

Project Administration Manual

Project Number: 42267-034
June 2023

India: Rajasthan Secondary Towns Development
Sector Project – Additional Financing

ABBREVIATIONS

ADB	–	Asian Development Bank
CAG	–	Comptroller and Auditor General
CAPP	–	community awareness and participation plan
CAPPC	–	community awareness and public participation consultant
CMSC	–	contract management and supervision consultant
DEA	–	Department of Economic Affairs
DMF	–	design and monitoring framework
DPR	–	detailed project report
EAP	–	externally aided projects
EMP	–	environmental management plan
EWCD	–	elderly (older persons), women, children, and persons with disabilities
FMA	–	financial management assessment
FY	–	fiscal year
GESI	–	gender equality and social inclusion
GIS	–	geographic information system
GOR	–	Government of Rajasthan
GRM	–	grievance redressal mechanism
IEE	–	initial environmental examination
km	–	kilometer
LSGD	–	Local Self Government Department
ml/d	–	million liters per day
NGO	–	nongovernment organization
O&M	–	operation and maintenance
PAM	–	project administration manual
PIU	–	project implementation unit
PMCBC	–	project management and capacity building consultant
PMU	–	project management unit
QPRs	–	quarterly progress report
RRP	–	report and recommendation of the President
RSTSDP	–	Rajasthan Secondary Towns Sector Development Project
RUDSICO	–	Rajasthan Urban Drinking Water, Sewerage and Infrastructure Corporation Limited
SOE	–	statement of expenditure
TOR	–	terms of reference
ULB	–	urban local body

CONTENTS

I.	PROJECT DESCRIPTION	1
II.	IMPLEMENTATION PLANS	3
	A. Project Readiness Activities	3
	B. Additional Financing Project Implementation Plan	5
	C. Subproject Appraisal	7
III.	PROJECT MANAGEMENT ARRANGEMENTS	8
	A. Project Implementation Organizations: Roles and Responsibilities	8
	B. Key Persons Involved in Implementation	18
	C. Project Organization Structure	19
IV.	COSTS AND FINANCING	20
	A. Cost Estimates Preparation and Revisions	21
	B. Key Assumptions	22
	C. Allocation and Withdrawal of Loan Proceeds	22
	D. Contract and Disbursement S-Curve	22
	E. Fund Flow Diagram	24
V.	FINANCIAL MANAGEMENT	25
	A. Financial Management Assessment	25
	B. Disbursement	34
	C. Accounting	35
	D. Internal Auditing	37
	E. Auditing and Public Disclosure	37
	F. Handover of Assets and Project Closure	38
VI.	PROCUREMENT	39
	A. Applicable Procurement Policy	39
	B. Procurement Strategy Summary	39
	C. Project Procurement Risk Classification	40
	D. Project Implementation Arrangements	40
	E. Procurement Plan	41
VII.	SAFEGUARDS	42
VIII.	GENDER EQUALITY AND SOCIAL DIMENSIONS	67
IX.	PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION	72
	A. Monitoring	72
	B. Evaluation	73
	C. Reporting	73
	D. Stakeholder Communication Strategy	74
X.	ANTICORRUPTION POLICY	75
XI.	ACCOUNTABILITY MECHANISM	75
XII.	RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL	76

APPENDIXES

1.	REVISED DESIGN AND MONITORING FRAMEWORK	77
2.	SUBPROJECT SELECTION CRITERIA	82
3.	PROCUREMENT PLAN	86
4.	DETAILED COST ESTIMATES BY EXPENDITURE CATEGORY	94
5.	DETAILED COST ESTIMATES BY FINANCIER	95
6.	DETAILED COST ESTIMATES BY OUTPUTS	96
7.	DETAILED COST ESTIMATES BY YEAR	97
8.	SEMIANNUAL ENVIRONMENTAL MONITORING REPORT OUTLINE	98
9.	SEMIANNUAL SOCIAL SAFEGUARDS MONITORING REPORT OUTLINE	108
10.	GENDER EQUALITY AND SOCIAL INCLUSION ACTION PLAN (ADDITIONAL FINANCING) MONITORING FORM	113

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 following the policies and procedures of the government and the Asian Development Bank (ADB). The PAM should reference all available templates and instructions either by linking to relevant URLs or by directly incorporating them in the PAM.

The purposes of the PAM are to (i) share the project status with ADB's and the government's project teams, (ii) identify the contact persons to facilitate communication and coordination between ADB and the government, and (iii) facilitate preparation of the project completion report. The PAM will be useful for new project members to understand the project status easily and communicate effectively with other members.

The State Government acting through the State's Local Self Government Department (LSGD) will be the Project's executing agency and will be wholly responsible for implementing ADB-financed projects, as agreed jointly between the borrower and ADB, and following the policies and procedures of the government and ADB. The Rajasthan Urban Drinking Water, Sewerage and Infrastructure Corporation Limited (RUDSICO) will be the Project implementing agency. ADB staff is responsible for supporting implementation, including monitoring compliance by LSGD, RUDSICO and project urban local bodies of their obligations and responsibilities for project implementation following ADB policies and procedures and the loan agreement.

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 case 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 recommendation 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.

I. PROJECT DESCRIPTION

1. The Asian Development Bank (ADB) approved the ongoing project on 25 September 2020 to improve water supply and sanitation (WSS) systems in 27¹ secondary towns.² The additional financing (the project) will continue supporting the Government of Rajasthan (GOR) in its commitment to reduce basic infrastructure gaps in its secondary towns by expanding WSS services in at least 10 urban local bodies (ULBs) that would benefit 1.2 million people. In addition, the project will expand its scope to respond to growing climate risks and other complex urban development challenges. It will bring a range of innovative solutions to enhance climate resilience and improve livability in at least 11 ULBs in Rajasthan. To ease water stress for Rajasthan industries, the project will pilot public–private partnerships (PPPs) in the Rajasthan WSS sector. This will deepen private sector engagement and fund mobilization.

A. Impact and Outcome

2. The overall project is aligned with the following impacts: (i) access to potable, affordable, reliable, equitable, environmentally sustainable drinking water supply in all urban areas of Rajasthan improved,³ (ii) health status of the urban population, especially the poor and underprivileged improved,⁴ and (iii) productivity, livability and prosperity for citizens in Rajasthan cities and towns enhanced.⁵ Reflecting on additional measures of the project to enhance climate resilience and heritage-sensitive urban development, impact statement (iii) was added. The overall project will have the following outcome (modified from the ongoing project): quality, reliability, equity, and sustainability of urban assets and services in project towns of Rajasthan improved. The following output will be added as output 3: urban assets to enhance climate resilience and heritage living developed or improved. The other three outputs of the ongoing project will have additional components as discussed in succeeding paragraphs.⁶

B. Outputs

3. **Output 1: Resilient water supply systems in at least seven project towns developed or improved.**⁷ ULBs that have limited intermittent water supply because of depleting groundwater, severe water leak, or no tapped water supply have been selected. By 2029, (i) water sources will be all switched to surface water and three new water treatment plants will be commissioned with a total capacity of at least 24 million liters per day (mld); (ii) by replacing about 700 km of aging water pipes with severe leaks, at least 1,400 kilometers (km) of water supply pipelines will be commissioned through a district-metered area approach for effective nonrevenue

¹ Initially the ongoing loan covers 14 project towns (Abu Road, Banswara, Khetri, Kuchaman, Mandawa, Sardarshahar, and Sirohi have both water supply and sanitation; and Didwana, Fatehpur, Ladnu, Makrana, Pratapgarh, and Ratangarh have only sanitation. Laxmangarh has water supply only). The scope change was approved on 27 December 2021 to support sanitation systems in additional 13 project towns (Neem Ka Thana, Shahpura (Jaipur), Bandikui, Jobner, Tijara, Dausa, Bari, Deeg, Shahpura (Bhilwara), Bhinder-Kanode, Gangapur (Bhilwara), Bhawani Mandi and Pilibanga-Suratgarh.)

² Secondary towns are class 2 and class 3 cities with a population of 50,000 to 99,999 and of 20,000 to 49,999, respectively (Government of India. 2011. Census of India. Delhi). Under the ongoing loan, heritage towns and other towns with populations below 20,000 or above 100,000 are included as they have similar characteristics and urgency to provide water supply and sanitation systems.

³ Government of Rajasthan. 2018. *Rajasthan Urban Water Supply Policy*. Jaipur.

⁴ Government of Rajasthan. 2016. *State Sewerage and Waste Water Policy*. Jaipur.

⁵ Government of Rajasthan. 2017. *Rajasthan Urban Development Policy*. Jaipur.

⁶ The design and monitoring framework is in Appendix 1.

⁷ The project towns for water supply are: Balotra, Bundi, Dungarpur, Nathdwara, Nimbahera, Nokha, and Sagwara. Bundi water supply is complementary to the AMRUT and AMRUT 2.0-financed water supply components, completing citywide water supply provision.

water management; (iii) at least 77,000 households, including at least 95% below poverty line households in the project areas will be connected to an improved water supply system, , with 100% functional water meters allowing for the implementation of volumetric billing.

4. **Output 2: Resilient and inclusive sanitation systems in at least eight project towns developed or improved.**⁸ The ULBs that have no sanitation services, severe gaps to complete citywide inclusive sanitation, and malfunctioning or outdated sewerage treatment plants thus, treated effluents do not meet the standard were selected. By 2029, (i) at least 580 km of sewers will be constructed and rehabilitated; (ii) seven sewage treatment plants (STP) with co-treatment of wastewater and fecal sludge and with a total capacity of at least 30 mld will be commissioned and one existing STP with 10 mld capacity will be upgraded to meet current effluent standards (all eight STPs will also be equipped with facilities to store treated wastewater for other uses); and (iii) At least 54,000 new household connections to the sewer system, of which at least 95% are for below-poverty- line households, will be installed.

5. **Output 3: Urban assets to enhance climate resilience and heritage living in at least 11 project towns developed or improved.**⁹ By 2029, at least 50 km of drainage networks will be constructed in five ULBs, including important heritage towns that have no drainage networks and experience and often severe flooding. At least eight heritage towns or towns with strong tourism potential that have difficulty managing natural and built heritage assets will be targeted, with the following components: (i) rehabilitation and/or reconstruction of at least eight water parks and water structures that have important heritage value and serve a climate-resilience function but are not properly maintained (nature-based solutions incorporated at these water parks will enhance climate resilience and also provide pleasant public spaces that both residents and visitors can enjoy;¹⁰ and (ii) at least 20 heritage or heritage-like structures rehabilitated or developed to improve the living environment and attract more tourists.¹¹ At all public spaces where heritage assets will be rehabilitated and/or reconstructed under components (i) and (ii), inclusive urban design features—especially for the elderly, women, children, and people with disabilities—and measures to enhance public safety will be incorporated.¹² To address the water security issues of Rajasthan’s growing manufacturing industry, a PPP-based special purpose vehicle will be established, which will constitute designated pipe networks to carry treated wastewater from the STPs in Jaipur, Jaitaran, and Nimbahera to nearby industries that require a significant volume of water.

6. **Output 4: Institutional and human capacities strengthened for sustainable service delivery, gender equality, and improved public health.** The project will provide training to an

⁸ The project towns for sanitation are: Balotra, Barmer, Bharatpur, Bundi, Dungarpur, Jodhpur, Nokha, and Sagwara. Jodhpur is an important heritage town, which has aged and deteriorated sewer networks with leaks and blocks, which cause groundwater and soil contamination, and is suspected to contribute to rising groundwater levels. Jodhpur sanitation is parallel financing with the AMRUT scheme. Bundi sanitation is complementary to the AMRUT and AMRUT 2.0-financed sanitation components, completing citywide inclusive sanitation.

⁹ The towns are: Bhawani, Bharatpur, Bundi, Mandi, Jaisalmer, Jodhpur, Mount Abu, Nathdwara, Nawalgarh, Ratangarh, Pushkar, and Sagwara,

¹⁰ Rajasthan is rich in heritage assets, including a large numbers of *kund*—a man-made pond to hold rainwater — and *baories*—stepwells with a long corridor of steps that people can descend to the water level. These heritage structures are considered ancient climate-resilient measures as they were often strategically connected to each other to drain and retain rainwater.

¹¹ The structures include town gates, *chhatri* (an elevated, dome-shaped pavilion), and *ghat* (a wide set of steps descending to a river, especially a river used for bathing), heritage walks, and parks incorporating local architecture. Heritage-like structures refer to replica of real heritage structures.

¹² Examples are sizable ramps and doors, suitable surface materials, and spaces for seamless access for wheelchairs and prams; priority seats and designated parking for people with disabilities and mothers with infant, protector bars and barriers for safety; sufficient lighting; and elevated crossings.

additional 300 staff and 300 elected council members from the project towns in urban infrastructure and services including water and sanitation, water conservation, financial sustainability, climate change impacts, GESI, and public health. The project will provide an additional 10 ULBs having WSS components with (i) a monitoring system on contractor performance and service levels, (ii) a WSS O&M manual, and (iii) data platforms with supervisory control and data acquisition and a geographic information system for efficient O&M and WSS asset management. The project will continue to promote GESI by expanding the internship program for an additional 500 college-aged women and skills training to additional 100 women, including 50 women from scheduled castes, other backward castes, or scheduled tribes. It will also pilot all women O&M staff at two heritage structures.

7. The revised design and monitoring framework (DMF) of the overall project is provided in the Appendix 1.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

8. Efforts have been made to ensure high project readiness. Advanced actions have been taken for procurement and safeguards (**Table 1**).

Activities, Timescale	2023				2024				2025				2026				2027				2028				2029	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
4.3 Annually conduct at least two awareness campaigns on water conservation practices, cost implication for improved services, and safe fecal sludge management practices in each project town, including two sub-activities targeted at women in all project towns																										
4.4 Complete capacity-building activities of LSGD, PMU, PIU, and ULB staff																										
B. Management Activities																										
Environmental and social safeguard monitoring reports					X		X		X		X		X		X		X		X		X		X		X	
Social safeguard monitoring reports					X		X		X		X		X		X		X		X		X		X		X	
Periodic progress reports, Including GESI					X		X		X		X		X		X		X		X		X		X		X	
Annual and midterm review						X				X				X			X				X				X	
Annual project financial statements						X				X				X			X				X				X	

CAPP = community awareness and participation plan, CMSC = contract management and construction supervision, DMF = design and monitoring framework, GESI = gender equality and social inclusion, LSGD = Local Self Government Department, PIU = project implementation unit, PMCBC = project management and capacity building consultant, PMU = project management unit, Q = quarter, RUDSICO = Rajasthan Urban Drinking Water, Sewerage and Infrastructure Corporation Limited, ULB = urban local body.

Source: Asian Development Bank.

C. Subproject Appraisal

9. As part of its due diligence, ADB has appraised the technical, economic, financial, and safeguards aspects of core subprojects to serve as a model for Rajasthan Drinking Water Sewerage and Infrastructure Corporation Limited (RUDSICO), the implementing agency for appraising all subprojects. For safeguards, additional sample subprojects were selected to cover those with the most significant expected impacts. In line with the requirements of sector loan modality, RUDSICO is primarily responsible for identifying, prioritizing, formulating, appraising, approving, and implementing subprojects in accordance with technical, financial, and economic appraisal criteria, including social and environmental criteria using the subproject selection criteria agreed between ADB and the government of Rajasthan (GOR) acting through Local Self Government Department (LSGD), the executing agency (Appendix 2). Modifications to the detailed project report (DPR) should be made as required to comply with the requirements for funding under the AF project. ADB will still review and endorse all safeguards documents.

10. The project management and capacity building consultant (PMCBC) engaged under the ongoing project supports the implementing agency in preparing the appraisal reports, and these shall be submitted to ADB as an appendix to the quarterly progress report (QPR) if appraised during the reporting period. Prior ADB approval is required for the inclusion of any subprojects not in line with the agreed criteria.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

11. The implementation arrangement of the ongoing project is retained. GOR, acting through LSGD, is the executing agency and RUDSICO is the implementing agency. LSGD is responsible for overall strategic guidance and for ensuring compliance with ADB's loan covenants and overall project management and supervision. RUDSICO is responsible for the day-to-day project management and project implementation. RUDSICO Board, under the chairmanship of the Honorable Minister, LSGD; and City Level Monitoring Committees (CLMC), under the Chairmanship of the respective Commissioner/Executive Officer, undertakes regular monitoring of project implementation. The Board takes needful policy decisions, provides administrative and financial approvals, expedites clearances of project matters, ensures interdepartmental coordination, and provides guidance to the executing agency and the implementing agency. The CLMC headed by the concerned Commissioner/Executive Officer of respective ULBs includes members of the local Public Health and Engineering Department (PHED) and Public Works Department (PWD) Officers, officers of project implementation unit (PIU), and other stakeholders of the respective town. PIU is the Member Secretary for CLMC and submits the agenda for consideration by CLMC. The CLMC regularly meets to monitor the project's progress and resolve any local issues.

12. For the project implementation, RUDSICO has a project management unit (PMU) at Jaipur headquarters, two zonal offices (one in Jaipur, one in Jodhpur), and seven additional PIUs have been established. Together with PIU Rantagarh, a total of eight PIUs will manage all the subprojects of the AF project. As per the overall project, there are a total of 20 PIUs. The PMU is headed by a dedicated Project Director, who will be an Indian Administrative Service (IAS) officer. The Project Director is supported by an Additional Project Director (in the rank of Chief Engineer level), Chief Engineer, Deputy Project Director (Technical), and Deputy Project Director (Administration) who support PMU in areas of project management, procurement, contract management, consultancy contract administration trainings, institutional strengthening, safeguard compliance and reporting to the GOR and ADB. The Project Director is supported by a Financial Advisor and their team in all financial matters including budget management, disbursement claims, etc. For gender and safeguard compliance, PMU has one project officer to manage gender and social monitoring and compliance requirements and another project officer to deal with environmental monitoring and compliance requirement. In addition, there shall be sufficient officials to work on the following: office administration, legal, information technology, GIS, project management, and asset management. The PMU acts as an employer for all the work contracts during the design-build period. ULBs will act as an employer during the O&M period once the assets under the AF project are handed over to ULBs. PMU established PIUs in project cities, provide required personnel to work in PIUs, arrange finances, submit withdrawal applications to ADB, and submit progress reports to GOR and ADB on a regular basis. PMU is supported by the AF project management and capacity building consultant (PMCBC) in all the above activities, including project management.

13. Considering the spread of project interventions, the AF project will have two zonal Offices - each headed by an Additional Chief Engineer level (ACE-I) officer. ACE-I is proposed to be stationed at Jaipur and ACE - II at Jodhpur. ACE-I (HQ at Jaipur) is responsible for the monitoring of PIUs of the Jaipur zone whereas, and ACE II (HQ at Jodhpur) is responsible for the monitoring of PIUs of the Jodhpur zone. Zonal officers are supported with sufficient technical, accounts, and administrative personnel. Each zonal office has one dedicated safeguard officer responsible for compliance monitoring and reporting on social, gender, and environmental safeguard issues of

all PIUs under that zone. Each zonal office is supported by its own contract management and supervision consultant (CMSC) in all project management, construction supervision, and contract management activities including implementation of gender equality and social inclusion (GESI) action plan activities and safeguard monitoring and compliance.

14. Project implementation is through PIUs stationed in the related ULBs. The PIUs are headed by Superintending Engineer or Executive Engineer level officers and include other engineering staff in the rank of Assistant Engineer/Junior Engineer level officials, accounts, and administrative personnel as required for efficient contract management and disbursement of payment to the contractors. The PIU heads work as the project manager of the contracts and shall sign the contract, manage the works and disburse payments as the drawing and disbursing officer. PIUs are responsible for the quality and quantity execution of all works under the AF project. Each PIU is responsible for contract management, measurement of the work done and making payment to the contractors, etc. One engineer in each PIU is to be designated as a safety and safeguard officer who is responsible for safeguard and health and safety requirements, monitoring, and compliance. PIUs are supported by CMSC in all areas of project implementation; implementation of the GESI action plan and safeguard monitoring and compliance. PIUs are housed in concerned ULBs so as to ensure ULB ownership at all stages of work. PIU is the employer's representative for the works contracts during design-build period.

15. ULBs will be the final custodian and user of the created infrastructure under the AF project and is a major stakeholder in the AF project. Therefore, it is important to involve and engage them in the implementation and day-to-day monitoring of the AF project, with at least one senior-level engineer in the PIU to be from the concerned ULB. This co-supervision arrangement and integration of ULB officer into PIU should facilitate ownership of works by ULB, which would assist in eliminating any conflicts not only during the execution of works but also during the final transfer of developed assets to ULB, once the design-build period is completed. In case the project ULB does not have a spare engineer to depute to the PIU, the Directorate of Local Bodies (DLB) or PMU will depute the required engineer(s) in ULBs for placement within the PIU. The salary and other allowances of such engineers will be paid under the AF project so that there is no additional financial burden on the ULBs during the project implementation period. ULB also will nominate one nodal officer to coordinate between PIU and the ULB concerned. Since works contracts include O&M of created infrastructure for 10 years by the same contractor, which will be supervised by the concerned ULB, the ULB will be the employer of the contracts during operation services and will manage the contract during the operation service period and would be responsible for delivering water supply and sanitation services to residents (through a contractor for 10 year O&M period). PMCBC is responsible for the capacity building of ULBs in contract management, engineering, and financial management. The AF project activities continue to be supported by a total of four consultants (firms) already engaged under the ongoing loan: (i) PMCBC; (ii) CMSC –1; (ii) CMSC – 2; and (iii) Community Awareness and Public Participation Consultant (CAPPC).

Table 3: Project Management Roles and Responsibilities

Project Implementation Arrangements	Management Roles and Responsibilities
Executing Agency: GOR acting through LSGD	<ul style="list-style-type: none"> • Finalize the AF project scope, negotiate with ADB and DEA on scope and loan documents, and sign loan documents on behalf of GOR • Implement the AF project as per the ADB loan and project documents

Project Implementation Arrangements	Management Roles and Responsibilities
	<ul style="list-style-type: none"> • Arrange timely government counterpart funds • Facilitate obtaining administrative sanction from the GOR for the overall project and for all the subprojects with PIU staffing • Facilitate obtaining timely Government-level approvals for smooth implementation of the AF project • Monitor project implementation progress and ensure timely actions for the completion of the AF project • Responsible for annual independent audits of Project accounts • Arrange technical, financial, and administrative staff in PIUs and ULBs as required by Government • Ensure timely compliance with project assurances, loan covenants, and reforms agreed with ADB as part of the AF project • Ensure financial support to ULBs during O&M • Ensure timely payment to suppliers and contractors for design and works execution and by ULBs for O&M services • Timely approval of financial sustainability plans for all project ULBs • Follow up with GOR on the transfer of water supply functions to ULBs and ensure transfer happens as per the agreed timeframe with adequate human resources and other support to ULBs for the transition phase • Ensure capacity building of ULBs for sustainable WSS service delivery
<p>RUDSICO Board Chairman: Minister of Urban Development & Housing and LSGD, GOR Members:</p> <ul style="list-style-type: none"> • Administrative Secretary, LSGD – Vice Chairman • Administrative Secretary, PHED - Director • Administrative Secretary, PWD - Director • Administrative Secretary, UDH - Director • Secretary, Finance (Budget) Department - Director • Commissioner, RHB, - Director • Director, Local Bodies - Director • Executive Director, RUDSICO - Director • Project Director, RUDSICO – EAP – Director 	<ul style="list-style-type: none"> • Approval of the works to be taken up under the AF project • Approval of Sectoral and City-wise allocations • Approval of the Annual Works Program • Sanction of expenditure within the Annual Plan ceiling for the AF project • Award of all contracts and engagement of Consultants • Sanction of temporary posts and contractual services for the duration of the AF project only • Take any other decisions in respect of Project implementation matters to ensure timely implementation, within the scope of the AF project as approved by GOR • Ensure necessary coordination between the different implementing Departments and agencies, including on reform matters and the handover of assets to ULBs after the physical completion of works • Monitor and review project implementation progress • Issue necessary directions for ensuring that the AF project is implemented according to schedule and budget

Project Implementation Arrangements	Management Roles and Responsibilities
Implementing Agency RUDSICO	<ul style="list-style-type: none"> • Provide technical and financial support to RUDSICO – externally aided projects (EAP), if required • Prepare and Implement Delegation of Powers for the staff • Auditing of project accounts and prepare annual audit reports, getting them approved by Board for submission to GOR and ADB
RUDSICO –EAP Project Management Unit <ul style="list-style-type: none"> • Project Director • Additional Project Director • Financial Advisor • Deputy Project Director (Technical) (all Procurement matters, coordination with ADB and Government) • Deputy Project Director (Administration) (Administration, Institutional strengthening) • Superintending Engineer (Water supply) • Superintending Engineer (Sanitation) • Superintending Engineer (Monitoring) • Superintending Engineers – 3 (Project and Consultancy contract management) • Legal Unit • Information Technology Unit <p>Required support staff to all above units</p>	Project management <ul style="list-style-type: none"> • Overall responsibility for the investment and financial management and administering project procedures and guidelines • Ensure that all identified subprojects meet the final selection criteria • Finalize the design of all subprojects • Undertake project appraisals based on technical, financial, economic, and safeguards compliance as agreed by GOR and ADB • Finalize the DPRs for ULBs/implementing agencies and obtain necessary approvals from ADB and the government. • Establish project management and monitoring systems (Command and Control Center) • Undertake financial structuring • Sanction and disburse funds to subprojects based on progress and timely provision of counterpart funds from the State finance Department • Manage overall contract award and disbursement performance • Manage overall fund flow • Provide overall technical and implementation guidance to the PIUs as required through the Zonal offices • Facilitate approval of various implementation-related requests from the PIUs and ULBs etc. • Develop annual work plans, work schedules, and budgets • Sign key documents, including withdrawal applications and audit reports • Act as the focal point for communication with ADB • Ensure compliance with loan covenants, ADB's guidelines, procedures, and policies • Facilitate ADB project review missions • Represent the project at TPRM and with government of India. Financial management, accounting, and reporting <ul style="list-style-type: none"> • Establish financial accounting and control systems • Ensure timely submissions of withdrawal applications and disbursements from ADB • Release funds to PIUs based on the progress of subprojects and requirements • Ensure timely availability of counterpart funds from the State finance department • Report the AF project's progress to GOR and ADB (quarterly) • Submit audited project accounts to GOR and ADB (annually) Safeguards compliance

Project Implementation Arrangements	Management Roles and Responsibilities
	<ul style="list-style-type: none"> • Review, monitor, and ensure safeguards compliance by PIUs and support corrective actions as necessary • Submit semiannual safeguard monitoring reports to ADB • Guide PIUs as necessary on safeguards compliance, and arrange capacity building for PIUs <p>Procurement of works contracts</p> <ul style="list-style-type: none"> • Support in the preparation of bidding documents • Conduct bidding process, including pre-bid meetings, prepare bid evaluations • Obtain ADB and GOR approvals for bidding documents, bid evaluation reports and contract awards • Conduct Business Opportunity seminars for market engagement and to ensure adequate bidder participation • Ensure compliance with ADB procurement policies and regulations for borrowers <p>Capacity building, institutional reforms, and GESI</p> <ul style="list-style-type: none"> • Allocate funds for capacity building of the project and ULB staff and arrange disbursements • Monitor and ensure capacity building plans of ULBs are implemented and adjusted as per the requirements • Approve and monitor the project Capacity Building Plan • Pursue institutional reforms with GoR • Implementation, regular monitoring, and reporting of the GESI action plan along with project QPRs
<p>Two Zonal Offices, the extension of PMU (Jaipur and Jodhpur) each having:</p> <ul style="list-style-type: none"> • Additional Chief Engineer level officer (head) • Executive Engineer • Assistant Engineer • Accounts Officer, Administrative staff, Computer Operator, Support staff, etc. 	<p>Project management</p> <ul style="list-style-type: none"> • Overall responsibility for the management of works in project cities within its zone • Responsible for reporting to GOR, PMU Head office, and other key stakeholders • Monitor contract award and disbursement performance and report to PMU on progress • Provide overall technical and implementation guidance to the PIUs as required • Facilitate approval of various implementation-related requests from the AF project Implementation Units and ULBs • Monitor annual work plans, work schedules, and budgets for all project towns • Ensure compliance with loan covenants, ADB’s guidelines, procedures, and policies • Facilitate ADB project review missions <p>Financial management, accounting, and reporting</p> <ul style="list-style-type: none"> • Ensure timely submissions of withdrawal applications to the PMU Head office • Report the AF project’s progress to PMU on regular basis and for quarterly project reports <p>Safeguards compliance</p>

Project Implementation Arrangements	Management Roles and Responsibilities
	<ul style="list-style-type: none"> • Review, monitor, and ensure safeguards compliance by PIUs and support corrective actions as necessary • Provide inputs into the semiannual safeguard monitoring reports • Guide PIUs as necessary on safeguards compliance, and arrange capacity building for PIUs <p>Procurement of works/goods contracts</p> <ul style="list-style-type: none"> • Support in the preparation of bidding documents • Ensure compliance with ADB procurement policies and regulations for borrowers in all procurement <p>Capacity Building, Institutional reforms, GESI, etc.</p> <ul style="list-style-type: none"> • Ensure capacity building and trainings to the staff, and elected representatives, and manage required funds provided by PMU • Monitor and ensure implementation of capacity building plans of ULBs • Pursue and support institutional reforms with GOR <p>Monitoring of the construction activities and contract management (supported by CMSC)</p> <ul style="list-style-type: none"> • Oversee, coordinate, and monitor works and ensure sound supervision and high-quality control • Ensure timely payment to contractors • Monitor implementation and works of CMSC • Monthly reporting of progress of works to PMU <p>Safeguards compliance (with CMSC and CAPPC)</p> <ul style="list-style-type: none"> • Ensure compliance with approved safeguard frameworks, documents, and plans • Facilitate consultations with stakeholders and disclose project information • Monitor implementation, monitoring, and reporting of GESI action plan activities in all project towns • Ensure Grievance Redressal Mechanism is established and functioning in each project town • Coordinate land acquisition actions, if required • Submit quarterly safeguard monitoring reports to PMU <p>Other works</p> <ul style="list-style-type: none"> • Regular meetings with City/district administration • Participating in ADB Mission meetings and organizing site visits • Coordinating awareness campaigns on project activities and for making water and sewerage connections • Ensure compliance with Loan covenants
<p>Project Implementation Units</p> <ul style="list-style-type: none"> • A total of eight PIUs, including PIU Ratangarh for the AF project (<i>The overall project has 20 PIUs in total</i>) <p>a. <u>PIU Staff (typical)</u></p>	<p>Project management</p> <ul style="list-style-type: none"> • Responsible for the preparation of subprojects, including required approvals (as required) • Responsible for management of the implementation of works under the subproject with quality and as per schedule • Responsible for reporting to PMU, CLMC, ULB, and other key stakeholders.

