towards works and goods provided.</li> </ul>
Deputy Executive Engineer, procurement and Compliance Officer	<p>The Engineers whose task are:</p> <p><b>Preparation</b></p> <ul style="list-style-type: none"> <li>(i) Oversee preparation of additional projects by design consultants; and</li> <li>(ii) Oversee project implementation plans including land acquisition and shifting of utilities.</li> </ul> <p><b>Design</b></p> <ul style="list-style-type: none"> <li>(i) Review of design, estimates and bid documents;</li> <li>(ii) Assist PIU in requisite approvals from authorities; and</li> <li>(iii) Oversee the process of bidding, IFB, evaluation and award.</li> </ul> <p><b>Supervision</b></p> <ul style="list-style-type: none"> <li>(i) Periodic site supervision of works;</li> <li>(ii) Quality assurance and recording measurements;</li> <li>(iii) Reviewing measurements and advise on bills;</li> <li>(iv) Assist senior engineers in all activities related to technical and procurement issues from evaluation to commissioning of works, including variation orders;</li> <li>(v) Review progress on payments to contractors/ suppliers;</li> <li>(vi) Prepare monthly, quarterly, mid-term and final progress reports; and</li> <li>(vii) Assist / Coordinate preparation of final measurement and 'as built' drawings.</li> </ul> <p><b>Quality Control and Check Measurements</b></p> <ul style="list-style-type: none"> <li>(i) Responsibility for quantity surveys and check measurements.</li> </ul>

Position	Job Description
Environmental Safeguards Manager	<p><b>Environmental Safeguards</b></p> <ul style="list-style-type: none"> <li>(i) include IEEs/EMPs in bidding documents and civil works contracts;</li> <li>(ii) review and approve SEMP's prepared by contractors;</li> <li>(iii) submit monthly environmental monitoring reports to PMU;</li> <li>(iv) conduct continuous public outreach and awareness building related to environmental management;</li> <li>(v) address grievances brought about through the GRM in a timely manner; and</li> <li>(vi) organize induction/refresher courses for the training of contractors in environmental management to be delivered by PMSC consultants.</li> </ul>
Manager – Social Safeguards Communication and Gender	<p>The role is to implement the policies and operational procedures of Resettlement Framework and Indigenous People Plan, and requirements under the GESI. The safeguards manager will:</p> <ul style="list-style-type: none"> <li>(i) update resettlement plans in accordance with VCICDP resettlement framework, ADB's Safeguards Policy Statement, 2009 based on final detailed designs with supports from PMSC and/or turnkey contractors;</li> <li>(ii) submit the final resettlement plans to PMU to be submitted to ADB for review, final approval, and disclosure prior to award of contract;</li> <li>(iii) implement resettlement activities through resettlement plan implementation support agency (NGO), line departments and revenue officials;</li> <li>(iv) holding periodical and meaningful consultations with the affected people on implementation of Loan Agreement and resettlement activities;</li> <li>(v) prepare monthly resettlement plan implementation and physical and financial progress reports;</li> <li>(vi) lead the GRM implementation and record keeping at the project/district/PIU level;</li> <li>(vii) update payment of compensation, disbursement of resettlement assistances, affected persons socio-economic data in the database;</li> <li>(viii) verification of claims for inclusion as affected persons and submit report to PMU for decision;</li> <li>(ix) prepare and implement any CAP, when required, consistent with the frameworks requirements;</li> <li>(x) coordinate with agency or nongovernment organization in the implementation of GESI action plan;</li> <li>(xi) assist in preparing gender sensitization workshop modules, IEC materials;</li> <li>(xii) participate in consultation meetings on gender components;</li> <li>(xiii) prepare quarterly and bi-annual reports on progress of GESI action plan in the road sector;</li> <li>(xiv) supervise implementation of gender responsive road design features, and road safety measures; and</li> <li>(xv) prepare and implement corrective measures as required, to make GESI action plan effective.</li> </ul>

ADB = Asian Development Bank, APRDC = Andhra Pradesh Road Development Corporation, CAP = corrective action plan, , DOIC = Department of Industries and Commerce, DPR = detailed project report, EARF = environmental assessment review framework, GESI = gender equality and social inclusion, GoAP = Government of Andhra Pradesh, GRM = grievance redress mechanism, ICB = international competitive bidding, IEC = information, education, communication, IFB = invitation for bids, NCB = national competitive bidding, NGO = nongovernment organization, PIU= project implementing unit, PMSC = project management and supervision consultant, PMU = project management unit, SEMP = site-specific environmental management plan, VCIC = Visakhapatnam–Chennai Industrial Corridor, VCICDP = Visakhapatnam–Chennai Industrial Corridor Development Program.

**(b) Field Units :**

2 field units to be established by APRDC with following positions

Position	Job Description
2 Executive Engineers	<p>He/she will be the executive head of the PIU and would be in-charge of the day-to-day activities.</p> <p>Relevant general management tasks for the PIU will govern the functions of Executive Engineer.</p> <p><b>Operational</b></p> <ul style="list-style-type: none"> <li>(i) All approvals required to be taken from project director APRDC shall be routed through the Executive Engineer at HQ;</li> <li>(ii) Assist Project Director in preparation, or as necessary, amend existing procedures and guidelines for site supervision, quality control and disbursement including guidelines and detailed job descriptions for engineers, supervisors, accountants, etc.;</li> <li>(iii) In coordination with project manager develop annual Project work plans;</li> <li>(iv) Prepare implementation schedule and plan for work including implementation of works in relation to the resettlement plans;</li> <li>(v) Ensure complete payment and other resettlement assistance provided to the affected people prior to displacements (physical and economical) and starts of civil works in the affected areas;</li> <li>(vi) Prepare monthly, quarterly, mid-term and final progress reports; and</li> <li>(vii) Assist/coordinate in the preparation of final measurement and 'as built' drawings.</li> </ul> <p><b>Engineering</b></p> <ul style="list-style-type: none"> <li>(i) Review and update if necessary detailed designs, drawings, specifications, bills of quantities, cost estimates, tender documents and associated contract documentation for procurement of works and equipment in the Project under ICB, Shopping or NCB;</li> <li>(ii) Supervise, coordinate and monitor the work of the PMSCs and carry out periodic checks of works;</li> <li>(iii) Supervise, coordinate and monitor the work of the PMSC ensuring sound supervision and quality control during construction of sub-project components and any other technical matters;</li> <li>(iv) Overseeing all quality assurance and implementation activities under all the sub-projects; and</li> <li>(v) Review of bills and approval for review by project director and the accounts unit.</li> </ul> <p><b>Accounting</b></p> <ul style="list-style-type: none"> <li>(i) Monitor all billing and payments towards works and goods provided.</li> </ul>
4 Deputy Executive Engineers	<p>Responsible for all the engineering, monitoring, checking bills and quality control activities assign by the senior engineer.</p> <ul style="list-style-type: none"> <li>(i) Assist project manager/executive engineer on all matters at site relating to road works; and</li> <li>(ii) Responsible for the horizontal &amp; vertical profile and quality of road work, level and quality of bridge work and cross drainage structures.</li> </ul>
8 Assistant Engineers	<ul style="list-style-type: none"> <li>(i) Supervision and coordination of works and support deputy executive engineers on all matters at site relating to road works and carry out quality control activities</li> <li>(ii) Support final resettlement plan implementation and GRM disclosure;</li> <li>(iii) Support the GRM implementation, complaint record keeping and problem solving</li> </ul>
2 Managers – Environmental Safeguards	<ul style="list-style-type: none"> <li>(i) review and approve SEMP's prepared by contractors;</li> <li>(ii) oversee day-to-day implementation of SEMP's by contractors including compliance with all government rules and regulations;</li> <li>(iii) take necessary action for obtaining rights of way;</li> <li>(iv) oversee environmental monitoring by contractors;</li> <li>(v) take corrective actions when necessary;</li> <li>(vi) conduct continuous public outreach and awareness building related to environmental management;</li> </ul>

Position	Job Description
2 Managers – Social Safeguards , Communication and Gender	<p>(vii) address grievances brought about through the GRM in a timely manner;</p> <p>(i) implement resettlement activities through resettlement plan implementation support agency (NGO), line departments and revenue officials;</p> <p>(ii) prepare and review of individual entitlement plans/micro plans or implementing RP and submit for approval;</p> <p>(iii) identify suitable land for the resettlement/relocation area in coordination with District administration and initiate transfer/acquisition process, after receiving endorsement for the physically displaced persons;</p> <p>(iv) supervise the resettlement plan implementation support NGO/agency involved in RP implementation;</p> <p>(v) assisting in disbursement of compensation and resettlement assistances;</p> <p>(vi) holding periodical and meaningful consultations with the affected people on implementation of Loan Agreement and resettlement activities;</p> <p>(vii) lead the GRM implementation and record keeping at the project/district/PIU level;</p> <p>(viii) update payment of compensation, disbursement of resettlement assistances, affected persons socio-economic data in the database;</p> <p>(ix) verification of claims for inclusion as affected persons and submit report to PMU for decision;</p> <p>(x) coordinate with agency or nongovernment organization in the implementation of GESI action plan;</p> <p>(xi) liaise with PMU, engineering team, PMSC and line departments for implementation of gender responsive design features;</p> <p>(xii) participate in consultation meetings on gender components;</p> <p>(xiii) supervise implementation of gender responsive road design features, and road safety measures; and</p> <p>(xiv) prepare and implement corrective measures as required, to make GESI action plan effective.</p>

APRDC = Andhra Pradesh Road Development Corporation, GRM = grievance redress mechanism, ICB = international competitive bidding, NCB = national competitive bidding, PIU = project implementing unit, PMSC = project management and supervision consultant

## 2. APIIC

(a) **Head Office:** Exclusive unit will be created to manage the project at the head office

Position	Job Description
Project Manager	<p>The Head of the PIU</p> <p><b>Overall Management of the project:</b></p> <ul style="list-style-type: none"> <li>(i) Day-to-day administration of the project;</li> <li>(ii) Overall implementation of the project- conceptualization to completion;</li> <li>(iii) Coordination of additional DPRs being prepared under the project by the consultants;</li> <li>(iv) Provide necessary guidance for the engineers in particular and the PIU staff in general on implementation of the Project, oversee project management by engineers;</li> <li>(v) Effectively supervise all the issues of project implementation including the resettlement, land acquisition, coordination with other agencies;</li> <li>(vi) Reporting on project performance (Prepare monthly, quarterly midterm and final progress reports); and</li> <li>(vii) Prepare Project accounts and submit timely statements.</li> </ul> <p><b>Operational</b></p> <ul style="list-style-type: none"> <li>(i) In coordination with PMU develop annual project work plans, staffing schedules and budgets; and</li> <li>(ii) Coordinate with the in establishing, testing and reviewing financial accounting and control systems and ensuring accurate and timely report submissions and funds flow to the project.</li> </ul> <p><b>Procurement Related</b></p> <ul style="list-style-type: none"> <li>(i) Finalize all procurement packages and coordinate the procurement process.</li> </ul> <p><b>Engineering</b></p> <ul style="list-style-type: none"> <li>(i) Oversee detailed designs, drawings, specifications, bills of quantities, cost estimates, tender documents and associated contract documentation for procurement of works and equipment in the Project under ICB, Shopping or NCB.</li> </ul>
Deputy Project Manager	<p>The senior engineer will be the executive head of the PIU and would be in charge of the day-to-day activities.</p> <p><b>Operational</b></p> <ul style="list-style-type: none"> <li>(i) All approvals required to be taken from project manager shall be routed through the senior engineer;</li> <li>(ii) Assist project manager in preparation, or as necessary, amend existing procedures and guidelines for site supervision, quality control and disbursement including guidelines and detailed job descriptions for engineers, supervisors, accountants, etc.;</li> <li>(iii) Coordinate with project manager and develop annual project work plans;</li> <li>(iv) Coordinate overall project design and implementation schedule;</li> <li>(v) Coordinate with field units on shifting of utilities and in the implementation of resettlement plan;</li> <li>(vi) Prepare monthly, quarterly, mid-term and final progress reports; and</li> <li>(vii) Assist / Coordinate preparation of final measurement and 'as built' drawings.</li> </ul> <p><b>Engineering</b></p> <ul style="list-style-type: none"> <li>(i) Oversee preparation and finalization, feasibility, detailed designs, drawings, specifications, bills of quantities, cost estimates, tender documents and associated contract documentation for procurement of works and equipment in the Project under ICB, Shopping or NCB;</li> <li>(ii) Overseeing all quality assurance and implementation activities under all the sub-project; and</li> <li>(iii) Review of bills by project manager and approval for payments to be made by</li> </ul>

Position	Job Description
	<p>Zonal Offices.</p> <p><b>Accounting</b></p> <p>(i) Monitor all billing and payments towards works and goods provided.</p>
Procurement Engineer	<p>In consultation with the project and zonal managers, coordinate all procurement activities from preparation to award and monitoring of progress on all issues related to contract.</p> <p>(i) Based on standard bidding documents for the project, prepare guidelines for evaluation of bids of contractors/suppliers including their post-qualification wherever necessary; and</p> <p>(ii) The Engineer will assist the PIU in all activities of bidding (Issue of bidding document, bid evaluation, finalize contract agreement, approvals/no objection from PMU/ADB and award.</p>
Senior Engineer cum Compliance Officer	<p>The Tasks:</p> <p><b>Design</b></p> <p>(i) Review of design and bid documents; and</p> <p>(ii) Assist PIU in requisite approvals from authorities including shifting of utilities.</p> <p><b>Supervision</b></p> <p>(i) Site supervision;</p> <p>(ii) Quality assurance and measurements;</p> <p>(iii) Reviewing measurements and advising senior engineer/zonal manager on payments;</p> <p>(iv) Assisting senior engineer in all activities related to technical and procurement issues from evaluation to commissioning of works, including variation orders;</p> <p>(v) Reviewing progress on payments to contractors/suppliers;</p> <p>(vi) Preparing monthly, quarterly, mid-term and final progress reports; and</p> <p>(vii) Assisting / Coordinating preparation of final measurement and 'as built' drawings.</p> <p><b>Environmental/Social Safeguards</b></p> <p>(i) Coordinate with safeguard manager and ensure all social/environmental requirements are met.</p> <p><b>Quality Control and Check Measurements</b></p> <p>(i) Will be responsible for quantity surveys and check measurements.</p>
Manager – Environmental Safeguards	<p><b>Environmental Safeguards</b></p> <p>(i) include IEEs/EMPs in bidding documents and civil works contracts;</p> <p>(ii) review and approve SEMP prepared by contractors;</p> <p>(iii) oversee day-to-day implementation of SEMP by contractors including compliance with all government rules and regulations;</p> <p>(iv) take necessary action for obtaining rights of way;</p> <p>(v) oversee environmental monitoring by contractors;</p> <p>(vi) take corrective actions when necessary;</p> <p>(vii) submit monthly environmental monitoring reports to PMU;</p> <p>(viii) conduct continuous public outreach and awareness building related to environmental management;</p> <p>(ix) address grievances brought about through the GRM in a timely manner; and</p> <p>(x) organize an induction course for the training of contractors in environmental management to be delivered by PMSC consultants.</p>
Manager – Social, Safeguards Communication and Gender	<p>The role is to implement the policies and operational procedures of Resettlement Framework and Indigenous People Plan, and requirements under the Gender Equity and Social Inclusion Plan (GESI). The safeguards manager will:</p> <p>(i) update resettlement plans in accordance with VCICDP resettlement framework, ADB's Safeguards Policy Statement, 2009 based on final detailed designs with supports from PMSC and/or turnkey contractors;</p> <p>(iii) submit the final resettlement plans to PMU to be submitted to ADB for review, final approval, and disclosure prior to award of contract;</p>

Position	Job Description
	<ul style="list-style-type: none"> <li>(iv) implement resettlement activities through resettlement plan implementation support agency (NGO), line departments and revenue officials;</li> <li>(v) prepare and review individual entitlement plans/micro plans or implementing RP and submit for approval;</li> <li>(vi) identify suitable land for the resettlement/relocation area in coordination with District administration and initiate transfer/acquisition process, after receiving endorsement for the physically displaced persons;</li> <li>(vii) supervise the resettlement plan implementation support NGO/agency involved in resettlement plan implementation;</li> <li>(viii) assist in disbursement of compensation and resettlement assistances;</li> <li>(ix) hold periodical and meaningful consultations with the affected people on implementation of loan agreement and resettlement activities;</li> <li>(x) prepare monthly resettlement plan implementation, physical, and financial progress reports;</li> <li>(xi) lead the GRM implementation and record keeping at the project/district/PIU level;</li> <li>(xii) update payment of compensation, disbursement of resettlement assistances, affected persons socio-economic data in the database;</li> <li>(xiii) verify claims for inclusion as affected persons and submit report to PMU for decision;</li> <li>(xiv) prepare and implement any corrective action plans, when required, consistent with the frameworks requirements;</li> <li>(xv) prepare and implement any corrective action plan, when required, consistent with the frameworks requirements;</li> <li>(xvi) liaise with PMU, engineering team, PMSC and line departments for implementation of gender responsive design features;</li> <li>(xvii) assist in preparing gender sensitization workshop modules and IEC materials;</li> <li>(xviii) participate in consultation meetings on gender components;</li> <li>(xix) prepare quarterly and bi-annual reports on progress of GESI Action Plan in the industries sector</li> <li>(xx) supervise implementation of gender responsive design features; and</li> <li>(xxi) prepare and implement corrective measures as required, to make GESI action plan effective.</li> </ul>

ADB = Asian Development Bank, DPR = detailed project report, EMP = environmental management plan, GRM = grievance redress mechanism, ICB = international competitive bidding, IEC = information, education, communication, IEE = initial environmental examination, NCB = national competitive bidding, PIU = project implementing unit, PMSC = project management and supervision consultant, PMU = project management unit, SEMP = site-specific environmental management plan.

