

Cooperation Fund for the Water Sector

Pilot Demonstration Activity

Request Form

Activity Title: Hunan Flood Management Project Management and Monitoring System	
Proposer (Name, Div/Dept): ECAE/ECRD	
Request Date: July 1 st , 2005	
Country (DMC): PRC	Region: Hunan Province
Activity Proposed Start Date: August 1, 2005	Activity Proposed Duration: 3 Months
Cost Estimate: \$50,000	
Implementing Organization Contact: Hunan Water Resources Department	
Consultant Identified? Yes	If so, Consultant(s) Contact: "Ben Hallam" abhallam@tpg.com.au "Ashley J. Bansgrove" abansgro@uvic.ca
ADB Activity Officer - name, position, division, telephone and e-mail:	Richard Bolt, ECAE, 632 4171, rbolt@adb.org

Short Description:

1. Background and Rational:

1. HnPG's flood control efforts under the 11th Five-Year Plan (2006–2010) are changing focus toward flood control, management and forecasting in the four mountainous river basins and their flood prone municipal and county-level cities. The Province's flood management strategy and plan forms the basis for the proposed project which will help to finance the priority upgrading of flood protection and management measures for up to 36 out of 94 identified municipal and county cities. To this end a sector project is being prepared that will support implementation of Hunan's IFCP for the 11th Five-Year Plan (2006–2010) focusing on a comprehensive framework for flood control, management and forecasting on the Xiangjiang, Zishui, Yuanjiang and Lishui river basins. To date the HnPG has prepared initial designs and preliminary cost estimates for the proposed measures in the 36 cities, as presented in feasibility studies prepared by the Hunan Hydro and Power Design Institute (HHPDI) and affiliate organizations at the municipal level. A PPTA was implemented to review the FSRs prepared by the HHPDI and to modify and enhance content to ensure that they follow a logical and more complete structure for a typical project pre-feasibility study and proposal, in line with sector analysis.

2. The institutional systems at the Provincial and Local Government level for implementing the project are in place, but for a project of this scope, which will involve a substantive coordination challenge, it needs strengthening with enhanced management capacity and systems. Reliance on ADB's up-front approvals of FSRs, Resettlement Plans and Environment Management Plans is unlikely to fully ensure the expected outcomes in a timely manner. Therefore, an added feature of the project is to plan, develop and implement semi-annual EA and ADB monitoring of implementation, with more field-based review and problem solving. Work

has started under the TA to develop a management framework based on an annual plan based management, monitoring and reporting system in line with domestic systems. It is intended to include environment and resettlement frameworks as part of this system. If implemented, the management framework will provide the basis for making modifications and updating the original project plan. The intention is to establish semi-annual reviews, including an assessment of the consolidated work plan for the year, clarification and agreement on key steps to be taken to ensure timely implementation, quantification of proposed loan and counterpart funds needed for the period, and oversight and guidance for compliance with safeguard measures. A mid-term review will also be undertaken by ADB and the Government three years after project implementation begins.

3. To ensure the management framework can be effective, further development is needed to more fully quantify the annual plan approach, and detail the monitoring and reporting based management systems, environment and resettlement frameworks and their related monitoring. Consultants experienced with PRC and international good practice systems, as well as ADB procedures and polices, are needed to assist the EA to complete the preparation of an acceptable management framework built around the existing domestic systems. Further emphasis needs to be placed on clarifying and developing the management linkages between the Province and local government project stakeholders. Gradually, if successful, there would be a reduced need for ADB to review subproject FSRs, provided the EA adheres to and/or improves on the agreed model documents and complies with agreed standards and safeguards, and in the process, this will strengthen the domestic management and implementation systems at the provincial and local level.

2. Objectives:

4. The TA will assist Hunan Provincial Government's Water Resources Department to further develop their annual plan based project management and monitoring system, using and incorporating the Hunan Flood Management Project as a test case model. The developed AP based system will be used as the agreed platform for managing the implementation of the Hunan Flood Management Project at both the provincial and local government level. By developing a unified management system across government levels, in line with PRC and MWR policy for future flood management, the intention is to ensure the timely flow of project management information and funds, reliable and effective monitoring of structural and non-structural project components progress, and adherence to and compliance with the safeguards incorporated in the environmental and resettlement implementation plans and monitoring frameworks.

3. Scope and location of Work / Description of Activities:

5. The scope of the TA is to build on the initial work undertaken with TA S06746, which is being implemented to identify and define a management framework and system. This TA will expand upon the initial work by making a more detailed examination of the annual plan, and in conjunction with HWRD, would seek to build the knowledge and understanding between the Project's PPMO and LPMOs, and other involved stakeholders (i.e. parties concerned with resettlement, environment, social baseline monitoring) to strengthen and adopt Annual Plan based, semi-annually reviewed and monitored management systems.