Project Implementation Arrangements	Management Roles and Responsibilities
<ul style="list-style-type: none"> • Project Manager (Superintendent Engineer / Executive Engineer level) • Executive Engineer / Assistant Engineer • Accounts personnel • Clerical staff • Computer Operator • Support Staff <p>Supported by: CMSC and CAPPCC</p>	<ul style="list-style-type: none"> • Responsible for troubleshooting implementation challenges <p>Preparation and approval of subprojects</p> <ul style="list-style-type: none"> • Prepare concept plan, detailed project report, costs estimate, and safeguards documents • Prepare a proposal for administrative and financial approvals of the subproject • Prepare and submit subproject proposal for consideration of CLMC, and work finalization committee of GOR <p>Procurement of works/goods contracts</p> <ul style="list-style-type: none"> • Prepare bidding documents for goods and works and submit them through PMU (via respective zone offices) to ADB for approval. • Prepare all safeguard documents following loan documents as per ADB guidelines • Check and follow up on all clearances, including administrative, regulatory, and statutory approvals <p>Contract management</p> <ul style="list-style-type: none"> • The signing of contracts with Supplier/ Contractors (ULB is also a signing authority) • Issuing 'notice to proceed' • Act as Employer to the contract for design, construction, and O&M phase (only sectional completion works) • Contract management, during implementation or works, and for O&M for sectional completion until all works are completed and handed over to ULB. <p>Supervision and monitoring of the construction works (supported by CMSC)</p> <ul style="list-style-type: none"> • Oversee, coordinate, and monitor works (civil, electrical, and mechanical) and supply of equipment and materials ensuring sound works supervision and high-quality control and any other technical matters and issue certificates for acceptance • Measure and record acceptable works, check contractors'/suppliers' invoices, and make payments to the contractors • Manage works contracts, prepare variation orders; and submit variation requests to approving authority (PIU/PMU/GOR) in consultation with PMU • Coordinate preparation of final measurements and 'as built' drawings • Monitor implementation and works of CMSC • Daily /weekly/monthly reporting of progress of works to PMU and Zonal Office <p>Safeguards compliance (with the support of CMSC and CAPPCC)</p> <ul style="list-style-type: none"> • Ensure compliance with safeguard frameworks, documents, and plans

Project Implementation Arrangements	Management Roles and Responsibilities
	<ul style="list-style-type: none"> • Facilitate consultations with stakeholders and disclose project information • Responsible for implementation, monitoring, and reporting of GESI action plan activities • Address grievances through Grievance Redressal Mechanism • Coordinate land acquisition actions, if required • Submit quarterly safeguard monitoring reports to PMU <p>Accounting and reporting</p> <ul style="list-style-type: none"> • Open and administer project account • Prepare monthly, quarterly, midterm, and final physical and financial progress reports • Payments, accounting, requisitions to RUDSICO for funds/payments, and reporting to the PMU and zonal office. <p>Manage disbursements</p> <ul style="list-style-type: none"> • Submit payment details and documents to PMU and the zonal office for disbursement • Retain supporting documents for audit • Complete all reporting requirements, including the annual audit report and financial statements <p>Monitor and supervise the works of CMSCs</p> <ul style="list-style-type: none"> • Review and approve all site investigation subcontracts • Monitor, review, evaluate, and approve all outputs of the consultants, including the DPRs and the tender documents • Finalize project components and works packages • Review and recommend payment invoices of CMSC • Review consultant's personnel requirements on a regular basis and make mobilization/demobilization plans <p>Monitor and supervise CAPPCC</p> <ul style="list-style-type: none"> • Monitor and review the work of CAPPCC • Be a liaison between the contractor and CAPPCC • Review and recommend all supporting invoices of CAPPCC <p>Other works</p> <ul style="list-style-type: none"> • Support implementation of the urban governance and reforms component of the AF project. • Pursue and support the establishment of required positions in ULBs (i.e. counterpart arrangements in ULBs) and their recruitment and payments from funding under ADB loan • Organize regular meetings with CLMC to update on progress • Participate in ADB Mission meetings • Coordinate awareness campaigns on project activities, desludging, and for installing household water and sewerage connections

Project Implementation Arrangements	Management Roles and Responsibilities
<p>CLMC:</p> <ul style="list-style-type: none"> • Commissioner/ Executive Officer, ULB - Chairman • City Engineer from concerned ULB (highest level Engineer in the AF project town) - Member • City Engineer from PHED (highest level Engineer in the AF project town) - Member • City Engineer from PWD (highest level Engineer in the AF project town) - Member • Head, PIU, Project town - Member Secretary 	<p>The committee meets on a monthly basis. The main responsibilities of the CLMC are:</p> <ul style="list-style-type: none"> • Effective planning and progress of work • Resolve issues related to utility shifting, interdepartmental activities • Prioritization and sequencing of works during implementation • Handling project execution and supporting the taking over of the assets by the ULBs • Monitor the quality, timeliness, and scope of road restoration work under the AF project • Monitor the quality of works executed and identify improvement measures as required • Monitor the scope of works to be implemented in the AF project towns and recommend modifications to PIU, if any
<p>ULBs</p>	<ul style="list-style-type: none"> • Nominate one Nodal Officer to coordinate between PIU and ULBs • Provide one full-time Engineer to work in PIU • Liaise with local communities and resolve local grievances for smooth implementation • Provide/validate the number of total households and BPL households in project towns • Support CAPPCC in awareness creation, household connections, and GESI action plan activities. • Take over the assets for O&M after completion of all physical works under the contract and take over PHED water supply distribution works at the same time • Act as the employer to the contract for the O&M phase
<p>Asian Development Bank</p>	<ul style="list-style-type: none"> • Monitor overall project and subproject performance • Communicate with RUDSICO on project implementation • Review and approve procurement activities as per the agreed Procurement Plan • Process withdrawal applications for disbursement • Disclose project information to the public as per ADB policy • Approve and monitor safeguards documents and implementation compliance • Approve annual audits of project accounts, by a private auditing firm or Auditor General of India, as selected by RUDSICO • Field review missions • Facilitate knowledge sharing • Conduct capacity building program on project implementation components, ADB policies, procurement, project management, safeguards, and other compliance requirements • Support LSGD, RUDSICO, PIUs, and ULBs through various capacity building activities.

ADB = Asian Development Bank, BPL = below the poverty line, CAPP = community awareness and participation plan, CAPPCC = community awareness and public participation consultant, CLMC = city level monitoring committee, CMSC = contract management and supervision consultant, DEA = Department of Economic Affairs, DPR = detailed project report, GESI = gender equality and social inclusion, GOR = Government of Rajasthan, LSGD = Local Self Government Department, O&M = operation and maintenance, PHED = Public Health Engineering Department, PIU = project implementation unit, PWD = Public Works Department, PMCBC = project management and capacity building

consultant, PMU = project management unit, QPR = quarterly progress report, RHB = Rajasthan Housing Board, RUDSICO = Rajasthan Urban Drinking Water, Sewerage and Infrastructure Corporation Limited, RUDSICO -EAP = RUDSICO-Externally Aided Projects, TPRM = Tripartite Portfolio Review Meetings, UDHD = Urban Development and Housing Department, ULB = urban local body, WSS = water supply and sanitation.
Source: Asian Development Bank.

16. Through more than 20 years of partnership with ADB through a range of urban projects and programs, the executing agency and the implementing agency have good capacity in project management, procurement, financial management, and safeguards implementation. However, additional support to enhance their capacity is still needed, thus, the following training would be provided during the sector project implementation.

Table 4: Summary of capacity building training

Training lead	Areas for capacity development	Key deliveries
PMCBC	Project management for the externally aided project and	Annual training on project management with special emphasis on MIS, Financial and disbursement systems, monitoring and verification.
PMCBC with support from ADB	Procurement	Training on ADB's new procurement framework, and standard bid documents, upon request.
CMSCs with support from ADB	contract management	Training on contract management.
PMCBC with support from ADB	safeguards requirements	ADB safeguards requirements during implementation, including and type of monitoring equipment where necessary in the implementation of the HIA.
CAPPC	Gender equality and social inclusion	Training on gender equality and social inclusion.
PMCBC with support from ADB	Financial management	Training on good financial management, financial management system, roles and duties in compliance with ADB's and Governments procedures and requirements on financial management.

ADB = Asian Development Bank, CAPPC = community awareness and public participation consultant, CMSC = contract management and supervision consultant, MIS = management information system, PMCBC= Project management and capacity building consultant
Source: Asian Development Bank.

17. The roles and responsibilities of PMCBC, CMSCs, and CAPPC that were engaged under the ongoing loan and continue working on the AF project are summarized in **Table 5**.

Table 5: Consultant Roles and Responsibilities

Consultant	Primary Roles and Responsibilities
Project management and capacity building consultant	Support the executing and implementing agencies in (i) planning and coordination of project implementation; (ii) project management and control, including administration; (iii) procurement, including contract management; (iv) troubleshooting project implementation problems; (v) progress reporting; (vi) management of project management software, such as Microsoft Project or its equivalent (vii) training of key staff of the executing and the implementing agencies on statistical data processing and visualization; and

	(viii) various capacity building activities
Contract management and supervision consultant (two CMSCs)	Support the AF project implementation units in (i) planning and coordination of project implementation; (ii) contract management and control, including administration; (iii) supervision of contractors; (iv) troubleshooting of works execution problems, including safeguards; (v) progress reporting; (vi) training of key staff of project implementation units in contract management, safeguards, accounting; gender actions, and others.
Community Awareness and Public Participation Consultant	Support the AF project implementation units in (i) designing and implementing CAPP activities (ii) creating awareness on the AF project and urban management issues like 100% household connections with the inclusion of poor and vulnerable groups, water conservation and water metering, solid waste management, wastewater management, treated wastewater reuse, and sludge reuse, while involving the community, ward committees, educational institutes, and other relevant organizations. (iii) coordinating with elected representatives, district administration, ULBs, line departments, NGOs, and the community to facilitate project implementation and sustainability. (iv) Carrying out re-verification of baseline surveys undertaken by the contractor for the service delivery, socio economic status, vulnerability, consumer connections, and urban service level at municipal wards including municipal wards with scheduled tribe population. (v) supporting PMUs and PIUs in the implementation of the GESI action plan (vi) providing training on GESI activities. (vii) Implementing training programs and community-based programs including health and hygiene education program (viii) Supporting the PIU and PMU on grievance redress mechanism.

AF = additional financing, CAPP = community awareness and public participation, CMSC = contract management and supervision consultant, GESI = gender equality and social inclusion, NGO = nongovernment organization, PIU = project implementation unit, PMU = project management unit, ULB = urban local body

Source: Asian Development Bank.

B. Key Persons Involved in Implementation

Executing Agency

Local Self Government
Department - GOR

Mr. Mahesh Chandra Sharma
Secretary Local Self Government Department
Tel : +91 141 2227200

[E-mail: mailruidp@gmail.com.](mailto:mailruidp@gmail.com)
mail.ruidp@rajasthan.gov.in

Project Management Unit

Rajasthan Urban Drinking Water
Sewerage and Infrastructure
Corporation Limited

Local Self Government Department, the Government of Rajasthan, Jaipur, Rajasthan, India; and
Project Director, Rajasthan Urban Drinking Water
Sewerage and Infrastructure Corporation

Asian Development Bank

Urban Development and Water
Division

Mr. Norio Saito
Director
Tel: +632 8632 6923

South Asia Department

E-mail: nsaito@adb.org
6 ADB Avenue, Mandaluyong City,
1550 Metro Manila, Philippines

Mission Leader

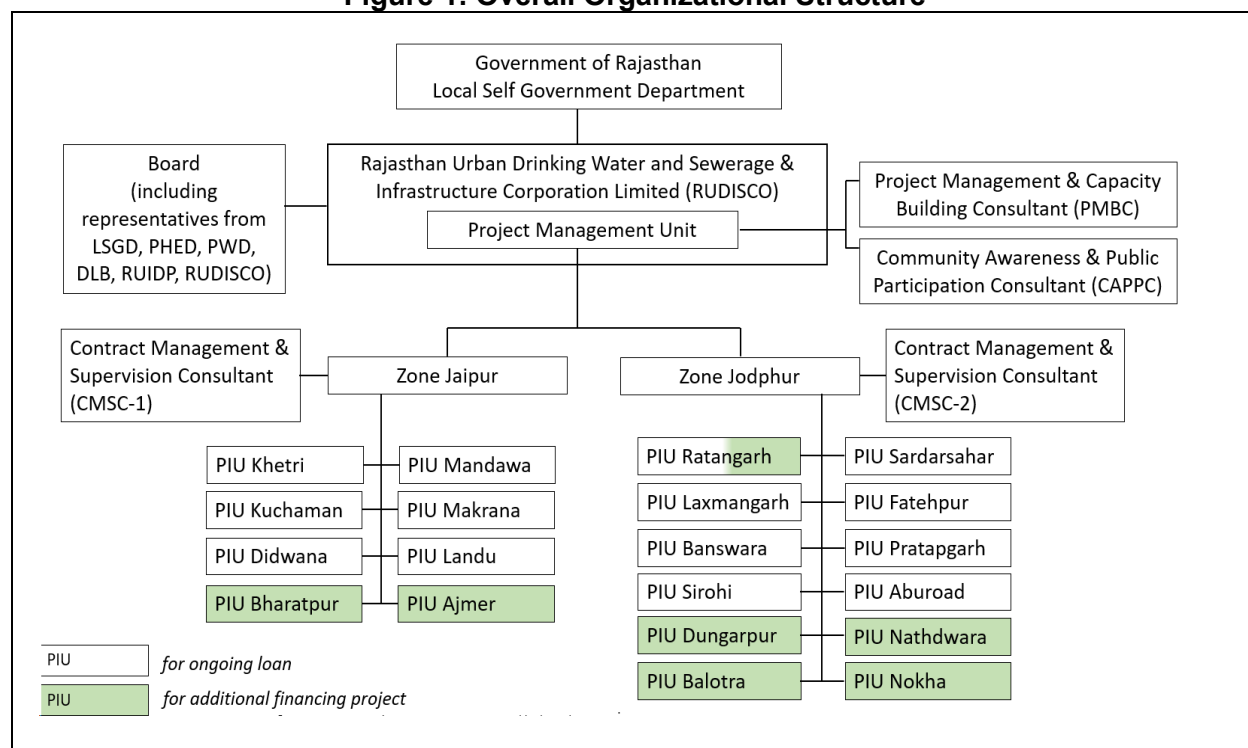
Ms. Na Won Kim
Senior Urban Development Specialist
Tel: +632 86831503
E-mail: nawonkim@adb.org
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Co-Mission Leader

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Senior Project Officer (Urban), India Resident Mission
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India

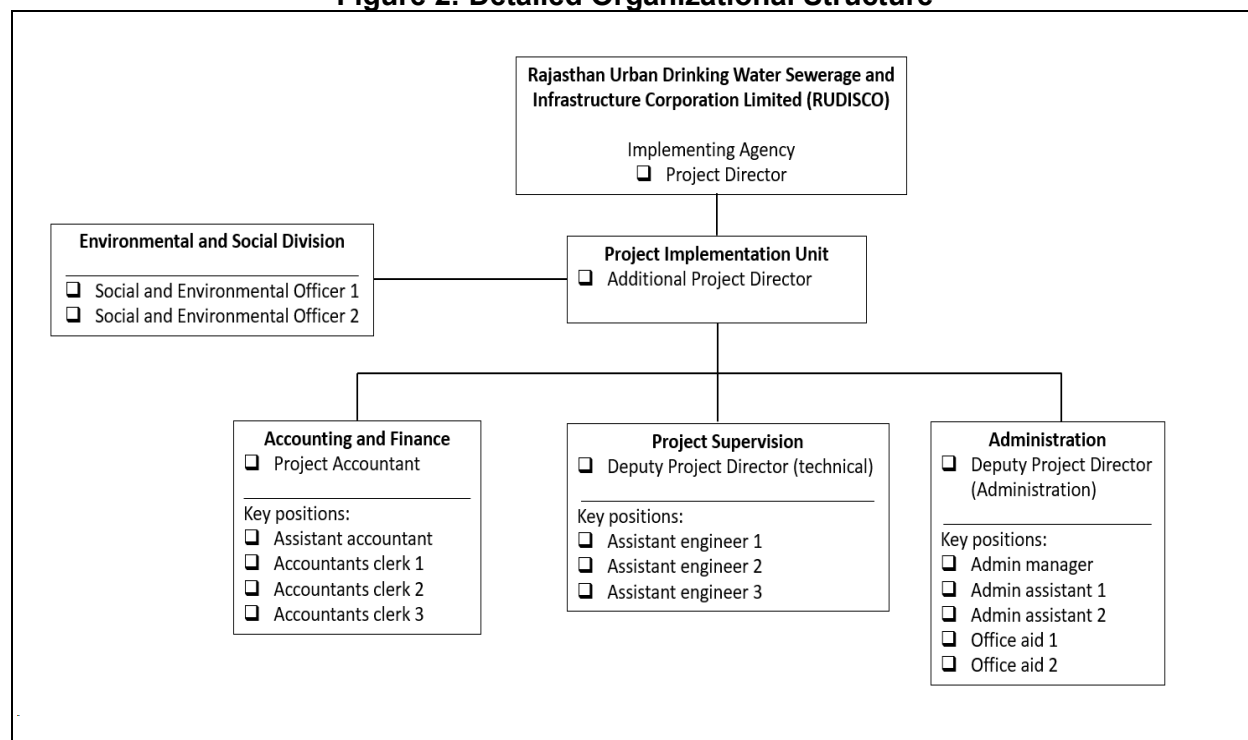
C. Project Organization Structure

Figure 1: Overall Organizational Structure



DLB = department of local bodies, LSGD = local self government department, PHED = public health engineering department, PIU = project implementation unit, PWD = public works department.

Source: Rajasthan Drinking water Sewerage and Infrastructure Corporation Limited.

Figure 2: Detailed Organizational Structure**Table 6: Staffing of Implementing Agency**

No.	Position	Name	Status
1	Project director	Mr. Mahesh Chandra Sharma	<input checked="" type="checkbox"/> appointed
2	Additional Project Director	Dr. Hermant Sharma	<input checked="" type="checkbox"/> appointed
3	Chief Engineer	Mr. Arun Vyas	<input checked="" type="checkbox"/> appointed
4	Deputy project director (technical)	Mr. Kapil Gupta	<input checked="" type="checkbox"/> appointed
5	Deputy project director (administration)	Mr. K.C. Agarwal	<input checked="" type="checkbox"/> appointed
6	Assistant engineer 1	Smt. Shruti Singh & Sh. Ankit Choudhray	<input checked="" type="checkbox"/> appointed
7	Assistant engineer 2	Sh. Rohit Jangid	<input checked="" type="checkbox"/> appointed
8	Assistant engineer 3	Ms. Nisha Beniwal	<input checked="" type="checkbox"/> appointed
9	Social and/or environmental officer	Smt. Shruti Singh & Sh. Anil Vijayvargia	<input checked="" type="checkbox"/> appointed
10	Project accountant	Sh. L. N. Sharma	<input checked="" type="checkbox"/> appointed
11	Assistant accountant	Sh. Pramod Singhal	<input checked="" type="checkbox"/> appointed
12	Accounts clerk 1	Sh. Manish	<input checked="" type="checkbox"/> appointed
13	Accounts clerk 2	Sh. Sushil Yadav	<input checked="" type="checkbox"/> appointed
14	Accounts clerk 3	Sh. Abrar Ahmad	<input checked="" type="checkbox"/> appointed
15	Admin manager	Sh. K.C. Agrawal	<input checked="" type="checkbox"/> appointed
16	Admin assistant 1	Sh. Tushar Sharma	<input checked="" type="checkbox"/> appointed
17	Admin assistant 2	Sh. Mukesh Saini	<input checked="" type="checkbox"/> appointed
18	Office aid 1	Sh. Jitesh Nama	<input checked="" type="checkbox"/> appointed
19	Office aid 2	Sh. Deepak Singh	<input checked="" type="checkbox"/> appointed

Source: Rajasthan Urban Drinking Water Sewerage and Infrastructure Corporation Limited.

IV. COSTS AND FINANCING

1. The overall project is estimated to cost \$728.3 million (**Table 7**).

Table 7: Summary Cost Estimates
(\$ million)

Item	Current Amount ^a	Additional Financing ^b	Total
A. Base Cost^c			
1. Resilient water supply systems in at least seven ULBs developed or improved	71.5	58.1	129.6
2. Resilient and inclusive sanitation systems in at least eight ULBs developed or improved	271.4	113.4	384.8
3. Urban assets to enhance climate resilience and heritage living in at least 11 ULBs developed or improved		80.7	80.7
4. Institutional and human capacities strengthened for sustainable service delivery gender equality, and improved public health	13.2	0.0	13.2
Subtotal (A)	356.1	252.2	608.3
B. Contingencies^d	45.3	28.0	73.3
C. Financing Charges During Implementation^e	27.1	19.6	46.7
Total (A+B+C)	428.5	299.8	728.3

^a Refers to the original amount.

^b Includes taxes and duties of \$36.3 million. Such amount does not represent an excessive share of the project cost. The government will finance taxes and duties of \$36.3 million to be financed by cash contribution.

^c In end-2022 prices as of January 2023.

^d Physical and price contingencies, and a provision for exchange rate fluctuation are included.

^e Includes interest and commitment charges. Interest during construction for the ADB loan has been computed at the 5-year US dollar Secured Overnight Financing Rate fixed-swap rate plus a spread of 0.5%, surcharge of 0.16% and a maturity premium of 0.1%. Commitment charges for an ADB loan are 0.15% per year to be charged on the undisbursed loan amount.

Source: Asian Development Bank estimates.

18. The summary financing plan is in **Table 8**. ADB will finance the expenditures of the overall project in relation to (i) civil works, (ii) consulting services, (iii) initial O&M, (iv) incremental recurrent costs; and (v) contingencies. The GOR will finance (i) taxes and duties; (ii) land acquisition and resettlement costs; (iii) financing charges during implementation; (iv) civil works; (v) initial O&M; (vi) incremental recurrent costs; (vii) contingencies, and (viii) financing charges. The GOR has assured that it will meet any financing shortfall to ensure that overall project outputs are fully achieved.

Table 8: Summary Financing Plan

Source	Current		Additional Financing		Total	
	Amount (\$ million)	Share of Total (%)	Amount (\$ million)	Share of Total (%)	Amount (\$ million)	Share of Total (%)
Asian Development Bank						
OCR (regular loan)	300.0	70.0	200.0	66.7	500.0	68.7
Government	128.5	30.0	99.8	33.3	228.3	31.3
Total	428.5	100.0	299.8	100.0	728.3	100.0

OCR = ordinary capital resources.

Source: Asian Development Bank estimates.

19. Detailed cost estimates by expenditure category and by financier are in Appendixes 4 and 5.

A. Cost Estimates Preparation and Revisions

20. The cost estimates were prepared based on the detailed project reports, where available, and other relevant details of subprojects. The cost estimate model was prepared using Microsoft

Excel and is available from the AF project preparation team and the PMU. The cost estimates will be further revised during implementation by the PMU.

B. Key Assumptions

21. The following key assumptions underpin the cost estimates and financing plan:
- (i) Exchange rate: ₹82.25 = \$1.00 (as of 2 November 2022).
 - (ii) Price contingencies based on expected cumulative inflation during implementation are in **Table 9**.

Table 9: Escalation Rates for Price Contingency Calculation

Item	2022	2023	2024	2025	2026	2027	2028	2029	Average
Foreign rate of price inflation	1.7%	1.7%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Domestic rate of price inflation	6.7%	5.8%	5.0%	4.5%	4.0%	4.0%	4.0%	4.0%	4.8%

Source: Asian Development Bank estimates.

- (iii) In-kind contributions cannot be easily measured and have not been quantified.
- (iv) Physical contingencies were calculated at 5% of the civil and equipment cost.

C. Allocation and Withdrawal of Loan Proceeds

Table 10: Allocation and Withdrawal of Loan Proceeds (additional financing)

No.	Item	Amount Allocated for ADB Financing (\$) Category	Basis for Withdrawal from the Loan Account
1.	Works and O&M ^a	168,910,000	81.6% of total expenditure claimed
2.	Works and O&M ^b	22,100,000	54.3% of total expenditure claimed
3.	Incremental Administrative Costs	2,480,000	55.0% of total expenditure claimed
4.	Unallocated	6,510,000	
Total		200,000,000	

O&M = operation and maintenance.

^a Excluding Jodhpur Sanitation.

^b Jodhpur Sanitation.

Source: Asian Development Bank estimates.

