



## India: Kolkata Environmental Improvement Investment Program - Tranche 1

Project Name	Kolkata Environmental Improvement Investment Program - Tranche 1
Project Number	42266-023
Country	India
Project Status	Active
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	<b>Loan 3053-IND: MFF - Kolkata Environmental Improvement Investment Program - Tranche 1</b> Ordinary capital resources US\$ 100.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development Private sector development
Sector / Subsector	<b>Water and other urban infrastructure and services</b> - Urban sewerage - Urban water supply
Gender Equity and Mainstreaming	Effective gender mainstreaming
Description	<p>Kolkata is the largest city in the state of West Bengal and the seventh largest in India. It has a population of 4.5 million and contributes at least 13% of West Bengal's gross domestic product. The city is and will remain the dominant commercial and financial hub in the state. Although its livability has improved, the quality of basic urban services remains below national standards. The gap is particularly noticeable in water supply and sewerage services in regard to coverage, continuity, and quality. This affects the city's ability to attract investment, facilitate trade, and create jobs, as well as its productivity, its competitiveness, and, most importantly, its quality of life and welfare. Investment and policy gaps hinder how effectively and efficiently institutions deliver services, and how well the policy framework creates an enabling environment for better service delivery and sustainability. These limitations have been manageable, but Kolkata's expanding economy and deficient investment and maintenance over the years have made narrowing the gaps more urgent. The Kolkata Municipal Corporation (KMC), created to administer the city under the KMC Act in 1980, is responsible for delivering water and sewerage services. The Asian Development Bank (ADB) has been working with KMC since 2000, but only regarding sewerage. The partnership has yielded good results. KMC has a strategy, sector road map, policy framework, and investment plan to address gaps in operational efficiency, institutional effectiveness, policy, and sustainability. The investment program combines physical and other investments. KMC wants ADB to continue its role as a key financing and advisory partner.</p> <p>The Project proposed for financing under the Periodic Financing Request will deliver three outputs:</p> <ul style="list-style-type: none"><li>(i) Inefficient water supply assets rehabilitated;</li><li>(ii) Sewerage and extension to peripheral areas continued; and</li><li>(iii) Financial and project management capacity further developed.</li></ul>
Project Rationale and Linkage to Country/Regional Strategy	<p>Water supply and sewerage services in Kolkata have excelled the national average, particularly in terms of quality, continuity, and coverage. The city also has a good, low-cost sewage treatment system. However, service provision is not uniform across the city and is increasingly strained by economic expansion. Service is better in the city center than in the periphery. This is both a problem and an opportunity. The problem is that the number of vulnerable households has grown rapidly in the periphery as the population has declined in the center, which is subserved. The opportunity arises from the KMC's ability to generate revenues from a still-large population with higher income in the center, with which to fund investment in the periphery. The city has worked hard to narrow service disparities. Efforts started with two loans provided in 2000 and 2006 for the Kolkata Environmental Improvement Project (KEIP), which financed the renovation of 564 kilometers (km) of the sewer_drain network and the rehabilitation of three sewage treatment plants, raising the percentage of the population with direct sewer connection from 31% in 2001 to 43% in 2011. The service coverage for water supply is higher than for sewerage, but disparities between central and peripheral areas remain, particularly in service continuity. Unless addressed rapidly, these disparities will widen as population shifts from the center to the periphery.</p>
Impact	Improved water supply, sewerage, and drainage service quality and operational sustainability in select areas of KMC

### Project Outcome

Description of Outcome	Improved operational efficiency and coverage of water supply, sewerage, drainage services in selected areas of KMC.
Progress Toward Outcome	All contracts awarded and works under progress
<b>Implementation Progress</b>	
Description of Project Outputs	Inefficient water supply assets rehabilitated. Sewerage extension to peripheral areas continued. Financial and project management capacity further developed.
Status of Implementation Progress (Outputs, Activities, and Issues)	4.4 kms of water supply pipe lines laid. 50 sewerage house connections provided, 13 km of sewer pipes laid. The e-platform of project accounting software is being upgraded. PMC, DSC consultancy, Public Communication and Social Development Consultants and GIS Consultants fielded.
Geographical Location	

## Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

## Summary of Environmental and Social Aspects

Environmental Aspects	All subprojects in Tranche 1 were appraised and IEEs with EMPs were prepared in compliance with the SPS, 2009. No significant environmental impacts are anticipated for the proposed subprojects and there are no sensitive or protected areas in or around the proposed facilities. Any foreseen impacts are readily mitigated through proper facility design, siting, and good construction practices as documented in the EMP.
Involuntary Resettlement	The proposed sub projects under Tranche 1 will avoid significant IR impacts. Impacts are limited to potential short-term temporary impacts to 6 houses and 4 commercial establishments due to the open cut method used to lay water pipes. The acquisition of 350 square meters of land, affecting two landowners, is required under Tranche 1. Both owners were consulted and are willing to sell their land. All Tranche 1 subprojects were appraised and RP prepared in accordance with SPS, 2009.
Indigenous Peoples	There are no impacts to IPs anticipated.

## Stakeholder Communication, Participation, and Consultation

During Project Design	Consultations have been held throughout the planning and design stage with Mayor, PMU, KMC officials, and state government departments like Pollution Control Board (PCB). Walk through informal discussions have been held with the local community along the proposed transmission stretch to assess the kind of impacts.
During Project Implementation	The design and technique adopted by KMC has helped address and mitigate potential social issues associated with works. However, information disclosure is an integral part of safeguards planning during project implementation. Consultations and information disclosure will be carried out at different stages of the project cycle. Consultation measures envisaged for the project are: (i) KMC will inform through its officials and contractor about the construction schedule to minimize the temporary impacts; (ii) PMU will ensure that the affected people's if any will be identified and informed about the assistance to be provided for any temporary loss of livelihood; and (iii) attempts will be made to ensure that vulnerable groups, if any, will understand the process and that their specific needs will be taken in to consideration.

## Business Opportunities

Consulting Services	All consulting services to be financed under the Project will be recruited in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). There are four major consulting services contract packages: (i) program management consultants; (ii) design and supervision consultants; (iii) public communication and social development consultants; and (iv) GIS-based management system consultant Phase 1. The four teams of consultants will be recruited using the quality and cost-based selection method.
Procurement	All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). The concurring standard bidding documents for the national competitive bidding will be used throughout the Facility period.

## Responsible Staff

Responsible ADB Officer	Majumder, Sourav
Responsible ADB Department	South Asia Department
Responsible ADB Division	India Resident Mission

**Timetable**

Concept Clearance	-
Fact Finding	-
MRM	14 Aug 2012
Approval	22 Oct 2013
Last Review Mission	-
Last PDS Update	24 Mar 2017

**Loan 3053-IND**

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
22 Oct 2013	03 Mar 2014	30 May 2014	30 Jun 2019	-	-

Financing Plan			Loan Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	140.00		Cumulative Contract Awards			
ADB	100.00		22 Oct 2013	97.59	0.00	98%
Counterpart	40.00		Cumulative Disbursements			
Cofinancing	0.00		22 Oct 2013	35.31	0.00	35%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	-	-	-	-	Satisfactory

Project Page	<a href="https://www.adb.org/projects/42266-023/main">https://www.adb.org/projects/42266-023/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=42266-023">http://www.adb.org/forms/request-information-form?subject=42266-023</a>
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