**(b) Field Units : 2 exclusive field units to be established by APIIC with following positions covering Visakhapatnam and Chittoor node**

Position	Job Description
2 Deputy Project Managers	<p>The deputy project manager shall be the executive head of the node level PIU and would be in charge of the day-to-day activities. Relevant general management tasks for the PIU will govern the functions of senior engineer.</p> <p><b>Operational</b></p> <ul style="list-style-type: none"> <li>(i) Preparing work plan and implementation plans;</li> <li>(ii) Finalizing schedule of shifting of utilities;</li> <li>(iii) Coordinating implementation of RP and ensure complete compensation and other resettlement assistance provided to the affected people prior to the physical and economical displacement prior to the starts of civil works;</li> <li>(iv) Overseeing supervision of works;</li> <li>(v) Preparing monthly, quarterly, mid-term and final progress reports; and</li> <li>(vi) Assisting / Coordinating preparation of final measurement and 'as built'</li> </ul>

Position	Job Description
	drawings; (vii) Overseeing all quality assurance and implementation activities under all the sub-project; (viii) Reviewing of bills and approval for review by project manager and the accounts unit; and (ix) Coordinating procurement with Procurement engineer at the head office <b>Accounting</b> (i) Monitor all billing and payments towards works and goods provided.
4 Deputy Executive Engineers	(i) Supporting deputy project manager in project implementation; (ii) Overseeing works, PMC especially on supervision requirements; (iii) Reviewing BoQ items and quantity with drawings and point out the discrepancies/variations, if any, to Resident Engineer/senior engineer; (iv) Measuring quantities of work, recording measurements and verifying BoQ items / Work quantities executed in the contractors monthly statement; (v) Verifying and examining interim payment certificates received from contractors; (vi) Preparing variation statement for resident engineer/project manager; (vii) Maintaining a permanent record of all measurement for the work quantities; (viii) Assisting project manager/resident engineer in preparing the monthly reports and Financial Statements; (ix) Making online entries in the MIS system of the Employer; and (x) Responsible for correctness, accuracy of measurement and quantity of works recorded.
8 Assistant Executive Engineers / Assistant Engineers	Responsible for all the Engineering, Monitoring, checking bills and quality control activities assign by the senior engineer. (i) Assisting project manager/resident engineer and assistant resident engineer on all matters at site relating to road works; (ii) Responsible for the Horizontal & Vertical profile and quality of road work, level and quality of Bridge work and cross drainage structures; (iii) Responsible for all the Engineering, Monitoring, checking bills and quality control activities assign by the senior engineer; and (iv) Assisting project manager/resident engineer and assistant resident engineer on all matters at site relating to Water/ Wastewater works.
2 Accountants	(i) Responsible for Maintenance of accounts and records with respect to the project; (ii) He/ she will assist the project director for preparing financial forecast for the year and each quarter; (iii) Assist the Nodal Officer/ Project Officers in preparation of budget; (iv) Consolidating the accounts from different units of the project; (v) Assisting the project manager in getting the account audited; (vi) Preparing the disbursement claims; (vii) Classifying the expenditure and will maintain the account manually and using appropriate software; (viii) Ensuring timely disbursement of payments and writing of cash books and other records of account; (ix) Preparing the financial statements and bank reconciliation statement; (x) Generating financial information as required; and (xi) Any other function assigned by the project manager.
2 Managers – Environmental Safeguards	(i) review and approve SEMP's prepared by contractors; (ii) oversee day-to-day implementation of SEMP's by contractors including compliance with all government rules and regulations; (iii) take necessary action for obtaining rights of way; (iv) oversee environmental monitoring by contractors; (v) take corrective actions when necessary; (vi) conduct continuous public outreach and awareness building related to



Position	Job Description
2 Managers – Social Safeguards, Communication and Gender	<p>environmental management; and</p> <p>(vii) address grievances brought about through the GRM in a timely manner;</p> <p>(i) implement resettlement activities through resettlement plan implementation support agency (NGO), line departments and revenue officials;</p> <p>(ii) prepare and review of individual entitlement plans/micro plans or implementing RP and submit for approval;</p> <p>(iii) identify suitable land for the resettlement/relocation area in coordination with District administration and initiate transfer/acquisition process, after receiving endorsement for the physically displaced persons;</p> <p>(iv) supervise the resettlement plan implementation support NGO/agency involved in RP implementation;</p> <p>(v) assisting in disbursement of compensation and resettlement assistances;</p> <p>(vi) holding periodical and meaningful consultations with the affected people on implementation of Loan Agreement and resettlement activities;</p> <p>(vii) lead the GRM implementation and record keeping at the project/district/PIU level;</p> <p>(viii) update payment of compensation, disbursement of resettlement assistances, affected persons socio-economic data in the database;</p> <p>(ix) verification of claims for inclusion as affected persons and submit report to PMU for decision;</p> <p>(x) coordinate with agency or nongovernment organization in the implementation of GESI action plan;</p> <p>(xi) liaise with PMU, engineering team, PMSC and line departments for implementation of gender responsive design features;</p> <p>(xii) participate in consultation meetings on gender components;</p> <p>(xiii) supervise implementation of gender responsive road design features, and road safety measures; and</p> <p>(xiv) prepare and implement corrective measures as required, to make GESI action plan effective.</p>

BoQ = Bill of Quantity, PIU = project implementing unit, PMSC = project management and supervision consultant, PMU = project management unit, SEMP = site-specific environmental management plan.

### TEMPLATE TO MAINTAIN A LOG TO TRACK THE TIMELINESS OF THE FUND TRANSFER

Loan Number- Visakhapatnam-Chennai Industrial Corridor Development Project 2											
Monthly log to track timely transfer of funds to the ADB loan sub advance account											
WA No.	ADB Value Date	CAAA WA Date	USD	INR	Ex. Rate	WA No.	Date of receipt to the ADB loan sub advance ledger account maintained in state treasury*	USD - amount received in the sub advance ledger account	Ex. Rate	INR amount received in the sub advance ledger account	Remarks including explanation of delays in transfer or differences in the amount received in the sub advance ledger account
Imprest/ Advance											
<b>Claim Requested Details</b>											
RP002											
etc											
Unliquidated											
Total Claim										-	
Interest earned											
Balance of sub-advance ledger Account											

\*Attach the bank statement for the sub advance ledger account to substantiate the receipt of funds to the account

## TERMS OF REFERENCE FOR AUDIT OF ADB ASSISTED PROJECTS BY COMPTROLLER AND AUDITOR GENERAL OF INDIA

### A. Background

1. ADB provides assistance in the form of Loan and/or Grant for the implementation of project and/or program by the executing agencies (executing agency) identified by the central/state government. In order to facilitate the same, a loan/grant agreement is executed between ADB and central government for each individual loan/grant and a project agreement is executed between ADB and the executing agency for each project/subproject. The disbursement of loan is governed by the ADB *Loan Disbursement Handbook* which provides for various disbursement procedures viz, Direct payment procedure, Reimbursement procedure, Commitment Letter procedure and Imprest Account procedure. The project agreement stipulates that the executing agency shall (i) maintain separate accounts for the project and if the executing agency is revenue earning, then for its overall operations also (ii) have such accounts and related financial statements<sup>1</sup> (balance sheet, statement of income and expenses and related statements) audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB; and (iii) furnish to ADB, promptly after their preparation but in any event not later than six (6) months (or 9 months if specifically approved) after the close of the fiscal year to which they relate as applicable, certified copies of such audited accounts and financial statements and the report of the auditor relating thereto (including the auditor's opinion on the use of loan proceeds and compliance with the covenants of the loan/grant agreement as well as on the use of the procedures for Imprest Account, Second Generation Imprest Account (SGIA), Statement of expenditures (SOE), Force Account Works and Simultaneous Application for sub-loan approval and Withdrawal (SAW)), where applicable, all in the English language.

2. The executing agencies for all sovereign loans are subject to audit by the Comptroller and Auditor General of India (Supreme Audit Institution of the country). In order to comply with the requirement of audit as referred in above para, the following terms of reference should be pursued with respect to the loan/grant/project agreement executed for availing the ADB's assistance.

### B. Objective

3. Article 14(xi) of the Agreement establishing the Asian Development Bank (The Charter) States that 'Proceeds of any loan made, guaranteed, or participated by the Bank are used only for the purposes for which the loan was granted and with due attention to consideration of economy and efficiency'. In addition, Article 14(xiv) of the Charter requires ADB to be guided by sound banking principles in its operations. To fulfill the requirements of Article 14 (xi) and (xiv) of the Charter, ADB requires borrowers/project executing agencies to submit audited Project accounts (APA) and audited financial statements (AFS).

4. ADB requires the borrower and the project executing agency to have the required financial statements for each year audited by an independent auditor acceptable to ADS, and in accordance with standards on auditing that are acceptable to ADB. An audit of such financial statements includes: (i) an assessment of the adequacy of accounting and internal control systems with respect to project expenditures and other financial transactions, and to ensure safe custody of project financed assets, (ii) a determination as to whether the borrower and project implementing entities have maintained adequate documentation on all

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<sup>1</sup> Preparation of balance sheet, statement of income and expenditure shall depend on the legal status of the project executing/implementing agency and shall apply to autonomous bodies or corporation until extended legally to other types of organization such as government departments.

relevant transactions, including statement of expenditures (SOE), Force Account Works and Simultaneous Application for sub-loan approval and Withdrawal (SAW)) where applicable, (iii) confirmation that expenditures submitted to ADB are eligible for financing and identification of any ineligible expenditures, (iv) compliance with loan/grant covenants and ADB's requirements for project management and (v) compliance with the use of procedures for Imprest Account (implementing agency)/Second Generation Imprest Account (SGIA)/SOE/force account works/SAW, where applicable.

5. The objective of the audit of the Project Financial Statement (PFS) is to enable the auditor to express a professional opinion as to whether (i) the PFS present fairly, in all material respects, the sources and applications of project funds for the period under audit examination, (ii) the funds were utilized for the purposes for which they were provided, (iii) loan covenants have been complied with and (iv) expenditures shown in the PFS are eligible for financing under the relevant loan/grant agreement. In addition, where applicable, the auditor will express a professional opinion on the use of the procedures for implementing agency, SGIA, SOE, Force Account Works and SAW and whether adequate supporting documentation has been maintained to support claims made by project management for reimbursement of expenditures incurred under the SOE, Force Account Works and SAW method of reimbursement where applicable.

6. The books of account that provide the basis for preparation of the PFS are established to reflect the financial transactions of the project and are maintained by the project executing/implementing agency – project Implementation unit and the participating divisions.

### **C. Standards**

7. The audit will be carried out in accordance with the Auditing Standards promulgated by the Comptroller and Auditor General of India. The auditor should accordingly consider materiality when planning and performing the audit to reduce audit risk to an acceptable level that is consistent with the objective of the audit. Although the responsibility for preventing irregularity, fraud, or the use of loan/grant proceeds for purposes other than as defined in the legal agreements remain with the borrower, the audit should be planned so as to have a reasonable assurance of detecting material misstatements in the PFS.

### **D. Scope<sup>2</sup>**

8. In conducting the audit, special attention should be paid to the following:
- (i) All external funds have been used in accordance with the conditions of the relevant legal agreements and only for the purposes for which the financing was provided. Relevant legal agreements include the Loan/Grant Agreement, the Project Agreement, and the Minutes of Negotiations;
  - (ii) Counterpart funds have been provided and used in accordance with the relevant legal agreements and only for the purposes for which they were provided;
  - (iii) Financial covenants of the loan agreement have been complied with

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<sup>2</sup> In response to identified project risks, the scope may be expanded to include a report or the expression of an opinion on specific aspects of the operation such as internal controls, compliance with Bank procurement policies, or efficiency and effectiveness in the use of loan/grant proceeds.

- (iv) All necessary supporting documents, records, and accounts have been kept in respect of all project transactions including expenditures reported via SOEs/IAs/SGIAs/Force Account Works/SAW where applicable. Clear linkages should exist between the books of account and reports presented to the ADB; and
- (v) The project accounts have been prepared in accordance with consistently applied Government Accounting Standards<sup>39F3</sup> and present fairly, in all material aspects, the financial situation of the project at the year end and of resources and expenditures for the year ended on that date.

## **E. Project Financial Statements**

9. The contents of Project Financial Statements (PFS) are specific to the sector, the project design and the type of implementing entity. These formats therefore vary from one project to another. The formats of PFS are prepared in consultation with the implementing entity during the preparation of the project.

10. The Project Financial Statements should include:

- (i) In a nonrevenue-earning entity, or for the audit of project accounts, the annual financial statement may consist of the Statement of Receipts and Payments on project transactions. Other schedules of value or cumulative expenditures by category such as civil works, equipment, consultancy services, training and capacity building, administrative costs, expenditure by financier, statement of disbursement under SOE procedure, imprest account, cumulative work-in-progress, assets and inventories and a summarized reconciled bank statement are to be attached. See Annexure 1-8 for examples of reporting formats that could be prepared for a project implemented by core government departments.
- (ii) For a revenue earning entity, a balance sheet, income statement and cash flow statement accompanied by supplementary statements or schedules supporting the basic statement (e.g., inventories, schedule of assets, outstanding loans, aging of receivables, etc:).
- (iii) Statement of Disbursement: The PFS include a reconciliation between expenditure reported as per the statement of sources and application of funds and expenditure claimed from ADB through SOE, documented claims (direct payment and reimbursement), commitment letter procedure, force account works or SAW where applicable. An example is shown at Annexure 3.
- (iv) Other statements or schedules as may be applicable in particular circumstances and as specified in the relevant loan/grant agreements. In particular, Statement of Appropriation Vs. Actual (Annexure 9) and Statement of Expenditure by Output (Annexure 10) shall be prepared and prepared to the project financial statements. These statements shall not be subject to audit.

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<sup>3</sup> Until such time as the pronouncements of the Government Accounting Standards Advisory Board are accepted and prescribed by the Ministry of Finance, the Accounting Standards followed by the Government of India will be defined by the General Financial Rules, PWD codes; Treasury codes and similar financial rules and codes as are in effect and applicable to the operations of the project.

- (v) Management Assertion: Management should sign the PFS and provide a written acknowledgment of its responsibility for the preparation and fair presentation of the financial statements and an assertion that project funds have been expended in accordance with the intended purposes as reflected in the financial statements. An example of a management assertion letter is shown at Annexure 11.

**F. Statement of Expenditure (SOE), Imprest Account (implementing agency), Second Generation Imprest Account (SGIA), Force Account Works, Simultaneous Application for Sub-Loan Approval and Withdrawal (SAW)**

11. During the course of the audit of the PFS, the auditor is required to audit all SOE, implementing agency, SGIA, Force Account Works and SAW for withdrawal applications made during the period under audit examination. The auditor should apply such tests as the auditor considers necessary under the circumstances to satisfy the audit objective. In particular, these expenditures should be carefully examined for project eligibility by reference to the relevant financing agreements. Where ineligible expenditures<sup>4</sup> are identified as having been included in withdrawal applications and reimbursed against, these should be separately noted by the auditor.

**G. Audit Report**

12. An audit report on the PFS should be prepared in accordance with the Auditing Standards promulgated by the Comptroller and Auditor General of India. Those standards require an audit opinion to be rendered related to the financial statements taken as a whole, indicating "unambiguously whether it is unqualified or qualified and if the latter, whether it is qualified in certain respects or is adverse or a disclaimer of opinion". In addition, the audit opinion paragraph will specify whether, in the auditor's opinion, (a) loan proceeds have been used as covenanted in ADB Loan / Project Agreement (b) financial covenants of loans have been complied with (c) with respect to SOEs, Force Account Works and SAW, where applicable, adequate supporting documentation has been maintained to support claims to ADB for reimbursement of expenditures incurred; and (d) except for ineligible expenditures as detailed in the audit observations, if any, appended to the audit report, expenditures are eligible for financing under the Loan/Grant Agreement. Relevant CAG Auditing Standards are reproduced in Annexure 12. A sample audit report wordings for unqualified opinion is shown at Annexure 13.

13. The PFS and the audit report should be received by ADB not later than six (6) months (or 9 months if specifically approved) after the close of the fiscal year to which they relate as specified in the loan/project agreement. The auditor should also submit two copies of the audited accounts and audit report to the Implementing Agency.

14. The audit report is issued without prejudice to CAG's right to incorporate the audit observations in the Report of CAG of India for being laid before Parliament / State or UT Legislature.

**H. Management Letter**

15. In addition to the audit report on the PFS, the auditor may prepare a management letter containing recommendations for improvements in internal control and other matters coming to the attention of the auditor during the audit examination. Where such a management letter is prepared by the auditor, a copy of the same will be supplied to ADB.

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<sup>4</sup> Refer to ADB's Operation Manual (OM) Section H3 and Safeguard Policy Statement.

Else, a written advice may be made that no management letter was prepared together with the audit report on the PFS.

## **I. General**

16. The auditor should be given access to any information relevant for the purposes of conducting the audit. This would normally include all legal documents, correspondence, and any other information associated with the project and deemed necessary by the auditor. The information made available by the auditor should include, but not be limited to, copies of ADB's project appraisal document, the relevant legal agreements, a copy of these guidelines and a copy of ADB's financial management assessment of the project entity. It is highly desirable that the auditor become familiar with other ADB policy document such as ADB guidelines on financial management and analysis of projects chapter 5 title reporting and auditing, PAI 5.07 on submission of audited project accounts and financial statements, OM section J7/BP on project accounting, financial reporting and auditing. The auditor should also be familiar with ADB's *Loan Disbursement Handbook* – July 2012 (or as amended from time to time)

Name of the Executing Agency  
Name of the Implementing Agency  
Name of the Project  
Loan/Grant No.

**STATEMENT OF RECEIPTS AND PAYMENTS**  
**REPORT FOR THE YEAR/PERIOD ENDED XX, XXXX**

in (INR) '000

Particulars	Note Reference	During the Current Year for 12 month period	During the Previous Year for 12 month period	Cumulative Project to Date As at [end of CURRENT year]
<b>Opening balance<sup>1</sup> (A)</b>				
<b>Receipts</b>				
Funds received from Government <sup>2</sup>	4			
ADB Loan <sup>3</sup>	6			
ADB Grant <sup>3</sup>	6			
Co-financier 1	7			
Co-financier 2	8			
Beneficiary contribution (if any)	9			
Other receipts such as interest income, sale from disposals of fixed assets, etc.	10			
<b>Total Receipts (B)</b>				
<b>Total (C = A + B)</b>				
<b>Payments</b>				
<b>Investment Costs<sup>4</sup></b>	11			
Civil Works				
Mechanical and Equipment				
Environment and Social Mitigation				
Consultants				
a. Project Management				
b. Capacity Development				
Others				
<b>Subtotal (D)</b>				
<b>Recurrent Costs</b>	12			
Salaries				
Accommodation				
Equipment Operation and Maintenance				
Others				
<b>Subtotal (E)</b>				
<b>Total Payments</b>				
<b>Financing Charges During Implementation (F)</b>	13			
<b>Total Project Cost (G = D + E + F)</b>				
<b>Closing Balance (C – G)</b>				

<sup>1</sup> If cash balance are controlled by the entity, indicating cash balance, imprest account and SGIA balance separately

<sup>2</sup> These will include external assistance received by Government for the project.

