ADB ASIAN DEVELOPMENT BANK

India: MFF - Rural Roads Sector II Investment Program (Project 3)

Project Name	MFF - Rural Roads Sector II Investment Program (Project 3)
Project Number	37066-043
Country	India
Project Status	Closed
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	**Loan 2445-IND: MFF - Rural Roads Sector II Investment Program (Project 3)** Ordinary capital resources — US$ 130.00 million
Strategic Agendas	Inclusive economic growth
Drivers of Change	Governance and capacity development
Sector / Subsector	**Transport** - Road transport (non-urban)
Gender Equity and Mainstreaming	Some gender elements
Description	The Project will finance part of the cost of a subset of the Investment Program comprising construction and upgrading of 950 kilometers (km) rural roads in the state of Assam and 720 km rural roads in the state of West Bengal that are part of the Government of India's rural roads program - Pradhan Mantri Gram Sadak Yojana (PMGSY) meaning Prime Minister's Rural Roads Program. It is expected that the proposed investment will bring about the outcome of reduced poverty and deprivation, and economic growth of rural communities in the vicinity of the subproject roads by providing them with enhanced access to markets; employment opportunities; and social services including health and education.
Project Rationale and Linkage to Country/Regional Strategy	Poor road infrastructure affects economic growth in rural areas. It impacts negatively on domestic and local trade, on the final cost of goods, competition and competitiveness, logistics in general, movement of people, inward investment opportunities, and ultimately on employment. Poor road connectivity has a strong link to poverty. Past neglect of the rural road network has cut off rural communities from mainstream economic centers in the country and even locally. Poor road connectivity has resulted in slow development, and in some cases a faster than needed exodus of young people to cities. The Government is trying to redress this problem under PMGSY, Assam, Orissa, and West Bengal, which are first targeted under the Investment Program, are among the 10 states with large rural populations that lack adequate coverage in terms of all-weather road connectivity. The poverty head count rates in these states are among the highest in India.
Impact	Contribute to reduction in poverty and deprivation, and support economic growth of the community connected by Investment Program roads.

Project Outcome

Description of Outcome	Improved connectivity of rural community to markets, district headquarters, and other centers of economic activity via Investment Program roads
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	Construction and upgrading of rural roads to all-weather standard. Improved community participation
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Assam and West Bengal

Safeguard Categories

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples
Stakeholder Communication, Participation, and Consultation
During Project Design
During Project Implementation

Business Opportunities

Consulting Services	Tranche 3 does not have any provision for financing consulting services. Technical support consultant's (TSC) services required for preparation of PFR3 were financed under Project 1. For the implementation of Project 3, TSC's services will be financed under Tranche 1, and, after closing of Tranche 1, will be financed under Tranche 2.
Procurement	Under the advance contracting and retroactive financing provisions of the FFA, the two state Implementing Agencies started procurement action as early as in August 2007. The first contract award under Project 3 was in December 2007 in West Bengal and in May 2008 in Assam. In West Bengal, all the civil works contracts under Project 3 have been awarded. In Assam, contract award is taking place in phases. Procurement of civil works followed national competitive bidding procedure using the PMGSY standard bidding documents and procedures with the agreed ADB-financing specific adjustments in the areas of eligibility, anticorruption, social and environmental safeguards as was used under Project 1. An ADB-engaged procurement consultant carried out post-facto review of the procurement process followed and documentation used, and confirmed that there was no departure from the earlier-agreed procurement arrangements. The Procurement Plan is included as part of the submitted PFR.

Responsible Staff

Responsible ADB Officer	Heriawan, Andri
Responsible ADB Department	South Asia Department
Responsible ADB Division	Transport and Communications Division, SARD
Executing Agencies	*Ministry of Rural Development* *J. K. Mohapatra* *j.mohapatra.nic.in* *New Delhi, India*

Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	26 Sep 2008
Last Review Mission	-
PDS Creation Date	22 Jul 2009
Last PDS Update	17 Nov 2010

Loan 2445-IND

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
26 Sep 2008	10 Nov 2008	05 Jan 2009	31 Dec 2010	30 Jun 2013	19 Nov 2013

Financing Plan		Loan Utilization			
	Total (Amount in US$ million)	Date	ADB	Others	Net Percentage
Project Cost	168.80	Cumulative Contract Awards			
ADB	130.00	26 Sep 2008	121.73	0.00	100%
Counterpart	38.80	Cumulative Disbursements			
Cofinancing	0.00	26 Sep 2008	121.73	0.00	100%

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

Project Page	https://www.adb.org/projects/37066-043/main
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