

Project Administration Memorandum

Project Number: IND-P42265
Loan Number: 2806-IND
November 2013

India: Assam Urban Infrastructure Investment
Program – Project 1

Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the Assam Urban Infrastructure Investment Program – Project 1 on time, within budget, and in accordance with Government and Asian Development Bank (ADB) policies and procedures. The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Government of Assam's Guwahati Development Department (GDD), the project executing agencies, is wholly responsible for the implementation of ADB financed projects, as agreed jointly between the borrower and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by GDD of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

In the event of any discrepancy or contradiction between the PAM and the Loan and/or Project Agreement, the provisions of the Loan and/or Project Agreement shall prevail.

Changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval they will be subsequently incorporated in the PAM.

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ABBREVIATIONS

ADB	=	Asian Development Bank
AFS	=	audited financial statements
AUWSSB		Assam Urban Water Supply and Sewerage Board
DMF	=	design and monitoring framework
DSC	=	design and supervision consultant
EARF	=	Environmental Assessment and Review Framework
EIA	=	Environmental Impact Assessment
FAM	=	Facility Administration Manual
ESMS	=	Environmental and Social Management System
GAP	=	Gender Action Plan
GMDA		Guwahati Metropolitan Development Authority
GMWSSB		Guwahati Metropolitan Water Supply and Sewerage Board
ICB	=	international competitive bidding
IPPF	=	Indigenous People Planning Framework
NCB	=	national competitive bidding
NGOs	=	non-government organizations
O&M	=	operations and maintenance
PIU	=	Project Implementation Unit
PMC	=	Project Management Consultant
PMU	=	Project Management Unit
QBS	=	quality-based selection
QCBS	=	quality- and cost based selection
RRP	=	Report and Recommendation of the President
SAR	=	Subproject Appraisal Report
SBD	=	standard bidding documents
SGIA	=	Second Generation Imprest Accounts
SOE	=	Statement of Expenditure
TOR	=	terms of reference
ULB	=	urban local bodies

I. PROJECT DESCRIPTION

A. Overview

1. The Assam Urban Infrastructure Investment Program (AUIIP) covers two Program towns, namely Guwahati and Dibrugarh. Guwahati is the largest city of Assam with estimated population of 12.46 lakhs as per 2011 census. Dibrugarh city is the District headquarter and the third largest city of Assam situated on the banks of the Brahmaputra River, about 435 kilometres (270 miles) north east of Guwahati with estimated population of 1.54 lakhs as per 2011 census.

2. Guwahati is lagging behind in respect of providing basic services like water supply, sewerage and proper drainage as well as proper scientific solid waste management. It has almost no sewerage system and more than two third of the area has not been covered by any piped water supply system. Further, Dibrugarh does not have pipe water supply and sewerage system. The inadequacy of drainage and improper management of solid waste are inherent problem of Dibrugarh town. Maps of Guwahati and Dibrugarh towns are in Appendix 1.

3. The first tranche, Loan 2806-IND, for AUIIP (the Project) was approved on 18 November 2011 and became effective on 25 April 2012. The physical closing date is 31 December 2017 and loan closing date is 30 June 2018.

B. Scope of the Investment Program

4. The impact of the investment program will be an improved access to water supply, sanitation, and urban infrastructure facilities by urban population in Guwahati and Dibrugarh. The expected outcome will be improved and sustainable water supply, sanitation, and urban transport system in Guwahati and Dibrugarh. The investment program will help India achieve the Millennium Development Goals on environment sustainability and increased access to safe drinking water and basic sanitation. An integrated and holistic approach is being designed under which six outputs will be delivered. The two or three tranches under the MFF will be implemented in 6 years from 2012 to 2017.

5. To improve the urban environment, an integrated and holistic approach is being designed under which the following six outputs will be delivered.

6. **Output 1: Improved water supply infrastructure (Guwahati).** Investments will be aimed at providing improved quality and regular 24 hours a day water supply to about 300,000 residents in the south-eastern zone of Guwahati. This will involve expanding water production capacity through water intake works, an 88 million liters per day water treatment plant, clear water pumping and primary transmission mains, new distribution systems, six service reservoirs, and machinery; installing bulk and consumer meters,¹ and reducing non-revenue water (NRW) to below the Ministry of Urban Development's benchmark of 20%. The significant reduction in NRW due to installation of 100% new distribution pipes; and the move from flat to volumetric rate tariffs will result in effective demand management and water conservation. The infrastructure improvements will be supported by awareness campaigns to promote water conservation, sustainability and cost recovery objectives.

¹ The installation of meters in the project area will facilitate the move from the current flat rate to volumetric tariffs for water supply.

7. **Output 2: Improved sewerage infrastructure (Guwahati).** The sewerage and sanitation improvement subproject will address the incremental wastewater generated from the proposed water supply subprojects. It will include the construction of trunk sewers, treatment plant, sewer networks, pumping stations, and maintenance equipment. The infrastructure improvements will be supported by awareness campaigns to promote understanding of the need for better sanitation and gain broad acceptance of higher service rates to cover the operation and maintenance (O&M) costs.

8. **Output 3: Improved Solid Waste Management Infrastructure (Dibrugarh).** Service coverage in Dibrugarh will be increased to more than 80% as a result of improvements in SWM. In support, (i) public awareness campaigns will be launched to promote understanding of the importance of good sanitation and in-house waste collection, segregation, and recycling; and (ii) solid waste collection, transportation, treatment, and disposal will be improved through provision of solid waste equipment, the construction of transfer stations, and the development of sanitary landfill sites and composting plants.

9. **Output 4: Improved Drainage (Dibrugarh).** The existing Dibrugarh Town Protection drain will be improved to increase channel flow by removal of accumulated silt and waste, providing reinforced concrete rectangular channels within the built up area and the enlargement of most of the road culverts, and thus reduce flooding in the city.

10. **Output 5: Improved Urban Transport Infrastructure (Guwahati).** A DPR has been prepared for two bus rapid transport (BRT) corridors, and a third DPR for a BRT scheme in the eastern part of the city is currently being completed. The consultants will assess the three options and recommend the suitable option for ADB financing. The positive benefit of the BRT system subproject is the significant reduction in the GHG and carbon footprint due to reduced use of individual automobiles when an efficient public transit such as BRT is in operation.

11. **Output 6: Facility management and implementation support, community awareness, and program performance monitoring.** This component will provide funding support for costs associated with Facility management and implementation, including equipment, logistics, and the services of consultants to assist the program management unit (PMU) in carrying out detailed design, construction supervision, and related training and capacity building. The detailed design will consider reliable, energy-efficient technology that cuts costs. Community outreach and program performance monitoring will be carried out by an experienced and capable nongovernment organization (NGO) or consulting firm. A capacity development technical assistance was approved separately under a cluster TA.² The main outputs include a (i) blueprint organizational structure for GMWSSB as a ring-fenced and sustainable autonomous entity; (ii) central knowledge centre in the state, from where sector related information and best practices in urban municipal services can be sourced and training provided to ULB staff; (iii) toolkit that can be used to implement public private partnership projects in the provision of urban services in the ULBs; and (iv) management information system for use by ULB managers and state government officials.

² IND-CTA0003: Advance Project Preparedness for Poverty Reduction. TA 7867-IND: Capacity Building for Assam Urban Infrastructure Improvement Project.

C. Scope of the Project – Project 1

12. The objective of the Project is to improve urban services in the cities of Guwahati and Dibrugarh to the standards set by the States. The Project comprises the following components:

- (i) **Water supply:** Phase 1 of a scheme to supply South East Guwahati with water from the Brahmaputra River, comprising construction of water Intake and water diversion structures, a water treatment facility, water transmission systems and services reservoirs;
- (ii) **Drainage improvement:** Phase 1 of a scheme to rehabilitate the town protection drain in Dibrugarh, comprising construction of drains and diversion channels; reconstruction of road culverts, flood relief culverts, bridges and sluice gate, and wire fencing;
- (iii) **Solid waste management infrastructure:** Establishment of a solid waste management system in Dibrugarh, comprising (a) supply of equipment and vehicles to strengthen waste collection and waste transport system; (b) construction and equipping of a vehicle and equipment repair and storage facility; (c) design, construction and operation of a solid waste treatment and disposal facility; (d) establishment of a recycling center; (e) development of a management information system for solid waste management; and (f) institutional strengthening and facilitation of community information and participation in relation to solid waste disposal; and
- (iv) **Implementation support:** Capacity building and implementation support, comprising Consulting Services to raise community awareness, to monitor Project and Investment Program performance, to design and supervise construction of Subprojects, conduct feasibility and detailed design of the proposed BRT Subprojects, related capacity building and training and community-based activities.

