



India: North Karnataka Urban Sector Investment Program - Project 4

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| Project Name | North Karnataka Urban Sector Investment Program - Project 4 | | | | |
| Project Number | 38254-063 | | | | |
| Country | India | | | | |
| Project Status | Active | | | | |
| Project Type / Modality of Assistance | Loan | | | | |
| Source of Funding / Amount | <table border="1"> <tr> <td colspan="2">Loan 3088-IND: North Karnataka Urban Sector Investment Program Project 4</td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 63.30 million</td> </tr> </table> | Loan 3088-IND: North Karnataka Urban Sector Investment Program Project 4 | | Ordinary capital resources | US\$ 63.30 million |
| Loan 3088-IND: North Karnataka Urban Sector Investment Program Project 4 | | | | | |
| Ordinary capital resources | US\$ 63.30 million | | | | |
| Strategic Agendas | Environmentally sustainable growth Inclusive economic growth | | | | |
| Drivers of Change | Governance and capacity development Private sector development | | | | |
| Sector / Subsector | Transport - Urban roads and traffic management Water and other urban infrastructure and services - Urban sewerage - Urban water supply | | | | |
| Gender Equity and Mainstreaming | Effective gender mainstreaming | | | | |
| Description | Project 4 under the Investment Program (the Project) supports improvements in sanitation, water supply and municipal infrastructure in the following 14 ULBs: Basavakalyan, Badami, Bellary, Bidar, Gadag-Betegeri, Gokak, Haveri, Hospet, Ilkal, Nippani, Raichur, Shahabad, Sindhanur and Yadgir and institutional development, improved municipal management and project implementation capacity for the Investment Program ULBs. | | | | |
| Project Rationale and Linkage to Country/Regional Strategy | Government of Karnataka (GOK) has long recognized that North Karnataka is lagging behind the rest of the state in economic progress as well as quality of life. Indeed, the High Power Committee Report for Redressal of Regional Imbalances noted that the economy of North Karnataka has been worse off than that of other parts of the state for more than four decades. The economy is primarily based on agriculture, with more than 36% of the workforce employed in this sector. Average per capita income in all districts in North Karnataka are lower than the state average. Of the 78 clusters of urban local bodies (ULBs) defined as suffering from abject poverty (more than 40% of the population below the poverty line), 48 are located in North Karnataka. In order to address these, GOK is implementing the North Karnataka Urban Sector Investment Program (the Investment Program) which aims at improving urban infrastructure and services in 25 ULBs in North Karnataka. | | | | |
| Impact | Improved quality of life in 14 ULBs in North Karnataka. | | | | |

Project Outcome

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| Description of Outcome | Improved urban service delivery in 14 ULBs in North Karnataka |
| Progress Toward Outcome | (i) Water supply: All water supply packages awarded and works are in progress for provision of 24x7 water supply to the project towns. (ii) Sanitation: The spillover works of 4 contracts of Tranche 1 were included under the project. Of which 2 were terminated due to poor contract performance. They have been rebid and been awarded. Physical progress ranges from 4% to 83%. |

Implementation Progress

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| Description of Project Outputs | Upgraded water supply network Expanded sewerage infrastructure Improved roads and lake development infrastructure Strengthened service delivery management capacity Enhanced project management and implementation capacity |
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| Status of Implementation Progress (Outputs, Activities, and Issues) | <p>(i) Water supply: Works are in progress with the award of all water supply packages to provide 24x7 water supply to the project towns. 1,508 kms of water pipe network laid/rehabilitated. 118,786 new household connections provided.</p> <p>(ii) Sanitation: The spillover works of 4 contracts of Tranche 1 were included under the project. Of which 2 were terminated due to poor contract performance. They have been rebid and been awarded. Physical progress ranges from 4% to 83%. 105 kms of new sewer built.</p> <p>(iii) Works for improvement of road at Ilkal is completed. Badami road package dropped. Works for lake improvement in Raichur is in progress.</p> <p>Strengthened service delivery management capacity: Works are in progress with the award of all water supply packages to provide 24x7 water supply to the project towns</p> <p>Enhanced project management and implementation capacity: Ongoing (Training Safeguard, procurement and contract management)</p> |
| Geographical Location | North Karnataka |

