



India: Kolkata Environmental Improvement Investment Program (Facility Concept)

Project Name	Kolkata Environmental Improvement Investment Program (Facility Concept)	
Project Number	42266-013	
Country	India	
Project Status	Active	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	MFF Facility Concept 0075-IND: MFF- Kolkata Environmental Improvement Investment Program (Facility Concept)	
	Ordinary capital resources	US\$ 400.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Private sector development	
Sector / Subsector	Water and other urban infrastructure and services - Water supply and sanitation	
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>	
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. As shown in Table 1, 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 access to water supply and sanitation in KMC	

Project Outcome

Description of Outcome	Improved water supply, sewerage, and drainage service quality and operational sustainability in selected areas of KMC
Progress Toward Outcome	Tranche 1 implementation ongoing.
Implementation Progress	
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)	Under Tranche 1, five civil works packages awarded, three of which started construction in 2014.
Geographical Location	

Summary of Environmental and Social Aspects

Environmental Aspects	B
Involuntary Resettlement	B
Indigenous Peoples	C

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 consultants will be recruited according to ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The procurement plan indicates the threshold, mode of procurement, and consultant selection, review procedures, and contract packages.
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	Pokhrel, Neeta
Responsible ADB Department	South Asia Department
Responsible ADB Division	Urban Development and Water Division, SARD
Executing Agencies	<i>Kolkata Municipal Corporation 5, S.N.Banerjee Road Kolkata 700 013, India</i>

Timetable

Concept Clearance	-
Fact Finding	24 May 2012 to 31 May 2012
MRM	14 Aug 2012
Approval	26 Sep 2013
Last Review Mission	-

MFF Facility Concept 0075-IND

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	570.00	Cumulative Contract Awards			
ADB	400.00	-	0.00	0.00	%
Counterpart	170.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Project Page <https://www.adb.org/projects/42266-013/main>

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