

INDIA: GEF-World Bank-UNDP: Sustainable Urban Transport Program (SUTP)

Third Implementation Support Mission (June 23-July 6, 2011)

Aide Memoire

I. Introduction

1. A World Bank mission¹ met with the Project Management Unit (PMU) within the MoUD and Project Management Consultants (PMC) to review the overall progress of the project. The Mission visited Mysore and Pimpri-Chinchwad (SUTP) and met with Indore and Naya Raipur PIUs in Delhi (GEF-SUTP). The Mission also visited Hubli-Dharwad to review the preparation of their Project DPR. During these meetings, the mission had an opportunity to interact with the city Project Implementing Units (PIU), various consultants and NGO's assisting the PIUs with project preparation and implementation. The mission would like to express its appreciation for the hospitality extended, the useful discussions arranged and for the excellent arrangements made for the field visits. The main objective of this Mission is to review the overall implementation progress of the project and effectiveness of implementation arrangements including:

- Review the progress on the Capacity Building Component
- **Naya Raipur:** Review Detailed Project Report (DPR) and BRT Service Plan; SIA and EIA; status of TA activities
- **Indore:** Review ITS project design; TA activities
- **Mysore** – Project update
- **Pimpri-Chinchwad:** Review (i) project progress; (ii) passenger access designs (iii) Technical Assistance, (iv) status of BRT Service Plan (vi) Social & Environment matters
- **Hubli-Dharwad** - Review preparation progress and emerging project design
- Review outstanding FM and Procurement matters.

2. The mission shared the key findings with the Project Director, Mr. S.K. Lohia and the Project Management Unit (PMU) in a wrap meeting on 6th July, the mission also de-briefed Mr. Nilaya Mitash, Director (DEA), on July 8, 2011.

3. The summary of Mission findings includes the following:
- Some delays in initiating procurement of identified activities under Component IB on capacity building, reasonable pace must be maintained to avoid further loss of time.
 - Pro-active decision to drop Pune and reallocate funds to Hubli-Dharwad has been taken by the Project Steering Committee. The project ratings can be upgraded from MS to S once project restructuring request is received and processed by Bank.
 - Project implementation progress on track, however, continuing delays in tending to safeguard issues in Pimpri i.e. finalization of EIA, completion of supplementary RAP and microplans etc.
 - Continued efforts required in Naya Raipur to complete DPR preparation and interim service planning and initiate detailed designs.

¹The mission consisted of Nupur Gupta (Task Leader), Gaurav Joshi (Environment Specialist), Debabrata Chakraborti (Procurement Specialist), S. Krishnamurthy (Financial Management Specialist), Neha Dhoundiyal (Financial Management Analyst), Venkata Rao Bayana (Social Dev. Specialist – Consultant), Jack Reilly (ITS and Public Transport Specialist – Consultant).

- State Budget provisioning still pending for Indore PIU resulting in non availability of funds for implementation. Additional issue of counterpart funds also to be resolved.
- Mysore ITS vendor on board, PMC mobilization to be expedited
- Hubli-Dharwad project preparation on, safeguards issues to be given due attention.

II. Key Project Data

Key Project Data		Current Ratings and Flags		
Board Date	Dec 08, 2009		<i>Current</i>	<i>Previous</i>
Effectiveness Date	May 5, 2010	Development Objectives	S	S
Closing Date	November 30, 2014	Implementation Progress	MS	MS
GEF Grant	US\$ 20.33 mn	Project Management	MS	MS
IBRD	US\$ 105.23 mn	Safeguards	MU	MS
		Procurement	MS	MS
		Financial Management	MS	MU
Disbursed Amount	US\$ 10.3 mn	Problem Flags	One	One

HS=Highly Satisfactory; **S**=Satisfactory; **MS**=Moderately Satisfactory; **MU**=Moderately Unsatisfactory; **U**=Unsatisfactory; **HU**=Highly Unsatisfactory; **NA**=Not Applicable; **NR**=Not Rated

III. Key Agreed Actions

The following actions have been discussed and agreed: To be updated

Actions to be Completed	By when	By whom	Remarks
Ensure budget provision in FY11-12 in State Budget	July 31	Indore/ MP	Formal communication awaited
Finalise procurement plans	July 15	Pimpri	Delayed for Goods & Works
Submit Proposal for SUTP Restructuring – cancellation of Pune funds and reallocation to Hubli-Dharwad	August 31	MoUD/ DEA	
Implementation Arrangements and date finalized for Young Leaders Program	August 31	PMU	
Report on PIU/ PMC staffing	August 15	PMU	
Organise Annual Project Meet	October	MoUD/ PMU	
Strengthening Project Management	July 31	MoUD/ PMU	
Submit QPR and IUFRR for quarter ending Jun 30	August 15	PMU, Pimpri/ Naya Raipur / Indore/ Mysore	
Initiate procurement of Component 1B activities	July 11	PMU	Initiated
Issue RFP for Comp IB activities	September 15	PMU	
Submit status update on key agreed actions	August 3, Sept 3, Oct 3	PMU	
Submit designs and strip map for passenger interchanges under consideration	July 15	Pimpri-Chinchwad	Delayed
Submit revised proposal for utilisation of funds	August 31		
Share BRT Implementation Schedule	July 31		
Submit draft final EIA	July 15		Submitted
Finalise microplans	July 31		
Complete supplementary RAP	July 31		
Complete disbursement of assistance to THs	August 31		
Project Disclosure on PCMC website	July 11		Delayed

Actions to be Completed	By when	By whom	Remarks
Initiate procurement of TA activities Strengthen PIU Finalise BRT Service Plan	July 15 August 31 November 31		Confirmation awaited
Submit updated DPR with Interim Service Plan Submit Project Implementation Schedule Conclude procurement of NMT DPR Submit designs for depot, terminals & shelters Submit revised EIA Submit TER for ToD Study Initiate procurement of M&E Study Resolve Rolling Stock issue	July 15 July 15 August 31 September 30 July 15 August 31 July 15 August 15	Naya Raipur	Delayed Delayed Confirmation awaited
Confirm counterpart funding & Cost Finalise contracting strategy and initiate procurement Submit BRT Implementation Schedule Initiate procurement of TA activities & issue RFP Initiate M&E baseline Ensure additional staff for AICTSL	August 31 August 31 July 15 September 15 August 31 August 31	Indore	Delayed
Conclude ITS PMC procurement Launch ITS pilot Conclude M&E procurement Submit draft final ToRs for bus operations and service analysis Submit Revised Project Implementation Schedule	August 31 September 31 September 31 July 31 July 31	Mysore	

IV. Project Development Objectives

4. The project's development objective (PDO) is to promote environmentally sustainable urban transport in India and to improve the usage of environment-friendly transport modes through demonstration projects in selected cities. The Project aims to achieve this objective by supporting the implementation of India National Urban Transport Policy (NUTP), particularly those aspects of the policy that emphasize, (i) priority to the use of public transport; (ii) priority to non-motorized transport; and (iii) capacity building for developing and implementing sustainable transport systems (at both national and local levels). The project has just completed a year, and given the progress towards preparation and implementation of sustainable urban transport projects in the project cities and movement on the capacity building aspects the achievement of PDO is deemed satisfactory.

V. Current Implementation Progress

5. **Overall Status:** The Mission rates the overall project progress as *Moderately Satisfactory*.

6. The first component on capacity building component, though somewhat behind schedule, has completed the finalization of ToRs for the five activities identified under Component 1B and procurement is expected to be initiated shortly.

7. In regard to Component 2 on the City Demonstration Projects, the Phase 1 cities (Pimpri-Chinchwad, Mysore, and Indore) are on track with their first year procurement concluded or in final stages. Among Phase 2 cities, the progress in Naya Raipur is expected to pick up with the coming on board of the consultant for preparation of detailed designs. However, the issue of the

interim bus service plan and the related rolling stock issue need urgent attention. The Steering Committee has meanwhile decided to cancel the participation of Pune in SUTP following their continued lack of progress on the progress. The project rating shall be upgraded once a formal request for restructuring of the project is received from DEA and the process initiated.

Component 1B

Implementation Progress: **Satisfactory**

8. On Component 1B, the Bank held discussions with PMU/ PMC on the status of each activity.

Sl No.	Activity	Tentative Amount (Rs)	Status
1	Development of a structure and an operations manual for UMTA; Business Plan for Urban Transport Fund	200,00,000	ToR finalized and procurement to be initiated
2	Development of a standard architecture and plan for ITS and Traffic Management Center	200,00,000	ToR finalized and procurement to be initiated
3	Development of a model NMT action plan, bike sharing plan and TOD Guidelines	100,00,000	ToR finalized and procurement to be initiated
4	Development of a Research Program	30,00,000 + 570,00,000	ToR finalized and procurement to be initiated. This study would use about Rs. 30,00,000. An amount of Rs 570,00,000 has been allocated as initial amount to pay for the actual research
5	GHG Emissions reduction assessment	100,00,000	ToR finalized and procurement to be initiated
6	Young Leaders Program	550,00,000	CEPT, a Centre of Excellence, has shared the draft concept and indicative cost estimates with the PMU and Bank. These will need to be revised based on comments shared.
7	(Proposed) Comprehensive Public Transport Plan for Jodhpur	1,50,00,000	Draft ToRs shared by Government of Rajasthan (GoR) for the proposed activity. However, GoR has indicated that they will not be requiring this assistance.
8	New items to be decided	17,00,00,000	<ul style="list-style-type: none"> • Impact Evaluation Study for the Bus Procurement under JnNURM • Model Contract Agreements with Private Bus Operators for City Bus Services
	TOTAL	36,00,00,000	

9. There has been a delay in initiating the procurement of the first four activities for which ToRs were finalized almost six months ago. The Mission expressed concern over the protracted approval mechanisms at MoUD for initiating the procurement. The EoIs cleared over two months ago are still awaiting necessary clearances for advertisement. It was agreed that the EoIs would be advertised no later than July 15 and RFP issued no later than September 15, 2011. While progress on this component is rated as satisfactory, this may have to be reviewed if further delays are observed in the procurement. The implementation arrangements for Young Leaders Program Launch are under discussion and must be finalized by 30 August 2011.

The Steering Committee had approved the proposal that as part of the subhead ‘preparation and implementation support to cities for sustainable urban transport projects’ under Component 1B the preparatory study for Jodhpur city be undertaken. However, the Govt. of Rajasthan has written to MoUD informing that they will not be requiring this assistance.