<sup>3</sup> This shall include amounts received in the Bank Account as well as amounts deemed to be received against direct payments made by ADB to the suppliers of goods and services under Direct Payment procedure and Commitment Letter procedure

<sup>4</sup> Expenditure categories are based on the cost allocation table as per Loan/Grant Agreement

Notes 1 to x of the financial statements form an integral part of these financial statements



(Annexure 2)

Name of the Executing Agency  
Name of the Implementing Agency  
Name of the Project  
Loan/Grant No.

**STATEMENT OF EXPENDITURE BY CATEGORY AND FINANCIER**  
**REPORT FOR THE YEAR/PERIOD ENDED XX, XXXX**

in (INR) '000

Particulars	ADB <sup>4</sup>			Co-Financier		Government		Total Expenditure 8
	Percentage of financing <sup>1</sup> 1	Actual Expenditure		Actual Expenditure		Actual Expenditure		
		Amount 2	% 3	Amount 4	% 5	Amount 6	% 7	
<b>Investment Costs<sup>2</sup></b>								
Civil Works								
Mechanical and Equipment								
Environment and Social Mitigation								
Consultants								
Project Management								
Capacity Development								
Others								
<b>Subtotal (A)</b>								
<b>Recurrent Costs</b>								
Salaries								
Accommodations								
Equipment Operations and Maintenance								
Others								
<b>Subtotal (B)</b>								
<b>Total Cost (C=A+B)<sup>3</sup></b>								
<b>%Total Project Cost</b>								
<b>Total Project Cost for [insert prior year period]</b>								

<sup>1</sup> The financing percentages for ADB funds should directly correlate to the financing percentages in the allocation table(s) of the financing agreement(s).

<sup>2</sup> Expenditure categories are based on the cost allocation table as per Loan/Grant Agreement

<sup>3</sup> The figures shown against various categories of expenditure should agree with the current year's payment in Annexure 1, Statement of Receipts and Payments.

<sup>4</sup> This shall include total expenditure claimed from ADB under various disbursement procedures, i.e. direct payment, reimbursement, imprest account and commitment letter.

Notes 1 to x of the financial statements form an integral part of these financial statements

**Name of the Executing Agency**  
**Name of the Implementing Agency**

**[NAME OF THE ENTITY/PROJECT]**

**Loan/Grant No.**

**FOR THE YEAR ENDED [YEAR END DATE]**

**Statement of Disbursement**

Details of the disbursement by method are given below:

in (INR) '000

<b>Statement of Disbursement</b>	<b>Note</b>	<b>Current Year</b>	<b>Prior Year</b>	<b>Cumulative Project to Date</b>
<b>ADB Fund claimed during the year</b>				
Reimbursement <sup>3</sup>	6.1	10		
Imprest Fund <sup>3</sup>	6.2	10		
Direct Payment	6.3	10		
Commitment Letter	6.4	10		
<b>Subtotal</b>	(A)	40		
<b>Total Expenditure made during the year<sup>1</sup></b>	(B)			
Less:				
Expenditure not yet claimed	(C)			
Borrower's share <sup>2</sup>	(D)			
<b>Total Eligible Expenditure claimed (B – C – D = E = A)</b>	(E)			

<sup>1</sup> The total expenditure as per Statement of Receipts and Payments.

<sup>2</sup> This should tally with the Government share included in Statement of Expenditure by category and financier (Column 6)

<sup>3</sup> Includes both claims using SOE and full supporting documentation

Notes 1 to x of the financial statements form an integral part of these financial statements

**[NAME OF THE COUNTRY/IMPLEMENTING AND EXECUTING AGENCY]  
 [NAME OF THE ENTITY/PROJECT]  
 [ADB LOAN REFERENCE]  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED [YEAR END DATE]**

**1. Project Nature and Activities**

*1.1 Description of the Project, the nature of activities, commencement and expected completion dates. Mention location, domicile, legal form, controlling implementing agency/ executing agency, brief nature of the project outputs,*

**1.2 Give legislative framework**

*Insert as relevant*

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with approved accounting standards, as applicable in India. This refers to the cash basis of accounting applied with due regard to the General Financial Rules, PWD Codes, Treasury Codes, and similar financial rules and codes as are in effect and applicable to the operations of the Project.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Financial Statements**

This comprises of the Statement of Receipts and Payments, the Statements of Expenditure by Category and Financier, the Statement of Disbursement and related notes and appendices to the financial statements

**3.2 Basis of measurement**

Financial statements have been prepared under the historical cost convention and on *[cash/ accrual]* basis of accounting

**3.3 Changes in Accounting policies**

*Describe changes in accounting policies, if any*

**3.4 Fund Flow mechanism**

*Describe the fund flow mechanism, in particular, whether the implementing agency/executing agency control funds or whether all payments are centralized*

**3.5 Advances and other receivables**

*Describe treatment of advances against expenditures*

## 3.6 Cash and cash equivalents

*Cash equivalents comprise [define components of cash]. Explain if the entity controls unspent advances, only petty cash, or has a nil balance, as applicable*

## 3.7 Accrued and other liabilities

*Disclose any major liabilities which have not been accrued under the cash basis policy*

## 3.8 Income

i) *Describe nature of different types of income and how they are recognized. For example grants, sale of proceeds of fixed assets, interest income on bank accounts etc.*

ii) *[Include if applicable] Free of cost office space, electricity and certain other services provided by {insert name} are not valued and accordingly, are not recognized in these financial statements as income of the Project.*

## 3.9 Foreign currency transactions and translation

## (a) Functional and presentation currency

Items included in the financial statements of the Project are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which is the Indian Rupee (INR).

## (b) Transactions and balances

Transactions in foreign currency are converted at the exchange rate prevailing at the date of transaction. Foreign currency bank balances are re-stated at the year end rate, and the resulting gains/losses are recognized in the statement of receipts and payments account. Conversion Rate: USD \$ 1 = INR \_\_\_\_ as of 31 March \_\_\_\_

## 3.10 Allocation of Common Costs

*Describe how common costs are allocated to different output/activities*

## 3.11 Interest Expenses and Financial Charges

*Describe how financial charges are treated and recorded. For example if these are not allocated to the Project by the CAA.*

## Funds Received from the Government

*Give details of the government budgeting and funding mechanism*

in (INR) '000		
Current Year	Prior Year	Cumulative Year to date

Government Counterpart funding  
Amount Reimbursable to Government

\_\_\_\_\_

Total

=====

#### 4. DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the \_\_\_\_\_ of  
\_\_\_\_\_ on .....

(Annexure 5)

**Name of the Executing Agency**  
**Name of the Implementing Agency**

[NAME OF THE ENTITY/PROJECT]

Loan/Grant No.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED [YEAR END DATE]**

## 5. Funds Received from ADB

*Give key terms and conditions of the loan, including date of loan agreement, loan effectiveness date, key terms and conditions, disbursement schedule, commitment fee and interest rates etc.*

in (INR) '000

<b>ADB Source of Funds – Method of Withdrawal</b>	<b>Note Reference</b>	<b>During the Current Year</b>	<b>During the Previous Year</b>	<b>Cumulative Project to Date</b>
ADB Loan				
- By Reimbursement Method	6.1			
- By Imprest Account <sup>1</sup>	6.2			
- By Direct Payment	6.3			
- By Commitment Procedure	6.4			
ADB Loan Total				
ADB Grant				
ADB Loan and Grant Total				

<sup>1</sup> This should agree with the advances/replenishments net of refunds in Statement 6.2.

## 5.1 Funds Received from ADB through Reimbursement Method

*Give details, if necessary*

(Annexure 6)

**Name of the Executing Agency**  
**Name of the Implementing Agency**

[NAME OF THE ENTITY/PROJECT]

Loan/Grant No.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED [YEAR END DATE]

5.2 Reconciliation of the Imprest Account and the Bank Statement is given below

**STATEMENT OF IMPREST ACCOUNT**  
**FOR THE YEAR/PERIOD ENDED XX, XXXX.**

		in (INR) '000	
		Prior Year	Current Year
Balance brought forward from previous period		100	140
Add:			
Advance <sup>1</sup>		200	200
Replenishment received during the year/period <sup>1</sup>			
Interest Earned		10	10
<b>Subtotal (A)</b>		310	350
Deduct:			
Payments made during the year/period		150	150
Replenishment /Liquidation <sup>1</sup>	50		
Expenditure yet to be claimed	100		
Amount refunded during the year/period		20	20
<b>Closing Balance (B)</b>		140	180
As per bank statement (copy attached)		140	180

1 Withdrawal application-wise references required

6.2.1 The US \$ equivalent notational amount held at the RBI in respect of the above Imprest Account balance is \_\_\_\_\_ US \$ (bank statement attached)

6.3 Details of Payments made directly by ADB are given below

*(Add relevant details here)*

6.4 Details of payments made through commitment procedure

*(Add relevant details here)*

## 6.5 Details of Grants

*(Give relevant details for grants)*



(Annexure 7)

Name of the Executing Agency  
Name of the Implementing Agency

[NAME OF THE ENTITY/PROJECT]

Loan/Grant No.

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED [YEAR TO DATE]

6.6 Details of disbursement claimed under the Statement of Expenditure (SOE) Procedure are given below

**DISBURSEMENT CLAIMED UNDER STATEMENT OF EXPENDITURE (SOE) PROCEDURE  
 FOR THE YEAR/PERIOD ENDED XX, XXXX**

in (INR) '000

W/A No.	SOE Sheet No. 2	Category 3	Total Amount Paid 4	ADB Financing % <sup>1</sup> 5	Net Eligible Expense 6 (4x5)	Amount Reimbursed 7	Imprest Fund Replenished/ Liquidated 8	Total Disbursement Using SOE Procedure 7 + 8 = 9
00001	1	Civil Works	100	80%	80	60	20	80
00002	2	Mechanical and Equipment						
	1	Consultants						
	2	Salaries						
	3	Accommodation						
00005	1	Environment and Social Mitigation						
	2	Equipment Operation and Maintenance						
		<b>Total</b>						
		<b>Total for [prior year]</b>						

<sup>1</sup> The financing percentages within the table for ADB funds are as per loan agreement Schedule 3.

**Name of the Executing Agency**  
**Name of the Implementing Agency**

**[NAME OF THE ENTITY/PROJECT]**

**Loan/Grant No.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED [YEAR END DATE]**

in (INR) '000

		Cumulative
Current	Prior	Project to
Year	Year	Date

7 – 13

*If any of the amounts given on the Statements of Receipts and Payments require further detail or Breakdown, provide this here against relevant Note*

### **STATEMENT OF APPROPRIATION VS. ACTUAL**

[illegible]

Name of the Executing Agency  
Name of the Implementing Agency  
Name of the Project  
Loan/Grant No.

**EXPENDITURE BY OUTPUT COMPONENTS**

In INR '000

	Unallocable common costs			Output 1 <sup>1</sup>			Output 2			Output 3			Total Expenditure		
	Prior Year	Current Year	Cum to Date	Prior Year	Current Year	Cum to Date	Prior Year	Current Year	Cum to Date	Prior Year	Current Year	Cum to Date	Prior Year	Current Year	Cum to Date
Investment Costs															
Civil Works															
Mechanical Equipment															
Environment and Social Mitigation															
Consultants															
a. Project Management															
b. Capacity Development															
Others															
Subtotal (A)															
Recurrent Costs															
Salaries															
Accommodation															
Equipment Operation and Maintenance															
Others															
Subtotal (B)															
Total Cost (C=A+B)															
% Total Project Cost															

<sup>1</sup> Allocate the expenditure to the different Project Output Components as per the Loan Agreement. Add as many columns as required. For common costs allocated, specify the sharing ratios in the note 3.10

**Example of a Management Assertion Letter**

(Project Letterhead)

(To Author)

(Date)

This assertion letter is provided in connection with your audit of the financial statement of the \_\_\_\_\_ Project for the year ended \_\_\_\_\_. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the cash basis of accounting followed by the Government of India, and we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

- The project financial statements are free of material misstatements, including omissions.
- Project funds have been used for the purposes for which they were provided.
- Project expenditures are eligible for financing under the Loan/Credit agreement.
- There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the project financial statements.
- We have made available to you all books of account and supporting documentation relation to the project.
- The project has complied with the conditions of all relevant legal agreements, including the Financing Agreement, the Project Agreement, the Project Appraisal Document, the Minutes of Negotiations, and the Borrower's Project Implementation Plan.

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 (Project Director / Chief Executive Officer)

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 (Chief Finance Officer / Senior Finance Officer)

(Annexure 12)

**Excerpt from CAG Auditing Standards (2<sup>nd</sup> Edition, 2002) Chapter IV, Reporting Standards****12. The form and content of audit opinion and report.****12.1 The form and content of all audit opinions and reports are founded on the following general principles:**

- (a) **Title.** The opinion or report should be preceded by a suitable title or heading, helping the reader to distinguish it from statements and information issued by others.
- (b) **Signature and date.** The opinion or report should be properly signed. The inclusion of a date informs the reader that consideration has been given to the effect of events or transactions about which the auditor became aware up to that date (which, in the case of regularity (financial) audits, may be beyond the period of the financial statement).
- (c) **Objectives and scope.** The opinion or report should include reference to the objectives and scope of the audit. This information establishes the purpose and boundaries of the audit.
- (d) **Completeness.** Opinions should be appended to and published with the financial statements to which they relate, but performance reports may be free standing. The auditor's opinions and reports should be presented as prepared by the auditor. In exercising its independence CAG may acquire information from time to time, which in the national interest cannot be freely disclosed. This can affect the completeness of the audit report. In this situation the auditor should consider the need to make a report, possibly including confidential or sensitive material in a separate, unpublished report.
- (e) **Addressee.** The opinion or report should identify those to whom it is addressed, as required by the circumstances of the audit engagement and local regulations or practice. This is unnecessary where formal procedures exist for its delivery.
- (f) **Identification of subject matter.** The opinion or report should identify the financial statements (in the case of regularity (financial) audits) or area (in the case of performance audits) to which it relates. This includes information such as the name of the audited entity, the date and period covered by the financial statements and the subject matter that has been audited.
- (g) **Legal basis.** Audit opinions and reports should identify the legislation or other authority providing for the audit.
- (h) **Compliance with standards.** Audit opinions and reports should indicate the auditing standards or practices followed in conducting the audit, thus providing the reader with an assurance that the audit has been carried out in accordance with generally accepted procedures.
- (i) **Timeliness.** The audit opinion or report should be available promptly to be of greatest use to readers and users, particularly those who have to take necessary action.

(Annexure 13)

## Report of the Comptroller and Auditor General of India

To

(Project Implementing Authority)

### Report on the Project Financial Statements

We have audited the accompanying financial statements of the \_\_\_\_\_ Project financed under Asian Development Bank Loan No. \_\_\_\_\_, which comprise the Statement of Receipts and Payments, the Statement of Expenditure by Category and Financier, the Statement of Disbursement<sup>38</sup> and related notes for the year ended \_\_\_\_\_.

#### OR

In case of PIA maintaining Balance Sheet balance sheet and statement of income and expenditure following part may be substituted:

We have audited the accompanying financial statements along with Balance Sheet balance sheet, income and expenditure statement and Cash Flow Statement and related statements of the \_\_\_\_\_ Project financed under Asian Development Bank Loan No. \_\_\_\_\_, for the year ended \_\_\_\_\_,

These statements are the responsibility of the Project's management. Our responsibility is to express an opinion on the accompanying financial statements based on our audit.

We conducted our audit in accordance with the Auditing Standards promulgated by the Comptroller and Auditor General of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit examines, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the sources and applications of funds of Project for the year ended [insert date] in accordance with Government of India accounting standards.<sup>39</sup>

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<sup>38</sup> Insert titles of other required statements and schedules included in or annexed to the project financial statements, if any.

<sup>39</sup> Until the Ministry of Finance prescribes adoption of the accounting standards pronounced by GASAB or other body such as IPSAS, the accounting standards followed by the Government of India shall be the cash basis of accounting applied with due regard to the General Financial Rules, PWD codes, Treasury codes and similar financial rules and codes as are in effect and applicable to the operations of the project.

In addition, in our opinion;

(a) Proceeds of the loan from ADB have been utilized for the purposes as per ADB Loan / Project Agreement

(b) Financial covenants in the loan agreement [name and number of loan] dated [date of loan] have been complied with

(c) (i)(a) With respect to SOEs, adequate supporting documentation has been maintained to support claims to the Asian Development Bank for reimbursements of expenditures incurred; and (b) except for ineligible expenditures as detailed in the audit observations, if any, appended to this audit report, expenditures are eligible for financing under the Loan Agreement.

(ii)(a) The Imprest Accounts give a true and fair view of the receipts collected and payments made during the year ended---; and (b) these receipts and payments support Imprest Account liquidations/replenishments during the year.

This report is issued without prejudice to CAG's right to incorporate the audit observations in the Report of CAG of India for being laid before Parliament/State or UT Legislature.

[Auditor's Signature]

[Auditor's Address]

[Date<sup>40</sup>]

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<sup>40</sup> The report should be dated as of the date to which the auditor has become aware of and considered the effects of events and transactions. This is generally the final date of fieldwork, as opposed to the date of signing the audit report.



## **FINANCIAL INFORMATION TO BE INCLUDED IN THE QUARTERLY PROGRESS REPORT**

### **General Instructions**

1. The financial information in the format outlined below are to be included in the quarterly progress reports (QPRs) to be submitted to ADB within 45 days after each quarter. In case of delays or incomplete information, ADB will submit a reminder to the executing or implementing agency. Repeated delays or incomplete information may have a negative impact on the project performance ratings and may be discussed during review missions.

### **Section A. Utilization of Funds (ADB Loan, and Counterpart Funds)**

2. In this section include the following information:

- (i) Overall status of project financing including the adequacy and timeliness of counterpart funds;
- (ii) cumulative contract awards financed by the ADB loan, and counterpart funds (commitment of funds to date), and comparison with time-bound projections (targets – for ADB financing compare the actual contract awards with the contract award curve included in the PAM). Include an analysis of significant variances between planned and actual contract awards; Provide contract-wise details as per annex 2;
- (iii) cumulative disbursements from the ADB loan, and counterpart funds (expenditure to date), and comparison with time-bound projections (targets – for the ADB financing compare the actual disbursement with the disbursement projections as per the S curve included in the PAM ), Include an analysis of significant variances between planned and actual disbursements;
- (iv) Reconciliation of project records and ADB disbursement records (LFIS/GFIS) for the reporting period and cumulative from project inception to end of the reporting period. Explain reasons for discrepancies and outline follow-up actions required (if any). Attach a detailed reconciliation by WA as per Annex 1; and
- (v) re-estimated costs to completion (if required), need for reallocation within ADB loan categories, and whether an overall project cost overrun is likely.

