


Project Administration Manual

Project Number: P46417
Loan Number: L_____ 
September 2013

India: Jaipur Metro Rail Line 1–Phase B Project

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Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with Government and Asian Development Bank (ADB) policies and procedures. The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The executing and implementing agencies are wholly responsible for the implementation of ADB financed projects, as agreed jointly between the borrower and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by executing and implementing agencies of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At Loan Negotiations the borrower and ADB shall agree to the PAM and ensure consistency with the Loan agreement. Such agreement shall be reflected in the minutes of the Loan Negotiations. In the event of any discrepancy or contradiction between the PAM and the Loan Agreement, the provisions of the Loan Agreement shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP) changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval they will be subsequently incorporated in the PAM.

Abbreviations

ADB	=	Asian Development Bank
ADF	=	Asian Development Fund
AFS	=	audited financial statements
CQS	=	consultant qualification selection
DMF	=	design and monitoring framework
EARF	=	environmental assessment and review framework
EIA	=	environmental impact assessment
EMP	=	environmental management plan
ESMS	=	environmental and social management system
GACAP	=	governance and anticorruption action plan
GDP	=	gross domestic product
ICB	=	international competitive bidding
IEE	=	initial environmental examination
IPP	=	indigenous people plan
IPPF	=	indigenous people planning framework
JMRC	=	Jaipur Metro Rail Corporation
LAR	=	land acquisition and resettlement
LIBOR	=	London interbank offered rate
NCB	=	national competitive bidding
NGOs	=	nongovernment organizations
OCR	=	ordinary capital resources
PAI	=	project administration instructions
PAM	=	project administration manual
PIU	=	project implementation unit
PMU	=	Project management consultant
PMU	=	Project management unit
QBS	=	quality based selection
QCBS	=	quality- and cost based selection
RRP	=	report and recommendation of the President to the Board
SBD	=	standard bidding documents
SOE	=	statement of expenditure
SPS	=	Safeguard Policy Statement
SPRSS	=	summary poverty reduction and social strategy
TOR	=	terms of reference
UDH	=	Urban Development and Housing Department

I. PROJECT DESCRIPTION

A. Project Rationale, Location and Beneficiaries

1. The project is to build Line 1-Phase B of the metro rail network in the city of Jaipur, India, consisting of underground rail infrastructure of 2.3 kilometers (km) and two stations. It will extend Line 1-Phase A, which is being undertaken by the government of Rajasthan, and is critical to ensuring that the combined overall impact is optimized and benefits are reaped in a timely manner. The project also includes support to study and update a future development plan for Line 2. The metro rail network is expected to provide mass rapid transit capacity for the city's major mobility corridors, aiming to reverse the rising shift to private cars and achieve a vision of an improved public transport system in Jaipur—optimizing general mobility, enhancing quality of life, and making the city more pleasant to live and work in. The outcome of the project supports the country's National Urban Transport Policy and the strategic objectives of the Asian Development Bank (ADB) in the transport sector, which aim to increase movement of people and goods in a more efficient, safe, and sustainable manner.

B. Impact and Outcome

2. The impact will be improved public transport in Jaipur. The immediate outcome will be improved mass rapid transit system in Jaipur.

C. Outputs

3. The outputs will be (i) Line 1-Phase B, comprising the underground rail infrastructure of 2.3 km and two stations; and (ii) Line 2 plans updated, including a detailed project report.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

4. The project readiness activities, including detailed engineering design and procurement of contracts, are in substantial progress.

B. Overall Project Implementation Plan

IMPLEMENTATION SCHEDULE

Item	2013				2014				2015				2016				2017				2018														
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N
A. Project Preparation					Year 1				Year 2				Year 3				Year 4				Year 5														
Loan Processing and Approval by ADB																																			
Grant Signing and Effectiveness																																			
B. Procurement					Year 1				Year 2				Year 3				Year 4				Year 5														
1. Engineering Design by JMRC																																			
2. Advance Action and Procurement																																			
C. Works and Equipment					Year 1				Year 2				Year 3				Year 4				Year 5														
1. Underground Tunnel and Station Works																																			
2. Equipment Supply and Installation																																			
3. Testing and Commissioning																																			

■ ■ ■ Defects & Liability Period

ADB = Asian Development Bank
Source: Asian Development Bank

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Stakeholders – Roles and Responsibilities

Project Stakeholders	Management Roles and Responsibilities
Executing agency (EA)	<p>State Government of Rajasthan acting through UDH and JMRC</p> <p>UDH</p> <ul style="list-style-type: none"> <input type="checkbox"/> overall coordination of project implementation <input type="checkbox"/> inter-agency coordination <input type="checkbox"/> oversee and monitor project implementation as well as the adequacy of overall project funding <input type="checkbox"/> provide necessary policy guidance related to project implementation <p>Jaipur Metro Rail Corporation Limited</p> <ul style="list-style-type: none"> <input type="checkbox"/> day-to-day project execution, supervision, and management <input type="checkbox"/> consultant recruitment and procurement of works <input type="checkbox"/> project accounts management – establishing and maintaining project account, withdrawal applications and supporting documentation, including procedures for Statement-of-Expenditure <input type="checkbox"/> project progress reports <input type="checkbox"/> maintaining project accounts and complete loan financial records
ADB	<ul style="list-style-type: none"> <input type="checkbox"/> Monitor and review overall implementation of the project in consultation with the EAs including: the project implementation schedule; actions required in terms of poverty reduction, environmental impacts, and resettlement plans (RPs) if applicable; timeliness of budgetary allocations and counterpart funding; project expenditures; progress with procurement and disbursement; statement of expenditure when applicable; compliance with particular loan covenants; and the likelihood of attaining the project's immediate development objectives.

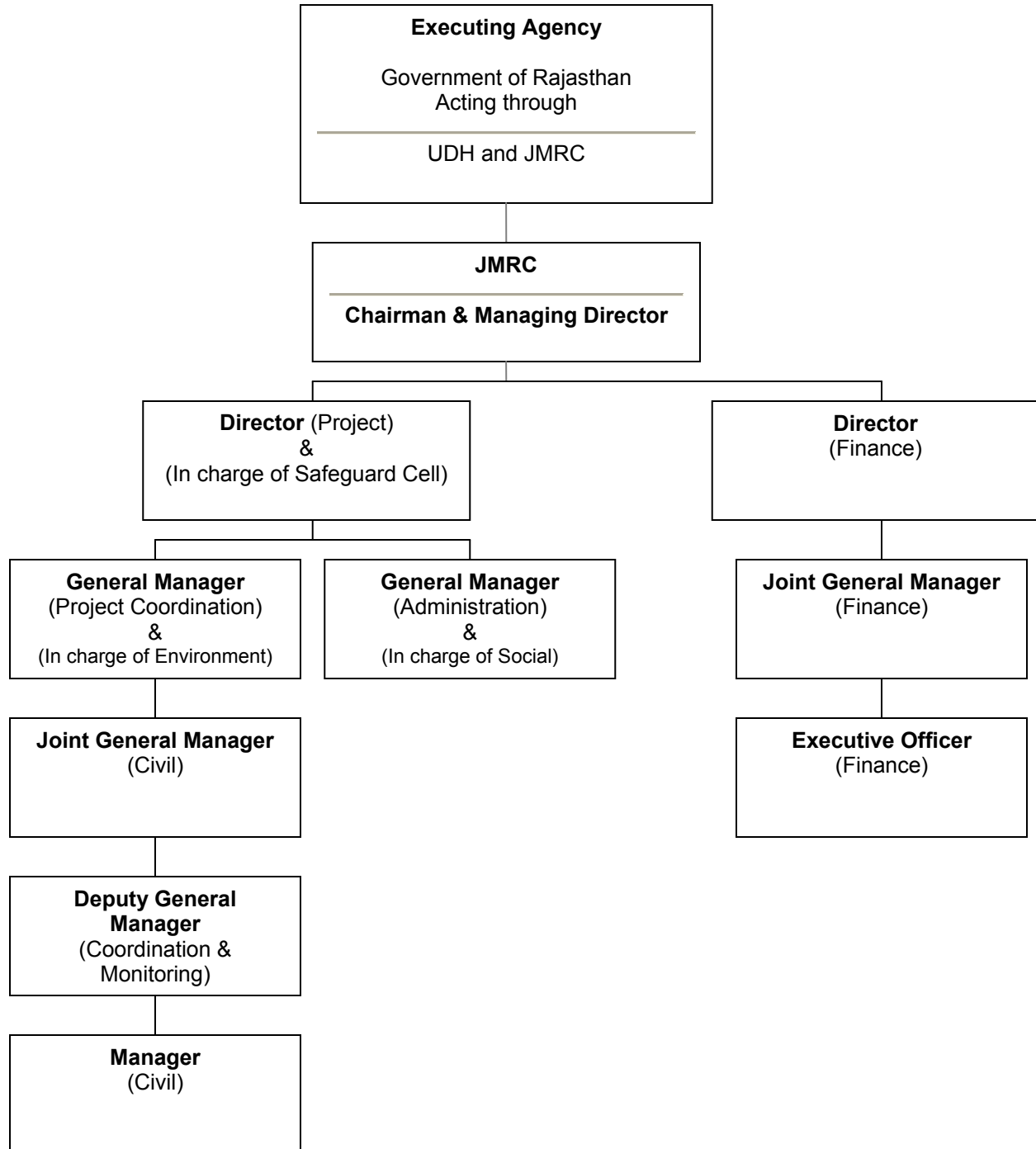
B. Key Persons Involved in Implementation

Executing Agencies	
GOR	Gurdial Singh Sandhu Additional Chief Secretary, UDH Government of Rajasthan Secretariat, Jaipur-302005, India Telephone (91-141) 2227128 Fax (91-141) 2227128 Email (to be inserted)
JMRC	Nihal Chand Goel Chairman & Managing Director Khanij Bhawan, Tilak Marg. C-Scheme Jaipur-302005, India Telephone (91-141) 5192101, 5192102 Fax (91-141) 5192103 Email 1 (cmd.jmrc@gmail.com) Email 2 (nihalchand_goel@yahoo.co.in)
	Ashwani Saxena Director (Project) Khanij Bhawan, Tilak Marg. C-Scheme, Jaipur-302005 India Telephone (91) 9001195205 Email (ashurly@gmail.com)
	Sanjay Solanki Director(Finance) Khanij Bhawan, Tilak Marg. C-Scheme, Jaipur-302005 India Telephone (91-141) 5192138, Mobile (91) 9667556702 Email (jmrc.finance@gmail.com)
	Vijay Gupta General Manager (Project) Khanij Bhawan, Tilak Marg. C-Scheme, Jaipur-302005 India Telephone (91-141) 5192102, 5192109 Mobile (91) 96675 56706, (91) 94140 49821 Email (jmrc.project@gmail.com)
ADB	
Transport and Communications Division of South Asia Department (SATC)	Sri Widowati Director, SATC Telephone (63-2) 632 6794 Email address: swidowati@adb.org
Mission Leader	Dong-Kyu Lee Principal Transport Specialist, SATC Telephone (63-2) 632 4157 Email address: dkleee@adb.org

Note: Update as changes occur

C. Project Organization Structure and Key Staff

5. The flow chart below shows the reporting lines essential internal structures of key staff involved in implementation.



IV. COSTS AND FINANCING

6. The project is estimated to cost \$259 million (Table 1).

Table 1: Project Investment Plan
(\$ million)

Item	Amount ^a
A. Base Cost^b	
1. Works and Equipment for Underground Tunnel, Stations, and Track	162.5
2. Rolling Stock, Depot, and Substations	47.4
3. Consulting Services	13.3
4. Project Management	12.3
Subtotal (A)	235.5
B. Contingencies^c	20.2
C. Financing Charges During Implementation^d	3.3
Total (A+B+C)	259.0

^a Includes central duties (customs and excise) of \$16.1 million to be financed from ADB loan resources. Local state taxes of estimated \$7.65 million are exempted by the state government.