Safeguard Categories

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| Environment | B |
| Involuntary Resettlement | B |
| Indigenous Peoples | C |

Summary of Environmental and Social Aspects

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| Environmental Aspects | Project 4 is classified as category B for environment. Fifteen IEEs were prepared and disclosed for this project. IEEs show no significant impacts are envisioned and project locations are located outside sensitive areas. Any impacts during construction and operation will be avoided and/or mitigated through measures identified in the EMP which will form part of the bidding and contract documents. Implementation of IEEs will be monitored by the PMU and PIUs with assistance from the supervision consultants. Safeguard reporting from the PMU to ADB will be done on a semi-annual basis. |
| Involuntary Resettlement | Project 4 is classified as category B for involuntary resettlement. An RP was prepared and disclosed for the Hospet sewerage subproject to address acquisition of private agricultural land (15.28 acres) affecting 11 landowners (60 affected persons). Temporary impacts to mobile vendors and hawkers and shops along roads with linear works will be avoided through careful EMP implementation (i.e., plans for continued access, traffic management, night works, and assistance for shifting mobile vendors). Implementation of RPs will be monitored by the PMU and PIUs with assistance from the supervision consultants and NGOs. Safeguard reporting from the PMU to ADB will be done on a semi-annual basis. The executing agency has dedicated staff overseeing safeguards implementation, and receives capacity support from consultants to implement and monitor safeguards compliance. |
| Indigenous Peoples | Project 4 is category C for indigenous peoples as the project is working in urban areas. |

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

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| Consulting Services | Program Consultants (4 consulting services packages) and NGOs engaged under Projects 1, 2 and 3 will continue to provide services for Project 4. An additional 397 person-months in total is required for these four program consultants' packages under Project 4. |
| Procurement | All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines (March 2013, as amended from time to time). The first set of standard bidding documents for national competitive bidding (NCB) prepared under Project 4 will be submitted to ADB for review and endorsement before tendering. |

Responsible Staff

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| Responsible ADB Officer | Dasgupta, Saugata |
| Responsible ADB Department | South Asia Department |
| Responsible ADB Division | India Resident Mission |
| Executing Agencies | <p>Karnataka Urban Infrast. Dev. and Finance Corp. KUIDFC.PMU@SMD.SPRINTRPG.EMS.VSNL.NET.IN Silver Jubilee Block 2nd Cross, Mission Road, Bangalore-27 INDIA</p> |

Timetable

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| Concept Clearance | - |
| Fact Finding | - |
| MRM | - |
| Approval | 09 Dec 2013 |
| Last Review Mission | - |
| PDS Creation Date | 22 Jan 2008 |
| Last PDS Update | 31 Mar 2017 |

Loan 3088-IND

| Milestones | | | | | |
|-------------|--------------|------------------|-------------|---------|--------|
| Approval | Signing Date | Effectivity Date | Closing | | |
| | | | Original | Revised | Actual |
| 09 Dec 2013 | 16 Sep 2014 | 04 Dec 2014 | 05 Dec 2016 | - | - |

| Financing Plan | | Loan Utilization | | | |
|----------------|--------------------------------|----------------------------|-------|--------|----------------|
| | Total (Amount in US\$ million) | Date | ADB | Others | Net Percentage |
| Project Cost | 91.10 | Cumulative Contract Awards | | | |
| ADB | 63.30 | 09 Dec 2013 | 63.44 | 0.00 | 100% |
| Counterpart | 27.80 | Cumulative Disbursements | | | |
| Cofinancing | 0.00 | 09 Dec 2013 | 42.56 | 0.00 | 67% |

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| Project Page | https://www.adb.org/projects/38254-063/main |
| Request for Information | http://www.adb.org/forms/request-information-form?subject=38254-063 |
| Date Generated | 06 July 2017 |

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