



# India: Rajasthan State Highway Investment Program - Tranche 3

Project Name	Rajasthan State Highway Investment Program - Tranche 3		
Project Number	49228-004		
Country / Economy	India		
Project Status	Approved		
Project Type / Modality of Assistance	Loan		
Source of Funding / Amount			
	Loan 4262-IND: Rajasthan State Highway Investment Program - Tranche 3		
	Ordinary capital resources		US\$ 110.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Private sector development		
Sector / Subsector	Transport / Road transport (non-urban)		
Gender Equity and Mainstreaming	Effective gender mainstreaming		
Description	The Government of Rajasthan proposed a third tranche amounting to \$110 million to cover the improvement of about 290 km of state highways and major district roads. It also supports the capacity building of Rajasthan Public Works Department on implementation of the streamlined business procedures and gender equality and social inclusion. Although the MFF is implemented in three tranches in lieu of original plan of two, the overall impact, outcome, and outputs will be achieved, and implementation arrangements will remain unchanged. The periodic financing request was received on 21 October 2022.		
Project Rationale and Linkage to Country/Regional Strategy	Rajasthan is the largest state in India, covering an area of 342,239 square kilometers. It has a population of about 68.5 million, 75% of whom live in rural areas and depend their livelihood primarily on agriculture and agro-based industries, mining and mineral processing, tourism, handicraft and cottage industries. Although Rajasthan has strong potential for growth in these sectors, it remains underutilized due to the poor connectivity to socioeconomic centers and social services. Road density in Rajasthan is around 63.61 kilometers (km) per 100 square kilometers, which is significantly lower compared to the national average of 166.47 km per 100 square kilometers. In contrast, the number of vehicles registered in Rajasthan has increased significantly, from 10.07 million in 2013 to 14.9 million in 2017, with an average annual growth of 8.2%. To facilitate Rajasthan's development through inclusive economic growth and poverty reduction, the Government of Rajasthan aims to provide a safe, sound, environment-friendly and sustainable state-of-the-art road infrastructure network through the Rajasthan's State Highway Development Program (SHDP). To achieve this objective, SHDP needs to address the following four key challenges: insufficient state budget for capital investment on road constructions; inadequate road maintenance program; weak road safety management; and inadequate capacity of RPWD, in particular on road asset management and road safety. The investment program, designed as an integral part of the SHDP, aims to improve the performance of the state's road transport subsector to facilitate movements of people and goods in a more efficient, safe, and sustainable manner.		
Impact	Good connectivity provided in all areas (Strategy for New India @ 75)		
Project Outcome			
Description of Outcome	Efficiency and safety of transport on Rajasthan's state highways improved		
Progress Toward Outcome			
Implementation Progress			
Description of Project Outputs	State highways and MDRs improved Capacity of RPWD enhanced		
Status of Implementation Progress (Outputs, Activities, and Issues)			
Geographical Location	Rajasthan		
Safeguard Categories			
Environment			B
Involuntary Resettlement			A
Indigenous Peoples			B
Summary of Environmental and Social Aspects			