^b In mid-2013 prices.

^c Physical contingencies computed at 5.0% for civil works, equipment, and consulting services. Price contingencies computed at 5% on foreign exchange costs and 8% on local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^d Includes interest and commitment charges. Interest during construction for ADB loan has been computed at the 5-year forward London interbank-offered rate plus a spread of 0.4% and applicable maturity based premium of 10 basis points. Commitment charges for an ADB loan are 0.15% per year to be charged on the undisbursed loan amount.

Source: Asian Development Bank estimates.

7. The government has requested a loan of \$176 million from ADB's ordinary capital resources to help finance the project.¹ The loan will have a 23 year term, including a grace period of 8 years, an annual interest rate determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility, a commitment charge of 0.15% per year, and such other terms and conditions set forth in the draft loan and project agreements.

8. The government has requested that repayment follow the straight-line repayment option in equal installments.² Based on this and above loan terms, the average loan maturity is 15.75 years and the maturity premium payable to ADB is 0.10% per annum.

9. The financing plan is in Table 2.

Table 2: Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank	176	68
Government of Rajasthan	83	32
Total	259	100

Source: Asian Development Bank estimates.

¹ Financing includes central customs and excise duties of about \$16.1 million for Phase-B, to help offset financial burden to complete Line 1-Phase A. The estimated expenditure is not excessive (9.2% of ADB loan resources) and will apply only with respect to ADB-financed expenditures.

² Repayment period and grace period have been customized to suit the project cash flow requirements.

A. Cost Estimates by Expenditure Category

10. The detailed cost estimates by expenditure category and detailed cost estimates by financier are presented below.

DETAILED COST ESTIMATES AND FINANCING PLAN

(\$ million)						
Item	Total	ADB OCR	% Total ADB	GOR	% Total GOR	% of Total Base Cost
A. Investment Costs [a] [b]						
1. Civil Works	117.73	117.73	100.00	0.00	0.00	45.5
a. Underground Tunnel and Stations	117.13	117.13	100.00	0.00	0.00	45.2
b. Station Access Improvement	0.60	0.60	100.00	0.00	0.00	0.2
2. Equipment	51.68	37.06	71.71	14.62	28.29	20.0
a. Electrical, Signal and Telecom	37.06	37.06	100.00	0.00	0.00	14.3
b. Rolling Stock-Electric Multiple Units	14.62	0.00	0.00	14.62	100.00	5.6
3. Consultants	13.29	0.97	7.30	12.32	92.70	5.1
a. Project Management Consultant	12.32	0.00	0.00	12.32	100.00	4.8
b. Advisory Service for Accessibility	0.07	0.07	100.00	0.00	0.00	0.0
c. Advisory Service for Metro Planning	0.90	0.90	100.00	0.00	0.00	0.3
4. Ancillary Facilities	32.74	0.00	0.00	32.74	100.00	12.6
a. Depot and Substations	32.74	0.00	0.00	32.74	100.00	12.6
5. Taxes and Duties (c)	7.65	0.00	0.00	7.65	100.00	3.0
Subtotal (A)	223.09	155.76	69.82	67.33	30.18	86.1
B. Recurrent Costs						
1. Project Management	12.33	0.00	0.00	12.33	100.00	4.8
Subtotal (B)	12.33	0.00	0.00	12.33	100.00	4.8
C. Contingencies						
1. Physical Contingency [d]	8.37	8.37	100.00	0.00	0.00	3.2
2. Price Contingency [e]	11.87	11.87	100.00	0.00	0.00	4.6
Subtotal (C)	20.24	20.24	100.00	0.00	0.00	7.8
D. Financing Charges During Implementation						
1. Interest During Implementation [f]	2.56	0.00	0.00	2.56	100.00	1.0
2. Commitment Charges [g]	0.78	0.00	0.00	0.78	100.00	0.3
Subtotal (D)	3.34	0.00	0.00	3.34	100.00	1.3
Total Project Cost (A+B+C+D)	259.00	176.00	67.95	83.00	32.05	100.0

[a] In mid-2013 prices.

[b] Includes central government duties (customs and excise) of \$16.108 million to be financed from ADB loan resources.

[c] Includes state government taxes of \$7.65 million to be financed from government resources in form of exemption.

[d] Physical contingencies computed at 5.0% for civil works, equipment, and consulting services.

[e] Price contingencies computed at 5% on foreign exchange costs and 8% on local currency costs.

[f] Computed at the 5-year forward LIBOR plus a spread of 0.4% and applicable maturity premium of 10 basis points.

[g] 0.15% per year to be charged on the undisbursed loan amount.

Source: Asian Development Bank

B. Allocation and Withdrawal of Loan Proceeds

11. The following table should be read in conjunction with the narrative paragraphs contained in the loan agreement – schedule entitled “Allocation and Withdrawal of Loan Proceeds”.

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Jaipur Metro Rail Line 1–Phase B Project)			
CATEGORY			ADB FINANCING BASIS
Number	Item	Amount Allocated for ADB Financing \$ Category	Percentage of ADB Financing from the Loan Account
1	Civil Works	117,730,000	100% total expenditure claimed*
2	Equipment	37,060,000	100% total expenditure claimed*
3	Consulting Services	970,000	100% total expenditure claimed*
4	Unallocated	20,240,000	
	Total	176,000,000	

* Inclusive of central government customs and excise duties, and exclusive of local state taxes

C. Detailed Cost Estimates by Outputs

Item	Total Cost (\$ million)	Line 1-Phase B Built		Line 2 Plans Updated	
		Amount (\$ million)	% of Cost Category	Amount (\$ million)	% of Cost Category
A. Investment Costs [a] [b]					
1. Civil Works	117.73	117.73	100.00%	0.00	0.00%
a. Underground Tunnel and Stations	117.13	117.13	100.00%	0.00	0.00%
b. Station Access Improvement	0.60	0.60	100.00%	0.00	0.00%
2. Equipment	51.68	51.68	100.00%	0.00	0.00%
a. Electrical, Signal and Telecom	37.06	37.06	100.00%	0.00	0.00%
b. Rolling Stock-Electric Multiple Units	14.62	14.62	100.00%	0.00	0.00%
3. Consultants	13.29	13.29	100.00%	0.00	0.00%
a. Project Management Consultant	12.32	12.32	100.00%	0.00	0.00%
b. Advisory Service for Accessibility	0.07	0.07	100.00%	0.00	0.00%
c. Advisory Service for Metro Planning	0.90	0.00	0.00%	0.90	100.00%
4. Ancillary Facilities	32.74	32.74	100.00%	0.00	0.00%
a. Depot and Substations	32.74	32.74	100.00%	0.00	0.00%
5. Taxes and Duties [c]	7.65	7.62	99.61%	0.03	0.39%
Subtotal (A)	223.09	223.06	99.99%	0.03	0.01%
B. Recurrent Costs					
1. Project Management	12.33	12.29	99.68%	0.04	0.32%
Subtotal (B)	12.33	12.29	99.68%	0.04	0.32%
C. Contingencies					
1. Physical Contingency [d]	8.37	8.34	99.64%	0.03	0.36%
2. Price Contingency [e]	11.87	11.83	99.65%	0.04	0.34%
Subtotal (C)	20.24	20.17	99.64%	0.07	0.35%
D. Financing Charges During Implementation					
1. Interest During Implementation [f]	2.56	2.55	99.61%	0.01	0.39%
2. Commitment Charges [g]	0.78	0.78	100.00%	0.00	0.00%
Subtotal (D)	3.34	3.33	99.70%	0.01	0.30%
Total Project Cost (A+B+C+D)	259.00	258.85	99.94%	0.15	0.06%

[a] In mid-2013 prices.

[b] Includes central government duties (customs and excise) of \$16.108 million to be financed from ADB loan resources.

[c] Includes state government taxes of \$7.65 million to be financed from government resources in form of exemption.

[d] Physical contingencies computed at 5.0% for civil works, equipment, and consulting services.

[e] Price contingencies computed at 5% on foreign exchange costs and 8% on local currency costs.

[f] Computed at the 5-year forward LIBOR plus a spread of 0.4% and applicable maturity premium of 10 basis points.

[g] 0.15% per year to be charged on the undisbursed loan amount.

Source: Asian Development Bank

D. Detailed Cost Estimates by Year

Item	Total Cost (\$ million)	Year 1	Year 2	Year 3	Year 4	Year 5
		2014 (\$ million)	2015 (\$ million)	2016 (\$ million)	2017 (\$ million)	Q1/2018 (\$ million)
A. Investment Costs [a] [b]						
1. Civil Works	117.73	17.66	34.10	35.29	20.55	10.13
a. Underground Tunnel and Stations	117.13	17.57	34.00	35.14	20.43	9.99
b. Station Access Improvement	0.60	0.09	0.10	0.15	0.12	0.14
2. Equipment	51.68	16.87	9.46	12.00	7.41	5.94
a. Electrical, Signal and Telecom	37.06	3.71	8.00	12.00	7.41	5.94
b. Rolling Stock-Electric Multiple Units	14.62	13.16	1.46			
3. Consultants	13.29	2.97	2.00	2.00	3.08	3.24
a. Project Management Consultant	12.32	2.00	2.00	2.00	3.08	3.24
b. Advisory Service for Accessibility	0.07	0.07				
c. Advisory Service for Metro Planning	0.90	0.90				
4. Ancillary Facilities	40.39	30.24	5.57	2.30	1.53	0.75
a. Depot and Substations	32.74	29.47	3.27			
5. Taxes and Duties [c]	7.65	0.77	2.30	2.30	1.53	0.75
Subtotal (A)	223.09	67.74	51.13	51.59	32.57	20.06
B. Recurrent Costs						
1. Project Management	12.33	2.00	2.00	2.00	3.08	3.25
Subtotal (B)	12.33	2.00	2.00	2.00	3.08	3.25
C. Contingencies						
1. Physical Contingency [d]	8.37	1.50	1.50	1.50	2.09	1.78
2. Price Contingency [e]	11.87	2.00	2.00	2.00	2.97	2.90
Subtotal (C)	20.24	3.50	3.50	3.50	5.06	4.68
D. Financing Charges During Implementation						
1. Interest During Implementation [f]	2.56	0.13	0.90	0.90	0.38	0.25
2. Commitment Charges [g]	0.78	0.04	0.20	0.20	0.12	0.22
Subtotal (D)	3.34	0.17	1.10	1.10	0.50	0.47
Total Project Cost (A+B+C+D)	259.00	73.41	57.73	58.19	41.21	28.46
% Total Project Cost	100.00%	28.34%	22.29%	22.47%	15.91%	10.99%

[a] In mid-2013 prices.