II. PROJECT PROGRESS

A. Overall Implementation Plan – Investment Program

Assam Urban Infrastructure Project Implementation Schedule																																	
Ref	Activity	2011				2012				2013				2014				2015				2016				2017				2018			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
S-PPTA support		[Gantt bars for S-PPTA support]																															
Project Preliminary Tasks		[Gantt bars for Project Preliminary Tasks]																															
a	Establish PMU and PIU office accommodation	[Gantt bar]																															
b	Engagement of PMU and PIU Staff	[Gantt bar]																															
PMC & DSC (Advance Activities)		[Gantt bars for PMC & DSC (Advance Activities)]																															
a	Request for Proposals (RFP)	[Gantt bar]																															
b	Selection & Engagement of Project DSC	[Gantt bar]																															
c	Mobilized for 2nd Tranche design & Supervision of Works of T-1	[Gantt bar]																															
Loan Negotiations		[Gantt bars for Loan Negotiations]																															
1st Tranche Loan Effectiveness		[Gantt bars for 1st Tranche Loan Effectiveness]																															
Guwahati - Water Supply (East Zone-Phase 1)		[Gantt bar]																															
Dibrugarh - Town Protection Drain (Phase 1)		[Gantt bar]																															
Dibrugarh - Solid Waste Management		[Gantt bar]																															
2nd Tranche Loan Negotiations		[Gantt bars for 2nd Tranche Loan Negotiations]																															
2nd Tranche Loan Approval		[Gantt bars for 2nd Tranche Loan Approval]																															
2nd Tranche Loan Effectiveness		[Gantt bars for 2nd Tranche Loan Effectiveness]																															
Guwahati - Water Supply (East Zone-Phase 2)		[Gantt bar]																															
Guwahati Sewerage (South & East Zone - Phase 1)		[Gantt bar]																															
Guwahati Transportation		[Gantt bar]																															
Dibrugarh - Town Protection Drain (Phase 2)		[Gantt bar]																															
Dibrugarh - Slum Upgrading & Secondary Drainage		[Gantt bar]																															
Guwahati Sewerage (South & East Zone - Phase 2)		[Gantt bar]																															
Project Implementation and Assistance		[Gantt bars for Project Implementation and Assistance]																															
	Selection of Contractors / Equipment Suppliers	[Gantt bar]																															
	Supervision & Quality Control	[Gantt bar]																															
	Community Relations & Awareness Program	[Gantt bar]																															
	Benefit Monitoring & Evaluation	[Gantt bar]																															

B. Overall Implementation Plan – Project 1

Srl.	Activities	2012				2013				2014				2015				2016				2017				Prog	Wt	Total
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
I	Urban Infrastructure Improvement																											
1	SAR Preparation and Approval by PMU/ADB																											
	-IEE and EMP																											
	-Resettlement Plan																											
2	Design Stage																											
	-Data Collection, Survey and Preliminary Design																											
	-Detailed Design																											
	-Preparation of Bid Documents																											
3	Procurement Stage																											
	-Bid Evaluation																											
	-Award of Contract																											
A	Subtotal of Pre-Implementation Stage																											
4	Implementation Stage																											
	-Construction of storage reservoirs at six locations																											
	-Construction of transmission clear water supply pipe lines																											
	-DBO of Intake works, Raw water rising main and WTP																											
	-Construction of Storm Water Drainage																											
	-Solid Waste Equipments and Vehicles procurement																											
	-Solid Waste treatment and disposal site development																											
B	Subtotal of Implementation Stage																											
C	Total - Implementation (A+B)																											
II	Capacity Development and Implementation Support																											
5	Appointment of Staff and capacity development of																											
	-PMU (Guwahati)																											
	-PIU I (Guwahati)																											
	-PIU II (Dibrugarh)																											
6	Recruitment of Consultants at																											
	-PMC (Guwahati)																											
	-DSC (Guwahati & Dibrugarh)																											
7	BRT: Preparation of DPR and Implementation Plan																											
8	Recruitment of NGO for PPMS, Awareness & Resettlement																											
9	Establishment of Project Performance Monitoring System																											
	-Identifying Key Performance Indicators																											
	-Setting Base Values and Target Values																											
	-Project Performance Monitoring and Evaluation																											
10	Establishment of a dedicated Project website & Maintenance																											
11	Institutional Reform & Capacity Building																											
	-Set up of Project Finance Accounting																											
	-e-Governance Initiative and Reforms at ULBs																											
	-Organizing Training Programme and Study Tours																											
D	Total Institutional and Capacity Building																											
E	Project Implementation Progress (C+D)																											

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations– Roles and Responsibilities

13. The project management organization chart is below. For overall management of all activities of the project and the Facility, a state-level PMU has been established. A matrix of roles and responsibilities of key stake holders in the Project is shown in **Table 1**.

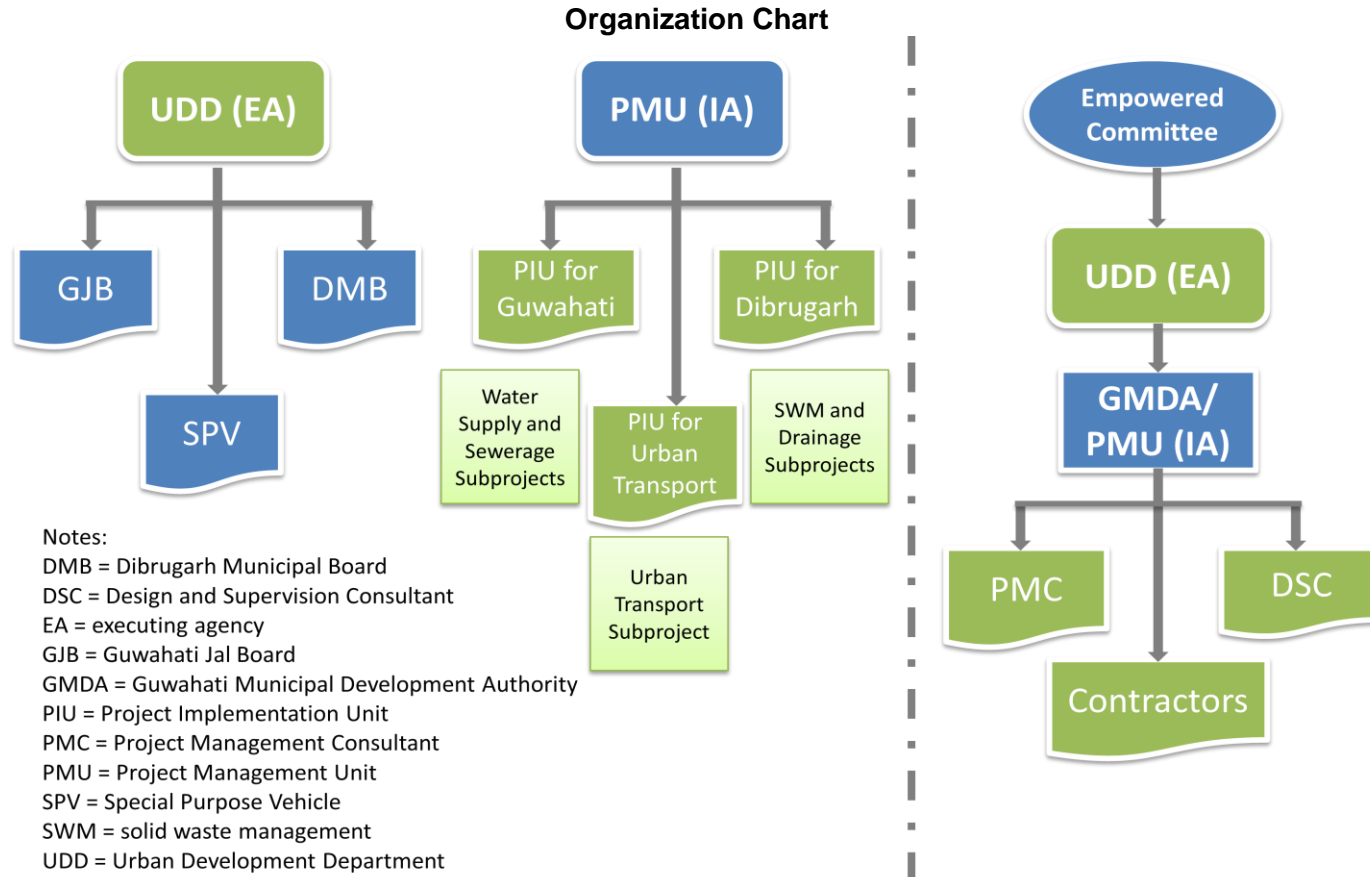


Table 1. Management Roles and Responsibilities

Implementation Organizations	Management Roles and Responsibilities
<ul style="list-style-type: none"> Empowered Committee 	<ul style="list-style-type: none"> responsible for (i) according all sanctions and approvals under the project; (ii) all important decisions of project implementation; and (iii) ensuring timely project implementation ensure implementation of funds flow and disbursement requirements to eligible subprojects ensure adequate counterpart funds;
<ul style="list-style-type: none"> Urban Development Department (Executing Agency) 	<ul style="list-style-type: none"> responsible for Investment Program and project oversight and administration ensure compliance with Investment Program and project covenants ensure auditing of loan proceeds and maintenance of accounts assign adequate staff to the PMU to implement the environmental and social management system (ESMS) and approval procedure for proposed subprojects submit quarterly progress reports to the ADB and Government of India
<ul style="list-style-type: none"> Project Management Unit (Implementing Agency) 	<ul style="list-style-type: none"> responsible for project administration and coordination monitor all the project implementation activities with a focus on performance and achievement of results reports to the Empowered Committee reports to ADB on project implementation progress and other matters
<ul style="list-style-type: none"> Guwahati Jal Board (PIU in Guwahati) 	<ul style="list-style-type: none"> responsible for administering water supply and sewerage subprojects in Guwahati responsible for safeguards compliance of the subprojects responsible for overall execution and technical supervision of the project activities; approval of the detailed designs of the subprojects; monitoring work of DSC in the subprojects
<ul style="list-style-type: none"> Dibrugarh Municipal Board (PIU in Dibrugarh) 	<ul style="list-style-type: none"> responsible for administering solid waste management and storm water drain subprojects in Guwahati responsible for safeguards compliance of the subprojects responsible for overall execution and technical supervision of the project activities; approval of the detailed designs of the subprojects; monitoring work of DSC in the subprojects
<ul style="list-style-type: none"> Special Purpose Vehicle (PIU for Urban Transport) 	<ul style="list-style-type: none"> responsible for administering urban transport subproject responsible for safeguards compliance of the subproject responsible for overall execution and technical supervision of the project activities; approval of the detailed designs of the subprojects; monitoring work of DSC in the subproject
<ul style="list-style-type: none"> Project Management Consultant 	<ul style="list-style-type: none"> assist PMU in project management and all technical issues help build the capacity of PMU on a sustained basis delineate PMU's method of working, procedures and reporting assisting the PMU in implementing the urban reforms oversee work of the DSC assist the PMU to define and prepare contracts; assist the PMU in designing, contracting, installing and operationalizing systems and procedures as required for the implementation of the project establish criteria for supervision, coordination, project management and performance monitoring
<ul style="list-style-type: none"> Design and Supervision 	<ul style="list-style-type: none"> assist PMU and PIUs on technical issues and all PMU and PIU related