D. Contract and Disbursement S-Curve

22. Projected contract awards and disbursements of the ADB loan are given in **Table 11** and **Figure 3**.

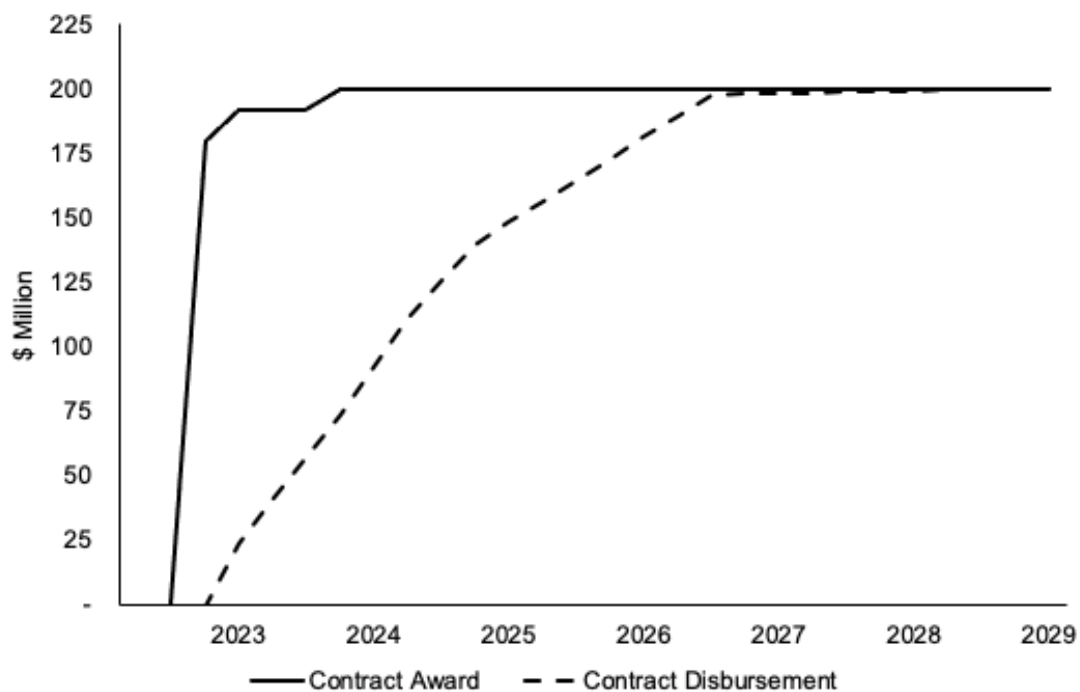
Table 11: Contract Awards and Disbursements
(\$ million)

Year	Contract Awards					Disbursements				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2023	-	-	179.5	12.2	191.7	-	-	-	24.2	24.2
2024	-	-	8.3	-	8.3	16.1	16.1	17.4	18.2	67.8
2025	-	-	-	-	-	18.3	15.5	14.2	8.2	56.2
2026	-	-	-	-	-	8.2	8.2	8.2	8.2	32.8
2027	-	-	-	-	-	8.3	8.3	0.3	0.3	17.2
2028	-	-	-	-	-	0.3	0.3	0.3	0.3	1.2
2029	-	-	-	-	-	0.3	0.3	-	-	0.6
Total	-	-	187.8	12.3	200.0	51.5	48.7	40.4	59.4	200.0

Q = quarter.

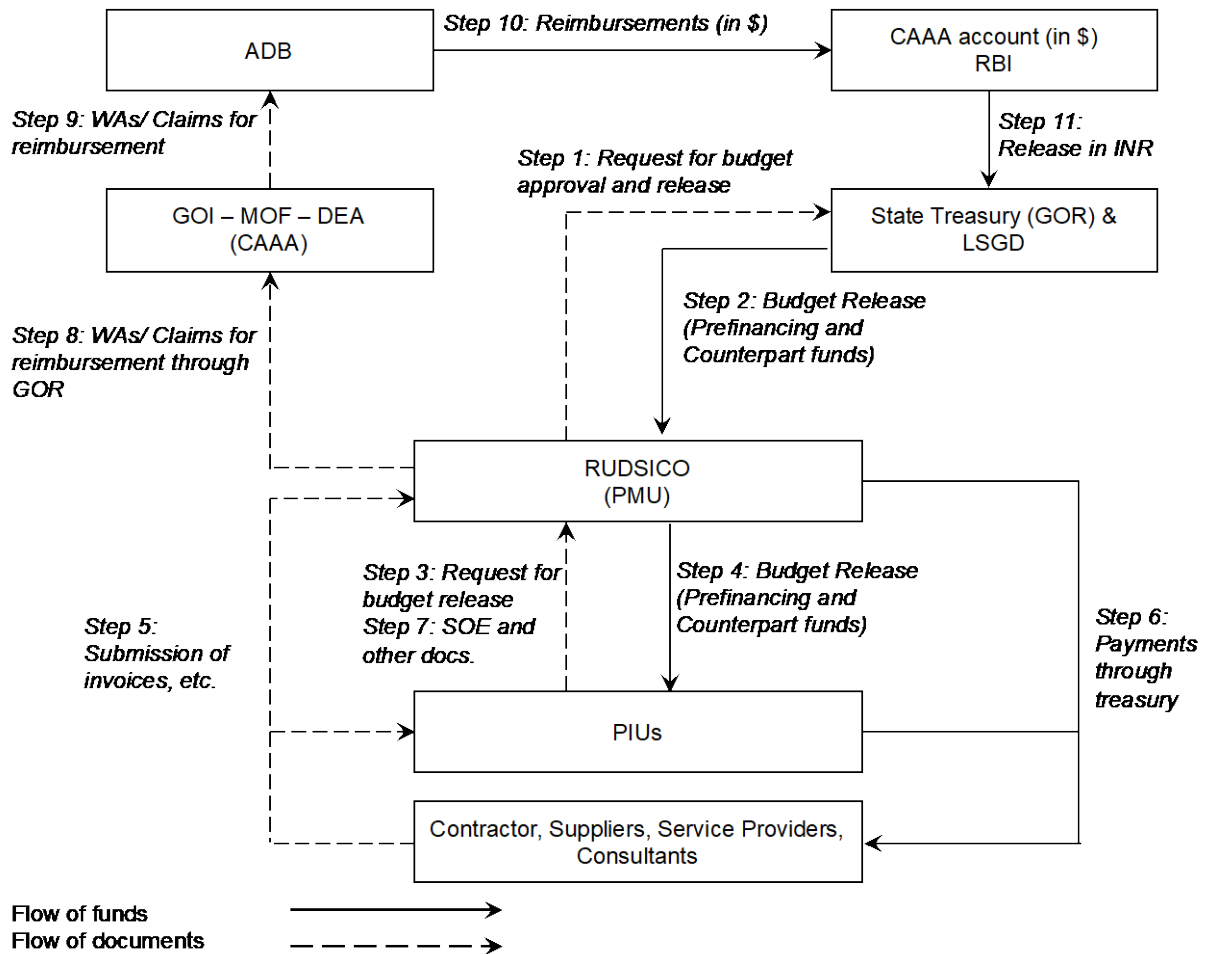
Source: Asian Development Bank estimates.

Figure 3: S-Curve



E. Fund Flow Diagram

Figure 4: Fund Flow Diagram



ADB = Asian Development Bank, CAAA = Controller of Aid Accounts and Audit, DEA = Department of Economic Affairs, GOI = Government of India, GOR = Government of Rajasthan, INR = Indian Rupee, LSGD = Local Self Government Department, MOF = Ministry of Finance, PIUs = project implementation units, PMU = project management unit, RBI = Reserve Bank of India, RUDSICO = Rajasthan Urban Drinking Water, Sewerage and Infrastructure Corporation Limited, SOE = Statement of Expenditure, WA = withdrawal application

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

23. An update to the financial management assessment (FMA) for the proposed additional financing for Rajasthan Secondary Towns Development Sector Project (the ongoing project) was conducted following ADB's Guidelines in September 2022.¹³ The update reviewed the fund flows, staffing, accounting policies and procedures, internal controls, financial reporting and monitoring, and internal and external audits. The FMA was conducted based on the following: (i) previous FMA conducted by ADB for the ongoing project, (ii) the financial management questionnaire, (iii) a review of financial management performance of ongoing and past ADB-financed projects implemented by external aided projects (EAP) division of RUDSICO, including desk review of audit reports and other documents, and (iv) interviews conducted with RUDSICO staff.

24. RUDSICO is responsible for executing the AF project components under additional financing on behalf of LSGD of GOR.¹⁴ RUDSICO has two divisions namely, (i) Urban Infrastructure and Housing (UI&H) which executes all Government of India and Government of Rajasthan development programs; and (ii) EAP, which executes all the external aided projects in the urban sector in the state. The FMA notes that the EAP division is experienced in implementing various projects funded by Asian Development Bank since 1998. The ongoing project is also implemented by the EAP division of RUDSICO.

25. Project financial management arrangements that were put in place for managing the ongoing project remain relevant, including arrangements for staffing, accounting, reporting, internal controls, information system, and external audit. A dedicated PMU was established for the ongoing project, consisting of managerial staff and technical experts assisted by PMCBC. Additional staff positions in the project management unit (PMU) as required for the additional financing was already approved by GOR.

26. **Performance of ongoing projects.** RUDSICO was entrusted by LSGD of GOR to manage and implement the ongoing project. The total project cost of the ongoing project is \$428.5 million, of which, \$300.0 million as ADB loan and \$128.5 million as counterpart financing. As of January 2023, an amount of \$100.2 million was disbursed, with contract commitment at 100% and disbursement at 33.4%.

27. The financial performance of the ongoing project is rated as 'on track' as all audited project financial statements (APFS) were submitted up to the latest the financial year 2021–22 with no qualified opinions in the APFS of the latest year. The last audited entity financial statement (AEFS) for RUDSICO shared with ADB was for FY2019–20. There are qualified opinions issued by the auditors. The opinions are mostly in the nature of non-accrual of interest for various deposits for the funds under government programs such as AMRUT/SMART CITY implemented by the UI&H division of RUDSICO. The assets created from the ongoing project and the proposed additional financing would be transferred to urban local bodies (ULBs) for operations and maintenance (O&M). As the assets created get transferred to ULBs for O&M and APFS were submitted on time and has no qualified opinions, these qualifications do not impact the financial management of this

¹³ ADB. 2015. [Financial Management Technical Guidance Note](#). Manila.

¹⁴ A Government Company formerly Rajasthan Urban Infrastructure Finance and Development Corporation (RUFIDCO) registered under Companies Act, 2013, since April 2016. GOR through the Governor of Rajasthan is the largest shareholder (84%), Rajasthan Housing Board holds about 8% and Jaipur Development Authority is the other major shareholder with 8%. Other shareholders holding nominal shares are seven nominees from GOR, two nominees from Rajasthan Housing Board and three independent civil society persons.

project. The audit of FY2020–21 was completed and is in the process to submit to the RUDSICO Board. The audit of 2021–22 is ongoing.

28. The FMA considered inherent risks and control risks. The key risks identified as part of the ongoing project and its update are presented in **Table 12**.

Table 12: Financial Management and Internal Control Risk Assessment

Risk	Risk Rating	Risk Description (as per PAM, Sep 2020)	Mitigation Measures or Action Plans	Update
A. Inherent Risks				
1. Country – specific risks	M	The financial standards and capacity in government of India's public and private sectors are sound. India has a strong accounting profession although most levels of the government still use a cash basis of accounting.	Not applicable	No Change
2. Entity – specific risks	S	GOR has PFM mechanisms in place which are being strengthened as part of ongoing reforms	The ongoing reforms in GOR's financial management systems are to be monitored.	No Change
3. Project – specific risks	S	The project financial management arrangements will be decentralized to 14 PIUs, which will pose challenges to producing accurate and timely financial information for the project's stakeholders.	The roles and responsibilities, including funds flow, financial reporting formats and deadlines as well as audit arrangements need to be established and documented within one month from loan effectiveness.	Risk is revised to Moderate The existing project has established the roles and responsibilities including the reporting formats and the audit arrangements. Seven new PIUs were established for AF. The same procedures adopted in the ongoing project would be followed for the proposed AF. FM arrangements will be centrally managed by the existing PMU in RUDSICO, as under the ongoing project, and satisfactory performance is noted.
Overall inherent risk	Substantial			Moderate
B. Control Risks – RUDSICO and EAP Division / PMU				
1. Implementing Entity	M	<ul style="list-style-type: none"> RUDSICO has extensive experience in handling ADB-funded projects. However, financial management issues including noncompliance with ADB financial management requirements have been identified in the past with regard to financial reporting and 	<ul style="list-style-type: none"> Project-level financial management arrangements need to be strengthened to ensure full compliance with ADB's financial management requirements as outlined in the sections below. 	No Change ADB's financial management requirements were complied with in full and the PIUs with accounts positions are in place. PIUs with the staff positions for the proposed AF were approved and identified.

Risk	Risk Rating	Risk Description (as per PAM, Sep 2020)	Mitigation Measures or Action Plans	Update
		<p>audited project financial statements.</p> <ul style="list-style-type: none"> Delays in the setup and staffing of the PIUs may hamper the implementation and quality of project financial management. 	<ul style="list-style-type: none"> PIUs to be setup in a timely manner. Each PIU is to include a full-time financial /accounts position. 	
2. Funds flow	S	<ul style="list-style-type: none"> Delays and shortfalls in the release of counter funds may hamper project implementation. The decentralized flow of funds with funds being transferred to 14 PIUs may pose a challenge for accounting and tracking the use of funds. 	<ul style="list-style-type: none"> Timely availability of counterpart funds must be ensured by the GOR and executing agency. ADB disbursement will follow the reimbursement procedure. SOE ceiling set at \$100 000. Disbursement triggers for releasing funds to the PIUs are to be established and documented. 	<p>Risk is revised to Moderate</p> <p>For the ongoing projects, the counterpart funds were made available to the executing agency on time and the reimbursement procedure is followed.</p> <p>For the proposed AF the same mechanism would be followed.</p>
3. Staffing	S	<ul style="list-style-type: none"> Delays in filing the financial positions in the PIUs & PMUs with qualified staff will affect the quality of the project's financial management. Unexperienced staff and staff turnover may result in inefficiencies and noncompliance with ADB's financial management requirements. 	<ul style="list-style-type: none"> RUDSICO to assign qualified accounts staff to the PMU and each PIUs from the start of the project. Training to be provided in ADB's systems and procedures; A qualified financial management specialist is to be hired as part of the PMCBC to support the PMU in setting up the project-specific Financial Management arrangements, providing hands-on training to the project Financial Management staff in the PMU and PIUs, and preparing consolidated financial reports. 	<p>Risk is revised to Moderate</p> <p>A dedicated accounts position who is experienced in handling ADB projects is in place for the ongoing project.</p> <p>FM specialist position is available in PMCBC and is mobilized by PMU whenever required. The scope of the FM specialist of PMCBC includes the activities in additional financing.</p> <p>For the proposed AF, the accounts staff positions were identified for all PIUs. These positions would be made full-time available before the start of the implementation of subprojects in the respective PIUs.</p>

Risk	Risk Rating	Risk Description <i>(as per PAM, Sep 2020)</i>	Mitigation Measures or Action Plans	Update
4. Accounting Policies and Procedures	M	<ul style="list-style-type: none"> The existing financial manual is partly outdated and does not fully cover all ADB or project-specific financial management requirements 	<ul style="list-style-type: none"> The PMU's financial management manual is to be supplemented with ADB and project-specific financial management and accounting instructions A uniform chart of accounts (COA) must be agreed upon and used by the PMU and PIUs to ensure consistency of accounting data and financial reports. 	<p>No Change</p> <p>The existing FM Manual is updated and approval from authorities is in process.</p> <p>Necessary training to be given to all PMU/PIU staff to use the updated FM manual and COA</p>
5. Internal Audit	M	<ul style="list-style-type: none"> There is no internal audit function in the PMU. RUDSICO has outsourced its internal audit function to an independent firm, which conducts annual internal audits. As a result, the Internal control weaknesses in the PMU and especially in the PIUs may go undetected 	<ul style="list-style-type: none"> Project to be included in the audit plan of RUDSICO's Internal audit function with a focus on the internal control environment in the PIUs. The internal audit is to be undertaken on a quarterly basis. The PMU and each PIUs to track and implement all significant internal audit observations related to the project. 	<p>No Change</p> <ul style="list-style-type: none"> The scope of the internal auditor was extended to the EAP division of RUDSICO which includes PMUs and PIUs. The internal audit is to be undertaken on a quarterly basis. The internal audit comments are mostly on delay in the transfer of information from PIU to PMU, delay in TDS/GST payments, and delay in recovery of mobilization advances and similar opinions. The PMU and each PIUs to track and implement all significant internal audit observations related to the project
6. External Audit (Project-level)	M	<ul style="list-style-type: none"> Past review of audit reports has identified the following issues with ADB-financed project implemented by RUDSICO: Some delays in the submission of APFS with past ADB projects; APFS is not prepared separately for each ADB loan in the past; Missing audit opinions; and, 	<ul style="list-style-type: none"> The audit is to be conducted according to the standard TORs agreed with the CAG and the Government of India and ADB; Project financial statements are to be prepared and audited separately for each ADB project. 	<p>Risk is revised to Low</p> <p>The APFS for each loan for past projects is prepared separately and submitted to ADB and was found acceptable.</p> <p>The latest audit report includes a Management letter.</p> <p>PMU is to continue to follow the procedures as per FY2021-22 audit reports.</p>

Risk	Risk Rating	Risk Description <i>(as per PAM, Sep 2020)</i>	Mitigation Measures or Action Plans	Update
		<ul style="list-style-type: none"> No Management letter submitted as part of past audits. For FY2019 RUDSICO has submitted APFS in compliance with the audit TORs agreed upon between CAG, DEA, and ADB. 	<ul style="list-style-type: none"> An auditor is to be required to prepare a management letter. PMU to engage annually with the auditors to review the scope of the audit and ensure full compliance with ADB's audit requirements including the audit report, audit opinions, financial reporting, and the management letter. 	
7. External Audit (entity level)	S	<ul style="list-style-type: none"> Delays in approval of Audited Entity Financial statements: (i) EAP Department/PMU. Consolidated financial statements of RUDSICO (including erstwhile RUIDP financial statements) are under preparation and audit for FY2017–2018 and FY2018–2019. 	<ul style="list-style-type: none"> Backlog of getting the audit for the RUDSICO financial statements for FY2017–2018 and FY2018–2019 must be resolved. Delays in approval and submission of the AEFS must be avoided and consequently, the RUDSICO must ensure that the AEFS is prepared and approved within the statutory schedule and submitted to ADB one month after their approval. 	<p>No Change</p> <p>The AEFS for FY2019-20 was submitted to ADB. The audit for FY2020-21 is completed and in the process to be placed before RUDSICO Board. The audit for FY2021-22 is in progress.</p> <p>Delays in approval and submission of the AEFS must be avoided and consequently the RUDSICO must ensure that the AEFS is prepared and approved within the statutory schedule and submitted to ADB one month after their approval.</p>
8. Reporting and Monitoring	S	<ul style="list-style-type: none"> In the past financial reports not produced separately for each project, and Formats of Financial reports have not met ADBs minimum requirements. For FY2019 RUDSICO has updated the PFS to match the templates included in the audit TORs agreed upon between CAG, DEA, and ADB. 	<ul style="list-style-type: none"> Annual consolidated financial statements prepared exclusively for the project in the format agreed with ADB, including a statement of disbursement and a list of Withdrawal applications claimed from ADB. Key financial information as per the agreed format is to be included in the consolidated quarterly progress reports to be submitted to ADB 	<p>Risk is revised to Moderate</p> <p>For the existing project, the financial statements were prepared as per the agreed format and submitted to ADB.</p> <p>In the current project the QPRs are submitted on time as per the agreed format.</p> <p>PMU continues to prepare the required formats and submit them to ADB within 45 days after the reporting period.</p>

Risk	Risk Rating	Risk Description (as per PAM, Sep 2020)	Mitigation Measures or Action Plans	Update
			within 45 days after the reporting period.	
9. Information Systems	M	<ul style="list-style-type: none"> • Reports are prepared using a computerized platform as well as word/ excel • Physical progress is monitored through PPMS used by the Technical Staff in PMU and PIUs • Manual accounts are maintained at the PIU level which may lead to errors and delays in consolidating financial information and report generation. 	<ul style="list-style-type: none"> • The PMU's existing accounting software is to be customized to produce separate financial reports for the project in the agreed format. • Accounting software to be installed in the PIUs. • Active use of ADB systems LFIS and Client Portal for Disbursement (CPD) in the monitoring of disbursements and conducting quarterly reconciliation between project records and ADB disbursement records. 	<p>No Change</p> <p>PMU is still using standalone accounting software. PIUs are updating the accounts manually.</p> <p>Procurement for developing customized accounting software is in progress.</p> <p>There is a delay in developing the customized software. This process should be expedited. The proposed AF should also use the customized accounting software both in PMU and PIUs</p> <p>Continue to use ADBs LFIS and CPD in the monitoring of disbursements and conducting quarterly reconciliation between project records and ADB disbursement records.</p>
Overall Control Risk	Substantial	Delays in external audits in RUDSICO, partly ineffective internal audit, delay in the establishment of fully staffed PMUs and PIUs, and an outdated PMU finance manual are found as risks, but these can be addressed through the implementation of the financial management action plan and by following the relevant sections in the PAM.		<p>Revised to Moderate</p> <p>As the PIUs for the proposed AF are already approved with the necessary FM staff and the APFS/ QPRs were submitted on time as per the agreed formats, with no qualified opinions in the latest year of the ongoing project, the overall risk rating is revised to Moderate.</p>

ADB = Asian Development Bank, AEFS = audited entity financial statements, AF = additional financing, APFS = audited project financial statements, CAG = Comptroller and Auditor General of India, CPD = client portal for disbursement, DEA = Department of Economic Affairs, EAP = externally aided projects, FM = financial management, FY = fiscal year, GOR = Government of Rajasthan, LFIS = loan financial information system, LSGD = Local Self Government Department, M = moderate, PFM = public financial management, PIU = project implementation unit, PMCBC = project management and capacity building consultant, PMU = project management unit, PPMS = project performance management system, RUDSICO = Rajasthan Urban Drinking Water, Sewerage and Infrastructure Corporation Limited, S = substantial, SOE = statement of expenditure, TOR = terms of reference.

Source: Asian Development Bank.

29. The FMA update concludes that the overall pre-mitigation financial management risk of the implementing agency is revised to *Moderate*. Given that some of the risks previously rated as substantial are now revised to Moderate and Low due to the measures taken by PMU, the overall risk rating is revised to 'moderate' for the project. Further measures will be introduced to

strengthen the financial management arrangement for the AF project (**Table 13**). The implementing agency has agreed to implement the action plan to address the identified deficiencies. With continued implementation of current mitigation measures and the additional actions. The status of ongoing and outstanding actions must be reported in the Project Quarterly Progress Report, to be submitted to ADB within 45 days of the end of the quarter.

Table 13: Financial Management Action Plan

Risk Area	Agreed action	Responsibility	Time frame	Status
Status of FMAP for current project and targets for additional financing				
Implementation set up	Set up the PIUs with designated FM/accounts staff positions.	LSGD, GOR RUDSICO	Within one month from loan effectiveness	Complied for ongoing project. For additional financing 7 PIUs and the FM staff positions was already approved. <i>For the AF: No further action.</i>
Staffing, staff turnaround /inexperienced staff	Fill all the Financial Management positions in the PMU and each PIU with qualified accounts staff;	PMU/ RUDSICO	Within one month from loan effectiveness	Complied for ongoing project. FM staffs was identified and in place for additional financing. They will be made available full-time to the project before the contract award of respective subprojects. <i>For the AF: within one month prior to contract award and progress reported through QPRs.</i>
	Make available financial management & accounting procedures and written job descriptions for each financial management staff in the PMU & PIU;	PMU/ RUDSICO	Within one month from loan effectiveness	Complied for ongoing project FM accounting procedures have been shared with the FM staffs of PMU and PIUs. <i>For the AF: No further action.</i>
	Engage a qualified financial management specialist to support the project as part of the PMCBC; and	PMU/ RUDSICO	Within one month from loan effectiveness	Complied for ongoing project The scope of FM specialist in PMCBC includes the scope for additional financing <i>For the AF: No further action.</i>
	Provide training in disbursement procedures and procedures and systems.	ADB	Within one month from loan effectiveness	Complied for ongoing project Training for the staffs of additional financing shall be given by one month from loan approval <i>For the AF: one month within loan approval.</i>
Accounting	Supplement the RUDCSICO financial management manual with ADB and project-specific financial management and accounting instructions; and	LSGD, GOR	Within the first 3 months of project implementation	A separate finance, accounts and works manual is available, which is updated for the ongoing project and approval from authorities is in process. <i>For the AF: To be completed by July 2023</i>

Risk Area	Agreed action	Responsibility	Time frame	Status
	Agree on a uniform chart of accounts to be used by the PMU and PIUs to ensure consistency of accounting data	PMU and PIUs/ RUDSICO with support of PMCBC		Uniform COA is available and used by PMU and PIUs. Any update in the finance, accounts and works manual shall be implemented both in ongoing and additional financing by July 2023 <i>For the AF: To be completed by July 2023</i>
Flow of Funds	i) Monitor the timeliness and adequacy of counterpart funding; and ii) Establish and document disbursement to provide funds to - and justification of funds use by PIUs.	LSGD, GOR PMU and PIUs /RUDSICO	Within one month from loan effectiveness	Complied for ongoing project. And continue to follow for AF
Financial reporting	Prepare annual consolidated financial statements exclusively for the project in the format agreed with ADB, including a statement of disbursement and list of Withdrawal applications claimed from ADB; and Include financial information in the consolidated quarterly project progress reports to be submitted to ADB	LSGD, GOR PMU and PIUs/ RUDSICO with the support of PMCBC	Annually throughout project implementation Within 45 days after the end of the reporting period.	Complied for ongoing project <i>For AF, annually throughout project implementation, within 3 months of the end of the financial year.</i> Complied for ongoing project. Continue to comply for ongoing project and the AF within 45 days after the end of the reporting period.
Internal audit	i) Include the project in the audit plan of the RUDSICO Internal audit function with a focus on the PIUs; and	RUDSICO	Within one month from loan effectiveness	Complied for ongoing project. The ongoing project is included in the internal audit. Continue to comply for ongoing project and the AF
	ii) PMU and each PIU to track and implement all significant audit observations related to the project.	PMU and PIUs/ RUDSICO with the support of PMCBC	Within 6 months after the receipt of the Internal Audit report	Complied for ongoing project. Continue to comply for ongoing project and the AF within 6 months after the receipt of internal audit report.
External Audit – project-level	i) Ensure audit is conducted according to the standard TORs agreed with the CAG and the Government of India and ADB; and	LSGD, GOR PMU and PIUs/ RUDSICO with the support of PMCBC	Within one month from loan effectiveness Within 6 months after the end of the fiscal year	Complied for ongoing project Continue to comply for ongoing project and the AF within 6 months after the end of the fiscal year. Inform the external auditor (CAG) to include the subprojects in AF in its annual audit plan within one month from the loan effectiveness

Risk Area	Agreed action	Responsibility	Time frame	Status
Information systems	i) Customize the accounting software to produce separate financial reports for the project in the agreed format; and ii) select and install an accounting software in the PIUs.	LSGD, GOR PMU and PIUs/ RUDSICO	Within the first 6 months of project implementation	Not complied. Procurement of vendor for developing customized accounting software is in process. <i>For the AF:</i> Customized accounting software should be in place in PMUs and PIUs by July 2023
External Audit – entity level	i) Resolve backlog of the entity audits and submit FY2016-17 and FY2017-18 Audited entity financial statements to ADB; and ii) Ensure that the AEFS are approved within the statutory schedule and submitted to ADB annually within one month after their approval.	LSGD, GOR RUDSICO	Within 1 month after the approval of the AEFS.	Backlogs of FY2016-17 and FY2017-18 were completed. However, for FY2020-21 audit is completed and in the process of Board approval and FY2021-22 is yet to be audited. Continue to submit the AEFS within one month after the approval of AEFS.
New FMAP for additional financing				
Financial sustainability plan ^a	Financial sustainability plan prepared and approved for the proposed five sample ULBs ^b	PMU/RUDSICO	By May 2023	
	Financial sustainability plan prepared and approved for the proposed 12 ULBs	PMU/RUDSICO	By March 2024	

ADB = Asian Development Bank, AEFS = audited entity financial statements, AF = additional financing, APFS = audited project financial statements, CAG = Comptroller and Auditor General of India, COA = chart of accounts, FM = financial management, FMAP = financial management action plan, FY = fiscal year, GOR = Government of Rajasthan, LSGD = Local Self Government Department, PIU = project implementation unit, PMCBC = project management and capacity building consultant, PMU = project management unit, RUDSICO = Rajasthan Urban Drinking Water, Sewerage and Infrastructure Corporation Limited, TOR = terms of reference, ULB = urban local body.