[b] Includes central government duties (customs and excise) of \$16.108 million to be financed from ADB loan resources.

[c] Includes state government taxes of \$7.65 million to be financed from government resources in form of exemption.

[d] Physical contingencies computed at 5.0% for civil works, equipment, and consulting services.

[e] Price contingencies computed at 5% on foreign exchange costs and 8% on local currency costs.

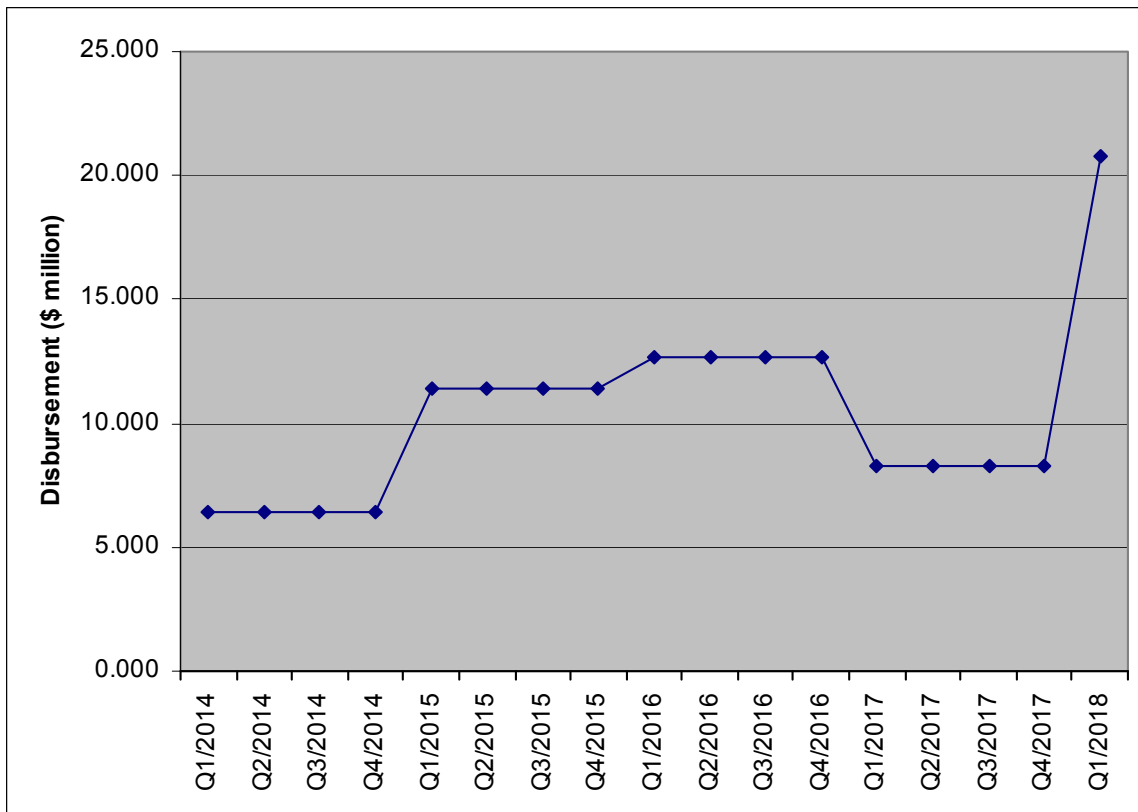
[f] Computed at the 5-year forward LIBOR plus a spread of 0.4% and applicable maturity premium of 10 basis points.

[g] 0.15% per year to be charged on the undisbursed loan amount.

Source: Asian Development Bank

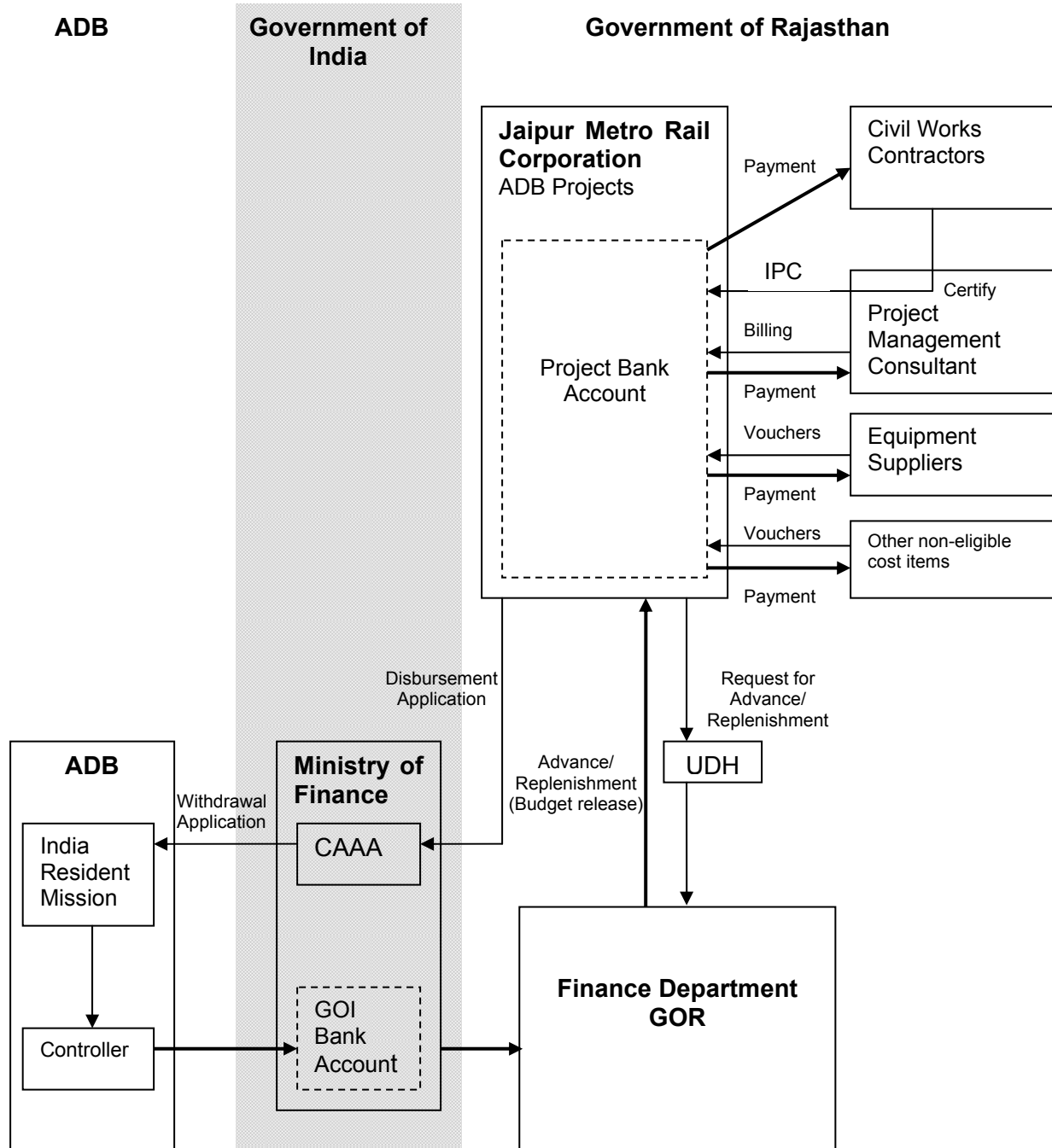
E. Contract and Disbursement S-Curve

Contract Awards and Disbursement Projection										
	Contract Awards (in \$ million)					Disbursements (in \$ million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2014	77.73	0.90	0.00	0.00	78.63	6.46	6.46	6.46	6.46	25.84
2015	0.00	0.00	37.76	0.00	37.76	11.40	11.40	11.40	11.40	45.60
2016	0.00	0.00	0.07	0.00	0.07	12.69	12.69	12.69	12.69	50.76
2017	0.00	28.37	31.17	0.00	59.54	8.26	8.26	8.26	8.26	33.04
2018	0.00	-	-	-	0.00	20.76	-	-	-	20.76
Total					176.00					176.00



F. Fund Flow Diagram

12. The following diagram show how the funds will flow from ADB to the contractors and consultants.



Funds Flow \longrightarrow

Documents Flow \longrightarrow

V. FINANCIAL MANAGEMENT

A. Summary of Financial Management Assessment

13. The financial management assessment (FMA) was conducted by Mr. P. R. Devaraj, Financial Management Specialist, in May 2013 in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects³ and Financial Due Diligence: a Methodology Note, and Technical Guidance Notes.⁴ The FMA considered the capacity of the JMRC, including funds-flow arrangements, governance, staffing, budgeting, accounting and financial reporting systems, internal control procedures, financial information systems, and internal and external auditing arrangements.

14. The JMRC is having an accounting system that allows for the proper recording of project financial transactions, following accrual accounting system. At present there are controls in place concerning the preparation and approval of transactions, ensuring that all transactions are correctly made and adequately explained. The software in place will generate Trial Balance, General Ledger and all other reports required for statutory audit. Bank Reconciliation is done monthly and any mistake found is getting rectified. Accounts Manual and Procedure Manuals are in the process of being prepared. The Financial Statements are prepared and presented under historic cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956 to the extent applicable. While there is no Internal Audit Department within the JMRC, a firm of Chartered Accountant, appointed as Internal Auditor, have conducted audit of project accounts up to 31-03-2013. The Internal Auditor submits report periodically to the Director (Finance). There is also an audit committee to oversee the audit function and to take remedial measures within JMRC. The statutory audit function is currently carried out by the Audit Firms appointed by the Comptroller and Auditor General of India (C&AG). The Annual Report of JMRC is submitted to the Government and placed before the Legislature. The Statutory Auditor is appointed by C&AG every year. Being a Government Company the Annual Financial Statements are subject to Audit by C&AG. The C&AG will also conduct special audit, review audit, or other audits as required on selective basis. JMRC is staffed with experienced financial specialists. The officers and Senior Level Staff are from the Organized Accounts Service of the State government & Indian Railways with extensive experience of State Government & Railway Finance and Accounts including construction activities. Overall, JMRC has sufficient financial management capacity to administer the project.

B. Disbursement

1. Disbursement Arrangements for ADB Funds

15. The loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2012, as amended from time to time),⁵ and detailed arrangements agreed upon between the government and ADB.