Implementation Organizations	Management Roles and Responsibilities
Consultant	<p>activities</p> <ul style="list-style-type: none"> update maps and plans, undertake survey and investigations, update or prepare detailed designs of the various project components for the two cities, prepare technical specifications and contract documents, assist in construction supervision, quality control and measurement of works under the project
<ul style="list-style-type: none"> Technical Committee 	<ul style="list-style-type: none"> responsible for bid evaluation of all contract packages responsible for advising the PMU and PIUs in subproject proposal
<ul style="list-style-type: none"> ADB 	<ul style="list-style-type: none"> ensure technical and financial support and oversight according to the framework financing, loan and project agreement Conduct periodic loan administration missions, a mid-term review and project completion missions

B. Key Persons Involved in Implementation

Government of India	<p>Nilaya Mitash Joint Secretary Department of Economic Affairs Room No. 272 North Block, New Delhi Tel +91-11-23093404</p>
Executing Agency	<p>V.B Pyarelal Principal Secretary, Urban Development Department and Guwahati Development Department Government of Assam Civil Secretariat, Dispur, Guwahati 781006 Email: amar.das20111@gmail.com</p>
PMU	<p>Manish Thakur Project Director Project Management Unit, AUIP Guwahati, Assam Email: pdadbassam@gmail.com</p>
Asian Development Bank: Urban Development and Water Division (SAUW) South Asia Department (SARD)	<p>Fei Yue Director, SAUW Telephone No. +632 632 6858 Email address: fyue@adb.org</p> <p>Vijay Padmanabhan Senior Urban Development Specialist Telephone No. +632 632 Email address: vpadmanabhan@adb.org</p> <p>Asian Development Bank No. 6 ADB Avenue, Mandaluyong City 1550 Metro Manila P.O. Box 789 0980 Manila, Philippines +632 636 2293 http://www.adb.org</p>

IV. COST ESTIMATES AND FINANCING PLAN

A. Cost Estimates for the Investment Program - Expenditure by Category

	(Rupees Million)			(US\$ Million)			%	% Total
	Local	Foreign	Total	Local	Foreign	Total	Foreign	Base Costs
I. Investment Costs								
A. Land and Resettlement	178.4	-	178.4	4.0	-	4.0	0	2
B. Civil Works	8,327.7	-	8,327.7	185.1	-	185.1	0	89
C. Equipments & Materials	79.9	-	79.9	1.8	-	1.8	0	1
D. Implementation Assistance								
			-			-	0	0
Consulting Services	574.4	-	574.4	12.8	-	12.8	0	6
Incremental Administration	223.1	-	223.1	5.0	-	5.0	0	2
Total BASELINE COSTS	9,383.6	-	9,383.6	208.5	-	208.5	-	100
Physical Contingencies	646.4	-	646.4	14.4	-	14.4	-	7
Price Contingencies	1,929.2	-	1,929.2	42.9	-	42.9	-	21
Total PROJECT COSTS	11,959.2	-	11,959.2	265.8	-	265.8	-	127
Interest During Implementation plus Commitment Charges	884.9	-	884.9	19.7	-	19.7	-	9
	17.9	-	17.9	0.4	-	0.4	-	-
Total Costs to be Financed	12,862.0	-	12,862.0	285.8	-	285.8	-	137

Notes:

1. Above costs are based on 2011 prices
2. Physical contingency computed at 7.5% for civil works, equipment and materials, land acquisition and resettlement compensation; price contingency computed at ADB projected local currency and foreign exchange inflation rates
3. Includes taxes amounting to US\$ 31.1 Million.
4. Numbers may not sum precisely because of rounding.

B. Financing Plan for the Investment Program - Detailed Cost Estimates by Financier (US\$ Million)

	Asian Development Bank		Government of India / Assam MCs/MBs		Total		Local (Excl. Taxes)	Duties & Taxes
	Amount	%		%	Amount	%		
I. Investment Costs								
A. Land and Resettlement	-	-	4.7	100.0	4.7	1.7	4.7	-
B. Civil Works	182.0	76.5	55.9	23.5	238.0	83.3	209.4	28.6
C. Equipments & Materials	1.6	76.5	0.5	23.5	2.1	0.7	1.9	0.3
D. Implementation Assistance							-	
Consulting Services	13.4	89.7	1.5	10.3	14.9	5.2	13.4	1.5
Incremental Administration	3.0	50.0	3.0	50.0	6.0	2.1	5.3	0.7
Total PROJECT COSTS	200.0	75.3	65.7	24.7	265.8	93.0	234.7	31.1
Interest During Implementation	-	-	19.7	100.0	19.7	6.9	-	-
Commitment Charges	-	-	0.4	100.0	0.4	0.1	-	-
Total Disbursement	200.0	70.0	85.8	30.0	285.8	100.00	234.7	31.1

Notes:

1. Above costs are based on 2011 prices
2. Physical contingency computed at 7.5% for civil works, equipment and materials, land acquisition and resettlement compensation; price contingency computed at ADB projected local currency and foreign exchange inflation rates
3. Numbers may not sum precisely because of rounding.

C. Cost Estimates for Project 1 - Expenditure by Category

	(Rupees Million)			(US\$ Million)			%	% Total
	Local	Foreign	Total	Local	Foreign	Total	Foreign	Base Costs
I. Investment Costs								
A. Land and Resettlement	178.4	-	178.4	4.0	-	4.0	0	4
B. Civil Works	3,004.4	-	3,004.4	66.8	-	66.8	0	76
C. Equipments & Materials	79.9	-	79.9	1.8	-	1.8	0	2
D. Implementation Assistance								
			-			-	0	0
Consulting Services	555.2	-	555.2	12.3	-	12.3	0	14
Incremental Administration	155.1	-	155.1	3.4	-	3.4	0	4
Total BASELINE COSTS	3,973.1	-	3,973.1	88.3	-	88.3	-	100
Physical Contingencies	247.2	-	247.2	5.5	-	5.5	-	6
Price Contingencies	654.5	-	654.5	14.5	-	14.5	-	16
Total PROJECT COSTS	4,874.7	-	4,874.7	108.3	-	108.3	-	123
Interest During Implementation plus Commitment Charges	318.6	-	318.6	7.1	-	7.1	-	8
	3.9	-	3.9	0.1	-	0.1	-	-
Total Costs to be Financed	5,197.2	-	5,197.2	115.5	-	115.5	-	131

Notes:

1. Above costs are based on 2011 prices
2. Physical contingency computed at 7.5% for civil works, equipment and materials, land acquisition and resettlement compensation; price contingency computed at ADB projected local currency and foreign exchange inflation rates
3. Includes taxes and duties amounting to US \$12.2 million.
4. Numbers may not sum precisely because of rounding.