### **Section B. Financial Management**

3. In this section, include the following information:

- (i) Summary of the Financial management arrangements in the project including: a) any problems in the existing FM arrangements and/or flow of funds and b) any significant changes occurred during the reporting period (e.g. FM staff turnover, implementation of new financial systems, emerging FM related risks etc.);
- (ii) Summary of the status of each agreed action in the FM action plan outlined in the PAM. Attach a detailed log as per Annex 4;
- (iii) Outline the status of recommendations and immediate actions provided by ADB as part of the APFS/AEFS review (if any) and FM related recommendations agreed during ADB review missions (if any). Attach a detailed log as per Annex 5; and
- (iv) Summarize the status of Status of past external and internal audit observations (if any). Attach a detailed log as per Annex 3.

Annexes: Attach the following annexes to the report when submitting it to ADB:

1. Annex 1: ADB loan/grant disbursement report including a detailed reconciliation (by Withdrawal application) of project records and ADB disbursement records (LFIS/GILFIS) for the fiscal year to date and cumulative;
2. Annex 2: Contract register/List of signed contracts
3. Annex 3: Status of past audit observations (resolved/ pending);
4. Annex 4: Status of FM action plan (complied/ongoing)
5. Annex 5: Status of FM related actions agreed during ADB review missions (if any).

**Annex 2. Disbursement report for the Fiscal Year to Date and Cumulative  
including Detailed Reconciliation (by Withdrawal Application) of Project Records and ADB Disbursement Records (LGFIS)**

<b>Statement of Disbursement by ADB Financing Source for the year ended DD/MM/YYYY</b>				
<b>Statement of Disbursement</b>	<b>Notes</b>	<b>Reporting period</b>	<b>Fiscal year to date</b>	<b>Cumulative Project to Date</b>
<b>ADB loan/grant- Funds claimed during the year</b>	A			
Reimbursement				
Advance Fund				
Direct Payment				
<b>Subtotal</b>				
Expenditure incurred not yet claimed	B			
<b>Subtotal</b>				

**Note A: Detailed Reconciliation (by Withdrawal Application) of Project Records and ADB Disbursement Records (LFIS)  
for the Fiscal Year to Date and Cumulative**

Name: of the project Agency: DOIC/PMU										
WA Details			Per project records/APFS (Amount recorded in the project Financial statements as reimbursement, direct payment, etc..)				Per ABD disbursement records LFIS/GFIS (actual Paid)			Remarks
Withdrawal application No (WA)	Disbursement method (reimbursement, direct payment, etc..)	Time period covered in the WA	Date	In local currency (as recorded in project records/ financial statements)	exchange rate	USD equivalent (A)	Value date	In USD (B)	Difference (A-B)	Reason for difference (i.e. timing forex. Pending rejected)
1		1-31.3.2020								
2										
3										
etc..										
<b>Total - Fiscal year to Date</b>										
<b>Total - Cumulative</b>										

**Note B: Provide a breakdown of expenditures incurred but not yet claimed from ADB including the eligible portion for ADB loan financing.**

## Annex 2: Status of Signed Contracts Cumulative to date

Contract Information											
Description*	Contract Description	Contract Start	Contract End	Supplier/Contractor Name	Contract No.	Total Contract Value	Total Contract Amount Invoiced to date	Total Disbursed on Contract	Total Undisbursed Amount	Responsible entity	Financing source (ADB loan, etc.)
1. Civil works											
2: Equipment/supplies											
3. Consulting services											
<b>Total</b>											

\*Classified a per expenditure categories outlined in the PAM.

**Annex 3: Status of External/internal Audit Observations – Cumulative from Inception to End of Reporting Period**

<b>Responsible Entity:</b>	<b>External /Internal Audit Recommendation</b>	<b>Date of the Recommendation</b>	<b>Planned Actions to Address the Recommendation</b>	<b>Responsibility</b>	<b>Current Status of the Planned Action (pending /resolved)</b>	<b>Remarks</b>

**Annex 4: Status of Financial Management Action Plan**

<b>Key Risk</b>	<b>Risk Mitigating Activity</b>	<b>Timeline</b>	<b>Responsible Entity</b>	<b>Current status (implemented/Pending)</b>	<b>Remarks (including an action plan in case of noncompliance)</b>

**Annex 5: Status of FM related actions agreed during ADB review missions or TPRMs**

<b>Date of the review mission</b>	<b>Agreed actions</b>	<b>Timeline</b>	<b>Responsible Entity</b>	<b>Current status (implemented/Pending)</b>	<b>Remarks</b>



## CONTRIBUTION TO STRATEGY 2030 OPERATIONAL PRIORITIES

OP No.	Corporate Results Framework Indicators (Outputs and Outcomes)	Expected Value	Methods and Comments
1.1.1	Person enrolled in improved training (number)	500	500 persons including socially vulnerable and those belonging in the economically weaker section reported enhancing skills <sup>a</sup>
1.2	Jobs generated (number)	3,200	Additional industrial employment generated within the Visakhapatnam and Srikalahasti–Chittoor industrial nodes.
1.2.1	Business development model supported in implementation (number)	1	High quality and sustainable industrial infrastructure provided to foster ease of doing business for manufacturing enterprises to generate quality jobs in Rambilli industrial cluster
		1	High quality and sustainable industrial infrastructure provided to foster ease of doing business for manufacturing enterprises to generate quality jobs in Nakkapalli industrial cluster
		1	High quality and sustainable industrial infrastructure provided to foster ease of doing business for manufacturing enterprises to generate quality jobs in Chittoor–South industrial cluster
2.1	Skilled jobs for women generate (number)	960	Additional industrial employment for women generated within the Visakhapatnam and Srikalahasti–Chittoor industrial nodes.
2.1.1	Women enrolled in other job training	200	40% of 500 persons reported enhancing skills
2.2.3	Solutions to prevent or address gender-based violence implemented (number)	1	Awareness-raising program conducted on gender-based violence for at least 900 community members in and around Rambilli and Nakapalli industrial clusters and along Atchuthapuram to Anakapalli roads
2.2.3	Solutions to prevent or address gender-based violence implemented (number)	1	Awareness-raising program conducted on gender-based violence for at least 300 community members in and around Chittoor–South cluster
2.3.2	Measures on gender equality supported in implementation (number)	1	Gender Mainstreaming Guidelines of DOIC prepared and implemented
2.4.1	Gender responsive infrastructure assets established (number)	1	Atchuthapuram to Anakapalli road of 13.8 km widened to four lanes with EWCD-friendly features
		1	Access road of 4.4 km to Nakkapalli industrial cluster improved with EWCD-friendly features
		1	Access road of 9.5 km to Chittoor–South industrial cluster improved with EWCD-friendly features

OP No.	Corporate Results Framework Indicators (Outputs and Outcomes)	Expected Value	Methods and Comments
		1	Access road of 8.7 km to Naidupeta industrial cluster improved with EWCD-friendly features
3.2. 4	National and subnational disaster risk reduction and/or management plans supported in implementation (number)	1	Disaster risk management plan for industrial clusters endorsed by the GoAP
3.2. 5	New and existing infrastructure assets made climate and disaster resilient (number)	1	Atchuthapuram to Anakapalli road of 13.8 km widened to four lanes with climate change adaptation measures
		1	Access road of 4.4 km to Nakkapalli industrial cluster improved climate change adaptation measures
		1	Access road of 9.5 km to Chittoor–South industrial cluster improved climate change adaptation measures
		1	Access road of 8.7 km to Naidupeta industrial cluster improved climate change adaptation measures
4.2. 1	Measures to improve regulatory, legal, and institutional environment for better planning supported in implementation (number)	1	Toolkit for enhancing integrated industry-urban planning linkage with gender-responsive and socially inclusive guidance rolled out
4.2. 2	Measures to improve financial sustainability supported in implementation (number)	1	Sustainable Operation and Maintenance Improvement Plan for Rambilli, Nakkapalli and Chittoor–South industrial clusters endorsed by the GoAP
6.2. 2	Measures supported in implementation to strengthen subnational entities' ability to better manage their public finances (number)	1	Sustainable Operation and Maintenance Improvement Plan for Rambilli, Nakkapalli and Chittoor–South industrial clusters endorsed by the GoAP
7.2	Trade and investment facilitated (value)	₹3.8 billion	New industrial investment proposals in Visakhapatnam and Srikalahasti–Chittoor nodes approved
7.2. 2	Measures to develop existing and/or new cross-border economic corridors supported in implementation corridors (number)	1	High quality and sustainable industrial infrastructure provided to foster ease of doing business for manufacturing enterprises to generate quality jobs in Rambilli industrial cluster developed to improve enabling investment environment in VCIC enhancing the competitiveness of SASEC Corridor-2 (Bay of Bengal Highway)

OP No.	Corporate Results Framework Indicators (Outputs and Outcomes)	Expected Value	Methods and Comments
		1	High quality and sustainable industrial infrastructure provided to foster ease of doing business for manufacturing enterprises to generate quality jobs in Nakkapalli industrial cluster developed to improve enabling investment environment in VCIC enhancing the competitiveness of SASEC Corridor-2 (Bay of Bengal Highway)
		1	High quality and sustainable industrial infrastructure provided to foster ease of doing business for manufacturing enterprises to generate quality jobs in Chittoor–South industrial cluster developed to improve enabling investment environment in VCIC enhancing the competitiveness of SASEC Corridor-2 (Bay of Bengal Highway)
		1	Updated marketing action plan for investment promotion rolled out
7.3. 1	Measures to improve shared capacity of DMCs to mitigate or adapt to climate change supported in implementation (number)	1	State Green Corridor Model Operational Guidelines endorsed by the GoAP

DMC = developing member country, EWCD = elderly, women, children, and differently abled, DOIC = Department of Industries and Commerce, GoAP = Government of Andhra Pradesh, km = kilometer, MLD = million liter per day, O&M = operation and maintenance, OP = operational priority, SASEC = South Asia Subregional Economic Cooperation, SPV = special purpose vehicle, STP = sewage treatment plant, VCIC = Visakhapatnam–Chennai Industrial Corridor, WTP = water treatment plant.

<sup>a</sup> The term of “socially vulnerable and those belonging in the economically weaker section” defined by the state government include below-poverty-line families of backward castes and other backward classes; poor rural youth, women candidates, and candidates belonging to particularly vulnerable tribal groups; scheduled tribes and scheduled castes; minorities; persons with disabilities; transgender; rehabilitated bonded laborer; victims of trafficking; manual scavengers; and HIV-positive persons who will be given preference based on the Government of India’s guidelines. Government of India, Ministry of Rural Development. 2016. [Deen Dayal Upadhaya-Gram Kaushal Yojana \(DDU-GKY\) Programme Guidelines](#). Delhi.

Source: Asian Development Bank.

## SAMPLE OUTLINE OF SEMIANNUAL ENVIRONMENTAL MONITORING REPORT (TEMPLATE)

### A. INTRODUCTION

- Overall project description and objectives
- Environmental category as per ADB Safeguard Policy Statement, 2009
- Environmental category of each subproject as per national laws and regulations
- (i) Project Safeguards Team

Name	Designation/Office	E-mail Address	Contact Number
1. PSC			
2. PMU			
3. PIUs			
4. Consultants			

- Overall project and subproject progress and status
- Description of subprojects (package-wise) and status of implementation (preliminary, detailed design, ongoing construction, completed, and/or O&M stage)

Package Number	Components/ List of Works	Status of Implementation (Preliminary Design/Detailed Design/Ongoing Construction/Completed/O&M). 1	Contract Status (specify if underbidding or contract awarded)	If Ongoing Construction	
				%Physical Progress	Expected Completion Date

<sup>1</sup> If ongoing construction, include %physical progress and expected date of completion

**B. Compliance status with National/State/Local statutory environmental requirements**

Package No.	Subproject Name	Statutory Environmental Requirements <sup>2</sup>	Status of Compliance <sup>3</sup>	Validity if obtained	Action Required	Specific Conditions that will require environmental monitoring as per Environment Clearance, Consent/Permit to Establish <sup>4</sup>

**C. Compliance status with environmental loan covenants**

No. (List schedule and paragraph number of Loan Agreement)	Covenant	Status of Compliance	Action Required

**D. Compliance status with the environmental management plan (refer to EMP TABLES in APPROVED IEE/s)**

- (ii) Confirm if IEE/s require contractors to submit site-specific EMP/construction EMPs. If not, describe the methodology of monitoring each package under implementation.

**Package-wise Implementation Status**

Package Number	Components	Design Status (Preliminary Design Stage/Detailed Design Completed)	Final IEE based on Detailed Design				Site-specific EMP (or Construction EMP) approved by Project Director? (Yes/No)	Remarks
			Not yet due (detailed design not yet completed)	Submitted to ADB (Provide Date of Submission)	Disclosed on project website (Provide Link)	Final IEE provided to Contractor/s (Yes/No)		

<sup>2</sup> Specify (environmental clearance? Permit/consent to establish? Forest clearance? Etc.)

<sup>3</sup> Specify if obtained, submitted and awaiting approval, application not yet submitted

<sup>4</sup> Example: *Environmental Clearance requires ambient air quality monitoring, Forest Clearance/Tree-cutting Permit requires 2 trees for every tree, etc.*

- (iii) Identify the role/s of Safeguards Team including schedule of on-site verification of reports submitted by consultants and contractors.
- (iv) For each package, provide name/s and contact details of contractor/s' nodal person/s for environmental safeguards.
- (v) Include as an appendix all supporting documents including signed monthly environmental site inspection reports prepared by consultants and/or contractors.
- (vi) With reference to approved EMP/site-specific EMP/construction EMP, complete the table below
- (vii) Provide the monitoring results as per the parameters outlined in the approved EMP (or site-specific EMP/construction EMP when applicable).
- (viii) In addition to the table on EMP implementation, the main text of the report should discuss in details the following items:
  - (i) Grievance Redress Mechanism. Provide information on the establishment of a grievance redress mechanism and capacity of grievance redress committee to address project related issues/complaints. Include as appendix Notification of the GRM (town-wise if applicable).
  - (ii) Complaints Received during the Reporting Period. Provide information on the number, nature, and resolution of complaints received during the reporting period. Attach records as per GRM in the approved IEE. Identify safeguards team member/s involved in the GRM process. Attach minutes of meetings (ensure English translation is provided).
    - Confirm if any dust was noted to escape the site boundaries and identify dust suppression techniques followed for site/s.
    - Identify muddy water was escaping site boundaries or muddy tracks were seen on adjacent roads.
    - Identify type of erosion and sediment control measures installed on-site/s, condition of erosion and sediment control measures including if these were intact following heavy rain;
    - Identify designated areas for concrete works, chemical storage, construction materials, and refueling. Attach photographs of each area.
    - Confirm spill kits on-site and site procedure for handling emergencies.
    - Identify any chemical stored on-site and provide information on storage conditions. Attach photograph.
    - Describe the management of stockpiles (construction materials, excavated soils, spoils, etc.). Provide photographs.
    - Describe the management of solid and liquid wastes on-site (quantity generated, transport, storage, and disposal). Provide photographs.
    - Provide information on barricades, signages, and on-site boards. Provide photographs.
    - Checking if any activities are being taken out of working hours and how that is being managed.

**Summary of Environmental Monitoring Activities (for the Reporting Period)<sup>5</sup>**

Impacts (List from IEE)	Mitigation Measures (List from IEE)	Parameters Monitored (As a minimum those identified in the IEE should be monitored)	Method of Monitoring	Location of Monitoring	Date of Monitoring Conducted	Name of Person Who Conducted the Monitoring
Design Phase						
Pre-Construction Phase						
Construction Phase						
Operational Phase						

<sup>5</sup> Attach Laboratory Results and Sampling Map/Locations.





Site No.	Date of Sampling	Site Location	pH	TDS	Total Hardness	Sulfate	Chloride	Fe	Pb

#### Noise Quality Results

Site No.	Date of Testing	Site Location	LAeq (dBA) (Government Standard)	
			Day Time	Night Time

#### SUMMARY OF KEY ISSUES AND REMEDIAL ACTIONS

- Summary of follow-up time-bound actions to be taken within a set timeframe.
- Photos
- Summary of consultations
- Copies of environmental clearances and permits
- Sample of the environmental site inspection report
- Other

**SAMPLE ENVIRONMENTAL SITE INSPECTION REPORT**

Project Name

Contract Number

NAME: \_\_\_\_\_

DATE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DMA: \_\_\_\_\_

LOCATION: \_\_\_\_\_

GROUP: \_\_\_\_\_

WEATHER CONDITION:

\_\_\_\_\_

INITIAL SITE CONDITION:

\_\_\_\_\_

CONCLUDING SITE CONDITION:

Satisfactory \_\_\_\_\_ Unsatisfactory \_\_\_\_\_ Incident \_\_\_\_\_ Resolved \_\_\_\_\_ Unresolved \_\_\_\_\_

INCIDENT:

Nature of

incident: \_\_\_\_\_

\_\_\_\_\_

Intervention Steps:

\_\_\_\_\_

Incident Issues

Resolution

Project Activity Stage	Survey	
	Design	
	Implementation	
	Pre-Commissioning	
	Guarantee Period	

**Inspection**

Emissions	Waste Minimization
Air Quality	Reuse and Recycling
Noise pollution	Dust and Litter Control
Hazardous Substances	Trees and Vegetation

Site Restored to Original Condition

Yes

☐

No

☐

Signature

Sign off

Name

Position

Name

Position

## **SAMPLE OUTLINE OF SOCIAL SAFEGUARDS MONITORING REPORT DURING PROJECT IMPLEMENTATION PERIOD**

1. Following requirements of the ADB Safeguard Policy Statement (2009) and the *Operations Manual* section on safeguard policy (OM F1), borrowers/clients are required to establish and maintain procedures to monitor the status of implementation of safeguard plans and ensure progress is made toward the desired outcomes. For projects categorized as A or B in Involuntary Resettlement and/or Indigenous People, the Borrowers/clients are required to submit semiannual monitoring reports for ADB review. The level of detail and comprehensiveness of a monitoring report is commensurate with the complexity and significance of social safeguards impacts (IR) and indigenous peoples impacts, and with the current status of project implementation phase.