Some additional studies have been discussed i.e. impact evaluation of the JnNURM bus procurement program and preparation of model documents for private city bus operations, and these will be considered for inclusion under Component 1B.

Component 2: City Demonstration Projects
Implementation Progress: **Moderately Satisfactory**

Project Rating: Implementation Progress	
Pimpri	S
Naya Raipur	S
Pune	MU
Mysore	S
Indore	S
Overall Project	MS

(i) *Pimpri-Chinchwad:* The city is making good progress on project implementation. The first contract for the Nashik-Phata Flyover which was awarded last year has made a 35% financial progress (compared to a target of 40%), and the contract for the second major grade separator at Empire Estate along the Kalewadi to Dehu-Alandi Road BRT Corridor has been awarded and the contractor is currently under mobilization. Several TA activities have been identified and are being initiated under the GEF grant. However, progress on the remaining activities such as proposed improvements for passenger access to the BRT stations is extremely slow.

(ii) *Naya Raipur:* The DPR finalization is much delayed and likely to be concluded over the next month. Since the consultant for the preparation of detailed designs for terminals, depots and bus shelters is finally on board this activity is expected to now progress. The procurement of consultants for preparation of NMT DPR is also delayed and needs to be expedited. Meanwhile, the procurement of TA activities i.e. Transit-oriented-Development study and that for M&E has been initiated.

(iii) *Pune:* The Steering Committee in its meeting of March 9, 2011, has taken the decision to cancel the funds to Pune and close its participation in SUTP, in view of its continuing non performance on the project.

(iv) *Mysore:* The ITS vendor is on board and already mobilized. The procurement of the Project Management Consultants is somewhat behind schedule and must be expedited. The procurement of Monitoring and Evaluation Consultants has also been initiated.

(v) *Indore:* The Project Management Consultants for the ITS component are assisting AICTSL in the detailed design and contracting strategy for ITS components. However, unless critical issues such as budget provision for the project and counterpart funding are resolved expeditiously this could affect implementation progress.

Details of the discussions with each of these cities are provided in Annex 2-6.

VI. Key Implementation Issues, Risks and Priority Actions

10. The key issues that need careful attention and close monitoring are:

- *Project Restructuring & Cancellation of Pune Project.* The Steering Committee for the Project has been proactive in taking the decision to cancel the Pune Project in the absence of any progress since negotiations. A formal request to this effect is awaited from DEA to initiate the restructuring. As agreed during the meeting, the cancelled funds from Pune Project are proposed to be allocated to the new candidate city Hubli-Dharwad which plans to implement a BRT project. The mission understands that the commitment letter from the city is awaited. For the project rating of 'Satisfactory' to be reinstated, the funds for the Pune Project shall have to be cancelled / reallocated before a 'Satisfactory' rating for SUTP shall be possible.
- *Delays in the Finalization of the Environment Impact Assessment (EIA) and LA R&R matters in Pimpri-Chinchwad.* The continuing delays over the last several missions in finalizing the EIA is a serious issue. PCMC shall submit the final draft for Banks review no later than July 15, 2011. The slow implementation of the RAP in terms of preparation of microplans and disbursement of compensation to titleholders, and delays in land acquisition, also need to be addressed expeditiously.
- *Lack of Coordination between Pimpri BRT Stakeholders.* The absence of a BRT implementation schedule for Pimpri integrating the delivery of the various components and the lack of clarity on possible launch dates is a matter of some concern. The first BRT Corridor has been ready for some time now, the delivery of 73 buses has also been received, however, the stations are yet to be constructed, the ITS equipment is still to be procured and BRT service plan yet to be finalized. This involves not only coordination within PCMC but also with Pune Municipal Corporation and PMPML, the bus company servicing the region. PCMC has been advised to designate a nodal person for the BRT project and to prepare and share an agreed BRT implementation Schedule with the PMU and Bank.
- *Inadequacy of Financial Management Arrangements and Counterpart Funds in Indore.* The budget head at Indore PIU has still not been created. Substantial time has elapsed since project effectiveness (May 3, 2010) with budget provisioning of INR 1million for FY 10-11 in third supplementary in April 11 which has not yet been received by PIU and no provisioning for FY11-12 . The mission expressed its concern over long pendency of this issue and advised that the Bank in consultation with MoUD may explore the possibility of with-holding further disbursements to the Indore PIU pending resolution on this matter. The matter of counterpart funding for the Indore Project was raised during the Steering Committee meeting of March 9, 2011, in view of the proposed NURM sanction not having come through and NURM funds fully allocated. The Mission understands that MoUD is in discussion with Government of Madhya Pradesh on the matter and reviewing the possibility of reallocating unutilized funds to the project.
- *PIU / PMU Capacity Strengthening.* The capacity of the cities in urban transport planning, safeguards, FM and procurement is weak and they require significant handholding from the PMU/ PMC as well as the Bank in addition to strengthening their own PIUs. Several iterations and long delays in finalization of documents and completion of key actions have been observed over the past year. The Mission was pleased to note the improved responsiveness of the PMU since the last mission and the

movement on several long pending issues. This effort will however need to be maintained. The PMC, in particular, needs to improve its resourcing on safeguards and ensure early mobilization of its Transport Specialist. The PMU is encouraged to also start reviewing the staffing of PIU's as inadequate resource allocation is affecting progress in many cases.

VII. Safeguards – Environment and Social Management

Project Rating: Safeguards	
Pimpri	MU
Naya Raipur	S
Pune	-
Mysore	-
Indore	-
Overall Project	MU

11. **Environment Management.** The mission interacted with PMU at MoUD, their consultants, and several city teams in Delhi as well as in Pimpri, and Hubli. During the discussions, the mission was informed about the extent of progress on agreed actions during the last mission, current issues, and agreements were reached on key aspects. The following text summarizes these and details are provided in the respective city Annexes.

PMU/ PMC : The mission noted that the PMC continues to provide limited support to the city level PIU's. The mission requested that the PMC make the effort to ensure adequate participation of their key staff to ensure streamlined communication, and harmonized expectations among all stakeholders – cities, PMC, PMU, and Bank team. It has been agreed that the PMC will review its staffing and make changes as appropriate.

Pimpri-Chinchwad: The mission expressed its very serious concern at the time being taken to finalize the EA documentation even though there have been at least half a dozen rounds of interaction between the PCMC, PMC and Bank teams in various combinations. The mission again explained the comments it had previously provided and requested PCMC and PMC to finalize the document at the earliest. Since the PMC team is planning to go to Pimpri for an extended period from 10th July, it has been agreed that the finalized draft of the EA will be shared with the Bank by 15th July 2011.

In addition, the mission discussed the passenger access component and clarified that what is being sought from PCMC is a document that will help determine whether (if at all) a separate EA is required for the proposal for improving pedestrian access between the railway stations and BRT corridor. For this, the proposed treatment should be superimposed on a plan showing the location of any sensitive receptors like shrines, trees etc. with respect to the centerline of the current/proposed road.

While the site visits had to be truncated due to unforeseen circumstances, for on-going contracts, the mission noted that the work on Nashik-Phata fly-over continues with due care for safety on site. The mission also met with the contractor selected for the Empire Estate fly-over and clarified the role and expectations from an environmental management perspective. It has been agreed that the proposed site visit by the PMC in July 2011 will be used to give further guidance to all contractors on environmental management, and to agree on a combined monitoring format to be

used by all the contractors. The meeting with participation from all stakeholders – contractors, PCMC officials, and their consultants as well as PMC will be facilitated by PCMC.

Naya Raipur: PMC informed that the finalized draft of the EA has been shared with PMU. While preliminary comments were shared with the Naya Raipur team while they were in Delhi, PMC's detailed comments would be shared by 10th July 2011. Once addressed, Naya Raipur will submit the revised version so that it is available for Bank review by 15th July 2011.

Hubli-Dharwad: During the visit to Hubli-Dharwad, the mission was informed that the consultant working on the DPR for the project has begun to prepare a draft EA in line with the ESMF. In terms of the key next steps, the mission underscored the need for i) a formal adoption of the ESMF for the sub-project, ii) documentation of consultations carried out, and iii) a detailed analysis of alternatives. It was also informed that the consultant was considering preparing two separate EMPs – one for the works funded through KRDC and another to works that would be funded under SUTP. The mission indicated that the EMP should at least cover, among others, the key issues that are likely to become significant – localized pollution, safety of workers and road users, and contractor facilities and sites. The mission also suggested that under the project ambient air quality monitoring should be considered for the corridor. The other stakeholders have agreed to review this as project components get crystallized. Agreement was also reached on the inclusion of environmentally sustainable workshop facilities including energy efficient equipment and water efficient designs.

Mysore: The mission was informed that KSRTC is in the process of identifying a consultant for ISO 14001 certification for its workshop facilities in Mysore. The mission requested that the Bank be informed on progress of this very useful development.

12. **Social Management.** The Mission noted the progress on social management issues.

(i) *Pimpri-Chinchwad:* The overall progress on the social aspects is moderately unsatisfactory. The PCMC has made little progress on last agreed actions, particularly on land acquisition. The coordination between Town Planning and Slum Improvement Departments requires improvement for effective results.

The following has been agreed (a) PCMC will shift the transit camp PAPs into permanent houses in the year 2012; (b) PCMC will pursue with the Land (Revenue) Department and expedite the acquisition before end September 2011; (c) PCMC will finalize the draft micro plans before end July, 2011 and implement the RAP; (d) Complete R&R activities for the titleholders' whose lands have already been acquired before end August 2011; (e) Prepare supplementary RAP for Nasik-phata flyover PAPs before end July 2011; (f) Complete strip map and design of the proposed pedestrian walkways before end August 2011.

(ii) *Naya Raipur:* The revised SIA and RAP incorporating Mission comments is found satisfactory and it is recommended that NRDA now disclose this on their website and also communicate a 'no objection' to the Bank for disclosure of the documents on Bank's website.

(iii) **New State/City Proposal - Hubli-Dharwad:** The proposed BRTS between Hubli Dharwad is planned to be built with 55 mts right of way. The draft DPR for BRTS has been prepared, however, social assessments remain to be conducted. Initial estimates suggest a requirement for about 125 acres of land acquisition. Final land requirements and land plan schedules are in the process of preparation. Part of the proposed BRTS works such as four laning have already been initiated with state funds and Section 17 of LA Act has been invoked for land acquisition. Given this, the following has been agreed:

- Conducting social assessment and preparing the RAP for the whole corridor following the ESMF before end August 2011
- The SUTP ESMF will be customized for Hubli Dharwad considering the local provisions and the practices and the revised documents will be disclosed in their respective web sites. Draft entitlements for this project will be prepared and shared with the Bank before end July 2011.
- Despite Section 17 of LA Act being invoked, a possibility that could be considered is that the compensation for all the land owners be paid before the construction, to land owners who are willing to take the compensation and are available.

