

ATTACHED TECHNICAL ASSISTANCE: CAPACITY DEVELOPMENT OF INSTITUTIONS IN THE URBAN SECTOR IN RAJASTHAN

1. A technical assistance (TA) grant will be provided to the Government of Rajasthan (GOR) to support capacity building of institutions in the urban sector that would help institutional development and improvement of governance in the urban sector in Rajasthan. It will also provide advisory assistance to the GOR in improving and strengthening the management and operation of urban water and wastewater sectors in the state. This will specifically include assistance to Urban Development and Housing Department (UDHD), Public Health Engineering Department (PHED), Rajasthan Urban Infrastructure Development Project (RUIDP), and other relevant agencies of the GOR in implementing the reforms identified in the program loan policy matrix of the Rajasthan Urban Sector Development Program. A policy support unit will be established in the Local Self Government Department (LSGD) for this purpose.

A. Impact, Outcome, and Output

2. The impact of the TA will be sustainable urban development in Rajasthan. The outcome will be improved urban service delivery in Rajasthan. The outputs of the TA will be the policy objectives detailed out in the policy matrix of the program loan, which are: (i) establish sustainable corporatized state-level organization for urban development; (ii) establish independent corporatized utilities at the city level to manage water supply and wastewater services, and promote public-private partnerships (PPPs) in the urban water and wastewater sectors; (iii) delegate water supply operations from the state to the municipal bodies; (iv) rationalize urban property tax in the state; (v) develop a long-term urban development policy; (vi) develop a human resource development plan for urban governance; (vii) improve revenue realization from water and sewerage charges; (viii) improve water supply and wastewater service delivery in the state; and (ix) establish benchmarking of urban services in the state.

B. Activities

3. The TA activities will include support to the GOR in implementing conditions for release of tranches 1 and 2 of the program loan.

4. **Component A: Strengthening Urban Institutions.** Major activities under this component will include, among others, preparation, support to the GOR for adoption, and implementation of the following : (i) a roadmap for corporatization of RUIDP and support to the GOR to implement the same; (ii) a roadmap for corporatization of water supply and sewerage operations of Jaipur urban area and support to the GOR to implement the same; (iii) assistance to RUIDP (as corporatized entity) to effectively support 25 municipal bodies for project management; (iv) assistance to the GOR in operationalizing operation and maintenance contracts for water supply in five cities and for wastewater in six cities; (v) delegation of water and wastewater operations, including tariff setting powers, to five municipal bodies; (vi) assistance to municipal bodies (with support from GOR and through performance-based management contractors appointed under the project) to commence improved water supply operations in the five project cities; (vii) a roadmap for rationalization of property tax in the state to include all properties; and (viii) assistance to municipal bodies to collect property tax from at least 50% eligible properties in 50% of municipal bodies in the state.

5. **Component B: Improvement of Urban Governance.** Major activities under this component will include, among others, preparation, support to the GOR for adoption, and implementation of the following: (i) a long-term urban development policy; (ii) a human resource

development plan, including support for establishment of a training institute and training the specified number of functionaries and elected representatives; (iii) a policy for 24x7 water supply and assistance in operationalizing the same in identified cities; (iv) a benchmarking system of urban services, and operationalizing the same for 25 cities; (v) a policy for individual house connections to residents in slum areas and assistance in provision of connections to 90% poor households in the identified cities; (vi) GIS-based water supply and sewerage operational systems in identified cities; (vii) a system for computerization of consumers' databases in identified cities; (viii) improvement of billing and collection efficiency to at least 90% in identified cities; (ix) water and waste water quality monitoring system; (x) waste and wastewater recycle and reuse; (xi) bridging gaps between sanitation and health outcomes; and (xii) water and sanitation linkages with economic growth and competitiveness of cities.