^a Total of 17 urban local bodies and one development authority (Jodhpur development authority (JoDA)) are involved in the additional financing. As JoDA has sound financial capacity with operating ratio is less than one in the past five years, the financial sustainability plan is suggested only for 17 ULBs.

^b The sample ULBs include (i) Bharatpur, (ii) Bundi, (iii) Jodhpur North, (iv) Jodhpur south, and (v) Sagwara.

30. To ensure sufficient knowledge of ADB's FM requirements, including financial reporting templates and audit requirements, training in these areas shall be provided as part of the inception mission. The training shall cover at least the following items:

- (i) ADB's disbursement systems and procedures (to be done by CTLA/INRM disbursement unit);
- (ii) the FM information to be included in the quarterly progress reports including a walkthrough of the agreed templates;
- (iii) format of the project financial statements including a walkthrough of the agreed templates; and
- (iv) ADB's audit requirements including a walkthrough of the audit opinions required by ADB.

31. Thereafter, the PMU shall on a yearly basis liaise with ADB to ensure participation in FM and disbursement training events organized by ADB in the region.

32. Moreover, it is recommended that a financial management specialist (ADB staff or consultant) participates in a mission annually to supervise and provide implementation support to the AF project and follow up on the fiduciary risk at various levels. Considering the risk assessment, in the first two years of implementation the supervision plan of the AF project will especially focus on the following actions:

- (i) A detailed review of the status of the FM action plan outlined in the PAM.
- (ii) A detailed review of the adequacy of the staffing arrangements in the PMU and PIUs, including training needs identification.
- (iii) A detailed review of the consolidated financial reports and control registers and other FM-related information included in the quarterly progress reports.
- (iv) Review of the effectiveness and timeliness of the project's internal audits;
- (v) Review of the overall flow of funds (and resolving any bottlenecks) and a detailed review of the operation of the advance and sub-advance account including compliance with monthly reconciliations, and use of the right financing percentage).
- (vi) Discuss with the disbursement unit the quality of WAs and supporting documentation as well as the use of the advance account. Suggest revision of statement of expenditure (SOE) threshold as required;
- (vii) Review of records management, filing, and information back up.
- (viii) Follow up on audit observations/recommendations; and,
- (ix) Follow up on recommendations from past supervision missions.

33. The supervision process will be complemented by a desk review of financial information included in the QPRs and APFS.

B. Disbursement

1. Disbursement Arrangements for ADB Funds

34. Disbursement of the loan proceeds will follow ADB's *Loan Disbursement Handbook* (2022, as amended from time to time)¹⁵ and detailed arrangements agreed between the government and ADB.

35. RUDSICO through its PMU will be responsible for (i) preparing disbursement projections, (ii) requesting budgetary allocations for counterpart funds, (iii) collecting all supporting documents, and (iv) preparing and sending withdrawal applications to ADB.

36. **Statement of expenditure procedure.**¹⁶ The SOE procedure may 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 an 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.

¹⁵ The handbook is available at ADB. *Loan Disbursement Handbook 2022*.

¹⁶ Statement of Expenditure (SOE) forms are available in Appendix 7B and 7D of ADB's *Loan Disbursement Handbook* (2022, as amended from time to time).

37. Before the submission of the first withdrawal application, the borrower should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is stipulated in the *Loan Disbursement Handbook* (2022, as amended from time to time). Individual payments below such amount should be paid (i) by the RUDSICO and subsequently claimed to ADB through reimbursement, unless otherwise accepted by ADB. The borrower should ensure sufficient category and contract balances before requesting disbursements. Use of ADB's Client Portal for Disbursements (CPD)¹⁷ system is mandatory for the submission of withdrawal applications to ADB.

2. Disbursement Arrangements for Counterpart Fund

38. The government counterpart funds will be sufficiently allocated in the budget annually. RUDSICO will be responsible for preparing disbursement projections and requesting budgetary allocations for the AF project, including counterpart funds to the GOR. All disbursements under government financing will be carried out in accordance with the regulations of the Government of India and the GOR and accounting principles acceptable to ADB.

39. The PMU RUDSICO will advance funds to PIUs based on expenditure forecasts and defined disbursement triggers to be established. PIUs will incur eligible expenditures and submit documentation to the PMU liquidating the previous advance and requesting for a replenishment. No project funds will be transferred from RUDSICO to the ULBs.

40. The repayment schedule of the ongoing loan will not change.

C. Accounting

41. RUDSICO will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the AF project following cash basis of accounting following accounting principles and practices prescribed by the Government of India's accounting laws and regulations. RUDSICO will prepare consolidated project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices. Template financial statements provided in the Standardized TOR for audit of ADB-assisted projects, agreed with the Comptroller and Auditor General of India, the DEA, and ADB can be referred to as a guide for preparing financial statements, where relevant, with necessary modifications. Accordingly, the project financial statements will include the following:

- (i) Statement of cash receipts (by financing source) and payments (by expenditure category) for the current reporting period, past reporting period, and cumulative to date;
- (ii) Statement of expenditure by category and financier for the year/period end and cumulative to date;

¹⁷ The CPD facilitates online submission of withdrawal application to ADB, resulting in faster disbursement. The forms to be completed by the Borrower are available online at <https://www.adb.org/documents/client-portal-disbursements-guide>.

- (iii) Statement of disbursement, disclosing all funds claimed from ADB by disbursement method, total expenditure claimed for the current reporting period, past reporting period, and cumulative to date;
- (iv) Statement of Disbursement claimed under SOE procedure;
- (v) Statement of Appropriation and Actual - Any significant variances must be duly explained in the notes;
- (vi) A summary statement of expenditure by output for the current reporting period, past reporting period, and cumulative to date; and
- (vii) Notes to the Financial Statements disclosing the used accounting standards and policies and other relevant information and explanations. The notes of the financial statements should include a detailed list of all withdrawal applications (withdrawal application register) submitted to, and the amounts paid by ADB as follows: (a) withdrawal application number, (b) the amount claimed and currency, (c) time period in which expenditures were incurred, (d) date submitted, and (e) disbursement method and f) the amount disbursed by ADB.

42. The expenditure categories and outputs used in the financial reports will be aligned with the expenditure categories of the project administration manual (PAM).

43. In order to provide timely information on the AF project's financial progress and the status of financial management to the project management, GOR and ADB, and RUDSICO through its PMU will ensure that the detailed financial information is included in the QPRs to be submitted to ADB within 45 days after the end of the quarter. The information will include at least the following:¹⁸

- (i) Overall financial progress of the AF project with a breakdown of sources (by financing source) and payments (by expenditure category) for the reporting period, year to date, and cumulative;
- (ii) Disbursement information for the reporting period, year to date, and cumulative including reconciliation with ADB's disbursement data;
- (iii) Variance analysis including budget versus actual expenditures and physical versus financial progress, with significant deviations, are analyzed and explained;
- (iv) List of signed contracts and payments made under each contract in the reporting period and cumulative; and
- (v) Status of financial management under the AF project including follow up status on the (a) Financial Management Action plan, (b) compliance with financial loan covenants including computations of financial ratios where necessary, (c) status of past external and internal audit (if any) observations related to the project as well as (d) agreed financial management actions from review missions.

44. Detailed quarterly financial reports may be included as an annex to the quarterly progress reports (QPRs) as agreed with ADB. As part of the variance analysis, RUDSICO through its PMU and PIUs will examine the differences between budgeted versus actual expenditures as well as financial versus physical progress. The variance analysis will pay particular attention to:

- (i) significant deviations from the budgeted engineer's estimate,
- (ii) significant deviations between financial and physical progress,
- (iii) significant delays on (planned versus reported) physical and/or financial progress, and

¹⁸ Detailed financial reports may be attached to the quarterly progress reports to allow for more detailed analysis.

(iv) inconsistent and/or delayed progress reporting.

45. Any significant variances, delays or deviations, etc. shall be promptly followed up on and explained in the financial reports (PFS and QPRs) as applicable.

46. To ensure the correctness and completeness of the project's disbursement records, RUDSICO through its PMU shall conduct quarterly reconciliations of the project accounts, and ADB's disbursement data available in the Loan and Grant Financial Information Services (LFIS). Any discrepancies and/or reconciliation items will be promptly followed up on to ensure these are resolved in a prompt manner. The differences between the amounts claimed and the amounts disbursed will be disclosed and explained in a withdrawal application register, in the QPRs, and in the notes of the project financial statements.

D. Internal Auditing

47. In order to strengthen the internal control framework, the internal audit function of RUDSICO shall include the project activities undertaken by the PMU and the PIUs in its audit scope over the project implementation period. The internal auditor will provide a report to the RUDSICO's audit committee within 45 days after the end of the reporting period. The audit committee will consider key issues pointed out by the auditors and ensure the timely resolution of observations by project management. The status of the internal audit recommendations related to the project (if any) will be regularly monitored by RUDSICO through its PMU and included in the QPRs submitted to ADB.

E. Auditing and Public Disclosure

48. RUDSICO will cause the detailed consolidated project financial statements to be audited in accordance with the government's audit regulations by an auditor empaneled by the Controller and Auditor General, which is acceptable to ADB. The audited financial statements and the management letter will be submitted in the English language to ADB within 6 months of the end of the fiscal year by the executing agency.

49. The audit report for the project financial statements will include three separate auditor's opinions, on the following (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loan were used only for the purpose(s) of the project; and (iii) whether the borrower or executing agency was in compliance with the financial covenants contained in the legal agreements (where applicable).

50. The audit report for the project financial statements must also be accompanied by a management letter outlining any identified internal control issues. The management letter should also include management's response to the audit observations. From the second year onward, the management letter must also include a follow up on previous years' audit observations. In case the auditor does not issue a management letter, the auditor must provide a written confirmation that no internal control issues were identified as part of the audit.

51. Moreover, the entity's audited financial statements of RUDSICO, together with the auditor's report and management letter, if any, will be submitted in the English language to ADB within 1 month after their approval by the relevant authority.

52. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal project supervision and followed up regularly with all concerned, including the external auditor.

53. The government and RUDSICO have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.¹⁹ ADB reserves the right to require a change 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 accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

54. Public disclosure of the APFS, including the auditor's opinion on the project financial statements, will be guided by ADB's Public Communications Policy 2018.²⁰ After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.²¹

F. Handover of Assets and Project Closure

55. The assets created under the AF project will be handed over to the ULB upon completion of all works. As part of the handover, the RUDSICO will ensure that each ULB has undertaken the necessary measures to: (i) record the asset in its books at its fair value, (ii) develop or adopt procedures for proper maintenance of the assets, and (iii) secure adequate funds for operating and maintaining the assets.

56. In order to close the loan account in a timely manner and to comply with ADB's requirements, RUDSICO will ensure that the following measures are undertaken:

- (i) all ADB-financed expenditures are incurred before or by the loan closing date;
- (ii) all withdrawal applications are submitted to ADB preferably by the loan closing date but in no case later the end of the winding up period; that is, within four months after the end of the loan closing date;
- (iii) all past external audit observations have been duly addressed;

¹⁹ ADB's approach and procedures regarding delayed submission of audited project financial statements:

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

²⁰ Public Communications Policy: <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

²¹ This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2011. *Public Communications Policy*. para. 97(iv) and/or 97(v).

- (iv) the final project financial statements are audited by independent auditors as agreed with ADB and the APFS and the management letter are submitted to ADB as soon as possible after the loan closing date. The final APFS must include all expenditures incurred up to the loan closing date as well as up to the final withdrawal application submitted to ADB. The final APFS is to include a reconciliation of the project account and the ADB disbursement records for the fiscal year and cumulatively from inception. Any differences must be disclosed and explained; and
- (v) all projects financial records are filed in an orderly manner, backed up electronically and stored in a secure location for a for at least 1 year following receipt by ADB of the final audited project financial statements or 2 years after the loan closing date, whichever is later.

VI. PROCUREMENT

A. Applicable Procurement Policy

57. Procurement of goods, works, consulting services, and nonconsulting services will follow the ADB Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time).

B. Procurement Strategy Summary

58. The executing agency has prepared a strategic procurement planning report for the AF project, which defines a procurement strategy that will support the delivery of the AF project outputs and the achievement of the planned project outcomes.

59. The market analysis was conducted based on three key information sources: (i) past procurement data of RUDSICO, (ii) market survey, and (iii) market research. The past procurement data recorded recent tender outcomes for similar projects in Rajasthan including for ADB-financed projects. However, the procurement data provided was limited to procurement under the ongoing project and did not include a broader record including, for instance, tenders for domestic-funded projects. In addition, the record provided covered a time period in which procurement outcomes were likely distorted by the COVID-19 pandemic. The market survey was distributed to potential contractors in Rajasthan. A total of 18 entities responded and provided feedback to the 18 survey questions. While the outputs of the survey can be considered generally insightful and meaningful, the information could not be considered fully representative of the entire potential contractor market relevant to the AF project. However, several contractors who had previously implemented implementing agency-led and ADB-financed projects participated in the market survey. Additional market research included review of procurement data from other ADB- and other multinational development agencies-funded projects in the water supply and sanitation across India which provided general insights into the contracting market.

60. As for the DBO contract, the survey as well as additional market research activities conducted confirm that there is strong market interest in WSS projects of the type and scope envisaged under the additional financing project. Rajasthan is a core market for large national and regional contractors.

61. Hybrid DBO contracts including 10 years of O&M service were selected as offering the best fit for this project's objectives. The packages were formed based on market analysis to attract appropriate competition and experienced contractors capable of providing design, works, and

O&M services. Private sector participation for O&M is important for the sustainability of the assets after completion and for transferring skills to the urban local body. Part of the contractor's payment during the O&M phase is linked to performance targets.

62. Civil works will be packaged such that water supply and sanitation in a town are in the same package (unless only sanitation is proposed in a given town or vice versa). Clustering (packages covering two or more towns) will be used where practicable considering the nature of the works in the towns, the estimated value of works in each town and in total, the proximity of towns, etc.

63. The strategic integration of all these key aspects in the contracts contributes to achieving value for money.

64. The proposed project strategy, bid packaging, and bidding documents are expected to contribute to improving the value for money for the AF project in several ways:

- (i) Bid packages have been restructured to increase the likelihood of a strong market response reducing risks for re-tendering and during contract implementation.
- (ii) The bid documents for all DBO packages will include clear minimum service level requirements for the performance of the plants and networks. Within these parameters, contractors for sewerage treatment plants may however propose their preferred wastewater treatment technology, which will allow the AF project to benefit from innovative, cost-efficient solutions.
- (iii) All water supply and sewerage DBO packages include a ten-year O&M period during which contractors will transfer knowledge and skills regarding the operation and maintenance of the networks and sewerage treatment plants to the ULBs as the future asset owners.
- (iv) Part of the contractor's payments during the O&M phase is linked to performance targets.

C. Project Procurement Risk Classification

65. The project procurement risk, pre-mitigation, is assessed to be *medium*. The implementing agency has managed five project loans in urban development including water supply and sanitation and other urban infrastructure using the project, multitranches financing facility, and sector development program modalities. With ADB's support in capacity enhancement, the implementing agency has got itself familiarized with the ADB procurement policies and procedures under the new procurement framework including strategic procurement planning, and to prepare building documents using the new ADB document template (December 2021 versions) and in accordance with the ADB's requirements and standards. In terms of consulting service recruitment, the implementing agency has sufficient experience in the recruitment and administration of consultants under ADB-financed projects. With external consultant support and ADB procurement planning training, the implementing agency can ensure executing of successful procurement activities in compliance with ADB policy and procurement procedures. The implementing agency has been using an e-procurement system (www.eproc.rajasthan.gov.in) for the past project and continues to use it.

D. Project Implementation Arrangements

66. **Procurement methods.** All DBO and works packages will be procured through Open Competitive Bidding national advertisement. Bidders should be given adequate time to prepare their bids for the DBO packages. No international advertisement for larger bid packages is

deemed necessary as (i) international contractors did not participate in the tender in the previous project phase despite contract values of \$70 million, (ii) no international expertise or specialization is required, and (iii) there will be no direct contracting or limited bidding considering the nature of the bids.

67. 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 Policy (2017, as amended from time to time). Specific procurement arrangements mandated by those public procurement laws but not aligned with ADB Procurement Policy will not be applicable to procurement to be undertaken in the AF project. All procurement of works and goods under Open Competitive Bidding – national using any type of standard procurement document agreed upon shall be subject to prior review by ADB. 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 the ADB Procurement Policy.

68. **Advance contracting.** Advance contracting for the AF project will include the procurement of civil works packages, including tendering and bid and proposal evaluation. The invitations to bid for works will be subject to ADB approval. The borrower, executing agency, and implementing agencies have been advised that approval of advance contracting does not commit ADB to finance the AF project.

69. **Retroactive financing.** Retroactive financing will be for eligible expenditures up to the 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. The borrower has been advised that approval of retroactive financing does not commit ADB to finance the AF project.

70. All advance contracting and retroactive financing will be undertaken in conformity with ADB Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time). The issuance of invitations to bid under advance contracting and retroactive financing will be subject to ADB approval. The borrower and RUDSICO have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the AF project.

71. **Contract management.** The implementing agency shall develop one Contract Management Plan (CMP) prior to the award of the first contract comprising all bid packages. The contract management for all contracts shall be collaborative, but with a clear focus of ensuring compliance with performance targets and adherence to contract implementation time plans. Variations requests shall be processed expeditiously. The implementing agency shall however support contractors upfront through proactive coordination with stakeholders as proposed in the stakeholder communication plan.

72. **e-Procurement system.** The implementing agency has been using an e-procurement system (www.eproc.rajasthan.gov.in) for the past project and continues using it in the AF project.

E. Procurement Plan

73. An 18-month procurement plan indicating procurement packages and review procedures for goods, works, consulting services, and nonconsulting services under the additional financing project is included in Appendix 3.

VII. SAFEGUARDS

74. The PMU will ensure all the requirements prescribed in schedules 4 and 5 of the loan agreement, and the agreed safeguard frameworks are complied with during the processing and implementation of the AF project:

- (i) Environmental assessment and review framework (EARF);
- (ii) Resettlement framework; and
- (iii) Indigenous peoples planning framework (IPPF).

75. Subprojects with significant safeguard impacts (category A) will not be included as per the Subproject Selection Criteria (Appendix 2).

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

A. Environmental Safeguards

77. **Categorization.** The AF project is classified as category B for environmental safeguards per ADB Safeguards Policy Statement (SPS). Initial environmental examinations (IEE) conducted for seven sample subprojects²² indicate that the ongoing project is unlikely to have any significant adverse environmental impacts that are irreversible, diverse, or unprecedented. The potential impacts are site-specific, temporary in nature, and can be mitigated to standard levels without difficulty through proper engineering design and the incorporation or application of recommended mitigation measures and procedures. Subprojects projected to be categorized as A (potential impacts are significant, irreversible, diverse, unprecedented, or larger than the sites or facilities subject to physical works) will not be considered for implementation under the AF project.

78. **Environmental Assessment and Review Framework.** An EARF developed for the ongoing project in March 2020, in accordance with requirements as per ADB SPS, Government of India, and Government of Rajasthan's environmental laws and regulations, has been updated to reflect the scope of additional financing project. The updated EARF ensures that all subprojects under the AF project, throughout the entirety of their project cycle, will not deteriorate or interfere with the environmental sensitivity of a subproject area. The EARF will guide each subproject's selection, screening and categorization, environmental assessment, preparation of IEE, and implementation of the environmental management plan (EMP). The EARF:

- (i) includes environmental criteria to be used in selecting subprojects and/or components to be funded under RSTDS-AFP;
- (ii) specifies the environmental laws, rules, and regulations, statutory clearances to be obtained, and applicable environmental standards;
- (iii) specifies the requirements in subproject screening and categorization, assessment, and planning;
- (iv) explains the anticipated environmental impacts of the subprojects based on the sample IEEs and recommends mitigation and monitoring measures;

²² The sample subprojects are: (i) Bharatpur sewerage, (ii) Bharatpur city beautification – restoration and development of heritage structures, (iii) Jodhpur sewerage, (iv) Jodhpur storm water drainage, (v) Bundi water supply and sewerage, (vi) Sagwara Water supply and sewerage, and (vii) Sagawara City Beautification – conservation and development of five lakes

- (v) specifies requirements for asbestos management and provides the outline asbestos management plan;
- (vi) includes sample heritage impact assessment (HIA) as a guide for subprojects with potential physical cultural resources (PCRs) and recommends mitigation measures to be considered in the design of subproject components;
- (vii) includes sample HIA as a guide for the subprojects proposed to restore or redevelop town-level heritage assets and recommends mitigation measures to be considered in the design of subproject components;
- (viii) includes results of the integrated biodiversity assessment tool (IBAT) conducted to screen for the likelihood of critical habitat areas, sample critical habitat assessment report to verify the IBAT result, and recommendations during implementation;
- (ix) specifies requirements for meaningful consultation with affected persons and other stakeholders, grievance redressal mechanism, and information disclosure;
- (x) indicates capacity development for project management and implementing units, ULB representatives, and other stakeholders;
- (xi) provides safeguards institutional arrangements, roles, and responsibilities; and
- (xii) specifies monitoring and reporting requirements including sample checklists and templates.

79. The EARF will be reviewed regularly and, if necessary, updated during implementation especially if unanticipated impacts arise or if there is any change in scope or change in legal and regulatory frameworks. None of the provisions of EARF will be relaxed or lowered in the subsequent revisions and updates.

80. **Initial Environmental Examinations and Environmental Management Plans.** As the subprojects are partly design build operate (DBO) contracts,²³ the IEEs are initially prepared based on preliminary designs (referred to as “Draft IEEs”) for the purpose of including in bid and contract documents. The EARF ensures that the Draft IEEs are consistent with the requirements of ADB SPS, the Government of India, and Government of Rajasthan laws, rules, and regulations. The Draft IEEs will be updated/revised based on detailed design and will be submitted to ADB for review and disclosure. The PMU shall provide justification should the findings of the updated/revised IEE be less than those in the Draft IEE and/or any provision of the EMP to be relaxed or lowered. Category A Subprojects will not be financed under the AF project.

81. PMU will submit to ADB the draft IEE prior to invitation for bidding and will ensure the IEE is included in the bid and contract documents. Based on the detailed design, the draft IEE will be updated/revised and will include the site-specific EMP, and if applicable to the subproject, the asbestos management plan and heritage impact assessment. In event of unanticipated impact including a design change during project implementation or in event of a noncompliance, the IEE will be updated to include corrective actions, associated costs, and schedule. All IEEs will be disclosed on ADB and executing and implementing agencies' websites.

82. Based on the detailed design, the draft IEE will be updated/revised and will include the site-specific EMP, and if applicable to the subproject, the asbestos management plan and heritage impact assessment. In event of unanticipated impact including a design change during project implementation or in event of a noncompliance, the IEE will be updated to include

²³ BOQ has been prepared for the bulk of the investments, the linear works. Detailed designs are to be prepared for WTP, STPs, pumping stations and buildings.

corrective actions, associated costs, and schedule. All IEEs will be disclosed on ADB and executing and implementing agencies' websites.

83. A copy of the EMP or approved site-specific environmental management plan (SEMP) will be kept on-site during the construction period at all times. Noncompliance with, or any deviation from, the conditions set out in the EMP or SEMP constitutes a failure in compliance and will require corrective actions. The EARF and the IEEs specify responsibilities in EMP implementation during the design, construction, and O&M phases.

84. **Environmental audit of existing facilities.** For subprojects involving facilities that already exist or are under construction or proposed, the environmental compliance audit will be conducted. The environmental audit will include an on-site assessment to identify past or present environmental concerns, whether actions were in accordance with ADB's safeguard principles and requirements for executing and implementing agencies, and identify and plan appropriate measures to address outstanding compliance issues. A corrective action plan in the IEEs will be agreed on by ADB and PMU. The plan will define the necessary remedial actions, the budget for such actions, and the timeframe for the resolution of noncompliance. The environmental audit report (including the corrective action plan, if any) will be made available to the public in accordance with the information disclosure requirements of ADB SPS. If a subproject involves an upgrade or expansion of existing facilities that have potential impacts on the environment, the requirements for environmental assessments and planning specified in the EARF will apply in addition to a compliance audit.

85. **Groundwater source sustainability.** PMU will prepare and submit to ADB a groundwater sustainability report for each subproject that involves groundwater extraction (new or augmentation of existing groundwater tubewells). This is to ensure the development and use of groundwater resources to meet current and future beneficial uses without causing unacceptable environmental consequences. The groundwater source sustainability report will also be included in the subproject IEEs.

86. **Asbestos materials.** ADB SPS requires that a safe and healthy working environment is provided for workers taking into consideration the risks inherent to the sector and specific classes of hazards. Preliminary design and site condition reports indicate the presence of asbestos materials in project sites. These include but are not limited to existing asbestos cement pipes, roofing, and insulation among others. PMUs and PIUs shall ensure increased awareness of the health risks related to occupational asbestos exposure by engaging asbestos experts to guide, facilitate and supervise works involving asbestos materials. The EARF includes an outline asbestos management plan specifying the requirements for identification, verification, removal, storage, and disposal/treatment. The IEEs and contract documents include specific provisions applicable to the contractors and subcontractors such as:

- (i) engaging certified and competent asbestos service providers to identify, handle and remove the asbestos materials present and encountered in the project sites;
- (ii) adopting good practices as reflected in ADB's Good practice guidance for the management and control of asbestos (March 2022)²⁴ and
- (iii) as per Environment, Health and Safety (EHS) Guidelines,²⁵ minimizing the health

²⁴ <https://www.adb.org/sites/default/files/publication/783636/good-practice-management-control-asbestos.pdf>

²⁵ ADB SPS specifies application of pollution prevention and control technologies and practices consistent with international good practice, as reflected in internationally recognized standards such as the World Bank Group's *EHS*

risks associated with asbestos materials by avoiding their use in new construction and renovation, and, if installed asbestos-containing materials are encountered, by using internationally recognized standards and best practices to mitigate their impact;²⁶

- (iv) training of workers and supervisors, possession of (or means of access to) adequate equipment and supplies for the scope of envisioned works, and a record of compliance with regulations on previous work;
- (v) removal, repair, and disposal of asbestos-containing material (ACM) shall be carried out in a way that minimizes worker and community asbestos exposure and requires the selected contractor to develop and submit a plan, subject to the PMU and PIU's acceptance, before doing so;
- (vi) providing adequate protection to its personnel handling asbestos, including respirators and disposable clothing; and
- (vii) notifying the Rajasthan State Pollution Control Board (RSPCB) of the removal and disposal according to applicable regulations as indicated in the technical requirements and cooperating fully with representatives of RSPCB during all inspections and inquiries.

87. PMU will engage an Asbestos Management Specialist through the PMCBC to provide training and awareness, and to coordinate with various stakeholders on the risks, management, and mitigation measures required for the identification, safe handling, transport, and disposal of the asbestos materials.

88. **Physical cultural resources.** PMU will ensure subproject designs and implementation will avoid damage to physical cultural resources (PCRs)²⁷ within or adjacent to project sites. For subproject towns with potential PCRs, a heritage impact assessment (HIA) is to be conducted as part of the IEE. The HIA will document all PCRs, assess the potential impacts, and recommends measures to avoid any negative impact. If an impact is unavoidable, mitigation measures and/or compensatory measures are to be implemented as part of the EMP. No works will be allowed until the HIA is completed. The HIA will also include the protocol and coordination arrangement with the regulatory agency (Archaeology and Museum Department of Rajasthan) in case of a chance find during the execution of works. The EARF and IEE of Bharatpur urban assets for heritage living subproject include an HIA as a guide for developing subproject-specific HIAs. The

Guidelines. These standards contain performance levels and measures that are normally acceptable and applicable to projects. When host country regulations differ from these levels and measures, the borrower/client will achieve whichever is more stringent. If less stringent levels or measures are appropriate in view of specific project circumstances, the borrower/client will provide full and detailed justification for any proposed alternatives that are consistent with the requirements presented in this document.

