

Preliminary Project Report - (PPR ID - 12408)

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Created By : M. Dana Kishore, Managing Director, Musi Riverfront Development Corporation Limited, Telangana

Contact Details - mus-project@telangana.gov.in, 040-29556036,

Nodal Officer - K. Ramakrishna Rao, Secretary, prlsecy_fin@telangana.gov.in, 0123456987, 0123456987

SNO.	Item	Details
1.	Name of the Project	Musi Riverfront Development Project
	Category	Loan (General/PBL/Refinancing)
2.	Sectoral Area	-Multi sector
3.	Central Line Ministry or Department for the Project	Department of Economic Affairs
4.	State Line Department for the Project	Telangana
5.	Proposed Project Implementation Agency	World Bank
6.	Institutional Structure for Delivery	Musi Riverfront Development Corporation Limited
Basic Design of the Project		
	Goals and Objectives	The Musi Riverfront Development Project aims to transform the river corridor, running through the city of Hyderabad, into a dynamic economic and tourism hub, focusing on ecological restoration, infrastructure development and cultural enrichment. The project aims to be a benchmark for sustainable urbanization by promoting ecological and economic transformation along the river, while improving community well-being by undertaking measures to bring about riverfront development, restore clean flowing water back to the city, and flood mitigation and cultural rejuvenation.
	Activities Involved	The four major activities under the project include water management with the enhancement of sewage treatment and flood mitigation systems and stormwater management; landscape development including restoring the river's traditional ecology and creating public spaces along the riverfront; enhancing mobility and access along the river corridor through introduction of roads and enhancement of transport hubs; and planning for community activation by tapping into existing cultural resources and identifying growth areas while incorporating energy-efficient designs and eco-friendly technologies.
	Outputs of the Project	The project aims to enhance the river's water quality through sustainable sewage systems and treatment plants; preserve Hyderabad's cultural heritage and strengthen its tourism circuit through the rejuvenation and adaptive reuse of historic buildings; improve urban mobility by developing the East-West Corridor along the entire river through the city, and improving alternative routes; mitigate flood risks by introducing control measures and strengthening riverbanks; and to safeguard livelihoods and manage encroachments through secure monitoring and resettlement initiatives.
	Outcome of the Project	The Project envisions improvement of the river's environment, accessibility and urban rejuvenation, including: Ecological Restoration: A revitalized river ecosystem with enhanced water quality and biodiversity. Cultural Preservation and Economic Growth: Protection of heritage structures, alongside boosted tourism and economic prosperity. Enhanced Urban Mobility: Alleviated traffic congestion and efficient transportation solutions. Community Safety and Resilience: Reduced flood risks, safer living conditions for residents.
	Sustainable Development of Goals (SDGs) which will be mostly contributed to by the proposed project	SDG 6 (Clean Water and Sanitation): Improving water quality, reducing pollution, and managing water resources sustainably. SDG 11 (Sustainable Cities and Communities): Enhancing urban resilience, promoting sustainable urbanization, and creating safe, inclusive public spaces. SDG 13 (Climate Action): Mitigating climate change through green infrastructure and sustainable practices. SDG 8 (Decent Work and Economic Growth): Generating employment and boosting local economies. SDG 9 (Industry, Innovation, and Infrastructure): Modernizing infrastructure and fostering innovation.

	Finance Plus Element	
	System and Transformational Impact	The various development initiatives proposed under the project will provide new public spaces and facilities to foster social interactions, sustainable design solutions and environmental restoration efforts to create a pleasant environment and improve connectivity, including major roads and pedestrian and bike paths. Hence, the project aims to attract investors as well as tourists and offer recreational opportunities, to boost local economic growth. Moreover, it will attract further investments, driving sustainable and inclusive growth in Telangana.
8.A.	Innovations and Piloting of New Approaches	The project proposes to minimize environmental impact by the use of bioremediation, sustainable design techniques and materials such as permeable pavements constructed with recycled materials, rain gardens, and bioswales, to manage runoff and improve water quality. It also includes features such as elevated structures, flood barriers, and resilient landscaping to mitigate the effects of extreme weather events. Additionally, smart technology will be adopted to predict flood risks, optimize resource allocation, and enhance planning and maintenance.
	Innovations in Financing Leveraging	The project will leverage private sector financing and public-private partnership (PPP) options to improve the quality and efficiency of urban services along with the rivers, in collaboration with partners who shall also benefit from the initiative. Additionally, the project will align with state and centrally sponsored urban schemes and programs along with domestic financial markets to enhance mobility and last-mile connectivity within selected transport corridors, focusing on the restoration of Musi River, as well as urban regeneration efforts.
	International Best Practices Proposed to be Adopted	The project will employ smart technologies to monitor and boost climate resilience through nature-based solutions, including GIS- and AI-based tools that can be used for effective planning and development, to monitor water quality, traffic flow, and environmental conditions while integrating sustainable design practices that emphasize flood resilience and green infrastructure. By leveraging synergies between local economic development, job creation, and best practices in infrastructure, the initiative aims to enhance riverfront development and revitalize the urban corridor.
8.B.	Budget Plus: Additional financing that project will mobilize, in addition to Budgetary resources (including Loan), e.g. Funding from private sector/beneficiaries/Civil Society Organization etc	The project will leverage private sector financing through public-private partnerships (PP with companies in tourism and hospitality , real estate sectors alongside CSR funding. Green bonds can be issued for environmentally sustainable components, while revenue generation through naming rights, sponsorships, and tourism activities can provide ongoing financial support. Lastly, real estate development initiatives , such as land value capture at joint development projects , can leverage increased property values around the riverfront.
	Other Element(if any)	
	Private Sector Engagement (Financing, Supply Side, Involvement, Provision of Services)	The river rejuvenation project seeks to transform the entire urban area, requiring substantial finances, expertise, and effective service. Private investment, facilitated through public-private partnerships (PPPs) and innovative financial tools like green bonds offer essential funding while encouraging environmental and social responsibility. Private companies can also bring valuable expertise in construction, engineering, and environmental management and deliver critical services such as waste management, security, and public transportation aiding the project.
9.	Climate Mitigation/Adaptation	The focus shall be on biodiversity conservation and disaster preparedness, while setting standard for sustainable urban development in response to climate change. The initial proposals include green roofs and permeable pavements, which mitigate the urban heat island effect, and renewable energy and energy-efficient technologies to lower the carbon footprint. The project promotes sustainable mobility with cycling and walking paths and climate adaptation through flood defenses, expanding sewage treatment capacity , and incorporating resilient planning to handle extreme weather conditions.
	Beneficiary Engagement /Community Involvement /Community Monitoring	Beneficiary engagement is key to the project's success and it involves active engagement of the local communities in preparedness, planning and monitoring through regular consultations and collaborations with public representatives, NGOs and resident groups incorporates feedback to align with community needs, create public spaces with utility, repurpose historic buildings, and support local businesses. Constant engagement shall be maintained through community events and digital platforms to inform the stakeholders proposals and progress, report issues, and ensure equitable benefits.
	Mainstreaming of Gender	The Musi Riverfront Development Project is dedicated to gender mainstreaming by ensuring that marginalized groups are both beneficiaries and active participants of the project. The developments include creating safe, accessible and inclusive public spaces with features catering to all sectors of the stakeholders. The project supports economic empowerment and opportunities for feedback and decision making from all stakeholders affected by the project, aided with capacity-building initiatives to enhance their livelihood and social status.
10.	Name/Names of the State/States Involved	Telangana
11.A.	Name/Names of the District/Districts Involved	Hyderabad, Ranga Reddy, Medchal-Malkajgiri

