



Nepal: Third Small Towns Water Supply and Sanitation Sector Project

Project Name	Third Small Towns Water Supply and Sanitation Sector Project						
Project Number	35173-012						
Country / Economy	Nepal						
Project Status	Closed						
Project Type / Modality of Assistance	Technical Assistance						
Source of Funding / Amount	<table border="1"><tr><td>TA 8346-NEP: Third Small Towns Water Supply and Sanitation Sector Project</td><td></td></tr><tr><td>Technical Assistance Special Fund</td><td>US\$ 800,000.00</td></tr><tr><td>Multi-Donor Trust Fund under the Water Financing Partnership Facility</td><td>US\$ 300,000.00</td></tr></table>	TA 8346-NEP: Third Small Towns Water Supply and Sanitation Sector Project		Technical Assistance Special Fund	US\$ 800,000.00	Multi-Donor Trust Fund under the Water Financing Partnership Facility	US\$ 300,000.00
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Technical Assistance Special Fund	US\$ 800,000.00						
Multi-Donor Trust Fund under the Water Financing Partnership Facility	US\$ 300,000.00						
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth						
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development						
Sector / Subsector	Water and other urban infrastructure and services / Urban water supply						
Gender	Effective gender mainstreaming						
Description	Following the First and the Second Small Towns Water Supply and Sanitation Sector Projects (the earlier projects), the Third Small Towns Water Supply and Sanitation Sector Project (the project) will support the ongoing efforts of the Government of Nepal (the government) to further improve water supply and sanitation service delivery in small towns in Nepal. The PPTA will leverage the experience gained from the earlier projects, and incorporate lessons learned to prepare for the project. The PPTA will assist the government in amending the Development Plan, preparing cost estimates and financing plan and the feasibility studies of the sample subprojects, with a special focus on structuring and refining the project design, including rationale, modality, appraisal, financing, implementation and institutional arrangements, and developing eligibility and evaluation criteria for future subproject selection in close consultation with the government and ADB. Upon finalizing the project modality, the PPTA will prepare the project, following ADB's due diligence requirements.						
Project Rationale and Linkage to Country/Regional Strategy	The PPTA for the project is necessary in order to achieve the project outputs, including: (i) improved water supply and sanitation infrastructure; (ii) improved institutional capacity and project implementation platform; and (iii) improved financing mechanism for infrastructure investments. In addition to improved infrastructure, improved institutional capacity and implementation platform together with improved financing mechanism will contribute to the government's long-term agenda in up-scaling investments in the sector, particularly for small towns.						
Impact	tbd						
Project Outcome							
Description of Outcome	tbd						
Progress Toward Outcome							
Implementation Progress							
Description of Project Outputs	tbd						
Status of Implementation Progress (Outputs, Activities, and Issues)							
Geographical Location	Nation-wide						
Summary of Environmental and Social Aspects							
Environmental Aspects							
Involuntary Resettlement							
Indigenous Peoples							
Stakeholder Communication, Participation, and Consultation							
During Project Design	Stakeholder participation and communication plan and strategy will be formulated at the initial design stage. The national social safeguard and resettlement specialists under the PPTA will be based in the field office for the sample subproject towns to ensure timely attention to issues concerning participation. For the remaining subproject towns, loan consultant will ensure the compliance with the stakeholder participation and communication plan and strategy by providing quarterly updates to ADB in the progress report. The main stakeholders of the project are small town residents, local business communities, users' committees, government officials, civil society organizations and development partners. The project design is finalized through a process that involves timely consultation between government and development partners, socio-economic surveys for the residents and business communities and communications with users' committees to determine feasibility of project design. The PPTA will verify the key civil society organizations in the project area and the level of participation. Information dissemination is envisaged at the town level through billboards, posters and newsletters, where applicable. General orientation and targeted consultation seminars will be held. The beneficiaries will collaborate through the WUSCs to make contributions to establishing the infrastructure through a demand-driven participatory approach. The project is to provide water supply services in the subproject area. Therefore, determination of the subproject area is important as not to exclude the poor, women-headed and minority households from access to improved services. Consultation with the poor and excluded can be engaged through focus group discussion, interviews and local meetings and can be separately arranged for separate focus groups to maintain appropriate level of sensitivity.						
During Project Implementation	To be prepared under the PPTA.						

Business Opportunities

Consulting Services The PPTA will require 4 positions and 14 person-months of international consulting services and 11 positions and 57 person-months of national consulting services by an international consulting firm in association with national consulting firm(s). ADB will recruit additional two international consultants on individual basis for a total of 5 person-months. ADB will select and engage consultants according to ADB's Guidelines on Use of Consultants (2010, as amended from time to time) and other arrangements satisfactory to ADB for the selection and engagement of consultants. The quality and cost-based selection method, using the quality cost ratio of 90:10 and full technical proposal procedures, will be followed. The quality cost ratio is justified due to (i) the in-depth local knowledge required to prioritize and select multiple subproject towns; (ii) the specific expertise required to conduct financial market and financial institution assessment, financial structuring, market analysis and procurement assessment; and (iii) the comprehensive technical expertise combined with local knowledge to prepare technical feasibility studies and preliminary designs specific for distinct sample subproject towns. The PPTA will address the following aspects relating to the project: (i) assessment of executing agency (EA) and the PMO capacity and preparation of capacity building plan to minimize implementation, procurement and financial management risks; (ii) indicative loan related procurement plan based on procurement capacity assessment; and (iii) indicative implementation schedule with proposed sequencing of consultant recruitment and bidding and awarding of procurement packages.

Responsible ADB Officer	Pokhrel, Neeta
Responsible ADB Department	South Asia Department
Responsible ADB Division	Urban Development and Water Division, SARD
Executing Agencies	Ministry of Urban Development

Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	05 Apr 2013
Last Review Mission	-
PDS Creation Date	29 Nov 2005
Last PDS Update	21 May 2013

TAÂ 8346-NEP

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
05 Apr 2013	09 May 2013	09 May 2013	31 Dec 2014	31 Dec 2015	31 May 2016

Financing Plan/TA Utilization

ADB	Cofinancing	Counterpart				Total	Cumulative Disbursements	
		Gov	Beneficiaries	Project Sponsor	Others		Date	Amount

Project Page	https://www.adb.org/projects/35173-012/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=35173-012
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