Environmental Aspects	Environment (category B). Environment due diligence on the two ongoing tranches revealed generally satisfactory compliance with loan documents, particularly the environmental assessment and review framework (EARF), facility administration manual, and respective PAMs, initial environmental examinations (IEEs), and EMPs. The four roads that will be funded under this tranche involve widening of existing roads to mainly two lanes with granular shoulder. The MFF's EARF guided the screening and environmental assessment of these roads and the monitoring of ongoing subprojects under tranches 1 and 2. None of the tranche 3 roads pass through or are located near any environmentally sensitive areas. One project road falls within the Taj Trapezium Zone and will have to obtain tree cutting permission from the Supreme Court. Activities under this tranche will not cause significant irreversible environment impacts. Anticipated environmental impacts entail typical road construction-related issues, such as the generation of dust, noise, exhaust, and waste from construction and worker camps; water contamination; restrictions on animal movement; and occupational health and safety hazards. A consolidated IEE has been prepared for all roads with road-specific environmental monitoring and management plans and will be disclosed on the ADB and RPWD websites. Meaningful consultations with key environmental agencies and roadside communities were conducted during project preparation, and all concerns of the affected persons and stakeholders were incorporated in the IEE and EMPs. An integrated social and environmental grievance redress mechanism has been formed under the MFF to receive and address feedback and complaints from affected parties during the construction and operation stages. EMP implementation structure will follow that of ongoing tranches as prescribed in the PAM. Annual monitoring reports will be prepared by RPWD and submitted to ADB for disclosure on the ADB website.
Involuntary Resettlement	Involuntary resettlement (category A). A resettlement framework is in place to guide the screening and planning of involuntary safeguards under the program. Both tranches 1 and 2 are category A. For these tranches, 15 resettlement plans are currently under implementation in compliance with the relevant loan agreement provisions. For tranche 3, RPWD prepared three resettlement plans, and one combined resettlement and indigenous peoples plan. The plans are in line with India's Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation, and Resettlement Act (2013) and ADB's Safeguard Policy Statement (2009). About 39 hectares of private land will be acquired, and 567 private structures, 67 community property, and 55 trees will be affected. Involuntary resettlement will impact 2,080 households (8,047 persons) of which 570 households (2,126 persons) will potentially experience significant impacts due to (i) full physical displacement from shelter at 18 households (85 persons); or (ii) permanent loss of more than 10% of productive assets (i.e., land parcel and commercial structure at 552 households (2,041 persons). Displaced households will be entitled to replacement cost compensation, shifting allowance, income restoration assistance, and other entitlements depending on the type of asset lost. The RPWD is experienced in involuntary resettlement safeguards while implementing projects funded by the ADB and the World Bank. The RPWD is committed to providing resources necessary for timely resettlement plan implementation, and they will engage (i) NGOs to assist with resettlement plan implementations, (ii) a PMC with a social safeguard specialist to support the implementing units, and (iii) an external expert to verify the outcome of resettlement plan implementation. Consultation and information disclosure, grievance redress, and internal and external monitoring will be conducted throughout resettlement plan implementation. The entire cost of land acquisition and resettlement will be borne by GoR.
Indigenous Peoples	Indigenous peoples (category B). Indigenous peoples households have been identified in the Package 4 road in Banswara District. The district is designated as a scheduled tribe district by the Constitution of India because it is a tribal majority area. The affected households generally belong to the Bheel scheduled tribe. Social impact assessment suggests the households (i) do not have collective attachment to the affected land parcels; and (ii) do not occupy, use, or claim ancestral domain. Moreover, consultations with the households during project design indicates that the benefits of improving the existing roads and alignments (e.g., climate resilience, safety, and access to markets, schools, and health services) will not adversely affect their dignity, human rights, livelihood systems, or culture. About 518 individual scheduled tribe households will be affected by land acquisition and resettlement to an extent that is deemed not significant. A combined resettlement and indigenous peoples plan has been prepared to meet the relevant requirements of the ADB Safeguard Policy Statement (2009) and the GoR policy framework.
Stakeholder Communication, Participation, and Consultation	
During Project Design	Meaningful consultation and social surveys were conducted along all tranche 3 project roads. During the preparation of the project, civil society was actively consulted and participated in improving the road designs. The key objectives of the consultations were to increase awareness about the project, inform road residents about the grievance mechanism, find out the needs and concerns of the communities and obtain suggestions to enhance the project's benefits and mitigate its negative impacts.
During Project Implementation	During implementation, civil society and stakeholders will continue to be informed and consulted. Grievance redress mechanisms will be instituted. Awareness will be raised among the project authorities about ADB's pertinent social safeguard requirements. RPWD will engage an experienced NGO to assist with implementing the resettlement plans.

Business Opportunities	
Consulting Services	All consultants will be recruited according to ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). Consulting firms will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality-cost ratio of 80:20.
Procurement	All procurement of works will be undertaken in accordance with ADB's Procurement Guidelines (2015, as amended from time to time). International competitive bidding procedures will be adopted for all civil works contracts over \$40 million. National competitive bidding may be used for contracts below the threshold. It is recommended that all civil works packages are procured under national competitive bidding procedures as all contracts are under \$40 million.

Responsible ADB Officer	Lu, Yang
Responsible ADB Department	South Asia Department
Responsible ADB Division	Transport and Communications Division, SARD
Executing Agencies	Government of Rajasthan

Timetable	
Concept Clearance	-
Fact Finding	-
MRM	27 Oct 2022
Approval	29 Nov 2022
Last Review Mission	-
Last PDS Update	29 Nov 2022

## Loan 4262-IND

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	158.10	Cumulative Contract Awards			
ADB	110.00	-	0.00	0.00	%
Counterpart	48.10	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

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Project Page	<a href="https://www.adb.org/projects/49228-004/main">https://www.adb.org/projects/49228-004/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=49228-004">http://www.adb.org/forms/request-information-form?subject=49228-004</a>
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