



Grant Assistance Report

Project Number: 39490
May 2006

Proposed Grant Assistance India: Restoration and Diversification of Livelihoods for Tsunami-Affected Poor and Marginalized People in the States of Tamil Nadu and Kerala (Financed by the Japan Fund for Poverty Reduction)

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 20 March 2006)

Currency Unit	–	Indian rupee/s (Re/Rs)
Re1.00	=	\$0.0225
\$1.00	=	Rs44.4525

ABBREVIATIONS

ADB	–	Asian Development Bank
CBFI	–	community-based finance institution
CBO	–	community-based organization
EA	–	executing agency
EMTK	–	Extended Mission in Tamil Nadu and Kerala
IA	–	implementing agency
INRM	–	India Resident Mission
JAR	–	Joint Assessment Report
JFPR	–	Japan Fund for Poverty Reduction
NGO	–	nongovernment organization
PIU	–	project implementation unit
PMU	–	project management unit
RADMMMD	–	Revenue Administration, Disaster Management and Mitigation Department
SARD	–	South Asian Regional Department
SHG	–	self-help group
SOE	–	statement of expenditure
TEAP	–	Tsunami Emergency Assistance (Sector) Project
UNDP	–	United Nations Development Programme

NOTES

- (i) The fiscal year of the Government of India ends on 31 March.
(ii) In this report, "\$" refers to US dollars.

Vice President
Director General
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L. Jin, Operations Group 1
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Team leader
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S. Viswanathan, Social Economist, South Asia Regional Department
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JAPAN FUND FOR POVERTY REDUCTION (JFPR)

JFPR Grant Proposal

I. Basic Data	
Name of Proposed Activity	Restoration and Diversification of Livelihoods for Tsunami-Affected Poor and Marginalized People in the States of Tamil Nadu and Kerala
Country	India
Grant Amount Requested	\$5 million
Regional Grant	<input type="radio"/> Yes / <input checked="" type="radio"/> No
Grant Type	<input checked="" type="radio"/> Project / <input type="radio"/> Capacity building

II. Grant Development Objective(s) and Expected Key Performance Indicators

<p>Grant Development Objectives (GDO): The purpose of the project is to (i) set up a fully serviced model fishing village complex to help tsunami-affected members of the fishing community and others, whose livelihoods are closely linked to fishing community activities; (ii) create value addition to the seafood and related produce and establish market links for a long-term sustainable income-generating program for tsunami-affected poor in the vicinity; (iii) pilot new approaches through infusion of technologies in sustainable income-generating activities and develop opportunities for alternative livelihoods; and (iv) introduce livelihood activities that reduce vulnerability to natural disasters.</p>
<p>Expected Key Performance Indicators:</p> <ul style="list-style-type: none"> (i) Value addition through creation of various fish products (ii) Increased income-generating activities of the affected persons (iii) Improvement of skills for income-generating activities (iv) Enhancement of technical knowledge (v) Improvement in quality of life of the affected people compared with pre-tsunami levels

III. Grant Categories of Expenditure, Amounts, and Percentage of Expenditures

Category	Amount of Grant Allocated in \$	Percentage of Expenditures
1. Civil Works, Materials, and Other Inputs	1,146,732	22.93
2. Equipment and Supplies	2,566,550	51.33
3. Training and Workshops	68,532	1.37
4. Consulting Services	365,037	7.30
5. Management Audit and Coordination of Components	707,518	14.15
6. Contingency	145,631	2.91
TOTAL	5,000,000	100.00
Incremental Cost	150,000	

JAPAN FUND FOR POVERTY REDUCTION

**JFPR Grant Proposal
Background Information**

A. Other Data	
Date of Submission of Application	12 December 2005
Project Officer	A. K. Jorgensen, Principal Urban Specialist
Project Officer's Division, E-mail, Phone	India Resident Mission (INRM) ajorgensen@adb.org Tel. +91 11 24107200; Fax. +91 11 26870975
Other Staff Who Will Need Access to Edit/Review the Report	S. Viswanathan, Social Economist, INRM A. Srivastava, Project Implementation Officer, INRM S. V. Anil Das, Livelihood Specialist, EMTK R. Acharya, Livelihood Specialist, EMTK
Sector	Agriculture and Natural Resources, Industry and Trade
Subsectors	Fishery, agriculture production, agroprocessing and agribusiness, livestock, small- and medium-scale enterprises
Themes	Sustainable economic growth, inclusive social development
Subthemes	Fostering physical infrastructure development, Developing rural areas, other vulnerable groups
Targeting classification	Targeted intervention
Was JFPR Seed Money used to prepare this grant proposal?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Name of Associated ADB Financed Operation(s)	Loan 2166-IND and Grant 0005-IND: Tsunami Emergency Assistance (Sector) Project (TEAP)
Executing Agency	C. V. Sankar, Officer on Special Duty (Relief & Rehabilitation) Office of State Relief Commissioner Revenue Administration, Disaster Management and Mitigation Department (RADMMMD) Ezhilagam, Chepauk, Chennai – 600005, Tamil Nadu, India Tel. +91 44 55515898; Fax. +91 44 285446624 Email: relief@tn.nic.in John Mathai, Principal Secretary Department of Disaster Management Secretariat, Thiruvanthapuram – 695 001, Kerala, India Tel. +91 471 2325239; Fax. +91 471 2333017 Email. prlsecy@industry.kerala.gov.in
Grant Implementing Agency(ies)¹	D. P. Yadav, Director, Department of Fisheries DMS Complex, Teynampet, Chennai – 600 006, Tamil Nadu, India Tel. +91 44 24320199; Fax. +91 44 24320791; dpyadav@tn.nic.in G. Hari Kumar, Director, Directorate of Fisheries Vikas Bhavan, Thiruvanthapuram – 695 003, Kerala, India Tel. +91 471 2303160; Fax. +91 471 2303160; fish_dirker@rediffmail.com

¹ Under the supervision of the implementation agencies, the following will be considered/used after evaluating individual proposals: international and national nongovernment organizations (NGOs) and community-based organizations (CBOs), community-based finance institutions, civil society and private organizations, self-help groups (SHGs), district administration, fisher folk federations, Kudumbashree, etc.

B. Details of the Proposed Grant

1. Description of the Components, Monitorable Deliverables/Outcomes, and Implementation Timetable

Component A	
Component Name	Model Village Fish Processing Complex
Cost (\$)	1,078,459 ²
Component Description	<p>Support community-based income-generating activities related to:</p> <ul style="list-style-type: none"> (i) post-catch activities (e.g., fish drying, curing, and vending); (ii) fish transport, marketing, and trading; (iii) loading, unloading, and other labor associated with fish handling, ice production supply, etc.; (iv) introduction of low-cost, hygienic fish processing techniques; (v) value addition projects in fish processing (e.g., cleaning, frozen fish, packing, etc.) and marketing through special outlets,³ (vi) introduction of low energy fish processing techniques and coastal market infrastructure for hygienic fish marketing; and (vii) establishment of cooperative retail outlets in Nagapattinam and Chennai.
Monitorable Deliverables/Outputs	<ul style="list-style-type: none"> (i) Some 1,000 persons are expected to be supported from the subproject—directly and indirectly. (ii) Increase in income of persons engaged in fishing industry through income-generating activities. (iii) Modern amenities for processing fish catch. (iv) Value addition of fish sold. (v) Improved hygienic environment of fish processing activities. (vi) Establishment of one model fishing village for replication in other districts.
Implementation of Major Activities ⁴	<ul style="list-style-type: none"> (i) Establishment of community-based society/cooperative. (ii) Construction of fish processing complex. (iii) Procurement of modern processing equipment. (iv) Production of value-added fish products—ready to market. (v) Establishment of two retail outlets.
Number of months for grant activities	30 months

² Allocation for Tamil Nadu.

³ The World Bank has sponsored a study for the development of the fisheries sector in Tamil Nadu, which will detail the way forward in establishing value addition and marketing activities.

⁴ Details of the number of units are in Appendix 1.

