



India: Infrastructure Development Investment Program for Tourism - Tranche 1

Project Name	Infrastructure Development Investment Program for Tourism - Tranche 1				
Project Number	40648-023				
Country	India				
Project Status	Active				
Project Type / Modality of Assistance	Loan				
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2">Loan 2676-IND: Infrastructure Development Investment Program for Tourism - Tranche 1</td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 43.42 million</td> </tr> </table>	Loan 2676-IND: Infrastructure Development Investment Program for Tourism - Tranche 1		Ordinary capital resources	US\$ 43.42 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth				
Drivers of Change	Governance and capacity development				
Sector / Subsector	Transport - Urban roads and traffic management Water and other urban infrastructure and services - Other urban services - Renovation and protection of cultural heritage				
Gender Equity and Mainstreaming	Effective gender mainstreaming				
Description	<p>As part of the Investment Program, the Project aims to complete subprojects under four or five different components of the Investment Program in the State of Himachal Pradesh (Part A).</p> <p>A. Component 1: Urban Infrastructure and Service Improvement B. Component 2: Connectivity Improvement C. Component 3: Quality Enhancement of Natural and Cultural Attractions D. Component 4: Community-based Activities E. Component 5: Capacity Development, Community Participation and Project Management</p>				
Project Rationale and Linkage to Country/Regional Strategy	<p>The investment program will assist the government in achieving its targets by tapping the tourism sector's potential to contribute to sustainable and inclusive economic growth. It will respond to the urgent need for developing tourism-related infrastructure in the four participating states - Himachal Pradesh, Punjab, and Uttarakhand (the three main states of the North West Himalayan Heritage Circuit), and Tamil Nadu (the anchor state of the South Heritage Circuit) - to promote the economic potential of the tourism sector within a planned framework and address weaknesses in management capacity. These four states voluntarily sought to participate in the implementation of the road map, and the government supported their participation. The government prepared a more specific road map along with a framework for necessary policy and sector reforms for each of the four states under follow-up ADB assistance, and proposed the MFF modality to support the government's medium- and long-term goals.</p> <p>While infrastructure supporting tourism is being put in place, sector reform must be carried out in parallel to attain the goals of more sustainable and inclusive tourism sector development. Key challenges include existing limitations in (i) public sector financing, (ii) sector policies on , and institutional capacities for, heritage site management; (iii) an effective enabling environment for enhanced private sector participation; (iv) operation and maintenance of tourism infrastructure; and (v) effective mechanisms to engage local communities in the tourism value chain.</p> <p>The investment program includes a number of policy-driven sector reforms. The participating states are committed to making investments in the tourism sector more attractive for private sector participation. They will also promote homestay programs and other noncommercial or semicommercial lodging alternatives, such as bed and breakfast facilities. Each state will develop a tourism policy to mainstream (i) balanced distribution of economic opportunities across the state through the promotion of community-based, tourism-related economic and livelihood activities, and ecotourism development; (ii) financial sustainability of tourism destinations and their heritage assets, and connectivity infrastructure, and (iii) policy and regulatory reforms to provide for adaptive reuse of publicly owned heritage buildings so that additional means of cost recovery are established. The MFF modality is considered suitable for the proposed intervention because developing the capacities of the sector agencies as facilitators and regulators of tourism development will be a gradual process requiring longer-term commitments.</p>				

Impact	Enhanced contribution of the tourism sector to sustainable and inclusive economic growth
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Project Outcome

Description of Outcome	Increased volume of domestic and international tourists to destinations within each participating state
Progress Toward Outcome	Actions towards achieving the outcome are underway as explained further in the status of implementation progress of outputs below.