6. The following activities will be carried out:

- Further analyze critical implementation management issues such as the timing of detailed design work, contract tendering, contracts award, cashflow, timing and fulfillment of key implementation milestones and safeguard activities, and the provisions for adequate monitoring of technical, environment, resettlement and other social safeguards.
- Assess how the implementation of local level flood protection activities are currently managed under the prevailing Hunan Province Flood Control Plan, and examine and assess the assigned responsibilities and procedures between the different levels of government and their agencies for subproject design, review and approval.
- Using the initial results from the PPTA review proposals for an annual plan based management and monitoring system, identify how the proposed management system can be more closely adapted to the domestic systems.
- Identify how a framework approach to safeguards can be integrated with the overall management and monitoring system based on model resettlement plans and environment management plans for HFMP.
- Based on the role and responsibilities of members of the PPMO, HWRD and others as plan and project managers, detail any capacity development needs that may be required to enable the PPMO to fully assume responsibility for effective project management. Identify ways that project implementation plans could be strengthened and formalized in conjunction with a mid-term and annual plan approach built upon the existing domestic systems. Identify specific staffing requirements and budget needs to implement the management and monitoring system.
- Use the annual plan to identify key milestones for typical subproject activities during the first two years of the HFMP implementation, and define progress and outcomes to be monitored by the PPMO and by bi-annual ADB review missions, inclusive of reporting needs and the timing of these in line with domestic PRC systems (e.g. financial reporting and auditing systems).
- Provide a workshop to the EA and IA on application of the management and monitoring framework.

4. Implementation Schedule, Institutional Management Arrangements, and Proponent Qualifications:

7. The TA is expected to run, intermittently, from August 1st to October 31st. The management framework will be prepared in Changsha, Hunan Province. The TA will be supervised directly by the Hunan Water Resources Department and ADB's East and Central Asia Department's Agriculture, Environment and Natural Resources Division. 3 specialists will be needed: a flood management specialist experienced in implementation of complex flood management projects in PRC (2 person months), an environmentalist knowledgeable of PRC environmental safeguard systems and ADB environment safeguard policies (0.5 person month), and a resettlement specialist experienced and knowledgeable of PRC resettlement safeguard systems and ADB resettlement safeguard policies (1 person month).

5. Expected Results (outputs/outcomes/effects/impacts):

8. The output of the assistance will be (i) a plan based project management and monitoring manual for adoption by the EA and IAs under the HFMP and for use by ADB in its semi-annual monitoring of the project (ii) delivery of a workshop to the EA and IAs (iii) briefing to ADB on the needs to further develop and implement the system during HFMP implementation. The TA is expected to prepare the EA and IAs for HFMP implementation using a combination of domestic and ADB required systems, a clear appreciation of the needs and means for monitoring the project, and to provide ADB with a basis for close and continuous supervision and problem solving during implementation. The overall impact from more detailed initial preparation for implementation of a sector loan project is expected to be more rigorous project implementation according to plan, lower costs by reduction if not elimination of potential delays (e.g. Songhua, Yellow River), and earlier identification and resolution of implementation problems and any safeguards issues.

6. Measurable Performance Indicators:

- i. Project progress better matches planned outcomes;
- ii. PPMO and LPMOs are strengthened and issues and delays in processing project activities are reduced;
- iii. Documents processing, approvals and implementation is completed as scheduled;
- iv. Implementation matches details presented in the sector plan and supporting ADB loan;
- v. Overall management capacity in HWRD and HFMP PPMO and LPMOs becomes an example and standard for future locally implemented flood projects in China.

7. Stakeholders Participation:

The Hunan Water Resources Department, PPMO members, and Local Government IAs will be the direct beneficiaries and will be required to have close involvement with the Consultants in the development of the system. As the users of the system, their response to the final product and its application during implementation will be the key measure of impact. If the management and monitoring system leads to improvements in implementation then the project estimated \$6 million beneficiaries will benefit from more efficient project implementation.

8. Scope for Replication/Use in Other DMCs:

If successfully linked to domestic systems, the management and monitoring system has potential for application to other ADB and non ADB flood management and other projects.

9. Cost Estimate:

<u>Inputs / Expenditure category</u>	<u>Total Costs</u> (in US\$)
1. <u>Training, workshops, seminars, public campaigns:</u>	\$5,000
2. <u>Specialists Services:</u>	
Flood Management Specialist (International) 45 days	\$20,250
Environment Management Specialist (International) 15 days	\$6,750
Resettlement Specialist (Domestic) 1 month	\$4,000
3. <u>Project Management:</u>	
Travel costs for Consultants	\$2,650
Per diem for Consultants	\$7,250
Office expenses, translation and translators	\$4,000
4. <u>Contingencies (0-10% of total estimated grant fund):</u>	
Total PDA grant financed	\$49,900