



Project Data Sheet

Project 42161-012

Project Name Integrated Urban Development Project

Project Number 42161-012

Country / Economy Nepal

Project Status Closed

Project Type / Modality of Assistance Technical Assistance

Source of Funding / Amount **TA 7727-NEP: Integrated Urban Development Project**
Japan Fund for Prosperous and Resilient Asia and the Pacific US\$ 800,000.00

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 policy, institutional and capacity development - Urban sewerage - Urban water supply

Gender Effective gender mainstreaming

Description

Project Rationale and
Linkage to
Country/Regional
Strategy

The National Urban Policy (NUP) adopted by the government in 2007 gives priority to: (i) achieving a balanced national urban structure by directing infrastructure development and investment; (ii) improving the quality of urban life by building a clean, safe, and well developed urban environment; and (iii) setting up effective urban management by empowering capable local institutions. The 3-year interim plan (FY2008-FY2010) under the policy looks forward to government investments in urban infrastructure and other services, and to local institutions empowered and strengthened to build a clean, safe, and prosperous urban environment. While productivity in the urban areas is higher and poverty substantially lower, infrastructure development and service delivery have fallen behind in those areas. Public investments have not kept pace with the growth of the urban population, swelled (by more than 5% yearly) by internal conflicts and the dearth of economic and employment opportunities in the countryside. Urban environmental conditions, already deteriorating, have worsened: inaccessible and poor quality drinking water and sanitation facilities, uncollected or improperly dumped waste, water pollution from untreated domestic and industrial wastewater, and waterlogging. Moreover, urban services outside the Kathmandu valley are scarce. As a result, premature death, disease, and associated economic burdens disproportionately affect the poor and the vulnerable. Poor health saps economic growth by reducing labor productivity and holding back educational attainment.

Further development in the Kathmandu Valley has its physical limits. New urban centers will inevitably emerge. But the environment in the urban centers urgently needs improvement to make up the lag in economic development in towns outside the valley and promote social and economic development. The municipalities of Dharan, Janakpur, Nepalgunj, and Siddharthanagar have been provisionally selected for the project on the basis of (i) economic growth potential, (ii) demand for urban services, and (iii) urban management capacity. Dharan is the second largest municipality in the Eastern Region after Biratnagar and rapidly growing as an urban center with an estimated population of 122,000 in 2008. Janakpur, located on the border and connected via an existing railway network with India, is considered a key regional hub in the Central Region, with an estimated population of 91,000 in 2008. Nepalgunj is also located on the border with India and referred to in the NUP as the potential regional economic center in the Mid-western Region with an estimated population of 65,000 in 2008, largest in the Region. Siddharthanagar, another border town with India, is rapidly growing along with Butwal in the Western Region, and has an estimated population of 64,000 in 2008.

The project is in line with the ADB Nepal country partnership strategy, which rests on four pillars: broad-based and inclusive economic growth, inclusive social development, governance and capacity building, and climate change adaptation and environmental sustainability. ADB has been playing a key role in supporting the government in urban development as the largest development partner in the urban sector. Reflecting lessons from similar projects, the project will (i) focus on a small number of physically integrated components (drainage, sewerage and road improvement, and solid waste management in the same area) to simplify administration and coordination; (ii) be confined to a few larger municipalities with relatively higher technical and financial capacity to implement the project and create visible impact; (iii) fully involve stakeholders in project identification and design from an early stage; and (iv) provide capacity development support before project implementation.

Impact tbd

Project Outcome

Description of Outcome	tbd
Progress Toward Outcome	Interim report was submitted by the consultants in April 2011. Draft final report will be submitted by the end of June 2011. This will be further discussed with the government and project municipalities to reach an agreement on the project scope.

Implementation Progress

Description of Project Outputs	tbd
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design	Socioeconomic survey including willingness-to-pay survey was undertaken for water supply subprojects. Focus group discussions and workshops have been held. Representatives of nongovernment organizations and community-based organizations were invited to the workshops. For the GESI capacity development component, consultations at central and municipal levels have been undertaken.
During Project Implementation	Stakeholder participation and consultation were continued during project implementation. Consultation, participation and TA implementation have been shared with the Government and development partners.

Business Opportunities

The international team leader/sewerage and drainage expert engaged individually was mobilized on 18 January 2011, and the national social development specialist, also engaged individually, was mobilized on 12 January 2011. The contract with an international firm associated with a national firm consisting of 3 international and 9 national experts was signed on 1 February 2011, and the co-team leader/financial management expert/economist and national deputy team leader/drainage and sewerage engineer were mobilized on 15 and 3 February 2011 respectively. The inception report was submitted on 13 February 2011, which was discussed during the TA inception mission fielded from 15 to 21 February 2011. Two more individual consultants related to gender equality and social inclusion (GESI) issues, financed by another TA source, were mobilized on 15 March 2011. The interim report was submitted on 15 April 2011, which was the basis of discussions during the Mission. Consultants will be recruited in line with ADB's Guidelines on the Use of Consultants (2010, as amended from time to time). The TA will require 47.5 person-months of consulting services (15 international and 32.5 national). In order to expedite project preparatory work, an international individual consultant (the team leader) and a national social development and gender specialist will be engaged through the individual consultant selection method. A team of consultants, who will work under the overall guidance of the ADB project officer and the team leader, will be recruited under one package using the quality-and cost-based method of selection with a standard quality-cost ratio of 80:20. A simplified technical proposal will be used for the selection of a firm. A small number of individual consultants will be additionally engaged to enhance project readiness and expedite project implementation, on an as-needed basis.

Responsible ADB Officer	Saito, Norio
Responsible ADB Department	South Asia Department
Responsible ADB Division	Urban Development and Water Division, SARD
Executing Agencies	<i>Ministry of Physical Infrastructure and Transport Singha Durbar Kathmandu Nepal</i>

Timetable

Concept Clearance	-
Fact Finding	25 Aug 2010 to 31 Aug 2010
MRM	-
Approval	13 Dec 2010
Last Review Mission	-
PDS Creation Date	08 Sep 2010
Last PDS Update	28 Sep 2012

TA 7727-NEP

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
13 Dec 2010	03 Jan 2011	03 Jan 2011	31 Mar 2012	30 Sep 2012	31 Dec 2012

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart		Project Sponsor	Others	Total	Date	Amount
		Gov	Beneficiaries					
0.00	800,000.00	142,000.00	0.00	0.00	0.00	942,000.00	17 Jun 2022	655,600.80

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