³ ADB. 2005. *Financial Management and Analysis of Projects*. Manila. Available: <http://www.adb.org/Documents/Guidelines/Financial/default.asp>

⁴ ADB. 2009. *Financial Due Diligence: A Methodology Note*. Manila. Available: <http://www.adb.org/documents/financial-due-diligence-methodology-note>

⁵ Available at: <http://www.adb.org/documents/loan-disbursement-handbook>.

16. Disbursements will be made pursuant to ADB's reimbursement procedure where ADB pays from the loan account to the borrower's account for eligible expenditures which have been incurred and paid for by the project out of its budget allocation or its own resources. Other disbursement methods as outlined in ADB's *Loan Disbursement Handbook* (as amended from time to time) can also be adopted, if requested by GOR.

17. JMRC will be responsible for (i) preparing disbursement projections, (ii) requesting budgetary allocations for counterpart funds, (iii) collecting and retaining supporting documents, and (iv) preparing and sending withdrawal applications to ADB. Before the submission of the first withdrawal application, the Government shall submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application under Statement of Expenditures (SOE) procedure is US\$100,000, unless otherwise approved by ADB. The JMRC is to consolidate claims to meet this limit for reimbursement claims. Withdrawal applications and supporting documents will demonstrate, among other things that the goods, and/or services were produced in or from ADB members, and are eligible for ADB financing.

18. **Statement-of-expenditure (SOE) procedure.**⁶ The SOE procedure will be used for reimbursement of eligible expenditures. The ceiling of the SOE procedure is the equivalent of \$100,000 per individual payment. Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit. Reimbursement of individual payments in excess of the SOE ceiling should be supported by full documentation when submitting the withdrawal application to ADB.

2. Disbursement Arrangements for Government Funds

19. All disbursements under government financing will be carried out in accordance with regulations of the Government of Rajasthan.

C. Project Financial Reporting, Auditing, and Public Disclosure

1. Project Financial Reporting

20. JMRC will maintain, or cause to be maintained, separate financial records for the project, by funding source, and prepare project financial statements in accordance with financial reporting arrangements acceptable to ADB. The project financial statements shall include only outputs under this project, and will not include expenditure under Phase A of line 1, and shall not be construed to mean the financial statements of JMRC as a whole.

21. Timely reporting and quality information is essential for the smooth monitoring of the project. JMRC's financial reporting must provide information about the sources, allocation, end uses of financial resources and how JMRC finance these activities and meets its cash requirements, as well as its ability to finance its activities, meet its liabilities and its commitments. JMRC will submit to ADB its financial reports within 45 days after completion of each quarter, in both electronic and hard copy format.

⁶ SOE forms are available in Appendix 9B of the *Loan Disbursement Handbook*.

22. Table 1 records the agreed project financial reporting arrangements.

Table 1: Project Financial Statements: Financial Reporting Arrangements

Aspects	Arrangements
(i) Reporting entity(ies)	JMRC reporting to the Government of Rajasthan.
(ii) Legislative and regulatory basis for financial reporting	Since JMRC is a Government Company, registered under the Indian Companies Act 1956 and the entity has to prepare the financial statements like Balance Sheet and Profit and Loss account. These statements are to be approved by the Board of Directors of the JMRC and has to be audited by the auditor appointed by the C&AG.
(iii) Financial reporting standards	The Financial Statements are prepared and presented under historic cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and in compliance with the Accounting and Auditing Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956 to the extent applicable.
(iv) Accounting basis ⁷	The project financial statements will be prepared using the accrual basis of accounting.
(v) Financial year	The standard annual reporting period is from 01 April to 31 March of the succeeding year.
(vi) Currency	The currency of presentation is Indian Rupee.
(vii) Language	The Annual Financial Statements and Project Financial Statements will be presented in the English language.
(viii) Composition and preparation	<p>The Annual Financial Statements will comprise:</p> <ul style="list-style-type: none"> • Statement of Financial Position (Balance Sheet); • Statement of Comprehensive Income (income statement or profit and loss account); • Statement of Changes in Equity; • Statement of Cash Flows, and • Notes to the Financial Statements. <p>The Project Financial Statements will comprise of:</p> <ul style="list-style-type: none"> • Sources and uses of fund • Uses of fund by project activity • Contract expenditure report – Goods and works • Contract expenditure report – Consultants • Loan disbursement details • Reconciliation of claims to total application of funds <p>The agreed template for the project financial statements is in Attachment D.⁸</p>
(ix) Arrangements for interim financial reporting	The project has to submit quarterly progress report for the physical and financial progress made in the Project Monitoring Report not later than 45 days from the end of each quarter.
(x) Country specific circumstances (if applicable)	Since JMRC is a registered company under the Indian Companies Act 1956 the entity has to prepare the financial statements like Balance Sheet and Profit and Loss account.
(xi) Arrangements with cofinanciers	Not applicable.

⁷ Project financial statements prepared using the cash basis of accounting are acceptable to ADB.

⁸ The template should be prepared early during project processing and must be submitted to ADB for review, comments, and endorsement, before the interim review mission.

2. Project Financial Statements: Auditing, Submission, and Public Disclosure

23. JMRC shall for this project maintain separate books and accounts relating to expenditure from all sources. JMRC shall prepare and submit audited project financial statements to ADB in the English language within 6 months of the end of the fiscal year. Project financial statements shall include at a minimum, a statement of receipts and payments with accompanying notes and schedules. These shall be prepared to ensure maximum alignment to international accounting standards (Cash Basis International Public Sector Accounting Standards) and Government of India financial Regulations. To this end, template financial statements shall be used as a guide, and have been attached to the PAM as Annexure D.

24. Project financial statements shall be subject to audit by an independent auditor acceptable to ADB. The audit shall be conducted in accordance with acceptable auditing standards. The annual audit report will include an audit management letter, if and when issued, and audit opinions which cover (i) whether the project financial statements present a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework; (ii) whether loan proceeds were used only for the purposes of the project or not; (iii) the level of compliance for each financial covenant contained in the loan agreement for the project; and (iv) the use of the statement of expenditure procedure certifying to the eligibility of those expenditures claimed under SOE procedures, and proper use of the SOE in accordance with ADB's Loan Disbursement Handbook and the project documents.

- a. To ensure the timely submission of audited project financial statements, JMRC shall formally request the C&AG to include JMRC project audits in their yearly work plan through the DEA, at the time of loan negotiations. In addition, un-audited project financial statements should be submitted to for audit within 3 months of the end of the fiscal year.
- b. In addition, JMRC shall also submit a copy of their own entity level audited financial statements within one month of their approval by their respective governing body.

25. The Government, GOR and JMRC have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements. ADB reserves the right to require a change or addition in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial statements to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.⁹

26. Public disclosure of the project financial statements, including the audit report on the project financial statements, will be guided by ADB's Public Communications Policy (2011).¹⁰ After review, ADB will disclose the project financial statements for the project and the opinion of

⁹ ADB Policy on delayed submission of audited project financial statements:

- When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (i) the audit documents are overdue; and (ii) if they are not received within the next six months, requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- When audited project financial statements have not been received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (i) inform the executing agency of ADB's actions; and (ii) advise that the loan may be suspended if the audit documents are not received within the next six months.
- When audited project financial statements have not been received within 12 months after the due date, ADB retains the option to suspend the loan.

¹⁰ Available from <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB website. The Audit Management Letter and the entity level Audited Financial Statements will not be disclosed.

Table 2: Project Financial Statements: Auditing, Submission, and Public Disclosure

Aspects	Arrangements
(i) Legislative and regulatory basis	Accounting System: JMRC is having an accounting system that allows for the proper recording of project financial transactions. JMRC is following accrual accounting system. There is room for improvement in recording the allocation of expenditures in accordance with the respective components, disbursement categories. At present there are controls in place concerning the preparation and approval of transactions, ensuring that all transactions are correctly made and adequately explained. The software in place will generate Trial Balance, General Ledger and all other reports required for statutory audit. Bank Reconciliation is done monthly and any mistake found is getting rectified. There is no Accounts Manual and Procedure Manual in place. The project officers informed that they are in the process of preparing these manuals. The Accounts Manual and Procedure Manual are to be completed and implemented immediately.
(ii) Auditing standards	The Financial Statements are prepared and presented under historic cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and in compliance with the Accounting and Auditing Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956 to the extent applicable.
(iii) Auditor selection and appointment process, appointment term, and financing arrangements	Internal Audit: Presently there is no Internal Audit Department within the JMRC. A firm of Chartered Accountant has been appointed as Internal Auditor. The Internal Auditor submits his report periodically to the Director (Finance). There is also an audit committee to oversee the audit function and to take remedial measures within JMRC. External Audit/Statutory Audit: The statutory audit function is currently carried out by the Audit Firms appointed by the Comptroller and Auditor General. The Annual Report of JMRC is submitted to the Government and placed before the Legislature. The Statutory Auditor is appointed by C&AG every year. Being a Government Company the Annual Financial Statements are subject to Audit by Comptroller and Auditor General of India. The Comptroller and Auditor General of India will also conduct special audit, Review Audit, or other audits as required on selective basis.
(iv) Auditor terms of reference and engagement letter	The project account is being audited by the statutory auditor along with the general audit. A sample Statement of Audit Needs for audit of project financial statements is in Attachment C. The auditor's opinion will include a separate opinion on proper use of the statement of expenditure (SOE) procedure.
(v) Acceptability and qualifications of auditor	The following mitigating and remedial measures have been agreed to ensure that the auditor is acceptable to ADB: The Statutory Auditor for conducting audit of the JMRC is being selected by the Comptroller & Auditor General of India. The Internal Auditor is being selected by the JMRC should be a practicing Chartered Accountant Firm registered with the Institute of Chartered Accountants of India.
(vi) Timing and language of submission to ADB of audited project financial statements	The JMRC will submit Audited Project Financial Statements to ADB, in the English language, within 6 months of the end of the financial year and the audited financial statements within one month of their approval by the governing body of JMRC.
(vii) Review and response	The audit committee of the JMRC will review the auditor's report and

Aspects	Arrangements
mechanisms	respond to the auditor's recommendations. The committee has to see that there is a mechanism which will be established to ensure that the auditor's recommendations will be implemented within a reasonable period of time from the date of issuance of the management letter.
(viii) Public disclosure	After review, ADB will disclose the project financial statements for the project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website. The Audit Management Letter and the audited annual financial statements of JMRC will not be disclosed.
(ix) Country specific considerations	Not applicable
(x) Arrangements with cofinanciers (if applicable)	Not applicable

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

27. All advance contracting and retroactive financing will be undertaken in conformity with ADB's *Procurement Guidelines* (2013, as amended from time to time) (ADB's *Procurement Guidelines*)¹¹ and ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time) (ADB's *Guidelines on the Use of Consultants*).¹² The issuance of invitations to bid under advance contracting and retroactive financing will be subject to ADB approval. The borrower, GOR and JMRC have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the Project.