6. **Component C: Capacity Building of Stakeholders.** The TA will provide support for capacity building of stakeholders (UDHD, PHED, RUIDP, and other relevant agencies of the GOR) in implementing the reforms identified in the program loan policy matrix through the following: (i) exposure visits to the best practice projects and similarly-situated utilities in Asia for better understanding of key issues and results achieved in the urban water and wastewater sectors that could be replicated and further developed in the state; and (ii) knowledge transfer program through training, workshops, and seminars, and publications, to enhance the capacity of relevant staff in terms of institutional development and improvement of governance in the urban water and wastewater sectors.

C. Cost and Financing

7. The TA is estimated to cost \$1,000,000, financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-Others). The government will provide counterpart support in the form of counterpart staff, office space, workshop venues, and other in-kind contributions.

D. Implementation Arrangements

8. The State of Rajasthan acting through its LSGD will be the executing agency and will appoint a senior officer as the TA coordinator and adequate counterpart staff to work with the consultants. The TA team will be based in the RUIDP office. ADB will recruit a consulting firm using the quality- and cost-based selection method with a quality-cost ratio of 90:10 in accordance with ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time). Additional individual consultants may be recruited as necessary to strengthen the process. To facilitate implementation, the TA will use an advance payment facility for equipment, training, seminars and workshops, surveys, and miscellaneous administration and support costs. The disbursements under the TA will be done in accordance with the ADB's Technical Assistance Disbursement Handbook (May 2010, as amended from time to time).

9. The TA will be implemented over a period of 36 months from January 2015 to December 2017. The consultants will prepare a TA implementation plan before the start of services, which will include a timetable for deliverables defined under each component of the TA. The consultants will also submit interim, quarterly, and annual reports, in addition to specific reports as required, which will be reviewed by LSGD and ADB.

10. Indicative personnel requirements (all as field office inputs) for the TA consultants is in Table 1 and the cost estimates are in Table 2. Outline terms of reference for the proposed experts are in Appendix 1.

Table 1: Indicative Personnel Requirement

Specialist (Professional Staff)	Type	Person-Months
NRW and 24x7 Water Supply Specialist	International	10
Team Leader and Policy Support Specialist	National	30
Water supply Specialist with NRW and 24x7 water supply expertise	National	18
Wastewater Specialist	National	18
Financial Management & Tariff Specialist	National	6
Institutional and Human Resources Specialist	National	6
GIS and Benchmarking Specialist	National	6
Legal Specialist	National	6
PPP Specialist	National	6
Individual (National)-To be determined	National	6

Total International = 10 person-months.

Total National = 102 person-months.

Source: Asian Development Bank estimates.

Table 2: Cost Estimates

(\$'000)

Item	Total Cost
Asian Development Bank Financing^a	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	250.0
ii. National Consultants	550.0
b. International and Local Travel including vehicle hire	55.0
c. Reports and Communications	15.0
2. Equipment ^b	10.0
3. Workshops, Trainings, Seminars, and Conferences ^c	
a. Workshops and Seminars	20.0
b. Training Programs and Exposure visits	30.0
4. Surveys	30.0
5. Miscellaneous Administration and Support Costs	20.0
6. Contingencies	20.0
Total	1,000.0

^a Financed by Asian Development Bank's Technical Assistance Special Fund (TASF-Others).

^b All equipment purchased under the TA will be turned over to the executing agency upon completion of TA.

^c Workshops, trainings, seminars and conferences will be organized for building capacity and sharing information among stakeholders.

Source: Asian Development Bank estimates.

**TECHNICAL ASSISTANCE FOR CAPACITY BUILDING OF THE INSTITUTIONS IN THE
URBAN SECTOR IN RAJASTHAN:
OUTLINE TERMS OF REFERENCE FOR CONSULTANTS**

A. Background

1. The objective of the assignment is provide advisory assistance to the GOR in improving and strengthening the management and operation of urban water and wastewater sectors in the state. This will specifically include assistance to Urban Development and Housing Department (UDHD), Public Health Engineering Department (PHED), Rajasthan Urban Infrastructure Development Project (RUIDP), and other relevant agencies of the GOR in implementing the reforms identified in the program loan policy matrix of the Rajasthan Urban Sector Development Program. A policy support unit will be established in the Local Self Government Department (LSGD) for this purpose.