Component B	
Component Name	Alternative Livelihood Activities ⁵
Cost (\$)	1,540,866 ⁶
Component Description	<ul style="list-style-type: none"> (i) Restoration of small farmlands through training, supply of inputs and use of vermi-compost to accelerate crop production and restore soil fertility. (ii) Establishment of small-scale milk dairies with link to nearby cooperatives for sustained sale and income generation. (iii) Development of vegetable farms through the introduction of organic farming, and supply of produce to the nearest mid day meal centers. (iv) Establishment of agroprocessing cooperatives for value addition of agriculture produce (such as spices, pickles, canning, and copra production). (v) Training and assistance in the partial mechanization of production processes to accelerate production of traditional craft products made from coir, palm/coconut leaves, sea shells etc. (vi) Renting of vehicles to the poor by farm transport cooperatives for transport, agriculture activities, seeding, and access to local markets. (vii) Assistance for alternative livelihoods will include (a) infusion technologies in existing income-generating activities; (b) drip-based integrated horticulture development activities; (c) floriculture production; (d) charcoal production; (e) local catering; and (f) training in physiotherapy, nursing, etc.⁷ (viii) Engagement of educated unemployed youth in support services for the tourism industry such as drivers, stewards, housekeeping staff, restaurant helpers, and tour guides. (ix) Provision of small transport vehicles like auto rickshaws and taxis.
Monitorable Deliverables/Outputs	<ul style="list-style-type: none"> (i) 5,000 persons employed. (ii) 1,000 acres of land cultivated/rehabilitated. (iii) 200 schools receiving organically farmed vegetables. (iv) 20 small-scale agroprocessing units established. (v) 2 transport cooperatives established. (vi) 50 small-scale enterprises established in growth-related sectors of tourism, health, floriculture, organic farm products, etc. (vii) Training and capacity building of 5,000 poor people (viii) 2,500 persons migrated from traditional fishing

⁵ The subprojects under this component will be outside the fishing industry, except assistance to people peripherally dependent on the fishing industry, such as mobile (cycle/tricycle-based) salesmen, motor mechanics, painters, welders, carpenters, and net weavers.

⁶ Allocation for Tamil Nadu is \$967,679 and \$573,187 for Kerala.

⁷ This physiotherapy/nursing is based on Ayurveda medicine, which is popular in southern India. The training is imparted through short-term courses, which do not require university level education and mainly include masseurs, sprain-related massage therapies, and oil massage. Home nursing courses are conducted by St. John Ambulance Brigade centers, for which the minimum qualification requirement is a high school certificate. Private medical clinics and small private hospitals are abundant in southern India and regularly seek trained assistants.

	activities to alternative livelihoods through skill development.
Implementation of Major Activities:	(i) Training for restoration of farmlands (ii) Education for migration to organic farming (iii) Training for alternative income generation activities (iv) Capacity building for operating transport libraries (v) Infusion of technologies in existing livelihood activities (vi) Training of unemployed youth for service sector activities
Number of months for grant activities	24 months

Component C	
Component Name	Environment Friendly Fish Breeding Activities ⁸
Cost (\$)	1,752,896 ⁹
Component Description	(i) Establishment of inland aquaculture farms for accelerated breeding of high value fish. (ii) Introduction to cage farming in the backwaters and along the coasts for breeding a different variety of fish in their natural breeding grounds. (iii) Training and capacity building of persons in cage farming and accelerated breeding of fish (iv) Assistance in the establishment of market linkages for marketing the produce.
Monitorable Deliverables/Outputs	(i) 1,000 persons employed. (ii) 30 tons of fish bred and produced in natural environment. (iii) Increased production of fish. (iv) Sustainable long-term livelihood. (iv) 20% annual increase in earnings of affected persons.
Implementation of Major Activities:	(i) Establishment of community-based cooperatives and societies. (ii) Cordination with departments of fisheries for promotion of cage farming and inland aquaculture as pilot interventions. (iii) Recruitment of consultants and procurement of equipment. (iv) Training in operation and maintenance of equipment. (v) Training in breeding of fish in their natural surroundings. (vi) Purchase agreements with fish buyers.
Number of months for grant activities	24 months

Component D	
Component Name	Project Management, Monitoring, and Audit
Cost (\$)	482,149
Component Description	The executing agencies of Loan 2166-IND and Grant 0005-

⁸ The locations identified for this subproject are the coast off Pichavaram of Cuddalore and the Gulf of Manar of Tuticorin districts in Tamil Nadu. The Kerala site is still to be identified pending the results of studies by the Department of Fisheries.

⁹ Allocation for Tamil Nadu \$1,297,143 and \$455,753 for Kerala.

	<p>IND: TEAP will set up project implementation units (PIUs) and operate under the overall guidance of the TEAP project management unit (PMU) and EMTK in Tamil Nadu and Kerala. The PIUs will (i) carry out (a) overall project coordination, supervision, management, and monitoring of the progress of project implementation; and (b) preparation of the grant implementation manual, implementation guidelines, eligibility criteria, and schedules; and (ii) provide quarterly progress reports to TEAP project directors in Tamil Nadu and Kerala, EMTK, and the Asian Development Bank (ADB) to indicate progress made and problems encountered during the period under review, steps taken or proposed to remedy problems, proposed program of activities, and progress expected during the following quarter.</p> <p>The PIUs will work closely with state line agencies and district administrations, in close coordination with EMTK.</p>
<p>Monitorable Deliverables/Outputs</p>	<ul style="list-style-type: none"> (i) Compilation of baseline data drawn from the United Nations Development Program (UNDP), PMU and benefit monitoring consultants under recruitment in TEAP. (ii) Comprehensive work plan and implementation schedule within 2 months of establishment. (iii) Subprojects contracted. (iv) Establishment of database of project beneficiaries. (v) Capacity of implementing agencies (IAs) in bookkeeping and accounts. (vi) 4 district level workshops for inviting project proposals. (vii) 3 training modules for field facilitators. (viii) Funds budgeted for each component disbursed and utilized. (ix) Various reports (including inception, progress, and audit) prepared and submitted. (x) Audit of disbursements and expenditure of project implementing partners.
<p>Implementation of Major Activities:</p> <p>Number of months for grant activities</p>	<ul style="list-style-type: none"> (i) Field visits by EMTK staff to monitor progress of project. (ii) General administration and management by PIU staff. (iii) Maintenance of proper accounting systems. (iv) Training and capacity building of IAs in maintenance of accounts. (v) Benefit monitoring and evaluation of the grant. <p>36 months</p>

2. Financing Plan for Proposed Grant to be Supported by JFPR

Financier	Amount (\$)
JFPR	5 million
Government	0.35 million
Other Sources	0.35 million from nongovernment organizations (NGOs), other donors and beneficiaries ¹⁰
Total	5.70 million

3. Background

1. On 26 December 2004, a powerful tsunami, originating in the Indian Ocean nearly 2,500 miles from the east coast of India, struck the coasts of Tamil Nadu and Kerala at an unprecedented suddenness and ferocity, causing extensive loss to human lives and property. The disaster caused massive devastation in the coastal districts of these states. The destruction was severe. The waves hit the shores more than 1–1.5 kilometers inland, smashing everything that came their way; inflicting colossal damage to infrastructure, fishing vessels, ports, harbors, fishing jetties, and transport vehicles; flattening human settlements, electricity substations, and other assets along the coastline; and, above all, the livelihoods of about 2 million people across 13 districts in Tamil Nadu and 3 districts in Kerala. The combined death toll of the two states reached over 15,000 and more than 5,000 are still missing. Due to the seawaters entering deep into the mainland, as many as 7,300 hectares of agricultural land have been affected. It is estimated that over 12 million families have been affected as their lands and nearby water bodies have become saline. Total estimated losses are \$964 million.

2. Fishing is the dominant industry along the coast, so its destruction by the tsunami adversely affected all communities in the vicinity. Many people had fisheries-related jobs or businesses that suffered, while the whole local economy experienced a serious slump. Many jobs were lost, including laborers on the trawlers. Affected persons were not typically offered any compensation since their losses—jobs and livelihoods—were not physical assets such as boats and nets.

3. While the fishing industry is now set for a revival that may lead it to higher levels than before the tsunami, no comprehensive overview exists on (i) the consequences of the excess catch by new and more advanced trawlers and fishing gears, and (ii) the extent of changes in the fish harvest or the long-term sustainability of such good harvest because of the tsunami's possible damage to the marine environment. The non-fishing communities will also be affected with the recovery and rehabilitation efforts. There is reason to believe that many people may need to find new jobs as their old ones disappear because of changes in the fisheries sector. The women's economic activities, whether directly related to fishery or not, the uneducated youth and vulnerable communities, some of which have been reported to have been left out of recovery operations have been the worst affected.

