ADB ASIAN DEVELOPMENT BANK

India: Railway Sector Investment Program - Tranche 2

Project Name	Railway Sector Investment Program - Tranche 2
Project Number	36330-033
Country	India
Project Status	Approved
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	**Loan 3108-IND: Railway Sector Investment Program - Tranche 2** Ordinary capital resources — US$ 130.00 million
Strategic Agendas	Inclusive economic growth
Drivers of Change	Knowledge solutions
Sector / Subsector	**Transport** - Rail transport (non-urban)
Gender Equity and Mainstreaming	No gender elements
Description	ADB and the Government of India are working together to make the country's train system safer, more efficient and able to handle greater amounts of passengers and freight. The Railway Sector Investment Program is building second tracks alongside 840 kilometers of existing rail systems, essentially doubling the capacity of high-density routes. Another 640 kilometers of track will have electrification systems added. This is increasing the capacity of India's rail system. It is also increasing efficiency by installing modern signaling systems, and working to reform the accounting system. The result of the work is that India's trains are using less fuel, creating less pollution, keeping closer to schedules and costing customers less.
Project Rationale and Linkage to Country/Regional Strategy	India's economy has been one of the fastest growing in Asia in recent years, but its rail system has failed to keep pace. Each year, more than 7 billion passengers ride trains in India and more than 800 million tons of freight is transported. But as India's economy continues to expand, the numbers of passengers and tons of freight on trains has been declining. The train routes most in demand cannot handle the capacity needed, and many of the trains are slow and service is poor. The country needs an efficient, sustainable, safe, and regionally balanced transportation system in which trains play a key role.
Impact	Energy-efficient, safe, reliable, affordable and environment-friendly railway transport developed

Project Outcome	
Description of Outcome	Improved railway transport capacity in the project rail routes
Progress Toward Outcome	Achievement to be measured after project completion.
Implementation Progress	
Description of Project Outputs	Track components delivered to construction sites for installation
Status of Implementation Progress (Outputs, Activities, and Issues)	All rail contracts ongoing; delivery of all track components due in 2018.
Geographical Location	

