



India: Advanced Project Preparedness for Poverty Reduction - Capacity Building for Bihar Urban Infrastructure Development Project (Subproject 16)

Project Name	Advanced Project Preparedness for Poverty Reduction - Capacity Building for Bihar Urban Infrastructure Development Project (Subproject 16)	
Project Number	43166-202	
Country	India	
Project Status	Closed	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 7884-IND: Advanced Project Preparedness for Poverty Reduction - Capacity Building for Bihar Urban Infrastructure Development Project (Subproject 16)	
	Technical Assistance Grant Fund (UKG)	US\$ 600,000.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change		
Sector / Subsector	Water and other urban infrastructure and services - Urban water supply	
Gender Equity and Mainstreaming	No gender elements	
Description	A multitranche financing facility (MFF) for the Bihar Urban Development Investment Program was approved on 13 April 2012. The investment program aims to improve access to sustainable urban services especially for vulnerable households in Bhagalpur, Darbhanga, Gaya, and Muzaffarpur in Bihar at the standards set by the Government of India. The proposed TA subproject is being implemented in parallel to the investment program, aiming to achieve on-time implementation of Project 1 with full compliance with the ADB's safeguard policy during the initial years of the MFF.	

Project Rationale and Linkage to Country/Regional Strategy

Project 1 and 2 under the investment program will support the Bhagalpur water supply improvement subproject. The outputs from Project 1 and 2 will bring a complete water supply system from the water source to the distribution network. There are two areas of key development issues:

(i) Capacity to manage design-build-operate contracts. The Bhagalpur water supply improvement subproject will engage a contractor using two design-build-operate (DBO) contracts. One contract will renew Bhagalpur's entire water distribution networks, and rehabilitate the existing water production system under Project 1. The other will cover a new water production system under Project 2. Both will be procured through the international competitive bidding. The contract size is about \$60 million and \$20 million respectively. The Bihar Urban Infrastructure Development Corporation, a state government undertaking registered under the Company's Act 1956, will be the implementing agency of Projects 1 and 2. It has reasonable capacity to handle the state projects. However, it does not have experience in an externally funded project. While there will be design and supervision consultants to support Bihar Urban Infrastructure Development Corporation from mid 2012, there will be no support between the closing of the ongoing project preparatory technical assistance in August 2011 and consultants under the loan in mid 2012. Lack of experience in designing and handing a complex large international competitive bidding contract under ADB's procedure may delay the advance contracting activities. As DBO will be the main contractual arrangements envisaged under the investment program, therefore, lack of capacity in preparing and issuing DBO contracts may cause delays in implementation of most projects under the investment program, and hence in benefit accrual.

(ii) Capacity to deal with endangered species in protected area. Project 2, part of the Bhagalpur water supply improvement subproject will develop new water intakes and a new water treatment plant in Bhagalpur from 2012. The new intake wells will be located approximately in the center of the Vikramshila Gangetic Dolphin Sanctuary (VGDS) where endangered Gangetic Dolphins are protected under the Wild Life (Protection) Act 1972. Alternative location options for the intake wells were assessed and found that other locations outside VGDS will incur higher energy costs due to long-distance pumping of the water for 30 kilometers. The state government has already applied for a Wildlife Clearance on construction of the intake wells in the sanctuary from the government. Project 2 is likely to have environment category A, and there will be an environmental impact assessment (EIA) for the first time under ADB financed urban sector projects in India. There has been sanctuary management and dolphin conservation plans, but was not fully implemented due to lack of dedicated manpower and financial support. The Vikramshila Gangetic dolphin expert in the PPTA team reported that in the absence of vigorous education, monitoring and enforcement, the dolphins had been and will continue to be at risk in the sanctuary. The investment program will be an opportunity to attract financial and human resources to such endeavor. Unfortunately, the executing and implementing agencies lack capacity to finalize an EIA and revise the sanctuary management and dolphin conservation plans, to make Project 2 eligible for financing under the investment program.

Impact	People of Bhagalpur have access to improved and environmentally sustainable water supply services.
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Project Outcome

Description of Outcome	Executing and implementing agencies will have enhanced capacity to implement the Bhagalpur water supply subproject.
Progress Toward Outcome	The consulting firm was mobilized in December 2012 and is assisting the implementing agency, Bihar Urban Infrastructure Development Corporation (BUIDCO) in the preparation of the bidding documents and initial procurement activities for the Bhagalpur water supply subproject.

Implementation Progress

Description of Project Outputs	<ul style="list-style-type: none"> 2. Executing agency's capacity to address VGDS in EIA enhanced. 3. Capacity to develop awareness-raising materials on VGDS built in executing agency. 1. Implementing agency's capacity to prepare and issue DBO bidding documents instituted.
Status of Implementation Progress (Outputs, Activities, and Issues)	The consultants of the TA helped BUIDCO in the preparation of Detailed Project Report and bidding documents for the design-build-operate contract for water supply in Bhagalpur. Procurement for this water supply subproject is ongoing. The consultants are also assisting BUIDCO in preparing loan processing documents for Tranche 2 and addressing key environmental issues in the subproject.

Geographical Location	
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Summary of Environmental and Social Aspects

Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	

Stakeholder Communication, Participation, and Consultation

During Project Design	The primary beneficiaries of the TA subproject is the executing and implementing agencies. The TA subproject was designed together with the Urban Development and Housing Department and the Bihar Urban Development Infrastructure Development Corporation along facility and loan processing, by assessing the potential weaknesses in the project management and implementation under the proposed multitranche financing facility.
During Project Implementation	The TA subproject will consult and work together with the following stakeholders to produce respective outputs. For Output 1: Implementing agency's capacity to prepare and issue DBO contracts instituted, the consulting firm will work with the Bihar Urban Development Infrastructure Development Corporation, and the Bhagalpur municipal corporation. For Output 2: Executing agency's capacity to address VGDS in EIA enhanced, the consulting firm will assist executing agency in consulting the state Forest department for preparation of revised sanctuary management and dolphin conservation plans. For Output 3: Capacity to develop awareness raising materials on VGDS built in executing agency, the consulting firm will assist the executing agency in consulting the communities in the dolphin sanctuary, and reputed non-government organizations for wildlife protection.

Business Opportunities

Consulting Services	ADB already engaged a consulting firm through quality- and cost-based selection using bio-data technical proposals according to its Guidelines on the Use of Consultants (2013, as amended from time to time). For delivery of a part of the output 1, ADB engaged two individual national consultants.
Procurement	All procurement is being done in accordance with ADB's Procurement Guidelines (2013, as amended from time to time).

Responsible Staff

Responsible ADB Officer	Pokhrel, Neeta
Responsible ADB Department	South Asia Department
Responsible ADB Division	Urban Development and Water Division, SARD
Executing Agencies	<i>Urban Development Department of Gov't of Bihar Vikas Bhavan Patna 800 015 Bihar</i>

Timetable

Concept Clearance	-
Fact Finding	07 Apr 2011 to 15 Apr 2011
MRM	-
Approval	11 Oct 2011
Last Review Mission	-
Last PDS Update	04 Oct 2013

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
11 Oct 2011	14 Jun 2012	14 Jun 2012	31 Jan 2014	31 Jul 2014	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	600,000.00	150,000.00	0.00	0.00	0.00	750,000.00	11 Oct 2011	458,526.98

Project Page	https://www.adb.org/projects/43166-202/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=43166-202

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