²⁶ EHS Guidelines specify that the use of ACM should be avoided in new buildings and construction or as a new material in remodeling or renovation activities. Existing facilities with ACM should develop an asbestos management plan that clearly identifies the locations where the ACM is present, its condition (e.g., whether it crumbles easily or has the potential to release fibers), procedures for monitoring its condition, procedures to access the locations where ACM is present to avoid damage, and training of staff who can potentially come into contact with the material to avoid damage and prevent exposure. The plan should be made available to all persons involved in operations and maintenance activities. Repair or removal and disposal of existing ACM in buildings should be performed only by specially trained personnel following host country requirements or, if the country does not have its own requirements, internationally recognized procedures. Decommissioning sites may also pose a risk of exposure to asbestos that should be prevented by using specially trained personnel to identify and carefully remove asbestos insulation and structural building elements before dismantling or demolition.

²⁷ Movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. Physical cultural

concepts and designs of structures will incorporate heritage, historical and cultural qualities to the extent possible to ensure new structures/facilities are harmonized with the existing environment. The project will exclude monuments and sites that are notified as of national importance and protected under the laws of the Government of India. PMU will also engage a Heritage Management Specialist through the PMCBC to update the Bharatpur-based on detailed design, conduct HIAs of remaining heritage towns/subprojects (e.g., Nawalgarh), provide technical support in obtaining statutory clearances, advise the PMU and PIUs on matters related to PCRs, provide training and awareness and coordinate with the various stakeholders, review and approve the detailed architectural drawings prepared by the contractor, assist team leader and structural expert in review and approval of all drawings from architectural and heritage perspective, promptly address any site-specific issues regarding architectural and heritage aspects and provide supervisory support in works within or adjacent to PCRs.

89. Urban lakes restoration and development subprojects to improve climate resilience and livability. PMU will ensure that subproject designs and implementation avoids adverse impacts on the biodiversity of lakes. Baseline biodiversity assessment shall be conducted as part of the IEE to assess potential impacts and recommend mitigation measures. Sample IEE of the lakes improvement subproject in Sagwara town demonstrates no significant adverse impacts. The condition of lakes is poor and has no significant biodiversity. The project will save lakes from further degradation, will improve flood water retention, water quality, and overall lake habitat, and benefit people with a nature-based amenity for improved urban living. The project will exclude lakes with significant biodiversity (eg, critical habitats, Ramsar sites, and lakes notified as protected under Government of India laws). PMU will engage a biodiversity specialist through PMCBC and will consult people and utilize local knowledge and expertise in project design. PMU will ensure to plant species appropriate to local conditions and support biodiversity.

B. Social Safeguards

90. Screening and categorization. The AF project is classified as category B for involuntary resettlement and category B for indigenous peoples as per ADB's SPS (2009). Based on the sample subprojects, no involuntary acquisition of private land is anticipated. The sample subprojects will require a total of 31,950 m² of land, which belongs to the government, (ULB/Public health engineering department). Nevertheless, the AF project will cause involuntary resettlement impacts, including (i) permanent physical and economic impacts on non-titleholders on government land; (ii) crop loss (insignificant loss); (iii) physical relocation of the municipal employee from municipal premises as per norms for employees; and (i) temporary economic impacts during the civil works activities, and (v) loss of common property resources. Subprojects with significant involuntary resettlement impacts will not be eligible for funding under the AF project. Scheduled tribes comprise 3.12 % of the total population of Rajasthan. Sagwara (a sample town), Mt. Abu, and Dungarpur²⁸ are the three towns under the additional financing located in a scheduled area, with 27.54%, 18.92%, and 11.49% tribal population, respectively. Scheduled tribe populations in project coverage areas will be beneficiaries of the improved water supply and/or wastewater and fecal sludge and septage management facilities, and none will be rendered vulnerable by the AF project.

91. Involuntary resettlement (category B) and resettlement framework. The resettlement framework prepared under the ongoing project will be applicable to the subprojects under the AF project. Four draft resettlement plans, one resettlement and indigenous peoples plan (RIPP), one

²⁸ Dungarpur is not part of the sample subprojects. The RIPP which will be prepared after loan approval will follow the IPPF and will document the detailed impact assessment.

due diligence report (DDR), and one involuntary resettlement and indigenous peoples due diligence report have been prepared for seven sample subprojects under AF. The sample subprojects are assessed to cause the following impacts: (i) physical displacement (relocation impact) and significant economic impact (due to permanent loss of structures) to three (03) families (27 family members), (ii) significant economic impact to five (05) families (37 family members), (iii) minor crop loss (insignificant impact) to eight (08) farmers (60 family members), (iv) temporary income loss to 1,017 road side hawkers and vendors (5,477 family members) is anticipated for a maximum of 14 days during civil works; (v) temporary income loss to 12 kiosk owners and vendors (94 family members) are assessed, in one sample town; it is assessed that shifting to a new location and re-establishing their business may take up to three months' time, and (v) loss of 04 common property resources. All significantly affected 08 families (64 family members) and 506 roadside hawkers and vendors (2,792 family members) are assessed as vulnerable. No land acquisition is required for the sample subprojects. Measures in the draft resettlement plans and draft RIPP are adequate to deal with the identified risks. Draft resettlement plans, RIPP, DDR, and involuntary resettlement and indigenous peoples' due diligence report will form part of the contract documents and will be updated during detailed design and submitted to ADB for review and disclosure. The resettlement framework and the draft and updated resettlement plans will be disclosed on ADB and project websites and to affected persons. Through previous projects, executing agency/implementing agency has demonstrated its capacity to implement the resettlement framework and meet the requirements of ADB's Safeguard Policy Statement.

92. Indigenous peoples (category B). The additional financing project (and the overall project) is classified as category B for indigenous peoples, in accordance with ADB SPS. Scheduled tribes²⁹ comprise only 3.2% of the state's urban population.³⁰ Sagwara (a sample town), Mt. Abu and Dungarpur are the towns under the additional financing³¹ which comprise of 27.54%, 18.92%, and 11.49% tribal population³² are located in a scheduled area.³³ Scheduled tribes will benefit from the improved water supply and sewerage (WSS) services with free household connections and improved urban living environment. In the sample subprojects appraised, the beneficiary scheduled tribes are not rendered vulnerable by the AF project. The indigenous peoples planning framework (IPPF) prepared for the ongoing project will be applicable for subprojects under AF. The IPPF will ensure that, for subprojects to be prepared after Board approval, scheduled tribes will receive culturally appropriate benefits, and adverse impacts will be addressed.³⁴ Indigenous peoples category A subprojects will not be considered under the AF project. A combined draft resettlement and indigenous peoples DDR is prepared for the Sagwara city beautification subproject. The draft RIPP for Sagwara water supply and wastewater identifies temporary income loss (insignificant involuntary resettlement impacts) to 80 tribal roadside vendors (418 family members) and beneficial impacts to scheduled tribes through improved

²⁹ Defined by India's Constitution as those with at least one of the following: (i) tribes' primitive traits, (ii) distinctive culture, (iii) shyness with the public at large, (iv) geographical isolation, and (v) social and economic backwardness.

³⁰ Government of India, Ministry of Home Affairs. [Directorate of Census Operations Rajasthan](#).

³¹ The 16 AF towns, with a total population of 2,115,873, has an average percentage of 3.12% (65,970) scheduled tribe population. Source: <https://censusindia.gov.in/census.website/data/handbooks#>

³² Government of India, Ministry of Home Affairs. [Census of India 2011 - Rajasthan-Series 09 - Part XII B - District Census Handbook, Dungarpur](#)

³³ Criteria for declaring any area as a "Scheduled Area under the Fifth Schedule of the Indian Constitution are: preponderance of tribal population, compactness and reasonable size of the area, a viable administrative entity such as a district, block or taluk, and economic backwardness of the area as compared to the neighboring areas. Source: <https://tribal.nic.in/declarationof5thSchedule.aspx>; <https://tribal.nic.in/DivisionsFiles/clm/ScheduledAreas.pdf>

³⁴ The indigenous peoples planning framework prepared for the ongoing will be applicable for subprojects under the additional financing.

access to water supply and wastewater services and has adequate measures to ensure that the tribal communities are included in project benefits. RIPP will also be required for Mt. Abu and Dungarpur, which are other AF towns located in a scheduled area. The draft and final RIPPs and combined DDR will be disclosed to affected and benefited indigenous peoples communities and disclosed on ADB and project websites. Project management and implementation support consultants will assist RUDSICO to manage indigenous peoples impacts. The executing agency/implementing agency has demonstrated its capacity to implement the resettlement framework and meet the requirements of ADB's Safeguard Policy Statement.

C. Safeguards Roles and Responsibilities

93. **Project management unit.** RUDSICO will establish a state-level PMU, headed by dedicated project director, and housed in the EAP division of RUDSICO. For the purpose of project implementation, two Zonal Project Implementation Units (zonal PIUs), at Jaipur and Jodhpur, headed by Additional Chief Engineers (ACE) will be established. At PMU, there will be two dedicated project officers (i) Project Officer (Environment) and (ii) Project Officer (Social and Gender), who will be responsible for compliance with the environmental, social safeguards, and gender in project implementation. The project officer (Environment) will have overall responsibility in the implementation of the AF project as per the updated EARF between ADB and the government, including appropriate monitoring and reporting responsibilities. Project officer (social and gender) will have overall responsibility in implementation of the ongoing project including subprojects under additional financing; in accordance with the social safeguards frameworks (resettlement framework and IPPF) and GESI Action Plan agreed between ADB and the government, including appropriate monitoring and reporting responsibilities. Project Officer (Environment) and Project Officer (Social and Gender) at the PMU are supported by the Environmental Safeguards Specialist, Social Safeguard Specialist, and the Gender Specialist of PMCBC. Key safeguard and gender mainstreaming-related tasks and responsibilities at the PMU level are as follows:

- (i) Environment-related tasks are as follows:
 - (a) Review REA checklists and assign categorization based on ADB SPS 2009 and updated EARF;
 - (b) Submit IEE to ADB for approval and disclosure in ADB website; Ensure that HIA and biodiversity assessments are conducted as part of IEEs where required, and mitigation measures are included in design and implementation; ensure that assessments reflect public feedback.
 - (c) Ensure approved IEEs are disclosed in the implementing agency websites and summary posted in public areas accessible and understandable by local people;
 - (d) Ensure EMPs are included in the bid documents and contracts;
 - (e) Organize an orientation workshop for PMU, PIU, ULB, and all staff involved in the project implementation on (a) ADB SPS, (b) Government of India national, state, and local environmental laws and regulations, (c) core labor standards, (d) OH&S, and (e) EMP implementation especially spoil management, working in congested areas, public relations, and ongoing consultations, grievance redress, etc.;
 - (f) Assist in addressing any grievances brought about through the GRM;
 - (g) Organize an induction course for the training of contractors preparing them on EMP implementation, environmental monitoring requirements related to mitigation measures; and taking immediate actions to remedy unexpected

- adverse impacts or ineffective mitigation measures found during the course of implementation;
- (h) Ensure compliance with all government rules and regulations regarding the site and environmental clearances as well as any other environmental requirements;
 - (i) Assist PMU, PIUs, and project consultants to document and develop good practice construction guidelines to assist the contractors in implementing the provisions of IEE and EMP;
 - (j) Assist in the review of the contractors' implementation plans to ensure compliance with the IEE;
 - (k) Review monthly monitoring reports submitted by PIUs, and prepare and submit to ADB semiannual monitoring reports;
 - (l) If necessary, prepare Corrective Action Plan and ensure implementation of corrective actions to ensure no environmental impacts;
 - (m) Review and submit Corrective Action Plans to ADB;
 - (n) Coordinate with national and state-level government agencies; and
 - (o) Coordinate PIUs, consultants, and contractors on mitigation measures involving the community and affected persons and ensure that environmental concerns and suggestions are incorporated and implemented
- (ii) Social Safeguards and Gender-related tasks are as follows:
- (a) Ensure subprojects conform to the agreed subproject selection criteria for the AF project;
 - (b) Review and finalize subproject involuntary resettlement and indigenous people category;
 - (c) Oversee preparation of resettlement plans, DDRs, RIPP, and indigenous people plans (IPPs); confirm existing resettlement plans, DDRs, and IPPs are updated based on detailed designs, and that new subproject resettlement plans, DDRs are prepared in accordance with the resettlement framework and IPPF prepared for the AF project;
 - (d) Liaise with district administration for land acquisition, transfers; ensuring land availability;
 - (e) Ensure that resettlement plans, RIPP, DDRs, and IPPs are included in the bidding documents and civil works contracts;
 - (f) Provide oversight on social safeguard management aspects of subprojects and facilitate and follow up to ensure that any delays in land procurement are addressed;
 - (g) Ensure and monitor the provision in the contract to include the indigenous people to benefit from the facilities constructed under the AF project;
 - (h) Facilitate and ensure compliance with all government rules and regulations regarding no objection certificates, third party certificates for negotiated settlement or donation, land ownership, and transfer details for each site, as relevant;
 - (i) Supervise and guide the zonal PIUs and city level PIUs to properly carry out the social safeguard monitoring;
 - (j) Review, monitor, and evaluate the effectiveness with which the resettlement plans, RIPP, IPPs, and provisions of DDRs are implemented, and recommend corrective actions to be taken as necessary;

- (k) Consolidate monthly social safeguard and gender monitoring reports from PIUs and the CMSCs and submit semiannual social safeguard monitoring reports to ADB until the completion report is issued by ADB;
- (l) Ensure timely disclosure of final resettlement plans, RIPP, DDRs, and IPPs in locations and form accessible to the public and affected persons;
- (m) Address any grievances brought about through the grievance redress mechanism promptly;
- (n) Oversee the assessment of training needs of affected persons and vulnerable persons by PIUs and/or PMCBC, coordinate training activities and convergence with the livelihood programs of the government;
- (o) Ensure effective implementation of grievance redress mechanism (GRM) at all levels;
- (p) Coordinate database management for social safeguards implementation and monitoring;
- (q) Coordinate public awareness campaigns by the PIUs including resettlement provisions with the help of print and electronic media; and
- (r) Serve as Gender Focal Point at PMU, which would involve overseeing - with the support of PMCBC, the implementation, monitoring, and reporting on the GESI action plan.

94. The PMU is supported by three consultants under the supervision and control of PD, PMU: (i) the PMCBC supports the PMU; (ii) 2 CMSCs support the two zonal PIUs and town-level PIUs; and (iii) CAPPCC supports the zonal PIUs and town-level PIUs.

95. **Zonal project implementation units (zonal PIUs).** There will be two zonal-level PIUs at Jaipur and Jodhpur. Under each zonal PIU, there will be city/town-level PIUs, for ease of day-to-day monitoring and management at the local level. The Additional Chief Engineer at each zonal PIU will serve as the nodal officer, Safeguards, and Gender. Each zonal PIU will be staffed with an Assistant Safeguards Officer (ASO Environmental and Social Safeguards) who will assist the PMU project officer (environment/social) in the implementation of the environmental/social safeguards and GESI action plan in PIUs under its jurisdiction. Zonal PIUs will undertake internal monitoring and supervision and record observations throughout the AF project period to ensure that the safeguards and mitigation measures are provided as intended.

96. The zonal-level Assistant Safeguards Officer will oversee safeguards implementation by the city/town-level PIUs, coordinate public consultations, information disclosure, regulatory clearances and approvals, implementation of resettlement plans, EMP implementation, and grievance redressal. Key safeguard tasks and responsibilities of the zonal PIU are as follows:

- (i) Zonal PIU level: Environment tasks and responsibilities are as follows:
 - (a) Coordinate updating/revision of IEEs updated based on detailed design and technical studies (asbestos management, heritage impact assessment, and/or biodiversity assessment);
 - (b) Review and submit approved updated/revised IEE to PMU;
 - (c) Ensure relevant information in the IEE is disclosed to stakeholders;
 - (d) Obtain all necessary clearances, permits, consents, No Objection Certificates, etc. Ensure compliance with the provisions and conditions;
 - (e) Ensure EMP requirements for pre-construction regarding sites for disposal of wastes, camps, storage areas, quarry sites, etc. are complied with and communicated by town-level PIUs to contractors in a timely manner;

- (f) Support town-level PIUs in supervising contractor EMP implementation. If necessary, organize an induction course upon mobilization of contractors, preparing them on EMP implementation, environmental monitoring requirements related to mitigation measures, and on taking immediate action to remedy unexpected adverse impacts or ineffective mitigation measures found during the course of implementation;
 - (g) Coordinate actions required for obtaining rights-of-way in timely manner;
 - (h) Take corrective actions when necessary to ensure no environmental impacts;
 - (i) Consolidate monthly environmental monitoring reports by town-level PIUs and submit them to PMU;
 - (j) Formulate time-bound corrective actions for noncompliances;
 - (k) Conduct continuous public consultation and awareness;
 - (l) Address any grievances in a timely manner as per the GRM; and
 - (m) Issue clearance for contractor's post-construction activities as specified in the EMP.
- (ii) Zonal PIU Level: Social Safeguards and Gender tasks and responsibilities are as follows:
- (a) The zonal PIUs will oversee and support social safeguards and gender equality and social inclusion (GESI) action plan implementation by the PIUs at the town/city level, through the following key tasks:
 - 1) fill up involuntary resettlement and indigenous people impact checklist and classify the AF project;
 - 2) supervise CMSC to coordinate with PIUs and safeguards field staff for conduct census and socioeconomic surveys, detailed measurement surveys, and verification surveys of affected persons, conduct consultations with affected persons, finalize the list of affected persons, prepare and/or update the resettlement plan, RIPP, DDR, and IPP with the assistance of CMSC and submit to PMU for review and approval and submission to ADB;
 - 3) supervise PIUs to inform affected persons about (a) the project cutoff date; (b) public notice for the schedule of land acquisition and/or occupation; (c) entitlement matrix; and (d) compensation packages against different categories of loss and a tentative schedule of land clearing and/or acquisition for the start of civil works activities;
 - 4) coordinate valuation of assets, such as land and trees of various species. Finalize compensation packages based on proper due diligence and assessment;
 - 5) facilitate land acquisition and compensation processes in consultation with the district administration; coordinate, supervise, and monitor the disbursement of compensation;
 - 6) Support PIUs to obtain no objection certificates, land documents, and third party certifications as required for the subproject, in coordination with PIUs;
 - 7) support PMU to include resettlement plans, RIPP, IPPs, and DDRs in bidding documents and civil works contracts;
 - 8) guide PIUs to oversee the implementation of avoidance and mitigation measures in the resettlement plans, RIPP, DDRs, and

- IPPs by contractors, including compliance with all government rules and regulations; take necessary action for obtaining rights-of-way;
- 9) guide and monitor PIUs to oversee resettlement plans, RIPP, DDR, and IPP, and GESI action plan implementation and maintenance of data for monitoring by contractors;
 - 10) ensure the listing of town-wise BPL households;
 - 11) assist in conducting a needs assessment to list skills relevant to the sector;
 - 12) assist to identify participants for livelihood and skilling training for women and members of other vulnerable groups;
 - 13) ensure that the AF project maintains sex-disaggregated data on staff, consultants, construction workforce participation, labor, and project-related trainings;
 - 14) ensure that gender focal points are nominated in town-level PIUs;
 - 15) ensure and monitor the provision in the contract to include the indigenous people to benefit from the facilities constructed under the AF project;
 - 16) to ensure that corrective actions are taken when necessary to ensure compliance with SPS and loan covenants;
 - 17) submit monthly social monitoring reports to PIUs and PMUs;
 - 18) guide PIUs to conduct continuous public consultation and awareness;
 - 19) address any grievances brought about through the GRM promptly;
 - 20) organize an induction course for the training of contractors, preparing them on resettlement plans, RIPP, DDR, IPP, GESI action plan implementation, social safeguard, and gender monitoring requirements related to mitigation measures, grievance redress mechanisms, and on taking immediate action to remedy unexpected adverse impacts or ineffective mitigation measures found during implementation;
 - 21) liaise with the district administration, and line departments for dovetailing government's schemes for income generation and development programs for affected people, as and when required; and
 - 22) assist in the implementation, monitoring, and reporting progress of GESI action plan.

97. **Town/City Level Project Implementation Unit (PIU).** The town-level PIUs shall be responsible for the quality of works executed under the AF project and will be guided by the zonal PIUs. The city/town PIUs will be responsible for the implementation of the IEE/resettlement plan/IPP/RIPP/GESI action plan. The town-level PIUs will be headed by a Project Manager (Executive Engineer or Assistant Engineer) and supported by CMSC field staff. The Environment Specialist of CMSC will assist PIU in the implementation of environmental safeguards. The social and Gender Specialist of CMSC will assist PIU in the implementation of social safeguards and GESI-related tasks. At each PIU, the Assistant Project Manager will be given additional responsibilities of safeguard tasks and will be designated as Safeguard and Safety Officer (SSO). The SSO will be assisted by the Social and Gender Specialist and Environment Specialist and field staff (environment and social) of CMSC in reviewing updated/ revised IEEs, conducting surveys for updating of resettlement plan/DDR, public consultation and disclosure, assessment of entitlement and computation of compensation other than those covered under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act

(RFCTLARRA), 2013, etc. The SSO, with the support of CMSC Social safeguards and Gender Specialist and CMSC field support staff (environment and social), will assist Zonal ASO and PMU PO (social) in implementation of the following key tasks. They will also be responsible for the coordination of field-level activities related to safeguards conducted by the DBO contractor and CMSC.

- (i) Town/City PIU Level: Environment field-level activities are as follows:
 - (a) Prepare Rapid Environmental Assessment Checklists, No Mitigation Checklists, and baseline environmental surveys to support screening and categorization per EARF;
 - (b) Submit proposed subproject categorization to zonal PIU and coordinate with PMCBC the preparation of IEE and technical studies;
 - (c) Coordinate the conduct of technical studies such as but not limited to the inventory of asbestos materials in subproject sites, heritage impact assessment, and/or biodiversity assessment;
 - (d) Ensure IEEs are updated/revised based on detailed design and recommendations of technical studies;
 - (e) Oversee the day-to-day implementation of EMPs by contractors, including compliance with all government rules and regulations;
 - (f) Take necessary action for obtaining rights-of-way;
 - (g) Take corrective actions when necessary to ensure no environmental impacts;
 - (h) Submit monthly environmental monitoring reports to zonal PIUs;
 - (i) Conduct continuous public consultation and awareness;
 - (j) Address any grievances in a timely manner as per the GRM; and
 - (k) Issue clearance for contractor's post-construction activities as specified in the EMP.

- (ii) Town/City PIU Level: Social Safeguards and Gender field-level activities are as follows:
 - (a) Provide field data to fill up the Involuntary Resettlement/indigenous peoples impact checklist and classify the AF project;
 - (b) Conduct census and socio economic surveys, detailed measurement surveys, and verification surveys of affected persons conduct consultations with affected persons, prepare a list of affected persons, and provide all data required to prepare/update resettlement plans/RIPP/DDRs/IPPs with the assistance of CMSC field support, and ensure updated information is submitted to zonal PIU for preparation/updating of documents with CMSC and DBO contractor's support;
 - (c) Inform affected persons about the tentative schedule of land acquisition/occupation, entitlement matrix and compensation packages against different categories of loss, and cutoff date;
 - (d) Coordinate valuation of assets, such as land, trees of various species, etc. Based on proper due diligence and assessment, prepare compensation packages;
 - (e) Coordinate, supervise, and monitor the disbursement of compensation;
 - (f) Obtain no objection certificates (NOCs), land documents, and third-party certifications as required for the subproject;
 - (g) Support zonal PIUs to prepare/update resettlement plans/RIPPs/IPPs/DDRs;

- (h) Oversee the day-to-day implementation of impact avoidance and mitigation measures in resettlement plans/DDR/IPP and EMP by contractors, including compliance with all government rules and regulations, particularly health and safety, take necessary action for obtaining rights-of-way;
- (i) Oversee maintenance of data for monitoring, by consultants and contractors;
- (j) Implement corrective actions when necessary to ensure no adverse social impacts;
- (k) Submit monthly social monitoring reports to zonal PIU;
- (l) Conduct continuous public consultation and awareness;
- (m) Set up GRM at field/site/PIU level and ensure it is fully functional. Address any grievances brought about through the GRM in a timely manner;
- (n) Ensure that induction course for the training of contractors is conducted regularly. Prepare contractors (with consultants' support) on resettlement plans/RIPP/DDR/IPP/GESI action plan implementation, social safeguard and gender monitoring requirements related to mitigation measures, health and safety, and on taking immediate action to remedy unexpected adverse impacts or ineffective mitigation measures found during the course of implementation;
- (o) Liaise with the district administration and line departments for dovetailing government's schemes for income generation and development programs for affected persons, as and when required;
- (p) Supervise the work of all consultants at the town-level (CMSC, CAPP);
- (q) Undertake day-to-day implementation of final resettlement plans and GESI action plan;
- (r) Provide field-level information required to prepare periodic safeguard monitoring reports in a format acceptable to ADB and quarterly GESI action plan updates in the format provided in PAM;
- (s) Ensure relevant data on the implementation of GESI action plan is collected and a gender-sensitive communication strategy and IEC materials are designed, illustrating key social and behavioral messages related to hygiene, sanitation, and health jointly with the communication specialist and in accordance with the GESI action plan; and
- (t) Extend support in carrying out awareness campaigns in project towns.

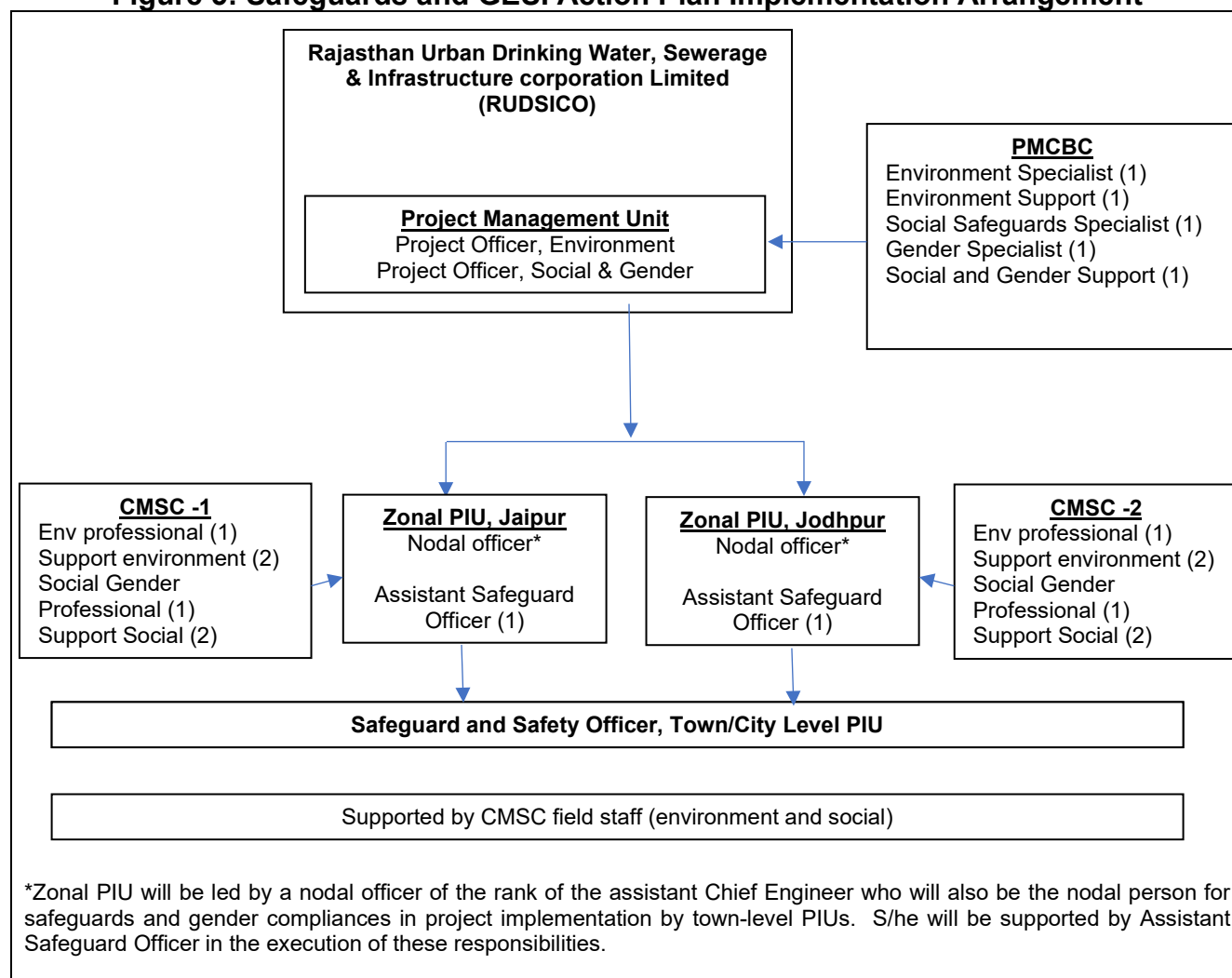
98. **DBO Contractor.** Assures the key role of the Contractor's Social Supervisor related to social safeguards will be to:

- (i) Work in close coordination with the PIU, CMSC, and PMCBC engineers and social safeguards personnel during the finalization of to finalize detailed design keeping the safeguard principles adopted for the AF project in view;
- (ii) With the assistance of engineers and social safeguard personnel of CMSC, ensure that all design-related measures (e.g., special considerations for the vulnerable related to facility locations or design, mitigation measures for affected persons, etc.) are integrated into project designs;
- (iii) Conduct joint walk-throughs with PIU, design engineers, and social safeguards personnel of CMSC in sites/sections ready for implementation; assist to identify the need for detailed measurement surveys, and support CMSC to jointly conduct detailed measurement surveys and census surveys to arrive at the final inventory of loss;
- (iv) Support project consultants in updating the draft resettlement plan/DDR for submission to PIU/PMU and ADB for review and approval;

- (v) Ensure strict adherence to agreed impact avoidance and mitigation measures in the resettlement plan/DDR/RIPP during implementation;
- (vi) Assist with grievance redressal and ensure recording, reporting, and follow up for resolution of all grievances received; and
- (vii) Submit monthly progress reports including safeguards, health and safety, and sex-disaggregated data as required for monitoring.

