Nepal: Kathmandu Sustainable Urban Transport Project

Project Name | Kathmandu Sustainable Urban Transport Project
Project Number | 44058-013
Country | Nepal
Project Status | Active
Project Type / Modality of Assistance | Grant

Source of Funding / Amount

- Grant 0212-NEP: Kathmandu Sustainable Urban Transport Project
  - concessional ordinary capital resources lending / Asian Development Fund
  - US$ 10.00 million
- Loan 2656-NEP: Kathmandu Sustainable Urban Transport Project
  - concessional ordinary capital resources lending / Asian Development Fund
  - US$ 10.00 million
- Grant 0239-NEP: Kathmandu Sustainable Urban Transport Project
  - Global Environment Facility Grant
  - US$ 2.52 million

Strategic Agendas
- Environmentally sustainable growth
- Inclusive economic growth

Drivers of Change
- Governance and capacity development
- Partnerships
- Private sector development

Sector / Subsector
- Transport - Transport policies and institutional development - Urban public transport - Urban roads and traffic management

Gender Equity and Mainstreaming
- Effective gender mainstreaming

Description
The project will improve the quality of urban life in the capital city of Nepal by delivering a more efficient, safe, and sustainable urban transport system (UTS), favoring local economic growth and addressing climate change and air pollution mitigation. The UTS will be enhanced by focusing on (i) a plan to rationalize and upgrade the existing public transport network, tested through the implementation of pilot routes provided with electric vehicles; (ii) traffic management works and measures that will enable heritage routes in the city center to be pedestrianized and improve general walkability (general walking conditions); and (iii) improvement of air quality monitoring. The project aims to integrate these components holistically. The environment for development work has greatly improved since 2006, when the decade-long conflict ended. The experience of the Asian Development Bank (ADB) has shown that active community participation can insulate development work from a country's wider challenges and thus bring about effective service delivery. Consultations were undertaken with various stakeholders, including the Kathmandu Metropolitan City (KMC), relevant central government ministries and departments, public transport operators, and residents associations. The project design and implementation arrangements have fully taken into account the current political context in Nepal, with the implementation expected to proceed amid the ongoing peace process.

Project Rationale and Linkage to Country/Regional Strategy

Impact
Sustainable and efficient UTS for Kathmandu valley, favoring local economic growth, and addressing climate change and air pollution mitigation

Project Outcome

Description of Outcome
In Kathmandu, public transport services and walkability are improved, favoring a modal shift from private vehicles and improving traffic conditions.

Progress Toward Outcome
Loan 2656 closed on 31 December 2017 while Grant 0212 & Grant 0239 are closed 30 June 2018. Civil works for ICB packages (ICB-01 for walkability improvement, and ICB-03 junctions improvement at city center) are substantially completed. ICB-02 for bridge and junctions improvement on BLR only 80% completed. Completed works to 31 December 2017 are financed by ADB and works beyond 31 December 2017 is being financed by Government. Supply of Traffic Surveillance vehicle is already contracted. Procurement for (i) design, supply, and installation of intelligent traffic system in Kathmandu and (ii) flatbed truck are cancelled. Under Grant 0212 & Grant 0239, Study for appropriate Mass Transit Option Study for Kathmandu valley is substantially completed. 17 fleet of low carbon emission buses are delivered. Operation of public bus in S5 Route under Private Bus Operating company also started officially in July 2018.

Implementation Progress

Description of Project Outputs
- Output 1. Public transport is improved and upgraded, and capacity of DOTM is strengthened.
- Output 2. Traffic management is improved.
- Output 3. Walkability in the city center is improved.
- Output 4. Monitoring of air quality is enhanced.
Workshops and meetings involving bus industry and various community representatives were organized. All procurement of goods and works will be undertaken in accordance with ADB’s Procurement Guidelines. Before any procurement processing, ADB and the Government will review the public awareness campaigns on proper traffic behavior, road safety, and air quality.

Public transport industry and private bus operators are closely associated to the definition and design of pilot bus routes. The Environmental Management Plan for DOR component submitted to ADB in April 2013; Environmental Management Plan for KMC component submitted in May 2013.