11.B.	(For North Eastern Region Only) Whether Project involves India's border districts; If yes, name of the district(s):	NA							
11.C.	(For North Eastern Region Only) Whether project involves any inter-boundary river; if yes, name of the river(s):	NA							
12.	Proposed Project Duration								
	From -	01/12/2024							
	To -	30/12/2030							
	Years -	5							
	Month-	12							
13.	Type of Project	State Sector							
14.	Category of State	General							
15.	Financial Arrangement(in crores and USD Million)								
	Tranche	Total external assistance sought	Implementing Agency	State Govt	Central Govt	Others, If any	Total Cost		
	In INR Cr.								
	Tranche-1	4100	0	1763	0	0	5863		
	Tranche-2	0	0	0	0	0	0		
	Tranche-3	0	0	0	0	0	0		
	Total	4100	0	1763	0	0	5863		
	Percentage	69.9301	0	30.0699	0	0	100		
	In USD Million								
	One USD = 82.0000								
	Tranche-1	500	0	215	0	0	715		
	Tranche-2	0	0	0	0	0	0		
	Tranche-3	0	0	0	0	0	0		
	Total -	500	0	215	0	0	715		
	Percentage	69.9301	0	30.0699	0	0	100		
16.	Year wise financial projections of fund utilisation(in Crores and USD Million)								
	Year	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Total
	INR	500	1000	1000	1000	1000	1363	0	5863
	USD	60.9756	121.9512	121.9512	121.9512	121.9512	166.2195	0	714.9999
17.	Name of the Multilateral Development Bank / International Financial Institution	SINo.	MDB's/BA's Name.			Amount (Cr)		Amount (Million)	
		1	World Bank-IBRD			4100.00		500.00-	
18.	Previous Phase, If any	No							
19.	Whether Feasibility Study for the project is available?	Yes							
20.	Whether Detailed Project Report(DPR) or Detailed Engineering Design for the project is available ?	Yes							
21.	Whether following clearances are involved in the project								

	Environment - Yes	To move forward with the Musi Riverfront Development Project, obtaining environment clearance is essential. The Environmental Impact Assessment (EIA) for the Musi River focuses on several key areas: the impact on water quality and aquatic ecosystems, the effect on local flora and fauna, potential pollution issues (including air, water, and noise) and strategies to mitigate these, the social and economic impact on nearby communities, and any potential effects on historical or cultural sites, if applicable.
	Coastal Regulation Zone	No
	Forest	No
	Heritage	No
	Any Other(Please Specify)	
22.	Whether any court or tribunal proceedings are pending that could impact the project?	No
	Whether Land pooling/land acquisition/Resettlement and Rehabilitation is involved in the project?	
	Land Pooling	The Musi Riverfront Development Project uses land pooling to rehabilitate displaced households, create a land bank for future development, and maintain social cohesion. This strategy provides modern housing, supports livelihoods, and ensures financial sustainability by enabling MRDCL to secure funding and attract investments. By returning improved land to original owners and using the rest for development, the project promotes economic growth and benefits local communities.
23.	Land Acquisition	Strategic land acquisition along the Musi River will facilitate key infrastructure for the riverfront project, such as flood-mitigating bunds, sewerage treatment to improve water quality, and enhanced urban mobility through new and improved road corridors. It will also support the creation of public parks and recreational areas, improving the urban environment and quality of life. The acquisition process will prioritize minimizing disruption, offering fair compensation, and adhering to legal guidelines.
	Resettlement & Rehabilitation	Yes
	Any Other(Please Specify)	
24.	Whether External Assistance has been availed in the past for similar project (i.e., earlier phase etc.) ? - No	
25.	Details of externally aided projects (completed/ongoing/pipeline/posed/under examination) since 01.04.2008 undertaken by the proposed borrowing Agency (Central line Ministry/Department/Central PSU/State Government)	
a	No	