99. The contractor will be responsible for providing the final design to the supervision consultant to finalize/update IEE. The contractor will be required to submit to PIU, for review and approval, a site-specific environmental management plan (SEMP) No works can commence prior to the approval of SEMP. The contractor will appoint an environment, health, and safety (EHS) engineer who will be responsible on a day-to-day basis for:

- (i) preparing SEMP with inputs from the Project Manager of the Contractor
- (ii) ensuring implementation of SEMP, all mitigation and monitoring actions, including health and safety, and labor welfare
- (iii) coordinating with the town-level PIUs and environment specialists of project consultant teams;
- (iv) community liaison, consultations with interested/affected people,
- (v) field-level grievance redress; and
- (vi) SEMP implementation reporting

Figure 5: Safeguards and GESI Action Plan Implementation Arrangement

CMSC = contract management and supervision consultant, PIU = project implementation unit, PMCBC = project management and capacity building consultant, PMU = project management unit, RUDSICO = Rajasthan Urban Drinking Water, Sewerage and Infrastructure Corporation Limited.

Source: Asian Development Bank

Table 14: Institutional Roles and Responsibilities for Social Safeguards Implementation

Responsible Agency	Responsibility		
	Pre-Construction Stage	Construction Stage	Post-Construction
PMU Project Officer (Gender and Social)	(i) Review Involuntary Resettlement/indigenous peoples impact categorization checklists, and assign categorization based on SPS 2009; (ii) Review and approve resettlement plans/RIPPs/DDR/PPs and submit to ADB for approval and disclosure in the ADB website; (iii) Ensure approved	(i) Overall social safeguards compliance of the project; (ii) Monitor and ensure compliance with resettlement plans/RIPPs/PPs as well as any other provisions and conditions; (iii) Review monthly monitoring report; (iv) Prepare and submit to ADB semiannual	(i) Compliance monitoring to review the social safeguard performance of project component, if required and as specified in resettlement plans/RIPPs/PPs; (ii) Coordinate for external monitoring reports if necessary; and

Responsible Agency	Responsibility		
	Pre-Construction Stage	Construction Stage	Post-Construction
	<p>resettlement plans/RIPPs/DDR/PPs are disclosed in the implementing agency's websites and summary posted in public areas accessible and understandable by local people;</p> <p>(iv) Ensure social safeguard documents are included in bid documents and contracts;</p> <p>(v) Organize an orientation workshop for PMU, PIU, ULB, and all staff involved in project implementation on ADB SPS, relevant national, and/or state laws, Resettlement Plan/IPP preparation, implementation and monitoring, timely payment of compensation before the start of civil work, mitigation measures, public relations and ongoing and meaningful consultations, grievance redress, and GESI action plan implementation, etc.;</p> <p>(vi) Assist in timely redressal of grievances;</p> <p>(vii) Organize an induction course for the training of contractors on social safeguards and GESI action plan implementation;</p> <p>(viii) Ensure compliance with ADB SPS and all government rules and regulations regarding impacts to indigenous peoples (scheduled tribe) community;</p> <p>(ix) Assist PMUs, PIUs to document and develop good practices case studies as per the Resettlement Plan implementation process and schedule; and</p> <p>(x) Monitor the grievance redress process and ensure grievances redress within the prescribed timeframe.</p>	<p>monitoring reports until project completion report is issued by ADB;</p> <p>(v) If necessary, prepare Corrective Action Plan and ensure implementation of corrective actions to ensure no impacts are mitigated;</p> <p>(vi) Organize capacity building programs on social safeguards;</p> <p>(vii) Coordinate with national and state-level government agencies;</p> <p>(viii) Assist in addressing any grievances brought about through the GRM in a timely manner as per the GRM; and</p> <p>(ix) Coordinate PIUs, consultants and contractors on mitigation measures involving the community and affected persons and ensure that social concerns and suggestions are incorporated and implemented.</p>	<p>(iii) Implementation, regular monitoring and reporting of GESI action plan activities along with project progress reports.</p>
Zonal PIU, Assistant Safeguard	(i) Coordinate updating/preparation of Resettlement	(i) Guide PIUs to oversee the implementation of avoidance and mitigation	(i) Conducting social monitoring, as specified in the

Responsible Agency	Responsibility		
	Pre-Construction Stage	Construction Stage	Post-Construction
Officer	<p>Plans/RIPPs/IPP/DDR with CMSC's support and ensure the documents are included in bid documents and contract agreements;</p> <p>(ii) Disclose approved resettlement plans/RIPPs/IPP/DDR;</p> <p>(iii) Obtain all necessary agreements, sale deeds, transfers of title, consents/ NOCs, third party certification, etc. as applicable. Ensure compliance with the provisions and conditions in such documents;</p> <p>(iv) Guide town/city level PIUs in Resettlement Plan/RIPP/IPP implementation including payment of compensation prior to civil work, encumbrance-free sites for construction work, dissemination of information/notice prior to the start of construction, etc;</p> <p>(v) Organize an induction course for the training of contractors, preparing them on-site situations and local sensitivities, scheduling of work as per the local community's requirements, if any, monitoring requirements, and taking immediate actions to mitigate unanticipated impacts;</p> <p>(vi) Consolidate monthly social and GESI monitoring reports by town-level PIUs and submit to PMU; and</p> <p>(vii) Continued consultation activities with stakeholders.</p>	<p>measures in by contractors;</p> <p>(ii) Take necessary action for obtaining rights-of-way;</p> <p>(iii) Oversee implementation of resettlement plans/RIPPs/IPP;</p> <p>(iv) Oversee implementation of the specific action plans included in the RIPPs and/or involuntary resettlement and indigenous people due diligence reports;</p> <p>(v) Take corrective actions when necessary;</p> <p>(vi) Ensure monthly reports contain relevant sections on social safeguards implementation. Consolidate and submit monthly social monitoring reports to PMU;</p> <p>(vii) Conduct public consultation and awareness-raising during the entire project cycle;</p> <p>(viii) Formulate time-bound corrective actions for noncompliances; and</p> <p>(ix) Address any grievances brought about through the grievance redress mechanism in a timely manner as per the GRM.</p>	resettlement plans/RIPPs/IPP.
Town/City Level PIU Safeguard and Safety Officer	<p>(i) Provide necessary data for Involuntary Resettlement/indigenous peoples categorization;</p> <p>(ii) Conduct sample socio economic surveys, and data analysis during Resettlement Plan/RIPP/IPP preparation and detailed measurement surveys for Resettlement Plan/RIPP preparation and</p>	<p>(i) Oversee the day-to-day implementation of impact avoidance and mitigation measures proposed resettlement plans/RIPPs/DDR/IPP including compliance with all government rules and regulations;</p> <p>(ii) Implement and monitor the specific action plans</p>	<p>(i) Ensure coordination with the stakeholders including Affected Persons/indigenous peoples to ensure project benefits as envisaged; and</p> <p>(ii) Prepare case studies/ good practices for the</p>

Responsible Agency	Responsibility		
	Pre-Construction Stage	Construction Stage	Post-Construction
	<p>updating; submit updated information to zonal PIUs for updating of resettlement plans/DDR/RIPPs with CMSC's support;</p> <p>(iii) Liaise with affected persons and district administration regarding land acquisition, payment of compensation; and</p> <p>(iv) Coordination with departments/individuals regarding consent/NOCs/land records/agreements/transfers and third party certification.</p>	<p>included in the RIPP/IR and indigenous people DDRs;</p> <p>(iii) Take corrective actions when necessary to ensure no adverse social impacts;</p> <p>(iv) Submit monthly monitoring reports with social safeguards compliance to PMU;</p> <p>(v) Conduct public consultation and awareness activities throughout the project cycle; and</p> <p>(vi) Address any grievances brought about through the grievance redress mechanism in a timely manner.</p>	<p>project.</p>
<p>Consultants – 1. PMCBC-Social Safeguard Specialist</p>	<p>(i) Assist PMU to review Involuntary Resettlement/indigenous peoples checklists and categorization;</p> <p>(ii) Assist PMU to review and ensure resettlement plans/RIPPs/IPPs are prepared/updated based on the detailed design as per the agreed Resettlement Framework/IPPF and submit to PMU for approval;</p> <p>(iii) Assist PMU/PIUs in coordination with different departments, obtaining all necessary interdepartmental transfers, permits, consents, NOCs, etc. Ensure provisions and conditions are incorporated in the resettlement plans/RIPPs/IPPs and detailed design documents;</p> <p>(iv) Assist in ensuring resettlement plans/RIPPs/IPPs are included in bid documents and contract agreements. Assist in determining the adequacy of cost for resettlement plans/RIPPs/IPPs implementation;</p> <p>(v) Assist in addressing any grievance;</p>	<p>(i) Assist PMU to monitor Resettlement Plan/RIPP/IPP implementation as per the approved document;</p> <p>(ii) Assist PMU in the implementation and monitoring of specific action plans included in the RIPP/IR and indigenous people DDRs;</p> <p>(ii) Recommend corrective action measures for noncompliance by contractors, if any;</p> <p>(iii) Assist in the review of monitoring reports submitted by contractors;</p> <p>(iv) Assist in the compilation/preparation of semiannual social monitoring reports;</p> <p>(v) Assist in the preparation of quarterly progress reports, including reporting on social safeguards and GESI implementation;</p> <p>(vi) Assist PMU to supervise and conduct public consultation and awareness activities throughout the project cycle; and</p> <p>(vii) Assist in addressing</p>	<p>Assist PMU in the monitoring of the socioeconomic status of affected persons, post Resettlement Plan /RIPP implementation.</p>

Responsible Agency	Responsibility		
	Pre-Construction Stage	Construction Stage	Post-Construction
	(vi) Assist PMU in setting up monitoring systems for social safeguards and GESI; (vii) Assist PMU in the design and conduct of training and capacity building programs and workshops; and (viii) Assist PMU to guide all project entities (zonal PIUs, PIUs, CMSCs) in social safeguards and GESI implementation, monitoring, and reporting.	any grievances brought about through the Grievance Redress Mechanism in a timely manner.	
2. CMSCs Social Safeguards Professional and field support staff	(i) Assist zonal PIUs and town/city level PIUs to prepare/update resettlement plans based on detailed design and detailed measurement surveys; (ii) Guide CMSC field staff and contractor's social supervisor to conduct joint surveys and collect all information and conduct site-specific consultations required for preparing/updating resettlement plans/DDR/RIPPs and for preparing Involuntary Resettlement/indigenous peoples checklists; (iii) Guide CMSC field staff in supporting PIUs to announce cutoff dates, and disclose resettlement plans/RIPPs to affected persons and implement resettlement plans/RIPPs; and (iv) Support zonal and town-level PIUs in Resettlement Plan/RIPP and GESI implementation, monitoring and reporting, and grievance resolution and reporting.	(i) Support zonal PIUs to ensure (through field staff) that PIUs and contractors implement impact avoidance and mitigation measures; (ii) Assist town-level PIUs (through field staff) to ensure resettlement plans/RIPPs are implemented (including implementation of the specific action plan in the RIPP/IR and indigenous people DDR) and all compensation paid prior to the start of civil works; (iii) Assist in monitoring and reporting, preparation of quarterly and semiannual reports; and (iv) Assist in grievance resolution and reporting.	(i) Supervise contractors to ensure any land required temporarily during construction, is restored to original condition, post-construction; and (ii) Assist zonal PIUs in the monitoring of the socioeconomic status of Affected Peoples, post Resettlement Plan implementation.
Contractors (Officer)	(i) Review the resettlement plans/RIPPs/IPP and provide information about changes needed as per the revised design and scope of works to PIU/CMSC/PMCBC for final revision of documents; (ii) Assist in identifying the need for detailed	(i) Assist PMU to ensure compensation is paid prior to the start of work. Implement EMP; (ii) Implement corrective actions if necessary; (iii) Prepare and submit monitoring reports including pictures to PIU;	Ensure benefits are availed by citizens as envisaged. (ii) Request certification from PIU.

Responsible Agency	Responsibility		
	Pre-Construction Stage	Construction Stage	Post-Construction
	measurement surveys, and conduct detailed measurement surveys to arrive at the final inventory of loss; (iii) Support project consultants in updating the draft resettlement plan/DDR for submission to PIU/PMU and ADB for review and approval; (iv) Assist with grievance redressal and ensure recording, reporting, and follow up for resolution of all grievances received; (v) Assist PIU in disclosing relevant information on social safeguards; and (vi) Ensure strict adherence to ADB and government policy on social safeguards.	(iv) Brief staff, employees, and labor about the requirements of good engineering practices to avoid/mitigate any impacts; (v) Bear the costs of any damages/compensation resulting from non-adherence to the provisions of resettlement plans/RIPPs/IPPs or written site instructions; and (vi) Ensure that PIUs are timely informed of any foreseeable activities related to Resettlement Plan/RIPP/IPP implementation.	

ADB = Asian Development Bank, CMSC = contract management and supervision consultant, DDR = due diligence report, EMP = environmental management plan, GESI = gender equality and social inclusion, GRM = grievance redress mechanism, IPP = indigenous peoples plan, IPPF = indigenous peoples planning framework, NOC = no objection certificate, PIU = project implementation unit, PMU = project implementation unit, RIPP = resettlement and indigenous peoples plan, RSTSDP = Rajasthan Secondary Towns Sector Development Project, ULB = urban local body.

Source: Asian Development Bank

D. Safeguards Capacity Development

100. The PMCBC safeguards experts (environmental and social) will be responsible for training the PMU's safeguards officers (environmental and social), and PIU's engineers and social safeguards officers. The EARF and resettlement framework include indicative training modules on safeguards. The PMCBC will coordinate with PMUs and PIUs on specific capacity development programs, which include but are not limited to:

(i) Environmental Safeguards

- (a) ADB and Government of India's requirements related to environmental safeguards;
- (b) Specific requirements per EARF and ADB SPS;
- (c) International best practices on integrating environmental conservation and safeguards in project design and implementation;
- (d) Information disclosure, meaningful consultation, GRM, and accountability mechanism;
- (e) Assessment of environmental impacts and planning for mitigation measures, including best management practices, in the design, construction, operation, and maintenance of water supply, sewerage, roads, and drainage subprojects;
- (f) Preparation, updating, and review of IEE;
- (g) Preparation of site-specific EMPs;
- (h) Occupational and community health and safety;
- (i) OSH, public safety, and labor laws;
- (j) Asbestos management;
- (k) Heritage conservation and HIA;
- (l) Biodiversity conservation;
- (m) Solid waste (domestic, construction, and spoils) management;
- (n) Environmental monitoring including sample collection, preservation, and testing;
- (o) Preparation of monitoring checklists and reports; and
- (p) Corrective action planning and implementation.

(ii) Social Safeguards

- (a) Sensitization on ADB's policies and guidelines on social and indigenous peoples safeguards (ADB's Safeguard Requirement 2 and 3: Involuntary Resettlement and Indigenous Peoples) including categorization, meaningful consultation, GRM and accountability mechanism;
- (b) Introduction to the assessment of involuntary resettlement and indigenous peoples impacts and mitigation measures, including best practices, in the design, construction, O&M of water supply, sewerage, roads, and drainage subprojects;
- (c) Preparation and review of resettlement plans/RIPPs/IPPs/DDR's based on preliminary design, and updating of the documents based on the final design;
- (d) Improved coordination within nodal departments;
- (e) Disbursement of compensation, consultation; and
- (f) Monitoring and reporting requirements.

E. Grievance Redress Mechanism

101. A project-specific, three-tier grievance redress mechanism (GRM) covers both environment and social issues. The GRM will be established to receive, evaluate, and facilitate the resolution of affected persons' concerns, complaints, and grievances about the social and environmental performance at the project-level. The GRM will aim to provide a time-bound and transparent mechanism to voice and resolve social and environmental concerns related to the AF project. Assessment of the GRM designed and implemented for Rajasthan Urban Sector Development Program (RUSDP)³⁵ shows that the system was effective in the timely resolution of grievances in a transparent manner.³⁶ The multichannel, project-specific, three-tier GRM is functional at RUSDP, hence the design of GRM for the ongoing project and the AF project takes into account the proposed institutional structure and the positive features and learnings from the previous GRM.³⁷ The existing GRM structure and process of the ongoing project will be applicable for the subprojects under the additional financing.

102. **Common GRM.** A common GRM will be in place for social, environmental, or any other grievances related to the AF project. Implementation of the resettlement plans/RIPPs/DDR/IEEs will follow the GRM described below. The GRM will provide an accessible and trusted platform for receiving and facilitating the resolution of affected persons' grievances related to the AF project.

103. Public awareness campaigns within the entire ULB/Municipal area will ensure that awareness of grievance redress procedures is generated. The nodal officer- social/environment at the field-level through CAPPCC will conduct ULB/Municipal area-based awareness campaigns to ensure that poor and vulnerable households are made aware of grievance redress procedures and entitlements. Contractors will provide pamphlets to communities prior to the start of works and billboards during construction. The pamphlets and billboards will include relevant environmental and social safeguards, GRM information, and contact details of key personnel from PIU and contractors.

104. Affected persons will have the flexibility of conveying grievances/suggestions by dropping grievance redress/suggestion forms in complaint/suggestion boxes that will be installed by project

³⁵ The procedures followed for grievance redress during implementation of RUSDP Phase III included the project GRM and the pilot GRM software application (Smart Check) in Pali, the Sampark portal of Government of Rajasthan, and the Chief Minister's helpline. Complaints received through various channels were mostly minor and pertained to damage to existing water supply pipelines and disruption of water supply during construction, delays in road restoration, and pending new connections. Complaints related to damage to private property (compound walls/steps, etc.) were less in number. The grievances were mostly possible to resolve in coordination with the contractors. Complaints received were immediately referred by the CAPC/Program Management, Design and Supervision Consultant supervision staff to the PIU Nodal officer (safeguards) and concerned engineer at PIU, who advised them on further action. Follow up with the contractor on complaint resolution was undertaken by PIU Nodal officer CAPC and Program Management, Design and Supervision Consultant and final feedback sought from complainant upon resolution. Complaints requiring interdepartmental coordination were referred to the PMU for resolution, and feedback provided to complainant. The PMU kept regular track of grievances through Whatsapp and e-mail alerts, ensuring registration and follow up until resolution.

³⁶ Town-level grievance registration data indicates that a large number of grievances were registered, pointing to the effectiveness of the multichannel GRM. No major grievance was received for RUSDP Phase III. The GRM helped smoothen the process of project implementation, hence the proposed architecture for the ongoing and the AF project GRM remains similar, with some refinement, taking into account the changes in institutional setup proposed for project implementation.

³⁷ Continued logistics support at field-level will be key to successful management of grievance redress under the ongoing project including the subprojects under the AF project. The target date for establishment of the first level (PIU level) of GRM is before loan negotiation.

PIUs or by e-mail, by post, or by writing in complaints register in ULB offices/complaints register at contractor's work site³⁸ or by sending a Whatsapp message to the PIU³⁹ or by dialing the phone number of town-level PIU/CAPPC or by dialing a toll-free number.⁴⁰ Any aggrieved person can also avail of the facilities of the online grievance monitoring system 'Rajasthan Sampark' portal to register their grievances which is a parallel mechanism of grievance registration, in addition to the project GRM.⁴¹ Careful documentation of the name of the complainant, date of receipt of the complaint, address/contact details of the person, location of the problem area, and how the problem was resolved will be undertaken and feedback provided to the complainant on action/decision taken. The Safeguard and Safety Officer of town/city level PIU will have the overall responsibility for timely grievance redressal on environmental and social safeguards issues and registration of grievances, and related disclosure, with the assistance of project consultants. In case of grievances that are immediate and urgent in the perception of the complainant, the contractor, and officials of PIU with assistance from CMSC and CAPPC on-site will provide the most easily accessible or first level of contact for quick resolution of grievances. Contact numbers and names of the concerned PIU safeguard and safety officer, contractors, CAPPC, and CMSC personnel will be posted at all construction sites at visible locations.

- (i) **first level grievance.** The contractors, PIU Executive Engineer/Assistant Engineer designated as safeguard and safety officer (social and environment), CMSC (safeguard staff), and CAPPC can immediately resolve issues on-site, in consultation with each other, and will be required to do so within 7 days of receipt of a complaint/grievance. If required, the city level monitoring committee (CLMC)⁴² will be involved in the resolution of grievances at the first level.
- (ii) **second level grievance.** All grievances that cannot be redressed within 7 days at the field/PIU level will be brought to the notice of the zonal PIU headed by the Additional Chief Engineer (ACE). The ACE at zonal PIU will resolve the grievance within 7 days of receipt of the complaint/grievance in discussion with the ASO, field-level PIU, CMSC, CAPPC, and the contractor.
- (iii) **third level grievance.** All the grievances that are not addressed by zonal PIU within 7 days of receipt will be brought to the notice of the PMU. Depending on the nature of the grievance, the Project Officer (Social/Environment) at PMU will resolve the grievance within 15 days of receipt of the grievance with necessary coordination of zonal PIU and CMSC and guidance/instruction of the Additional Project Director (APD-PMU).

³⁸ RUSDP piloted an online application based live GRM counter for resolution of public grievances over and above the usual process of grievance registration and redressal. This app based GRM - "RUIDP Smart Check" is available at Google play store (free of cost) and is operational. The RUIDP Smart Check "app" was launched in Pali town in July 2017 and is proposed to be scaled up in all project towns of the ongoing project and the AF project. For persons without access to the application, the traditional channels will continue to be available.

³⁹ It is suggested for each PIU to have a dedicated whatsapp group for registration of grievances and receipt of quick feedback, to be followed by more formal communication.

⁴⁰ Project contractors in all project towns will have a toll-free number with specific working hours for registration of grievances related to the ongoing project.

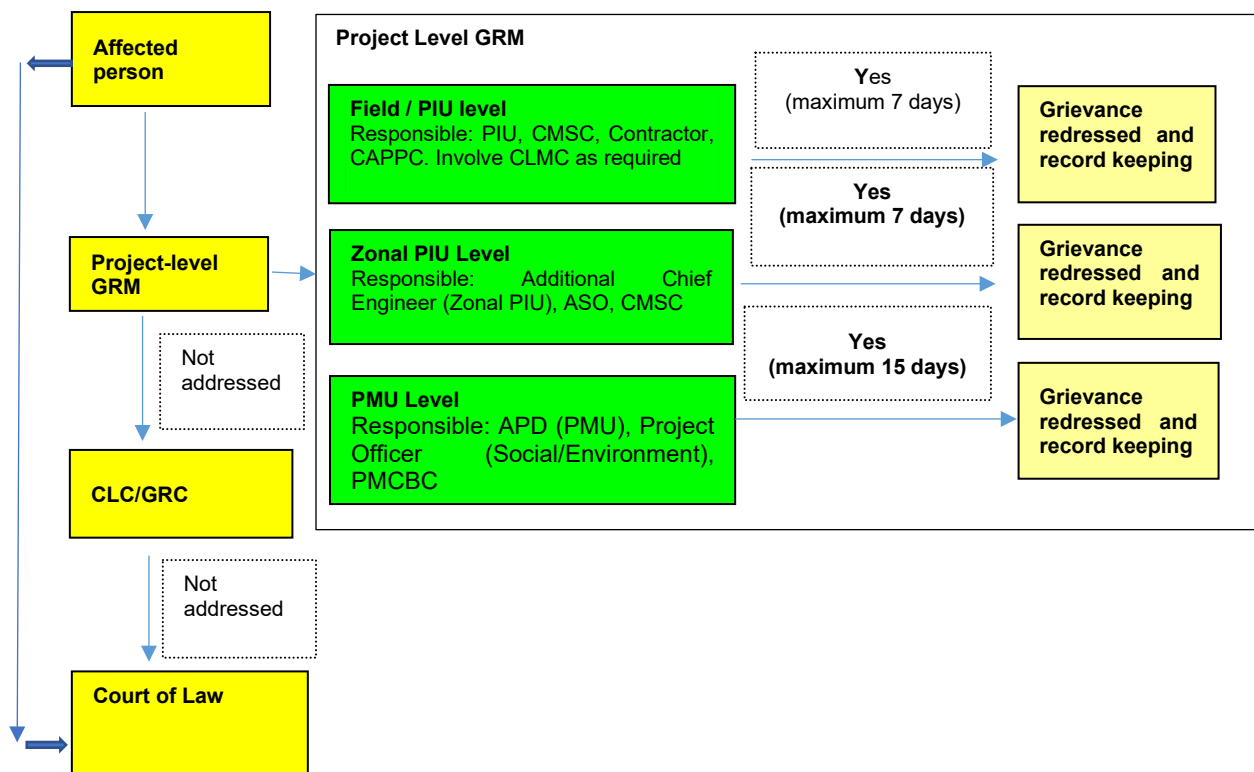
⁴¹ Rajasthan Sampark. Register Grievance. <http://www.sampark.rajasthan.gov.in/RajSamWelcome.aspx>

⁴² The CLMC has been formed at the town/city level for planning and monitoring of work, resolve issues related to departmental coordination etc. It is headed by Commissioner/Executive Officer ULB (Chairman) and city engineer of public health engineering department (PHED), public works department (PWD) and head of PIU acting as Member Secretary.

- (iv) Grievances not redressed through this process within/at the project-level within the stipulated time period will be referred to the CLC/GRC, which has been set up.⁴³ In its role as a GRC, the CLC will meet whenever there is an urgent, pending grievance. Other grievances can be discussed during regular meetings. Zonal PIU will inform the CLC regarding any grievances that required to be resolved urgently. The GRC will resolve the grievance within 15 days of receiving the complaint. In case of any indigenous peoples impacts in subprojects, the CLC/GRC must have representation of the affected indigenous people community, the chief of the tribe, or a member of the tribal council as traditional arbitrator (to ensure that traditional grievance redress systems are integrated) and an NGO working with indigenous people groups.
- (v) The multi-tier GRM for the AF project is outlined below (Figure 5), each tier having time-bound schedules and with responsible persons identified to address grievances and seek appropriate persons' advice at each stage, as required. The GRC will continue to function throughout the project duration.