D. Detailed Cost Estimates by Financier for Project 1 (US\$ Million)

	Asian Development Bank		Government of India / Assam MCs/MBs		Total		Local	Duties &
	Amount	%	%	Amount	%	(Excl. Taxes)	Taxes	
I. Investment Costs								
A. Land and Resettlement	-	-	4.7	100.0	4.7	4.1	4.7	-
B. Civil Works	64.6	77.4	18.6	22.6	83.2	72.0	73.2	10.0
C. Equipments & Materials	1.6	77.4	0.5	22.6	2.1	1.8	1.9	0.3
D. Implementation Assistance			-	-	-	-	-	-
Consulting Services	12.8	89.7	1.5	10.3	14.3	12.4	12.8	1.5
Incremental Administration	2.0	50.0	2.0	50.0	4.0	3.5	3.5	0.5
Total PROJECT COSTS	81.0	74.6	27.3	25.4	108.3	93.8	96.1	12.2
Interest During Implementation	-	-	7.1	100.0	7.1	6.1	-	-
Commitment Charges	-	-	0.1	100.0	0.1	0.1	-	-
Total Disbursement	81.0	70%	34.5	99.3	115.5	100.0	96.1	12.2

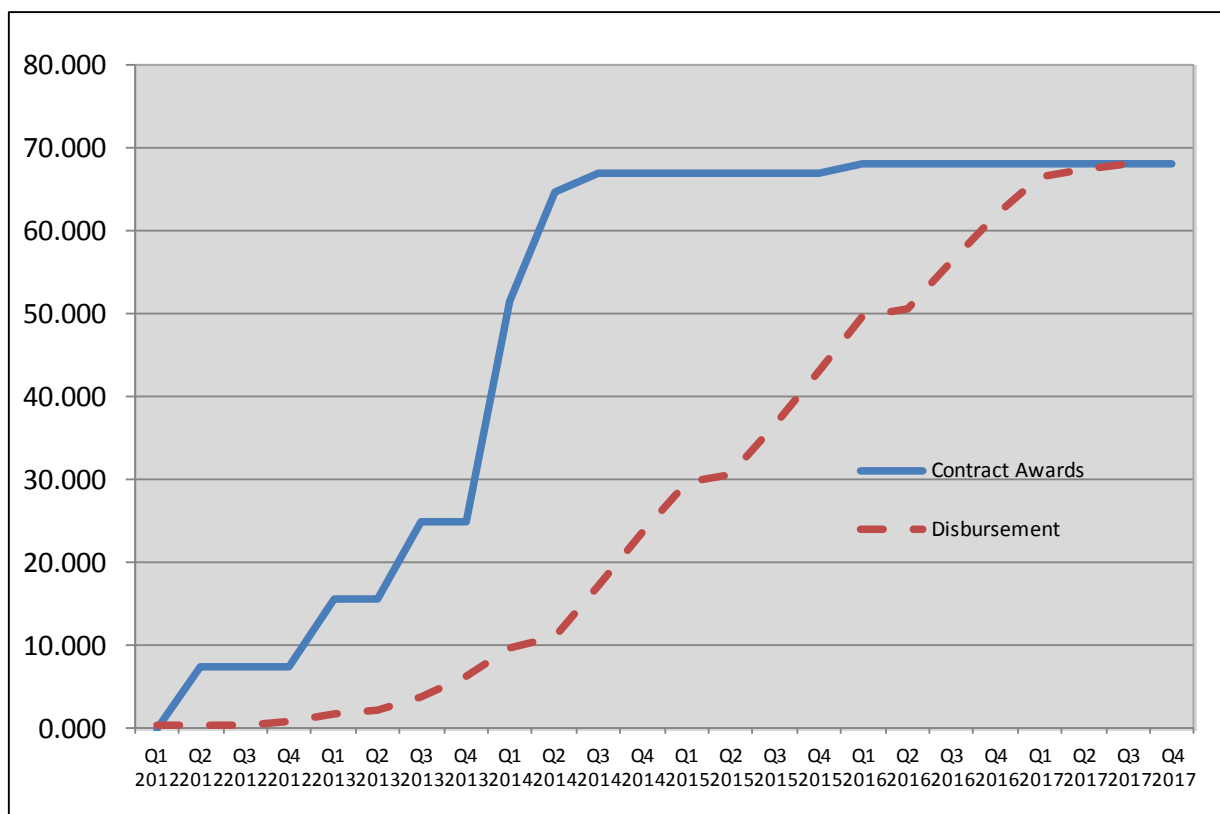
Notes:

1. Above costs are based on 2011 prices
2. Physical contingency computed at 7.5% for civil works, equipment and materials, land acquisition and resettlement compensation; price contingency computed at ADB projected local currency and foreign exchange inflation rates
3. Numbers may not sum precisely because of rounding.

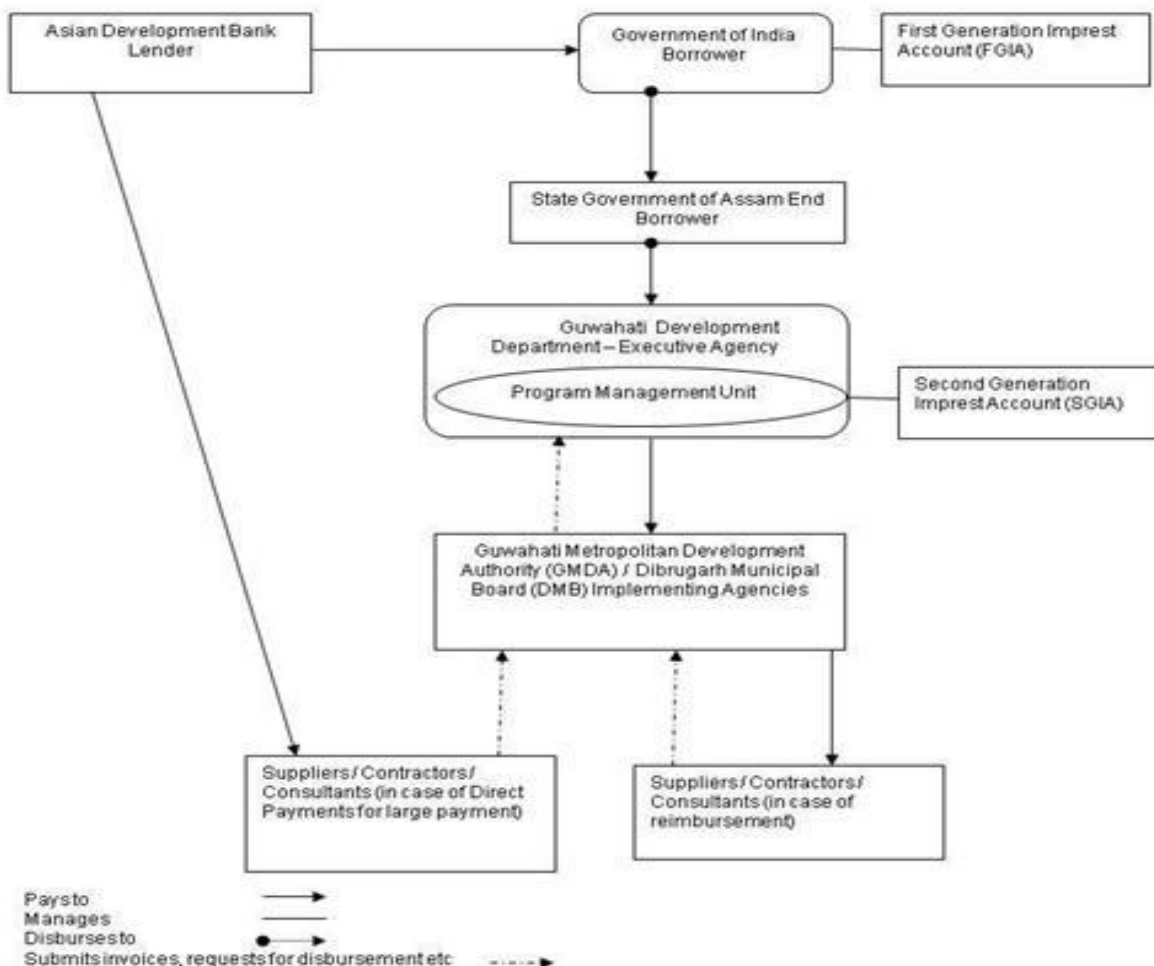
E. Allocation of Loan Proceeds of the Program

14. The proceeds of the loan shall be used to finance eligible Program expenditures (**Appendix 3**). All goods and services to be financed out of the loan proceed shall be procured in accordance with the Loan and Project Agreements and shall be used exclusively in the carrying out of the Program. ADB may refuse to finance a contract where goods or services have not been procured under procedures in accordance with those agreed between the Government and ADB, or where the terms and conditions of the contract are not satisfactory to ADB.

F. Contract and Disbursement S-Curve for Project 1



G. Fund Flow Diagram



V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

15. Financial management assessments of (i) AUIIP – PMU; (ii) two ULBs (Dibrugarh Municipal Board and Guwahati Municipal Corporation); and (iii) Guwahati Metropolitan Development Authority was undertaken during the project processing stage (**Appendix 4**).

16. Based on the assessment, accounting staff with accounting qualification and experience have to be inducted in the PMU either from Assam State Accounting Service or from outside. All accounting staff in PMU and two PIUs, i.e., GMDA and DMB have to be trained in ADB disbursement procedures. ADB's India Resident Mission (INRM) has already conducted orientation workshops and detailed training for selected staff. The PMC financial specialist will provide guidance and training to PMU and PIUs staff with regard to the program accounting, ADB disbursement procedures and reporting requirements to build up and sustain the financial management capacity of the PMU and PIUs.

B. Disbursement

17. The Loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2012, as amended from time to time)³ and detailed arrangements agreed upon between the Government and ADB.

18. Pursuant to ADB's Safeguard Policy Statement (SPS, 2009),⁴ ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS. All financial institutions will ensure that their investments are in compliance with applicable national laws and regulations and will apply the prohibited investment activities list to subprojects financed by ADB.

19. **Types of Disbursement Procedures.** There are four major types of disbursement procedures:

- (i) Direct payment procedure where ADB, at the borrower's request, pays a designated beneficiary directly;
- (ii) Commitment procedure where ADB, at the borrower's request, provides an irrevocable undertaking to reimburse a commercial bank for payments made or to be made to a supplier against a letter of credit financed from the loan account;
- (iii) Reimbursement procedure where ADB pays from the loan account to the borrower's account, for eligible expenditures which have been incurred and paid for by the project out of its budget allocation or its own resources; and
- (iv) Imprest fund procedure where ADB makes an advance disbursement from the loan account for deposit to an imprest account to be used exclusively for ADB's share of eligible expenditures.