2. This outline can be used for periodic monitoring report (semiannual) and resettlement plan completion report to start the civil works in the impacted areas. A safeguard monitoring report may include the following elements:

### **A. Executive Summary**

3. This section provides a concise statement of project scope and impacts, key findings and recommended actions.

### **B. Background of the Report and Project Description**

4. This section provides a general description of the project, including:
- (i) Background/context of the monitoring report which includes the information on the project, project components, safeguards categorizations and general scope of the social safeguards impacts.
  - (ii) Information on the implementation progress of the project activities, scope of monitoring report and requirements, reporting period, including frequency of submission and changes in project scope and adjusted safeguard measures, if applicable
  - (iii) Summary table of identified impacts and the mitigation actions.

### **C. Scope of Impacts**

5. This section outlines the detail of
- (i) Scale and scopes of the project's safeguards impacts,
  - (ii) Vulnerability status of the affected people/communities,
  - (iii) Entitlements matrix and other rehabilitation measures, as applicable, as described in the approved final resettlement plans.

### **D. Compensation and Rehabilitation<sup>46</sup>**

6. This section describes the process and progress of the implementation of the safeguards plan and other required activities as determined in the plan. This includes:
- (i) Payment of the affected assets compensation, allowances, loss of incomes, etc. to the entitled persons;
  - (ii) Provisions of other types of entitlement as described in the matrix and implementation of livelihood rehabilitation activities as determined in the plan.
  - (iii) Quantitative as well as qualitative results of the monitoring parameters, as agreed in the plan, should be provided.

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<sup>46</sup> Depending on the status of the final detail design during the submission of the report this activity might not yet started. Provide the information on the expected date the activity to be conducted instead.

## **E. Public participation and consultation**

7. This section describes public participation and consultations activities during the project implementation as agreed in the plan. This includes final consultations with APs during resettlement plan finalization after the completion of detail design; consultation carried-out during implementation of the resettlement plans, RIPPs, consultations with scheduled tribes; the numbers of activities conducted; issues raised during consultations and responses provided by the project team, implementing NGOs, project supervision consultants, contractors, etc.

## **F. Grievance Redress Mechanism (GRM)**

8. This section described the implementation of project GRM as design in the approved resettlement plan. This includes evaluations of its effectiveness, procedures, complaints receive, timeliness to resolve issues/ complaints and resources provided to solve the complaints. Special attentions should be given if there are complaints received from the affected people including people from scheduled tribe communities.

## **G. Institutional Arrangement**

9. This section describes the actual implementation or any adjustment made to the institutional arrangement for managing the social safeguards issues in the projects. This includes the establishment of safeguards unit/ team and appointment of staff in the executing agency/implementing agency; implementation of the GRM and its committee; supervision and coordination between institutions involved in the management and monitoring of safeguards issues, the roles of NGO and women's groups in the monitoring and implementation of the plan, if any.

## **H. Monitoring Results – Findings**

10. This section describes the summary and key findings of the monitoring activities. The results are compared against previously established benchmarks and compliance status (e.g., adequacy of IR compensation rates and timeliness of payments, adequacy and timeliness of IR rehabilitation measures including serviced housing sites, house reconstruction, livelihood support measures, and training; implementation of specific action plan, budget for implementing specific action plan, resettlement plan, timeliness and adequacy of capacity building, etc.). It also compared against the objectives of safeguards or desired outcomes documented (e.g. IR impacts avoided or minimized; livelihood restored or enhanced; If noncompliance or any major gaps identified, project initiatives for mitigation of impacts on ST households, include the recommendation of corrective action plan.

## **I. Compliance Status**

11. This section will summarize the compliance status of the project activities with the loan covenants, ADB Safeguard Policy Statement, 2009 on SR 2 and SR 3 and the approved final resettlement plan(s)/ resettlement and indigenous peoples plans.

## **J. Follow-up Actions, Recommendation and Disclosure**

12. This section describes recommendations and further actions or items to focus on for the remaining monitoring period. It also includes lesson learned for improvement for future safeguards monitoring activities. Disclosure dates of the monitoring report to the affected communities should also be included. A time-bound summary table for required actions should be included.

**Appendix 1**

- (i) List of affected persons and Entitlements;
- (ii) Summary of resettlement plan with entitlement matrix; and
- (iii) Summary of implementation of specific action plan under RIPP

**Appendix 2**

- (i) Copies of affected person's certification of payment (signed by the affected persons);
- (ii) Summary of minutes of meetings during public consultations; and
- (iii) Summary of complaints received and solution status.

## OUTLINE QUARTERLY PROGRESS REPORT

### **General instructions regarding QPRS**

1. The quarterly progress reports should follow the format outlined below and are to be submitted to ADB within 15 days after each quarter. In case of delays or incomplete information, ADB will submit a reminder to the executing agency/implementing agency. Repeated delays or incomplete information may have a negative impact on the project performance ratings, will be reflected on the project completion report and may be discussed during review missions and TPRMs.

#### **A. Introduction and Basic Data**

2. Provide the following:
- (i) ADB loan number, project title, borrower, executing agency(ies), implementing agency(ies);
  - (ii) Project objectives; impact and outcome; and project outputs
  - (iii) total estimated project cost and financing plan;
  - (iv) status of project financing including availability of counterpart funds;
  - (v) dates of approval, signing, and effectiveness of ADB loan;
  - (vi) original and revised (if applicable) ADB loan closing date and elapsed loan period based on original and revised (if applicable) loan closing dates; and
  - (vii) date of last ADB review mission.

#### **B. Utilization of Funds (ADB Loan and Counterpart Funds)**

3. Provide the following:
- (i) fund flow arrangements and project investment;
  - (ii) cumulative contract awards financed by the ADB loan, and counterpart funds (commitment of funds to date), and comparison with time-bound projections (targets - for the ADB financing compare the actual contract awards with the contract award curve included in the PAM). Include an analysis of significant variances between planned and actual contract awards;
  - (iii) cumulative disbursements from the ADB loan, and counterpart funds (expenditure to date), and comparison with time-bound projections (targets – for the ADB financing compare the actual disbursement with the disbursement projections as per the S-curve included in the PAM). Include an analysis of significant variances between planned and actual disbursements;
  - (iv) re-estimated costs to completion, need for reallocation within ADB loan categories, and whether an overall project cost overrun is likely; and
  - (v) reconciliation of project records and ADB disbursement records (LFIS/GFIS) for the reporting period and cumulative from project inception to end of the reporting period. Explain reasons for discrepancies and outline follow-up actions required (if any). Attach a detailed reconciliation by withdrawal applications.

*(sample Project Data Sheet and Loan/Grant Utilization table available at INRM)*

#### **C. Project Purpose**

4. Provide the following:
- (i) status of project scope/implementation arrangements compared with those in the report and recommendation of the President, and whether major changes have occurred or will need to be made;

- (ii) an assessment of the likelihood that the immediate development objectives (project purpose) will be met in part or in full, and whether remedial measures are required based on the current project scope and implementation arrangements;
- (iii) an assessment of changes to the key assumptions and risks that affect attainment of the development objectives; and
- (iv) other project developments, including monitoring and reporting on environmental and social requirements and progress status of gender equality and social inclusion action plan implementation that might adversely affect the project's viability or accomplishment of immediate objectives.

*(sample project results profile, safeguard matrix available at INRM)*

## **D. Implementation Progress**

### **5. Provide the following:**

- (i) assessment of project implementation arrangements such as establishment, staffing, and funding of the PMU or PIU;
- (ii) information relating to other aspects of the executing agency's internal operations that may impact on the implementation arrangements or project progress;
- (iii) progress or achievements in implementation since the last progress report;
- (iv) assessment of the progress of each project component, such as:
  - (a) Recruitment of consultants and their performance;
  - (b) procurement of goods and works (from preparation of detailed designs and bidding documents to contract awards); and
  - (c) the performance of suppliers, manufacturers, and contractors for goods and works contracts;
  - (d) overall performance of the project.
- (v) assessment of progress in implementing the overall project to date in comparison with the original implementation schedule—quantifiable and monitorable target, (include simple charts such as bar or milestone to illustrate progress, a chart showing actual versus planned expenditure, S-curve graph showing the relationship between physical and financial performance, and actual progress in comparison with the original schedules and budgets);
- (vi) assessment of current status or progress in meeting development objectives of each target indicator defined in the Design and Monitoring Framework (DMF), indicating problems or potential Problems related to the achievement of development objectives. Each project output is assessed by comparison with the actual performance of the original plan; and
- (vii) an assessment of the validity of key assumptions and risks in achieving the quantifiable implementation targets.

*(sample procurement plan, physical/financial monitoring matrix table available at INRM)*  
*(Status on agreed action plan of last review mission)*

## **E. Compliance with Safeguards and Covenants**

### **6. Provide the following:**

- (i) the borrower's compliance with policy loan covenants such as sector reform initiatives and executing agency reforms, and the reasons for any noncompliance or delay in compliance;



- (ii) the borrower's and executing agency's compliance with project-specific loan covenants associated with implementation, environment, and social dimensions;
- (iii) the borrower's and executing agency's compliance with financial loan covenants (if any) as outlined in the loan and project agreement. If any financial ratios required as part of the financial covenants, then these should be calculated and disclosed using the latest entity level financial statements or reports that are available. Also outline any actions being undertaken as part of ensuring the specified financial ratios are achieved/maintained.

*(sample covenant matrix available at INRM)*

## **F. Financial Management**

7. Provide the following:

- (i) summarize the status of Financial management in the project including: a) any problems in the existing financial management arrangements and /or flow of funds and b) any significant changes occurred during the reporting period (e.g. financial management staff turnover, implementation of new financial systems, emerging financial management related risks etc.);
- (ii) Summarize the status of: a) the financial management action plan outlined in the PAM; b) recommendations and actions raised by ADB as part of the APFS/AEFS review (if any); and c) financial management related recommendations agreed during ADB review missions (if any); and
- (iii) Summarize the status of Status of past audit observations (resolved/pending)

## **G. Major Project Issues and Problems**

8. Summarize the major problems and issues affecting or likely to affect implementation progress, compliance with covenants, and achievement of immediate development objectives. Recommend actions to overcome these problems and issues (e.g., changes in scope, changes in implementation arrangements, and reallocation of loan proceeds).

*(sample matrix table available at INRM)*

## **H. Plan for Next Quarter**

9. Provide the targets of the project for the following quarter, in terms of procurement, contract awards, disbursements, physical progress, etc.

**ENVIRONMENT SAFEGUARDS QUARTERLY PROGRESS REPORT CHECKLIST<sup>1</sup>**

Activity	Yes / No	Remarks (If Answer Is No)
<b>A. For subproject packages under bidding</b>		
1. IEEs cleared by ADB?		
2. IEEs/EMPs included in the bidding documents?		
3. Are there changes in the scope of work of the cleared IEEs?		
4. Core labor standards and environment, health and safety (EHS) incorporated in Section 8 (or appropriate section) of the bid documents?		
5. BOQ line item includes EMP requirements?		
6. IEE disclosed in form and language understood by stakeholders and affected persons (APs)?		
<b>B. For subproject packages with contracts awarded (no works yet)</b>		
1. All statutory clearances/permits obtained?		
2. Each contractor appointed EHS and/or safety officer?		
3. Baseline regarding condition of roads, agricultural land and other infrastructure prior to start of transportation of materials and construction has been recorded?		
4. Contractor has established tie-ups with local hospitals/clinics for emergencies on-site?		
5. For DBO packages, detailed design completed and updated IEE submitted to ADB?		
6. For civil works packages, site-specific EMP submitted to ADB?		
<b>C. For subproject packages with contracts awarded and works ongoing</b>		
1. Contractors have appointed EHS and/or safety officer on-site per subproject package?		
2. Site-specific EMP posted on-site?		
3. Contractors' records of accidents / incidents submitted to PMU on a monthly basis?		
4. Contractors provided PIU with a notification/incident report of any accident(s) within 24 hours of its		
5. Reports of complaints/grievances reported monthly to PIU?		
6. Records of information disclosure/consultations submitted by PIUs to PMU monthly?		
7. Records of site inspection by PIU submitted to PMU monthly?		

<sup>1</sup> This checklist should provide the Project's general compliance to environment safeguards during the reporting period. The indicators are aligned with project loan agreement, PAM, IEEs and ADB's Sustainable Development Safeguards Division Safeguards project performance rating. The detailed environmental safeguards compliance status should be provided in the semiannual environmental monitoring report.

**SOCIAL SAFEGUARDS QUARTERLY PROGRESS REPORT CHECKLIST<sup>1</sup>**

Activity	Yes / No	Remarks (If Answer Is <b>No</b> )
<b>A. For subproject packages under bidding</b>		
1. resettlement plans/DDR/RIPPs cleared by ADB?		
2. resettlement plans/DDR/RIPPs included in the bidding documents?		
3. resettlement plan includes cut-off-date?		
4. Are there changes in the scope of work of the cleared resettlement plans/DDR/IPPs?		
5. ID cards prepared for APs and distributed?		
6. Are specific actions identified in resettlement plan/RIPP, if any, that are required of the contractor for impact avoidance or mitigation, incorporated in bid documents?		
7. BOQ line item includes any requirements specified in resettlement plan/DDR/RIPP?		
8. resettlement plan/RIPP disclosed in form and language understood by stakeholders and affected persons (APs)?		
9. Consultations with stakeholders and affected persons/IP held?		
10. Is the GRM in place and GRC constituted?		
11. If the GRM have representatives from IP community/NGO working with IP community?		
<b>B. For subproject packages with contracts awarded (no works yet)</b>		
1. All NOCs/land transfers obtained?		
2. Agreement of sale/transfer and third-party certificate obtained for negotiated settlement/voluntary donation?		
3. All compensation paid in full?		
4. Detailed measurement survey conducted jointly by contractor, project consultant and PMU/PIU?		
5. All community concerns and grievances related to specific sites mitigated through consultations or agreed actions?		
6. All common property resources (CPR, including small shrines, trees of worship etc.) identified and plan for continued access prepared?		
7. Each contractor designated social safeguards and grievance registration officer?		
8. For DBO packages, detailed design completed and updated resettlement plan/DDR/IPP submitted to ADB?		
9. For DBO packages, serial no. 1-7 accomplished?		
<b>C. For subproject packages with contracts awarded and works ongoing</b>		

<sup>1</sup> This checklist should provide the Project's general compliance to social safeguards during the reporting period. The indicators are aligned with project loan agreement, PAM, resettlement plans and ADB's Sustainable Development Safeguards Division Safeguards project performance rating. The detailed social safeguards compliance status should be provided in the semiannual social monitoring report.

1. Contractors have appointed social safeguards and grievance registration officer per subproject package?
2. Site-specific signages with date of start and end of construction and contact number for grievances and safety instructions for general public posted on-site?
3. Grievance registration register available at each work site?
4. Site fencing/protection works etc. undertaken before start of physical construction work?
5. List of roads for closure and actions planned / taken to minimize disturbance
6. Implementation of all statutory provisions on labor like health, safety, welfare, sanitation, and working conditions by Contractors. Ensuring no child labour involvement in project.
7. Equal pay for equal work for men and women
8. Contractors provided PIU with a notification/incident report of any grievance or unanticipated impact within 24 hours?
9. Reports of complaints/grievances reported monthly to PMU?
10. Records of information disclosure/consultations submitted by PIUs to PMU monthly?
11. Records of site inspection by PIU and PSC submitted to PMU monthly?
12. Records of site inspection by PSC submitted to PMU monthly?

### GENDER EQUALITY AND SOCIAL EXCLUSION ACTION PLAN MONITORING FORMAT

Activities, Indicators, and Targets	Progress to Date		Issues and Challenges (Please include reasons why an activity was not fully implemented, or if targets fall short, or reasons for delay, etc.)
	Progress for the Quarter (This should include information on progress for the current quarter-- qualitative and quantitative updates (sex-disaggregated data))	Cumulative Progress (This should include information on progress (qualitative and quantitative updates including sex-disaggregated data) from the start of the implementation of the GESI/AP to the previous quarter's progress report.)	
Output 1 - Visakhapatnam industrial node infrastructure strengthened			
1. Incorporate EWCD-friendly features in Atchuthapuram–Anakapalli road and access road in Nakkapalli industrial cluster [DMF output 1c and 1d.]  Targets/Indicators:  I. EWCD-friendly features incorporated in the design of Atchuthapuram–Anakapalli road (2022 baseline: 0) <sup>a</sup>  II. EWCD-friendly features incorporated in the design of access road to Nakkapalli industrial cluster (2022 baseline: 0) <sup>a</sup>			
2. Conduct community awareness programs in habitations around Rambilli and Nakapalli industrial clusters and along Atchuthapuram to Anakapalli roads [DMF output 1e.]  Targets/Indicators:  III. At least 900 community members in and around Rambilli and Nakapalli industrial clusters and along Atchuthapuram to Anakapalli roads			

Activities, Indicators, and Targets	Progress to Date		Issues and Challenges (Please include reasons why an activity was not fully implemented, or if targets fall short, or reasons for delay, etc.)
	Progress for the Quarter (This should include information on progress for the current quarter-- qualitative and quantitative updates (sex-disaggregated data))	Cumulative Progress (This should include information on progress (qualitative and quantitative updates including sex-disaggregated data) from the start of the implementation of the GESI/AP to the previous quarter's progress report.)	
reported improved awareness and knowledge on road safety, gender-based violence, sexually transmitted infections, and the risks and benefits of infrastructure projects specifically for women and children (Target: 300 persons for Rambilli cluster, 300 persons for Nakapalli cluster, 300 persons for Atchuthapuram to Anakapalli road [30% women]) (2022 baseline: 0)			
<b>Output 2- Srikalahasti–Chittoor industrial node infrastructure strengthened</b>			
<p>3. Incorporate EWCD-friendly features in the improvement of the access road to Chittoor–South industrial cluster and Naidupeta cluster [DMF output 2b and 2c]</p> <p><b>Targets/Indicators:</b></p> <p>IV. EWCD-friendly features incorporated into the design of the access roads to Chittoor–South industrial cluster (2022 baseline 0)</p> <p>V. EWCD-friendly features incorporated into the design of the access roads to Naidupeta cluster (2022 baseline 0)</p>			
4. Conduct community awareness programs in habitations around Chittoor–South industrial cluster			