VIII. Procurement, Expenditures and Disbursement Plans

13. **Procurement:** The mission was briefed on the status of key action areas identified in the previous mission. The procurement plans have been updated by all IAs, except PCMC, which after approval by the Bank have been disclosed. Mission requested close monitoring of the plan so that target dates set in the plan are maintained. Mission suggested that bidding documents/RFPs for major procurement should be discussed and finalized via face to face meetings between PIU, PMU/PMC and Bank. Considering Bank's role as reviewer of bid evaluation process, it may not be possible for the Bank to offer comments unless evaluation report with clear recommendation is submitted for review. It is also important that bid evaluation reports are carried out in the standard templates of the Bank as some of the reports had to be redone.

14. *Strengthening Procurement staff in PMU:* The mission noted that a new Procurement staff still needed to be brought on board to help improve the processing. Bank advised that periodic procurement workshops should be held so that staff are fully familiar with the process and seek guidance on way forward.

Project Rating: Procurement	
Pimpri	MS
Naya Raipur	MS
Pune	-
Mysore	MS
Indore	MS
PMU-MoUD	MS
Overall Project	MS

15. **Financial Management:** Based on the discussions during the mission and review of the financial management systems across the project, the FM rating is pegged as Moderately Satisfactory (MS). While most of the PIA's are performing well in terms of financial management, issue of non creation of budget head by Indore (which is a legal covenant violation) is affecting the project implementation. If the budget head is not created by August end then the Bank may be constrained to downgrade the project FM rating. The agreed actions for the project are summarized in the FM annex.

Project Rating: Financial Management	
Pimpri	MS
Naya Raipur	MS
Pune	-
Mysore	MS
Indore	MU
PMU – MoUD	MS
Overall Project	MS

The disbursement projections shall be revisited and finalized at the time of proposed Project Restructuring.

IX. Disclosure and Governance

16. During the recent mission, the team interacted with officials of NRDA, AICTSL, KSRTC and PCMC to assess the progress on governance related aspects with specific reference to disclosure and complaint handling mechanisms.

17. The Mission finds that, with the exception of Pimpri all other cities have made good progress with disclosure of the SUTP project on their websites.

18. The Mission was pleased to note the further improvements to the India SUTP website (www.sutpindia.com) maintained by the PMU. In addition to full project description and links to city websites, several documents have also been disclosed on the website. The Mission commended the PMU and PMC on initiating the Project Newsletter. The Mission discussed with the PMU and PMC the need to proactively disclose agreed city documents on the website.

IX. Project Management

19. *Project Management:* In order to address the delays observed in finalization and processing of various documents and key actions identified, the PMU has been providing an update on a monthly basis (first week of each month) since the last mission on the status of the key agreed actions and this has been found to be extremely effective in tracking slippages and addressing them early on. Regarding the PMC, PMU was advised to ensure (i) early mobilization of the Transport Specialist within the PMC team, (ii) review and address the issue of non availability of the Environment Specialist, (iii) and appointment of a junior Procurement staff on the team. Finally, it was agreed that the PIU staffing in all the cities would be revisited and a status report prepared and shared by 15 August 2011.

20. *Request for change to MoUD's Disbursement Ratio in GEF Agreement.* A request has been received from MoUD/ DEA for a change in the disbursement ratio against Component IB in the GEF Grant Agreement from 92% to 100% for reasons of processing ease. It has been explained that the small fund contribution from MoUD attracts various MoUD processing requirements in addition to Bank requirements leading to delays in procurement etc. It has been proposed by to instead increase their contribution by the same amount to the Project Management Component therefore keeping their total Project contribution the same. The Bank has agreed to address this request along with the other restructuring request expected shortly.

21. *Annual Project Meet.* An Annual Project Meet shall be organized in October 2011 by PMU to review project progress and as an opportunity for cities to interact and share experiences.

X. New State/City Proposals for GEF SUTP

22. The Mission reviewed active proposals from Government of Karnataka and Rajasthan. The details of the discussion are in Annex 7.

(a) *Hubli-Dharwad:* The Mission visited Hubli-Dharwad to review the preparation progress on their proposed BRT. The city proposes a Bus Rapid Transit system along the highly trafficked 20 km corridor connecting the twin cities of Hubli and Dharwad. The Mission agrees that the proposed project could have a significant impact on improving mobility between the cities and the overall development in the area. GoK organized a presentation on the draft detailed project report (DPR) for the project. Bank comments on the DPR have been shared with DULT and the revised draft complete with economic and financial analysis and Environmental Assessment is expected to be submitted by 31 July, 2011. The Social Impact Assessment is expected to be completed by August. Meanwhile, the institutional arrangements for the proposed BRT are also being finalized and an SPV is expected to be constituted shortly. A formal commitment letter from GoK is awaited and should be submitted to MoUD at the earliest.

(b) *Rajasthan:* The Government of Rajasthan (GoR) has expressed interest in the participation of three cities Jaipur, Jodhpur and Kota under India SUTP. Following discussions in the last mission, they have (i) withdrawn their request for grant assistance for undertaking a study in Jodhpur, (ii) initiated the DPR for decongestion and pedestrianisation of the walled city in Jaipur, and (iii) initiated the CPM for Kota.

XI. Next Mission for Bank's Implementation support

23. The next mission will be taken up 10-19 October 2011.

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List of Officials Met

1. Mr. S. K. Lohia, Joint Secretary (UT), MoUD
2. Mr. A. K. Jain, Advisor, SUTP Project Management Unit, MoUD
3. Mr. I. C. Sharma, National Project Manager, SUTP Project Management Unit, MoUD
4. Ms. Rana, Asst Project Manager, SUTP PMU, MoUD

5. Mr. Nilaya Mitash, Director, Department of Economic Affairs (DEA), MoF

6. Mr. Asheesh Sharma, Commissioner, Pimpri Chinchwad Municipal Corporation
7. Mr. Umate, City Engineer, Pimpri Chinchwad Municipal Corporation
8. Mr. Mahavir Kamble, Joint City Engineer, Pimpri Chinchwad Municipal Corporation

9. Mr. L.K. Panigrahi, Chief Project Manager, SUTP, NRDA

10. Mr. Vivek Shrotriya, CEO, AICTSL

11. Mr. Sonwane, Finance Officer, AICTSL

12. Mr. Shankarlinga Gowda, Principle Secretary (Transport), Govt of Karnataka
13. Mr. S. D. Meena, Secretary (Urban Development), Govt of Karnataka

14. Mr. Gaurav Gupta, MD, KSRTC
15. Mr. C. G. Anand, CGM, KSRTC

16. Ms. V. Manjula, Commissioner, Directorate of Urban Land Transport, Govt. of Karnataka
17. Dr. K. V. Thrilok Chandra, Commissioner, Hubli-Dharwad Municipal Corporation
18. Mr. Hemraju, Managing Director, North-West KRTCL

19. Mr. Rajendra Nath, Team Leader, Project Management Consultants, PMU
20. Ms. Aditi Singh, Transport Planner, Project Management Consultants, PMU
21. Ms. Surabhi, Transport Planner, Project Management Consultants, PMU

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Pimpri-Chinchwad

1. A World Bank mission visited Pimpri-Chinchwad on July 1, 2011 to discuss with the Municipal Corporation (PCMC) the implementation of the Pimpri-Chinchwad component of the Sustainable Urban Transport Program (SUTP). The mission met the Commissioner of PCMC, Mr. Asheesh Sharma and his staff and consultants and ITDP which is assisting PCMC with the BRT Project. It also had conversations with Joint MD, PMPML, Mr. Kulkarni, on the progress on bus procurement and service planning for the BRT.

Proposed BRT Program in Pimpri-Chinchwad:

2. The following four BRT corridors are being established in the first phase:

- (i) Old NH-4 (Mumbai-Pune road),
- (ii) Aundh-Rawet road,
- (ii) Nashik Phata to Wakad,
- (iv) Kalewadi to Dehu-Alandi road,

3. The first two corridors have been initially sanctioned by JnNURM. Most of the civil works on the old NH-4 have been completed, and construction of the Aundh-Rawed Road is underway. Corridors 3 and 4 were sanctioned subsequently and have been included for financing under the SUTP project.

World Bank supported Project

4. Corridors 3 and 4 have a Right-of-Way of 45 meters, most of which is already owned by the PCMC and, with some significant exceptions, is largely free of existing structures. The typical cross section will include a segregated bus way in the middle, and two mixed-traffic lanes (plus a service road, footpath and a bikeway) on either side. Corridors 3 and 4 have a length of 8.0 km and 11.2 km, respectively. Each of them includes a major structure crossing a river, the railway and NH-4.

5. The World Bank loan will concentrate on these structures, while the remainder of the two corridors will be funded from national and local resources. However, both corridors in their entire length are part of the Project and are thus subject to the Bank's monitoring and safeguard rules, whereas procurement rules and financing apply to the structures only.

6. **Corridor 3: Interchange at Nashik Phata:** The mission was pleased to note that PCMC has modified the interchange designs by placing the BRT corridor along the central median of the Flyover and also made provisions for bus passenger movement between the ground level and the bus station on the Flyover. Moving the transit way and stations to the median as well as the addition of "mezzanine" levels will definitely support much safer, more effective transit operations while maintaining good pedestrian access. The combination of the mezzanines and connecting walkways should also provide a safe pedestrian crossing over this complex and dangerous area. The traffic safety audit report has been shared with PMU.

7. This Design-Build Lump Sum works contract, started in July 2010, has achieved a physical progress of around 31% and a financial progress of 35% slightly behind planned progress. The progress is found to be satisfactory.

8. There has been some delay in handing over of parts of the land as per the contract requirements. The land required for Ramp-1 and -2 and Loop-1 are not fully available until now, which requires resettlement of a large number of shops. The mission was concerned to note that there had been no progress in land acquisition since the last mission. It is currently expected that the Contractor should be able to complete all works by the scheduled completion in January 2013.

9. The mission recommended to PCMC to critically look into all the safety aspects while finalizing the drawings as well as to the safety during construction.

10. **Corridor 4: Interchange at Empire State Junction:** PCMC has signed the contract for this interchange and the contractor is understood to be mobilizing. PCMC shall revert with a signed copy of the modified contract and checklist for issuance of the WBR number.