4. The main problems were: (i) depleting fish catch (pre-tsunami), (ii) loss of many fishing days due to loss of assets and delays in getting replacements, (iii) loss of markets, (iv) loss of working capital and raw materials, and (v) high indebtedness. Occupations particularly hit by the impacts of the tsunami include small vendors/craftsmen such as sea shell collectors, sea shell craft workers, thatch workers, dry fish workers, limekiln workers, support service providers for

¹⁰ Interest has been expressed by the Norwegian and other Southeast Asian fishing industries. Discussions are in progress with the Norwegian Agency for Development Cooperation for financing the technical consultancy for component C.

the tourism industry, coir workers, coconut tree climbers, masons, and carpenters. The marketing capacity of these groups is very limited due to which most of the profit goes to larger business owners or middlemen. Improved marketing linkages for coastal resource-dependent people are an important means of livelihood rehabilitation.

5. To accelerate economic recovery in the affected areas, there is a need to restore, initiate, and facilitate the development and implementation of sustainable livelihood activities; and especially expand livelihood development to fishing and non-fishing areas, which are dependent on the coastal economy. JFPR assistance will (i) support 8,000 affected persons (both directly and indirectly) through innovative interventions, and (ii) encourage marginalized and organized groups to migrate toward new methods of fish farming and other alternative livelihoods.

6. The project's strategy is to pilot new interventions and to expose and experiment with new income-generating activities to fishing and non-fishing communities in selected districts with interested communities and suitable locations. This will supplement and expand the effects of activities within the fisheries sector, and create important synergies. Coastal products are already being exported but local people have minimal control and receive low incomes. The project will focus strongly on value addition and improve the quality of fish, through monitored breeding, to carve out a special segment in the market. It will also vigorously pursue strategies to make these interventions more sustainable for other communities and groups to emulate. Growth sectors—such as tourism, construction, organic farming, transport libraries, small-scale dairy units, collection centers, and others—will be assessed for their potential to absorb labor and products from non-fisheries communities in the two states.

7. A database of beneficiaries and NGOs in fishing and non-fishing livelihoods will be created, coordination will be facilitated, lobbying activities will be established and experts will be consulted for technical inputs for developing subprojects under various components.

8. The project aims to enable the affected communities to (i) explore alternate methods to increase their income through cage farming of fish and inland aquaculture, using environment-friendly techniques to breed fish; (ii) restore agricultural activities through assistance for desalination of lands by providing the necessary inputs such as seeds, organic fertilizers, farm tools, and drip irrigation equipments; (iii) extend services to help the poor adopt appropriate and/or new technology and rehabilitate contaminated soil by cultivating crops; (iv) infuse new technologies in existing livelihoods to increase overall incomes by 15–20% from pre-tsunami levels; and (v) engage youth in the services sector to boost tourism activities in coastal areas.

9. To ensure effective use of the assistance, the project will enhance the capacity of NGOs, CBOs and SHGs to provide additional services to beneficiaries by drawing upon specialists to regularly advise and guide them through project implementation.

4. Lessons Learned

10. The issues and constraints faced in the implementation of the two JFPRs¹¹ in India confirm the importance of incorporating the lessons learned in the proposal to facilitate quick execution of the proposed JFPR. Lessons learned are detailed below.

¹¹ ADB. 2002. *Proposed Grant Assistance (financed by JFPR) to India for Supporting Rainwater Harvesting and Slum Development in Rajasthan*. Manila (Grant 09021-IND, for \$1.9 million, approved on 24 September); and ADB. 2002. *Proposed Grant Assistance (financed by JFPR) to India for Sustaining Income and Basic Needs of the Poor in Disaster prone areas of Gujarat*. Manila (Grant 09026-IND, for \$3.4 million, approved on 6 November).

- (i) Selection of implementation partners after project effectivity. Experience in the two JFPRs has indicated that preselection of implementation partners has not been welcomed by state governments and other organizations in the states. Further, only a few organizations that were originally short-listed are currently implementing the subprojects; the remaining project partners are new. One of the main reasons is that, in a post-disaster scenario, aid funds go to the bigger and internationally recognized NGOs, CBOs and organizations, while smaller grassroots organizations are left behind or are dependent on subcontracts from larger NGOs. Hence, during project implementation, the executing agencies (EAs) of the two JFPRs, in consultation with ADB, decided to throw open the offer for submission of project proposals by all organizations upon effectivity of the grant, and evaluate the proposals strictly on the basis of merits and compliance with JFPR norms. This allowed grassroots organizations to participate in the projects, and they have delivered better results with lower administration costs, with some handholding from INRM and the PIU. This also facilitated good capacity building of local organizations to manage projects professionally, and has set them on the road to sustainability. The state governments of Tamil Nadu and Kerala also believe that all organizations working in tsunami-affected areas should have an equal opportunity to submit proposals and that subprojects should not be restricted to prequalified NGOs/CBOs. This approach is incorporated in the project, as NGOs or other implementing partners will be chosen only through evaluation of subproject proposals received, after the project agreement becomes effective.
- (ii) Dovetailing of government schemes with subprojects to leverage and enable local governments to learn and replicate similar projects in other areas.
- (iii) Reallocation of budgets to different subprojects within a component, based on the demand for each subproject.
- (iv) Expansion of the scope of components within the subprojects to meet beneficiaries' demand as the project progresses. However, expansion of scope will depend on the funds available under each component and the successful execution and absorption of the first phase of activities by the beneficiaries.
- (v) Increase of fund flow to subproject partners from implementing agencies to facilitate project implementation.

5. Innovation

11. The project will (i) pilot new avenues for income generation for fishing communities in their own surroundings with less risk, more produce, and reduced vulnerability to natural disasters; and increase harvest of the popular products in the marketplace; (ii) organize local communities to develop a professional approach to value addition and marketing of existing products to increase returns; (iii) increase awareness of sanitation and hygiene in the works place; (iv) reduce or remove child labor from livelihood activities and divert children's interests to education; (v) infuse technologies in existing activities; (vi) introduce organic farming; (vii) train and build capacity on leasing arrangements of goods and services; and (viii) find sustainable alternate livelihoods that are less vulnerable to future disasters.

6. Sustainability

12. To ensure the sustainability of the project's activities, communities and SHGs—through CBOs, NGOs and civil society or other project partners—will devise project proposals in close consultation with beneficiaries and the local administration. Project proposals will establish

linkage to the Government's rehabilitation measures in the area. Activities under the JFPR will complement support services for infrastructure projects proposed for implementation through ADB/World Bank financing, thereby sustaining the beneficiaries' income generation.

13. The project is designed for the proposed interventions—through the three project components—to complement pre-tsunami livelihood activities of the affected communities, so that they are not alienated from their normal practices. However, some activities are included to attract educated youth seeking alternate livelihoods.

7. Participatory Approach

14. The Project will be based on a participatory approach to rehabilitate tsunami-affected persons—involving all stakeholders, including national, state, and district governments; NGOs; fishermen's associations; and coastal communities in the two states. Extensive consultations will be held with (i) beneficiaries to ensure ownership of the project; (ii) state and district administration to facilitate project implementation and economic development; (iii) trade and product-related organizations to establish effective linkages in the development of the coastal economy; and (iv) SHGs, CBOs, NGOs and project partners to identify needs, plan, mobilize potential beneficiaries, and assist beneficiaries and the local administration in the implementation of project activities.

15. Components A and C will be implemented under the supervision of the Department of Fisheries in the states, with the assistance of international and national NGOs, CBOs, private organizations, trusts, SHGs, district administration, Kudumbashree, etc.

Primary Beneficiaries and Other Affected Groups and Relevant Description	Other Key Stakeholders and Brief Description
(i) Fishing/non-fishing communities (ii) Youth (iii) Daily wage laborers (iv) Other affected persons	(i) NGOs, CBOs, SHGs, Kudumbashree (ii) State governments and district administration The NGOs, CBOs, SHGs will facilitate project implementation in close coordination with the state and its district administration.