B. Scope

2. The TA will require about 102 person-months (pm) of consulting services (10 pm international and 96 national) to undertake the following activities, which primarily include support to the GOR in implementing conditions for release of tranches 1 and 2 of the program loan:

3. Component A: Strengthening Urban Institutions. Major activities under this component will include, among others, preparation, support to the GOR for adoption, and implementation of the following : (i) a roadmap for corporatization of RUIDP and support to the GOR to implement the same; (ii) a roadmap for corporatization of water supply and sewerage operations of Jaipur urban area and support to the GOR to implement the same; (iii) assistance to RUIDP (as corporatized entity) to effectively support 25 municipal bodies for project management; (iv) assistance to the GOR in operationalizing operation and maintenance contracts for water supply in five cities and for wastewater in six cities; (v) delegation of water and wastewater operations, including tariff setting powers, to five municipal bodies; (vi) assistance to municipal bodies (with support from GOR and through performance-based management contractors appointed under the project) to commence improved water supply operations in the five project cities; (vii) a roadmap for rationalization of property tax in the state to include all properties; and (viii) assistance to municipal bodies to collect property tax from at least 50% eligible properties in 50% of municipal bodies in the state.

4. Component B: Improvement of Urban Governance. Major activities under this component will include, among others, preparation, support to the GOR for adoption, and implementation of the following: (i) a long-term urban development policy; (ii) a human resource development plan, including support for establishment of a training institute and training the specified number of functionaries and elected representatives; (iii) a policy for 24x7 water supply and assistance in operationalizing the same in identified cities; (iv) a benchmarking system of urban services, and operationalizing the same for 25 cities; (v) a policy for individual house connections to residents in slum areas and assistance in provision of connections to 90% poor households in the identified cities; (vi) GIS-based water supply and sewerage operational systems in identified cities; (vii) a system for computerization of consumers' databases in identified cities; (viii) improvement of billing and collection efficiency to at least 90% in identified cities; (ix) water and waste water quality monitoring system; (x) waste and wastewater recycle and reuse; (xi) bridging gaps between sanitation and health outcomes; and (xii) water and sanitation linkages with economic growth and competitiveness of cities.

5. Component C: Capacity Building of Stakeholders. The TA will provide support for capacity building of stakeholders (UDHD, PHED, RUIDP, and other relevant agencies of the GOR) in implementing the reforms identified in the program loan policy matrix through the following: (i) exposure visits to the best practice projects and similarly-situated utilities in Asia for better understanding of key issues and results achieved in the urban water and wastewater sectors that could be replicated and further developed in the state; and (ii) knowledge transfer program through training, workshops, and seminars, and publications, to enhance the capacity of relevant staff in terms of institutional development and improvement of governance in the urban water and wastewater sectors.

C. Terms of Reference of Consulting Team Members

a. Team Leader and Policy Support Specialist (National, 30 person-months intermittent)

6. The team leader should have a postgraduate degree in urban planning or relevant fields and at least 15 years of experience in urban planning or urban governance. A good understanding in a broad range of urban management and experience working for the Asian Development Bank (ADB) or other development partners' projects in the urban sector is highly desirable.

7. As team leader, he or she will (i) manage the overall implementation of the technical assistance (TA); (ii) prepare a task matrix for consultants and counterparts; (iii) ensure timely inputs from the international consultant; (iv) supervise the quality of inputs from the national consultants; (v) coordinate closely with the executing agency, participating municipalities, and Government of Rajasthan (GOR); and (vi) be responsible for delivering various components under the TA. The team leader will ensure smooth coordination.

