



India: Kerala Sustainable Urban Development (formerly Urban Infrastructure Development and Environment II)

Project Name	Kerala Sustainable Urban Development (formerly Urban Infrastructure Development and Environment II)	
Project Number	32300-013	
Country	India	
Project Status	Closed	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan 2226-IND: Kerala Sustainable Urban Development (formerly Urban Infrastructure Development and Environment II) Ordinary capital resources US\$ 221.20 million	
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions	
Sector / Subsector	Transport - Urban roads and traffic management Water and other urban infrastructure and services - Other urban services - Urban flood protection - Urban policy, institutional and capacity development - Urban sewerage - Urban solid waste management - Urban water supply	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>The expected impact of the Project is increased growth potential of and reduced poverty in the Project cities. The expected outcome of the Project is improved urban environment, economy, and living conditions for the 2.6 million people living the five Project cities. To this end, the Project will (i) improve and expand urban infrastructure and services; (ii) enhance livelihoods; and (iii) improve urban management, planning, and financing capacity of the setor institutions especially the MCs to ensure sustainable provision of urban infrastructure and services.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>The project was incorporated in ADB's Country Strategy and Program 2003-2006. It was developed in accordance with the policies of India's 74th Amendment, to devolve responsibility for municipal services from State line agencies to the local governments' municipal corporations. It also reflected India's strategy to expand development of the major urban centers of India, to provide improved access of the majority of urban dwellers to basic services.</p>	
Impact	Increased growth potential and lower poverty in the project cities	

Project Outcome

Description of Outcome	Better urban environment, economy, and living conditions for the 2.6 million people living in the five municipal corporations of Kerala.
Progress Toward Outcome	Project closed on 30 June 2016. Outcome to be determined shortly.

Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"> 1. Investment program for water supply rehabilitation and distribution network strengthening (in Kochi, Kollam, and Thrissur). 2. Investment program for rehabilitation and extension of sewerage system, and supply of sanitation maintenance equipment (in Kochi, Kollam, Kozhikode, and Thiruvananthapuram). 3. Implemented investment program for rehabilitation and improvement of city center drainage system (in all municipal corporations). 4. Investment program for solid waste collection and transportation equipment, compost plant installation and development of landfill site (in Kochi, Kollam, Kozhikode, and Thrissur). 5. Investment program for road and junction capacity augmentation, new road links and road safety improvements (in all project cities). 6. Improved community planning processes for city development. 7. Improved infrastructure in target poor settlements and basic facilities for vulnerable groups. 8. Improved livelihoods and employment opportunities for the urban poor. 9. Completed subproject designs and implementation in emerging urban areas in Kerala.
Status of Implementation Progress (Outputs, Activities, and Issues)	<p>58 km drains constructed 32 km water transmission mains laid 36 km of water distribution system laid Sewage pumping station work in progress at 8 locations 43.55 km of sewers laid 107 MLD of sewage treatment capacity created Work in progress 29 km of roads constructed 1 flyover, 1 bridge and 1 underpass completed</p>
Geographical Location	Thiruvananthapuram, Kollam, Kochi, Kozhikode, Thrissur in State of Kerala, India

Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	A

Summary of Environmental and Social Aspects

Environmental Aspects	<p>The Project has been classified as environmental category B. As part of the project preparatory TA, initial environmental examinations (IEEs) were carried out for project subcomponents in all five municipal corporations covered by the Project. The IEEs showed that none of the proposed components would have significant adverse environmental impacts. Anticipated minor environmental impacts include some loss of on-site ecology and the conversion of small amounts of rural agricultural land; dust generation due to excavation activities; and increased vibration, noise, fumes and traffic during construction. Mitigation measures have been proposed to minimize impacts from inadequate maintenance of sewerage systems and/or gases generated during the decomposition of solid waste. Significant environmental benefits resulting from the Project include improved hygiene and sanitary conditions in all municipal corporations; better waste handling, treatment and disposal; a healthier ecosystem because of the reduction in the waste discharged into protected areas; a decrease in water losses resulting from the currently defective water distribution system; and better air quality as a result of improvements to traffic and road conditions. Environmental management plans (EMPs) were drawn up for sanitary landfill sites and sewage treatment plants to be financed by the Project.</p>
Involuntary Resettlement	<p>The physical components included under the Project were selected in order to minimize land acquisition, resettlement, and relocation. Most of the proposed improvements and construction will be on land owned by the municipal corporation or by another government agency. The total land acquisition requirement is about 1.55 hectares (0.09 hectares for overhead water tanks and 1.46 hectares for sewage pumping stations). There may be a need to temporarily displace or relocate hawkers and vendors during road improvements and pipe laying for water, sewerage and sanitation, and drainage. If necessary, alternative temporary spaces will be provided nearby to minimize the disruption to the economic activities of the hawkers and vendors. The total number of people affected by the Project, and the significance of the resettlement impacts, if any, can only be estimated after the detailed design of the components.</p>
Indigenous Peoples	<p>The Project is unlikely to have any impacts on indigenous peoples in Kerala, as activities will be concentrated in urban areas where few indigenous peoples are to be found. However, because of the approach to be followed in Part C: Local Government Infrastructure Development, there is a slight possibility that indigenous peoples may be directly or indirectly affected by some subprojects. The indigenous peoples development framework (IPDF) provides guidelines on formulating appropriate development planning instruments such as indigenous peoples development plans or specific actions to address such impacts.</p>

