



Draft Design and Monitoring Framework

Project Number: 38272
July 2007

Proposed Multitranche Financing Facility: India: Uttarakhand Urban Sector Development Investment Program

A design and monitoring framework is an active document, progressively updated and revised as necessary, particularly following any changes in project design and implementation. In accordance with ADB's public communications policy (2005), it is disclosed before appraisal of the project or program. This draft framework may change during processing of the project or program, and the revised version will be disclosed as an appendix to the report and recommendation of the President.

Asian Development Bank

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Indicators /Targets	DataSources/Reporting Mechanisms	Assumptions and Risks
<p>Impact: Enhanced economic growth and reduced poverty through the provision of urban infrastructure and services and improved urban governance, management, and finance in the 31 selected towns of the state of Uttarakhand with growth potential</p>	<p>By the end of program (2016):</p> <ul style="list-style-type: none"> • Increase in per capita real income in the Program towns by 5% • Growth in non-primary sector income in districts encompassing the Program towns • Increase in private sector investments in industry and trade • Increase in numbers, length of stay and expenditure of tourists • Significant growth in employment in the Program towns and state overall • Percentage of BPL households in the Program towns held constant or declining • Perception among town residents, and particularly the poor, of improvements in their quality of life 	<p>State and National economic statistics</p> <p>Uttarakhand Economic Review</p> <p>Census data (2011)</p> <p>Regular data and reports from Uttarakhand directorate of economics and statistics</p> <p>Project completion report</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • Continuing political commitment to urban infrastructure development and sector reforms • Encouraging private sector investment in the Program towns including in tourism and industry <p>Risks</p> <ul style="list-style-type: none"> • Lack of state or local government commitment to urban sector reforms
<p>Outcome: Improved health and quality of life for about 3.8 million people expected to be living in the Program towns by the end of program period (2016) through increased access to quality urban infrastructure and services and improved urban governance, management, and finance resulting in sustainable service delivery</p>	<p>By End of Program period (2016):</p> <ul style="list-style-type: none"> • Water Supply 3.2 million people (83% of the population of program towns) will have access to 24x7 treated water supply at 135 lpcd with reduction in UFW to 20% • Sewerage & Sanitation 2.3 million people (60% of total population of the program towns) will have access with 60 % reduction in the volume of wastewater discharged to storm drains • Solid Waste Management 2.8 million people (72% of the total population of program towns) will have solid waste management services with sanitary disposal • Roads & Traffic Management 1.2 million people (31% of total population of program towns) will have better access to adequate road facilities • Slum Upgrading 0.3 million people residing in 115 poverty pockets (9% of total population of the program towns) will be provided with basic urban services 	<p>Census Data (2011)</p> <p>The Second State Finance Commission report</p> <p>Municipal Corporation and Development Authority Annual Reports</p> <p>IPPMS reports</p> <p>IPMU's quarterly progress reports</p> <p>ADB Review Mission reports</p> <p>Resettlement and environmental external monitoring reports</p> <p>ADB's project completion report</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • Timely Program implementation • Timely actions by State and service providers to implement urban reforms • Cooperation of town residents to share civic responsibility • Effective capacity building of institutions to manage project assets <p>Risks</p> <ul style="list-style-type: none"> • Delayed actions to implement reforms • Lower than expected willingness to pay for services • Delays in land acquisition and resettlement plans
<p>Outputs Part A: Improved Urban Infrastructure and Services 1. Implemented investment program for water supply</p>	<p>By end of Project period in (2016):</p> <ul style="list-style-type: none"> • Optimization of water supply in Dehradun, Nainital and Haridwar through replacement of pumping units, up gradation of WTPs, provision of water testing labs, leak detection and rectification, replacement of about 555 km of mains, installing 111150 nos. 	<p>Quarterly progress reports (UDD)</p> <p>IPPMS reports. Commissioning certificates</p> <p>Disbursement &</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • Civic awareness program will result in support for replacement of connections and metering • WSS utilities are committed to

