

**PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA**

**Sub: Approval of the Cabinet for the Implementation of  
Karnataka State Highways Improvement Project  
(KSHIP-II) under the Asian Development Bank  
Loan Assistance.**

**Red:- KSHIP Proposal No. PIU/KSHIP:AE-5:2010-11.  
dated. 02-07-2010**

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1. Encouraged by the success of KSHIP-I the Government has taken up development of other State Highways of the Core Road Network in the State through another Project, the KSHIP-II, and pursuant to the decision of the Cabinet in its meeting held on 29-09-2005 & 10.11.2006 the Government vide G.O.No.PWD 61 EAP 2006, Bangalore, dated 25-11-2006 has approved the proposal of improvement of a road length of 3411 Kms of State Highways under KSHIP-II. The list of roads prioritized for improvement under KSHIP-II is provided in **Annexure-1**.
2. The roads for improvement under KSHIP-II have been prioritized based on the Strategic Option Study (SOS) which need to be undertaken in case of projects proposed for external funding.
3. The Review Committee constituted by Government vide order PWD/77/EAP dated: 04-04-2006, with Secretary PWD, as chairman reviewed the outcome of the Feasibility study and a total of 3411 kms of roads was prioritized for improvement under KSHIP-II of which 3154 kms were based on the economic feasibility as well as social & environmental screening and 257 kms on the basis of unrepresented districts.
4. The Detailed Project Report (DPR) for 3411 kms has been prepared. All the roads slated for improvement under KSHIP-II are proposed for Upgradation to a min. of 2-lane carriageway with geometrical improvements. In order to meet the large requirement of funds for the Project, the Government has explored

various sources of funding including International financial institutions like World Bank, ADB and also Domestic borrowing and Private sector financing. In the circumstances, 3411 kms of roads proposed for improvement under KSHIP-II are proposed to be implemented in stages depending upon the funding arrangement.

5. The Asian Development Bank on the recommendation of the Department of Economic Affairs (DEA), Government of India has agreed for providing a loan assistance of US\$ 300 million for the project. The loan sharing pattern and other terms of the loan are to be finalized at time of loan appraisal.
6. The Government issued a Government Order vide No. PWD 219 EAP 2007 Bangalore Dated 29.03.2008 to take up improvement of road length of 863Kms under KSHIP-II with financial assistance of the Asian Development Bank.
7. Asian Development Bank after reviewing the project preparedness expressed happiness about the advanced stage of project preparedness and opined that proposed loan consideration will be taken in ADB Board for execution during 2010 itself instead of 2011.
8. The list of Roads selected under the Government Order has undergone revision following discussion with the Bank team and government and it is proposed to take up improvement of 633 kms of selected roads under EPC contracts with ADB finance.
9. The Bank Mission in their review of the project preparation in February 22-26 2010 has finalized the list of roads of 633 kms to be implemented under EPC contracts with Bank finance. ADB advised to take up priority roads based on economic analysis, less environmental impacts, involving no large land acquisition, less resettlement impacts, avoid roads passing through National Park, sanctuaries, environmental sensitive areas under ADB assistance.

The list of roads shortlisted are provided in the table below:

**List of Road Packages for Asian Development Bank Project**

Sl. No.	Corridor No.	Link ID	Link Name	Length in Kms	Total Length Kms
1	21	21C	Soundatti-Hulkatti	38.40	139.02
		21D	Ramdurga NH-218	45.73	
		21E	Badami-Pattadakall	21.53	
		21F	Kannatagi	33.36	
2	42	42A	Davangere-Santhebennur	53.63	105.61
		42B	Channagiri-Birur	51.98	
3	64	64C	Magadi NH 48-Dobbaspeth-Koratagere	13.88	68.18
		64D		20.44	
		64E		33.86	
4	57	57A	Gubbi-Chandrashekarapura	49.03	108.62
		57B	Beeragonahalli near	26.43	
		57C	Yediyur (NH-48) Mandya	33.16	
5	27	27A	Shelvadi-Gadag-Mundagi	39.20	72.10
		27B		32.90	
6	31	31A	Mudgal-Tavaragere	31.21	74.10
		31B	Kanakagiri-Gangawathi	42.89	
7	58	48A	Padubidri-Karkala	27.80	27.80
8	T13	T13	Jagaluru NH-13	9.25	14.38
	T17	T17	About 5 Km from SH-19 (KSHIP Road)	5.13	
9	64	64H	Pavagada to AP Border	23.21	23.21
<b>Total</b>					<b>633.02</b>

10. The Engineering Procurement Construction (EPC) contracts are regular International Competitive Bidding (ICB) item rate contracts without post construction maintenance and the ADB is expected to fund 80% of the contract cost.