Stakeholder Communication, Participation, and Consultation

During Project Design	Extensive consultations were undertaken with stakeholders, including beneficiary communities and affected households, NGOs, CBOs, elected representatives, urban local bodies, administrative departments and state government.
During Project Implementation	A domestic consulting firm will be engaged by the PMU to promote community awareness of the Project, including its long-term benefits to gain full support of the Project beneficiaries and to stimulate demand for improved urban infrastructure and services. Beneficiaries will be made aware of issues such as water rates, user charges, and property tax reform in order to achieve the Project goals. Beneficiaries will also be informed of preventive measures to avoid environmental health-related hazards and of their responsibilities to reduce and to avoid inefficient use of water.

Business Opportunities

Consulting Services	Consulting services will be selected and engaged using ADB's quality and cost-based selection (QCBS) procedures and in accordance with ADB's Guidelines on the Use of Consultants and other arrangements satisfactory to ADB for engaging domestic consultants. A total of 2,964 person-months of consulting services (78 international and 2,886 domestic) will be required. An international consulting firm in association with domestic consulting firms will be engaged to assist the PMU in overall project administration, management, and monitoring. The estimated consulting services requirement for the Project Management Consultant (PMC) is 276 person-months (78 international and 198 domestic). Two domestic consulting firms will be engaged as Design and Supervision Consultants (DSCs) to assist the PIUs in daily project implementation activities. A total of 2,688 person-months of consulting services will be required for the two DSCs (1,176 and 1,512 person-months for the southern and northern regions, respectively). The PMU will also engage a domestic Public Relations Consultant (PRC) for public relations and awareness programs (120 person-months), and a domestic Project Performance Monitoring System (PPMS) Consultant for the monitoring and assessment of the impacts of the project (45 person-months).
Procurement	Goods, works, and services financed by ADB will be procured in accordance with ADB's Guidelines for Procurement. Procurement will generally be carried out by the PIUs, except for equipment and vehicles common to all MCs, which will be procured by the PMU. To the extent possible, goods to be procured will be grouped into packages larger than \$1 million to be suitable for ICB procedures. Miscellaneous goods for immediate use that cannot be grouped into a larger package, costing less than \$1 million will be procured through IS of LCB procedures. Civil works will be packaged based on a number of factors such as the type of work, experience available in and likely interest by local/international contractors, time required for detailed engineering designs and preparation of bidding documents. Contracts over \$10 million will be procured through ICB, civil works contracts costing less than \$10 million will be procured through LCB procedures. Some technically complex civil works like sewerage treatment plants, road improvements, and solid waste treatment and disposal sites will be tendered on a turnkey basis.

Responsible Staff

Responsible ADB Officer	Srivastava, Pushkar
Responsible ADB Department	South Asia Department
Responsible ADB Division	India Resident Mission
Executing Agencies	<i>Local Self Gov't (Urban) Department Mr Ajit Kumar, IAS pdksudp@gmail.com Local Self Government Department, Government of Kerala, 5th Floor, Trans Towers, Vazhuthacaud, Thiruvananthapuram - 695 014 Kerala, India</i>

Timetable

Concept Clearance	07 Mar 2004
Fact Finding	01 May 2005 to 21 May 2005
MRM	25 Jul 2005
Approval	20 Dec 2005
Last Review Mission	-
PDS Creation Date	16 Mar 2006
Last PDS Update	07 Sep 2016

Loan 2226-IND

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
20 Dec 2005	08 Dec 2006	19 Mar 2007	30 Jun 2012	30 Jun 2016	25 Nov 2016

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	281.00	Cumulative Contract Awards			
ADB	221.20	20 Dec 2005	102.19	0.00	90%
Counterpart	59.80	Cumulative Disbursements			
Cofinancing	0.00	20 Dec 2005	113.88	0.00	100%

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

Project Page <https://www.adb.org/projects/32300-013/main>

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Date Generated 12 April 2017

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