Training on gender and transport aspects to the staff of all stakeholder including implementing agencies and private operator conducted in September/October 2017. Junction improvements and civil works along the Bhishnumati Link Road are substantially completed. Due to the safeguard issue caused by the road widening along the Ram Sam Path, the original scope was reduced from 17 to 8 junctions only. Bid for the supply and installation of traffic signal with control room is dropped as the original bidding was cancelled and recommended for rebidding however due to limited time of the project the package was dropped.

Procurement of equipment is completed and evaluation of the Project at the PMCO; (iii) carry out preliminary design of the trolley bus system; and (iv) provide capacity building of the IAs, strategic planning, pilot implementation of the public transport network, and institutional development support of the DOTM. Consulting firms will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality-cost ratio of 80:20.

New structure of the DOTM has been approved by the Ministry of General Administration however has not come into implementation effect. The proposal for restructuring of the public transport route network has been submitted to MOPT. The implementation of the pilot bus initiative has been progressing slowly due to the limited capacity of DOTM and that there has been agreement between DOTM and Public Transport Operator to operate public buses in pilot route (SS) after Public Transport Operator company is also formed. Procurement of 17 fleet of low carbon emission buses completed and are operated in pilot SS route since July 2018. Franchising of existing operators into a company or cooperative and business modality for PT operation with less emission vehicles on one pilot route (SS-Balaju Bus Park to Sinamangal) finalized and a private operator company is formed in the name of Sustainable Public Transport Pvt Ltd.

Public transport industry and private bus operators are closely associated to the sidewalks improvement scheme and heritage walk scheme. Procurement of movable air quality monitoring equipment and the electronic display boards are completed.

Procurement of equipment is completed and evaluation of the Project at the PMCO; (iii) carry out preliminary design of the trolley bus system; and (iv) provide capacity building of the IAs, strategic planning, pilot implementation of the public transport network, and institutional development support of the DOTM. Consulting firms will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality-cost ratio of 80:20.

An estimated 466 person-months (73 international, 393 national) of consulting services will be provided to (i) facilitate project management and implementation including overall monitoring and evaluation of the Project at the PMCO; (ii) assist DOR, KMC, and DOTM in carrying out detailed design and construction supervision of their respective components, including monitoring for safeguards compliance; (iii) carry out preliminary design of the trolley bus system; and (iv) provide capacity building of the IAs, strategic planning, pilot implementation of the public transport network, and institutional development support of the DOTM. Consulting firms will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality-cost ratio of 80:20.

All procurement of goods and works will be undertaken in accordance with ADB’s Procurement Guidelines. International competitive bidding procedures will be used for works contracts estimated to cost $1 million or more, and supply contracts valued at $500,000 or higher. National competitive bidding procedures will be used for works contracts estimated to cost between $100,000 and $1 million and for supply contracts valued between $100,000 to $500,000. Shopping will be used for contracts for procurement of works and equipment worth less than $100,000.

Before any procurement processing, ADB and the Government will review the public procurement laws of the Government to ensure consistency with ADB’s Procurement Guidelines.

Summary of Environmental and Social Aspects

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<tr>
<td>Involuntary Resettlement</td>
<td>The revised Resettlement Plan for DOR component uploaded in the ADB website in October 2013.</td>
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<tr>
<td>Indigenous Peoples</td>
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Stakeholder Communication, Participation, and Consultation

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<tr>
<th>During Project Design</th>
<th>Workshops and meetings involving bus industry and various community representatives were organized.</th>
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<tr>
<td>During Project Implementation</td>
<td>Public transport industry and private bus operators are closely associated to the definition and design of pilot bus routes. Local community is associated to the sidewalks improvement scheme and heritage walk scheme. Public awareness campaigns are planned on proper traffic behavior, road safety, and air quality.</td>
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Business Opportunities

<table>
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Responsible ADB Division

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<tr>
<th>Responsible ADB Officer</th>
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<tr>
<td>Responsible ADB Department</td>
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<tr>
<td></td>
<td><a href="mailto:HPSHARMA@MELAMCHIWATER.ORG">HPSHARMA@MELAMCHIWATER.ORG</a></td>
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<tr>
<td></td>
<td>Singha Durbar</td>
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Geographical Location

| Kathmandu | Kathmandu | Kathmandu |

Safeguard Categories

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