Design Summary	Performance Indicators /Targets	DataSources/Reporting Mechanisms	Assumptions and Risks
	water meters to house connections, Construction of a 5 mld capacity water softening plant at Nainital Source augmentation by installing tube wells, expansion of distribution system with overhead tanks in 14 other towns	reimbursement records Departmental reports Annual work plans ADB Review Mission reports Project Completion Report Census reports	efficiency improvements linked to longer term performance improvement plans Risks • Delayed action on WSS utility reforms
2. Implemented investment program for sewerage system and sanitation	<ul style="list-style-type: none"> • Laying 150 km sewer and Construction of 67 mld capacity sewage treatment plant in Dehradun • Laying 61 km of sewer and construction of 22.5 mld capacity sewage treatment plant in Rudrapur • Laying sewer and construction of sewage treatment plant of appropriate capacity in 17 other medium and smaller towns 	Quarterly progress reports (UDD) IPPMS reports Commissioning certificates Disbursement & reimbursement records Departmental reports Annual work plans ADB Review Mission reports Project Completion Report Census reports	Assumptions <ul style="list-style-type: none"> • Civic awareness program will result in support for connection to sewerage and to pay for sewerage charges • WSS utilities are committed to efficiency improvements linked to longer term performance improvement plans Risks <ul style="list-style-type: none"> • Delayed action on WSS utility reforms
3. Implemented investment program in SWM	<ul style="list-style-type: none"> • Development of SWM Policy • Support to ULBs in SWM public awareness in segregation at source • Construction of sanitary landfill site for 29 Program towns • Provision of solid waste collection and transportation equipment for 29 Program towns 	Quarterly reports (UDD) IPPMS reports Commissioning certificates Disbursement & reimbursement records Annual work plans ADB Review Mission reports Project Completion Report	Assumptions <ul style="list-style-type: none"> • Civic awareness program will be effective in community SWM improvements • Landfill sites be acquired in a timely manner Risks <ul style="list-style-type: none"> • Delayed action on landfill site acquisition
4. Implemented Investment Program for roads and transportation	<ul style="list-style-type: none"> • Widening and strengthening of existing arterial & sub-arterial roads, construction of footpath, guard rail, road furniture and junction improvements for 14 district and sub-district headquarters town 	Quarterly reports (UDD) IPPMS reports Commissioning certificates Disbursement & reimbursement records. Departmental reports Annual work plans. ADB	Assumptions <ul style="list-style-type: none"> • Consistency with updated master plans ensured • Traffic management is effective • Funds are available to maintain roads

Design Summary	Performance Indicators /Targets	DataSources/Reporting Mechanisms	Assumptions and Risks
		Mission reports Project Completion Report	Risks • Delayed actions to implement urban finance reforms
5. Implemented Investment Program in slum upgrading	<ul style="list-style-type: none"> • Development of State-wide Slum Development Policy • Construction/repair of about 45 km of drain, 32 km of road, 66 nos. of community toilets, adequate linkage to the main water supply and sewerage system and street lighting facility in 69 slums in Dehradun, 10 slums in Nainital, 20 slums in Haridwar and 16 slums in Rudrapur 	Quarterly reports (UDD) IPPMS reports Commissioning certificates Disbursement & reimbursement records Annual work plans ADB Review Mission reports Project Completion Report	Assumptions <ul style="list-style-type: none"> • Political commitment to improving services in poverty pockets • Civic awareness program is effective • Land tenure security Risks Civic Awareness less than effective
Part B: Capacity Building and Investment Program Management Implemented assistance to support the attainment of GoU's urban reform agenda for (i) strengthening of ULBs, (ii) restructuring of WSS utilities for efficient and financially sustainable service delivery, (iii) urban and municipal finance, and (iv) preparing PPP packages for selected subprojects	<ul style="list-style-type: none"> • By December 2008: Develop and reach consensus on a plan for further devolution to (where feasible) and corresponding capacity building of ULBs; • By December 2008: Develop a detailed reform action plan as per Appendix 4 on WSS utility reforms; • By December 2008: Develop detailed reform action plan in accordance with the Financial Action Plan to improve user charges, property tax, and to propose other sources of revenues; • By Dec 2011: Develop manuals, install systems, and train the staff to operate double entry accrual accounting system based on a phased approach in ULBs and WSS utilities; • By December 2008: Develop a PSP plan to create an enabling environment for PSP and to develop PPP packages in selected subprojects; • By December 2009: Develop PPP packages for selected subprojects • Over the Investment Program Period: The detailed reform action plans for ULBs, water utilities, and revenue mobilization was implemented as per the targets set in Urban reform agenda. • By December 2011: GIS and MIS 	Quarterly progress reports (UDD). IPPMS reports (CMU) Disbursement & reimbursement reports ADB Review Mission reports	Assumptions <ul style="list-style-type: none"> • GoU and implementing agencies commitment to capacity building; • Timely and adequate response from State and service providers to endorse and implement reform action plans • Civic awareness programs bring stakeholders into the Institutional Development program Risks <ul style="list-style-type: none"> • Lack of continuity in commitments to sector reforms