8. Coordination

16. Close consultations were held with other bilateral and multilateral agencies (including UNDP, International Labour Organization, Norwegian Agency for Development Cooperation, and the Embassy of Japan in India) and affected fishing community members in preparing the project proposal. Regular liaison and dissemination of information on project progress will continue until the end of the project to these and other bilateral/multilateral agencies. Further, given the magnitude and multitude of works by different actors in tsunami-affected areas, the proposed interventions have a collaborative approach to maximize resources, provide synergy to activities, and facilitate harmonized implementation of project activities with other agencies—to optimize the outputs to target beneficiaries.

9. Detailed Cost Table

17. Please refer to Appendix 1 for the Detailed Cost Estimates and Appendix 2 for the Fund Flow Arrangement.

C. Linkage to ADB Strategy and ADB-Financed Operations

1. Linkage to ADB Emergency Assistance Plan

18. As part of the process of accelerating the transition from the relief to reconstruction, ADB offered its assistance through the Tsunami Emergency Assistance (Sector) Project (TEAP) to rehabilitate, reconstruct and restore damage caused by the 26 December 2004 tsunami in the states of Tamil Nadu and Kerala, India—through restoration of livelihoods, transportation, rural and municipal infrastructure, and capacity building—with implementation assistance. This project design is based on the findings of the needs assessment report, prepared jointly by ADB, United Nations, and World Bank¹².

Document	Document Number	Date of Last Discussion	Objective(s)
TEAP \$200 million	39114	Approved by the Board on 14 April 2005 Loan and grant effectivity date: 1 June 2005	The objective of TEAP is to support efforts of the government of Tamil Nadu and government of Kerala to (i) restore the livelihood and economic activities of the affected population, (ii) accelerate poverty reduction of people in tsunami-affected areas who are vulnerable to high incidence of poverty, and (iii) rehabilitate and reconstruct damaged public and community-based infrastructure that is vulnerable to future disasters.

2. Linkage to Specific ADB-Financed Operation

Project Name	Tsunami Emergency Assistance (Sector) Project (TEAP)
Project Number	39114
Date of Board Approval	14 April 2005
Financing Amount (\$ million)	100 (ordinary capital resources) and 100 (grant)

3. Development Objective of the Associated ADB-Financed Operation

19. TEAP's development objective is to support efforts of the government of Tamil Nadu and government of Kerala to (i) restore the livelihood and economic activities of the affected population, (ii) accelerate poverty reduction of people in tsunami-affected areas who are vulnerable to high incidence of poverty, and (iii) rehabilitate and reconstruct damaged public and community-based infrastructure that is vulnerable to future disasters. The rehabilitation and reconstruction will be carried out to a cost-effective, environment-friendly sustainable standard, equal or higher than pre-tsunami levels, incorporating features critical to disaster prevention.

¹² ADB, United Nations, and World Bank. 2006. *India Post Tsunami Recovery Program Preliminary Damage and Needs Assessment*. **Place of publication** (8 March).

4. Main Components of the Associated ADB-Financed Operation:

No.	Component Name	Brief Description
1.	Livelihoods	1.1 Providing microenterprise training and establishment support to restore the livelihoods of directly and indirectly affected poor and low-income households, already organized into SHGs and other similar groups recognized by the state. 1.2 Forming new SHGs for affected households. 1.3 Replacing productive assets (excluding housing) of tsunami affected families. 1.4 Upgrading of skills. 1.5 Mitigation of risks through insurance of all affected families that receive ADB assistance. 1.6 Restoration of community-based infrastructure.
2.	Transportation	2.1 Rehabilitation of tsunami affected sections of state and district roads, and other district roads and highways. 2.2 Rehabilitation of damaged drainage structures. 2.3 Rehabilitation of damaged bridges and establishment of connectivity across rivers as disaster mitigation efforts. 2.4 Dredging of ports, harbors basins, and approach channels. 2.5 Rehabilitation of breakwaters for ports and fishing harbors. 2.6 Rehabilitation of fishing harbor facilities. 2.7 Replacement of equipment destroyed by tsunami.
3.	Rural and Municipal Infrastructure	3.1 Restoration and upgrading of damaged water supply systems. 3.2 Rehabilitation and upgrading of sanitary complex and solid waste management facilities. 3.3 Increasing sanitation and environment awareness. 3.4 Rehabilitation and upgrading of village and municipal roads. 3.5 Rehabilitation and upgrading of drainage canals. 3.6 Rehabilitation and upgrading of public buildings. 3.7 Rehabilitation and upgrading of damaged electricity network and distribution facilities.
4.	Capacity Building and Implementation Assistance	4.1 Assessment and verification of damages in subprojects. 4.2 Preparation and prioritization of subprojects. 4.3 Supervision and monitoring of implementation. 4.4 Institutional support. 4.5 Establishment of robust accounting and auditing procedures.

5. Rationale for Grant Funding versus ADB Lending

20. TEAP focuses on rehabilitation and reconstruction of damaged infrastructure with a component of livelihood restoration activities directed towards training and upgrading activities of existing and new SHGs. However, considering the multitude and magnitude of damage inflicted by the tsunami, the livelihoods of a number of marginalized (listed and unlisted) persons who are not covered under existing interventions by any agency will fall under the scope of the JFPR project. Further, the JFPR project seeks to pilot innovative approaches for sustainable livelihood restoration along with income enhancement and value addition of existing livelihood activities.

21. The scope for innovations in the components stated above are limited as funds earmarked under Grant 0005-IND are directed through SHGs, which may not be in a state to comprehend or have the capacity for collectively establishing integrated units or systems to try such innovative approaches because of external constraints. Hence, exhaustive intervention-specific external assistance is required for quick implementation of the JFPR components. Direct flow of funds will expedite this process.

D. Implementation of the Proposed Grant

22. The EA for the Project will be the Revenue Administration, Disaster Management and Mitigation Department (RADMMMD) in Tamil Nadu and the Department of Disaster Management in Kerala. Coordination of all project activities will be the responsibility of the PMU, which will be established in RADMMMD and the Restructuring and Internal Audit Board (under the EA of Loan 2166-IND: TEAP) to support implementation of ADB-financed TEAP.

<p>1. Implementing Agencies</p>	<p>The JFPR project will be implemented by the Department of Fisheries in Tamil Nadu and Kerala, in addition to international and national NGOs, CBOs, private organizations, trusts, SHGs, district administrations and other government agencies, programs like Kudumbashree.</p>
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23. Consistent with JFPR criteria, the implementing agencies for this JFPR Project will be Department of Fisheries in Tamil Nadu and Kerala, in addition to international and national NGOs, CBOs, private organizations, trusts, SHGs, district administrations and other government agencies, programs like Kudumbashree. Implementation arrangements are in Appendix 3 and the implementation schedule is in Appendix 4. The NGOs participating in this JFPR Project will be considered, depending on project components. However, basic selection criteria will consider transparency, fairness, capacity evaluation, project viability, gender, and sustainability. A flexible approach will be followed. Implementing agencies for subprojects will be considered, evaluated, and selected based on their ability to execute the subproject in accordance with JFPR criteria—not on a competitive bidding basis. Procurement under subprojects will follow ADB's *Procurement Guidelines*. The fund will be disbursed according to ADB's *Loan Disbursement Handbook*. Fund flow and disbursement arrangements are in Appendix 2.