12. **BRT access and other pedestrian improvements on Corridors 1 and 2:** The recently re-constructed NH-4 corridor and Aundh-Rawet Road will include BRT services (which are expected to start operations within the next 12 months), and will require safe and convenient pedestrian crossing facilities. The mission wants to commend the attention paid to providing pedestrian access to stations along the Pune-Mumbai Highway BRT Line. It supports the addition of raised sidewalks along the service road to access stations offset from the intersections provided that barriers are used to protect users from traffic. It also supports the addition of “speed tables” or “sleeping policemen” to provide a safe crossing for all intersection legs where there are stations. It might also be desirable to provide a pedestrian crossing signal phase at the speed table, synchronized with the one at the intersection itself to afford further protection.

13. PCMC proposes to improve the pedestrian infrastructure for safe movement of passengers between the BRT stations on NH4 and two suburban rail stations - Pimpri and Chinchwad. The proposal not only supports better integration between public transport modes but also safe access for passengers. The loan may fund such improvements subject to requisite scrutiny from both technical and safeguard perspective. There is a high incidence of parking along the road connecting the BRT station on NH4 to the Pimpri Railway Station as a result of residential and office space. PCMC was advised to give this proper attention and identify sustainable solutions in consultation with the affected in order to ensure that the pedestrian improvements proposed are effective and can be utilized by the passengers. Designs along with strip plans for the corridor are now long overdue and should be shared with PMU and the World Bank by July 15.

14. **Terminals and ITS.** As part of the project description 3 terminals and ITS systems are to be developed under the project. However, PCMC had informed the Mission that the terminals were now likely to be developed directly by PMPML through PPP and the ITS systems are already included as part of the NURM funding for buses. Therefore, PCMC will not be utilizing the allotted funds towards these two activities. Alternative proposals for the utilization of these funds were discussed with PCMC including (a) pedestrian improvements and foot over-bridges along the BRT corridors and (b) bus shelters for the BRT stations on Corridor 3 and 4. The Mission agreed that both these could be considered under the project and that PCMC must revert with a formal proposal in regard to these by August 30, 2011. Meanwhile, during interactions with PMPML, the bus company, and PMU it has come about that NURM shall fund only on board ITS equipment and so the off board ITS equipment including for control centre and station

and terminals will need to be funded separately. PCMC must take an early view of this and the need for retaining the funds for ITS equipment.

15. **Studies, other technical assistance (TA) and capacity building:** The project description includes funding for (a) the development of a BRT service plan, (b) a fare structure and fare collection study, (c) assistance to build up proposed BRT cell, (d) training, and (e) other technical assistance to PCMC and PMPML. Item (a) is currently being developed, for both Pimpri-Chinchwad and Pune, with the assistance of ITDP. PCMC informed that it has also set up the Pimpri-Chinchwad Infrastructure Company (PCIC), a wholly owned subsidiary supported by the Urban Transport Fund, for managing the BRT system.

16. The mission was please to observe the progress on this front:

- (a) Parking Policy and Master-plan: Draft ToR and EoI submitted for Bank review.
- (b) BRT Promotion Plan: Draft ToR finalized and EoI cleared for procurement.
- (c) Policy Recommendations on Passenger Access Improvement to Public Transport & Master-plan on BRT Corridor: Draft ToR finalized and EoI cleared.
- (d) Monitoring and Evaluation: ToR finalized and procurement initiated.

17. The Procurement Plan for consultancies and works is still pending and shall be submitted by July 4.

18. **Bus Layouts and BRT Service Plan:** Owing to the geographic inter-relatedness between Pune and Pimpri-Chinchwad cities and the large number of daily trips between them, their public transport systems need to be inter-connected. PMPML, the bus company servicing the region serves this integrating function. However, with the development of the BRT in both cities it becomes imperative for the two systems to be integrated. The decision to purchase high floor buses with doors on both sides, including stairs on left (curb) side for Pimpri BRT is a good one. This will provide complete flexibility in being able to effectively and efficiently serve a variety of markets in Pimpri as well as serve bus way stations in Pune. ITDP has prepared a route rationalization plan for the two cities and submitted to PMPML for its review. This is expected to be finalized by August 2011 following which the Service Plan can also be finalized by November 2011. PMPML informed the Mission that 73 of the 150 buses proposed for Pimpri had already been supplied and were currently plying the BRT route. The delivery of remaining buses is due by November 2011. There has been a delay in the procurement of the ITS vendor. However, in view of the clarification received during the mission in regard to the eligibility for NURM funding of only on board ITS equipment PMPML will need to review the situation quickly. PMPML proposes to contract private operators on a gross cost contract basis for the BRT service. The contracting is planned to commence in July 2011.

19. **BRT Implementation Schedule.** The Mission noted with concern the lack of preparedness of the PIU with a BRT Implementation schedule identifying the key milestones leading up to the BRT launch in the city despite repeated reminders. While the road infrastructure on Corridor 1 is ready, the first station is under construction and the remaining are expected to be ready by December 2011 at the earliest. In view of this and PMPMLs plans for finalization of pending items, the first corridor is unlikely to be launched before early next year. PCMC shall share the BRT Project Implementation Schedule with the PMU and Bank by July 31 and the finalized BRT Service Plan by November 31.

20. **Project Management.** The Mission expressed concern over the long response times of the PIU and delays in almost all action areas agreed in previous missions. The absence of a nodal officer responsible for the BRT Project is becoming glaringly obvious. The PIU discussed the possibility of hiring staff / consultant to support project management and it was agreed that this

could be done out of the grant funds available with PCMC. The Bank urged PCMC to expedite the hiring.

21. **Project Disclosure.** The Mission noted that the SUTP project description had still not been provided on their website as per previous discussions. PCMC shall complete this task along with disclosure of necessary documents by July 11, 2011.

Environment Management

22. The mission expressed its very serious concern at the time being taken to finalize the EA documentation even though there have been at least half a dozen rounds of interaction between the PCMC, PMC and Bank teams in various combinations. The mission again explained the comments it had previously provided and requested PCMC and PMC to finalize the document at the earliest. Since the PMC team is planning to go to Pimpri for an extended period from 10th July, it has been agreed that the finalized draft of the EA will be shared with the Bank by 15th July 2011.

23. The comments pertain to inclusion of a systematic plantation plan, explanations for alternative designs considered at specific locations, justification for the noise barrier length vis-à-vis the presence of various sensitive receptors for the Empire Estate Fly-over, provision for mitigation measure at the school along the Nashik Phata-Wakad corridor.

24. In addition, the mission discussed the passenger access component and clarified that what is being sought from PCMC is a document that will help determine whether (if at all) a separate EA is required for the proposal for improving pedestrian access between the railway stations and BRT corridor. For this, the proposed treatment should be superimposed on a plan showing the location of any sensitive receptors like shrines, trees etc. with respect to the centerline of the current/proposed road. The mission indicated it would be helpful to have dimensioned drawings showing off-sets at locations where trees, shrines etc. (if any) are located, on the plan of the short stretches along with typical cross-sections. These would need to be prepared for an estimate of quantities also.

25. While the site visits had to be truncated due to unforeseen circumstances, for on-going contracts, the mission noted that the work on Nashik-Phata fly-over continues with due care for safety on site. The mission also met with the contractor selected for the Empire Estate fly-over and clarified the role and expectations from an environmental management perspective. It has been agreed that the proposed site visit by the PMC in the week of July 10, 2011 will be used to give further guidance to all contractors on environmental management, and to finalize the combined monitoring format to be used by all the contractors on the two corridors. The meeting with participation from all stakeholders – contractors, PCMC officials, and their consultants as well as PMC will be facilitated by PCMC.

Key Agreed Actions:

- Submit Procurement Plan for Works and Goods and TA activities – July 4
- Share final BRT Service Plan – November 31
- Share BRT Implementation Schedule – July 15
- Submit strip maps and designs for passenger access improvements between BRT and suburban rail stations – July 15
- Submit proposal for utilisation of funds allocated to Terminals and ITS activities – August 31
- Submit draft final EIA – July 15

- Finalise microplans – July 31
- Submit supplementary RAP for Nashikphata flyover – July 31
- Complete land acquisition – September 30
- Complete disbursement of assistance to THs – August 30
- Project Disclosure on PCMC website – July 11
- Issue RFP for M&E – July 31
- Initiate procurement of remaining TA activities and issue RFP -September 15
- Submit updates on Environment performance of road packages on the Kalewadi to Dehu Alandi and Nashik Phata to Waked corridors in the agreed format - August 15

Social Management

1. The overall progress on the social aspects is rated moderately unsatisfactory. The PCMC has made little progress on last agreed actions, both land acquisition and R&R implementation. The coordination between Town Planning and Slum Improvement Departments desires to be improved for effective results.

2. ***Slow progress in land acquisition - For the total corridors:*** A total of 54.78 hectares is required for the project. Of the total land required, 92% belong to private and the balance to the Government. Still about 38% of the private land remains to be acquired. Land from MIDC and Defence has still to be acquired. Details are provided below. Acquisition of defence land has not been progressing because of lack of agreement on compensation amount between PCMC and the Ministry of Defence.

Kalewadi to Dehu Alandi Road				
Details	Government land (ha)	MIDC land (ha)	Private Land (ha)	Total (ha)
Required	3.40	1.54	20.24	25.18
Acquired	1.80	0	12.20	14.00
Balance	1.60 (47%)	1.54 (100%)	8.04 (40%)	11.18 (45%)

Wakad to Nashik Phata Road				
Details	Government land (ha)	Military Land (ha)	Private Land (ha)	Total (ha)
Required	0.16	1.44	28	29.61
Acquired	0	0	17.80	17.80
Balance	0.16 (100%)	1.44 (100%)	10.20 (36.4%)	11.81 (40%)

Both Corridors (Total)					
Details	Government land (ha)	MIDC land (ha)	Military Land (ha)	Private Land (ha)	Total (ha)
Required	3.57	1.54	1.44	48.24	54.78
Acquired	1.80	0	0	30.00	31.80
Balance	1.77 (49.5%)	1.54 (100%)	1.44 (100%)	18.24 (38%)	22.98 (42%)

3. ***Slow progress in land acquisition - For Flyovers:*** For flyovers, information on land details were shared by the concerned cell of the PCMC. From the discussions with the officials and the contractors and the site visits it is assessed that the land availability is a problem at few locations for completing Nasikpata flyover construction. There are about 10-15 shops located on private land in the proposed service road on right side along NH 50. Similarly land acquisition to be completed for small part of service road on left side near loop, ramps and retaining wall on Hinjewadi side.