Safeguard Categories	
Environment	C
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects	
Environmental Aspects	The second tranche involves solely the procurement of track components, i.e. rails and thick-web switches that will be installed on railway corridors being upgraded under the RSIP. According to the ADB's Safeguard Policy Statement (2009), the tranche is categorized as C for impacts on the environment, involuntary resettlement, and indigenous peoples. An assessment for impacts on the three components for all subprojects in the railway corridors upgraded under the RSIP has been conducted during processing of Tranche 1 of the MFF; the assessment includes the impacts from installation of the track components procured under Tranche 2. There are no environmentally sensitive features in the proposed investment. Hence, Tranche 1 has been categorized as B in accordance with ADB's SPS. Accordingly, initial environmental examinations (IEEs) were prepared for all five subprojects (4 doubling and 1 electrification projects) to assess the potential environment impacts and recommend appropriate mitigation measures. The report for Pune Guntakal electrification and Daund Gulbarga doubling has been combined. Hence, there are a total of four IEE reports. These reports include an environment management plan (EMP) and an environment monitoring plan (EMOP). An environmental assessment and review framework (EARF) has been prepared to guide the implementation of environment safeguard requirements for the investment program and subsequent tranches. If there will be any changes in project design or subprojects that will trigger new environmental issues during implementation, the EARF must be referred to for further actions on environment safeguards. The second tranche involves solely the procurement of rails and switches that will be installed on existing railway corridors. According to the ADB's SPS, the tranche is categorized as C for impacts on environment. The EMP is a plan for mitigating all anticipated environment impacts during project construction and operation. Specific mitigation measures with details on location, time and responsible agency for implementation is given in the EMP. Mitigation measures for implementation during the construction stage is implemented by the contractor and during operation stage by RVNL. Monitoring of the EMP implementation during construction is carried out by RVNL and the PMC with appropriate guidance and advice by the General Consultants (GC). Records on implementation of the mitigation measures on site will be maintained by the contractor in the form of checklists or EMP tables on a weekly basis. Based on these checklists and spot checks of at least once a month by the PMC and RVNL, monitoring reports will be compiled on a quarterly basis. These quarterly monitoring reports will further be compiled into an annual monitoring report to be submitted to ADB for disclosure on the ADB website. If there are any changes in the design or alignment, the EMP of the respective sub-project will be updated to account for any additional or new environmental impacts. All required clearances and permits such as forestry clearance and permit from the State Pollution Control Board (SPCB) for operation of hot mix plants must be obtained by the contractor before the implementation of the respective construction activity. All grievances and concerns, particularly related to the implementation of the RP, IPP, and EMP, will be acknowledged, responded, evaluated, and corrective actions taken immediately. All grievances shall be received, assessed, and resolved by the jurisdictional PIU within 30 days of receipt. In case the PIU is unable to resolve the issue, the matter will be forwarded to the social and environment unit at RNVL Headquarters for corrective action. All grievances will be recorded, decisions documented, and made accessible to the public. The outcome of the redress shall form part of the quarterly report to ADB.
Involuntary Resettlement	Under the first tranche, six resettlement plans (RPs) were prepared in accordance with ADB's Safeguard Policy Statement (2009) (SPS), Land Acquisition Act, 1894 (amended in 1984), and National Rehabilitation and Resettlement Policy (NRRP-2007). According to the project census, 3,945 persons will be affected by the project out of which 76 households are physically displaced and 344 households will be economically displaced. The total resettlement budget for the project is INR 135,033,578. The first tranche is categorized as A in accordance to ADB SPS. All grievances and concerns, particularly related to the implementation of the RP, IPP, and EMP, will be acknowledged, responded, evaluated, and corrective actions taken immediately. All grievances shall be received, assessed, and resolved by the jurisdictional PIU within 30 days of receipt. In case the PIU is unable to resolve the issue, the matter will be forwarded to the social and environment unit at RNVL Headquarters for corrective action. All grievances will be recorded, decisions documented, and made accessible to the public. The outcome of the redress shall form part of the quarterly report to ADB.
Indigenous Peoples	The second tranche involves solely the procurement of track components, i.e. rails and thick-web switches that will be installed on railway corridors being upgraded under the RSIP. According to the ADB's Safeguard Policy Statement (2009), the tranche is categorized as C for impacts on the environment, involuntary resettlement, and indigenous peoples. An assessment for impacts on the three components for all subprojects in the railway corridors upgraded under the RSIP has been conducted during processing of Tranche 1 of the MFF; the assessment includes the impacts from installation of the track components procured under Tranche 2. In case of any adverse impacts on indigenous people identified during planning, design or implementation of the subproject, the MOR and RVNL will ensure that the indigenous peoples plan (IPP) is prepared in accordance with the indigenous peoples planning framework (IPPF) and the ADB's SPS and the same is further approved by ADB before award of related civil works contract and implemented before commencement of the relevant section of the civil works contract as applicable. Any update of IPP during implementation shall follow requirements similar to the RPs as described for involuntary resettlement. All grievances and concerns, particularly related to the implementation of the RP, IPP, and EMP, will be acknowledged, responded, evaluated, and corrective actions taken immediately. All grievances shall be received, assessed, and resolved by the jurisdictional PIU within 30 days of receipt. In case the PIU is unable to resolve the issue, the matter will be forwarded to the social and environment unit at RNVL Headquarters for corrective action. All grievances will be recorded, decisions documented, and made accessible to the public. The outcome of the redress shall form part of the quarterly report to ADB.
Stakeholder Communication, Participation, and Consultation	

During Project Design	In the course of the social assessment, a series of participatory consultations were held with stakeholders and beneficiaries in various socioeconomic groups in the subproject areas, with 125 focus group discussions held at various locations. Groups of men, women, and indigenous people residing in the subproject areas were selected at random. Key stakeholder interviews were conducted with gram panchayat sarpanch (village or small-town head), anganwadi workers (those working at centers offering care for children and mothers), midwives, schoolteachers, farmers, traders, business people, and health workers. A total of 91 focus group discussions exclusively for women were also held. Informants articulated the perceived benefits from the investment program. They were positive about the need for the investment program, especially in terms of improved accessibility for villagers, and better amenities reaching households in the project districts.
During Project Implementation	The MOR will organize further consultations with the stakeholders and beneficiaries within the subproject area to apprise them of economic development in the five states. The perceptions and priorities of the people will be taken into consideration when finalizing the subproject designs and preparing mitigation measures.