20. The executing agency will be responsible for (i) preparing annual contract award and disbursement projections; (ii) requesting budgetary allocations for counterpart funds, (iii) collecting supporting documents, and (iv) preparing and sending withdrawal applications to ADB through the office of the Controller of Aid Accounts and Audit (CAAA).

21. **Imprest Fund Procedure.** Immediately upon loan effectiveness, the Government will open and maintain a first-generation imprest account (FGIA) in the name of the CAAA with the Reserve Bank of India. Imprest accounts will be opened separately for each PFR. The maximum ceiling of the imprest accounts will not, at any time, exceed the estimated ADB financed expenditures to be paid from the imprest account for the next 6 months or 10% of the respective loan amount, whichever is lower. The FGIA will be denominated in US dollars (loan currency). The initial advance or replenishment by ADB into the FGIA will be converted into equivalent rupees by the CAAA following its policy. Each state may open a Second Generation Imprest Account (SGIA) in a commercial bank acceptable to ADB. If requested by the relevant State the proceeds will be transferred from FGIA in rupees in accordance with relevant procedures of the Government to the SGIA. The Government will assure ADB that the funds from the imprest account shall be transferred to the SGIA within 30 calendar days of the receipt of the advance or replenishment.

22. SGIA account should be one which allows withdrawal of all funds in credit at any time and places no restrictions on the number or amount of withdrawals at any time. Any interest

³ Available at: <http://www.adb.org/documents/loan-disbursement-handbook>

⁴ Available at: <http://www.adb.org/documents/safeguard-policy-statement>

earned on the credit balance in SGIA can be utilized to meet project expenditure. It is clarified that any temporary surplus balances in the SGIA should be retained in the savings account only, and may not be further re-deployed as fixed deposits. The maximum ceiling of each SGIA will be equivalent to 6 months estimated expenditures of the respective Project to be funded from each SGIA or equivalent of 10% of Loan amount, whichever is lower. The request for initial advance to the imprest account should be accompanied by an Estimate of Expenditure Sheet setting out the estimated expenditures for the first six (6) months of project implementation, and submission of evidence satisfactory to ADB that the SGIA has been duly opened. For every liquidation and replenishment request of the imprest account, the executing agency will furnish to ADB (i) Statement of Account (Bank Statement) from the commercial bank where the SGIA is maintained, and (ii) the Imprest Account Reconciliation Statement (IARS) reconciling the above mentioned bank statement against the executing agency's records⁵.

23. The executing agency will be responsible for the use, management, replenishment, and liquidation of the accounts, based on the submission of suitable supporting documentation to the ADB.

24. **Statement of Expenditures.** The SOE procedures will be adopted for reimbursement and liquidation and replenishment of the imprest accounts, for eligible expenditures not exceeding \$100,000 per payment. Original supporting documentation for expenditure claimed under the SOE procedure should be maintained and made available for review by ADB's disbursement and review mission or upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit. ADB has designed specific summary sheet formats to facilitate accurate preparation of withdrawal applications. These formats will be provided to the executing agency for implementation.

25. Before the submission of the first withdrawal application, the Borrower should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on their behalf, together with the authenticated specimen signatures of each authorized person.

26. The minimum value per withdrawal application is US\$100,000, unless otherwise approved by ADB. The executing agency will consolidate claims to meet this limit for reimbursement and imprest account claims. Withdrawal applications and supporting documents will demonstrate, among other things that the goods and/or services were produced in or from ADB members, and are eligible for ADB financing. Withdrawal applications and other loan disbursement information are available at ADB Controller's Department's website <http://lfis.adb.org>.

27. **Disbursement Practice.** To expedite disbursement, ADB's Loan Disbursement Handbook has a dedicated section in Chapter 4 on (i) actions to be taken by the Borrower, (ii) basic requirements for disbursement, and (iii) withdrawal application.

C. Accounting

28. The executing agency will maintain separate project accounts and records by funding source for all expenditures incurred on the Project. Project accounts will follow generally accepted accounting principles followed in India and the accounting standards followed by the Government and respective states.

⁵ Follow the format provided in Appendix 30 of the *Loan Disbursement Handbook*.

D. Auditing

29. The executing agency will cause the project accounts to be audited in accordance with the standards prescribed by the Comptroller and Auditor General of India and/or the Institute of Chartered Accountants of India and applicable to the project, by an independent auditor, whose qualifications, experience and terms of reference are acceptable to ADB. The audited accounts, together with the auditors' report and management letter, will be submitted in the English language to ADB within 6 months of the end of the fiscal year by the executing agency. The annual audit report will include a separate audit opinion on the use of the imprest accounts, SGIA, and the SOE procedures (as applicable).

30. The audit reports should include an assessment of the adequacy of the accounting and internal control systems, the ability to maintain proper and adequate records and documents in support of transactions, and the eligibility of incurred expenditure for ADB financing. ADB retains the right to (i) review and examine any account; and (ii) verify the validity of the certification issued by the executing agency for each withdrawal application.

31. The Government and the executing agency have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures. Further, any critical audit observations on subprojects should be reported to ADB, and action taken also monitored. For revenue generating projects only, ADB requires audited financial statements (AFS) for each executing and/or implementation agency associated with the project.

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

32. All advance contracting and retroactive financing was undertaken in conformity with ADB's *Procurement Guidelines* (March 2013, as amended from time to time)⁶ and ADB's *Guidelines on the Use of Consultants* (March 2013, as amended from time to time).⁷

33. **Advance contracting.** Advance contracting of civil works and recruitment of consultants was done as per the agreed procedures and guidelines. Advance contracting include (i) preparation of tender documents to procure materials and equipment; (ii) tendering and bid evaluation for civil works packages; (iii) evaluation of bids; and (iv) recruitment of consultants.

34. **Retroactive financing.** Except as otherwise agreed with ADB, the expenditures incurred for civil works, equipment and materials, and consulting services eligible for advance contracting, is eligible for retroactive financing for up to 20% of the proposed amount for the loans under the facility for eligible expenditures in each category incurred prior to effectiveness of each loan, but not earlier than 12 months before the signing of the respective loan agreement. Retroactive financing was not used in this Project.

B. Procurement of Works, Goods and Consulting Services

35. In accordance with ADB's *Procurement Guidelines* (March 2013, as amended from time to time),⁹ ADB will encourage the Borrower to require its sub-borrowers to adopt

⁶ Available at: <http://www.adb.org/documents/procurement-guidelines>

⁷ Available at: <http://www.adb.org/documents/guidelines-use-consultants-asian-development-bank-and-its-borrowers>

internationally competitive bidding procedures to the extent possible when the amount of the investment is unusually large and economy and efficiency can be gained by following such procedures. For procurement of goods and services to be financed by sub-loans out of ADB loan proceeds, the Borrower will ensure that the price paid is reasonable, and that account is taken of factors such as time of delivery, efficiency, and the reliability of goods.

C. Procurement Plan

36. The Procurement Plan is shown in below.

Basic Data	
Project Name	Assam Urban Infrastructure Investment Program – Project 1
Country	India
Loan Amount US\$	\$81.0 million
Date of First Procurement Plan	01-Jun-2011
Executing Agency	Guwahati Development Department
Loan Number	Loan 2806
Period Covered by this Plan	2012-2017
Date of This Procurement Plan	12-Dec-2013

Process Thresholds, Review and 18-Month Procurement Plan

1. Project Procurement Thresholds

37. Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works and Consultancy Services.

Procurement of Goods and Works	
Method	Threshold
ICB Works	US\$10, 000, 000 and above
ICB Goods	US\$ 1,000,000 and above
NCB Works ⁸	Below US\$ 10, 000, 000
NCB Goods	Below US\$ 1,000,000
LIB	Below US\$ 1,000,000
Shopping for Works	Below US\$ 100,000
Shopping for Goods	Below US\$ 100,000

ICB= International Competitive Bidding; LIB= Limited International Bidding; NCB = National Competitive Bidding; S= Shopping

ADB Prior or Post Review

38. Except as ADB may otherwise agree, the following prior or post review requirements apply to the various procurement and consultant recruitment methods used for the project.

Procurement Method	Prior or Post	Comments
Procurement of Goods and Works		
ICB Works	Prior	Single-Stage; Two Envelope
ICB Goods	Prior	Single-Stage; Two Envelope
NCB Works ⁹	Prior	Single-Stage; Two Envelope
NCB Goods ²	Prior	Single-Stage; Two Envelope

⁸ Eligibility for NCB will be subject to compliance with ADB requirements as reflected in paragraph 4 of Schedule 4 of Loan Agreement.

⁹ Draft English language version of the bidding documents for the first of NCB contracts should be submitted for ADB's review and approval regardless of the estimated contract amount. Subsequently post review will be adopted.