⁴³ City Level Committee (CLC)/grievance redress committees (GRCs) has been constituted for each town/city under the Chairmanship of District Collector to provide overall subproject guidance and "to sort out issues and remove hindrances, if any." CLC formed at city level/district level with members composed of: District Collector as Chairperson, and following as members: ULB Commissioner/Mayor/Chairman; Deputy Mayor/Vice Chairman ULB; Chairman / Secretary Urban Improvement Trust (UIT); Head of Zonal/field-level PIU as Member Secretary; one representative each from relevant government departments as appropriate (PWD/PHED/Town Planning Department etc.). All CLCs in their role as GRCs will have at least one-woman member/chairperson. In addition, for project-related grievances, representatives of affected persons, community-based organizations (CBOs), and eminent citizens will be invited as observers in GRC meetings. The concerned Member of Parliament (MP) and Member of Legislative Assembly are also part of the CLC.

Figure 6: Grievance Redress Mechanism-Rajasthan Secondary Towns Development Sector Project



APD = Additional Project Director, ASO = Assistant Safeguards Officer, CAPPCC = community awareness and public participation consultant, CMSC = construction management and supervision consultants, CLC = city level committee, CLMC = city level monitoring committee, GRC = grievance redress committee, GRM = grievance redress mechanism, PIU = project implementation unit, PMU = project management unit, PMCBC = project management and capacity building consultant.

Source: Asian Development Bank.

105. The AF project GRM notwithstanding, an aggrieved person shall have access to the country's legal system at any stage, and accessing the country's legal system can run parallel to accessing the GRM and is not dependent on the negative outcome of the GRM. In case of grievance related to land acquisition, resettlement, and rehabilitation, the affected persons will have to approach a legal body/court especially proposed under the RFCTLARRA, 2013.⁴⁴

106. People who are, or may in the future be, adversely affected by the AF 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 an effort in good faith to solve their problems by working

⁴⁴ The Authority admits grievance only with reference to the Land Acquisition and R&R issues under the RFCTLARRA, 2013.

with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.⁴⁵

107. **Record-keeping.** The PIU of each town/city will keep records of grievances received, including contact details of the complainant, the date the complaint was received, the nature of the grievance, agreed corrective actions and the date these were affected, and the final outcome. The number of grievances recorded and resolved, and the outcomes will be displayed/disclosed in the PMU office, PIU offices, and on the web, as well as reported in monitoring reports submitted to ADB on a semiannual basis. The sample grievance registration format is attached as Appendix 10.

108. **Periodic review and documentation of lessons learned.** The PMU Project Officers (Social and Environment) will periodically review the functioning of the GRM in each town and record information on the effectiveness of the mechanism, especially on the project's ability to prevent and address grievances.

109. **Costs.** Contractors are required to allocate a budget for pamphlets and billboards as part of the EMP. Costs involved in resolving the complaints (meetings, consultations, communication, and reporting/information dissemination) will be borne by the concerned PIU at the town-level while costs related to escalated grievances will be met by the PMU. Cost estimates for grievance redress are included in resettlement cost estimates.

F. Safeguards Monitoring and Reporting

110. The PMU will include safeguards implementation status in the quarterly progress report using the suggested checklists in Appendix 9 and separate semiannual environmental and social safeguards monitoring reports to ADB, which will be reviewed and disclosed on ADB's website. The monitoring reports will be prepared by PMU with assistance from the PMU-Consultant and inputs from the PIU's safeguard officers, contractors, and CAPPCC, where relevant. The status of safeguard implementation, issues, and corrective actions including associated costs and schedule are to be clearly reported to ADB. The status of safeguards implementation will also be discussed at each ADB review mission and with necessary issues and agreed actions recorded in Aide Memoires. ADB will also carry out annual environmental and/or social (including gender) reviews of the AF project. The outline of the semiannual environmental monitoring report is in Appendix 11 and the outline of the semiannual social safeguards monitoring report is in Appendix 12. ADB's monitoring and supervision activities are carried out on an ongoing basis until project completion (PCR) is issued. During the operation stage, PMU will submit environmental monitoring reports annually until project completion.

VIII. GENDER EQUALITY AND SOCIAL DIMENSIONS

111. Effective gender mainstreaming classification remains for additional financing with expanded activities for gender equality and women's empowerment. The AF project will help in reducing inequalities and poverty. Pro-poor design features will benefit the most vulnerable by targeting the provision of basic services like water supply and improved sanitation to at least 95% of below poverty line (BPL) households and reduce time spent on water management, especially by women. Key activities in the AF include: (i) establishing elderly-women-children- people with disabilities (EWCD) friendly design features in rehabilitated/reconstructed urban assets with opportunities of operation and management by women in selected urban spaces; (ii) training for

⁴⁵ Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

girls/women in schools to conduct water audits and build an understanding of water management; (iii) enhancing skills of women staff and elected representatives of project ULBs in sustainable and resilient WSS operations, hygiene and GESI action plan implementation; (iv) non-traditional skills training for girls/women relevant to the sector, and (v) women's internship program aimed at providing professional work experience in a technical field. The project management activities will ensure the recruitment of gender specialists in PMCBC and CMSC, and designating gender focal points in PMU, each zonal office, and PIUs. The AF project will also ensure the collection of sex-disaggregated data of project staff, consultants, workforce, laborers, and orientation /training programs. The project management information system will include and report gender-specific information and sex-disaggregated data, as relevant. The budget for GESI action plan implementation has been absorbed in the ongoing loan. The AF project will conduct an end-line survey at project end to measure savings and benefits for women from improved urban WSS infrastructure and services. Sex-disaggregated data will be maintained through project performance management system (PPMS) on staff, consultants, construction workforce participation, labor and project-related trainings.

112. **Gender equality and social inclusion.** The AF project is classified as effective gender mainstreaming (EGM). The AF project has an inbuilt gender dimension as it seeks to improve basic services that will alleviate women's burdens. The GESI action plan has been prepared and included in **Table 15**. The executing agency would endorse the GESI action plan and ensure that the PMU and PIUs implement the action plan, monitor it regularly, and report progress to document gender equality results. The GESI action plan has clear targets, responsibilities, and timeframe in order to ensure effective implementation, monitoring, and reporting of GESI action plan activities.

113. The following measures under the additional financing are included in the design to promote gender equality and women's empowerment and increase women's access to and use of relevant services, resources, assets, opportunities and participation in decision-making processes, by ensuring that: (i) at least 95% BPL households⁴⁶ provided with improved access to WSS services; (ii) at least 100 community women including 50 women from the scheduled caste and scheduled tribe communities provided livelihood skills training relevant to the sector identified through a training needs assessment; (iii) at least 500 women gain professional experience through an internship program at RUDSICO (see guidance note on internship program in Appendix 7); (iv) capacities of ULB staff and elected representatives⁴⁷ including 80% eligible women staff and 80% women elected representatives enhanced in O&M of WSS services, citywide inclusive sanitation, financial sustainability and project GESI action plan implementation; and (v) at least 800 students including at least 400 girls in project towns trained in conducting water audits in schools and households. The AF project will conduct an end-line survey at the project end to measure savings and benefits for women from improved urban WSS infrastructure and services.⁴⁸ Sex-disaggregated data will be maintained through PPMS on staff, consultants, construction workforce participation, labor and project-related trainings.

114. The PMU, in RUDSICO, with support from the gender specialist consultants, will be responsible for GESI AP implementation and monitoring. Gender focal points will be nominated—one in PMU and one in each of the PIUs—to oversee and monitor GESI action plan implementation. The project management information system will include and publish gender-

⁴⁶ Town-wise number of households and BPL households in Appendix 13.

⁴⁷ Town-wise number of ULB staff (technical and non-technical) and elected representatives is in Appendix 13.

⁴⁸ The baseline based on PPTA survey is 55 minutes.

specific information and sex-disaggregated data, as relevant. The budget for GESI action plan implementation has been absorbed in incremental administration costs.

Table 15: Updated Gender Equality and Social Inclusion Action Plan

Activities	Targets and Indicators	Responsibility	Timeline
Output 1. Resilient water supply systems in at least eight 15 project towns developed or improved			
1.1 Provide water supply to households including BPL households ⁱ in project covered areas	(i) About 400,000 177,000 households connected to new or replaced water supply distribution lines (including at least 95% BPL households) (2019 baseline:0) (ii) Ward-wise list of households maintained at PIUs (iii) An end-line survey conducted to assess time savings and benefits for women from improved urban water and sanitation infrastructure and services (2019 Baseline: 55 minutes; Source: baseline report)	PMU and PIUs	Year 1 to 6
Output 2. Resilient and inclusive sanitation systems in at least 26 34 project towns developed or improved			
2.1 Provide improved sanitation services ⁱⁱ to households, including BPL households in project covered areas	(iv) About 403,000 157,000 households (including at least 95% BPL households) connected to the sewer system (2019 baseline:0) (v) Ward-wise list of households maintained at PIUs	PMU and PIUs	Year 1 to 6
Output 3. Urban assets to enhance climate resilience and heritage living in at least 11 project towns developed or improved.			
3.1 Incorporate elderly, women, children, and disability (EWCD) sensitive design features in rehabilitated/ reconstructed urban assets ^c	(vi) At least eight water parks and water structures, and 20 heritage and heritage-like structures rehabilitated, or developed incorporating EWCD design features in six ULBs (2023 baseline: 0) (vii) At least two urban heritage and heritage-like structures operated and maintained by all women staff. (2023 baseline: N/A)	PMU and PIUs	Year 1 to 6
Output 4. Institutional and human capacities strengthened for sustainable service delivery, gender equality, and improved public health			
4.1 Conduct skills training relevant to the sector for community women as measure to increase inclusiveness in implementation	(viii) Training needs assessment conducted to list skills relevant to the sector (2019 baseline: Not applicable) (ix) At least 400 200 community women (including 100 women from scheduled caste/other backward castes/ scheduled tribes) gained livelihood skills relevant to the sector (2019 baseline:0) (x) Pre- and Post-activity assessments conducted to assess knowledge gained	PMU	Year 1 to 6
4.2 Organize training for girls/women in project towns in conducting water audits ^{d iii} in schools and households to promote interest in technical fields and build understanding of water management.	(xi) At least 4,000 1,800 students including 500 900 girls in project towns report enhanced knowledge in conducting water audits ^c in schools and households. (2019 baseline: 0)	PMU and PIUs	Year 1 to 6

4.3 Enhance skills of women staff and elected representatives of project ULBs in sustainable and resilient WSS operations and hygiene and gender equality and social inclusion action (GESI) plan implementation	(xii) A customized training module on sustainable and resilient WSS operations and hygiene and GESI action plan implementation prepared. (2019 baseline: Not applicable) (xiii) About 500 800 staff and 500 800 elected representatives of 14 24 project ULBs, including at least 80% of eligible women staff and elected women representatives, reported increased knowledge on sustainable and resilient WSS operations, hygiene, and GESI action plan implementation (2019 baseline: Not applicable) (xiv) Pre- and post-training assessments conducted to assess knowledge gained	PMU and PIUs	Year 1 to 6
4.4 Build capacities of staff and elected representatives of project ULBs on project GESI action plan implementation (combined with activity 4.3)	(xv) A customized training module on GESI implementation prepared (xvi) At least 800 staff and 800 elected representatives from 28 project ULBs, including 80% eligible women, oriented on project GESI action plan implementation (2019 baseline: 0) (2023 Baseline: 182 participants including 66 councilors, including 14 women councilor's, 38 women ward councilors oriented in women specific programs)		
4.4 Implement an internship program aimed at providing women with professional work experience in a technical (non-traditional) field through the project	(xv) MOU signed between RUDSICO and partner colleges (xvi) At least 500 4000 female college students gain professional experience through completed internship program at RUDSICO and reported increased knowledge on urban development in Rajasthan (2019 baseline: 0) (xvi) Induction and completion workshops organized for each batch of interns	PMU	Year 1 to 6
Project Management Activities			
Establish a gender-inclusive agency (RUDSICO) with attention to providing equitable opportunities for women and maximizing women's participation in all project activities.	<ul style="list-style-type: none"> • Gender specialists are recruited (one at PMU/ PMCBC and two at CMSC) • Gender focal points designated in PMU, each zonal office and each PIU • Sex-disaggregated data on project staff, consultants, workforce, laborers, and project-related orientation and training programs is maintained and reported in progress reports • GESI action plan completion report highlighting lessons learned submitted at project completion. 	PMU	Year 1 to 6

BPL = below poverty line, CMSC = contract management and supervision consultant, EWCD = elderly (older persons), women, children, and persons with disabilities, GESI = gender equality and social inclusion, MOU = memorandum of understanding, O&M = operation and maintenance, PMCBC = project management and capacity building consultant, PPTA = project preparatory technical assistance, PIU = project implementation unit, PMU = project management unit, QPR = quarterly progress report, RUDSICO = Rajasthan Urban Drinking Water, Sewerage & Infrastructure Corporation Limited, ULBs = urban local bodies, WSS = water supply and sanitation.

^a BPL households as identified by the Food and Civil Supplies Department, Government of Rajasthan.

^b Improved sanitation services include connection to the sewerage network or fecal emptying services if household/ward is not covered under sewerage network.

^c Including (but not limited to) features to adapt/ suit the requirements of EWCD persons without affecting the historical character, ensuring accessible, easy to locate entrance, provision of resting benches, adequate illumination, clearly visible universal signage cutting across regional/ cultural language barriers for information, identification, instruction, safety and helpline numbers, drinking water, separate toilets for men and women

^d A water audit is a method of quantifying all the flows of water in a system to understand its usage, reduce losses, and improve water conservation. It can be performed on a large scale for a city or on a smaller scale for institutions, buildings, or even households to promote water conservation.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Monitoring

115. **Project performance.** The PMU has established and continues using the PPMS using targets, indicators, assumptions, and risks in the project DMF. An expanded DMF will be developed that can serve as a monitoring and evaluation framework considering the important monitoring parameters in addition to those included in the DMF. The baseline data corresponding to indicators and targets set out in the DMF and the monitoring and evaluation framework can be generated through primary data, collected during the detailed design in the design-build period and while preparing the detailed project reports (for any subsequent subprojects under the sector loan and further through the data collected by the PMCBC, CMSCs, and CAPP). Such baseline data, disaggregated by income levels, sex, caste, and ethnicity, should be established within 12 months of loan effectiveness. After establishing the baseline, the PMU will prepare annual, midterm, and end-of-investment project monitoring reports using the same indicators and submit the reports to ADB. Adequate project-related data that would be useful for the preparation of quality project completion reports, including necessary information and data for solid economic assessment need to be included in project monitoring reports.

116. **Compliance.** The PMCBC, CMSCs, and CAPP will continue supporting the PMU/ PIU in monitoring performance based on the DMF, monitoring, and evaluation framework, and the PPMS for the project. The PMU/ PIU, with support from PMCBC, CMSCs, and CAPP, will prepare a quarterly progress report (QPR), which among project status and other items will include compliance of the implementation with (i) assurances, covenants, conditions; (ii) safeguards; (iii) GESI AP; (iv) CAPP; (v) institutional strengthening; (vi) revenue enhancement (including tariff collection); and (vii) progress in meeting the targets in the DMF.

117. **Safeguards.** The status of implementation of environmental safeguards documents (IEE, EMPs, and EARF), and social safeguards documents (DDR, CRPIPP, Resettlement Plan, Resettlement Framework, and IPPF) will be discussed at ADB review missions apart from being integrated into QPRs. The PMU/ PIU will also submit to ADB separate environmental safeguard semiannual monitoring reports (ESMR) and social safeguards semiannual monitoring reports (SSMR) in the standard templates advised by the ADB.

118. **Gender equality and social dimensions.** The PMU, RUDSICO- EAP with support from PMCBC (Gender expert) and CAPP (6 Social Development Experts/ Gender Specialists) will monitor GESI action plan initiatives. The PMCBC will draft quarterly progress reports on GESI action plan activities using the GESI action plan monitoring and reporting format (Appendix 10), which will be reviewed and finalized by PMU and RUDSICO. The gender expert in PMCBC will assist PMU in preparing the quarterly GESI action plan progress report. CAPP and gender experts will also provide inputs on the implementation of the GESI action plan for the QPRs to be submitted to the PMU, RUDSICO-EAP, LSGD, GOR, and ADB. Sex-disaggregated data should be collected and reported in the quarterly GESI action plan progress reports along with project QPRs.

119. **Financial management.** The status of the financial management action plan, financial covenants, financial sustainability risks, and financial reporting and auditing will be reported and reviewed throughout project implementation. The financial management and sustainability risks and mitigating actions will be reassessed regularly during implementation. The financial

management action plan should be updated at least annually. The procedures and criteria to monitor compliance with financial covenants that are not linked to AEFS and financial reporting and auditing arrangements should be agreed upon.

B. Evaluation

120. ADB provides financing for projects that will effectively contribute to the economic and social development of the country concerned and have the strongest poverty reduction impact in conformity with the country and ADB strategies. The government and ADB will jointly review the AF project at least twice a year, and more regularly if required. This includes (i) the performance of the PMU, PIU, consultants, and contractors; (ii) the physical progress of projects and effectiveness of safeguards, CAPP, and the action plan; (iii) the inclusion of women and vulnerable groups, including the poor, in investment project planning and implementation; (iv) achievement of DMF indicators; (v) compliance with loan assurances; (vi) implementation of agreed reforms; and (vii) assessment of subproject sustainability in technical and financial terms. In addition to the regular loan reviews, the GOR and the ADB will undertake a comprehensive midterm review in the third year of project implementation to identify problems and constraints encountered and suggest measures to address them. Specific items to be reviewed will include (i) appropriateness of scope, design, implementation arrangements, and schedule of activities; (ii) assessment of implementation pace against investment project indicators; (iii) effectiveness of capacity building and reform programs including with regards to the sustainability of O&M; (iv) compliance with safeguard measures; (v) extent to which the GESI AP and CAPP are being implemented; (vi) need for additional support for operation and maintenance (O&M) of the facilities established under the investment project; (vii) lessons learned, good practices, and potential for replication; and (viii) changes recommended.

121. **Project completion report.** The PMU will submit to the ADB, within 6 months of the completion of the AF project, a project completion report that will cover the details of implementation (including changes in scope), an analysis of project inputs, monitoring and evaluation of activities, implementation and financial arrangements, costs, outputs, and outcome performance, problems encountered, corrective actions taken, and other information requested by ADB and the implementing agency.

C. Reporting

122. The executing agency will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system and should include the project's financial progress, showing periodic and cumulative amounts of budgeted and actual sources and uses of funds (covering the total project cost) following the cost categories in the project administration manual (PAM) and reconciled with ADB's records; (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, and (d) updated implementation plan for the next 12 months; and (iii) a project completion report within 6 months of physical completion of the project. To ensure that the funds are used for activities they were intended for, project financial statements and the AEFS of RUDSICO, together with the auditor's report, should be reviewed.

Table 16: ADB's Key Reporting Requirements

Report	Timing	Reference
Audited project	Not later than 6 months after the closure of	Project agreement, section 2.09;

Report	Timing	Reference
financial statements	the fiscal year	Project administration manual, Section V-A
Audited entity financial statements	By the earlier of the time prescribed for their approval following the country laws or one month after their approval by the relevant authority	Project administration manual, Section V-A
Quarterly project progress reports	Quarterly, within 30 days after the end of each reporting period	Project administration manual, Section IX -A
Social	Semi-annually within 30 days after the end of each reporting period	Loan agreement, Schedule 4; Project administration manual, Section IX -A;
Environmental safeguard	Semi-annually within 30 days after the end of each reporting period	Loan agreement, Schedule 4; Project administration manual, Section IX -A
Project completion report	Not later than 6 months after the physical completion of the project	Project administration manual, Section IX -B

Source: Asian Development Bank.

D. Stakeholder Communication Strategy

123. The primary stakeholders of the AF project include:
- (i) Government agencies and their employees;
 - (ii) Beneficiaries: residents in the project area, including the poor and vulnerable;
 - (iii) Community leaders, public representatives;
 - (iv) Community-based organizations (CBOs), nongovernment organizations (NGOs), social and cultural groups, ward-level citizen forums;
 - (v) Committees and sub-committees of the wards;
 - (vi) Schools/student groups;
 - (vii) Women's groups;
 - (viii) Contractors and their workers;
 - (ix) Vendor associations and labor union federations;
 - (x) Self-help groups; and
 - (xi) Special groups are formed for socially excluded segments of the population.

124. The CAPP under the ongoing project has been working and will continue working on the implementation of the subprojects under the additional financing. The ongoing project has prepared a community awareness and participation plan (CAPP). The CAPP will be prepared within the first quarter of loan approval, to include activities relevant to AF towns and specific activities for heritage towns having tourism potential. The primary purpose of the CAPP is to (i) disseminate information and open lines of communication between the implementation agencies and all stakeholders to facilitate the implementation of the project, (ii) raise awareness on key issues related to the project's intended development impact, and (iii) early resolution of any conflict issues that may arise. The following activities will carry out continuously throughout the source of project implementation:

- (i) Stakeholder identification and survey;
- (ii) Generate community awareness of the AF project and its benefits;
- (iii) Involve all stakeholders in the decision-making processes and develop community ownership of the schemes;
- (iv) Provide stakeholders with advance knowledge of the social safeguard frameworks and associated documents and the applicable mitigation measures;
- (v) Provide stakeholders with advanced knowledge of the project's GRM;

- (vi) Issue important messages to the community regarding good sanitation and water supply practice and operation, including connections and use of water meters and fecal sludge management/use of septic tanks; water conservation and wastewater reuse
- (vii) Educate the contractors and workers on key project issues to ensure smooth interaction with stakeholders and on-site safety;
- (viii) Share work schedules and progress updates to facilitate project implementation; and monitor and evaluation of the ongoing and project progress.

X. ANTICORRUPTION POLICY

125. Implementation of the AF project shall adhere to ADB's Anticorruption Policy (1998, as amended to date) and Integrity Principles and Guidelines (2015, as amended from time to time). ADB has the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the AF project. Investigation of government officials, if any, will be requested by ADB to be undertaken by the Government of India. All contracts financed by ADB shall include provisions specifying that (i) the contracts are ADB-financed; (ii) ADB's Anticorruption Policy and Integrity Principles and Guidelines apply; (iii) the executing and implementing agencies and all project contractors, suppliers, consultants (including lead firms and sub-consultants), and other service providers shall permit ADB to review and inspect their accounts and records and other documents relating to the bid submission and contract performance and to have them audited by auditors appointed by ADB; and (iv) the AF project contractors, suppliers, consultants (including lead firms and sub-consultants), and other service providers undertake that no fees, gratuities, rebates, gifts, commissions, or other payments other than those shown in the bid have been offered, given, or received in connection with the procurement process or the contract execution. Individuals and entities on ADB's Sanctions List⁴⁹ are ineligible to participate in ADB-financed, -administered, and -supported activity and cannot be awarded any contracts under the AF project.⁵⁰

126. Underpinned by ADB's zero tolerance for corruption, the Office of Anticorruption and Integrity aligns with ADB's commitment to strengthen governance across Asia and the Pacific. To report a complaint of integrity violations to ADB's Office of Anticorruption and Integrity, please visit <https://www.adb.org/integrity/report-violations#accordion-0-2>.

127. To support these efforts, relevant provisions are included in the loan and project agreement and the bidding documents for the AF project.

XI. ACCOUNTABILITY MECHANISM

128. People who are, or may in the future be, adversely affected by the AF 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 an effort in good faith 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.⁵¹

⁴⁹ ADB. [Sanctions List](#); and ADB. [Frequently Asked Questions on ADB Sanctions](#).

⁵⁰ ADB. [Procurement Regulations for ADB Borrowers](#); and ADB. [Office of Anticorruption and Integrity](#).

⁵¹ ADB. [Accountability Mechanism](#).

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

129. This PAM was prepared at the loan fact-finding mission in January 2022. All revisions and/or updates during implementation should be retained in this section to provide a chronological history of changes to implemented arrangements recorded in the PAM, including revisions to contract awards and disbursement S-curves. Any changes, revisions, and updates in the gender action plan should also be recorded in this section.

130. If changes in the PAM require ADB's approval, the proposed changes by the government need to be recorded in the memorandum of understanding or aide-mémoire. Upon such approval, changes will be incorporated into the PAM.