Design Summary	Performance Indicators /Targets	DataSources/Reporting Mechanisms	Assumptions and Risks
	<p>established at Urban Development Department, water utilities, and all sector ULBs on municipal assets, services, and finances.</p> <p>By December 2011 Major capacity building programs completed and new skills being applied in reformed institutions.</p>		

Activities with Milestones	Inputs (\$ Million)
<p>1. Investment Program Preparation</p> <p>1.1 IPMU in UDD in states established by December 2007 and registered under Society's Act, and full-fledge operational;</p> <p>1.2 IPIUs in UPJN and PWD are established and full-fledge operational by December 2007</p> <p>1.3 Program Consultants are appointed by June 2008 through advance activities*;</p> <p>1.4 Environmental clearance for first tranche subprojects completed by September 2008;</p> <p>1.5 Survey, investigation, mapping and design data prepared by December 2007 ;</p> <p>1.6 Engineering design and tender documents for the first tranche subprojects prepared by December 2008;</p> <p>1.7 Withdrawal of lease for Musafir Khana proposed in the land earmarked for construction of STP at Dehradun and fencing the land with signage by December 2007;</p> <p>1.8 Handing over of the municipal land at Dehradun earmarked for construction of STP to UPJN by December 2007.</p>	<ul style="list-style-type: none"> • ADB (\$350 million) • Government (\$150 million)
<p>2. Implementation of First Tranche Subprojects</p> <p>2.1 Urban Infrastructure and Services</p> <p>2.1.1 Initiating civic awareness campaign and community mobilization by September 2008;</p> <p>2.1.2 Update construction plans and schedule by July 2008;</p> <p>2.1.3 Initiate preparation of state slum policy by September 2008;</p> <p>2.1.4 Initiate preparation of solid waste master plan and awareness campaign by September 2008;</p> <p>2.1.5 Start procuring water meters by December 2008;</p> <p>2.1.6 Award contract and commence construction works by December 2008;</p> <p>2.1.7 Complete construction activities by June 2011.</p>	
<p>2.2. Capacity Building</p> <p>2.2.1 Undertake capacity building and training needs assessments and initiate training programs by September 2008;</p> <p>2.2.2 Prepare detailed reform action plans by December 2008 for ULB strengthening, water utility reforms, and revenue and financial management improvements, and start assisting in their implementation;</p> <p>2.2.3 Start preparing draft regulations, operating procedures and manuals, and organizational development plans to implement reforms as required by December 2008;</p> <p>2.2.4 Develop and conduct on-the job training programs to enhance skills IPMU and IPIUs in implementing the Investment Program and the capacity of ULBs and water utilities in operating and maintaining the Project assets with the assistance of the program consultants from December 2007.</p>	

ADB = Asian Development Bank, BPL = Below Poverty Line, EA = Executing Agency, GoI = Government of India, GIS = Geographic Information System, GoU = Government of Uttaranchal, IPPMS = Investment Program Performance Monitoring System, IPMU = Investment Program Management Unit, IPIU= Investment Program Implementation Units, MIS = Management Information System, PWD= Public Works Department, PPP = Public-Private Partnership, PSP = Private Sector Participation, STP= Sewage Treatment Plant, SWM = Solid Waste Management, UDD = Urban Development Department, UPJN= Uttarakhand Pey Jal Nigam (WSS Construction Utility), ULB = Urban Local Body, WSS= Water Supply and Sewerage, WTP= Water Treatment Plant.

* This advanced activity is proposed to be undertaken under bridging technical assistance to be commenced by July 2007.

Note: Assumed ADB loan effectiveness by March 2008.