2. Risks Affecting Grant Implementation

Type of Risk	Brief Description	Measure to Mitigate the Risk
Targeting of the affected persons is ineffective Duplication of livelihood activities with other donors Failure of project partners to deliver	Failure of local implementing partners to organize beneficiaries due to lack of interest or need Excess receipt of donor funds Lack of lack of commitment from beneficiaries and stakeholders	Extensive consultations with affected persons and local partners Coordination with local administration, other donors, and stakeholders Participatory livelihood mapping of beneficiaries Establishment of database on affected persons
Slow progress in resettlement process	Slow progress in construction activities Slow development of basic infrastructure Resistance to move away from traditional living areas	Pursue with local administration and NGOs to expedite reconstruction process and disbursement of funds
Non-commencement of activity	Delays in land acquisition, environment clearances, and sea use rights	Pursue with local administration to expedite actions
Repeated disasters, i.e., drought, cyclone, tsunami, etc.	Repeated disasters in coastal areas, disrupting normal life	Disaster warning systems Financing insurance of assets

3. Incremental ADB Costs

Component	Incremental Bank Cost
Amount requested	\$150,000
Justification	<ul style="list-style-type: none"> (i) To provide consultant fee of part-time consultants/specialists to assist the INRM review missions during the project implementation period (ii) To finance travel and per diem of the consultants for missions to the project areas (iii) To disseminate progress of interventions through media/press tours, newsletters, television, etc. (iv) To conduct midterm audit/review and project completion report
Type of work to be rendered by ADB	<p>Project Monitoring and Administration</p> <p>The staff consultants engaged by ADB will</p> <ul style="list-style-type: none"> (i) develop a grant implementation manual; (ii) assist the PIU in preparation of the work plan, implementation schedule, and progress reports; (iii) provide assistance to the PIU/IAs on procurement of equipment and materials and recruitment of local NGOs

	<p>based on ADB's relevant policies and guidelines;</p> <p>(iv) monitor, supervise, and coordinate overall project implementation and progress;</p> <p>(v) coordinate with ADB, EA, and the PIU;</p> <p>(vi) coordinate with other multilateral and bilateral agencies involved in tsunami emergency assistance; and</p> <p>(vii) assist ADB in conducting inception and regular review missions.</p>
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4. Monitoring and Evaluation

Key Performance Indicator	Reporting Mechanism	Plan and Timetable for M&E
Establishment of PIU	Communication from EA and physical verification	Inception mission and quarterly progress report
Identification of project partners	Submission of project proposals	Approval of subproject by steering committee within 6 months
Details of beneficiaries	Establishment of database	Submissions by PIU by end of first year
Procurements	Submission of bidding documents/procedures proposed to be followed by project partners for ADB concurrence	Submission by PIU regularly during the project period
Implementation progress	Progress reports, monthly review missions by EMTK staff, disbursement claims	Quarterly progress reports, biannual grant status reports
Achievement of objectives/deliverables	Reports on increase of income, establishment of market linkage, physical verification of assets, midterm review, audit	Quarterly progress reports, biannual grant status reports, and project completion report

5. Estimated Disbursement Schedule

Calendar Year (CY)	Amount (\$)
CY2006	2,000,000
CY2007	2,000,000
CY2008	1,000,000
Total Disbursements	5,000,000

Appendixes

1. Summary Cost Table
2. Detailed Cost Estimates
3. Fund Flow Arrangement
4. Implementation Arrangements
5. Project Implementation Schedule

SUMMARY COST TABLE

<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">↓</div> <div>Category</div> </div>	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">→</div> <div>Grant Components</div> </div>				Total	Percent
	Component A Model Fishing Village	Component B Alternate Livelihoods	Component C Environment Friendly Fish Breeding	Component D Grant Management		
JFPR Grant Financing						
1. Civil Works, Materials and Other inputs	482,232	465,431	199,070	0	1,146,732	22.93
2. Equipment and Supplies	390,453	655,466	1,422,502	98,129	2,566,550	51.33
3. Training, Workshops, Seminars, and Public Campaigns	12,412	13,824	32,256	10,040	68,532	1.37
4. Consulting Services	139,392	20,736	78,355	126,554	365,037	7.30
5. Grant Management ^a	53,970	385,409	20,713	247,426	707,518	14.15
6. Contingencies					145,631	2.91
Subtotal	1,078,459	1,540,866	1,752,896	482,149	5,000,000	87.6
7. Government Financing (land)	60,484	259,200	36,866		356,550	6.2
8. Other Donors ^b	64,515	0	152,060	107,068	323,643	5.7
9. Beneficiaries/Community Contribution	7,488	6,900	11,494	0	25,882	0.5
Total	1,210,946	1,806,966	1,953,316	589,217	5,706,076	100.0
Incremental Costs				150,000	150,000	

^a Includes the costs of annual audits, but does not include government staff salaries.

^b Anticipated contributions

Source(s): Based on market price of 2005.

DETAILED COST ESTIMATES

Code	Supplies and Services Rendered	Costs				Contributions				
		Unit	Qty. Units	Cost per unit in \$	TOTAL \$	JFPR		Govt.	Other donors	Community
						Amount	Procurement mode			
Component A: Fishing Village-Processing Complex				Subtotal:	1,213,250	1,078,459		60,484	64,515	7,488
1.1	Civil Works				600,895	482,232				
1.1.1	Construction of ESR	units	1	55,300	55,300	55,300	LCB			
1.1.2	Community hall/training area + processing unit building	units	1	78,341	78,341	78,341	LCB			
1.1.3	Drying Unit		1	6,912	6,912	6,912	LCB			
1.1.4	Auction hall	unit	1	50,691	50,691		DP		50,691	
1.1.5	Dressing rooms/canteen	unit	1	40,000	40,000	40,000	LCB			
1.1.6	Net mending shed		1	48,387	48,387	48,387	LCB			
1.1.7	Toilet blocks, septic tank (ladies/gents)	units	2	5,760	11,520	11,520	LCB			
1.1.8	Internal roads		1	57,604	57,604	57,604	LCB			
1.1.9	Drainage link to external system		1	23,041	23,041	17,281	LCB	2,880		2,880
1.1.10	Chill storage room	unit	2	23,041	46,082	46,082	LCB			
1.1.11	Storage cum loading and unloading area	unit	1	23,041	23,041	23,041	LCB			
1.1.12	Office premises	unit	1	11,521	11,521	11,521	LCB			
1.1.13	Land for the complex	1 acre plot	1	34,562	34,562		DP	34,562		
1.1.14	Fencing/compound wall		1	23,041	23,041	23,041	LCB			
1.1.15	Guard room	unit	1	3,456	3,456	3,456	LCB			
1.1.16	Cleaning tank		2	2,304	4,608	4,608	LCB			
1.1.17	Landscaping		1	4,608	4,608		DP			4,608
1.1.18	Sitting benches		1	4,608	4,608	4,608	DP			
1.1.19	Electrification works		1	34,562	34,562	34,562	LCB			
1.1.20	Land for retail outlet in urban areas	500 sq ft	2	11,521	23,042		DP	23,042		
1.1.21	Loading ramps		1	4,608	4,608	4,608	LCB			
1.1.22	Air curtains	units	8	920	7,360	7,360	LCB			
1.1.23	Large insulated boxes		200	20	4,000	4,000	DP			
1.2	Equipment and Supplies*				392,757	390,453				
1.2.1	Drilling of two borewells, pipes, and motors	sets	2	5,991	11,982	11,982	DP			
1.2.2	Solar dryers	units	10	4,608	46,080	46,080	LCB			
1.2.3	Chilling system	sets	2	13,825	27,650	27,650	LCB			
1.2.4	Transport van (3 wheelers) for fresh fish	units	2	5,747	11,494	11,494	DP			
1.2.5	Transport refrigerated van for fish products		1	27,586	27,586	27,586	DP			
1.2.6	Packing equipment - heat sealers, weigh scales, strappers, and other related equipment	sets	2	6,912	13,824	13,824	DP			
1.2.7	Collection baskets/tubs	units	100	25	2,500	2,500	DP			
1.2.8	Solid waste collection Bins	units	25	23	575	575	DP			
1.2.9	Transport tricycles	units	2	230	460	460	DP			
1.2.10	Strainer trays	units	25	10	250	250	DP			
1.2.11	Packing tables	units	2	4,608	9,216	9,216	DP			
1.2.12	Uniforms for staff	sets	100	99	9,900	9,900	DP			
1.2.13	Head gear and gloves	sets	100	10	1,000	1,000	DP			