4. It was agreed that PCMC will pursue and complete the land acquisition before end September 2011. PCMC should also obtain the details on the number of people that have received compensation/TDR/FSI for the land that has already been acquired.

5. **Sections of Site not Available for Civil works:** Of the total 21kms (two corridors), a

total of 1.983 kms of site at different locations is not yet available for civil works – about 9.5% of the total length. In Kalewadi corridor a total of 9% of length is not available of the total 13.2 kms and about 11% in Nasikphata corridor of the total 7.8kms.

Sections of the Road not Available

Corridor	Village	Chainage (kms)	Length Affected/Not Available (mtrs)	No of structures standing on
Nasikphata to Wakad	Pimple Gurav	1020-1263	243	34
	Pimple Nilakh	4382-4652	270	24
	Wakad	6532-6582	320	6
Total			833	64
Kalewadiphata to dehu Alandi Road	Rahatani	1630-2780	1150	167
Total			1150	167
Grand Total			1983	231

6. **Supplementary RAP for Nasikphata flyover:** No progress has been made in preparing supplementary RAP. There are about 30-40 commercial structures located on private land. About 157 squatters have already been relocated into newly built temporary relocation colony. PCMC should conduct social assessment for these PAPs and prepare and submit supplementary RAP to the Bank before July 30, 2011.

7. **RAP Implementation:** No notable progress has been made in implementation of RAP. The whole issue is due to poor coordination among the different departments and also due to the transfers of senior officers who have been coordinating the LA and R&R. Several activities need to be taken up for the implementation of the RAP such as preparation of individual micro plans for PAFs; issuing identity cards; conducting consultations for smooth relocation; and extending the entitlements to the affected before the PAFs get relocated. It was learnt that many of the affected titleholders have opted and received TDR options following the R&R policy of the SUTP. However, no details are available with the coordinating departments (Slum Improvement and the Town Planning Departments). It is discussed and agreed with the PCMC that the concern department should prepare an action plan to complete all the R&R activities. To start with the PCMC should finalize the draft micro plans with no further delay before end July, 2011.

8. **Strip Map and Design of proposed Pedestrian Walkways:** The quick field visits during previous mission indicate presence of hawkers and vehicle parking on some of the proposed pedestrian ways. PCMC must prepare a strip map outlining the main social impacts and ensure proper incorporation in the design being proposed i.e. parking options as well provision for vendors. With these in place next steps such as consultations can be determined.

9. **Complete R&R activities for the Title Holders whose lands are acquired:** As per the details available with PCMC about 7.25 ha of private land has already been acquired and in possession. As LA is complete for this amount of land, it is agreed that the PCMC will extend eligible entitlements to these THs. Complete R&R activities for the titleholders' whose lands have already been acquired before end August 2011.

Status of Agreed Actions Completed during the Last Mission and Agreed New Actions

<i>No.</i>	<i>Action Required</i>	<i>Agency</i>	<i>Previous Agreed date</i>	<i>Status</i>	<i>New Agreed Date</i>
1	Prepare micro plans before and expedite the implementation of RAP with the assistance of the NGO	PCMC	March 15, 2011	Not done	July 30, 2011
2	Expedite and complete the acquisition for the balance land.	PCMC/Revenue Department	April 30, 2011	Not done	September 30, 2011
3	For the proposed pedestrian walkways complete strip plan and designs and submit the report to the Bank.	PCMC	April 30, 2011	Not done	August 30, 2011
4	Complete R&R activities for the titleholders' whose lands have already been acquired.	PCMC	April 30, 2011	Not completed	August 31, 2011
5	Prepare supplementary RAP for Nasikpata flyover PAs	PCMC	April 30, 2011	Not done	July 30, 2011
6	Shift the Nasikpata relocated Transit camp PAs into regular houses	PCMC	--	--	March 31, 2012

INDIA: GEF-World Bank-UNDP: Sustainable Urban Transport Program (SUTP)

Naya Raipur

1. A World Bank mission met with Naya Raipur on June 27, 2011 to discuss with the Naya Raipur Development Authority (NRDA) the implementation of the Naya Raipur component of the Sustainable Urban Transport Project (SUTP). The mission met the Chief Project Officer of the Naya Raipur Development Authority, Mr. L.K. Panigrahi, and his staff and consultants; and representative of EMBARQ assisting NRDA with BRT planning and implementation.

Development of cycle tracks and pedestrian walkways

2. NRDA plans to build about 36 km of bikeways and footpaths along main roads and BRT corridors in Naya Raipur as part of the SUTP. The procurement of consultants for preparation of the detailed project report (DPR) for this activity is ongoing. The mission noted the delays in finalising the consultants and advised NRDA to complete the procurement at the earliest. It was agreed that the revised TER shall be submitted by July 4th and the procurement concluded by August 31.

Bus Rapid Transit System (BRTS) Phase 1

3. **Naya Raipur BRT Service Plan & Integration with RCBS:** The key project here is the BRT system for Naya Raipur. This is a new capital city being developed for the State of Chhattisgarh. It is obvious that for the first several years that there will be considerable movement of people from the old city to the new city. Accordingly, for the BRT to be successful, it would need to be able to meet the travel demands from old Raipur to Naya Raipur as well as for the suburban traffic that comes to Raipur from the surrounding areas of Durg, Bilaspur, etc. The BRT Service plan has been prepared by EMBARQ taking into account the route planning exercise by the Raipur City Bus Company.

4. The approach taken by EMBARQ in developing the service plan was to use the current residential locations of Chhattisgarh State officers to estimate the travel volumes between the new Naya Raipur state government work sites (Secretariat Complex, etc.) and current Raipur residences. These are likely to remain the same for at least 5 years, the horizon for the initial service plan. The proposed service plan features a variety of am peak period “self feeding” routes, coming from a variety of locations in Raipur, passing through the new Terminal at Raipur proposed on the site of the current State Secretariat’s parking lot, then going to Naya Raipur (NR). Some of these, in turn, will run express to NR while others will make selected stops. At the Raipur end, a loop will serve a variety of trip attractors (new secretariat complex) and trip generators as well as the site of a Naya Raipur terminal. The pm peak would reverse this pattern, while in the off peak period, there would only be a local service from Raipur upto the new terminals closer to the boundary of Raipur and Naya Raipur, on NH6 and NH43. The Mission was advised that the BRT Service Plan has been discussed and agreed with RCBC. Meanwhile, Raipur is also considering developing a BRT, which suggests that continuing coordination will be important.

5. *Phasing of Service and Operating Plans.* Based on the immediacy (early 2012) of the need for Raipur-Naya Raipur public transport services to be launched with the shifting of state offices to the Capital Complex in Naya Raipur and the time needed to complete all planning, design and construction work on critical BRT facilities (2014), phasing of Raipur-Naya Raipur public transport service must be considered and the Mission once again emphasized the need for a clear interim plan for smooth transition to the final plan.

6. The mission was concerned to find that the revised DPR submitted by NRDA does not include the interim service plan and reiterated its recommendation in the previous mission for a specific operating plan to be developed for the interim services, in addition to the final BRT service, which would cover:

- Institutional arrangements for the system, including how fare and service levels and other policies would be set, e.g., by the NDRA, the role of the Raipur Municipal Corporation and the Traffic police
- Specific service plan (e.g., number of vehicles required, route alignments, stop locations, terminals, depot, hours of operation, schedules)
- Arrangements for vehicle procurement (e.g., leasing from Raipur) and maintenance
- Fare policy (structure, levels, integration with Raipur PT system) and how fares would be paid and collected
- Terms of bus contractor payment, e.g., payment per vehicle-km operated, incentives and penalties, sensitivity to inflations, etc.
- Arrangements for monitoring and supervision “on the street”

7. **Rolling Stock.** NRDA shared that the source of buses for the interim service was still uncertain and one of the following option was expected to be accessed, (i) leasing from RCBS, (ii) contracting private operators (iii) from JnNURM. Other than for the first option, in the remaining two options the bus choice would need to be dictated by the final BRT requirements. Presently, the JnNURM option is being explored. However, since the window for procuring the buses from JnNURM is fairly tight (by March 2012) NRDA was asked to expedite the submission of its proposal to MoUD and seek further clarity on its chances for securing this assistance. In case this support is forthcoming, they will need to be prepared with their specifications for the buses as well as ITS equipment.

8. NRDA shared its plans to procure all air conditioned buses for the BRT given the long average trip length involved and the need to attract government officials to the service. Bus airconditioning adds to both capital as well as operating costs of the transit service and the Mission advised NRDA to review its decision in light of an analysis of the annual / monthly costs likely to be incurred and the availability of resources for meeting these for a (i) fully airconditioned bus fleet; (ii) standard bus fleet and (iii) a mix of both, and the likely constraints on setting fares. Even if the government officials were expected to be subsidized, the fully airconditioned service could prove to be less attractive to other non government potential users owing to its higher fares.

9. *Intelligent Transport Systems.* NRDA discussed its approach to ITS for the BRT focusing on automatic vehicle location system. The functions of the AVL will include on-bus and at-stop information displays, on-board stop announcements and computer aided dispatching. There would also be some applications for fare collection. NRDA was advised that there are a number of successful installations in Asia which could be emulated. One function of ITS is to advise the operations control center of overloaded buses in service. While this can theoretically be done by using real-time data from the fare collection system, a simpler approach in which the driver advises either by voice or depressing a key on his console would be preferable. NRDA also shared its proposal to hire a project management consultant for ITS to design the ITS system and

then help procure the system integrator which would also help operate and maintain the system for a period of three years. However, in case buses are procured under JnNURM, the specifications for on board ITS will need to be furnished and only control centre and station equipment will need to be procured.

10. The Mission was concerned at the continuing delays in the submission of the final DPR and it was agreed that the Final DPR incorporating the interim Service Plan and the BRT Implementation Schedule would be submitted to the PMU and the Bank no later than July 15, 2011.

11. **Priority to traffic movement between Raipur and Naya Raipur.** Given the significant linkages between the old and new city it was suggested to the city authorities (NRDA) that an extension of the BRT from Naya Raipur to Raipur may be thought of as this is where the most significant travel time savings can be realised. However, the main connectivity between the two cities is through NH6, which is already being developed under a BoT concession, and NH43, which is again proposed for widening through a PPP concession. In such a situation, taking away a lane for buses would not be acceptable to the NHAI or private concessionaire. However, an alternate alignment, using some local roads or some abandoned canal or railway line could be thought of. It was agreed that NRDA would explore such a possibility.