Activities, Indicators, and Targets	Progress to Date		Issues and Challenges (Please include reasons why an activity was not fully implemented, or if targets fall short, or reasons for delay, etc.)
	Progress for the Quarter (This should include information on progress for the current quarter-- qualitative and quantitative updates (sex-disaggregated data))	Cumulative Progress (This should include information on progress (qualitative and quantitative updates including sex-disaggregated data) from the start of the implementation of the GESI/AP to the previous quarter's progress report.)	
<p>[DMF output 2d]</p> <p><b>Targets/Indicators:</b></p> <p>VI. At least 300 community members in and around Chittoor–South industrial cluster reported improved awareness and knowledge on road safety, gender-based violence, sexually transmitted infections, and the risks and benefits of infrastructure projects specifically for women and children (Target: 300 persons [30% women])</p>			
<b>Output 3- Sustainable, green, and integrated industrial development enhanced</b>			
<p>5. Conduct skills training for vulnerable and those belonging in the economically weaker section and measure their impact [DMF output 3b]</p> <p><b>Targets/Indicators:</b></p> <p>VII. 200 students in 4 professional educational institutes (private/government) in and around Visakhapatnam and Srikalahasti industrial nodes gained awareness of entrepreneurship and development programs, measured by post surveys by subject experts (Target: 30% girls) (2022 baseline: 0)</p>			

Activities, Indicators, and Targets	Progress to Date		Issues and Challenges (Please include reasons why an activity was not fully implemented, or if targets fall short, or reasons for delay, etc.)
	Progress for the Quarter (This should include information on progress for the current quarter-- qualitative and quantitative updates (sex-disaggregated data))	Cumulative Progress (This should include information on progress (qualitative and quantitative updates including sex-disaggregated data) from the start of the implementation of the GESI/AP to the previous quarter's progress report.)	
<p>VIII.50 tribal women gained improved employable skills through training under the project based on Training Need Assessment (2022 baseline: 0)</p> <p>IX. 1,000 persons including 30% women in project areas enhanced their employable skills through training (2022 baseline: 0)</p> <p>X. 500 persons (including at least 40% women), including socially vulnerable and those belonging in the economically weaker section, enhanced skills through training, assessed by post training survey (2022 baseline: 0)<sup>b</sup></p> <p>XI. An impact assessment study of the skills training program conducted (Target: 100 beneficiaries, including 40 women beneficiaries] (2022 baseline: 0)</p>			
<p>6. Roll out a toolkit for enhancing integrated industry-urban planning linkage with gender-responsive and socially inclusive guidance [DMF output 3f]</p> <p><b>Targets/Indicators:</b></p>			



Activities, Indicators, and Targets	Progress to Date		Issues and Challenges (Please include reasons why an activity was not fully implemented, or if targets fall short, or reasons for delay, etc.)
	Progress for the Quarter (This should include information on progress for the current quarter-- qualitative and quantitative updates (sex-disaggregated data))	Cumulative Progress (This should include information on progress (qualitative and quantitative updates including sex-disaggregated data) from the start of the implementation of the GESI/AP to the previous quarter's progress report.)	
xii. The toolkit for enhancing integrated industry-urban planning linkage will incorporate gender-responsive and socially inclusive guidance (2022 baseline: 0) <sup>c</sup>			
7. Implement Gender Mainstreaming Guidelines of DOIC [DMF output 3g]  xiii. Gender Mainstreaming Guidelines of DOIC prepared and implemented (2022 baseline: 0) <sup>d</sup>			
8. Publish one knowledge product of VCICDP and disseminate it to other cities in India and beyond [DMF output 3h]  <b>Targets/Indicators:</b>  xiv. The knowledge product incorporated with the project GESI intervention results (2022 baseline: 0) <sup>e</sup>			
9. Enhance the capacity of staff of executing and implementing agencies on gender equality issues in entrepreneurship, industrial development, skill development, and monitoring of sex-disaggregated data. (Target from DMF for MFF)  <b>Targets/Indicators:</b>			

Activities, Indicators, and Targets	Progress to Date		Issues and Challenges (Please include reasons why an activity was not fully implemented, or if targets fall short, or reasons for delay, etc.)
	Progress for the Quarter (This should include information on progress for the current quarter-- qualitative and quantitative updates (sex-disaggregated data))	Cumulative Progress (This should include information on progress (qualitative and quantitative updates including sex-disaggregated data) from the start of the implementation of the GESI/AP to the previous quarter's progress report.)	
xv. 70% of the staff including each gender in PMU and PIUs (APRDC and APIIC) trained (2022 baseline: 0) <sup>f</sup>			
<p>10. Disseminate information on new opportunities being created in Visakhapatnam–Chennai Industrial Corridor</p> <p><b>Targets/Indicators:</b></p> <p>xvi. At least two workshops organized for 50 prospective investors to disseminate information on new investment, employment, and skill enhancement opportunities, and connectivity infrastructure being created in Visakhapatnam–Chennai Industrial Corridor (Target-30% women)</p>			
<b>Project Management Activities</b>			
<ul style="list-style-type: none"> <li>Mobilize Social Development/ Gender Specialists to support GESI AP implementation, monitoring, and reporting</li> <li>Depute a gender focal person at PMU and PIUs for supervision of GESI AP implementation, monitoring, and reporting</li> </ul> <p><b>Indicators:</b></p>			

Activities, Indicators, and Targets	Progress to Date		Issues and Challenges (Please include reasons why an activity was not fully implemented, or if targets fall short, or reasons for delay, etc.)
	Progress for the Quarter (This should include information on progress for the current quarter-- qualitative and quantitative updates (sex-disaggregated data))	Cumulative Progress (This should include information on progress (qualitative and quantitative updates including sex-disaggregated data) from the start of the implementation of the GESI/AP to the previous quarter's progress report.)	
<ul style="list-style-type: none"> <li>One Social Development and GESI Specialist at PMSC mobilized to support overall GESI AP implementation, monitoring, and reporting</li> <li>One GESI Specialist for finance-plus elements, including indicators vii to xvi.</li> <li>One Social Safeguard and Gender Specialist each for Vishakhapatnam and Chittoor nodes to support field-level GESI/AP activities.</li> <li>PMU and each of the PIUs have a gender focal person for oversight and quarterly reporting of GESI AP implementation.</li> </ul>			

APRDC = Andhra Pradesh Road Development Corporation, APSDC = Andhra Pradesh Skill Development Society, BPL = below the poverty line, DMF = design and monitoring framework, EWCD= elderly, women, children, and disabled, GESI = gender equality and social inclusion, GESI AP = gender equality and social inclusion action plan, PIUs = project implementation unit, PMU = project management unit at the Commiserate of Industries Government of Andhra Pradesh, PMSC = project management and supervision consultant, TNA = training need assessment VCICDP = Visakhapatnam–Chennai Industrial Corridor Development Project.

<sup>a</sup> EWCD-friendly features include (i) adequate lighting for safety; (ii) cautionary and/or informative signage including women's helpline and emergency numbers; (iii) men and women restrooms; (iv) guard stones, rumble strips, and speed breakers; (v) shoulders as safe sidewalks; and (vi) covered drain cum footpath with wheelchair friendly design.

<sup>b</sup> The term of "socially vulnerable and those belonging in the economically weaker section" defined by the state government include below-poverty-line families of backward castes and other backward classes; poor rural youth, women candidates, and candidates belonging to particularly vulnerable tribal groups; scheduled tribes and scheduled castes; minorities; persons with disabilities; transgender; rehabilitated bonded laborer; victims of trafficking; manual scavengers; and HIV-positive persons who will be given preference based on the Government of India's guidelines. Government of India, Ministry of Rural Development. 2016. [Deen Dayal Upadhyaya-Gram Kaushal Yojana \(DDU-GKY\) Programme Guidelines](#). Delhi.

<sup>c</sup> Gender-responsive and socially inclusive guidance in the toolkit will include (but not be limited to) (i) guidance in identifying GESI needs and strategies that are to be mainstreamed in the industry and urban planning linkages; and (ii) guiding principles on inclusive urban infrastructure and industrial housing in the project-influence nodes. Suggested features for industrial housing include (i) separate rooms for privacy to women and girls, separate kitchens, proper ventilation, access to potable water, and open spaces and/or parks; (ii) transport facilities for access to workplaces and markets; and (iii) access to healthcare and educational facilities.

<sup>d</sup> DOIC will prepare and implement the gender mainstreaming guidelines that will aim to ensure the inclusion of women in skills enhancement training; higher women's participation in the industrial labor force; and the provision of business-related licenses, fiscal incentives, and special packages for women.

<sup>e</sup> The knowledge product should capture results from GESI AP and DMF indicators for project 1 and project 2.

<sup>f</sup> Officials and staff total 68, Male 44, Female 24.

## COMMUNITY AWARENESS AND PARTICIPATION PLAN

Activity/ Project Cycle	Target stakeholders	Type of Participation	Objectives	Time Frame	Outcome/ Indicators	Sources of Verification	Responsibility	Cost
<b>Planning stage</b> Meeting on business opportunities at VCICDP (Half a day)	Project officials and potential contractors, project partners, state dignitaries	Presentations on scope and multiple aspects of ease of business with VCICDP demonstrated	Multiple agencies participate in bidding	Year 1 (2 events six months apart)	Information of business opportunities dissemination	Workshop Reports/ MPRs/QPRs (of Tranche 1)	PMU and PIUs and PMSC	\$3,333
<b>Planning stage</b> Meeting on business opportunities at Start-up area/s (Half a day)	Manufacturing or trade, and related associations	Workshop presentations on scope and key aspects of the start-up areas like road connectivity, electricity, water, availability of human resource, commitment of the project towards social and environment issues, and government initiatives to promote business. Feedback session.	Manufacturing and trade business are set-up in the start-up areas	Year 1 {2 events each in 2 nodes (2*2 = 4 events); six months apart}	Consultations held and feedback	Workshop Reports/ MPRs/QPRs (of Tranche 1) The report should have a section dedicated to feedback session.	PMU (assisted by PMSC)	\$6,667
<b>Subproject design stage</b> structured meetings and awareness programs	Affected persons, beneficiary communities or user groups, elected representatives or leaders, local authorities	Structured meetings/consultation s/awareness programs with affected persons and other groups	Project overview: link between improved infrastructure and economic opportunities, Dissemination of information on subproject selection criteria, reason for prioritizing the subproject/s, improvements or benefits envisaged, land acquisition requirements and compensation mechanism, environmental issues, opportunities of	Year 1-2 (PIU level meetings)	5 Number of consultation sessions / awareness programs carried out for various stakeholder groups (1 consultation meeting in each of the 3 start-up areas; 1 meeting for the ST community of Sastri Yanadhi Colony and other villages; 1 all women meeting No. of persons consulted Percentage of women consulted	Consultation reported in project documents (DPR/IEE/RP)	PIU (assisted by NGOs and PMSC)	\$6,667

Activity/ Project Cycle	Target stakeholders	Type of Participation	Objectives	Time Frame	Outcome/ Indicators	Sources of Verification	Responsibility	Cost
			skill training under VCICDP		Needs, priorities, suggestions incorporated			
<b>Subproject design stage and continued throughout project cycle</b>	Affected persons including scheduled tribes	Information dissemination and sharing, consultations and Focus group discussions (FGD)	Involuntary resettlement impacts and mitigation measures, discussion on environment, possible livelihood/ business opportunities and special protection measures for vulnerable groups, share information on grievance redress mechanism, assistance available, gather suggestions and agree on mitigation measures	Year 1-3	No. of affected persons consulted Percentage of women affected persons consulted Issues and concerns recorded and addressed	Consultation reported in project documents (DPR/IEE/RP) and in MPR and QPR and safeguard monitoring reports	PIU (with the assistance of NGOs and PMSC)	Budgeted under resettlement costs
<b>Implementation stage</b> On-site workshops for project workers	Workers working with contractor/s	Demonstrative workshops and discussion 2 such event per subproject for 3 years	Outreach to contractors and laborers to educate them on health and safety, aspects such as HIV, gender issues and communicable diseases	Year 1-3	Increased awareness level reflected in post workshop reports	Workshop reports in MPR/QPR and safeguards monitoring reports	PIU (with the assistance of NGOs and PMSC)	Part of contract budget
<b>Implementation stage</b> Outreach campaigns for skill training and awareness on environment issues	Beneficiary communities or user groups, elected representatives or leaders, local authorities	Skill training and employment opportunities with special focus on encouraging women and girls participation, FAQs about environment	To encourage participation of women and girls in skill training, safety features for women, how to report environmental concerns	Year 1-2	No. of persons consulted Percentage of women consulted (refer GESI targets)	MPR, QPR and GESI monitoring matrix	PIU (with the assistance of NGOs and PMSC)	\$266
<b>Implementation stage</b> Design of public information brochure (PIB)	Affected persons, beneficiary communities or user groups, elected	Design of PIB/leaflet containing information on land acquisition and compensation mechanism, FAQs	Dissemination of uniform information about the project	Year 1-2	Printing and dissemination of 10,000 PIBs in local language	Designed PIB MPR and QPR and safeguard monitoring reports	PMU / PIU (with the assistance of PMSC and NGOs)	\$2,000

Activity/ Project Cycle	Target stakeholders	Type of Participation	Objectives	Time Frame	Outcome/ Indicators	Sources of Verification	Responsibility	Cost
	representatives or leaders, local authorities	about environment, project GRM, skill training provisions						
<b>Implementation stage</b> Skills training for vulnerable and those belonging in the economically weaker section <sup>a</sup>	i. 500 persons (including at least 40% women) including socially vulnerable and those belonging in the economically weaker section ii. 50 tribal women receive skills training under the project based on Training Need Assessment	Trainings	Conduct skills training for vulnerable and those belonging in the economically weaker section	Year 1-3	i. 500 persons trained. ii. 50 ST women trained based on training need assessment	MPR and QPR and safeguard monitoring reports, GESI monitoring matrix	PMU / PIU (with the assistance of PMSC and NGOs) in collaboration with training partners	\$70,000
<b>Implementation stage</b> Help desk for environmental concerns, grievances and information dissemination	Affected persons, beneficiary communities or user groups, elected representatives or leaders, local authorities	Help desk will be created in each PIU unit in each nodes of the start-up areas.	Mitigation of public concerns related to environment / pollution; FAQs about the clean environment initiatives under VCICDP	Year 1-3	Creation of at least 3 help desks	Record of grievances and mitigation measures	PMU / PIU (with the assistance of PMSC and NGOs)	Built within the project
<b>Implementation stage</b> Design of leaflet	Affected persons, beneficiary communities or user groups, elected representatives or leaders, local authorities	Leaflet on details of skill training under VCICDP	Dissemination of uniform information on skill training aspects	Year 1-2	Printing and dissemination of 4,000 leaflets in local language	Designed leaflet	PMU / PIU (with the assistance of PMSC)	\$533
<b>Implementation stage</b> Design of hoardings	Beneficiary communities or user groups	2 types of hoardings 1. General iron frame hoardings 2. Electronic hoardings/information boards fitted with solar panels	Dissemination of uniform information on project outputs, EWCD-friendly features, process to report environmental related issues	Year 1-2	Installation of hoardings at critical locations of the start-up areas	Installation of hoardings	PMU / PIU (with the assistance of PMSC)	\$33,333
<b>Implementation stage</b> Design of social media pages in multiple social	Beneficiary communities or user groups	Periodic information about the project, information about skill training and	Creating a vibrancy around the project	Year 1-3	VCICDP		PMU (with the assistance of PMSC)	This is a no cost initiative

Activity/ Project Cycle	Target stakeholders	Type of Participation	Objectives	Time Frame	Outcome/ Indicators	Sources of Verification	Responsibility	Cost
media (like Facebook, Twitter, Instagram etc.)		employment opportunities						
<b>Implementation stage</b> Audio-visual documentary/ short film	All citizens of the state	Audio-visual documentary/short film between 5-10 minutes duration (start early capturing visuals of the project areas and interviews prior to project activities till project completion). The documentary should be able to capture the pre-project scenario, implementation scenario and post project scenario. Post-project scenario can be depicted through representational graphics.	Capturing project benefits and outputs	Year 1-3	Audio-visual documentary	Audio-visual documentary/short film	PMU (with the assistance of PMSC)	\$6,667
<b>Implementation stage</b> Media relations	All citizens of the state	Dissemination of period information about the project at local and state level print and audio-visual media houses	Dissemination of positive information about the project	Year 1-3	Positive news about the project	Print and audio-visual media reports	PMU / PIU (with the assistance of PMSC)	\$4,000

Total Cost of Consultation and Participation

\$133,467

ADB = Asian Development Bank, DMF= design and monitoring framework, DPR = detailed project report, GVMC = Greater Visakhapatnam Municipal Corporation, IEE = initial environmental examination, IPP = Indigenous Peoples Plan, O&M = operation and maintenance, PMSC = project management and supervision consultants, PMU = project management unit

<sup>a</sup> The term of “socially vulnerable and those belonging in the economically weaker section” defined by the state government include below-poverty-line families of backward castes and other backward classes; poor rural youth, women candidates, and candidates belonging to particularly vulnerable tribal groups; scheduled tribes and scheduled castes; minorities; persons with disabilities; transgender; rehabilitated bonded laborer; victims of trafficking; manual scavengers; and HIV-positive persons who will be given preference based on the Government of India’s guidelines. Government of India, Ministry of Rural Development. 2016. [Deen Dayal Upadhaya-Gram Kaushal Yojana \(DDU-GKY\) Programme Guidelines](#). Delhi.



### GRIEVANCE REGISTRATION FORMAT

(to be translated into local language)

The \_\_\_\_\_ Project welcomes complaints, suggestions, queries and comments regarding project implementation.

Aggravated persons may provide grievance with their name and contact information to enable us to get in touch for clarification and feedback.

In case, someone chooses not to include personal details and wants that the information provided to remain confidential, please indicate by writing/typing **\*(CONFIDENTIAL)\*** above Grievance Format.

Thank you.