Code	Supplies and Services Rendered	Costs				Contributions				
		Unit	Qty. Units	Cost per unit in \$	TOTAL \$	JFPR		Govt.	Other donors	Community
						Amount	Procurement mode			
1.2.14	Slicing equipment (knives, cutting tools, etc.)	sets	100	23	2,300	2,300	DP			
1.2.15	Deep freezers for retail outlet	sets	2	2,400	4,800	4,800	DP			
1.2.16	Office equipment (2 computers, 1 printer, telephone, etc.)	sets	1	4,608	4,608	4,608	DP			
1.2.17	Furniture and fittings	sets	1	9,217	9,217	6,913	DP			
1.2.18	Office consumables		1	576	576	576	DP			
1.2.19	Production consumables		1	4,608	4,608	4,608	DP			
1.2.20	Electricity backup generator		1	11,521	11,521	11,521	DP			
1.2.21	Loading/unloading trolleys	set	25	768	19,200	19,200	DP			
1.2.22	Solar energy-based lighting systems	set	1	13,824	13,824	13,824	DP			
1.2.23	Diesel for generators	750lts x month	26250	1	26,250	26,250	DP			
1.2.24	Insulated trucks		2	11,494	22,988	22,988	LCB			
1.2.25	Exhaust fans	units	10	460	4,600	4,600	DP			
1.2.26	Flake ice machine	units	2	18,391	36,782	36,782	LCB			
1.2.27	Effluent Treatment Unit	units	1	68,966	68,966	68,966	LCB			
1.3	Training, workshops, seminars				12,412	12,412				
1.3.1	Workshop (venue, 200 participants and 3 resource persons per workshop)	lumpsum	2	3,456	6,912	6,912	DP			
1.3.2	Local training (60 participants per training)	units	100	5	500	500	DP			
1.3.3	Training equipment/hire charges, education material, etc.	lumpsum	1	5,000	5,000	5,000	DP			
1.4	Consulting Services				153,216	139,392				
1.4.1	Architect	pm	2	2,304	4,608	4,608	DP			
1.4.2	Construction engineer/manager	pm	12	576	6,912	6,912	DP			
1.4.3	Community mobilization specialist	pm	15	1,152	17,280	17,280	DP			
1.4.4	Fish processing specialists/institution	pm	24	1,728	41,472	27,648	DP		13,824	
1.4.5	Marketing advisor/analyst (Intermittent)	pm	36	2,304	82,944	82,944	LCB			
1.5	Management and Coordination of this Component				53,970	53,970				
1.5.1	Local NGO/cooperative/SHG staff	10 nos x 36 pm	360	92	33,120	33,120	DP			
1.5.2	Travel costs + per diem	lumpsum	18	69	1,242	1,242	DP			
1.5.3	Telephone, electricity, etc.	lumpsum	24	230	5,520	5,520	DP			
1.5.4	Security	8 nos x 24 months	192	41	7,872	7,872	DP			
1.5.5	Accountant		24	115	2,760	2,760	DP			
1.5.6	External auditor (intermittent)	pm	6	576	3,456	3,456	DP			

Code	Supplies and Services Rendered	Costs				Contributions				
		Unit	Qty. Units	Cost per unit in \$	TOTAL \$	JFPR		Govt.	Other donors	Community
						Amount	Procurement mode			
Component B: Alternative Livelihoods					1,806,966	1,540,866		259,200	0	6,900
2.1	Civil Works, Materials, and Other Inputs				731,531	465,431				
2.1.1	Materials for desalination	units/ha	300	92	27,600	20,700	DP			6,900
2.1.2	Land preparation	ha	200	346	69,200	69,200	DP			
2.1.3	Land	ha	225	1,152	259,200			259,200		
2.1.4	Vermicomposting units	units	5	46,083	230,415	230,415	DP			
2.1.5	Seedlings	ha	200	115	23,000	23,000	DP			
2.1.6	Storage units	unit	4	4,608	18,432	18,432	DP			
2.1.7	Production sheds for various products	units	20	2,304	46,080	46,080	LCB			
2.1.8	Others		1	57,604	57,604	57,604	DP			
2.2	Equipment and Supplies				655,466	655,466				
2.2.1	Agro processing equipments	unit	1	115,207	115,207	115,207	DP			
2.2.2	Vehicles for transport cooperatives	lumpsum	1	69,124	69,124	69,124	DP			
2.2.3	Small vehicles	lumpsum	1	46,083	46,083	46,083	DP			
2.2.4	Tool kits	lumpsum	1	92,166	92,166	92,166	DP			
2.2.5	Drip irrigation equipment	lumpsum	1	69,124	69,124	69,124	DP			
2.2.6	Packing equipments	lumpsum	1	23,041	23,041	23,041	DP			
2.2.7	Dairy equipment	lumpsum	1	115,207	115,207	115,207	DP/LCB			
2.2.8	Consumables used for processing products	lumpsum	1	120,906	120,906	120,906	DP			
2.2.9	Catering equipment	lumpsum	1	4,608	4,608	4,608	DP			
2.3	Training, Workshops, and Seminars				13,824	13,824				
2.3.1	Capacity building and training of beneficiaries	team/month	6	2,304	13,824	13,824	DP			
2.4	Consulting Services				20,736	20,736				
2.4.1	Detailed technical and environmental assessments	team/month	8	1,728	13,824	13,824	DP			
2.4.2	Baseline survey and needs assessment	team/month	3	2,304	6,912	6,912	DP			
2.5	Management and Coordination of this Component				385,409	385,409				
2.5.1	Field managers (renumeration)	district x months	312	346	107,952	107,952	DP			
2.5.2	Operational cost (travel and per diem)	pm	312	115	35,880	35,880				
2.5.3	Reporting /communications to PIU etc.	lumpsum/person	13	829	10,777	10,777				
2.5.4	Identity cards for beneficiaries		10,000	1	10,000	10,000	DP			0
2.5.5	Local staff/others	pm	2,400	92	220,800	220,800	DP			0