8. The team leader will also (i) prepare a urban development policy for Rajasthan, (ii) consult stakeholders for review of such policy, (iii) assist GOR in publicly disclosing the policy through its website and other means, (iv) assist GOR in undertaking a review of the urban development tax regime (or its equivalent) and its rationalization, (v) assist GOR in implementing this rationalization of the urban development tax in all municipal bodies in Rajasthan, (vi) assist Rajasthan Urban Infrastructure Corporation (RUIC) in establishing a technical design center for preparation of urban sector projects and a safeguards unit with capacity to prepare and/or review environmental and social safeguards frameworks for individual projects.

b. Nonrevenue Water (NRW) and 24x7 Water Supply Specialist (International, 10 person-months)

9. The NRW and 24x7 Water Supply Specialist should have a graduate degree in Civil and Environment Engineering or relevant fields (post graduate degree will be preferred) and at least 15 years of experience in implementing and operating 24x7 water supply projects.

10. As NRW and 24x7 Water Supply Specialist, he or she will: (i) prepare a draft policy to reduce NRW in the urban areas in the state; (ii) initiate consultation with stakeholders for review and comments on the draft policy; (iii) assist the GOR to operationalize 24x7 water supply in at least one city in Rajasthan; (iv) review the water quality monitoring system already established in Rajasthan and help establish or strengthen the water quality monitoring system; (v) assist the

GOR to establish the entire roadmap for the implementation of the water quality monitoring system including frequency of testing, finalization of the agency to be responsible for the water quality reports, facilitate the publishing of the water quality reports in the media and websites of the agency and GOR; (vi) assist GOR in transferring water supply operations to at least six project cities by advising them about various activities to be performed including transfer of adequate personnel with required technical expertise and equipment and facilities; (vii) assist municipal bodies to establish appropriate procedures for carrying out water supply operations; (viii) assist GOR in preparing the technical requirements for awarding long term management contracts for managing wastewater projects in six project cities; (ix) assist these municipal bodies in actually carrying out water supply operations; (x) assist GOR in preparing and adopting a policy to provide individual water supply connections to households in slums and poor settlements; and (xi) assist in the development of water geographical information system (GIS) in Rajasthan.

c. Water supply Specialist with NRW and 24x7 water supply expertise (National, 18 person-months)

11. The NRW and 24x7 Water Supply Specialist should have a graduate degree in Civil and Environment Engineering or relevant fields (post graduate degree will be preferred) and at least 10 years of experience in implementing and operating 24x7 water supply projects.

12. As NRW and 24x7 Water Supply Specialist, he or she will assist the NRW and 24x7 Water Supply Specialist (International) in all the related activity including: (i) preparation of a draft policy to reduce NRW in the urban areas in the state; (ii) initiation of consultation with stakeholders for review and comments on the draft policy; (iii) assisting the GOR to operationalize 24x7 water supply in at least one city in Rajasthan (iv) reviewing the water quality monitoring system already established in Rajasthan and help establish/strengthen the water quality monitoring system; (v) assisting the GOR to establish the entire roadmap for the implementation of the water quality monitoring system including frequency of testing, finalization of the agency to be responsible for the water quality reports, facilitate the publishing of the water quality reports in the media and websites of the agency and GOR; (vi) assist GOR in transferring water supply operations to at least six project cities by advising them about various activities to be performed including transfer of adequate personnel with required technical expertise and equipment and facilities; (vii) assist municipal bodies to establish appropriate procedures for carrying out water supply operations; (viii) assist GOR in preparing the technical requirements for awarding long-term management contracts for managing wastewater projects in six project cities; (ix) assist these municipal bodies in actually carrying out water supply operations; (x) assist GOR in preparing and adopting a policy to provide individual water supply connections to households in slums and poor settlements; and (xi) assist in the development of water GIS in Rajasthan.

d. Wastewater Specialist (National, 18 person-months)

13. The Wastewater Specialist should have a graduate degree in Civil and Environment Engineering or relevant fields (post graduate degree will be preferred) and at least 10 years of experience in implementing and operating wastewater projects.