<b>Date</b>	<b>Place of registration</b>				
<b>Contact Information/Personal Details</b>					
<b>Name</b>		<b>Gender</b>	* Male *Female *Other	<b>Age</b>	
<b>Home Address</b>					
<b>Place</b>					
<b>Phone no.</b>					
<b>E-mail</b>					
<b>Complaint/Suggestion/Comment/Question</b> Please provide the details (who, what, where and how) of your grievance below: If included as attachment/note/letter, please tick here:					
<b>How do you want us to reach you for feedback or update on your comment/grievance?</b>					

#### FOR OFFICIAL USE ONLY

<b>Registered by:</b> (Name of Official registering grievance)	
<b>Mode of communication:</b> 1. Note/Letter 2. E-mail 3. Verbal/Telephonic	
<b>Reviewed by:</b> (Names/Positions of Official(s) reviewing grievance)	
<b>Action Taken:</b>	
<b>Whether Action Taken Disclosed:</b> 4.	Yes No
<b>Means of Disclosure:</b>	

## **TERMS OF REFERENCE OF THE SUPPORT AGENCIES/NGOS TO ASSIST APIIC/APRDC IN RESETTLEMENT PLAN IMPLEMENTATION**

### **A. Project Background**

1. Government of Andhra Pradesh (GoAP) has taken up the implementation of the Visakhapatnam to Chennai Industrial Corridor Development Program (VCICDP) and has availed a loan from the Asian Development Bank (ADB) towards the same. The project involves infrastructure development and policy and institutional reforms to stimulate economic growth and employment generation. The subprojects covering transport, water supply, energy and infrastructure in industrial estate/SEZ, have been proposed in identified project towns and industrial clusters.

2. The project is being executed by the Department of Industries (DoI) who will be the Project Management Unit (PMU). The subprojects are being implemented by four Project Implementation Units (PIUs), namely, Andhra Pradesh Industrial Investment Corporation (APIIC), Andhra Pradesh Road Development Corporation (APRDC), Transmission Corporation of Andhra Pradesh (APTransco) and Greater Visakhapatnam Municipal Corporation (GVMC).

3. Subprojects identified for funding under Tranche 1 of the MFF are under implementation and those of Tranche 2 will be taken up for implementation.

3. Resettlement Plan/Resettlement and Indigenous Peoples Plan (RIPP) have been prepared for all subprojects under VCICDP depending on the significance of impact and the corresponding involuntary resettlement and indigenous peoples categorization. Resettlement Plans/RIPP are prepared for subprojects that have involuntary resettlement and indigenous peoples impacts.

4. The resettlement plan/RIPP describes the magnitude of impact, mitigation measures proposed, method of valuation of land, structure and other assets, eligibility criteria for availing benefits, baseline socio-economic characteristics, entitlements based on type of loss and tenure, the institutional arrangement for delivering the entitlements, mechanism for resolving grievances and monitoring and list of affected persons.

5. The PMU has decided to call in for the services of Resettlement Plan/RIPP Implementation Support Agencies/non-government organization (NGO) (financed by the GoAP) experienced in carrying out such rehabilitation and resettlement activities at the grass root level to assist the APIIC/APRDC in RP implementation. The subprojects being implemented by APIIC/APRDC that trigger involuntary resettlement and require the services of RP Implementation Support Agencies/NGOS to assist APIIC/APRDC in RP implementation/ RIPP implementation (applicable for Chittoor–South startup area). The list of the subprojects to be handled by the concerned NGO is given as Annexure 1 (to be inserted prior to bidding).

### **B. Objectives of the Assignment**

6. The NGO shall be responsible for the following:

- (i) data collection, management and maintenance of records related to affected persons, their entitlements and compensation;
- (ii) educating the displaced persons on their eligibility, entitlements and obligations;
- (iii) to ensure that the displaced persons receive their entitlements, project supported skill training as per their eligibility in accordance with the Resettlement Plan/RIPP;
- (iv) assist PIU in implementation of specific action plan as provided in RIPP (applicable for NGO appointed for Chittoor South startup area under Project 2)
- (v) assist displaced persons in compiling all documents and papers required for receipt of compensation;

- (vi) to provide support and information to displaced persons for income restoration, skill training opportunities;
- (vii) assist the displaced persons in relocation to resettlement site and rehabilitation, including counseling, and coordination with local authorities/line departments;
- (viii) to assist the displaced persons in redressing their grievances through the grievance redress mechanism (GRM) established for the project, and maintain records of the status of grievance registration, resolution and duly provide feedback to affected persons;
- (ix) to conduct meaningful consultations and maintain records of consultations with affected persons including meeting minutes, photographs and signature sheets;
- (x) assist to translate the summary of resettlement plan/RIPP in local language for disclosure and disseminate to displaced persons;
- (xi) to assist APIIC/APRDC with contractual responsibilities of the subproject, such as compliance with labour laws, prohibition of child labour, and gender issues;
- (xii) to extend support to PMSC and external monitor with required data and consultation details;
- (xiii) to collect data and submit monthly status note and quarterly progress reports to APIIC/APRDC for effective monitoring of the progress of Resettlement Plan/RIPP implementation.

### **C. Detailed Scope of Work**

- (i) Overall Responsibilities of the NGO:
  - (a) shall assist the manager-social safeguards and communications in respective PIUs (in APIIC/APRDC) in carrying out the implementation of the Resettlement Plan;
  - (b) conduct census and socio-economic survey of the displaced persons based on final subproject scope and design;
  - (c) data collection, management and maintenance of records related to affected persons based on the census and socio-economic survey, their entitlements and compensation. Maintain raw and clean survey data and records in editable softcopies. The record and database maintenance should be adequate to generate quick data-based reports, and information that APIIC/APRDC will require from time to time. The Project Management and Supervision Consultant (PMSC) to develop standard format of such database.
  - (d) shall ensure that the displaced persons receive their entitlements, project supported skill training as per their eligibility in accordance with the Resettlement Plan/RIPP;
  - (e) assist displaced persons in compiling all documents and papers required for receipt of compensation and other entitlements;
  - (f) conduct consultation with the affected persons including timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people. Ensure adequate participation of women and other vulnerable persons in consultation. Maintain the consultation records like minutes of meeting, photographs and signature sheets.
  - (g) assist PIU in implementation of specific action plan as provided in RIPP (applicable for NGO appointed for Chittoor South startup area under Project 2)
  - (h) Support agency / NGO is expected to capture audio-visual documentation of important gatherings and consultation meetings in coordination with relevant expert from PMSC;
  - (i) Provide assistance to displaced persons in compiling all documents like land ownership records, identification proof, legal heir certificates, bank account details required for ease of receipt of compensation;

- (j) shall assist the displaced persons in redressing their grievances through the project GRM. The NGO is expected
  - (k) shall assist the manager-social safeguards and Communications in disclosure, conducting public meetings, information campaigns during the Resettlement Plan/RIPP implementation and give full information to the affected community;
  - (l) shall assist APIIC/APRDC to translate the summary of resettlement plan/RIPP in local language for disclosure and disseminate to displaced persons;
  - (m) shall assist manager-social safeguards in translating the summary of Resettlement Plan in local language for disclosure and disseminate to displaced persons;
  - (n) shall assist APIIC /APRDC in ensuring that the Contractors comply with the applicable labour laws (including prohibition of child labour, bonded labour and gender requirements) as contained in the contract document;
  - (o) shall assist APIIC / APRDC in providing skill training to displaced persons, wherever required in the implementation of resettlement plan and skill training opportunities generated through the project;
  - (p) shall extend support to PMSC and external monitor during field visits and data requirements; shall work in close coordination with the Contractor in grievance redresses and public outreach and communication;
  - (q) shall submit monthly progress note and quarterly progress report to the PIUs covering both physical and financial progress of Resettlement Plan / RIPP implementation. The report should also cover implementation issues, summary of grievances and summary of consultations.
- (ii) Responsibilities for Implementation of the Resettlement Plan/RIPP:
- (a) shall verify the information already contained in the resettlement plan and the individual losses of the displaced persons. They should validate the data provided in the resettlement plan and report to APIIC /APRDC on changes required, if any, along with documentary evidence;
  - (b) shall establish rapport with displaced persons, consult and provide information to them about the respective entitlements as proposed under the resettlement plan, and distribute entitlement cum identity cards to the eligible displaced persons. The identity card should include a photograph of the displaced person, the extent of loss suffered, the entitlement and contact details of the APIIC, NGO and a brief of the GRM with contact details;
  - (c) shall update the census and socio-economic survey carried out during project preparatory stage, as required and wherever additional impacts are identified, carryout fresh surveys;
  - (d) shall keep survey data updated, in editable soft copies to as to generate quick reports and information. The PMSC to develop standard format of such database;
  - (e) shall provide the survey data as soft copy in the specified format that APIIC / APRDC will require in the management of the data base of the displaced persons and if APIIC / APRDC has a web-based database, update and enter the survey data in the desired format;
  - (f) shall assist PMSC with survey database of displaced persons and consultation details during updating of Resettlement Plan/RIPP;
  - (g) shall assist in the joint verification of affected persons and prepare micro plan detailing the type of impact and entitlements for each displaced person and display the list of eligible displaced persons in prominent public places like villages, Panchayat offices, Block/Mandal headquarters, and the District Headquarters;

- (h) assist PIU in implementation of specific action plan as provided in RIPP (applicable for NGO appointed for Chittoor South startup area under Project 2)
- (i) during the verification of the eligible displaced persons, ensure that each of the displaced persons are contacted and consulted either in groups or individually. Ensure consultation with women and other vulnerable groups from the displaced persons families, especially women headed households;
- (j) shall develop rapport between the displaced persons and the project authority, particularly manager-social safeguards and communications. This will be achieved through regular interactions with both the manager-social safeguards and communications and the displaced persons. Meetings with the manager-social safeguards and communications will be held at least fortnightly, and meetings with the displaced persons will be held monthly, during the entire duration of the assignment. All meetings and decisions taken shall be documented;
- (k) shall prepare monthly action plans with targets in consultation with the manager-social safeguards and communications;
- (l) participatory methods should be adopted in assessing the needs of the displaced persons, especially with regard to the vulnerable groups of displaced persons. The methods of contact may include village level meetings, gender participation through group's interactions (focus group discussions), and individual meetings and interactions;
- (m) shall explain to the displaced persons the provisions of the policy and the entitlements under the Resettlement Plan. This shall include communication to the roadside squatters and encroaches about the need for the timely shifting/relocation to resettlement site, the timeframe for disbursement of their entitlement;
- (n) shall disseminate information to the displaced persons on the possible consequences of the project on the communities' livelihood systems and the options available, so that they do not remain ignorant;
- (o) shall monitor the civil construction work in each package to ensure there is no bonded/child labour; that equal wages for equal work is paid irrespective of gender (male female should be paid equally for equal work);
- (p) in all of these, consider women as a special focus group, and deal with them with care and sympathy;
- (q) shall assist the project authorities in ensuring a smooth transition (during the part or full relocation of the displaced persons), helping the displaced persons to take salvaged materials and shift. In close consultation with the displaced persons, inform the manager-social safeguards and communications about the shifting dates agreed with the displaced persons in writing and the arrangements desired by the displaced persons with respect to their entitlements;
- (r) shall assist the displaced persons in opening bank accounts explaining the implications, the rules and the obligations of a joint account and how s/he can access the resources s/he is entitled to;
- (s) shall assist displaced person to identify and select the relocation sites;
- (t) shall assist displaced person to rehabilitate/ reconstruct their livelihood at the new relocation areas; and
- (u) shall support APIIC / APRDC and PMSC in the resettlement plan monitoring.
- (v) shall extend support to external monitor in external monitoring activities for smooth implementation of Resettlement Plan. Shall work in close coordination with the Contractor in grievance redresses and public outreach and communication.

- (iii) Accompanying and representing the displaced persons at the Grievance Redressal Committee (GRC) Meetings
  - (a) shall nominate a suitable person (from the staff of the NGO) to assist the displaced persons in the GRC;
  - (b) shall make the displaced persons aware of the existence of GRM structure and grievance redressal committees (GRCs);
  - (c) shall help the displaced persons in filling the grievance application and also in clearing their doubts about the procedure as well as the context of the GRC award;
  - (d) shall record the grievance and bring it to the notice of the GRCs within seven days of receipt of the grievance from the displaced persons. It shall submit a draft note with respect to the particular grievance of the displaced person, suggesting multiple solutions, if possible, and deliberate on the same in the GRC meeting through the NGO representative in the GRC; and
  - (e) shall accompany the displaced persons to the GRC meeting on the decided date, help the displaced person to express his/her grievance in a formal manner if requested by the GRC and again inform the displaced persons of the decisions taken by the GRC within 3 days of receiving a decision from the GRC.
- (iv) Carry out Public Consultation
  - (a) in addition to counseling and providing information to displaced persons, shall carry out periodic consultation with displaced persons and other stakeholders throughout the duration of this contract;
  - (b) should organize meetings and appraise the communities about the schedule/progress of civil works; and
  - (c) all the consultations should be documented and if possible, photographs and attendance sheets should be compiled. The list of participants and a summary of the consultations and outcome should be submitted to APIIC/APRDC. In case of large or important meetings, audio-visual recording may be explored in consultation with PMSC and PIU.
- (v) Assisting APIIC/APRDC with the Project's Social Responsibilities
  - (a) shall assist APIIC/APRDC to ensure that the contractors are abiding by the various provisions of the contract and applicable laws pertaining to labour standards;
  - (b) shall assist APIIC in conducting the Resettlement and Rehabilitation award enquiry.
- (vi) Monitoring and Reporting
  - (a) The Resettlement Plans includes provision for internal monitoring by APIIC/APRDC and PMU. Similarly, external monitoring is also proposed to be conducted by an external monitor. Submission of monitoring reports quarterly, mid-term (semi-annual), and post-project monitoring and evaluation separately by PMU and external agency will be required. The Agency/NGO involved in the implementation of the Resettlement Plan will be required to supply all information, documents to the PIU/PMU and external monitoring consultants.
- (vii) Safeguard Compliance Role related to land acquisition issues
  - (a) The Support Agency/NGO on behalf of PIU will be responsible to take additional safeguard compliance measures related to land acquisition issues (including those related to land acquisitions carried out in the past, prior to the subproject). This would include conduct of due diligence related to payment

of compensation and other entitlements to affected persons, documentation of plot-wise compensation payment status and reasons for delay in payments, facilitate affected person in grievance redress and access to available GRM for past land acquisitions related complaints, hold consultation with affected community/persons.

#### **D. Documentation and Reporting by NGO**

6. The Support Agency/NGO selected for the assignments shall be responsible to:
- (a) submit an inception report within four weeks; on signing up of the contract including a work plan for the whole contract period, staffing and personnel deployment plan, and a withdrawal plan at the end of the period of contract. The withdrawal plan shall be detailed and reflect how the displaced persons will maintain the assets created and transferred to the displaced persons;
  - (b) prepare monthly progress notes to be submitted to the PIU, with weekly progress and work charts as against the scheduled timeframe of resettlement plan implementation;
  - (c) prepare and submit quarterly reports on a regular basis, to be submitted to the PMU;
  - (d) submit a completion report at the end of the contract period summarizing the actions taken during the project, the methods and personnel used to carry out the assignment, and a summary of support/assistance given to the displaced persons;
  - (e) all other reports/documentation as described in these terms of reference;
  - (f) record minutes of all meetings; and
  - (g) four copies of each report shall be submitted to APIIC/APRDC together with one soft copy of each report in the CD

#### **F. Data, Services and Facilities to be provided by the Client**

7. APIIC/APRDC will provide to the Support Agency/NGO the copies of the resettlement plan/ displaced persons' census, the strip plan of final design and any other relevant reports/data prepared by the DPR consultants. All facilities required in the performance of the assignment, including office space, office stationery, transportation and accommodation for staff of, etc., shall be arranged by the agency/NGO.

#### **E. Timeframe for Services**

8. It is estimated that the services will be required for about 24 months to undertake the assignment of facilitating the implementation of the resettlement plan. The time schedule for completion of key tasks is given below

<b>S.No</b>	<b>Task Description</b>	<b>Time for completion</b>
1.	Inception Report	At the end of the 4 <sup>th</sup> week after commencement of services
2.	a. Joint verification, issue of identity card and submission of corrected data, if any, including proposal for replacement and	At the end of the 2 <sup>nd</sup> month after commencement of services

S.No	Task Description	Time for completion
	upgradation of community assets b. Additional and /or missing census survey records of displaced persons (to be collected only after due approval of such cases by manager-social safeguards and communications in writing) including profiles of displaced person in such survey	At the end of the 3 <sup>rd</sup> month after commencement of services
3.	Monthly Progress Note /Quarterly Progress Report covering the activities in the scope of works and corresponding deliverables	In 10 days from the end of each month /quarter
4.	Facilitating disbursement of the entitlements for 25% of total affected persons coinciding with the handing over of land for civil works	At the end of the 5 <sup>th</sup> month after commencement of services
5.	Disbursement of the entitlements for another 25% of total affected persons	At the end of the 7 <sup>th</sup> month after commencement of services
6.	Disbursement of the entitlements for another 25% of total affected persons	At the end of the 9 <sup>th</sup> month after commencement of services
7.	a. Disbursement of the entitlements for remaining 25% of total affected persons b. Facilitating resettlement of displaced persons to the resettlement site(s)	At the end of the 12 <sup>th</sup> month after commencement of services
8.	Draft Final Report summarizing the action taken and other resettlement works to be fulfilled by the Support Agency/NGO	One month before the service / 23 <sup>rd</sup> month after commencement of services
9.	Final report summarizing the action taken and other resettlement works to be fulfilled by the Support Agency/NGO	At the end of the service / 24 <sup>th</sup> month after commencement of services incorporating suggestions of



S.No	Task Description	Time for completion
		APIIC/APRDC on the draft report.

### G. Team for the Assignment

9. The Agency/NGO shall assign a team of professionals for assisting APIIC/APRDC in Resettlement Plan implementation. The Agency/NGO team should consist of the following five core professionals, four support staff and one skilled data entry operator. The core team should have a combined professional experience in the areas of land acquisition, rehabilitation and resettlement, social mobilization, community development, census and socio-economic surveys and participatory planning and consultations.

10. One R&R expert, one-field coordinator and two-field staff each should be base out of South Node and Vizag Node. The team leader will be responsible for overall coordination.

	Key Professional	No. of Persons	Experience
<b>Key Professionals</b>			
1	Team Leader (Intermittent input)	1	Postgraduate in Social Science with a minimum of 10 years' experience in R&R and proficient in Telugu and English
2	R&R Expert (Intermittent input)	2	Postgraduate in Social Science with 5 years' experience in R&R and proficient in Telugu and English
3	Field Coordinator (Full time input)	2	Graduate in Social Science with knowledge and experience in census and socio-economic surveys, PRA Technique and fluent in Telugu and English.
<b>Non-Key Staff</b>			
4	Field Staff	4	Graduate in any discipline and social work experience is desirable
5	Data Entry Operator	1	Graduate with knowledge in database management

**Annexure 1: List of Subprojects –VCICDP (specific list of subprojects to be handled by the concerned NGO to be retained in each bidding document)**

[To be inserted prior to bidding].