Procurement Method	Prior or Post	Comments
Shopping for Works	Post	-
Shopping for Goods	Post	-
Recruitment of Consulting Firms		
Quality- and Cost-Based Selection (QCBS)	Prior	
Consultant Qualification Selection (CQS)	Prior	
Quality Based Selection (QBS)	Prior	
Fixed Budget Selection (FBS)	Prior	
Least Cost Selection (LCS)	Prior	
Single Source Selection (SSS)	Prior	
Recruitment of Individual Consultants		
Individual Consultants	Prior	

Goods and Works Contracts Estimated to Cost More Than \$1 Million

39. The following table lists goods and works contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

General Description	Estimated Value (Total) (US\$ million)	Procurement Method	Pre-qualification of Bidders yes/no	Date of Advertisement (Month/Year)	Comments
Design, build and operation of intake works, raw water rising main, WTP, clear water pumping station and associated works at Guwahati.	17.2 (1 package)	ICB	No	2014	Works
Construction of RCC DTP drain, widening of culverts and allied works in Dibrugarh.	27.7 (1 package)	ICB	No	Aug 2012	Works
Design, build and operation of 100 MT processing plant and 60 MT sanitary landfill site and allied works at Dibrugarh.	2.83 (1 package)	NCB	No	2014	Works
Procurement of equipment for primary, secondary collection and transportation vehicles for municipal solid waste management at Dibrugarh.	1.58 (1 package)	NCB	No		Goods

Consulting Services Contracts Estimated to Cost More Than \$100,000

40. The following table lists consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

General Description	Estimated Value (US\$ million)	Recruitment Method ²	Advertisement Date (quarter/year)	International or National Assignment	Comments
Preparation of DPR and improvement of institutional arrangement for BRTS at Guwahati	4.0 (2 packages)	QCBS (90:10)	TBD	National	Consulting firm

A. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$ 100,000

41. The following table groups smaller-value goods, works and consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

Goods and Works

General Description	Value of Contracts Cumulative	Number of Contracts	Procurement Method	Comments
NA				

Consulting Services

Description	Contract Value (Total)	Number of Contracts	Recruitment Method	Comments
NA				

List of Packages Required Under the Project

42. The following table provides an indicative list of all procurement (goods, works and consulting services) over the life of the project. Contract financed by the Borrower and others should also be indicated, with an appropriate notation in the comments section.

General Description	Estimated Value (cumulative, US\$ million)	Estimated Number of Contracts	Recruitment Method	Type of Proposal	Comments
Design and Supervision Consultant	5.1	1	QCBS (80:20)	FTP	Awarded
Project Management Consultant	4.0	1	QCBS (80:20)	FTP	Awarded
Preparation of DPR and improvement of institutional arrangement for BRTS at Guwahati	4.0	2	QCBS (90:10)	FTP	
Design, build and operation of Intake works, Raw water rising main, WTP, clear water pumping station and associated works at Guwahati.	17.2	one	ICB	Yes	Works

Construction of storage reservoirs of various capacities at 6 locations at Guwahati, approach road and allied works	9.1	one	NCB	No	Works (Awarded)
Construction of Transmission water supply pipelines and allied works at Guwahati	12.3	one	ICB	Yes	Works (Awarded)
Construction of RCC DTP Drain, Widening of Culverts and allied works in Dibrugarh.	27.7	one	ICB	No	Works
Design, build and operation of 100 MT processing plant and 60 MT sanitary landfill site and allied works at Dibrugarh	2.82	one	NCB	No	Works
Procurement of equipment for primary, secondary collection and transportation vehicles for Municipal Solid waste management at Dibrugarh	1.58	one	NCB	No	Goods

D. Consultants' Terms of Reference

43. The Project Management Consultants (PMC) and the Design and Supervision consultants (DSC) were selected using full technical proposal from shortlisted firms using quality and cost based selection (QCBS) with 80% weight for quality and 20% weight for cost.

44. The main objective of the PMC is to provide assistance to the PMU in project management and all technical issues to ensure the effective coordination and implementation of the whole project. It is responsible for effectively leading and taking initiative to manage, execute and implement the project, delineate PMU's method of working; installing procedures, operationalizing procedures and reporting systems; assist the PMU to define and prepare contracts, designing and procurement; assisting PMU in approving all necessary surveys and subproject designs, establishing criteria for supervision, coordination and management to ensure proper construction supervision by the PIUs and DSCs. It will also work closely with the PMU for sustainable capacity building of different agencies working under project and will assist in implementing institutional development, capacity building, construction and supervision, monitoring the quality, project performance monitoring systems, public relation and awareness system and assuring the outputs of the DSCs. The TOR of PMC is in **Appendix 6**.

45. The prime objective of DSC is to assist the PMU and the PIUs on technical issues and other related activities. The DSC is responsible for effectively leading and taking initiative to manage, execute and implement the project including updating maps and plans, carrying all necessary surveys and investigations, prepare detail designs of the subprojects for the two cities (Guwahati and Dibrugarh), prepare technical specifications and contract documents,

assist in proper construction supervision, quality control and measurement of works under the project. The TOR of DSC is in **Appendix 6**.

46. ADB and PMU recently agreed to undertake community awareness on the water and sewerage subprojects through the Institutional and Capacity Development Consultants (ICDC) as an extension of their scope of work. The ICDC scope was recently extended beyond the JICA financed project area to include works under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) area. This would also benefit the Guwahati Jal Board since its operation would cover Guwahati city. For Dibrugarh, it was agreed that a separate NGO will be appointed under the DSC's contract as an additional scope of work. The NGO would implement the RP and generate awareness about the investment program. The terms of reference for this NGO is in **Appendix 8**.

VII. SAFEGUARDS

47. **Key Safeguards Documents.** The following safeguards frameworks were prepared for the Facility:

- (i) An EARF,
- (ii) A resettlement framework, and
- (iii) An indigenous peoples planning framework (IPPF),

48. Project 1 is category B for Environment, category B for Involuntary Resettlement, and category C for Indigenous People. Consistent with the safeguards frameworks, three Resettlement Plans and three Initial Environmental Examinations (IEEs) were prepared for Tranche 1 subprojects, namely the Guwahati Water Supply IEE and Resettlement Plan, Dibrugarh Drainage IEE and Resettlement Plan, and Dibrugarh Solid Waste Management IEE and Resettlement Plan.

49. **Environmental Safeguards.** Draft Environmental Management Plans (EMPs) were prepared as part of the Initial IEE reports for Tranche 1 subprojects. The following are institutional roles and responsibilities to ensure EMPs are implemented during design and construction stages:

50. The PMU will be staffed with a Safeguards Compliance and Monitoring Officer, and with assistance from the Safeguards Specialist on the PMC team, to do the following: (i) confirm existing IEEs/EMPs are updated based on detailed designs and that new IEEs/EMPs are prepared in accordance with the EARF; (ii) confirm whether EMPs are included in bidding documents and civil works contracts; (iii) provide oversight on environmental management aspects of the Project and ensure EMPs are implemented by PIU and contractors; (iv) establish a system to monitor environmental safeguards of the project including monitoring the indicators set out in the monitoring plan of the EMP; (v) facilitate and confirm overall compliance with all Government rules and regulations regarding site and environmental clearances as well as any other environmental requirements (e.g., Certificates to Establish and Operate, tree-cutting permits, etc.), as relevant; (vi) supervise and provide guidance to the PIUs to properly carry out the environmental assessments as per the EARF; (vii) review, monitor and evaluate the effectiveness with which the EMPs are implemented, and recommend necessary corrective actions to be taken as necessary; (viii) consolidate quarterly environmental monitoring reports from PIU and submit semi-annual monitoring reports to ADB; (ix) ensure timely disclosure of final IEEs/EMPs in locations and form accessible to the public, and (x) address any grievances brought about through the Grievance Redress Mechanism in a timely manner.

51. Two PIUs will each be staffed with an Environmental Officer, and with the assistance of the Environmental Specialist on the DSC team, will do the following: (i) update IEEs/EMPs during detailed design stage and prepare new IEEs/EMPs in accordance with the EARF; (ii) include EMPs in bidding documents and civil works contracts; (iii) comply with all Government rules and regulations including forest and environmental clearances as well as any other environmental requirements (e.g., Certificates to Establish and Operate, tree-cutting permits, etc.) as relevant; (iv) oversee implementation of EMPs including environmental monitoring by contractors; (v) take corrective actions when necessary to ensure no environmental impacts; (vi) submit quarterly environmental monitoring reports to the PMU; and (vii) address any grievances brought about through the Grievance Redress Mechanism in a timely manner as per the IEEs.

52. EMPs are to be included in bidding and contract documents and verified by the PIUs and PMU. Contractors are to carry out all environmental mitigation and monitoring measures outlined in their contract.