12. **BRT Facilities including Bus Terminals, Shelters and Depot:** NRDA informed the Mission that they had concluded the contracting of a new consultant to prepare the detailed designs and drawings for the terminals at the Central Secretariat at Raipur and one each on NH6 and NH43, a BRT depot and bus shelters and they would be mobilizing shortly. It was agreed that the detailed designs would be ready by September 30, ahead of the next planned mission.

13. From a design perspective, for the terminals, key location criteria are:

- maximize walk-in, walk out potential
- minimize traffic conflicts that might impede BRT operations to/from the facility
- provide opportunities for transit-oriented development of surrounding areas both to create a more sustainable environment and create the possibility of income that can be used for project purposes.

14. The selected locations, on the whole, meet these criteria, but there are still issues relating to traffic engineering to facilitate BRT operations. The success of the terminals is very much dependent on effective traffic engineering to facilitate the movement of the bicycles, other (e.g., Raipur Municipal Transport Corporation) buses, taxis, motor rickshaws and private cars that will augment pedestrian access to the terminals.

15. The mission is particularly concerned about the movement of BRT vehicles in and out of the Raipur terminal to be built on the site of the surface parking lot of the current Chhattisgarh State Secretariat. The controlling intersections both for buses coming from Raipur to pass through the terminal and the exit from the terminal toward NR are complex and impacted by heavy traffic on all legs meeting at the intersections.

16. Unless significant attention is paid to the facilitation of bus entry and exit from the terminal, there could be problems with speed, reliability and safety. This could involve a combination of special traffic signals, intersection channelization, signage and pavement marking and even roadway reconfiguration.

17. The key issue for the depot location is to have sufficient room for overnight parking and routine daily maintenance and minimize dead heading time, and this has been achieved with the NR location.

18. **BRT Implementation Schedule.** The Mission again discussed the need for a comprehensive project implementation plan in order to be able to manage the launch of the bus service and then BRT efficiently. Presently, no schedule exists for development/ implementation of all system elements, including vehicles, infrastructure, operations and management, fare collection and ITS system. The presented implementation schedule has too much detail and included several non-BRT items such as the ToD study. The revised plan should show interrelationships among the projects within the program. For example, depots should be constructed prior to buses being delivered. It was agreed that NRDA shall re-submit such a plan to the PMU and the Bank as part of the revised DPR by July 15, 2011.

Technical Assistance and Capacity Building

19. **TA on Transit Oriented Development (ToD).** One objective of ToD is to minimize over-all motorized travel and promote transit, pedestrian walkway and bicycle use. Another objective is to improve the over-all quality of life for people living and working in areas adjacent to public transport facilities in terms of convenience (e.g., for working women), noise, local pollution, safety and security. A casual review of the proposed master plan for NR suggests that there is room for improvement to make it more pedestrian, bicycle and public transport friendly. The terms of reference for consultancy on ToD have been finalized and procurement initiated. With the Bank's no objection to the EoI shortlist NRDA can proceed with the issue of RFP. It was agreed that the TER would be submitted to the PMU and the Bank by August 30, 2011.

20. **Regional Mobility Plan.** NRDA is keen to develop a Regional Transportation Plan for the Greater Raipur Area including the urban centres of Raipur, Naya Raipur, Durg and Bhilai. Bank has shared its comments on the ToRs and it was agreed that the EoI for the activity would be issued by August 31, 2011.

21. **Monitoring & Evaluation Study.** The ToRs for this study have been largely finalized and it was agreed that the final ToRs and draft EoI would be submitted to the PMU and the Bank by July 1, 2011 and the procurement launched by 15 July, 2011.

22. **Establishment of UMTA:** A critical requirement for such situations is a suitable institution for overseeing the overall transport arrangements in the region. The state plans to create an Urban Mass Transit Agency (UMTA) for the Greater Raipur metropolitan area, including the cities of Raipur, Naya Raipur, Durg and Bhilai all of which are in close proximity with significant intercity trips and work on its detailing has started (under the Australian Trust Fund). An Approach Paper outlining the structure and powers of the Greater Raipur Area UMTA has been agreed and confirmed. The Mission was informed that while a Government Order is proposed to be issued in the short term for the constitution of the UMTA, the intent is to legislate the UMTA and this will be done over the next six months. The GEF funds available for capacity building could be used to strengthen the UMTA appropriately once it is constituted.

Procurement Plan

23. The updated Procurement Plan has been finalised and disclosed.

Implementation Arrangements

24. NRDA informed the Mission that the newly hired Transport Planner to support its PIU was expected to join in early July, 2011.

Environment Management

25. PMC informed that the finalized draft of the EA was sent to NPMU just as the mission began. While preliminary comments were shared with the Naya Raipur team while they were in Delhi, PMC's detailed comments would be shared by 10th July 2011. Once addressed, Naya Raipur will submit the revised version so that it is available for Bank review by 15th July 2011.

Social Management

26. The revised SIA and RAP incorporating Mission comments was found satisfactory and Mission recommends that NRDA disclose the same on their website and send a 'no objection' to the Bank for disclosure of the same on Bank website.

Key Agreed Actions:

- Submit updated DPR including interim bus service plan – July 15
- Submit Project Implementation Schedule – July 15
- Submit technical evaluation report for NMT DPR by July 4 and conclude procurement by August 31
- Prepare detailed designs for Bus Depot, Terminals, Pick up Points & Bus Shelters – September 31
- Finalise the issues around rolling stock – August 15
- Submit ToR for PMC for ITS – July 15
- Submit revised EIA– July 15
- Disclose final SIA – July 31
- Finalise UMTA constitution – Dec 31
- Complete Technical Evaluation for the ToD study – August 31
- Initiate procurement of M&E Study by July 15 and issue RFP by September 15
- Initiate procurement of Regional Mobility Plan – August 31

INDIA: GEF-World Bank-UNDP: Sustainable Urban Transport Program (SUTP)

Indore

1. A World Bank mission met with AICTSL officials on June 28, 2011 to discuss the project progress in regard to the Indore component of the GEF-Sustainable Urban Transport Program (SUTP). The mission met Mr. Vivek Shrotriya, CEO, AICTSL, AICTSL staff, EMBARQ and ITS Project management consultants IBI Group along with PMU and PMC.
2. **ITS Component.** Indore plans to use the GEF-SUTP funds for installing an ITS system on their BRTS. 3 BRT corridors were being built in the first phase covering a length of 36.7 kms. There would be a 2nd phase with another 3 corridors. A project management consultant (PMC) for ITS, IBI Group, has been appointed using project funds to undertake needs assessment, detailed design and finally oversee the implementation of the ITS component including Automatic Fare Collection Systems and Traffic Signal Priority. The PMC presented their final designs for the ITS component including an options analysis and cost estimates for the project.
3. *Traffic Signal Priority.* The Mission advised against high expectations for traffic signal priority system to regulate headway on short headway services. It was felt that other traffic engineering solutions such as allocation of green time at intersections be adopted to minimize person delay, not vehicle delay. Signal priority requires considerable assistance from the traffic police, particularly in regard to the circumstances in which priority will be given to buses. It is understood that discussion are ongoing with traffic police on the matter.
4. *Contracting Strategy.* The PMC for ITS proposed three packages for procurement, (i) TSP, (ii) AFC and (iii) AVL, and a packaging strategy for procuring all three packages simultaneously so as to facilitate the possibility of combined bids. The Mission flagged the linkages between AVL and TSP and the need for coordination between the specifications of the two systems for compatibility. Also, value of packaging in the absence of any linkages was also discussed, for example between AFC and the other two systems. It was agreed that there was need for care in the packaging proposed and that AICTSL and IBI Group would discuss and finalise the contracting strategy consultation with the PMU and the Bank by early August and initiate procurement by 31 August.
5. *Cost Estimates and NURM Sanction.* The new cost estimates indicate a cost of approximately Rs. 41 crores for ITS for all three corridors similar to the earlier estimate. However, it appears that only one of the three corridors has confirmed funding support and in advanced stages of implementation. The timelines for the other two corridors are unclear as also the sources of funding. Secondly, the approval of the ITS Project under NURM is still pending raising doubts about its counterpart funding. MoUD and the Government of Madhya Pradesh are discussing the matter and the possibility of allocating unutilized NURM funds from other projects is being explored. In view of the certainty of implementation of only one BRT corridor the discussions may consider funding for ITS for that same corridor alone.
6. Service plan for the BRTs are being prepared by Embarq. Indore has 104 semi-low floor buses running in the city. They have been sanctioned another 125 buses by the Government of India under the JnNURM. About 50 buses would be needed for the BRTS. They propose to use high floor, both side door buses for the BRTS corridors. New infrastructure for maintenance of the buses is also being created. Delivery of 50 buses is expected by July 2011 and the remaining by March 2012. The Mission recommended AICTSL to undertake a financial analysis of its bus operations to ensure break even of its operations. Fare levels for the BRT still have to be worked

out and there is a proposal to initiate the bus operator contracts on a gross cost model, and such an analysis will be useful in arriving at important decisions regarding fare levels, revenue requirements and sources, and viability of the service. It was agreed that this would be concluded by September 30.

7. *Project Scheduling.* A number of critical activities (e.g., bus shelter installation, driver training, service provision/contracting) remain to be addressed in over-all project management. A comprehensive **implementation plan**, including a “Gant Charted” schedule needs to be prepared and procedures for its tracking and follow-up developed by the PIU. AICTSL expressed its inability to commit to such a schedule owing to multiple stakeholders involved and its dependence on IMC and IDA for the timely completion of the BRT corridors. The Mission suggested a focus on the launch of the first corridor to begin with. The road infrastructure for the corridor is expected to be ready by March 2012 and the bus stations will require upto September 2012 to complete. Finally, the ITS procurement is expected to take about 4 months and the subsequent implementation another 9-12 months. A detailed implementation plan is now critical for planning the various activities and ensuring the launch of the BRT. The detailed implementation plan in agreement with IMC and IDA will be submitted to the PMU and the Bank by July 15, 2011. The Mission feels that the absence of an UMTA mechanism in the city is adversely affecting the delivery of the BRT project.

8. *Monitoring & Evaluation.* The M&E plan has been finalised. AICTSL shared that IBI Group would be willing to undertake, in addition to the project M&E, the primary city wide surveys on mode shares with a variation order to their contract. It was agreed that this would be finalized by AICTSL at the earliest so that the baseline M&E surveys and data collection could be initiated by August 31 2011, well in advance of the BRT launch next year.

