

PROJECT INFORMATION

The following provides suppliers, contractors, consultants and others with general information about the Project. Detailed information may be obtained from the Executing Agency indicated below. The particulars given with respect to consultants and procurement are based on present Project planning and may change in the course of Project implementation.

Project: North-West Frontier Province Urban Development Sector Project

Borrower: Islamic Republic of Pakistan

Date of Approval: 8 November 2001

Project Description: The Project will help improve urban infrastructure in up to 24 urban centers within North-West Frontier Province (NWFP). The urban centers have major deficiencies in infrastructure and delivery of services in subsectors given high priority by the provincial government under its Provincial Spatial Development Framework and Strategy and sector investment needs program. The Project also aims to improve the capacity of local governments to provide, operate, and maintain essential urban services in line with the Government's devolution program.

Cost Estimates: The Project cost is estimated at US\$30.0 million equivalent, of which US\$8.7 million equivalent is the foreign exchange cost and US\$21.3 million equivalent the local currency cost.

Loan Amount and Terms: A loan of SDR 16,136,000 (US\$20.8 million equivalent) will be provided in various currencies from the Asian Development Bank's (ADB) Special Funds resources for a term of 32 years, including a grace period of 8 years, and with an interest rate of 1 percent per annum during the grace period and 1.5 percent per annum thereafter.

Period of Utilization: Until 30 June 2008

Executing Agency: The Executing Agency for the Project will be the NWFP government through the Local Government, Elections and Rural Development (LGERD).

Implementation Arrangements: A project steering committee to oversee the Project, and to be chaired by secretary, LGERD, with committee members representing Department of Finance, Planning and Development Department, Works and Services Department, and the departments handling the functions of the Physical Planning and Housing Department, Public Health Engineering Department and

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environmental concerns, will meet at least twice a year and as often as required. A project coordination unit (PCU) will be established in LGERD, and will (i) prepare the overall project implementation plan and the consolidated annual work plan, (ii) coordinate and appraise subproject feasibility studies, (iii) provide technical support and supervision functions for subproject implementation, (iv) plan and coordinate activities to improve local government financial management, (v) plan and guide community participation, (vi) provide advice on terms of reference and consultant selection for design and supervision of subprojects, (vii) facilitate project coordination, (viii) prepare consolidated progress reports and documentation, (ix) organize benefit monitoring and evaluation activities, and (x) prepare the project completion report. The PCU will be headed by a project director from LGERD. The PCU's agenda of activities range from the continual monitoring of municipal committee (MC) participation criteria to the screening and development of the physical investment program. The PCU will provide technical support and supervisory functions for subproject implementation, and have 12 professional staff, supported by international and domestic consultants.

Procurement:

Procurement will generally be carried out by the MCs under the guidance of the PCU. All procurement will follow ADB's Guidelines for Procurement. Since most of the project sites will be small and scattered, the Project will not likely attract international civil works contractors. All subprojects are expected to cost less than US\$1.0 million and will therefore be undertaken through local competitive bidding in accordance with procedures acceptable to ADB. Where the contract value exceeds US\$1.0 million, the contract will be procured through international competitive bidding procedures. Equipment items that are locally available and cost more than US\$50,000 equivalent and less than US\$100,000 equivalent may be procured through local competitive bidding, while items costing less than US\$50,000 may be procured through direct purchase in accordance with procedures acceptable to ADB. International shopping will be followed for materials and equipment packages estimated to cost more than US\$100,000 but less than US\$500,000 equivalent, while for materials and equipment packages costing in excess of US\$500,000 equivalent, international competitive bidding will be used. All procurement will be channeled through the PCU for concurrence before submission to ADB for approval.

Consulting Services:

To support project implementation, a total of 396 person-months of consulting services (36 person-months international and 360 person-months domestic) will be required, covering (i) project management support to the PCU and project implementation teams, including subproject preparation and appraisal, and capacity building for subproject implementation by local government agencies (214 person-months); and (ii) capacity building for municipal financial management to the MCs, to improve accounting systems and increase local revenues (182 person-months). Consultants will support LGERD and MC staff. The consultants will be engaged through a firm under a single contract, and in accordance with ADB's Guidelines on the Use of Consultants and other arrangements satisfactory to ADB on the engagement of domestic consultants. In addition, one or more NWFNP-based nongovernment organizations, to be recruited by a government committee, in accordance with established guidelines, will be involved in the process of establishing sustainable government-community partnerships, for the development of effective and lasting channels of communication.

Estimated Date of Completion:

31 December 2007

Project Benefits and Beneficiaries:

The Project will improve the living conditions of about 400,000 residents in up to 24 urban centers, by enhancing the quality of life and health, improving the environment, and creating conditions conducive to sustained urban development and economic growth. The Project will contribute to reduced mortality, morbidity, and poverty, and the loss of amenity associated with environmental degradation in urban centers, especially among slum inhabitants and poor groups, particularly women and children, who are estimated to make up 15 percent of the urban population. The Project will support improvements to local government capacity by improving their financial and operational management and planning, including local resource generation.