Business Opportunities

Consulting Services	A firm of international consultants in association with national consultants supports the IA to implement the project by (i) preparing the monthly and quarterly reports as required for management of the project and reporting to ADB; (ii) monitoring the implementation of safeguards in accordance with ADB's Safeguard Policy Statement; (iii) scheduling the project implementation and establishing project schedules with milestones and critical path analysis based on international best practice; (iv) advise the IA on any potential issues and coordinate within the project or third parties as necessary; (v) provide proper monitoring of the funds available, fund flows within the project, disbursements of funds from the loan account, projections of future financial needs; and (vi) prepare the reports and documentation needed for the IA to submit the subsequent PFRs to ADB to secure funding of later tranches of the project. About 78 person-months of international consultants and 390 person-months of national consultants is required for this. The consulting firm has been engaged under Tranche 1 using the quality- and cost-based selection (QCBS) method (full technical proposal) with a quality:cost ratio of 80:20. The consulting firm will be partially funded from Tranche 2. RVNL will engage the project management consultants (PMC) by its own financing. PMC will support the IA for construction supervision as the Engineer.
Procurement	RVNL has adequate capacity and staff assigned to the PIUs to carry out procurement and to implement the project. The project management consultants for the investment subprojects were recruited by RVNL on time for project implementation, and the consultant act as the Engineer in the works contracts. A General Consultant was recruited by RVNL to further support the overall program implementation management and ADB's reporting requirements for the RSIP. RVNL has a chief vigilance officer to handle all grievances including those relating to procurement. The Central Vigilance Commission, through its Chief Technical Examiners Organization, conducts systematic analysis and monitoring for compliance with procurement procedures and rules as well as issues guidance and instructions to prevent any irregularities. The independent safety commissioner will undertake final technical audit before commissioning. Contracts financed by ADB will use procurement process and bidding documents that follow ADB's policies and include a policy statement on avoiding corrupt practices. The government will publish information relating to the investment program including business opportunities, and information on procurement of goods, works, and consulting services on RVNL and MOR websites. RVNL will also make available to ADB on request copies of internal audit reports. ADB's Anticorruption Policy (1998, as amended to date) was explained to and discussed with the government, MOR, and RVNL. The specific policy requirements and supplementary measures are described below. All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines. MOR and ADB have discussed procurement packages and procedures and understood that the proposed MFF does not involve national competitive bidding (NCB). The procurement plan should be updated whenever change in the procurement arrangements is required and agreed. An updated 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages is in Section C of the FAM (Procurement Plan). Procurement activities will be the responsibility of the RVNL Director, who will be supported by the staff and consultants. ADB will closely monitor all major project implementation activities. Under Tranche 2, contracts for goods will comprise 3 international competitive bidding (ICB) packages; amongst those, bidding for 2 contracts is completed. Contract packages for equipment under efficiency enhancement and CDM components will be based on required technical features and timing of procurement. Packages will be identified during implementation by consultants engaged under technical assistance for CDM and engaged for accounting reform, and by the general consultant. All contracts for civil works and goods will be procured in accordance with ADB's Procurement Guidelines. ADB's standard bidding documents will be used.

Responsible ADB Officer	Guenter Hoelscher
Responsible ADB Department	South Asia Department
Responsible ADB Division	Transport and Communications Division, SARD
Executing Agencies	*Ministry of Railways* *Railway Board, Room No. 416* *Rail Bhawan, New Delhi 110001* *India*

Timetable

Concept Clearance	-
Fact Finding	-
MRM	22 Nov 2013
Approval	06 Feb 2014
Last Review Mission	-
Last PDS Update	21 Aug 2015

Loan 3108-IND

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
06 Feb 2014	17 Feb 2014	28 Mar 2014	30 Jun 2019	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US$ million)	Date	ADB	Others	Net Percentage
Project Cost	227.20	Cumulative Contract Awards			
ADB	130.00	06 Feb 2014	112.51	0.00	87%
Counterpart	97.20	Cumulative Disbursements			
Cofinancing	0.00	06 Feb 2014	51.99	0.00	40%

Project Page	http://www.adb.org/projects/36330-033/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=36330-033
Date Generated	10 October 2015

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