Implementation Progress

Description of Project Outputs	Enhanced quality of natural and cultural attractions Greater participation by local communities in tourism-related economic activities Improved basic urban infrastructure and services at tourist destinations and attractions Improved connectivity Strengthened capacity of concerned sector agencies and local communities for planning, development, management and marketing of tourist destinations and attractions
Status of Implementation Progress (Outputs, Activities, and Issues)	In Himachal Pradesh 4 of 4 contracts and in Punjab 24 of 25 contracts awarded/works are ongoing. 3 of 3 contracts awarded in Punjab under community based activities and in progress. In Himachal Pradesh 5 out of 6 consulting packages awarded and in progress. 1 package dropped and is planned under Tranche 3. In Himachal Pradesh 15 of 15 contracts and in Punjab 3 of 4 contracts awarded/works are ongoing. 1 contract awarded in each state under connectivity improvement. In Himachal Pradesh, NGO for pilot program appointed. 29 training workshop organized in four clusters. 1187 participants attended the workshop; out of which 703 participants were women. PMU and PIUs also organized 10 training programs/workshops to tourism related organizations. 658 participants attended these programs, out of which 178 were women. In Punjab, NGO for pilot program appointed. 6 training workshop organized. 678 participants attended the workshop; out of 254 participants were women.
Geographical Location	Four participating states including Himachal Pradesh, Punjab, Tamil Nadu and Uttarakhand

Safeguard Categories

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	No significant environmental impacts are expected. Impacts can be mitigated through proper siting, design and good construction practices. These are identified in the subproject-specific initial environmental examinations (IEEs) and environmental monitoring plans (EMPs), which are prepared in accordance with ADB's Safeguard Policy Statement (2009). A project management unit and a project management consultant are responsible for the coordination and implementation of the environmental and health and safety activities. Quarterly environmental monitoring reports are prepared. Key environmental benefits include improved on-site and off-site hygiene and sanitary conditions at tourist destinations and increased environmental awareness.
Involuntary Resettlement	Subprojects are not expected to result in any physical or economic displacement due to involuntary acquisition of land, or involuntary restrictions on land use. In case of future unforeseen resettlement issues, the Safeguard Policy Statement (2009) will be followed and a resettlement framework has been prepared.
Indigenous Peoples	The initial screening concluded that no indigenous peoples issues are anticipated, as defined in the Safeguard Policy Statement (2009). An indigenous peoples planning framework has been prepared for future loans, in case the indigenous peoples framework would be triggered.

Stakeholder Communication, Participation, and Consultation

During Project Design	
During Project Implementation	Outreach and consultation is an ongoing process during implementation.

Business Opportunities

Consulting Services	All consultants will be recruited according to ADB's guidelines on the use of consultants. The indicative terms of reference for all consulting services are described in the facility administration manual for this investment program.
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Procurement All procurement and goods and civil works will be undertaken in accordance with ADB's procurement guidelines.

Responsible Staff

Responsible ADB Officer	Vishal, Vivek
Responsible ADB Department	South Asia Department
Responsible ADB Division	India Resident Mission
Executing Agencies	<i>Dept of Tourism&Civil Aviation, Gov of Himachal Pra TOURISMSECY-HP@NIC.IN Room No 101, Armsdale Himachal Pradesh Secretariat Chota Shimla - 171002 (HP), India Dept. of Tourism, Gov't. of Punjab GEETIKAKALHA@GMAIL.COM Room No 514, Mini Secretariat Government of Punjab Chandigarh - 160009, India</i>

Timetable

Concept Clearance	22 Mar 2010
Fact Finding	-
MRM	06 Mar 2009
Approval	04 Oct 2010
Last Review Mission	-
PDS Creation Date	28 Apr 2010
Last PDS Update	22 Mar 2016

Loan 2676-IND

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
04 Oct 2010	20 Jul 2011	26 Oct 2011	30 Jun 2017	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	62.03	Cumulative Contract Awards			
ADB	43.42	04 Oct 2010	42.80	0.00	99%
Counterpart	18.61	Cumulative Disbursements			
Cofinancing	0.00	04 Oct 2010	31.22	0.00	72%

Project Page	https://www.adb.org/projects/40648-023/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=40648-023
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