## INDICATIVE TERMS OF REFERENCE FOR ENGAGING AN EXTERNAL MONITORING AGENCY/EXPERT

### A. Project Description

1. Government of Andhra Pradesh (GoAP) has taken up the implementation of the Visakhapatnam to Chennai Industrial Corridor Development Program (VCICDP) and has availed a loan from the Asian Development Bank (ADB) towards the same. The project involves infrastructure development and policy and institutional reforms to stimulate economic growth and employment generation. The subprojects covering transport, water supply, energy, and infrastructure in industrial estate and/or special economic zone (SEZ), have been proposed in identified project towns and industrial clusters.

2. The project is being executed by the Department of Industries (DOI), which functions as the Project Management Unit (PMU). The subprojects are being implemented by four Project Implementation Units (PIUs), namely, Andhra Pradesh Industrial Investment Corporation (APIIC), Andhra Pradesh Road Development Corporation (APRDC), Transmission Corporation of Andhra Pradesh (APTransco) and Greater Visakhapatnam Municipal Corporation (GVMC).

3. Subprojects identified for funding under Tranche 1 of the multitranche financing facility (MFF) and being implemented are given in Table A18.1.

**Table A18.1: Subprojects Under Implementation–Tranche 1**

S. No	Package No.	Name of Subproject	Location	Involuntary Resettlement Categorization
1.	APIIC/01	Construction of a 1 MLD capacity CETP at the Naidupeta cluster	Naidupeta, Nellore District	C
2.	APIIC/03	Augmenting utility services for Naidupeta Industrial cluster comprises of the Naidupeta MPSEZ, IP-Naidupeta and IP-Attivaram.	Naidupeta, Nellore District	C
3.	APIIC/04	Providing 21 MLD bulk water facility and summer storage in Naidupeta Industrial cluster	Naidupeta, Nellore District	B
4.	APIIC/05	Providing Water Supply to Industrial Clusters in the state of Andhra Pradesh - Southern Region	Tirupati District	B
5.	GVMC/02	Distribution Network improvements for NRW reduction and 24x7 supply in North-west area of GVMC	Visakhapatnam, Visakhapatnam District	B
6.	UCCRTF/04	Design erection, commission and operate a grid connected 3 MW floating type solar power project on MeghadriGedda reservoir in Vishakhapatnam	Visakhapatnam District	C
7.	UCCRTF/05	Development and Rejuvenation of Mudasarlovalake and catchment area	Visakhapatnam District	C

S. No	Package No.	Name of Subproject	Location	Involuntary Resettlement Categorization
8.	UCCRTF/06	'Non - Motorized traffic zones and introduction of E- Vehicles	Visakhapatnam District	C
9.	APRDC/01	Widening and Strengthening of 'Samarlakota to Rajanagaram' Section of 'Kakinada – Rajanagaram' Road to divided 4 – Lane in East Godavari District.	East Godavari District Rajahmundry District and Kakinada District	A
10.	APTransco/01	Augmenting power distribution capacity for meeting Industry demand at Kapuleppada, Nakkapalle/ Chandanada and Atchutapuram locations	Kapuluppada, Visakhapatnam District Nakkapalle and Atchutapuram, Visakhapatnam District	B
11.	APTransco/03	Augmenting power distribution capacity for meeting Industry demand at Rachagunneri, Naidupeta & Yerpedu locations	Rachagunneri and Yerpedu, Chittoor District Naidupeta, Nellore District	B

CETP = common effluent treatment plant, GVMC = Greater Visakhapatnam Municipal Corporation, mld = million liter per day, NRW = nonrevenue water.

<sup>a</sup>Tranche-1 works are in progress. Only Category A subproject (APRDC/01) requires external monitoring.

4. The proposed subprojects identified for funding under Tranche A18.2 of the MFF include:

**Table A18.2: Subprojects Proposed Under Tranche 2**

S. No	Package No	Name of Subproject	Location	Involuntary Resettlement Categorisation (Indicative)
1	APIIC/06A Chittoor South	Development of Start-up Area of Chittoor-South Industrial Cluster	Chittoor District	A
2	APIIC/08A Rambilli	Development of Start-up Area of Rambilli Industrial Cluster	Rambilli Mandal, Annanakapalli District	A/B <sup>a</sup>
3	APIIC/09A Nakapalli	Development of major infrastructure and utilities in Start-up area of Nakkapalli cluster	Visakhapatnam District	A
4	APRDC/04 Naidupeta connectivity road	Development of Roads for External Connectivity to Naidupeta Industrial Cluster	Tirupati District	A
5	APRDC/05 Routhusurmala connectivity road	Development of Roads for External Connectivity to Routhusuramala Industrial Cluster	Chittoor District Annnakapalli District	B

6	APRDC/06 Nakapalli connectivity road	Development of Roads for External Connectivity to Nakkapalli Industrial Cluster	Annnakapalli District	B
7	APRDC/07 AA Road	Widening of Anakapalli to Atchuthapuram Road	Annnakapalli District	A

<sup>a</sup> Categorization of package APIIC/08A will be confirmed based on the method of land acquisition ultimately adopted by the project. Only Category A subprojects will be monitored by the external monitoring agency.

<sup>b</sup> Tranche 2 under process

5. Resettlement plan and/or resettlement and indigenous peoples plan (RIPP) have been prepared for all subprojects under VCICDP depending on the significance of impact and the corresponding Involuntary Resettlement categorization. Resettlement plans are prepared for subprojects that have involuntary resettlement impacts and RIPPs are prepared for the subprojects with impacts on indigenous peoples and/or scheduled tribes (RIPP prepared for only 1 subproject i.e. APIIC/06A Chittoor South) and due diligence report (DDR) are prepared for subprojects where there are no involuntary resettlement impacts. The resettlement plan describes the magnitude of impact, mitigation measures proposed, method of valuation of land, structure and other assets, eligibility criteria for availing benefits, baseline socioeconomic characteristics, entitlements based on type of loss and tenure, the institutional arrangement for delivering the entitlements and mechanism for resolving grievances and monitoring. The DDR provide detail of subproject components and documents to establish that the subproject does not involve any involuntary resettlement impact.

6. The PMU and PIU have appointed agencies and/or nongovernment organizations (NGOs) to support the PIUs in resettlement plan implementation for subprojects that are categorized as Category A and Category B for involuntary resettlement impacts.

7. The monitoring and evaluation of the resettlement plan implementation of Category A subprojects should be undertaken by an external monitor. Therefore, the PMU requires the services of an external monitor for undertaking monitoring and evaluation of resettlement plan implementation of subprojects that are Category A for involuntary resettlement (please refer Table A18.1 and Table A18.2 above).

## **B. Scope of Work**

8. The scope of this assignment includes but not limited to the following tasks.

### **1. Generic**

- (i) Review and verify the progress in resettlement implementation as outlined in the Category A resettlement plans;
- (ii) Monitor the effectiveness and efficiency of PIUs, and NGOs in resettlement plan implementation;
- (iii) Assess whether resettlement objectives, particularly livelihoods and living standards of the displaced persons have been restored or enhanced;
- (iv) Assess resettlement efficiency, effectiveness, impact, and sustainability, drawing both on policies and practices and to suggest any corrective measures, if necessary; and
- (v) Review the project impacts on vulnerable groups and indigenous people and groups and assess the effectiveness of the mitigative actions taken.

## 2. Concurrent Monitoring

- (i) Undertake supervision of Category A subprojects resettlement plan and/or RIPP implementation to ascertain delivery of compensation and entitlements to affected persons in accordance with the provisions and procedures of resettlement framework and subproject resettlement plan and/or RIPP;
- (ii) Advise and guide the NGOs who are supporting respective PIUs in the implementation of the resettlement plan in accordance with their Terms of Reference (TOR);
- (iii) Assist the field units of PIU to oversee the implementation of resettlement plan and/or RIPP;
- (iv) Participate in periodical meetings held between PMU, PIU, and NGOs to assist PMU for successful outcomes of the meetings;
- (v) Verify whether the land acquisition, compensation and other related land acquisition tasks are proceeding as per applicable laws and resettlement framework and assist the implementing agencies for any additional support is needed to address the land acquisition related aspect of project implementation;
- (vi) Verify if compensation for land and non-land assets and rehabilitation and resettlement assistances and/or allowances have been provided to affected persons;
- (vii) Verify if payment as per micro plan prepared by NGO is disbursed in a timely manner and if payment has been made fully before dispossession of assets;
- (viii) Verify receipt of payment acknowledged by affected persons and confirm the same through random field checks with affected persons and through consultation meetings;
- (ix) Verify implementation of the specific action plan as provided in RIPP (RIPP prepared for only 1 subproject i.e. APIIC/06A Chittoor South);
- (x) Undertake reviews on behalf of PMU of all documents and reports related to land acquisition and resettlement received from PIU, NGOs, and consultants and advise the PMU for taking appropriate decisions on such reports;
- (xi) Assist the PMU to respond to the Asian Development Bank (ADB) on any matters related to the implementation of resettlement plan and related matters and also coordinate the ADB Mission visits to the subprojects and facilitate discussions with NGOs, affected persons, officials and other stakeholders;
- (xii) Verify to report compliance with the certification issued by concerned officer prior to handing over of the respective subproject land to the contractors, confirming the completion of land acquisition, payment of compensation and rehabilitation and resettlement (R&R) assistances, mitigation of resettlement impacts, and reconstruction of community properties in the respective subprojects;
- (xiii) Ensure synchronization of R&R implementation with civil works timetable to avoid time and cost over runs. This should be done in close coordination with the Project Management Supervision Consultants (PMS);
- (xiv) One of the key task is to ascertain how the physically displaced families have made the alternative arrangements for their relocation and provide support as needed for addressing this challenge in the project;

- (xv) Wherever resettlement sites are developed, ensure that required amenities and facilities have been provided and the houses comply with the local building rules;
- (xvi) Review and assess the adequacy of income restoration programs and wherever required advise PIU/PMU in improving the implementation of income restoration programs
- (xvii) Review the progress in unskilled jobs provided by the contractors to the local people;
- (xviii) Organization of periodical training in the implementation of resettlement plan and delivering of entitlements, consultations etc. to PIU staff and NGOs and/or consultants as necessary;
- (xix) Monitor the schedules and the achievement of target described in the resettlement plans;
- (xx) Provide periodical suggestion and recommendations for mid-stream alternation based on the implementation progress;
- (xxi) Report on the working of grievance redress committee (GRC) and analyses on the outcome of complaints dealt by GRCs;
- (xxii) Undertake field visits to interact with the affected persons and other beneficiaries, at least twice in a quarter in the first year and once a quarter in the subsequent years, to report their feedback on receipt of compensation and assistance received by them. Document the good practices and lessons learned during the course of implementation of resettlement plan;
- (xxiii) During field visits meet PIU officials and NGO and assess the physical and financial progress made in resettlement plan implementation;
- (xxiv) Verify the quality and suitability of replaced community assets affected by the project; and
- (xxv) Any other tasks that is necessary in realizing the objectives of the assignments.

### **3. Mid-term Impact Evaluation**

9. This assignment also includes carrying out a midterm impact evaluation during the last quarter of the contract period to evaluate the following outcomes of resettlement plan implementation through a sample survey amongst affected persons.

- (i) Verify whether the objectives of resettlements have been realized, particularly the changes in the in the living standards of affected persons;
- (ii) impact assessment is to be compared with the baseline values for key socioeconomic as given in the resettlement plan. If such information is not available information has to be collected on recall basis at the time of survey. A small sample of control population should also be included for comparison purpose;
- (iii) to assess whether the compensation is adequate to replace the lost assets;
- (iv) to assess how the compensation has been utilized;
- (v) to assess implementation of the specific action plan of APIIC/06A Chittoor South;
- (vi) assess the perceived benefits and losses of resettlement and perception of the implementation in their living standards; and
- (vii) Assess the level of satisfaction of the various assets provided as part of R&R implementation;

10. Based on the impact assessment, suitable remedial measure is to be proposed for any shortcomings. In monitoring and impact evaluation, gender disaggregated assessment and analysis will be factored in reporting especially on (i) proportion of women land owners who received compensation, (ii) number of women headed households and other vulnerable groups received R&R assistances, and local female and scheduled caste labor force participation in unskilled jobs under contractors, (iii) proportion of women as beneficiaries of house sites and/or houses offered under R&R assistance; and (iv) proportion of women participation in consultation meetings during implementation.

### **C. Methodology**

11. The consultant should use rapid assessments, sample surveys, consultations, discussions, meetings, interviews, etc. At least two visits to each subproject sites should be undertaken in each quarter in the first year and one visit to each subproject from the second year onwards. Quarterly Progress Reports (QPRs) should be submitted within 15 days of end of each calendar quarter and semi-annual report summarizing the progress made and corrective actions, if any. Whenever semi-annual reports are submitted, there is no need for a QPR.

12. For the mid-term impact evaluation, the consultant should carry out a sample survey of not less than 400 affected households spread across all the Category A subprojects proportion to the magnitude of impact and type of loss. A control sample of 100 households will also have to be carried out for comparison purpose.

13. For the final closure report, the monitoring consultant will also carry out a sample survey in the last quarter to capture the socioeconomic status of the affected persons and include the findings in the report, with recommendations for further support, if required. This sample survey for final closure report should cover not less than 400 affected households spread across all the Category A subprojects proportion to the magnitude of impact and type of loss.

### **D. Reporting**

14. The Consultant shall submit the following reports:

- (i) Inception Report outlining the methodology, approach and deployment of resources, etc.;
- (ii) Two semi-annual reports per annum—within 1 month of each SSMR submission;
- (iii) Mid Term Evaluation report at end of first year;
- (iv) Final closure report outlining the experience, lesson learned, outcome of survey findings on socioeconomic status of the affected persons, etc.

### **E. Time Frame and Composition of consultant**

15. This assignment will be carried out by a firm of consultants over the period of 24 months. Staffing input of the firm will be 64 person-months (inclusive of support staff) with the breakdown of person-months and assignment of tasks shown in Table A18.3. Qualification requirements as mentioned below.

**Table A18.3: Indicative Breakdown of Consultant's Input**

Key Expert -			Months
No.	Position	Tasks	Input



1	Monitoring Consultant (Team Leader)	I-V	10
2	Resettlement Expert - 3 Nos	I-V	30
<b>Non-Key- Staff -</b>			
1	Minimum Support Staff	Assistance Experts @ for data collection	24
2	Data Entry Operator	To Assist Project Team	24

16. The qualification requirements in this Annex are “preferred” qualifications, and not pass/fail.

### **1. Team Leader Cum Social Development Expert**

17. The Monitoring Consultant should be a Post-graduate/Doctorate in Social Science/Sociology/Anthropology/Economics/MSW or equivalent with minimum of 15 years of experience in the field of social development after post-graduation. He should have experience as Social Development specialist having experience in resettlement issues, consultations, and Community development. (Note: PG and PHD in other subjects shall not be considered for evaluation).

18. He should have monitoring and evaluation experience of minimum 5 projects and should have held responsible positions in the previous assignments including as Team Leader. Experience in similar assignments for any external aided projects such as World Bank /ADB/IBIC or other bilateral/multilateral funding agencies will be an added advantage and weightage given accordingly. He should have adequate managerial skill and should be conversant with the region and the local language.

19. The input of consultant will be required on intermittent basis and while submitting the proposal, a detailed workplan should be submitted with proposed input of the monitoring consultant.

### **2. Resettlement Expert - 3 Nos**

20. The Monitoring Consultant (Resettlement expert) (should have minimum 3 support staff), who would assist the monitoring consultant in data collection, data collation and field support. The expert should possess a degree in Social Science/Sociology or related degree courses with minimum 5 years' experience in socioeconomic surveys/consultations/resettlement plan implementation at field levels etc. in last 5 years, with 2 years' experience in monitoring for similar assignments in He must be fluent and conversant with the regional and the local language and having minimum reporting skills and should be conversant with MS office.

### **3. Non-Key (Support Staff- 1 No)**

21. Any Computer literate with Degree in Science or Commerce with minimum 3 years of experience in Data entry works and documentation with experience in MS office. He must be fluent and conversant with the region and the local language.

## **F. Data, Services and Facilities to be Provided by the Client**

22. The PMU will provide to the Consultant the copies of the resettlement plan and affected persons' Census, the DPR, plan of final design and any other relevant reports and/or data prepared by the DPR consultants and NGOs. All facilities required in the performance of the assignment, including office space, office stationery, transportation, and accommodation for the Consultant, shall be arranged by the Consultant. The Consultant should have one office in the approved location to have better co-ordination, preferably where the PMU-HO is located.

23. The consultant shall submit the following reports. All reports should be submitted in hard copy and soft copy in MS Word for easy transmission. All the draft reports will be reviewed by the Report Evaluation Committee of PMU within a week of submission of the reports and the comments need to be incorporated in the final version. The reports, especially the Final reports will also be reviewed by the ADB. The consultants will devise the reporting formats as desired and may be reflected in the Inception report.

- (i) Inception report with mobilization details;
- (ii) Semi-annual Monitoring Reports; and
- (iii) Final Completion Report containing implementation experience, lessons learnt and socioeconomic status of affected persons.

#### **G. Payment Schedule**

24. The payment will be made on successful completion of key tasks is given below.

**Table A18. 4: Payment Schedule**

<b>S. No</b>	<b>Task Description</b>	<b>Cumulative</b>
1	Inception Report (within 30 days)	15%
2	Semi-annual Monitoring Reports (10% upon clearance of each report)	40%
3	Midterm Impact Evaluation Report – end of 12 <sup>th</sup> month (Annual)	70%
4	Draft Final Report - 24 <sup>th</sup> month	85%
5	Final Report after acceptance of Draft report by Client with any changes	100%
	<b>Total</b>	<b>100%</b>

#### **H. Time Frame and Reporting**

25. The independent monitoring expert will be responsible for overall monitoring of the resettlement plan implementation and will submit quarterly and semi-annual monitoring report directly to PMU for onward transmission to ADB with PMU's comments within 10 days of the preceding reporting month.

26. The monitoring expert will commence with the task of monitoring the resettlement plan implementation in the Category A subprojects under Tranche 1 and II immediately after signing of the contract.

#### **I. Budget and Logistics**

27. Copies of the proposal—both technical and financial—should be submitted and the budget should include all cost and any other logistics details necessary for resettlement monitoring including surveys.