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August 2007

Technical Assistance Cluster for Project Processing  
and Capacity Development  
(Financed by the Government of the United Kingdom)

Component Technical Assistance: Bihar Urban  
Sector Project

## I. INTRODUCTION

1. The technical assistance cluster (TAC) for Project Processing and Capacity Development financed by the Government of the United Kingdom was approved by the Board of Directors of the Asian Development Bank (ADB) on 30 June 2006.<sup>1</sup> The TAC was designed to enhance project preparedness and design, and implementation capacity in ADB's India program. The main activities covered and financed under the TAC are feasibility studies, preliminary designs, safeguard assessment, planning documents, capacity development, procurement support, and detailed design through the preparation of detailed project reports. The TAC includes 20<sup>2</sup> component technical assistance (TA) projects from the ADB India program for 2006–2008. The TAC will greatly improve the quality and speed of delivery of ADB's India program, which is currently over \$3 billion.

2. This Board Information Paper (BIP) is prepared in accordance with para. 26 of the TAC (footnote 1), which requires the project officers of each component TA project to submit a BIP at TA commencement.

## II. BACKGROUND

3. Following the approval of the TAC by the Board, as specified in para. 30 of the TAC, the Director General of the South Asia Department approved the Bihar Urban Sector Project implementation plan, including the methodology and key activities on 22 June 2007.

4. ADB conducted a mission to Bihar in February 2007 to explore possible assistance to various sectors in the state, including the urban sector. In May 2007, a consultation mission reached an understanding with the government of Bihar on ADB's technical and financial support to finalize applications for grant funds from the Jawarharlal Nehru National Urban Renewal Mission (JNNURM) and to prepare a sector loan covering urgently needed basic urban services in the seven city corporations in Bihar. This component TA intends to carry out complementary and supplementary studies to support existing city development plans and to analyze existing urban sector policies and strategies for improving infrastructure.

## III. THE COMPONENT TECHNICAL ASSISTANCE

### A. Impact and Outcome

5. The Bihar Urban Sector Project aims to improve living conditions and the urban environment, and to optimize social and economic development in seven city corporations in Bihar through investments in water supply and sewerage, solid waste management, and urban transport. The Project will also include policy reforms to strengthen urban governance, management, and support for urban infrastructure and services. The assistance will be based on the state-level framework for urban reforms and a demand-based mechanism, which will help reform-oriented city corporations to seek assistance to implement urban infrastructure projects and institutional and governance reforms. The design and monitoring framework is attached (Appendix 1).

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<sup>1</sup> ADB. 2006. *Technical Assistance Cluster to India for Project Processing and Capacity Development*. Manila (TA 4814-IND).

<sup>2</sup> The TAC paper included 20 component TA projects. However, this number is likely to vary and will depend on the decisions of the Joint Task Force (JTF) that was set up under the TA.

6. The component TA will support two city corporations, Patna and Gaya, with technical assistance and advisory support for their on-going JNNURM applications for grant funds. Based on the existing city development plans, the component TA will prepare sector road maps for selected city corporations, and conduct feasibility studies of two or three urban subprojects in Patna and Gaya city corporations. The feasibility studies will include preparation of technical appraisals and outline cost estimates, social and environmental safeguard appraisals, and economic and financial assessments in accordance with relevant ADB guidelines. The feasibility studies will also include identification of institutional development, financial management, and capacity-building programs for the seven city corporations.

## **B. Methodology and Key Activities**

7. The component TA will have two subcomponents.

- (i) Subcomponent 1—support to JNNURM:
  - (a) finalize city development plans for Patna and Gaya city corporations;
  - (b) identify necessary counterpart funds as required by JNNURM, loan funds from ADB would be a possibility; and
  - (c) prepare sector road maps for the urban sector in Patna and Gaya.
- (ii) Subcomponent 2—preparation of a sector project:
  - (a) identify two or three subprojects in both Patna and Gaya in consultation with the state line agencies, such as Public Health Engineering Department, Public Works Department;
  - (b) prepare technical, economic, financial, and safeguard due diligence (which are required to prepare a sector project in accordance with ADB's policies and guidelines);
  - (c) identify institutional development, financial management and capacity-development programs for the seven city corporations; and
  - (d) complete the required surveys and studies for subprojects proposed under the Project in the two city corporations.

## **C. Cost and Financing**

8. The total cost of the CTA is estimated at \$560,000 equivalent. ADB will finance \$450,000 on a grant bases under TAC 4814-IND: Project Processing and Capacity Development (financed by the Government of United Kingdom). GoB will provide \$110,000 equivalent for office accommodation, counterpart staff support, local transportation, and other administrative expenses (Appendix 2).

