

SUBPROJECT SELECTION CRITERIA AND APPROVAL PROCEDURES

1. Subprojects will be identified, evaluated and selected by the implementing agencies (IAs), and endorsed by the Executing Agency (Special Purpose Vehicle) through its Project Management Unit (PMU), on the basis of the following criteria:

- (i) will reconstruct, retrofit or repair the quake-damaged infrastructure for Primary/Lower secondary/secondary schools, Public administrative buildings in the district headquarters, rural roads affected by the quake and those critical to provide connectivity for villages/habitations in worst affected districts to district headquarters or feeder roads, markets, educational institutions, VDCs, hospitals/major health centers outside the settlements and or resettlement sites and other public services delivery establishments;
- (ii) will include works to restore the damaged facilities to pre-quake conditions, incorporating and strengthening to Disaster Risk Reduction (DRR) norms; compliance to multi-hazard resistance standards, cost effectiveness/alternatives based on a review of technical options available to address the identified problems and lessons learned from previous disasters/projects in the country/region; incorporation of technological improvements, and emphasis on GON/ADB's requirements for quality control;
- (iii) design and construction standards will be raised to appropriate level. The revised high flood levels of the rivers or the natural streams or drainage channels shall be considered, while designing facilities, as applicable. Geotechnical studies shall be undertaken and slope stabilization measures considered for slide zones, wherever applicable;
- (iv) subprojects will be financed by the Project only if there is no duplication in funding from other agencies for the same activity;
- (v) period for implementation will not extend beyond the project closing date, unless project duration extension is agreed between ADB and GON; and
- (vi) selection of subproject has incorporated beneficiary consultation.

2. The first subproject to be carried out by each IA shall be subject to prior review and approval by ADB. Subsequent subprojects exceeding \$ 500,000 equivalent shall be sent through the PMU to ADB for information only, while all subprojects exceeding \$5 million equivalent will require prior review and approval by ADB.

A. Safeguards Criteria

3. Subprojects will conform with ADB's Safeguards Policy Statement, 2009 (SPS) with respect to social and environment considerations. Subprojects with significant (category A) environmental¹ and resettlement² impact, or with impacts on indigenous peoples (category A and B), will be excluded. Subprojects with activities described in ADB's Prohibited Investment Activities List will also be excluded.

¹ Subprojects or subprojects likely to have significant impacts that are irreversible, diverse, or unprecedented.

² 200 or more persons will be physically displaced from home, 200 or more persons lose 10% or more of their productive or income generating assets, or 200 or more persons experience a combination of both.

Environment:

- (i) Subprojects will not be undertaken in critical habitats and protected areas³ including those either legally protected or officially proposed for protection.
- (ii) Subprojects should follow environmental guidelines in the environmental assessment and review framework.

Social:

- (i) Subprojects will not result in involuntary restrictions on land use or access to legally designated parks and protected areas.
- (ii) Subprojects will not include: (i) commercial development of cultural resources or knowledge of indigenous peoples (IP); (ii) physical displacement from traditional or customary lands; (iii) commercial development of natural resources, (iv) establishing legal recognition of rights to lands and territories; or (v) acquisition of land traditionally owned, customarily used, occupied, or claimed by IPs.

B. Procedures

4. Each subproject will be prepared and processed in accordance with the following procedures:

- (i) Technical study, for all subprojects, will be conducted by the EA including its cost estimate. The EA through the PMU will also prepare and fill out checklist for (a) involuntary resettlement; (b) indigenous people; and (c) an environmental screening in accordance with the relevant frameworks;
- (ii) All safeguards categorization and safeguards documents (resettlement plan, initial environmental examination (IEE) with environmental management plan (EMP)) will be provided to ADB for review and concurrence;
- (iii) The EA or IAs will translate the resettlement plan into the local language and disclose it to the affected people and incorporate the results of the consultation. The resettlement plan and IEE (with EMP) will also be disclosed on the ADB website and the website of EA and IA;
- (iv) The EA/IAs will prepare the appraisal reports for all subprojects to be considered under the project following the selection criteria, together with the required attachments and submit the same to ADB for approval;
- (v) ADB will review the summary appraisal report together with the required attachments. If ADB finds that a proposed subproject is not likely to satisfy the selection criteria and/or that the agreed procedures, ADB will advise the EA or IAs either (a) to modify the subproject proposal in a manner that will make it eligible for approval; or (b) that the subproject be rejected; and
- (vi) The above procedure described in (iv) will be applied only to those subprojects (a) whose estimated cost exceeds \$5 million; and (b) If the subproject in question is equal to or less than \$5 million in estimated cost, the above review would be carried out by the EA/IA. ADB will conduct post-facto review of the subprojects on a sample basis.

³ Including national parks, wildlife reserves, conservation area, wetlands, ancient/cultural and archeological areas (Schedule 2, EPR).