53. **Involuntary Resettlement.** The cost related to land acquisition and resettlement/rehabilitation will be borne by the Government. The PMU will ensure that any physically or economically affected persons are compensated prior to displacement in sections ready for construction. The following are institutional roles and responsibilities to ensure Resettlement Plans are implemented during design and construction stages:

54. The PMU will be staffed by a Safeguards Compliance and Monitoring Officer and a Land Acquisition Officer. With assistance from the Safeguards Specialist on the PMC, these PMU officers will (i) conduct internal monitoring of the resettlement process to ensure smooth implementation; (ii) ensure PIUs update Resettlement Plans during the detailed design stage and prepare new Resettlement Plans for new subprojects in accordance with the Resettlement Framework; (iii) ensure timely payments of compensation and other entitlements as per the Resettlement Plans made before displacement occurs; (iv) consolidate quarterly PIU monitoring reports into semiannual monitoring reports and submit to ADB. The monitoring reports should record the progress of resettlement activities and any compliance issues and corrective actions taken. Note that an NGO is available to provide Resettlement Plan implementation support to the PIUs for Category A projects with significant involuntary impacts.¹⁰

55. The two PIUs will each be staffed with a Resettlement Officer, and with the assistance of the Resettlement Specialist on the DSC team will do the following: (i) ensure all Resettlement Plans are updated based on detailed designs, if required, and that new Resettlement Plans are prepared in accordance with the Resettlement Framework; (ii) engage in ongoing meaningful consultations with stakeholders and affected persons; (iii) implement Resettlement Plans with support from consultants and support staff;¹¹ (iv) provide timely payments to affected persons before displacement occurs in sections ready for construction; (v) ensure all training and

¹⁰ The involuntary resettlement impacts of an ADB-supported project are considered significant if 200 or more persons will experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive assets (income generating). The level of detail and comprehensiveness of the resettlement plan are commensurate with the significance of the potential impacts and risks. The only potential subproject requiring the assistance of the NGO in resettlement planning is the BRT subproject in Tranche 2, as it may have significant resettlement impacts. The impacts will be more clearly known during the detailed planning stage, however adequate resources for design, implementation, and monitoring are to be made available by the government in the event any significant resettlement impacts arise.

¹¹ An NGO will be engaged to facilitate implementation of Resettlement Plans on a case-by-case basis, only if significant resettlement impacts will occur. In such cases, the NGO in close coordination with the DSC will conduct census surveys of the affected persons, and assist in implementation of the Resettlement Plans.

capacity building activities are provided to affected persons by linking them to relevant local government training programs and institutions; (vi) ensure all grievances are addressed and when necessary activate the Grievance Redress Committee; (vii) take corrective actions where necessary; (viii) submit quarterly monitoring reports to PMU and clearly communicate the implementation status of Resettlement Plan implementation throughout the project period; and (ix) provide relevant information to PMU.

56. The Empowered Committee will discuss land acquisition and resettlement issues if/when there is a significant delay in such activities in order to expedite the process in accordance with Resettlement Plans.

57. The Government will ensure that bidding and contract documents include specific provisions requiring contractors to comply with all (a) applicable labor laws and core labor standards on (x) prohibition of child labor as defined in national legislation for construction and maintenance activities, on (y) equal pay for equal work of equal value regardless of gender, ethnicity or caste, and on (z) elimination of forced labor, and (b) the requirement to disseminate information on sexually transmitted diseases including HIV/AIDS to employees and local communities surrounding the Project sites.

VIII. GENDER AND SOCIAL DIMENSIONS

Table 2. Gender Action Plan

Activities	Targets and Indicators	Responsibility	Time
Output 1: Improved and increased water supply area in Guwahati			
1.1. Baseline survey within the service area	Conduct baseline survey to identify female headed households (FHHs) in the service area for future water connections and benefit monitoring	PIU and NGO (Guwahati)	Year 1
1.2. Conduct behavior change workshops	Conduct 8 behavior change workshops with community members in water conservation, hygiene, sanitation, and 3R (target: 30% women)	PIU and NGO (Guwahati and Dibrugarh)	Year 1
Output 2: Solid waste management infrastructure improved in Dibrugarh			
2.1. Conduct livelihood training activities targeting poor and FHHs	<ul style="list-style-type: none"> ▪ Conduct baseline survey to identify female headed households (FHHs) in the service area for future SWM service and benefit monitoring ▪ Solid waste collected up to 90% in service area (target: 11% FHHs). ▪ Conduct 4 local skill training workshops in livelihood opportunities from available recyclable materials (target: 30% women) 	PIU (Dibrugarh)	Year 1 – 2
Output 4: Implementing Agencies (IAs) and ULBs effectively manage the project			
4.1. Conduct training programs for ULB/CDS/local bodies and IAs on social and gender considerations in O&M services and financial management	<ul style="list-style-type: none"> ▪ Gender sensitive O&M manuals prepared and disseminated to all 82 project wards ▪ A module or section on gender-specific issues in public health, hygiene, water supply, sanitation included in all training modules ▪ Conduct 2 Project Orientation Workshop for government officials, officers, and PMU and PIU staff (1 per each city) (target: 20% women) ▪ Conduct 4 Consultation workshops per city (FGD method) (1 per each tranche per city) with community members on planning, design, location, management, etc. of water supply, drainage, solid waste, and sewerage infrastructure (target: 20% women) ▪ Awareness raising on core labor standards with gender specific measures will be provided to PMU, PIU, and contractors and laborers. ▪ The sex disaggregated data collection system will be developed by the NGO in collaboration with the PMU to monitor the achievement of the gender and pro-poor targets. 	PMU/PIUs with DSC support (Guwahati and Dibrugarh)	Year 1

CDS = Community Development Societies; FHH = Female headed households; NGO = nongovernment organizations; O&M = Operations and Maintenance; PIU = Project Implementation Unit; PMU = Project Management Unit; ULBs = Urban Local Bodies.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

58. This section explains the project's specific monitoring, evaluation, reporting, and communications arrangements.

A. Project Design and Monitoring Framework

59. The design and monitoring framework (DMF) for the subprojects under Tranche 1 and the DMF of the entire facility are in **Appendix 10**. The DMF outlines the impacts, outcomes, and output targets and indicators to be achieved under the project, along with the risks and assumptions.

B. Monitoring

60. The Empowered Committee will be the highest authority responsible for monitoring and providing policy directions on (i) critical implementation issues and interdepartmental coordination, (ii) implementation of the urban and institutional reform agenda, (iii) compliance with the framework financing agreement (FFA) and the loan covenants, and (iv) compliance with the social and environmental safeguards. The PMU will establish a project performance monitoring system (PPMS) which will cover:

- (i) Project performance monitoring;
- (ii) Compliance monitoring; and
- (iii) Safeguards, gender and social dimension monitoring.

61. **Project Performance Monitoring.** The project performance monitoring team structure and responsibilities are summarized in Table 3. Disaggregated baseline data for output and outcome indicators, including those below, will be established by the executing and implementing agencies, supported by the NGO tasked with designing and implementing PPMS within the service areas of Guwahati and Dibrugarh, within 6 months from the date the first loan under the MFF takes effect, and will be updated by the executing and implementing agencies. The NGO's team leader will be a Social Development and Evaluation Specialist. The NGO will be responsible for conducting a baseline and end-of-project survey collecting the relevant data from the project service areas.

1. Impact indicators

- (i) Number of the urban population in the service areas which perceives their quality of life to have improved with the improvement of urban services since 2012.
- (ii) Cases of water-borne diseases in the project towns, including figures for vulnerable and/or women-headed households.

2. Outcome indicators

- (i) Hours and days of water supplied.
- (ii) Quantity of water supplied per capita per day.
- (iii) Populations with access to water supply at the government service standards, including figures for vulnerable and/or women-headed households.
- (iv) Quality of discharged treated water from sewerage treatment plant.

- (v) Population with access to sewer connection, including figures for vulnerable and/or women-headed households.

3. Output indicators

- (i) Number of households with piped water supply connections newly installed, including figures for vulnerable and/or women-headed households.
- (ii) Capacity of a new water treatment plant.
- (iii) Water distribution pipes constructed.
- (iv) Number of households with sewer connections newly installed, including figures for vulnerable and/or women-headed households.
- (v) Capacity of a sewage treatment plant.
- (vi) Sewer networks constructed.
- (vii) Date of O&M manual sets released.
- (viii) Number of operational staff following the O&M manuals.
- (ix) Number of incidence of noncompliance reported in procurement and safeguards.
- (x) Actual annual contract awards and disbursements.
- (xi) Coverage of Storm Water Drainage
- (xii) Incidence of Waterlogging/Flooding
- (xiii) Coverage of SWM Service (Household)
- (xiv) Extent of Municipal SW Recovered
- (xv) Extent of Scientific Disposal of solid waste
- (xvi) Extent of source segregation of solid waste
- (xvii) Ridership in BRT as percent of daily travelling public
- (xviii) Reduction in vehicle density on roads served by BRT corridor

Table 3: Project Performance Monitoring Team Structure and Responsibilities

Task Team	Responsibility
Additional Project Director, PMU	Endorse the report of the Project Officer and Institutional reform & capacity building officer, and submit it to the Empowered Committee for review.
Project Performance Monitoring Officer, PMC	Analyze the consolidated monitoring data on physical investment activities, and report the results and corrective actions to the Additional Project Director.
Institutional reform & capacity building Officer, PMU	Generate monitoring data on reform and capacity building activities, input them in the PPMS, analyze, and report the results and corrective actions to the Program Director.
Executive Engineer, PIU Guwahati	Consolidate and verify monitoring data on physical investment activities.
Executive Engineer, PIU Dibrugarh	Consolidate and verify monitoring data on physical investment activities.
Assistant Engineers, PIU Field Offices	Generate monitoring data on physical investment activities and input them in the PPMS.

PIU = project implementation unit, PMU = project management unit, PPMS = project performance monitoring system.

62. **Compliance Monitoring.** The compliance monitoring team structure and responsibilities are summarized in **Table 4**. The covenants are in the FFA, and loan and project agreements.

Table 4: Compliance Monitoring Team Structure and Responsibilities

Task Team	Responsibility
Project Director, PMU	Endorse the report of the Project Officer, and submit it to the Empowered Committee for review.
Institutional Reform & Capacity Building Officer, PMC	Generate compliance monitoring data on FFA and loan covenants, input them in the PPMS, analyze, and report the results and corrective actions to the Program Director.
Social Development and Evaluation Specialist, NGO	Design and implement the PPMS system in close coordination with PMC and PMU.