## **D. Implementation Arrangements**

9. The government of Bihar, Urban Development Department will be the Executing Agency. The Bihar Urban Development Authority (BUDA) will be responsible for overall coordination of the component TA, and the ADB-funded consultants will be physically located within BUDA. The Urban Development Department will appoint a senior level officer as the project director, to whom the consultants will report, and who will liaise with the corporations for collection of data, staff and support.

10. The component TA will be implemented over a period of 4.5 months from mid-August 2007 to December 2007. The consulting services will be for 57 person-months including 6

person-months from an international consultant, and 51 person-months for national consultants, including an adviser/engineer (international, 3 person-months), team leader/project management specialist (national, 6 person-months), deputy team leader/municipal engineering specialist (national, 6 person-months), water supply and sewerage specialists (national, 8 person-months), solid waste management specialist (national, 4 person-months), transport planning specialist (national, 4 person-months), urban planner (national, 3 person-months), environmental specialist (national, 4 person-months), resettlement specialist (national, 4 person-months), social safeguard specialist (international, 3 person-months), social development specialist (national, 4 person-months), economist (national, 4 person-months), and finance specialist (national, 4 person-months).

11. The consultants will be engaged individually by ADB in accordance with its *Guidelines on the Use of Consultants* (2007, as amended from time to time).

### TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Monitoring Mechanisms	Assumptions and Risks
<p><b>Impact</b> (for ensuing Project) Improved living conditions and urban environment in seven city corporations in Bihar to support their economic development</p>	Higher economic growth, and improved quality of life and environment in Bihar	Consultants' final report  PPMS reports for the Project	
<p><b>Outcome</b> Project design and feasibility study are agreed by the Government and ADB, and start-up activities are initiated under the Project.</p>	The Government and ADB agree on major implementation actions, scope and design of a loan project and subprojects	Consultants' reports  ADB review mission reports	<p><b>Assumption</b> Government of Bihar, city corporations and other stakeholders remain committed</p> <p><b>Risks</b> Lack of skilled human resources  Access to data is limited</p>
<p><b>Outputs</b> (for TA) 1. Applications for JNNURM approved and funded  2. Urban sector road maps prepared.  3. Urban infrastructure investment planning and feasibility studies completed for identified subprojects in Patna and Gaya</p>	<p>CDPs completed for Patna and Gaya</p> <p>Urban sector road maps prepared for Patna and Gaya</p> <p>Feasibility reports for sub-projects completed</p> <p>(i) Inception report within 3 weeks of commencement of the component TA; (ii) interim report at the end of 2 months from commencement date of the component TA; (iii) draft final report at the end of 4 months from the commencement of the component TA; and (iv) final report at the end</p>	Consultants' reports  ADB review mission reports	<p><b>Assumptions</b> Access to data is not restricted and all reports are made available</p> <p>Consultants are fielded without delay</p> <p>Government of Bihar continues to provide adequate support</p> <p><b>Risks</b> Change in political environment  Delays in component TA</p>

Design Summary	Performance Targets/Indicators	Data Sources/Monitoring Mechanisms	Assumptions and Risks
	of 5 months from the commencement of the component TA.		
<b>Activities with Milestones</b> 1.1 Engage consultants by August 2007. 1.2 Review and finalize applications from Patna and Gaya city corporations for grant funds from JNNURM by October 2007. 1.3 Analyze existing urban sector policies and strategies for Patna and Gaya city corporations by September 2007. 1.4 Prepare urban road maps for Patna and Gaya by October 2007. 1.5 Complete design of 4-6 sample subprojects by November 2007. 1.6 Final report preparation and assistance to project processing missions (through end December 2007).			<b>Inputs</b> Consultancy Services ADB: \$450,000 Government: \$110,000

ADB = Asian Development Bank, CDP = City Development Plan, JNNURM = Jawarharlal Nehru National Urban Renewal Mission, PPMS = Project Performance Monitoring System, TA = technical assistance.

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

<b>Item</b>	<b>Total Cost</b>
<b>A. Asian Development Bank Financing</b>	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	93.0
ii. National Consultants	250.0
b. International and Local Travel	
i. International	15.0
ii. Domestic	20.0
c. Reports and Communications	5.0
2. Equipment	
a. Computers, Printers, Software	20.0
3. Support Staff	5.0
4. Seminars and Workshops	5.0
5. Contingencies	37.0
<b>Subtotal (A)</b>	<b>450.0</b>
<b>B. Government Financing</b>	
1. Office Accommodation	20.0
2. Remuneration and Per Diem of Counterpart Staff	60.0
3. Others	30.0
<b>Subtotal (B)</b>	<b>110.0</b>
<b>Total</b>	<b>560.0</b>

Source: Asian Development Bank estimates.