28. **Advance contracting.** Steps to be concluded in advance – e.g. (i) tendering, and bid evaluation for civil works packages; (ii) preparation of tender documents to procure materials and equipment; (iii) evaluation of bids; and (iv) recruitment of consultants.

29. **Retroactive financing.** Maximum amount of eligible expenditures up to equivalent of 20% of the total ADB loan, incurred before loan effectiveness, but not more than 12 months before the signing of the loan agreement.

B. Procurement of Goods, Works and Consulting Services

30. All procurement of goods and works will be undertaken in accordance with ADB's *Procurement Guidelines*.

31. International competitive bidding procedures will be used for civil works contracts estimated to cost \$40 million or more, and supply contracts valued at \$1 million or higher. Shopping will be used for contracts for procurement of works and equipment worth less than \$100,000.

32. Under National Competitive Bidding, before the start of any procurement, ADB and the Government will review the public procurement laws of the central and state governments to ensure consistency with ADB's *Procurement Guidelines*.

33. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Section C.

34. All consultants will be recruited according to ADB's *Guidelines on the Use of Consultants*.¹³ The terms of reference for all consulting services are detailed in Section D.

35. An estimated 6 person-months (6 national) of consulting services are required to conduct facility access audit, and the consulting firm will be engaged using consultants' qualifications selection. An estimated 47 person-months (12 international, 35 national) of consulting services are required to support metro rail planning, and the consulting firm will be engaged using the quality- and cost-based selection (QCBS) method with a standard

¹¹ Available at: <http://www.adb.org/Documents/Guidelines/Procurement/Guidelines-Procurement.pdf>

¹² Available at: <http://www.adb.org/Documents/Guidelines/Consulting/Guidelines-Consultants.pdf>

¹³ Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

quality:cost ratio of 90:10.

C. Procurement Plan

36. The procurement plan, prepared in accordance with the country specific template, is in Attachment A, describing all procurement of good and works to be undertaken for the Project.

D. Consultant's Terms of Reference

37. The outline terms of reference for consulting service is provided in Attachment B.¹⁴

¹⁴ Terms of reference guidelines available at: http://www.adb.org/Documents/Manuals/Consulting-Services-Operations-Manual/CSOM.pdf?bcsi_scan_D4A612CF62FE9576=AORY9a8Nho2ezS9Xss/lqEAAAANNiAA&bcsi_scan_filename=CSOM.pdf (paras 65–72).

VII. SAFEGUARDS

38. **JMRC Safeguard Cell.** JMRC will formalize a separate cell located at its head quarter for monitoring of social and environmental safeguards in the project. A nodal officer not below the rank of Deputy General Manger would be designated in-charge of this cell. The nodal officer will be reporting directly to the Director (Project) and will be assisted by two junior officials with separate responsibility for social and environmental monitoring and related documentation. The specific responsibilities of the nodal officer will include:

Social Safeguards

- Monitoring of payment of compensation and assistances to affected persons
- Ensuring all relocation and rehabilitation activities are complete before start of construction
- Ensure Redressal of grievances and their documentation.

Environmental Safeguards

- Implementation of the Environmental Management Plan
- Monitor implementation of environmental monitoring plan and SHE by the project contractors.
- Ensure that all required statutory environmental clearances are obtained and comply with clearance conditions.
- Ensure maintenance of registers for safety and disaster management.
- Appoint agency/experts as required for external monitoring of identified issues and documentation.
- Carry out environmental monitoring as per environmental monitoring plan during operation period
- Ensure Redressal of grievances and their documentation.
- Conduct regular training to contractors on EMP implementation

(a) Environment

39. **Categorization.** The project is categorized as A in accordance with the ADB *Safeguard Policy Statement (2009)*, due to potential impacts on heritage structures located in the area under which the underground metro section will be passing through. An Environmental Impact Assessment (EIA) report including a site specific Environmental Management Plan (EMP) has been prepared to identify all sensitive issues and recommend appropriate mitigation measures. In addition, there is the Safety, Health and Environment (SHE) guidelines adopted by JMRC.

40. **Implementation of SHE and EIA.** The safeguards cell within JMRC will coordinate and ensure that all environment safeguard requirements under the project are met. The SHE and EIA report including site specific EMP will be included in the contract documents. The contractors must include in their bid adequate budget for implementation of all items in the SHE and EIA. The safeguards cell through the project management consultant (Delhi Metro Rail Corporation) will monitor and report on the environmental compliance of contractors with the SHE and EIA and ensure proper implementation of the grievance and redress mechanism. Key implementation activities for each stage of the project are as follows:

(i) **Pre-construction:** All contractors will complete the following activities no later than 30 days from the issuance of Notice to Proceed: 1) Submit appointment letter and resume of the Contractor's Health and Safety Officer (HSO) who will be the on-site focal person for environment safeguards; 2) HSO will engage CSC-Environment Specialist, and JMRC safeguards cell to a meeting to discuss in detail the SHE and EIA seek clarification and recommend corresponding revisions if necessary; 3) HSO will request CSC-ES copy of monthly monitoring formats and establish deadlines for submission; 4) HSO will submit for CSC-ES approval an action plan to secure all permits and approvals needed during construction stage such as for operation of crushers and hot mix plants, transport and storage of hazardous materials, waste disposal sites, use of ground water etc. 5) HSO will submit for approval of CSC-ES the construction camp layout before its establishment where camps are required, and 6) before start of construction, the contractor will post signs in and around the construction site with information on the names, positions, contact numbers, and addresses of key people for receiving grievances

(ii) **Construction:** The JMRC safeguards cell through the PMC will monitor Contractor's compliance to the SHE and EIA. In case of non-conformances, the safeguards cell will recommend corrective measures and ensure their timely implementation. If any unanticipated impacts become apparent, the safeguards cell will inform ADB. If required the EIA report will be updated, and mitigation measures and resources to address the new impacts will be identified

(iii) **Post-construction:** The safeguards cell through the PMC will certify works completed in accordance with SHE and EIA and ensure all construction sites are satisfactorily rehabilitated and restored or otherwise recommend withholding of payments.

41. **PMC Environmental Specialist.** JMRC will ensure PMC (Delhi Metro Rail Corporation) to provide an Environmental Specialist who will, full time during construction, to monitor compliance by the contractor to the SHE and EIA in support of JMRC safeguard cell. The key qualification and experience consist of (a) minimum of a Master's Degree in Environmental Impact Assessment (EIA) or Environmental Engineering or related subjects; and (b) experience of minimum of 5 years of working experience in conducting Environmental Assessments, implementing and/or supervising environment management activities in infrastructure projects. The objective is to ensure contractor's compliance to the Safety Health and Environment (SHE) Guidelines and EIA in accordance with the requirements of the ADB Safeguard Policy Statement (SPS) 2009 as well as relevant policies of the Government of India. The main output is the Quarterly monitoring report during the construction period. The responsibilities include:

- Review EIA report including site specific EMP and SHE guidelines to understand the environmental issues in the project area and mitigation and monitoring requirements of the project
- Update the site specific EMP if there are any significant changes in the project scope or environmental conditions to incorporate all new environmental issues and mitigation measures
- Prepare monitoring checklists/templates for daily or weekly monitoring on implementation of the SHE and site specific EMP by the contractor.
- Organize a consultation meeting with JMRC safeguards cell, contractors Health and Safety Officers (HSO), Site Engineer and Heritage Expert before the start of physical

works to clarify roles and responsibilities of each party. After start of physical works organize a coordination meeting at least every quarter to provide updates, clarify and follow up on pending issues etc.

- Where necessary organize technical training programs to enhance the field level staff's understanding on environmental issues such as health impacts of dust and noise, waste/debris disposal and management, safety issues etc.
- Monitor implementation of the SHE and site specific EMP by the contractor on a daily or weekly basis. In doing so complete the daily or weekly monitoring checklists.
- Provide site based technical advice to the contractors where necessary during construction activities
- Co-ordinate with the contractor's site engineers on monitoring and data collection on noise and vibration generated during tunneling works and operation of heavy machinery
- Coordinate with the Heritage Expert on getting data on monitoring and status of heritage structures above ground
- Facilitate the functioning of the Grievance Redress Mechanism and maintain proper records of all environment related grievances and details on how they were addressed.
- Prepare quarterly Environmental Monitoring reports based on monitoring site visits, completed checklists and quarterly meetings for submission to JMRC safeguards cell and ADB. Amongst other environment safeguard issues, the monitoring report must cover:
 - compliance to the SHE and site specific EMP by the contractor
 - vibration monitoring activities conducted by contractor's engineers
 - grievances redress mechanism
 - monitoring and status of heritage sites above ground

42. **Monitoring of Heritage structures.** JMRC through DMRC will retain at its own cost the current Heritage architect as the Heritage site expert during construction of the underground metro section. The expert will be responsible for conducting a baseline survey of heritage sites above the metro alignment and conducting regular monitoring of the status of the heritage sites throughout the construction period. The expert will be responsible for coordinating necessary procedures if any historical/traditional artifacts are found during tunneling works. He/she will also provide advice on technical measures during construction to prevent damages to the heritage structures. In the event of any damage to a heritage structure he/she will immediately alert JMRC and recommend appropriate mitigation or restoration measures. The estimated person-months is about 6 months a year. Key outputs are: (a) Monthly monitoring report; (b) No damage on heritage structures; and (c) in the event of damage, implementation of immediate restoration and mitigation measures. The main responsibilities are:

- At least one month before the start of construction activities conduct a baseline survey of all heritage structures above the metro alignment and record detailed information including, but not limited to: list of heritage structures with details on location and distance from the metro alignment, exact height of structures above ground, existence of cracks/damages prior to start of construction, detailed photographs etc.
- Monitor the condition of the heritage structures on a monthly basis throughout the construction period and compare the status with the baseline status to ensure that there are no changes from the baseline condition.
- Coordinating necessary procedures if any historical/traditional artifacts are found during tunneling works.
- Provide advice on technical measures during construction to prevent damages to the heritage structures.

- In the event of observation in any damage to any heritage structure/s immediately alert JMRC and recommend appropriate mitigation or restoration measures.
- Provide technical advice on and supervise the mitigation or restoration activity.
- Prepare a monitoring report on a monthly basis to record activities implemented and monitoring findings and submit to JMRC safeguards cell as well the Environmental Specialist. Findings of the report will be included in the quarterly environmental monitoring report that will be prepared by the environmental specialist.

43. **Disclosure of Environmental Assessments and Monitoring Reports.** ADB and JMRC will disclose on their respective websites the EIA Report. The quarterly monitoring reports will also be disclosed on the ADB website.