9. **Technical Assistance Activities.** Indore has identified and agreed with the Bank several TA activities.

- The BRT station design and traffic intersections design consultancy is ongoing.
- The ToRs for Communications and public outreach and BRT accessibility plan have largely been and finalized and it was agreed the draft final ToR would be shared with the PMU and Bank by July 15, 2011.
- It was agreed that the user satisfaction survey procurement would be initiated by August 31, 2011 in order to initiate the baseline survey prior to launch of the BRT.

10. It was agreed that the final Procurement Plan for Consultancies and Goods would be submitted by July 4, 2011 and disclosed thereafter.

11. **Implementation Arrangements.** AICTSL is thinly staffed and there is an urgent need for it to bring on board staff to support the various functions of project management, procurement, transport planning & operations etc. AICTSL shared that they were already planning to hire professionals to support the team and it would be able to do so by August 31, 2011.

12. **Financial Management.** The Mission expressed its strong concern over the continuing delays in the creation of budget sub-codes for on transfer of project funds. The Mission indicated that the Bank would have to implement a freeze on further disbursements until the situation is rectified. The issue of non payment to consultants came up and is a matter of deep concern. The Mission expressed displeasure at the situation and advised AICTSL to release initial dues without delay through their own funds. AICTSL confirmed that the state government would be provisioning for the project under the first supplementary for FY12.

Key Agreed Actions:

- Ensure budget provision in first supplementary – Immediate
- Submit confirmation on counterpart funding and project cost for ITS – August 31
- Submit BRT Implementation Schedule – July 15
- Finalise contracting strategy for ITS and initiate procurement – August 31
- Submit final ToRs for BRT accessibility plan and Communications Plan and launch procurement – July 15
- Initiate M&E baseline including procurement of user satisfaction survey – August 31
- Ensure additional staff at AICTSL – August 31
- Financial viability and business planning for AICTSL – September 30

INDIA: GEF-World Bank-UNDP: Sustainable Urban Transport Program (SUTP)

Mysore

1. A World Bank mission met with the Karnataka State Road Transport Corporation (KSRTC) officials in Bangalore on June 30, 2011, to discuss the implementation of the Mysore component of the GEF-Sustainable Urban Transport Program (SUTP). The mission met the Managing Director, KSRTC, Mr. Gaurav Gupta and Project Director, KSRTC, Mr C.G. Anand along with the PMU and Project Management Consultants (Mott MacDonald).

GEF-SUTP Funded Project

2. Project interventions in the city under GEF-SUTP are aimed at addressing the issues of slow movement of public transport due to heterogeneous traffic conditions and increase of private vehicle ownership. Proposed project components include the introduction of Intelligent Transport Systems including Automatic Vehicle Location Information System, Passenger information Systems and a Central Control Centre for improved bus tracking and real time user information.

3. Mysore city accounts for 417 bus fleet and it is acquiring new buses for fleet renewal through JnNURM funding including 30 new Volvo buses. The Project plans to cover 500 buses, 105 bus stops, 6 bus terminals and 45 platforms in Mysore.

4. *ITS Procurement.* The procurement for the ITS system has been concluded and the vendor CMC is on board. CMC presented to the Mission the present status of the project and its implementation plan for the same. Key attributes of proposed system are potential for future expandability of functions and scalability. Consultants propose an ambitious schedule, with a pilot installation in late September and rollout for the entire system by December 2011. The pilot is to be launched on three preselected bus routes and control centre. The risks to the schedule were discussed including timely availability of buses to install equipment. CMC and KSRTC staff appear to have developed a plan for installation which will meet these requirements. Other identified risks include civil works, major festival season and weather. KSRTC has contractors or staff available to install equipment at stations and this is not seen as a major concern. However, some bus shelters have been contracted out by the Mysore Municipal Corporation and this is could cause some delay to the schedule.

5. *PMC Procurement.* The TER for the PMC has been cleared by the Bank and KSRTC is making efforts to expedite the hiring of the consultant.

6. **TA Activities under the Project.** KSRTC has already initiated the procurement of the M&E study and this is presently under technical evaluation. The detailed ToRs for the comprehensive PT study are under preparation and expected to be shared with the PMU and Bank by July 31.

Key Agreed Actions:

- Ensure pilot launch by September 31 and complete scale by November 31
- Procurement of PMC concluded by August 31
- Procurement of M&E consultant concluded by September 15
- Submit revised Project Implementation Schedule by July 31.
- Submit detailed ToR for bus operations and service analysis study by July 31

New City Proposals – Hubli-Dharwad

1. The Bank team, along with the PMU and PMC visited Hubli-Dharwad on June 30, 2011 to review the status of project preparation. The Mission met with the Commissioner of DULT, K. Manjula, representatives of NWKRTC, Municipal Corporation as well as CEPT assisting with the preparation of the DPR. The Mission subsequently also met with Principal Secretary (Transport) Mr. Shankarlinga Gowda and Secretary (Urban Development) Mr. Shambhu Dayal Meena and briefed them on the project progress.

2. **BRT Proposal:** The Directorate of Urban Land Transport, Government of Karnataka has submitted a proposal for improving bus services in the Hubli and Dharwad twin cities. The proposal includes a 31 km BRT system to be built in the region covering the Hubli-Dharwad corridor and extensions, improvements to the depots and terminals as well as procurement of new buses. The estimated cost is Rs 524 crores.

3. Given the geography of Hubli and Dharwad and the importance of their economic, health care, educational and social role in the surrounding region, it is clear that better public transport connections tying the two twin cities together are in order. The volume of public transport passengers between the two parts of the city is already enormous and a high capacity mass transit system could cater to the demand more effectively.

4. **Detailed Project Report:** CEPT presented the initial DPR for the project. Overall, the DPR addresses design issues satisfactorily and the work is well assembled and communicates an intelligently derived plan. The main observations of the Mission are as follows:

- **Running way cross section** – In the areas where the right of way width is 47.5 meters, the proposed cross section includes two BRT lanes in each direction. Given the anticipated bus volume, this seems to be too much. A single lane with off-line stations which have some queuing space should suffice. The bus lane at the entrance to the Lincoln Tunnel in New York City is a single lane over which 700 (13 m) buses per hour pass. If the running way were reduced to a single lane, the stations would have to be designed to accommodate at least two boarding buses and a buffer space (non-boarding) for one more. The proposal for two BRT lanes in each direction in wide rights of way may not improve capacity since capacity is likely to be determined by intersections, not number of roadway lanes.

- **Service Plan**

1. It is preferable to have much more complete discussion and analysis for service (operating) planning in a single place rather than in several places; Issues to be covered would include:

- Trunk and separate “feeder” versus combined trunk and “feeder”
- Transit way only or would some bus trips/services go off from intermediate stations (no) or extend beyond terminals in mixed traffic, covering lower volume but still important markets without forcing a transfer
- Locals versus skip stops (only certain busy stops served) versus expresses
- Terminals, station locations and stopping patterns, and turn backs

2. The service plan should be more explicit on a number of items including anticipated loading standards for local and express service. Frequency standard for off-peak service should be included. Will there be a capability to insert additional buses as needed to

accommodate loads. Specifically, in the morning peaks does the running way geometry enable starting some inbound buses to Hubli a few km outside of the city.

3. A better rationale for single unit vs. articulated buses is in order. DPR proposes single unit vehicles. Issues such as domestic manufacturing are relevant. Given large anticipated volumes, articulated buses could at least superficially be a better choice.

4. In a single location, the consultant should articulate the customer experience in a trip which uses the BRT but requires a feeder bus on both ends of the journey. Included should be fare integration concepts, the geometry of transfers at stations, and vehicle scheduling particularly during off-peak hours.

5. Actual linked (trip origin to destination) trip demand should go up if total weighted generalized costs go down as they should with BRT, on an OD by OD basis

- **Station Design**

1. Some alteration of local bus movement at connecting points should be considered. As it appears, arriving feeder buses will go to a berth associated with the route and discharge passengers there. Consultants should consider discharging arriving passengers across the platform from the BRT and then having feeder buses go to the appropriate boarding location for layover.

2. The design platform density for the stations in passengers per square meter should be indicated.

- **Cost Estimates** - The budget should be shown by program year with amounts anticipated being spent. A realistic contingency provision should be provided for.

- **Financial and Economic Analysis** – This sections should be added. There are proposals to add flyovers and some passenger subways. It is suggest that a basic minimal BRT service and facilities be designed and that each increment in cost be justified on an incremental benefit cost basis. That is, the internal rate of return (ROI) for each added element should be computed. The consultants may review the Project Appraisal Document for Dedicated Freight Corridor Project for some guidance on this. PMU/ PMC may also be able to share some samples for this.

5. **Social Assessment:** The proposed BRTS between Hubli Dharwad is planned to be built with 55 mts right of way. The draft DPR for BRTS has been prepared, however, social assessments remain to be conducted. Initial estimates suggest a requirement for about 125 acres of land acquisition. Final land requirements and land plan schedules are in the process of preparation. Part of the proposed BRTS works such as four laning have already been initiated with state funds and Section 17 of LA Act has been invoked for land acquisition. Given this, the following has been agreed:

- Conducting social assessment and preparing the RAP for the whole corridor following the ESMF before end August 2011
- The SUTP ESMF will be customized for Hubli Dharwad considering the local provisions and the practices and the revised documents will be disclosed in their respective web sites. Draft entitlements for this project will be prepared and shared with the Bank before end July 2011.

- Despite Section 17 of LA Act invoked, a possibility that may be considered is that the compensation for all the land owners be paid before the construction, to land owners who are willing to take the compensation and are available.

6. **Environmental Assessment:** During the visit to Hubli-Dharwad, the mission was informed that the consultant working on the DPR for the project has begun to prepare a draft EA in line with the ESMF. In terms of the key next steps, the mission underscored the need for i) a formal adoption of the ESMF for the sub-project, ii) documentation of consultations carried out, and iii) a detailed analysis of alternatives. It was also informed that the consultant was considering preparing two separate EMPs – one for the works funded through KRDCCL and another to works that would be funded under SUTP. The mission indicated that the EMP should at least cover, among others, the key issues that are likely to become significant – localized pollution, safety of workers and road users, and contractor facilities and sites. The mission also suggested that under the project ambient air quality monitoring should be considered for the corridor. The other stakeholders have agreed to review this as project components get crystallized. Agreement was also reached on the inclusion of environmentally sustainable workshop facilities including energy efficient equipment water efficient building / facilities designs that could be supported under the project.