14. As Wastewater Specialist, he or she will assist: (i) the corporatized Jaipur utility to manage the wastewater services to the city; (ii) assist GOR in preparing the technical requirements for awarding long term management contracts for managing wastewater projects in six project cities; (iii) prepare a draft sewerage policy for Rajasthan to provide wastewater

management services in the urban areas in the State; (iv) consult with stakeholders for review of the policy; (v) assist GOR in preparing and adopting a policy to provide individual water supply connections to households in slums and poor settlements; (vi) assisting the GOR to establish the entire roadmap for the implementation of the wastewater quality monitoring system including frequency of testing, finalization of the agency to be responsible for the wastewater quality reports, facilitate the publishing of the wastewater quality reports in the media and websites of the agency and GOR; and (vii) assist in development of the wastewater GIS in Rajasthan.

e. Financial Management and Tariff Specialist (National, 6 person-months)

15. The Financial Management & Tariff Specialist will have a degree in Finance/Economics (post graduate degree will be preferred), and at least 10 years of experience in preparing financial and economic analysis of water supply projects and sewerage, undertaking financial performance assessment and designing financial management systems for the urban water sector.

16. The Financial Management & Tariff Specialist will: (i) collect data on the current costs (direct and indirect) of urban water and sewerage sector operation and maintenance, and of existing assets; (ii) assess the existing tariff structures for urban water supply and identify amendments to tariff structures to improve cost recovery and sustainability of services while supporting access to urban water supply to all households; (iii) assist the GOR to transfer tariff setting authority to the municipal bodies in at least six project cities; (iv) assist in provision of sufficient budget allocation for operation and maintenance expenditures to the municipal bodies; (v) assist these municipal bodies exercise their authority to set water and sewerage tariffs; (vi) support and assist the team leader, as required, in preparing the policy reforms; (vii) provide on-the-job training for a period of at least two months on financial issues; (viii) assist GOR in corporatizing the Rajasthan Urban Infrastructure Development Project (RUIDP); (ix) prepare a business plan for the corporatized RUIDP; (x) assist GOR in establishing a system to set different tariffs for different categories of urban areas; and (xi) assist GOR in establishing a monitoring system for billing and collection of water and sewerage tariff for the urban areas of the state.

f. Institutional and Human Resources Specialist (National, 6 person-months)

17. The Institutional and Human Resources Specialist will have a degree in Management/Human Resources (post graduate degree will be preferred), and at least 10 years of experience in handling various activities relating to human resources including preparation of human resources development plan.

18. The Institutional and Human Resources Specialist will: (i) assist GOR in the transformation of RUIDP into a corporate entity (RUIC) with a mandate to design and implement urban infrastructure projects and provide project management support to municipal bodies; (ii) prepare a human resource development policy for RUIC, including organizational structure, and strategy for long-term organizational growth, provisions for independent recruitment of employees (including through campus recruitment); and (iii) assist in the establishment of an independent corporatized entity for managing water supply and wastewater services in Jaipur urban area.

19. The Institutional and Human Resources Specialist will also: (i) will prepare a draft human resource development plan for urban governance for Rajasthan, (ii) consult with stakeholders for this human resource development plan, (iii) assist GOR to publish the plan on its website, and (iv) assist GOR in the establishment of a Urban Governance Institute to train functionaries of urban local bodies and elected representatives.

g. GIS and Benchmarking Specialist (National, 6 person-months)

20. The GIS and Benchmarking Specialist should have a graduate degree in computer science, system engineering, or relevant fields (post graduate will be preferred) and at least 10 years of experience in the relevant areas. A good understanding of various GIS software programs is required, and experience in urban GIS-based mapping is essential.