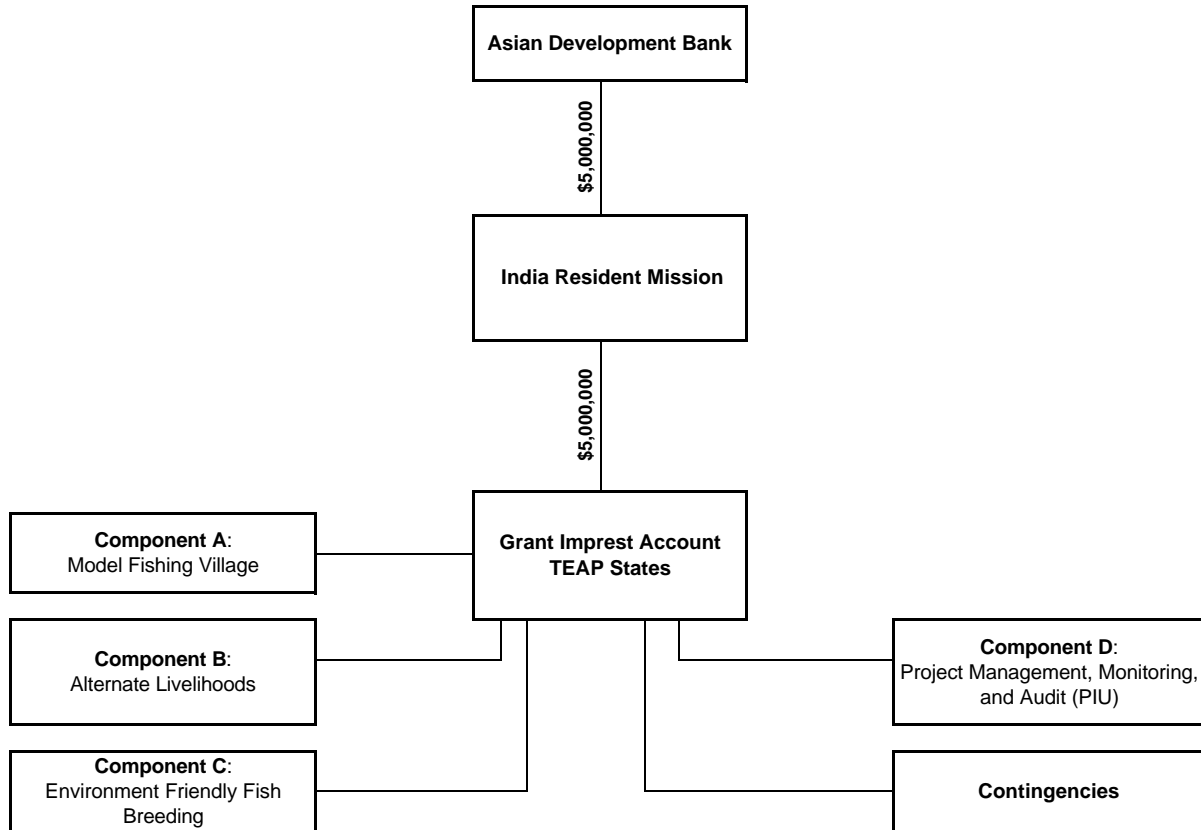
Code	Supplies and Services Rendered	Costs				Contributions				
		Unit	Qty. Units	Cost per unit in \$	TOTAL \$	JFPR		Govt.	Other donors	Community
						Amount	Procurement mode			
Component C: Environment Friendly Fish Breeding Activities					1,953,316	1,752,896	-	36,866	152,060	11,494
3.1	Civil Works, Materials, and Other Inputs				247,430	199,070				
3.1.1	In land cleaning and processing unit	units	1	114,943	114,943	103,449	DP			11,494
3.1.2	Land preparation		1	11,521	11,521	11,521	DP			
3.1.3	Land	acre	2	18,433	36,866		DP	36,866		
3.1.4	Seedlings breeding/storage unit	unit	1	3,456	3,456	3,456	DP			
3.1.5	Construction of aquaculture tanks	unit	1	46,083	46,083	46,083	DP/LCB			
3.1.6	Walkways and protection railings	unit	5	2,304	11,520	11,520	DP			
3.1.7	Others		1	23,041	23,041	23,041	DP			
3.2	Equipment and Supplies				1,422,502	1,422,502				
3.2.1	Small refrigerated van	unit	1	27,586	27,586	27,586	DP/LCB			
3.2.2	Cleaning and Processing equipment	set	1	34,562	34,562	34,562	DP/LCB			
3.2.3	Containers for transport of fish	set	1	11,521	11,521	11,521	DP/LCB			
3.2.4	Office equipment, furniture and fittings	set	1	6,912	6,912	6,912	DP/LCB			
3.2.5	Flow-through Mooring systems	set	20	5,760	115,200	115,200	DP/LCB			
3.2.6	Floating markers	set	20	500	10,000	10,000	DP/LCB			
3.2.7	Floating solar based night indicators	set	50	1,152	57,600	57,600	DP/LCB			
3.2.8	Steel cages (25 x 25m)	units/set	20	30,000	600,000	600,000	DP/LCB			
3.2.9	Unsinkable floats	set	1	115,207	115,207	115,207	DP/LCB			
3.2.10	Feedhoppers/feed floats	set	1	99,078	99,078	99,078	DP/LCB			
3.2.11	Predator nets	set	20	7,680	153,600	153,600	DP/LCB			
3.2.12	Winches	set	1	11,521	11,521	11,521	DP/LCB			
3.2.13	Walkways around cages	set	1	115,207	115,207	115,207	DP/LCB			
3.2.14	Work boat	unit	1	23,041	23,041	23,041	DP/LCB			
3.2.15	Water quality monitoring equipment	unit	1	23,041	23,041	23,041	DP/LCB			
3.2.16	Insulated truck for local supplies	unit	1	18,426	18,426	18,426	DP/LCB			
3.3	Training, Workshops, and Seminars				32,256	32,256				
3.3.1	Training and use of cage farming and modern aquaculture developing technics	team/month	4	4,608	18,432	18,432	DP			
3.3.2	Capacity building and training of beneficiaries for one cycle of breeding	team/month	6	2,304	13,824	13,824	DP			
3.4	Consulting Services				230,415	78,355				
3.4.1	Technical consultants	person months	5	46,083	230,415	78,355			152,060	
3.5	Management and Coordination of this Component				20,713	20,713				
3.5.1	Establishment of cooperative of SHGs/company	unit	1	2,304	2,304	2,304	DP			

Code	Supplies and Services Rendered	Costs				Contributions				
		Unit	Qty. Units	Cost per unit in \$	TOTAL \$	JFPR		Govt.	Other donors	Community
						Amount	Procurement mode			
3.5.2	Remuneration of office bearers	year	1	6,912	6,912	6,912				
3.5.3	Operational and maintenance cost	year	1	6,912	6,912	6,912				
3.5.4	Reporting /communications to PIU etc.	lumpsum	15	115	1,725	1,725				
3.5.5	Identity cards for beneficiaries		100	1	100	100	DP			0
3.5.6	Local staff/guards/others	PM	12	230	2,760	2,760	DP			0
Component D: Grant Management					589,217	482,149	-	-	107,068	-
4.1	Equipment and Supplies				98,129	98,129				
4.1.1	Computer + printer	unit	5	6,912	34,560	34,560	DP			
4.1.2	Camera + films and processing costs	unit	1	576	576	576	DP			
4.1.3	Faximile machine	unit	1	461	461	461	DP			
4.1.4	Office supplies	lumpsum/ pm	36	1,673	60,228	60,228	DP			
4.1.5	Photocopying equipment		1	2,304	2,304	2,304	DP			
4.2	Training, Workshops, and Seminars				10,040	10,040				
4.2.1	Training of facilitators	lumpsum	20	23	460	460	DP			
4.2.2	Workshops/seminars		4	1,152	4,608	4,608	DP			
4.2.3	Public awareness campaign and materials		1	4,972	4,972	4,972	DP			
4.3	Consulting Services				126,554	126,554				
4.3.1	External audit (intermittent)	month	8	922	7,376	7,376	DP			
4.3.2	Poverty impact assessment	month	3	1,786	5,358	5,358	DP			
4.3.3	Benefit monitoring and evaluation	month	12	2,765	33,180	33,180	LCB			
4.3.4	Other assignments (social/environment, PAM preparation, etc.)		35	2,304	80,640	80,640	DP			
4.4	Management and Coordination of this Component				354,494	247,426				
4.4.1	Project administration staff (remuneration)	month	36	5,184	186,624	186,624	DP			
4.4.2	Office rent, electricity	month	36	1,106	39,816		DP		39,816	
4.4.3	Operational cost (travel and per diem)	pm	24	1,382	33,168	33,168	DP			
4.4.4	Telecommunication	month	40	230	9,200	9,200	DP			
4.4.5	Furniture and fittings	lumpsum	1	9,217	9,217	9,217	DP			
4.4.6	Vehicles	lumpsum	2	25,346	50,692				50,692	
4.4.7	Maintenance of vehicles	month	72	230	16,560				16,560	
4.4.8	Documentation of Project activities	lumpsum	1	9,217	9,217	9,217	DP			
Total of all components A to D					Subtotal:	5,562,749	4,854,369	356,550	323,643	25,882
4.5	Contingency (Maximum 3% of total JFPR Contribution)				145,631	145,631				
Total Grant Cost					Total:	5,708,380	5,000,000	356,550	323,643	25,882
Incremental costs						150,000				

DP = Direct procurement; PM = Person Month; Ha = Hectare Most of DPs are off the shelf items

	JFPR (Fin)
Component A	\$1,078,459
Component B	\$1,540,866
Component C	\$1,752,896
Component D (including Contingency)	\$482,149
Contingency	\$145,631
Total	\$5,000,000

Table A3.2: Disbursement Arrangements



PIU= project implementation unit; TEAP= Tsunami Emergency Assistance (Sector) Project
 Source(s): Based on discussions with Government of Tamil Nadu

IMPLEMENTATION ARRANGEMENTS

A. Executing and Implementing Agencies

1. The Executing Agency (EA) for the JFPR Project will be the Revenue Administration, Disaster Management and Mitigation Department (RADMMMD) in Tamil Nadu and the Department of Disaster Management in Kerala. The EA will be responsible for overall reporting to the Government of India, Government of Tamil Nadu or Government of Kerala, and the Asian Development Bank (ADB). The project management units (PMUs) for the Tsunami Emergency Assistance (Sector) Project (TEAP) and the project implementation unit (PIU) for the Japan Fund for Poverty Reduction (JFPR) project will work closely together. The TEAP-PMUs will nominate a JFPR project liaison officer from its staff to work with the PIU of the JFPR project team for overall coordination. The PIU will coordinate with the implementation partners for the implementation of the Project. Each participating subproject partner will nominate one nodal officer from its staff for the JFPR project, who will work with the Project and coordinate with the PIU. The local coordinator nominated by the participating beneficiaries and communities will facilitate interaction among beneficiaries, nongovernment organizations (NGOs), community-based organizations (CBOs), JFPR project management team, and PIU to maximize the impact of the Project.

2. At a district level, line department officials involved in coastal community development, NGOs, or representatives of local academic institutions and coastal communities will coordinate and report on progress to the district magistrate and the EAs.