(b) Social – Involuntary Resettlement

44. The project is classified category C in accordance with ADB *Safeguard Policy Statement (2009)*. The underground stations will be constructed by cut-and-cover with top-down method. No private land acquisition is envisaged as the entry and exit structures are planned in public squares which have sufficient unencumbered government land available. Therefore, the project is not anticipated to require land acquisition or any impact on involuntary resettlement. A due diligence on land acquisition and resettlement was carried out for Phase-A, financed by government in order to understand the resettlement actions conducted by JMRC and whether there was any reputation risk involved for ADB in financing Phase-B.¹⁵ The due diligence conducted for Phase A suggests that adequate and appropriate compensation has been paid to the affected persons. Mitigation measures included compensation, relocation, livelihood rehabilitation measures ensuring restoration of incomes of both titled and non titled affected persons. If any changes or additional land requirements or involuntary resettlement impacts are identified, a resettlement plan will be prepared in accordance with the ADB *Safeguard Policy Statement (2009)* and the same is further approved by ADB before award of related civil works contract and implemented before commencement of the relevant section of the civil works contract as applicable.

(c) Social – Indigenous People

45. No impact on indigenous peoples is envisaged as no physical or economic displacement will be required. Therefore, the project is classified as category C. In case of any adverse impacts if identified during implementation on indigenous people, the JMRC will ensure that the Indigenous peoples plan (IPP) is prepared in accordance with the ADB *Safeguard Policy Statement (2009)* and the same is further approved by ADB before award of related civil works contract and implemented before commencement of the relevant section of the civil works contract as applicable.

46. **Prohibited investment activities.** Pursuant to ADB's Safeguard Policy Statement (2009) (SPS),¹⁶ ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS.

¹⁵ The land acquisition and other mitigation measures for resettlement, rehabilitation and relocation were already completed for Phase-A, prior to ADB's reconnaissance Mission (9-17 December, 2012) for the proposed project (i.e., Phase-B).

¹⁶ Available at: <http://www.adb.org/Documents/Policies/Safeguards/Safeguard-Policy-Statement-June2009.pdf>

VIII. GENDER AND SOCIAL DIMENSIONS

47. **Gender consultation and participation.** In depth social and poverty analysis was carried out in the project influence area to assess the local demand for the proposed project, employment opportunities, child labor, gender specific capacity to take advantage of the likely socioeconomic opportunities that would result from the project, HIV transmission and or other health and safety risks that would result from the project. Focus group discussions were undertaken with women belonging to different socioeconomic groups in project influence areas. The majority of women work in the home and outside. The metro will be a safe, comfortable and reliable mode of public transportation will considerably reduce their journey time and will provide them better access to markets, workplaces, higher education, health facilities, and employment opportunities. Currently travel by public transport is an uncomfortable experience especially for the women, elderly and persons with disabilities as the buses and minibuses are not sufficient to cater to the traffic of the city. Gender participation was ensured during the course of the social study by undertaking a process of gender analysis to assess the impact of the project. Meaningful consultations that are gender inclusive and responsive will be carried out as early as in the project preparation stage and will be carried out on an ongoing basis throughout the project cycle.

48. For the convenience and safety of all the passengers especially women and the vulnerable, various facilities at the metro stations include; public announcement systems with announcements in English and Hindi; electronic changeable message signs on the platform to announce arrival of the next train; closed circuit television to monitor security; and automatic fare control system with enclosed tickets. Other facilities include escalators, lifts, illumination emergency lights, ventilation, and exit. The project will also provide job opportunities for women in the operations and maintenance of the metro rail systems such as ticketing staff, station personnel, as well as in the technical aspects of driving the trains and other engineering-related jobs. JMRC shall ensure that the bidding documents provide clauses to ensure that all civil works contractors comply with labor laws by not employing child labor; encouraging the employment of the poor, particularly women; and not offering different wages to men and women on work of equal value.

49. **HIV and AIDS.** To combat HIV/AIDS is one of the UN Millennium Development Goals, which promises to halt spread of HIV/AIDS by 2015. The Government along with NACO and State AIDS Control Society has been successfully carrying out awareness campaigns and free health care to minimize the spread of HIV/AIDS in various parts of the country. The social assessments undertaken have not revealed any significant risks of HIV/AIDS and human trafficking. JMRC will ensure that all civil works contractors (i) carry out awareness programs for labor on the risks of sexually transmitted diseases/AIDS and human trafficking; and (ii) disseminate information at worksites on the risks of sexually transmitted diseases and HIV/AIDS as part of health and safety measures for those employed during construction. Contracts for the project will include specific clauses on these undertakings, and compliance will be strictly monitored by JMRC.

50. **Health.** JMRC shall ensure that contractors provide adequately for the health and safety of construction workers and further ensure that bidding documents include measures on how contractors will address this, including an information and awareness raising campaign for construction workers on sexually transmitted diseases, HIV/AIDS, and human trafficking.

51. **Labor.** JMRC shall ensure that (i) civil works contractors comply with all applicable labor laws and regulations, do not employ child labor for construction and maintenance activities, and provide appropriate facilities for women and children in construction campsites; (ii) people directly affected by the projects are given priority to be employed by the contractor; (iii) contractors do not differentiate wages between men and women for work of equal value; and (iv) specific clauses ensuring these will be included in bidding documents. The construction supervision consultants monitor the provisions.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

A. Project Design and Monitoring Framework

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
Impact Improved public transport in Jaipur	Public transport modal share increases to 30% by 2025 (2009 baseline: 19%)	Monitoring report of Jaipur Development Authority	Assumption Government of India and state government remain committed to public transit improvement
Outcome Improved mass rapid transit system in Jaipur	Average daily number of passengers using Line 1-Phase B reaches 126,000 in the first year of operation (2018-2019)	JMRC fare collection statistics	Assumption State government, through JMRC, completes and operates Line 1-Phase A
Outputs 1. Line 1-Phase B built 2. Line 2 plans updated	Underground rail infrastructure of 2.3 kilometers and two stations completed by 2018 Detailed project report updated by 2015	(For all indicators) Monitoring report of JMRC	Risk Unpredicted underground conditions delays construction
Activities with Milestones 1. Line 1-Phase B built 1.1 Procurement of main civil works by December 2013 1.2 Procurement of other works and equipment by June 2015 1.3 Construction works and equipment installation by September 2017 1.4 Testing and commissioning by March 2018 2. Line 2 plans updated 2.1 Consultant recruitment by July 2014 2.2 Update detailed project report by December 2015		Inputs Loan ADB: \$176 million Government of Rajasthan: \$83 million	

ADB = Asian Development Bank, JMRC = Jaipur Metro Rail Corporation.
Source: Asian Development Bank.

B. Monitoring

52. **Project performance monitoring:** The achievement of the project performance targets will be assessed following the design and monitoring framework. JMRC, assisted by the Project Management Consultant will establish a project performance management system. A project completion report will be submitted within 3 months of physical completion of the project, providing detailed evaluation of the progress of implementation, costs, consultant performance, social and economic impact, and other details as requested by ADB.

53. **Compliance monitoring:** Compliance with covenants will be monitored through ADB's Project Administration Missions – including project inception mission to discuss and confirm the timetable for compliance with the loan covenants; project review missions to review the borrower's compliance with particular loan covenants and, where there is any noncompliance or delay, discuss proposed remedial measures with the Government; and mid-term review mission if necessary to review covenants to assess whether they are still relevant or need to be changed, or waived due to changing circumstances.

54. **Safeguards monitoring - Environment:** JMRC safeguards cell with the support of the PMC Environmental Specialist will monitor compliance by the contractor to the SHE, EIA and EMP. Quarterly monitoring reports will be prepared in accordance with the requirements of ADB's SPS 2009 and disclosed on the ADB website.

55. **Safeguards monitoring - Resettlement:** There is no resettlement impact for the project. If impact is identified during project implementation, a monitoring system will be established based on the ADB *Safeguard Policy Statement (2009)* and Government of India regulations.

56. **Indigenous People:** There is no impact on indigenous peoples for the project. If impact is identified during project implementation, a monitoring system will be established based on the ADB *Safeguard Policy Statement (2009)* and Government of India regulations.

57. **Gender and social dimensions monitoring:** The project does not have substantive gender issue, as the impact and benefit will apply equally among men and women. The contract for civil works will include measure to ensure safe and healthy working environment for both the men and women laborers. The civil works contractors will be advised to take appropriate measures with respect to compliance of equal pay for men and women, health and safety at construction sites and labor camps and awareness program for the workers on prevention of HIV/AIDS.

58. **Grievance Redress Mechanism:** Grievances related to the implementation of the project, particularly regarding the land acquisition and R&R will be acknowledged, evaluated, and responded to the complainant with corrective actions. To smoothen the process of land acquisition for JMRC, a Negotiation Committee was constituted on 27th August 2010 under the Chairmanship of Secretary, JDA in order to expedite acquisition, determining compensation & rehabilitation. The Committee included the concerned deputy Commissioner JDA as Member Secretary and LAO & representative of Collector not below the rank of Additional Collector as member. In continuation of this vide order dated 6th January, 2011, OSD (Land) JMRC has been nominated as member and vide order dated 18th March 2011 Additional Commissioner (Administration) was nominated as Chairman of this Committee in place of Secretary, JDA. Any grievance regarding the land acquisition and R&R is received by OSD (Land), JMRC and is addressed through the decision of the "Negotiation Committee".

C. Evaluation

59. Regular reviews will follow. As necessary, special loan administration missions and a midterm review mission will be fielded, under which any changes in scope or implementation arrangement may be required to ensure achievement of project objectives. JMRC will monitor project implementation in accordance with the schedule and time-bound milestones, and keep ADB informed of any significant deviations that may result in the milestones not being met.

D. Reporting

60. The JMRC will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions; (c) updated procurement plan as appropriate and (d) updated implementation plan for next 12 months; and (iii) a project completion report within 3 months of physical completion of the Project. To ensure projects continue to be both viable and sustainable, project accounts and the executing agency AFSs, together with the associated auditor's report, should be adequately reviewed.

E. Stakeholder Communication Strategy

61. Various information regarding the project, including scope, general progress status, beneficiaries, invitation for bid and consultant recruitment notices, will be provided to the general public. The information will be made available and updated through the official websites of JMRC.

X. ANTICORRUPTION POLICY

62. The Government, GOR and JMRC are advised of ADB's Anticorruption Policy (1998, as amended to date).¹⁷ Consistent with its commitment to good governance, accountability and transparency, implementation of the Project shall adhere to ADB's Anticorruption Policy. ADB reserves the right to review and examine, directly or through its agents, any alleged corrupt, fraudulent, collusive, or coercive practices relating to the Project. In this regard, investigation of government officials, if any, would be requested by ADB to be undertaken by the government.

63. To support these efforts, relevant provisions of ADB's Anticorruption Policy are included in the Loan Regulations and the bidding documents. In particular, all contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the State and JMRC and all contractors, suppliers, consultants, and other service providers as they relate to the Project. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contract under the project.¹⁸

64. ADB's Anticorruption Policy designates the Office of Anticorruption and Integrity as the point of contact to report allegations of fraud or corruption among ADB-financed projects or its staff. Office of Anticorruption and Integrity is responsible for all matters related to allegations of fraud and corruption. For a more detailed explanation refer to the Anticorruption Policy and

¹⁷ Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

¹⁸ ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

Procedures. Anyone coming across evidence of corruption associated with the Project may contact the Anticorruption Unit by telephone, facsimile, mail, or email at the following numbers/addresses:

by email at integrity@adb.org or anticorruption@adb.org

by phone at +63 2 632 5004

by fax to +6326362152

by mail at the following address (Please mark correspondence Strictly Confidential):

Office of Anticorruption and Integrity
Asian Development Bank
6 ADB Avenue Mandaluyong City
1550 Metro Manila, Philippines

65. JMRC's website will provide updated, detailed information on project implementation. For example, it will include procurement-related information, such as the list of participating bidders, name of the winning bidder, basic details on bidding procedures adopted, amount of contract awarded, and the list of goods and/or services procured.