7. The mission strongly recommends that in the EA the baseline information be updated for the wider corridor since current DPR for KRDCCL funded works covers only 4-laning. This inventory will be very useful in ensuring that mitigation measures are properly identified and budgeted for.

8. **Institutional arrangements:** The Government of Karnataka has taken an in principle decision to create a new SPV for implementing and operating the proposed BRT in Hubli-Dharwad to be constituted under the Companies Act. The Bank had mobilized technical assistance through grant funds available under the AusAid Trust Fund for the study of institutional options for the BRT (and UMTA) to assist in the decision on the matter. It is proposed that the SPV would consist of the Government of Karnataka including DULT, Department of Transport, PWD, Deputy Commissioner, and Police, Hubli Dharwad Municipal Corporation, Hubli Dharwad Urban Development Agency, KRDCCL and NWKRTC. Karnataka, contrary to many other states has historically had strong bus operating companies and Northwest Karnataka Road Transport Corporation (NWKRTC) does a particularly good job of operating public transport services in the Hubli-Dharwad Region. In the absence of a developed private sector in the region GoK proposes to contract BRT operations to NWKRTC at least in the near term. The Bank discussed the likely conflict of interest in having NWKRTC as an SPV member and advised GoK to reconsider this aspect, and if that were difficult to ensure that NWKRTC was excluded from decisions relating to operations, commercial aspects and performance specification and monitoring.

Key Agreed Actions

- Submit revised DPR including financial and economic analysis and EIA – July 31
- Outline broad financing structure for the project – July 31
- Submit draft SIA and RAP by August 31
- Agree on social entitlement framework for the project – July 31
- Share final institutional framework for the BRT and timelines

Financial Management

(a) *Budgeting:* All the PIU's except Indore have made the budget provisioning for the financial year ending March 31, 2012 in their respective state's budget. The details provided to the mission are summarized in the table given below. The PIU's has been requested to provide us the copy of their states budget.

PIU	Budget Provision for FY11-12			Amount in INR/Million	
	GEF	IBRD	Others (GoI+State+PIU share)	Total	Remarks
Naya Raipur	15.00	0.00	135.00	150.00	No expenditure expected against IBRD
Indore	65.02	NA	172.40	237.42	Will be proposed in 1 st supplementary
Pimpri Chinchwad	43.40	800.00	1740.40	2583.80	PIU requested to provide State budget copy
Mysore	71.69	NA	136.40	208.09	PIU requested to provide State budget copy
MoUD	20.00	NA	--	20.00	PIU requested to provide budget copy

As per the legal requirement, each PIU including MoUD should make adequate budgetary provisions in the annual budget. In case of ICSTL, the budget head is yet to be created and this is a violation of the legal covenant in the project agreement. As agreed in the last mission, the Bank in consultation with MoUD may explore the possibility of with-holding further disbursements to Indore PIU till the provision for FY 11-12 is made in the state's budget. Also, in respect of FY 10-11 for ICSTL, a budget of INR 1 million was provided in April 2011(after the end of financial year). However even this amount is yet to be received by PIU. The mission has expressed its concern over long pendency of this issue. Till date, an amount of INR 10.868 million (advance of USD 0.230 million) and reimbursement of INR 0.886 million has been made by Bank towards Indore PIU but due to the non provisioning in the budget line, the PIU hasn't been able to draw these funds. In case, the state fails to create the budget head and provide the required amount by end of August 11', the Bank in consultation with CAAA may explore the possibility of requesting the state to surrender the designated account advance. This may be provided to the project as and when the necessary budget head is created.

(b) *Fund flow:* The project authorities (at Pimpri, Mysore , Naya Raipur) have appraised the mission that the fund flow system have been streamlined and presently they are not facing any difficulty in drawing the funds from the government treasury. The present fund position is as under:

	Amount in million						
	Naya Raipur		Pimpri Chinchwad		Mysore	Indore	MoUD
	IBRD	GEF	IBRD	GEF	GEF	GEF	GEF
Initial Advance disbursed by Bank (USD/million)	-	0.230	7.00	0.459	0.227	0.230	0.851
Initial Advance received by PIU (INR /million)		10.868	328.65	21.735	10.773	10.868	40.257
Funds received from other sources	344.170	4.457	660.060	-	42.707	5.020	-
Expenditure incurred till date	203.220	4.457	49.320	0.370	3.800	2.860	-
Further reimbursement by Bank through IUFR	-	2.225	136.770	0.700	-	0.886	-
Fund availability with PIU	140.950	13.093	476.160	22.065	49.680	13.914	40.257

(c) As enumerated above, the PIU's have sufficient funds to meet their project related commitments. However, the Bank team informed the project that since the project follows a half yearly reimbursement cycle, due care should be taken by the project to ensure that all project related expenditure is properly reflected in the books of accounts and is timely claimed from Bank. The mission also expressed its concern that except PCMC the claims from other agencies were very limited and requested MOUD and the entities to have a relook at the last year expenditure and reconcile it with the claims made by the project.

(d) Disbursement: The overall disbursement for the project is 10% (including the Designated Account) and 3% and 1% respectively in case of IBRD and GEF (excluding DA). The mission expressed their concern on the low disbursement and requested the project to analyze the expenditure incurred and ensure that the all expenditure are recorded on timely basis and submit the claims to Bank on a timely basis. The March IUFR has been submitted by the project and the same has been reviewed and cleared by the Bank.

IBRD category wise table

Category	Category Description	Allocated (USD Million)	Disbursed (USD Million)	Balance (USD Million)	Disbursed %
1A	Chhattisgarh Part 2A	12.27	0.00	12.27	0%
1B	Chhattisgarh Part 2A	1.67	0.00	1.67	0%
2A	Maharashtra Sub Comp1 Part 2B	20.06	0.00	20.06	0%
2B	Maharashtra Sub Comp 2 Part 2B	15.46	0.00	15.46	0%
2C	Maharashtra Sub Comp 1 & 2 Part 2B	2.08	0.00	2.08	0%
2D	Maharashtra Sub Comp 3A of Part 2B	29.88	3.04	26.83	10%
2E	Maharashtra Sub Comp 3B Part 2B	6.67	0.00	6.67	0%
2F	Maharashtra Sub Comp 3 Part 2B	1.46	0.00	1.46	0%
2G	UNALLOCATED	15.42	0.00	15.42	0%
FEF	FRONT END FEE	0.26	0.26	0.00	100%
	sub-total	105.23	3.31	101.92	3%
DA-A	Designated Account	0.00	7.00	-7.00	
	Total	105.23	10.31	94.92	10%

GEF category wise table

Category	Category Description	Allocated (USD Million)	Disbursed (USD Million)	Balance (USD Million)	Disbursed %
1	CNS & TRNG Part 1	7.05	0.00	7.05	0%
2A	CNS & TRNG Part 2 Chhattisgarh & Maharashtra	5.70	0.06	5.64	1%
2B	CNS & TRNG Part 2 Madhya Pradesh	1.09	0.02	1.07	2%
2C	CNS & TRNG Part 2 Karnataka	0.46	0.00	0.46	0%
2D	UNALLOCATED	1.90	0.00	1.90	0%
3A	ITS-related Madhya Pradesh	0.82	0.00	0.82	0%
3B	ITS-related Karnataka	1.43	0.00	1.43	0%
4	GEF Agency Fee	1.88	0.00	1.88	0%
	sub-total	20.33	0.08	20.25	1%
DA-A	Designated Account	0.00	2.00	-2.00	
	Total	20.33	2.08	18.25	10%

(e) *Counter Part funding:* The issue of counterpart funding was also deliberated to ensure that the respective PIU and state government share along with GoI share for the project is duly received and appropriately recorded in books of accounts. All PIU's except Indore have confirmed that the funds from other source (i.e. GoI, State and PIU) are timely received and is being captured as a part of project cost. During discussions, the mission team was informed by Indore PIU that it is not sure about quantum of funding from JNNURM which could be a serious issue for project implementation.

(f) *Internal Audit:* The Internal audit has been carried out by the auditors till quarter ending March 2011. The reports have been shared with the Bank team during mission. It has been appraised that the audit committee meeting to discuss over the reports for quarter ending March 2011 is scheduled to be held in July 2011 and the minutes of the same will be shared with the Bank before August 2011 end.

(g) *External Audit:* The mission team appraised the project authorities that audit reports should be submitted to the Bank not later than six months from the end of financial year (for FY 10-11: by September 30, 2011.) The mission was appraised that the process of audit has already commenced at various PIU's which is summarized below:

PIU	Status of Audit Report
Naya Raipur	State AG has been requested to conduct audit. Reply awaited
Indore	State AG has been requested to conduct audit. Reply awaited
Pimpri Chinchwad	State AG has been requested to conduct audit. Reply awaited
Mysore	Audit completed. Draft AR submitted. The final report is expected by July31,2011
MOUD	To confirm the status

The bank has requested the PIU's to provide a copy of correspondence wherein the AG has been requested to conduct the audit. In addition, if any delay is anticipated by PIU in submission of audit report, they are requested to advice the Bank team for further discussion and assistance.

(h) *Accounting and reporting:* As part of the mission, the FM team visited KSRTC and PCMC and noted that the financial management system in place is working effectively. In other entities also the accounting and reporting function has been streamlined.

KSRTC: To ensure timely flow of fund, a separate budget head 5055-00-800-0-03 is being operated at the state level for routing the project related funds. Through this mechanism, KSRTC can release funds, as soon as the same is credited in state government account on release of funds from GoI. For the purpose of accounting, a circular dated October 2010 has been issued by the department detailing on the chart of accounts. Each activity has been allotted a unique account number for ensuring that expenditure is captured in the appropriate head. For control purpose, the project data is captured through a separate head under location 9002 in the oracle database. The server with the daily back up facility is maintained at the PIU's itself.

PCMC: The observations highlighted in the previous AM have been duly addressed. The PIU is now capturing the entire project cost in its books of accounts.

(i) *FM assessment at Hubli-Dharwad:* The mission was informed that a new SPV would be created under Companies Act 1956 for the execution of the project related activities. The mission team apprised the project team that a detailed FM assessment of the SPV will be carried out once the SPV is created.

Action points

Provision of budget	Indore	August 2011
Audit letters and copy of PFS	All PIUs	31 July 2011
Copy of the state budget document	All PIUs	31 July 2011
Submission of audit report for FY 10-11	All PIUs	September 30, 2011