3. The IAs will include the Department of Fisheries in the states of Tamil Nadu and Kerala, in addition to international, local NGOs, CBOs, civil society, self-help groups (SHGs), and fishermen associations in project areas. The PIU will be set up by TEAP's executing agencies in the states of Tamil Nadu and Kerala to implement the JFPR project by providing required assistance to extend capacity building, market linkage assistance, and overall coordination with all stakeholders in the Project.

4. The PIU will (i) invite project proposals for the various components in the JFPR from potential local project partners, (ii) screen it on the merit of the case, (iii) execute ADB's due diligence requirements, and (iv) ensure that the proposals fall within the framework of the overall rehabilitation/reconstruction programs of the states of Tamil Nadu and Kerala. The PIU, after evaluating the proposal, will submit viable project proposals to the project steering committees in the states of Tamil Nadu and Kerala for their approval and thereafter to ADB for its concurrence.

B. Procurement and Consulting Services

5. The grant will be administered by ADB in accordance with supervisory fiduciary responsibilities for due diligence, economy and efficiency, and compliance with the simplified and expedient procedures permitted under ADB's Disaster and Emergency Assistance Policy. Procurement under the subprojects will follow ADB's Guidelines for Procurement and Guidelines on the Use of Consultants.

6. The Project will (i) require consulting services of various sector and vocation specialists to extend technical inputs and support project management, technical supervision, and skill development; and (ii) conduct detailed technical, environmental and social impact assessments, and design for implementation of the proposed project activities. To ensure sustainability and achieve the Project's social objectives, procurement, specifications, and contract packaging of project components will be adapted to involve local communities and NGOs, use of local knowledge and materials, and employ labor-intensive and other technologies. Further,

discussions are in progress with the fishing industry of Norway and other Southeast Asian countries for technical inputs in cage farming activities. However, the Norwegian agency will be sole sourced only if their services are provided as a grant to the Project as a project partner; if not, procedures relating to ADB's Guidelines on the Use of Consultants will be followed for hiring international expertise.

C. Project Organization and Management

7. Independent PIUs, which will consist of six full-time consultants (four in Tamil Nadu and two in Kerala), will be established to manage the JFPR project on a day-to-day basis. The PIUs will be guided by extended mission in Tamil Nadu and Kerala (EMTK), TEAP-PMU, and JFPR focal personnel in the field. The PIUs will be located on the premises of the TEAP-PMU to share office facilities and support staff.

8. A steering committee will be set up and meet at least once every 3 months to guide project implementation. The cost of these meetings will be covered by the JFPR project. The committee will be chaired by TEAP's project director and members will comprise one representative from the PMU, respective line department, and the district collector or his representative of the participating district; and one representative each from EMTK and the PIU.

D. Project Implementing Agencies

9. Consistent with the JFPR criteria, the implementing agencies for this JFPR Project will be the Department of Fisheries in the states of Tamil Nadu and Kerala, with the assistance of international and national NGOs, CBOs, private organizations, trusts, SHGs, district administrations, and other government agencies/programs like Kudumbashree. The subprojects chosen for participating in this JFPR Project will be considered, depending on the project components. However, basic selection criteria will include transparency, fairness, capacity evaluation, project viability, gender, and sustainability. A flexible approach will be followed. Implementing agencies for subprojects will be considered, evaluated, and selected based on their ability to execute the subproject in accordance with JFPR criteria.

E. Implementation Period

10. The Project will be implemented over a period of 3 years. Most grant activities are expected to start by April 2006 and be completed by December 2008.

F. Monitoring and Evaluation

11. The IAs will prepare quarterly progress reports. The PIU will be responsible for compiling quarterly progress and annual review reports. These reports will be submitted to the EA, EMTK, and ADB. The quarterly progress reports will include descriptions and evaluations of various project activities implemented during the reporting period. Recommended solutions will be included to address constraints affecting project implementation. A project completion report will be prepared by the IA and submitted to the EA and ADB within 3 months after the Project has ended. The Project will also prepare a project impact assessment report and submit it prior to project expansion activities.

12. The PIU will report to the EAs on the project activities, including all its procurements, disbursements, and repayments. The EMTK and EAs will (i) offer advice and assistance to the PIU, and (ii) evaluate the effectiveness of project activities on a regular basis through site visits and consultations with beneficiary communities.

13. The ADB project officer for TEAP will be assigned to administer the JFPR Project, monitor progress reports, and undertake project review missions. The project officer will be assisted by EMTK consultants in the administration of the JFPR. EMTK will (i) monitor the overall progress of project implementation; and (ii) provide biannual progress reports to ADB to indicate progress made and problems encountered during the period under review, steps taken or proposed to remedy the problems, the proposed program of activities, and progress expected during the following two quarters.

G. Audit Requirements

14. The EAs will maintain separate accounts and records for the Project in accordance with sound accounting principles. An independent public accountant will be engaged by the EA to conduct yearly financial audits related to project implementation. The fund will be disbursed according to ADB's Loan Disbursement Handbook. INRM-EMTK will ensure and monitor that the EAs have proper audit and accounting procedures in place to ensure efficient and economical use of the grant proceeds for the beneficiaries. Separate accounts and financial statements certified by independent private auditors adequately identifying the financing resources; goods and services financed from the grant proceeds, and expenditures incurred are required. Audited reports and related financial statements will be submitted to ADB not later than 6 months after the end of the fiscal year. Annual audits will include an audit of the imprest account and statement of expenditure records. A separate opinion on such audit will be included in the audit report. The EAs will help ADB representatives carry out spot and random checks on the flow of funds and their use in the Project.

H. Environmental and Social Measures

15. The Project will improve and have an overall significant positive impact on the environment. The Project will be designed to follow environmental safeguards and technical specifications established for ongoing ADB-financed projects.

16. To undertake due diligence, avoid negative impacts, and ensure consistent treatment of social issues, social screening and assessment checklists will be applied during project implementation to (i) assist EAs/IAs in screening the Project for likely social impacts, (ii) identify documentation and ascertain requirements, and (iii) prepare necessary mitigation plans for project components triggering safeguard policies.

I. Land Acquisition and Resettlement

17. Land acquisition and resettlement under the Project will be (i) minimized and limited to public lands to the extent possible, and (ii) carried out in accordance with applicable laws of India and the states of Tamil Nadu and Kerala and ADB's Policy on Involuntary Resettlement (1995). For any subproject involving land acquisition and/or involuntary resettlement, preparation and implementation of a resettlement plan in accordance with the ADB policy and the resettlement framework prepared for Loan 2166-IND and Asian Tsunami Fund Grant 005-India will be required.¹³ Such resettlement plan (including revisions thereto on account of detailed designs) shall be subject to approval of ADB prior to award of civil works contract under the subproject.

¹³ ADB. 2005. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan and Asian Tsunami Fund Grant to India for the Tsunami Emergency Assistance (Sector) Project*. Manila.

PROJECT IMPLEMENTATION SCHEDULE

PROJECT ACTIVITIES	Year 1												Year 2												Year 3											
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
A. Project Management Support																																				
1.1. Recruitment of Project Consultants and Consultations with RADMMMD and RIAB																																				
1.2. Workshop and Local NGO Training																																				
1.3. Invite Proposals for Subprojects																																				
1.4. Preparation of Workplan, Guidelines, Criteria and Detailed Project Design																																				
1.5. Project Management, Supervision, and Impact Assessment																																				
B. Community Empowerment																																				
2.1. Participatory Rapid Assessment																																				
2.2. Social Preparation for Project Awareness																																				
2.3. Participatory Planning for Livelihood Restoration																																				
2.4. Skill Development and Preparation																																				
C. Livelihood Restoration and Development																																				
3.1. Preparation and Dissemination of Project Proposals with Beneficiaries and Other Stakeholders																																				
3.2. Detailed Assessments and Design of Project																																				
3.3. Implementation of Livelihood Activities																																				
3.4. Operation of Livelihood Activities																																				
D. Monitoring																																				
4.2. Quarterly Progress Report																																				
4.3. Bi-annual Grant Status Report																																				
4.4. Project a Replication Plan																																				
4.5. Financial Report																																				
4.6. Final Report																																				

NGO= nongovernment organization; RADMMMD=Revenue Administration, Disaster Management and Mitigation Department; RIAB= Public Reconstruction and Internal Audit Board
 Source(s): Based on discussions with communities and nongovernment organizations.