FFA = framework financing agreement, PMU = project management unit, PPMS = project performance monitoring system.

63. **Safeguards, Gender and Social¹² Dimension Monitoring.** The safeguards, gender and social monitoring team structure and responsibilities are summarized in Table 5. Safeguards monitoring requirements including suggested monitoring report formats are in safeguards plans and frameworks. The DSC and PMC teams will support the PMU and PIUs monitor safeguards, and the NGO will be involved in implementation and monitoring of the GAP and the Consultation and Participation Strategy (C&P).

Table 5: Safeguards, Gender and Social Monitoring Team Structure and Responsibilities

Task Team	Responsibility
Project Director, PMU	Endorse the report of Environmental and Social Management Coordinator, and submit it to the Empowered Committee for review.
Safeguards Compliance and Monitoring Officer, PMU	Analyze the consolidated monitoring data on safeguards, gender and social dimensions against GAP and C&P, and report the results and corrective actions to the Project Director.
Environmental & Social Management Coordinator, PMU	Analyze the consolidated monitoring data on safeguards, gender and social dimensions against GAP and CPS, and report the results and corrective actions to the Project Director.
Environment Officer, PIU	Consolidate and verify monitoring data on environmental safeguards.
Resettlement Officer, PIU	Consolidate and verify monitoring data on social safeguards and gender dimensions.
Public Relations Officer, PIU	Consolidate and verify monitoring data on consultation and participation.
Safeguards Officer, PIU Field Office	Generate the monitoring data on safeguards, gender and social dimensions
Community Development, Participation and Outreach Expert, NGO	Implement and monitor GAP and C&P in coordination with PMU
Safeguards Compliance and Monitoring Specialist, PMC	Will ensure overall safeguards are being implemented under the project.
Environmental Specialist and Resettlement Specialist, DSC	Will monitor safeguards implementation of the contractor
Resettlement Specialist, NGO	Will assist the DSC in implementing the RP and

¹²ADB's *Handbook on Social Analysis: A Working Document*, is available at: <http://www.adb.org/Documents/Handbooks/social-analysis/default.asp>, *Staff Guide to Consultation and Participation*: <http://www.adb.org/participation/toolkit-staff-guide.asp>, and, *CSO Sourcebook: A Staff Guide to Cooperation with Civil Society Organizations*: <http://www.adb.org/Documents/Books/CSO-Staff-Guide/default.asp>

ensuring timely payments of compensation and livelihood rehabilitation.

CPS = consultation and participation strategy, GAP = gender action plan, PIU = project implementation unit, PMU = project management unit.

C. Evaluation

64. **Regular Review.** The PPMS will aim to detect any deficiency and discrepancy between the plan and the execution of the investment program and projects in order to ensure that timely corrections can be made to adjust the design of the investment program. Each of the monitoring teams will evaluate the causes of any deficiency and discrepancy between the plan and the execution illuminated by the PPMS, propose corrective measures, and seek policy guidance from the Steering Committee if still unresolved. There will be evaluation processes at four different levels in different intervals.

- (i) The Implementing Agency through the PIU (monthly)
- (ii) The Executing Agency through the PMU (quarterly)
- (iii) The Empowered Committee (semiannually)
- (iv) ADB (annually)

65. **Midterm Reviews.** In addition, a midterm review of each loan under the Facility will be undertaken during the implementation period of each loan. The midterm reviews will evaluate in detail the scope of the Facility and the loans, implementation arrangements, any outstanding issues, environment and resettlement as well as other safeguard issues, achievement of scheduled targets, contract management progress, and other issues, as appropriate and generate agreement on any changes that may be needed.

D. Reporting

66. The executing agency will provide ADB with five types of reports, and all are subject to disclosure in compliance with ADB's Public Communications Policy (2005):

- (i) Quarterly project progress reports in a format consistent with ADB's project performance reporting system within 15 days of the end of each quarter;
- (ii) Facility annual reports including (a) progress achieved by output as measured through the DMF indicator's performance targets; (b) key implementation issues and solutions; (c) updated procurement plan; and (d) updated implementation plan for next 12 months;
- (iii) Each project accounts under the investment program, and the asset owning agencies' annual financial statement together with the associated auditor's report.
- (iv) A project completion report¹³ within 6 months of physical completion of the each project under the investment program.
- (v) A Facility completion report within 3 months of physical completion of the final tranche under the investment program.

¹³ Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

E. Stakeholder Communication Strategy

1. A separate C&P was prepared (**Appendix 11**) for the project and provides methodology and processes for continued consultations with various stakeholders including the poor, vulnerable and female headed households during the course of project implementation. The communities will be involved in consultations for project planning, implementation and for any safeguard issues. The NGO will be responsible for supporting the PIUs in implementing the community programs and the PMC and DSC will support other stakeholder consultations. Orientation on HIV/AIDs and other safety measures will be provided to the contractors and laborers in package training.

67. In supporting the PMU and PIUs in community awareness and social development programs, the NGO will be responsible for (i) ensuring meaningful community participation through local planning, mobilization, awareness creation and establishing constructive public relations for the project; (ii) ensuring the development and implementation of behavior change communications strategies in relation to health seeking behaviors, hygiene and sanitation, and in promoting 3R strategy, source segregation and recycling of waste, through, amongst other methods, a sustained campaign of information, education, and communication (IEC); and (iii) providing skill training in livelihood opportunities from available recyclable materials (Dibrugarh only). The above activities will occur within the service areas of the project and will target poor communities and women. The NGO will need to closely coordinate all above activities with JICA's funded Guwahati Water Supply Project and Institutional Capacity Development Consultancy who is supporting Jal Board's capacity for survey and social development work within Guwahati.

68. A robust community awareness program and behavior change communications strategy also requires the proactive participation of various stakeholders. The NGO will therefore seek the support of the following civil society representatives: (i) community influencers, religious leaders and other civil society representatives; (ii) CBOs and women's groups (iii) vendor associations and labor union federations; (iv) ward councilors, ward members and citizen forums; and (v) the public at large.

69. ADB documents pertaining to project implementation are listed in **Appendix 12** while the suggested framework and guidelines in calculating project progress is shown in **Appendix 14**.

X. ANTICORRUPTION POLICY

70. The Government and State government are advised of ADB's Anticorruption Policy (1998, as amended to date). Consistent with its commitment to good governance, accountability and transparency, implementation of each tranche under the Facility shall adhere to ADB's Anticorruption Policy. ADB reserves the right to review and examine, directly or through its agents, any violations of the Anticorruption Policy- alleged corrupt, fraudulent, collusive, or coercive practices relating to each tranche under the Facility.¹⁴ In this regard, investigation of Government officials, if any, would be requested by ADB to be undertaken by the Government. All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all Project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any

¹⁴ Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

contracts under the Project.¹⁵ To support these efforts, relevant provisions are included in the FFA, loan agreement and the bidding documents for the Project.

71. The following measures will be undertaken by GDD and the implementing agencies to ensure integrity and transparency:

- (i) GDD will establish a project website to disclose information about project implementation. The project website will provide updated detailed information on project implementation. For example, the website will include procurement-related information, such as the list of participating bidders, name of the winning bidder, basic details on bidding procedures adopted, amount of contract awarded, and the list of goods and/or services procured.
- (ii) GDD will establish a grievance redress mechanism to ensure greater accountability. The grievance redress mechanism will be set up to receive and resolve complaints, as well as to act upon stakeholders' reports of irregularities on project-related matters, including grievances concerning resettlement. GDD will widely publicize the existence of this mechanism to ensure that stakeholders are aware that a venue is available to address concerns or grievances relating to fraud, corruption, abuse, and any other aspects of project implementation.
- (iii) GDD will support concurrent internal audit of the project activities so that variances from set protocols are detected early and proactively corrected.
- (iv) Implementing agencies will maintain and update its website to present information on this Project. With regard to this Project, the website shall provide information on financial statements of this Project procurement activities and details on the adopted bidding procedures, amounts of the contracts awarded, the list of goods and/or services purchased, and their intended and actual utilization.

72. Any individual obtaining information of fraudulent, corrupt or collusive practices will immediately contact ADB's Office of the Auditor General and report the same by email at integrity@adb.org or anticorruption@adb.org; by phone at +63-2-632-5004; by fax to +63-2-636-2152; or by mail at the following address (please mark correspondence Strictly Confidential):

Office of Anticorruption and Integrity (OAI)
 Asian Development Bank
 6 ADB Avenue, Mandaluyong City 1550
 Metro Manila, Philippines
<http://www.adb.org/OAI/default.asp>

XI. ACCOUNTABILITY MECHANISM

73. People who are, or may in the future be, adversely affected by the project may address complaints to ADB, or request the review of ADB's compliance under the Accountability Mechanism.¹⁶

¹⁵ ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

¹⁶ For further information see: <http://compliance.adb.org/>.

Secretary, Compliance Review Panel
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Web: www.compliance.adb.org

XII. RECORD OF FAM CHANGES

2. All revisions/updates during course of implementation are retained in this Section to provide a chronological history of changes to implemented arrangements recorded in the FAM.

Date	Changes made to the Facility Administration Manual
02 December 2013	Converted FAM to PAM for Project 1