XI. ACCOUNTABILITY MECHANISM

66. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.¹⁹

¹⁹ For further information see: <http://www.adb.org/Accountability-Mechanism/default.asp>.

XII. RECORD OF PAM CHANGES

67. All revisions/updates during course of implementation should be recorded and retained under this Section to provide a chronological history of changes to implemented arrangements recorded in this PAM.

Rev.	Date	Description of Revisions
1		
2		

XIII. ATTACHMENTS

Attachment A:	Procurement Plan
Attachment B:	Outline Terms of Reference for Consulting Services
Attachment C:	Audit Needs of the Project Financial Statement
Attachment D:	Agreed Template for the Project Financial Statement

Attachment A: Procurement Plan

Basic Data

Project Name	Jaipur Metro Rail Line 1– Phase B Project
Country	India
Executing Agency	State of Rajasthan through UDH and JMRC
Loan Amount	\$ 176 million
Loan Number	To be assigned
Date of First Procurement Plan	4 June 2013
Date of This Procurement Plan	5 September 2013

A. Process Thresholds, Review, and 18-Month Procurement Plan

1. Project Procurement Thresholds

1. Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works	
Method	Threshold
International Competitive Bidding (ICB) for Works	\$40,000,000 and more
International Competitive Bidding (ICB) for Goods	\$1,000,000 and more
National Competitive Bidding (NCB) for Works	Less than \$40,000,000
National Competitive Bidding (NCB) for Goods	Less than \$1,000,000
Shopping for Works	Less than \$100,000
Shopping for Goods	Less than \$100,000

2. ADB Prior or Post Review

2. Except as ADB may otherwise agree, the following prior or post review requirements apply to the various procurement and consultant recruitment methods used for the Project.

Procurement Method	Prior or Post	Comments
Procurement of Goods and Works		
ICB Works	Prior	
ICB Goods	Prior	
NCB Works and Good	Post	Prior review for the bidding documents (for first package).
Shopping for Works	Post	
Shopping for Goods	Post	
Recruitment of Consulting Firms		
Consultants' Qualifications Selection (CQS)	Prior	
Quality- and Cost-Based Selection (QCBS)	Prior	

3. Goods and Works Contracts Estimated to Cost More Than \$ 1 Million

3. The following table lists goods and works contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

General Description	Contract Value	Procurement Method	Prequalification of Bidders (Yes/No)	Advertisement Date (quarter/year)	Comments
Civil works for underground tunnel section and stations	\$101.3 million	ICB	No	Q2/2013	

4. Consulting Services Contracts Estimated to Cost More Than \$100,000

4. The following table lists consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

General Description	Contract Value	Recruitment Method	Advertisement Date (quarter/year)	International or National Assignment	Comments
---------------------	----------------	--------------------	-----------------------------------	--------------------------------------	----------

5. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000

5. The following table groups smaller-value goods, works, and consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

General Description	Value of Contracts (cumulative)	Number of Contracts	Procurement / Recruitment Method	Comments
Facility access audit	\$70,000	1	Consultants' Qualifications Selection	

B. Indicative List of Packages Required Under the Project

6. The following table provides an indicative list of all procurement (goods, works and consulting services) over the life of the project. Contracts financed by the Borrower and others should also be indicated, with an appropriate notation in the comments section.

General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Domestic Preference Applicable	Comments
Civil works for underground tunnel section and stations.	\$ 101.3 million	1	ICB	No	
E&M works, lifts, escalators, OHE, track, security infrastructure, and stations access	\$ 29.1 million	10	NCB	No	
Signal, train control, and telecommunication	\$ 8.2 million	6	Direct Contracting	No	See paragraph 7
General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Type of Proposal	Comments
Facility access audit	\$ 70,000	1	CQS		
Metro rail planning	\$ 900,000	1	QCBS (90:10)	Simplified	

7. As the ADB financed Line 1-Phase B extends Line 1-Phase A, comprising a single, continuous, and integrated railway system, there is a critical need to ensure standardization and technical compatibility. Therefore, direct contracting without competition is adapted to procure (design, manufacture, supply, installation, testing and commissioning) the safety critical signal and telecommunication equipment under Line 1-Phase B as additional items under existing contracts for Line 1-Phase A. Under this circumstance, which requires standardization of equipment to be compatible with existing equipment, the proposed direct contracting method is considered appropriate.

Table of Indicative Contract Packages and Estimated Values

(Line1-Phase B, Total Length=2.349km)			
Packages/Description	Estimated Contract Value		Procurement Method
	Rs. Crores	US\$	
Civil: UG (C&C)=0.706km, UG (TBM)=1.643km, Total Stations-2nos, UG=2nos			
JP/E-W/1B/C1	Underground section by Tunnel Boring Machine & Cut-and-Cover		ICB Design-Build
	Alignment and formation		
	Underground Stations - Civil Works		
	Miscellaneous		
	Sub-total	562.48 101,346,943	
Electrical			
JP/E-W/1B/E1	Underground E&M works, ECS	104.14 18,763,964	NCB/Design-Supply-Install
JP/E-W/1B/E2	Lifts	3.95 710,811	NCB/Design-Supply-Install
JP/E-W/1B/E3	Escalators	7.50 1,351,351	NCB/Design-Supply-Install
JP/E-W/1B/E4	OHE	18.85 3,397,095	NCB/Design-Supply-Install
	Sub-total	134.44 24,223,222	
Signal & Telecom			
JS-02	Train Control and Signalling System	26.30 4,738,513	Direct-ALSTOM
JS-21	Automatic Fare Collection System	8.13 1,464,235	Direct-SDS-Kalindee
JS-11	Fiber Optics Transmission System	0.86 155,047	Direct-Fibcom
JS-12	Telephone System	1.62 291,802	Direct-ABSI & Carrycon
JS-14	Train Radio TETRA, CCTV, and UPS	5.76 1,037,421	Direct-Fibcom Consortium
JS-15	PIDS, PAS, and Master Clock System	2.96 533,954	Direct-Thales Consortium
	Sub-total	45.63 8,220,971	
Track			
JP/E-W/1B/JFT-1	Laying of Tracks	9.09 1,637,574	NCB/Works
JP/E-W/1B/JFT-2	Supply of Head Hardened Rails	3.43 618,446	NCB/Goods-Supply
JP/E-W/1B/JFT-3	Supply of Track Fastening	4.29 772,186	NCB/Goods-Supply
JP/E-W/1B/JFT-4	Supply of Turnouts for Mainline	3.11 559,650	NCB/Goods-Supply
	Sub-total	19.91 3,587,855	
Security infrastructure		4.22 760,360	NCB/Works
Station Access Improvement		3.00 540,541	NCB/Works

Attachment B: Outline Terms of References for Consulting Services

Outline Terms of Reference for Consulting Services

Facility Access Audit IND (P46417): Jaipur Metro Rail Line 1–Phase B Project

A. Background and Objectives

1. Access Auditing is a systematic way to ascertain the accessibility of the existing target building or facility. It provides clear information on what is required to improve for the users of buildings and facilities including people with mobility and sensory impairments. As a continued maintenance and improvement plan for the buildings and facilities, access auditing is a very important procedure.
2. Basically, improving facility access is to increase the range of users able to use the building or facility including people with various disabilities. The result of the access audit is a check point of the status of the accessibility of the facilities both indoor and outdoor elements. It helps building providers to manage any improvement actions by highlighting the areas of access concern.
3. An access audit can be divided into two main stages: gathering information and making recommendations. Ideally both activities should be conducted by the same person/team, who bring their technical knowledge to the auditing progress. Alternatively, non-technical persons may carry out the first stage of information gathering, followed by professionals with technical understanding of buildings to propose realistic and practical alteration solutions to the building or facility.

B. Scope of Services

4. The coverage areas of the access audit include underground station facilities and amenities, access areas for entry and exit, and pedestrian sidewalks, footpath, road crossing within about 500 meter radius of the two station locations.
5. Preparation: Before the action of access auditing on site, it is necessary to have knowledge of the target facility and how it is used; and an updated floor plan of the target stations and surrounding area. A programme with schedules and audit teams for the audit action should also be formulated. Basic materials and equipment needed are:
 - Checklists of the facilities
 - Design manual or guideline for accessibility
 - Floor plan/layout of the building
 - Recording tools, such as a camera, pen and note pad
 - A two-meter tape measure
 - A door pressure gauge
 - A gradient measurer
 - A light meter.
6. Checklists: The checklists comprise a series of work sheets each dealing with one element of the facility, building or its setting. It provides a systematic procedure to survey a building and its facilities, and to identify existing barriers to accessibility. The checklist will enable the following:

- Identify barriers that exclude people with disabilities
- Select improvements needed to make the building accessible
- Make short and long term plans for implementing changes
- Document the assessment process for future reference

The general order to audit a facility is:

1. Approaching the building

- getting to the site by transportation
- taxi stands, parking and drop-off areas
- kerb cuts
- main entrance
- space requirements
- ramps
- stairs
- emergency egress
- pavement and access routes
- ground and floor surfaces
- Tactile walking surface indicators
- wayfinding and signage

2. Enter the building

- horizontal circulation
- circulation and access routes
- ground and floor surfaces
- Tactile walking surface indicators
- doors, doorways
- vertical circulation to reach all the levels
- stairs
- elevators/lifts
- ramps
- wayfinding and signage
- service counters

3. Moving around inside and using its facilities

- getting to and using the rest rooms/toilets
- getting to and using all the facilities
- doorways and passageways
- rest area
- climate Control

4. Leaving the building

- wayfinding and signage
- Tactile walking surface indicators
- stairs
- ramps
- emergency exit routes
- areas of rescue assistance

5. Additional amenities

- reception/service counters

- drinking fountains
- public telephones
- automated teller machines
- vending machines
- public address systems
- flags, banners and display panels
- memorials, public sculptures
- waste collectors and recycling bins
- benches and seating
- post boxes

7. Data collection on-site and recording the results: Using the checklists, begin the measuring and recording process area by area paying particular attention to details. Following the on-site data collection and measuring process, it is possible to collect all necessary data and remarks of the facility. The audit report should clearly record the findings of the information-gathering stage.

8. Resolving technical problem: The report should suggest possible improvements that could be made to the building. These will range from minor non-structural adjustments (e.g. repositioning of furniture, choice of colour scheme, heights of signage, operational issues) to possibly major structural alterations where the skills of a technical person are required.