11. The projected overall cost of ADB KSHIP-2 at present value is around Rs. (US \$ 448 Million) 2038 crores towards the Civil works, land acquisition, rehabilitation, shifting of utilities, implementation of the rehabilitation and resettlement (R & R) measures, environmental mitigation measures, Institutional Development Strategy (IDS) related issued. The actual size of the project will be determined depending on the loan sharing pattern, component wise breakup, other terms to be finalized in consultation with the Bank.

The tentative break down cost of the ADB KSHIP-II of the Project is indicated in the table below:

(US \$ Million)				
Sl. No.	Project Component	Total Cost	ADB Finance	Government
<b>A. Road Infrastructure Development</b>				
1	Land Acquisition and resettlement	31.5	-	31.5
2	Utility Shifting	15.0	-	15.0
3	Civil works	315.00	252.00	63.00
4	Construction Supervision Consultants	9.00	9.00	-
5	Black spot Program	5.00	-	5.00
<b>B. Institutional Development</b>				
6	Equipment	5.00	5.00	-
7	Road Planning and Asset Management Support	2.00	2.00	-
<b>C. Recurrent Costs</b>				
8	Project Management	3.00	-	3.00
<b>D. Taxes and duties*</b>				
<b>E. Total Base Cost</b>		385.50	268.00	117.50
<b>F. Contingencies</b>				
9	Physical Contingencies	18.90	15.12	3.78
10	Price Contingencies	21.42	17.14	4.28
<b>G. Financial charges during Implementation</b>				
11	Interest during Construction	21.11	-	21.11
12	Commitment Charges	1.00	-	1.00
<b>Total</b>		<b>447.93</b>	<b>300.26</b>	<b>147.67</b>

\* To be determined at the time of the fact-finding mission

12. Steering Committee of KSHIP has approved the above list of roads for implementation under ADB finance. The roads selected under EPC are proposed to be procured and implemented observing the procurement norms of ADB.
13. The project preliminary activities of procurement documentation, removal of encumbrances, R & R issues and land acquisition etc., have been commenced and are in progress in 633 kms. Bid documents of EPC & RFP for selection of consultant are submitted to ADB for approval.

14. The Steering Committee of KSHIP under the Chairmanship of Principal Secretary, Government of Karnataka, Public works, Ports & Inland Water Transport Department in the 38<sup>th</sup> Meeting held on 05.04.2010 has suggested to obtain cabinet approval for the list of roads proposed to be taken up under ADB Assistance. The road list suggested by ADB is also agreed by the Hon'ble Minister for Public works, Ports & Inland Water Transport Department. The Government has provided a budget grant of Rs. 270 Crores for the KSHIP activities for the current financial year of 2010-11. It is proposed to utilize the current grant for both World Bank & Asian Development Bank projects.

The above proposal is examined in detailed and hence the following order.

**GOVERNMENT ORDER NO.PWD 89 EAP 2010 BANGALORE DATED 28-09-2010**

The Government is pleased to give approval for the following.

- i) The estimated overall construction cost of Rs. 2038 crore (Rs. Two thousand thirty eight crore only) for ADB project of KSHIP-II.
- ii) Implementation of KSHIP-II with the financial assistance of the Asian Development Bank as per the list of roads noted at para 9.
- iii) To Meet the 20% of the construction cost of EPC contracts and 100% cost of R&R, Land acquisition & utility shifting from the State funds for ADB Projects of KSHIP - II.
- iv) To Authorise the Finance Department to make suitable budgetary provisions for the years 2010-11 onwards for implementation of KSHIP-II under ADB Loan.

This Government order is issued in concurrence with Finance Department vide its note no. PWD:532:FC-1/09, dated. 06-08-2010 and Planning department vide its note no. PD:6:MCM:2010, dated. 14-07-2010.