21. The GIS specialist will work under the guidance of the Policy Support Specialist and lead the work of developing and institutionalizing the GIS-based municipal information system. He or she will also: (i) help develop computerized gender-disaggregated data base of water supply consumers in 50 cities; (ii) develop the water supply and sewerage GIS in at least 12 cities; and (iii) will assist in operationalizing a system of regular benchmarking of urban services for 50 cities in the State.

h. Legal Specialist (National, 6 person-months)

22. The Legal Specialist should be a qualified lawyer with at least 15 years of experience in areas like infrastructure and corporate laws.

23. The Legal Specialist will: (i) assist GOR in the corporatization of RUIDP including the finalization of the memorandum and articles, (ii) assist GOR in establishing of an independent corporatized utility for Jaipur for managing the water supply and wastewater operations, (iii) assist the Public-Private Partnership (PPP) Specialist in finalization of long-term performance-based management contracts for water supply and wastewater services in the six project cities, and (iv) assist the other specialists in reviewing the existing legal framework and suggesting the way forward for other initiatives being planned like delegation of authority to set tariff to the municipal bodies, etc.

i. PPP Specialist (National, 6 person-months)

24. The PPP Specialist should have a post graduate in Management or a qualified chartered accountant or a qualified lawyer with at least 15 years of experience in the area of implementing and/or advising public private partnership projects.

25. The PPP Specialist would assist the GOR in finalization of long-term performance-based management contracts for water supply and wastewater services in the six project cities and also provide support to the Legal specialist in drafting and finalizing various requirements for operationalizing this initiative.

D. Reporting and Deliverables

26. The consultants are expected to be mobilized from Q1 2015 until the TA's completion date in December 2017. Consultants are expected to provide extensive inputs at the beginning

of the assignment to help the GOR in meeting the tranche 1 release conditions which are due by December 2015. The remaining inputs will be spread throughout the contract period.

27. The consultants will submit the following reports. The team leader and the consultant firm will ensure high quality of these reports incorporating the comments to be made by ADB and GOR/RUIDP.

- (i) Inception report to be submitted within 1 month of the mobilization of the consultants, finalizing the approach and presenting key performance indicators and targets, a detailed work plan, and an implementation schedule for the TA.
- (ii) Interim report no. 1 to be submitted within 4 months of mobilization detailing the status of implementing all the outputs including the conditions for release of tranche 1 of the program loan with measures in ensuring that these conditions will be met by the stipulated date; and the implementation of capacity building and knowledge transfer activities.
- (iii) Interim report no. 2 to be submitted within 7 months of mobilization detailing the status of implementing all the outputs including the conditions for release of tranche 1 of the program loan with measures in ensuring that these conditions will be met by the stipulated date; and the implementation of capacity building and knowledge transfer activities.
- (iv) Interim report no. 3 to be submitted within 12 months of mobilization detailing the status of implementing all the outputs including the conditions for release of tranches 1 and 2 of the program loan with measures in ensuring that these conditions will be met by the stipulated dates; and the implementation of capacity building and knowledge transfer activities.
- (v) Interim report no. 4 to be submitted within 18 months of mobilization detailing the status of implementing all the outputs including the conditions for release of tranche 1 and 2 of the program loan with measures in ensuring that these conditions will be met by the stipulated dates; and the implementation of capacity building and knowledge transfer activities.
- (vi) Interim report no. 5 to be submitted within 24 months of mobilization detailing the status of implementing all the outputs including the conditions for release of tranche 1 and 2 of the program loan with measures in ensuring that these conditions will be met by the stipulated dates; and the implementation of capacity building and knowledge transfer activities.
- (vii) Interim report no. 6 to be submitted within 30 months of mobilization detailing the status of implementing all the outputs including the conditions for release of tranche 1 and 2 of the program loan with measures in ensuring that these conditions will be met by the stipulated dates; and the implementation of capacity building and knowledge transfer activities
- (viii) A draft final report, to be submitted three months before the contract completion date of the contract, will summarize activities undertaken and results achieved, compare achievements with original targets, review problems encountered during

implementation and propose actions to remedy those problems, and recommend future short- to medium-term programs.

- (ix) A final report one month before the contract completion date.