9. Priorities: The report will normally provide indication of priority ranking for suggested changes, which may depend on various factors such as:

- The building owner's policy and objectives
- Current or proposed use of the building
- Costs involved and resources available
- Future plans for major refurbishment or other alterations and additions
- Regular repair, modification and maintenance programme
- Agreement with outside bodies (e.g. future improvement by city authority)

10. Costs: Owners may expect indication of likely costs to implement the recommendations as proposed in the access audit report. These may be given in general terms such as: none, minimal, part of regular repair and maintenance programme, significant structural alteration required or substantial cost will incur for addition of new accessible facility (vertical platform lift)

C. Implementation Arrangements

11. The access audit will be implemented by a national consulting firm. It is anticipated that the following international and national staff will be required:

Urban Transport Planner (3 person-months)
Urban Infrastructure Architect (3 person-months)

D. Reports, Deliverables, and Time Schedule

12. Access Audit Report as described above.

Outline Terms of Reference for Consulting Services

Metro Rail Planning for Line 2 IND (P46417): Jaipur Metro Rail Line 1–Phase B Project

A. Background and Objectives

- The objective is to review and update the Detailed Project Report (DPR) for Jaipur Metro Rail Line 2 (North-South corridor of 23 kilometers from Ambabadi to Sitapura).

B. Scope of Services

- The consultant will review and update the following aspects:

Jaipur Urban Transport Sector Assessment
Updated Traffic Assessment
Preliminary Engineering and System Performance Specification
Cost Estimate
Economic and Financial Assessment
Financial Sustainability Assessment
Implementation Arrangement
Outline Bidding Documents

C. Implementation Arrangements

- The consulting services will be implemented by an international consulting firm. An association with a suitable domestic consultant is encouraged to compliment consultant's local knowledge and experience. It is anticipated that the following international and national staff will be required:

International	Person- months	National	Person- months
Team Leader/Metro Rail Expert (Civil)	6	Metro Rail Expert (Civil)	6
Metro Rail Expert (Systems)	4	Metro Rail Expert (Systems)	6
Economic and Financial Specialist	2	Geotechnical Specialist	3
		Urban Transport Specialist	3
		Economic and Financial Specialist	3
		Legal Expert	1
		Procurement Specialist	4
		Environmental Specialist	4
		Social Resettlement Specialist	5
Total (International)	12	Total (National)	35

D. Reports, Deliverables, and Time Schedule

- Updated Feasibility Study and Detail Project Report.

Attachment C: Audit Needs of the Project Financial Statement
IND (P46417): Jaipur Metro Rail Line 1-Phase B Project

AUDIT OF PROJECT FINANCIAL STATEMENTS (PFS), STATEMENT OF
EXPENDITURES (SOEs) and PROJECT ACCOUNT

Objective

The objective of the audit of the Project Financial Statement (PFS) is to enable the auditor to express a professional opinion on the financial position of the i) the PFS present fairly, in all material respects, the sources and applications of project funds for the period under audit examination, (ii) the funds were utilized for the purposes for which they were provided, and (iii) expenditures shown in the PFS are eligible for financing under the relevant loan or credit agreement. In addition, where applicable, the auditor will express a professional opinion as to whether the Financial Management Reports submitted by project management may be relied upon to support any applications for withdrawal, and whether adequate supporting documentation has been maintained to support claims made by project management for reimbursement of expenditures incurred under the Statement of Expenditure method of reimbursement. The books of account that provide the basis for preparation of the PFS are established to reflect the financial transactions of the project and are maintained by the project implementation agency. The project accounts (books of account) provide the basis for preparation of the PFS and are established to reflect the financial transactions in respect of the project, as maintained by the JMRC

Scope

The audit should be carried out in accordance with International Standards of Auditing as applicable in India, and should include such tests and controls as the auditor considers necessary under the circumstances. In conducting the audit, special attention should be paid to the following:

- (a) All Project funds have been used in accordance with the conditions of the relevant financing agreement, with due attention to economy and efficiency, and only for the purposes for which the financing was provided.
- (b) Counterpart funds have been provided and used in accordance with the relevant financing agreement, with due attention to economy and efficiency, and only for the purposes for which they were provided;
- (c) All necessary supporting documents, records, and accounts have been kept in respect of all project ventures, including expenditures reported via SOEs. Clear linkages should exist between the books of account and reports presented to the Bank.
- (d) The project accounts have been prepared in accordance with consistently applied standards and give a true and fair view of the financial situation of the project and of resources and expenditures for the year ended on that date.

The Project Financial Statements should include:

- (a) a Summary of Funds received, the counterpart, and other funds separately;
- (b) a Summary of Expenditures shown under the main project headings and by main categories of expenditures, both for the current fiscal year and accumulated to date; and
- (c) a Statement showing Accumulated Funds of the Project, bank balances, other assets of the project, and liabilities. if any.

Statements of Expenditure

In addition to the audit of the PFS, the auditor is required to audit all SOEs used as the basis for the submission of withdrawal applications. The auditor should apply such tests and controls as the auditor considers necessary under the circumstances. These expenditures should be carefully compared for project eligibility with the relevant financing agreements. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be separately noted by the auditor. Annexed to the Project Financial Statements should be a schedule listing individual SOE withdrawal applications by specific reference number and amount, The total withdrawals under the SOE procedure should be part of the overall reconciliation of Bank disbursements described above.

Project Account

In conjunction with the audit of the Project Financial Statements, the auditor is also required to audit the activities of the Project Account associated with the Project. The Project Account usually composes:

- deposits and receipts from GOR
- payments substantiated by withdrawal applications and
- the remaining balances at the end of each fiscal year.

The auditor must form an opinion as to the degree of compliance with the Bank's procedures and the balance of the Project Account at year-end. The audit should examine the eligibility and correctness of financial transactions during the period under review and fold balances at the end of such a period, the operation and use of the Project Account in accordance with the financing agreement, and the adequacy of internal controls for this type of disbursement mechanism.

Audit Opinion

Besides a primary opinion on the Project Financial Statements, the annual audit report of the Project Accounts should include a separate paragraph commenting on the accuracy and propriety of expenditures withdrawn under SOE procedures and the extent to which the Bank can rely on SOEs as a basis for loan disbursement. The auditor should submit the report to the JMRC.

Management Letter

In addition to the audit reports, the auditor may prepare a "management letter", in which the auditor may:

- (a) give comments and observations on the accounting records, systems, and controls that were examined during the course of the audit;
- (b) identify specific deficiencies and areas of weakness in systems and controls and make recommendations for their improvement;
- (c) report on the degree of compliance of each of the financial covenants on the financing agreement and give comments, if any, on the internal and external matters affecting such compliance;
- (d) communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the project; and
- (e) bring to the attention of the JMRC any other matters that the auditor consider pertinent.

General

The auditor will be given access to all legal documents, correspondence, and any other information associated with the project and deemed necessary by the auditor. The auditor should be familiar with the Bank's *Disbursement Handbook*. These documents, if it is necessary, will be provided by the JMRC.

Report

The auditor will give an Audit opinion and Management letter if and when issued.

Attachment D: Agreed Templates for the Project Financial Statement
IND (P46417): Jaipur Metro Rail Line 1-Phase B Project

Jaipur Metro Rail Corporation Limited ADB Assisted Jaipur Metro Rail Line 1- Phase B Project Sources and Uses of Funds as at _____							
	Actual		Planned		Variance		PAD
	Year to Date	Cumulative to Date	Year to Date	Cumulative to Date	Year to Date	Cumulative to Date	Life
Opening Balance							
Project Bank Accounts							
Total							
Add : Source of Funds							
Government Funds							
ADB Funds							
Total							
Less : Uses of Funds (give details)							
Goods							
Civil Works							
Consultants & Training							
Operating Cost							
Total							
Closing Balance							
Project Bank Accounts							
Total							

Jaipur Metro Rail Corporation Limited ADB Assisted Jaipur Metro Rail Line 1- Phase B Project Uses of Funds by Project Activity							
	Actual		Planned		Variance		PAD
	Year to Date	Cumulative to Date	Year to Date	Cumulative to Date	Year to Date	Cumulative to Date	Life
1. Goods							
XXX							
XXX							
2. Civil Works							
XXX							
XXX							
3. Electrical Works							
XXX							
XXX							
4. Signaling and Telecom Works							
5. Consulting Services and Training							
6. Operating Cost							
Total							

Jaipur Metro Rail Corporation Limited
ADB Assisted Jaipur Metro Rail Line 1- Phase B Project
Contract Expenditure Report (Goods and Works)
as at _____

GL Proj Code	Disbursement Category	Contract Description	Procurement Method	Contract Number	Supplier/ Contractor	Nationality	Contract Currency	Contract Value	Amount Invoiced to date	Amount Paid to date	Expenditure Type/ii
	Goods		<i>ICB</i> <i>NCB</i> <i>NS</i>								
	Works		<i>ICB</i> <i>NCB</i> <i>NS</i>								

/i: Each method in Procurement Guidelines should be shown separately.

/ii: Foreign, local (ex factory) or local (other)

ICB = International Competitive Bidding

NCB = National Competitive Bidding

NS = National Shopping

Jaipur Metro Rail Corporation Limited
ADB Assisted Jaipur Metro Rail Line 1- Phase B Project
Contract Expenditure Report (Consultant Services)
 as at _____

GL Proj Code	Category	Selection Method /i	Contract Number	Contract Description	Consultant	Nationality	Contract Currency	Contract Value	Amt Invoiced to date	Amount Paid to date	Expenditure Type/ii

/i: Each method in Consultant Selection Guidelines should be shown separately.
 /ii: Foreign or local

<p style="text-align: center;">Jaipur Metro Rail Corporation Limited ADB Assisted Jaipur Metro Rail Line 1- Phase B Project ADB Loan Disbursement for the Quarter ending _____</p>							
Disbursement Category	Eligible %	Current Quarter		Cumulative		Total ADB Disbursement to date	Total ADB Loan
		In '000 INR		In '000 INR			
		Year to Date	Cumulative to Date	Year to Date	Cumulative to Date		
Goods							
Civil Works							
Consultants & Training							
Operating Cost							
Total							

Jaipur Metro Rail Corporation Limited
ADB Assisted Jaipur Metro Rail Line 1- Phase B Project
Reconciliation of Claims to Total Application of Funds

Details of the disbursement by method are given below in INR '000

Disbursement Statement	Schedule	Current Year	Prior Year	Cumulative Project to Date
ADB Fund claimed during the year				
Direct Payment	I			
Reimbursement	II			
Imprest Fund (Not Applicable)	III			
Commitment Letter	IV			
Subtotal (A)				
Total Expenditure made during the year (B)¹				
Less: Ineligible expenditure				
Expenditure not yet claimed				
Borrower's share ²				
Total Eligible Expenditure claimed (C = A)				

¹ The expenditure should tally with the current year's payment in Annexure 1, Statement of Receipts and Payments.

² This should tally with the Government share in Annexure 2, Statement of Expenditure by category and financier.