By order and in the name of the  
the Governor of Karnataka

  
(V.UMESH)

Principal Secretary to Government,  
Public Works, Ports & Inland Water  
Transport Department.

To,  
The compiler, Karnataka Gazette, Bangalore for publication in the next Gazette.

To,

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Copy to:

1. The Accountant General (Audit & Accounts) Karnataka Bangalore.
2. Principal Secretary to Government, Finance Department, vidhana Soudha, Bangalore.
3. Secretary to Government, Public Works, Ports & Inland Water Transport Department, Vikasa Soudha, Bangalore.
4. Additional Secretary to Government, Public Works, Ports & Inland Water Transport Department, vikasa Soudha, Bangalore.
5. Chief Project Officer, PIU, Karnataka State Highways Improvement Project, Bangalore.
6. The Project Director, PIU, KSHIP, Bangalore.
7. Chief Information Office, I.D.S Cell, M.S.Building, Bangalore.
8. Guard / Spare copies.

## ANNEXURE-I

GO No. PWD 61 EAP 2006 Bangalore Dated: 25-11-2006

List of Selected Roads For Improvement Under KSHIP-II		
SL.No	Name of the Roads	(kms)
01	Tinthni-Devadurga-Kalmala	74
02	Kushtagi (NH-13)-Tawagera-Sindhanur	64
03	Managoli-Talikota-Devapur	110
04	Mudgal-Kudithini (NH-63)	115
05	Konannanur-Hunsur-HD Kote	89
06	Sira-AP Border via Madhugiri-Gowribidanur-Chikaballapura-Chintamani-Srinivasapura-Mulbagal	210
07	Haliyal-Kudalasangama via Dharwad-Soundatti-Ramdurga-Badami-Pattadakal-Kamatgi-NH13	243
08	Hassan-Periyapatna via Arakalagud-Ramanathpura	77
09	Hirekerur-Ranebennur (on NH-4)	58
10	Kudachi-Kabbur-Ghataprabha	50
11	Shikariura-Anandapuram (on NH-206)	32
12	Kotumachigi-Gajendragarh	32
13	Goa Border-Soundatti via Khnapur-Bagewadi-Bailhongal	133
14	Mudhol-Nippani via Mahalingapur-kabbur	104
15	Belur-Kodlipet via Bikkodu-vatehole-Alur-Magge	72
16	Davenagere-Birur via Channagiri	104
17	Gangamula-Kottigehara	63
18	Hangal-Haveri (NH-4)	32
19	TN Border (Hunasahalli)-AP Border via Kanakapura-Ramanagara-Magadi-Dobbespeth-Koratagee-Madhugiri-Pavagada	220
20	Hole Narsipura to K.R.Nagar via Saligaram	46
21	Shelavadi-Harapanahalli via Gadag-Mundarigi	112
22	Indi-Zalaki (on NH-13)	20
23	Maharashtra Border - Gulbarga via Afzalpur	99
24	Hungund-Talikot via Muddebihal	58
25	Gubbi-Mandya via Yediyur-Kowdle	109
26	Jagalur-NH-13	10
27	Hoskote-AP Border via Chintamani	88
28	Belthangadi to Bantwal (on NH-48)	35
29	Ramangaram-Saligamma via Thalavadi-Choulankuppe-Huliyurdurga-Nagamangala-K.R.Pet Akkihebbal -Berya	142
30	Malavalli-Koratage via Maddur-Kunigal-Tumkur	135
31	Shimga-Tadasa on NH-4 via Savalanga via Shikaripura-Shiralakoppa-Togarsi Anvatti-Gondi-Hangal	171
32	Jamkhandi-Maharashtra Border via Terdal-Kudachi-Managsuli	79
33	Horanadu-Subramanaya via Kalasa-Kottigehara-Mudigere-Sakaleshpura Junction- Vanagur	164
34	Molkalmur to SH 19 (KSHIP1 Road)	6
35	Bidar-Chincholi via Ekhelli (NH9)	61
36	Padubidri-Karkala	28
37	Kollegala-Tamilnadu Border via Hanur-MM Hills	97
38	Virajpet-Somawarpet via Madikere	71
	<b>Total Length (Kms)</b>	<b>3,411</b>