REVISED DESIGN AND MONITORING FRAMEWORK

Impact(s) the {Project} is Aligned with			
i Access to potable, affordable, reliable, equitable, and environmentally sustainable drinking water supply in all urban areas of Rajasthan improved (Rajasthan Urban Water Supply Policy) ^a ii. Health status of the urban population, especially the poor and underprivileged, improved (State Sewerage and Waste Water Policy) ^b iii. Productivity, livability and prosperity for citizens in Rajasthan cities and towns enhanced (Rajasthan Urban Development Policy) ^c			
Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
Outcome Quality, reliability, equity, and sustainability of <u>WSS urban assets and services</u> in project towns of Rajasthan improved	By 2028 <u>2030</u> : a. About 0.57 <u>0.93</u> million people in project towns received 24-hour potable water supply for at least 7 months of the year at a minimum terminal head of 12 meters at consumer end (2019 baseline: 0.6 <u>0.9</u> million residents with water supply ranging from 1.0–1.5 hours in 2 days to 4 hours per day at a terminal head of 0.5–4.0 meters at consumer end) (OP 4.1) ^d b. Nonrevenue water in project towns reduced to at least 15% (2019 baseline: 35%–45%) c. About 0.82 <u>1.80</u> million people provided with safely managed sanitation services ^e (2019 baseline: Not applicable) (OPs 3.3, 4.1) d. WSS systems in at least 44 <u>24</u> ULBs achieved an operating ratio of less than one ^f (2019 baseline: Not applicable) (OP 4.2) e. About <u>1.08</u> million people in at least 11 ULBs benefited from <u>climate-resilient, safer, cleaner, greener, and/or heritage-sensitive assets</u> ^g (2019 baseline: Not applicable) (OP 3.3)	a.–c. and e. Annual reports of LSGD, RUDSICO, and project ULBs b. Contractor’s monthly reports d. Annual financial reports of ULBs	R: Water shortages arising from extreme drought beyond projections undermine performance of water supply and sewerage facilities. R: Agreed financial sustainability reforms discontinued because of changes in political priorities and constrained government fiscal position arising from coronavirus disease (COVID-19) pandemic.
Outputs: 1. <u>Resilient water supply systems</u> in at least eight <u>15</u> project	By 2027 <u>2029</u> : 1a. About 1,350 <u>2,750</u> km of water supply pipelines commissioned through district	1a.–d. Quarterly project progress reports, and LSGD annual reports	R: Adverse impact of coronavirus disease on supply chains and labor mobilization

Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
<p>towns <u>developed</u> or improved</p> <p>2. Resilient and <u>inclusive</u> sanitation systems in at least 26 <u>34</u> project towns developed or improved</p>	<p>metering area approach (2019 baseline: 0) (OP 4.1.2)</p> <p>1b. About 400,000 <u>177,000</u> households (including at least 95% of below-poverty-line households in the project areas) connected to new or replaced water supply distribution lines with 100% functional meters (2019 baseline: 0) (OPs 1.3, 4.1, 4.1.2)</p> <p>1c. Three <u>Six</u> new WTPs commissioned with total capacity of at least 28 <u>52</u> mld (2019 baseline: 0 mld) (OP 4.1.2)</p> <p>1d. Two WTPs rehabilitated (2019 baseline: 0)</p> <p>2a. About 1,300 <u>1,880</u> km of sewers constructed (2019 baseline: 0) (OP 4.1.2)</p> <p>2b. 19 <u>26</u> sewage treatment plants with co-treatment and total capacity of about 80-120 mld commissioned, and three four existing sewage treatment plants upgraded^h (2019 baseline: 0) (OPs 3.1, 4.1.2)</p> <p>2c. About 403,000 <u>157,000</u> households (including at least 95% of below-poverty-line households in the project areas) connected to sewer system (2019 baseline: 0) (OPs 1.3, 4.1, 4.1.2)</p> <p>2d. 14 fecal sludge treatment plant (total capacity of 164 cubic meters per day) commissioned (2019 baseline: 0) (OPs 3.1, 4.1.2)</p> <p>2e. Agreements for reuse of wastewater signed between ULBs and private parties in at least five <u>seven</u> project areas (2019 baseline: 0) (OP 3.3.2)</p>	<p>2a.–e. Quarterly project progress reports, and LSGD's annual report</p>	<p>may delay completion of works.</p>

Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
<p><u>3. Urban assets to enhance climate resilience and heritage living in at least 11 project towns developed or improved.</u></p>	<p>3a. <u>At least of 50 km of drainage systems constructed in at least five ULBs (2023 baseline: Not applicable) (OP 4.1.2, 4.3)</u></p> <p>3b. <u>At least eight water parks or water structures of significant heritage value and climate resilience function rehabilitatedⁱ (2023 baseline: Not applicable) (OP 4.1.2, 4.3)</u></p> <p>3c. <u>At least 20 heritage or heritage-like structures rehabilitated or developedⁱ (2023 baseline: Not applicable) (OP 4.1.2, 4.3)</u></p> <p>3d. <u>At least two urban heritage or heritage-like structures operated and maintained by all women staff. (2023 baseline: Not applicable) (OP. 2.1)</u></p>	<p>3a.-d. <u>RUDSICO and LSGD quarterly progress reports</u></p>	
<p>4. Institutional and human capacities strengthened for sustainable service delivery, gender equality, and improved public health</p>	<p>Capacity development of ULBs:</p> <p>4a. <u>About 500 <u>800</u> staff and 500 <u>800</u> elected representatives of 14 24 project ULBs, including at least 80% of eligible women staff and elected women representatives, reported increased knowledge in sustainable and resilient WSS operations, hygiene, and gender equality and social inclusion action plan implementation (2019 baseline: Not applicable) (OPs 6.1, 2.3.1)</u></p> <p>4b. <u>Supervisory control and data acquisition, hydraulic model, and geographic information system established in 14 24 project towns (2019 baseline: Not applicable)</u></p> <p>4c. <u>Standard operating procedures for operation and maintenance approved by ULBs (2019 baseline: 0)</u></p> <p>Capacity development of RUDSICO:</p> <p>3d. RUDSICO financial management system certified as compliant by an accredited</p>	<p>4a., 4e. Pre- and post-training tests</p> <p>4b.-c. RUDSICO and LSGD quarterly progress reports</p> <p>3d. Institutional strengthening consultant report</p> <p>4d. Internship exit interviews</p>	

Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
	<p>institution (2019 baseline: Not applicable) (OPs 6.1.4, 6.2.3)</p> <p>Promoting gender equality and community awareness: 4d. At least 500 1,000 college-age women completed internship program at RUDSICO and reported increased knowledge of urban development in Rajasthan (2019 baseline: 0) (OP 2.3.1) 4e. At least 400 200 community women (including 60 100 women from scheduled caste, other backward castes, or scheduled tribes) gained livelihood skills relevant to the sector (2019 baseline: 0) (OP 1.3.3)</p>		
<p>Key Activities with Milestones</p> <p>1. <u>Resilient water supply systems in at least eight 15 project towns developed or improved</u> 1.1 Award all water supply contracts (December 2020 2024) 1.2 Complete all rehabilitation works (December 2022 2028) 1.3 Complete construction and commissioning of all water supply facilities (December 2025 June 2029)</p> <p>2. <u>Resilient and inclusive sanitation systems in at least 26 34 project towns developed or improved</u> 2.1 Award all wastewater and fecal sludge management contracts (September 2022 December 2024) 2.2 Verify and approve designs of all sewerage/fecal sludge management components (December 2022 2024) 2.3 Procure all desludging vehicles and equipment (March 2024 June 2027) 2.4 Complete construction and commissioning of fecal sludge treatment plant (March 2024 September 2028) 2.5 Complete construction and commissioning of all wastewater facilities (December 2025 2028) 2.6 Obtain <u>signed</u> agreements for reuse of wastewater between ULBs and private parties in at least five project areas (December 2026 June 2029)</p> <p>3. <u>Urban assets to enhance climate resilience and heritage living in at least 11 project towns developed or improved.</u> 3.1 Award all works contracts (December 2024) 3.2 Verify and approve designs of rehabilitation and/or reconstruction works (December 2026) 3.3 Complete construction of all assets to enhance climate resilience and heritage living (June 2029)</p> <p>4. <u>Institutional and human capacities strengthened for sustainable service delivery, gender equality, and improved public health</u> 4.1 Mobilize community awareness and participation consultant (September 2020 December 2023) 4.2 Recruit the <u>first</u> <u>batches</u> of women for the paid internship program at RUDSICO (March 2022 December 2027) 4.3 Annually conduct at least two awareness-raising campaigns on water conservation practices, cost implications for improved services, and safe fecal sludge management practices in each project town, including two sub-activities targeted at women in all project towns (November 2027 June 2029) 4.4 Commence <u>Complete</u> capacity building activities of LSGD, project management unit, project implementation unit, and ULB staff (January 2024 June 2029)</p>			

Project Management Activities
<p>Inputs</p> <p>Asian Development Bank: Loan (regular ordinary capital resources loan) \$300.00 million <u>\$500.00 million</u> (\$200.00 million additional)</p> <p>Government: \$ 428.5 million <u>\$228.3 million</u> (\$99.8 million additional)</p>

LSGD = Local Self Government Department, mld = million liters per day, OP = operational priority, PIU = project implementation unit, RUDSICO = Rajasthan Urban Drinking Water, Sewerage and Infrastructure Corporation Limited, ULB = urban local body, WSS = water supply and sanitation. WTP = water treatment plant.

^a Government of Rajasthan. 2018. *Rajasthan Urban Water Supply Policy*. Jaipur.

^b Government of Rajasthan. 2016. *State Sewerage and Waste Water Policy*. Jaipur.

^c "Government of Rajasthan. 2017. *Rajasthan Urban Development Policy*. Jaipur.

^d "Potable" is defined as complying with national drinking water quality standards. (Source: Bureau of Indian Standards. 2012. *India Standard – Drinking Water-Specification (2nd Revision)*. Delhi.)

^e Safely managed sanitation is defined as use of improved facilities that are not shared with other households and where excreta are safely disposed in-situ or safely transported and treated off-site (Source: World Health Organization and United Nations Children's Fund. 2017. *Progress on drinking water, sanitation and hygiene: 2017 update and Sustainable Development Goal baselines*. Geneva.

^f Operating ratio is calculated by dividing operational expenses by total revenues. The project aims to achieve the target by the second year of system operation and sustain it. Baseline is not available for all towns since financial analysis at processing was conducted only for sample subprojects.

^g Safer, cleaner, greener, and/or heritage-sensitive urban space refers to urban streets, parks, and public space amenities like public sculpture, sculptural functional street amenities, fountains, city gates, playground elements, and sculptural signage that are safer for walking, sitting, and standing through improved lighting, improved pavement, and removal of barriers like overhanging power cables; and cleaner and greener through improved waste control; and planting of trees and flowers. Making cities "heritage-sensitive" involves preserving the architecture of the past and incorporating arts and cultural heritage to improve spatial attractiveness.

^h Upgrading is done to meet the 2019 National Effluent Discharge Standards, which also allows effluent to be more suitable for reuse.

ⁱ All public spaces with natural or man-made heritage assets will have design features for universal access and public safety enhancement. Examples are sizable ramps and doors, suitable surface materials, and spaces for seamless access for wheelchairs and prams; priority seats and designated parking for people with disabilities and mothers with infants, protector bars and barriers for safety; sufficient lighting; and elevated crossings.

^j For instance, plumbing, meter reading, and billing.

Contribution to Strategy 2030 Operational Priorities:

The expected values and methodological details for all OP indicators to which this operation will contribute results are detailed in Contribution to Strategy 2030 Operational Priorities (accessible from the list of linked documents in Appendix 2). In addition to the OP indicators tagged in the DMF, this operation will contribute results for:

Source: Asian Development Bank.

SUBPROJECT SELECTION CRITERIA

1. The Rajasthan Secondary Towns Sector Development Project – additional financing (the project) supports measures to achieve the targets in the Government of Rajasthan’s (GOR) strategy on water supply and sanitation and is aligned with the Government of India’s flagship programs such as Swachh Bharat.

A. Selection of Urban Local Bodies

- (i) Population size less than 99,999 and more than 20,000 based on the 2011 census of the Government of India, or as an exception, larger and smaller towns identified by the state as important heritage towns having tourism potential, or adjacent cities sharing resources and management responsibilities for urban services,
- (ii) Demonstrated commitment of the urban local body (ULB) on institutional support through a signed Memorandum of Understanding (MOU) with the GOR through the Rajasthan Urban Drinking Water, Sewerage & Infrastructure Corporation Limited (RUDSICO) indicating that ULB shall provide at least one full-time, experienced engineering staff and one nodal officer for the project implementation unit (PIU),
- (iii) Demonstrated commitment of the ULB on financial sustainability through a signed MOU with the GOR through RUDSICO committing to adopt and implement subproject financial sustainability plans,
- (iv) Water supply and sanitation (WSS) investment needs are not substantially covered by other government schemes, or schemes financed by other development partners in that ULB,
- (v) Demonstrated strong needs to address worsening flash floods but investments are not substantially financed by ULBs, and
- (vi) Demonstrated needs to improve public spaces and to revive heritage living to attract more visitors but the investment is not sufficiently financed by ULBs and by other development partners in that ULBs.

B. Selection of Subprojects

2. RUDSICO, the implementing agency shall assess subproject feasibility in the form of a subproject appraisal report and will confirm that the following subproject selection criteria are fully met. Any exceptions to these basic criteria must be discussed and agreed upon with all statutory bodies and ADB. The following are the agreed criteria for selecting subprojects under the additional financing project:

Technical and Financial:

- (i) The subprojects shall be in line with the finance-plus(+) criteria set forth by the Department of Economic Affairs (DEA), Government of India;
- (ii) WSS subprojects shall be designed following sustainability principles considering but not limited to operational efficiency, energy efficiency, climate change, and environmental benefits on an economic basis
- (iii) The project report shall assess current levels of WSS service, the needs and preferences of stakeholders, the financial and institutional capacity of the AF project ULBs, and the norms and standards prescribed by state and central authorities.
- (iv) WSS subprojects should demonstrate cost-effectiveness in comparison with alternative schemes for location, materials, technologies, designs, and O&M using appropriate

- discounting rates, and where relevant, these would include assessments of the investments with and without future climate resilience measures;
- (v) The assets shall have seismic-resistant structures in accordance with the Bureau of Indian Standards (BIS);
 - (vi) Financial analysis of WSS subprojects should demonstrate financial sustainability for payment of operation and maintenance (O&M) costs and servicing debt mostly or all through user fees and/or taxes (i.e. property taxes);
 - (vii) As a priority, the subproject will rehabilitate existing assets where feasible rather than create new assets. A strong justification should be provided when proposing to discard existing assets; and
 - (viii) As a priority, the subprojects on urban assets to improve public spaces shall provide benefits town-wide, rather than limited residents and an opportunity to attract visitors;
 - (ix) Economic analysis of subprojects should demonstrate economic viability by showing economic internal rate of return in excess of 9% with economic benefits quantified over 30 years based on reliable data; and

Social, Gender, and Safeguards:

- (i) ULBs shall make available encumbrance-free land for the implementation of works. Any land acquisition and resettlement shall be completed before the award of the related contract;
- (ii) All subprojects will have prepared necessary environmental and social safeguard documents (i.e. resettlement plans, initial environmental examinations, indigenous peoples plans) as required, in accordance with the project's environmental and social safeguard frameworks;
- (iii) Subprojects should not result in the destruction of or encroachment onto physical cultural resources such as archaeological monuments; heritage sites; and movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic; or other cultural significance;
- (iv) The subproject does not include and/or involve any activities listed in ADB's Prohibited Investment Activities List (Appendix 5 of ADB SPS);
- (v) Tree cutting is minimized and if required, replacement trees are provided in accordance with State Laws/Regulations;
- (vi) There is a record of consultation and participation of stakeholders prior and during the preparation of the detailed project report (DPR) in line with the Consultation and Participation Plan. Subprojects should reflect inputs from public consultations for site selection.
- (vii) Subproject design shall include gender and pro-poor features in terms of planning, design, implementation, and operations. Examples include community participation in design, improving access to services for women and the poor, ensuring affordability of services (including subsidized connection for water supply and free connection for sewerage for below the poverty line households), and institutional arrangements of utility/ULB for O&M (e.g. efforts to recruit and train women staff).

Others:

- (i) WSS components shall be included in the same contract in a given town to minimize road-cutting nuisances, reduce the cost of road restoration and minimize coordination issues between contractors (or exceptions should be clearly justified); and

- (ii) Subprojects with high readiness will be prioritized for investment (i.e. DPR finalized, draft bidding documents prepared, safeguard documents completed, encumbrance-free right-of-way/land available, and technical and administrative sanctions obtained).

3. **Water supply.** Water supply subprojects shall (i) ensure source sustainability for at least 30 years based on a minimum per capita supply level of 135 liters per capita per day (lpcd), (ii) have an agreement for setting an appropriate volume-based water tariff, (iii) show a willingness to charge by ULBs and willingness to pay by consumers, (iv) ensure 100% house connections and metering, (v) ensure access for the poor and (vi) establish a ring-fenced accounting system for water supply and sanitation. Households can be required to pay for connections but the cost would be covered by the AF project, and recovered by the municipality either through a "cess" on the monthly utility bill or property taxes or other special financing vehicles suitable to the municipality. Water conservation measures shall be introduced where feasible. There should be minimal overlap with components funded by any other scheme of government of India or GOR, and coordination between agencies ensured where required.

4. **Sewerage and septage.** Subprojects shall ensure collection, treatment, and 100% house connections in the proposed area of the sewerage network funded under the AF project; promote reuse where possible using appropriate technologies; and comply with effluent disposal standards. For waterborne sewerage, a minimum density of 100 persons/hectare is required in each ward/area, as well as a minimum of 135 liters per capita per day water supply availability for the design period. For areas having a density below 100 persons/hectare, the AF project will support fecal sludge and septage management (FSSM) to ensure citywide and inclusive sanitation. This is aligned with GOR's policy of adopting alternative sanitation solutions in towns with a population of less than 50,000, and in low-density areas of larger towns. Households can be required to pay for sewerage connections but the cost would be covered by the AF project, and recovered by the municipality either through a "cess" on the monthly utility bill or property taxes or other special financing vehicles suitable to the municipality.

5. **Stormwater drainage and flood management.** Subprojects shall focus on the most densely populated residential and commercial areas considering future rainfall under climate change scenarios. Projects can include waterbody restoration and interconnections with existing drainage. Such projects incorporating heritage features should be prioritized. The focus should be on maximum impact by incorporating nature-based solutions. Technology-based public safety systems for early hazard warning and communication support systems during natural disasters are also encouraged.

6. **Urban assets for public uses.** Subprojects should include elderly (older persons), women, children, and persons with disabilities (EWCD) designed features to maximize public access. Subprojects shall focus on heritage revival, which can improve public space, and living environment, and attract more tourists

C. ADB Safeguards

7. Category A safeguard projects (environmental or social) will not be included in the AF project. All subprojects are to comply with ADB's Safeguards Policy and agreed safeguard frameworks.

D. Approval Procedure

8. Project management unit (PMU) in RUDSICO will work closely with each ULB/PIU to prepare/review a feasibility study/DPR, which may include all or any of the above services components, and will forward the eligible subproject proposals to ADB for consideration. These shall be in the form of summary appraisal reports following a prescribed format provided by ADB with supporting documents (safeguards, economic and financial analysis, etc.). ADB will review the proposals and advise RUDSICO whether the subprojects are eligible and ready to be funded under the AF project. As part of ADB's review, ADB may conduct comprehensive due diligence including site visits to ensure the subprojects comply with its policies.

PROCUREMENT PLAN

Basic Data

Project Name: Rajasthan Secondary Towns Development Sector Project - Additional Financing	
Project Number: 42267-034	Approval Number:
Country: India	Executing Agency: Local Self Government Department (LSGD)
Project Procurement Risk: Moderate	Implementing Agency: Rajasthan Urban Drinking Water Sewerage and Infrastructure Corporation Limited
Project Financing Amount: US\$ 299,800,000 ADB Financing: US\$ 200,000,000 Cofinancing (ADB Administered): Non-ADB Financing: US\$ 99,800,000	Project Closing Date: 31 May 2028
Date of First Procurement Plan: 7 March 2022	Date of this Procurement Plan: 10 February 2023
Procurement Plan Duration: 18 months	Related to COVID-19 response efforts: No
Advance Contracting: Yes	Use of e-procurement (e-GP): Yes www.eproc.rajasthan.gov.in

A. Methods, Review and Procurement Plan

Except as the Asian Development Bank (ADB) may otherwise agree, the following methods shall apply to procurement of goods, works, and consulting services.

Procurement of Goods and Works	
Method	Comments
Open Competitive Bidding (OCB) for Works	

B. Lists of Active Procurement Packages (Contracts)

The following table lists goods, works, nonconsulting and consulting services contracts for which the procurement activity is either ongoing or expected to commence within the procurement plan duration.

Goods & Works							
Package Number	General Description	Estimated Value (in US\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date	Comments
RSTDSP/JOD/01	Construction of Works of Sewer Network, and construction of Sewage Treatment Plant, Sewage Pumping Station, and all allied Works including operation services of the entire system for 10 years at Jodhpur	40,730,000	OCB	Prior	1S2E	Q1/2022	Nonconsulting Services: No Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: Large Works (Dec. 2021 version) High Risk Contract: No e-GP: Yes e-GP Type: eBidding Comments: A total contract value is estimated at \$41.34 million, including 10 years O&M; Large

Goods & Works							
Package Number	General Description	Estimated Value (in US\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date	Comments
							works (with modification for Jodhpur STP-section 8/9. section 7 follows FIDIC pink book). The estimated value is only reflecting the portion of the project cost (CAPEX+2yr O&M).
RSTDSP/JOD/02	Construction of Works of Bhairv Nallah (from Shobhawato ki dhani to Jojari river via Pal Gaon, Tanawada, Ghinado ki Dhani and Salawas Road) and Saran Nagar Nallah (from Ganesh nagar, banar road to Jojari river via Saran Nagar ROB) and all allied Works at Jodhpur - Rebid	35,980,000	OCB	Prior	1S2E	Q3/2022	Nonconsulting Services: No Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: ADB SBD Small Works (Dec. 2021 version) High Risk Contract: No e-GP: Yes e-GP Type: eBidding Comments: no O&M
RSTDSP/NKH/01	Construction of Works of Distribution Network Improvements with house service connections for nonrevenue water reduction and continuous water supply and Providing Sewer Network, and construction of Sewage Treatment Plant, Sewage Pumping Station and all allied Works and operation services of the entire system for 10 years at Nokha (Bikaner)	16,130,000	OCB	Prior	1S2E	Q1/2022	Nonconsulting Services: No Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: ADB SBD Water / wastewater DBO (Dec. 2021 version) High Risk Contract: No e-GP: Yes e-GP Type: eBidding Comments: A total contract value is estimated at \$18.62 million, including 10 years O&M. The estimated value is only reflecting the portion of the project cost (CAPEX+2yr O&M).
RSTDSP/3 Towns/WS-WW/01	Sanitation development and Water supply at Bundi, Nathdwara and Nimbaheda	29,370,000 Lot 1: Bundi \$4,940,000 Lot 2: Nathdwara \$12,390,000 Lot 3: Nimbaheda	OCB	Prior	1S2E	Q2/2022	Nonconsulting Services: No Advertising: National No. Of Contracts: 3 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes

Goods & Works							
Package Number	General Description	Estimated Value (in US\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date	Comments
		\$12,040,000					Bidding Document: ADB SBD Water / wastewater DBO (Dec. 2021 version) High Risk Contract: No e-GP: Yes e-GP Type: eBidding Comments: A total contract value is estimated at \$31.47 million, including 10 years O&M. The estimated value is only reflecting the portion of the project cost (CAPEX+2yr O&M).
RSTDSP/DNG-SGW/WS-WWW/01	Water supply works and Sanitation development works Dungarpur and Sagwara	36,790,000 Lot 1 (Dungarpur): \$23,720,000 Lot 2 (Sagwara): \$13,070,000	OCB	Prior	1S2E	Q2/2022	Nonconsulting Services: No Advertising: National No. Of Contracts: 2 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: ADB SBD Water / wastewater DBO (Dec. 2021 version) High Risk Contract: No e-GP: Yes e-GP Type: eBidding Comments: A total contract value is estimated at \$39.63 million, including 10 years O&M. The estimated value is only reflecting the portion of the project cost (CAPEX+2yr O&M).
RSTDSP/BAR-BLT / WS-WWW/01	Water supply and Sanitation development works at Barmer and Balotra	32,060,000 Lot 1 Barmer \$11,330,000 Lot 2 Balotra: \$20,730,000	OCB	Prior	1S2E	Q4/2022	Nonconsulting Services: No Advertising: National No. Of Contracts: 2 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: ADB SBD Water / wastewater DBO High Risk Contract: No e-GP: Yes e-GP Type: eBidding Comments: A total contract value is estimated at \$33.77 million, including 10 years O&M. The estimated value is only reflecting the portion of the project cost (CAPEX+2yr O&M).

Goods & Works							
Package Number	General Description	Estimated Value (in US\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date	Comments
RSTDSP/BHR/WW/01	Sanitation development works at Bharatpur	13,270,000	OCB	Prior	1S2E	Q3/2022	Nonconsulting Services: No Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: ADB SBD Water / wastewater DBO (Dec. 2021 version) High Risk Contract: No e-GP: Yes e-GP Type: eBidding Comments: A total contract value is estimated at \$14.41 million, including 10 years O&M. The estimated value is only reflecting the portion of the project cost (CAPEX+2yr O&M).
RSTDSP/4towns/DR/01	Drainage works at Nawalgarh, Ratangarh, Bundi, and Bhawani Mandi	13,540,000 Lot 1 Nawalgarh: \$1,940,000 Lot 2 Ratangarh: \$3,760,000 Lot 3 Bundi: \$6,060,000 Lot 4 Bhawani Mandi: \$1,780,000	OCB	Prior	1S2E	Q3/2022	Nonconsulting Services: No Advertising: National No. Of Contracts: 4 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: ADB SBD Small Works (Dec. 2021 version) High Risk Contract: No e-GP: Yes e-GP Type: eBidding Comments: Comments: No O&M.
RSTDSP/NWLCTYBF/01	City Beautification works at Nawalgarh	3,390,000	OCB	Prior	1S2E	Q2/2023	Nonconsulting Services: No Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: ADB SBD Small Works High Risk Contract: No e-GP: Yes e-GP Type: eBidding Comments: No O&M

Goods & Works							
Package Number	General Description	Estimated Value (in US\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date	Comments
RSTDSP/BUN/CTYBF/01	City Beautification works at Bundi	2,400,000	OCB	Prior	1S2E	Q2/2023	Nonconsulting Services: No Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: ADB SBD Small Works High Risk Contract: No e-GP: Yes e-GP Type: eBidding Comments: No O&M
RSTDSP/NTD/CTYBF/01	City Beautification works at Nathdwara	3,390,000	OCB	Prior	1S2E	Q2/2023	Nonconsulting Services: No Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: ADB SBD Small Works High Risk Contract: No e-GP: Yes e-GP Type: eBidding Comments: No O&M
RSTDSP/MTB/CTYBF/01	City Beautification works at Mount Abu	1,520,000	OCB	Prior	1S2E	Q2/2023	Nonconsulting Services: No Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: ADB SBD Small Works High Risk Contract: No e-GP: Yes e-GP Type: eBidding Comments: No O&M
RSTDSP/PSK/CTYBF/01	City Beautification works Pushkar	820,000	OCB	Prior	1S2E	Q2/2023	Nonconsulting Services: No Advertising: National No. Of Contracts: 1

Goods & Works							
Package Number	General Description	Estimated Value (in US\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date	Comments
							Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: ADB SBD Small Works High Risk Contract: No e-GP: Yes e-GP Type: eBidding Comments: No O&M
RSTDSP/JSL/CTYBF/01	City Beautification works at Jaisalmer - Rebid	2,510,000	OCB	Prior	1S2E	Q4/2022	Nonconsulting Services: No Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: ADB SBD Small Works High Risk Contract: No e-GP: Yes e-GP Type: eBidding Comments: No O&M
RSTDSP/BHR/CTYBF/01	City Beautification works at Bharatpur - Rebid	2,650,000	OCB	Prior	1S2E	Q4/2022	Nonconsulting Services: No Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: ADB SBD Small Works High Risk Contract: No e-GP: Yes e-GP Type: eBidding Comments: No O&M
RSTDSP/SGR/CTYBF/01	City Beautification works at Sagwara - Rebid	3,190,000	OCB	Prior	1S2E	Q4/2022	Nonconsulting Services: No Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: ADB SBD Small Works High Risk Contract: No e-GP: Yes e-GP Type: eBidding Comments: No O&M

Consulting Services						
General Description	Estimated Value (in US\$)	Selection Method	Review	Type of Proposal	Advertisement Date (quarter/year)	Comments

Nil						
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B. Indicative List of Packages Required Under the Project

The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

Goods and Works							
Package Number	General Description	Estimated Value (in US\$)	Estimated Number of Contracts	Procurement Method	Review	Bidding Procedure	Comments
RSTDSP/SPV/3towns/TWWP	Treated wastewater pipe for industrial use at three towns through SPV	10,000,000 Lot 1 3,333,333 Lot 2 3,333,333 Lot 3 3,333,333	3	OCB	Prior	1S2E	Nonconsulting Services: No Advertising: National No. Of Contracts: 3 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: No Bidding Document: ADB SBD Water / wastewater DBO High Risk Contract: No e-GP: Yes e-GP Type: eBidding Comments: A total contract value is estimated at \$XX.XX million, including XX years O&M.

Consulting Services							
Package Number	General Description	Estimated Value (\$ million)	Estimated Number of Contracts	Recruitment Method	Review (Prior / Post)	Type of Proposal	Comments
Nil							

C. List of Awarded and Ongoing, and Completed Contracts

The following tables list of the awarded and ongoing contracts and completed contracts.

1. Awarded and Ongoing Contracts

Goods and Works							
Package Number	General Description	Estimated Value	Awarded Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments
NIL							

Consulting Services							
Package Number	General Description	Estimated Value	Awarded Contract Value	Recruitment Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments
NIL							

2. Completed Contracts

Goods and Works								
Package Number	General Description	Estimated Value	Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Date of Completion	Comments
NIL								

Consulting Services								
Package Number	General Description	Estimated Value	Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Date of Completion	Comments
NIL								

D. Non-ADB Financing

The following table lists goods, works and consulting services contracts over the life of the project, financed by Non-ADB sources.

Goods and Works				
General Description	Estimated Value (\$ million)	Estimated Number of Contracts	Procurement Method	Comments
NIL				

Consulting Services				
General Description	Estimated Value (\$ million)	Estimated Number of Contracts	Recruitment Method	Comments
NIL				

DETAILED COST ESTIMATES BY EXPENDITURE CATEGORY

Item	₹ Million			\$ Million			% of total base cost
	Foreign Exchange	Local Currency	Total	Foreign Exchange	Local Currency	Total	
A. Investment Cost							
1 Civil works	5,705.1	14,670.3	20,375.4	69.4	178.4	247.7	98.2%
a. Civil works - Excl. Jodhpur Sanitation	4,767.2	12,258.4	17,025.6	58.0	149.0	207.0	82.1%
b. Civil works - Jodhpur Sanitation	937.9	2,411.9	3,349.8	11.4	29.3	40.7	16.1%
Subtotal (A)	5,705.1	14,670.3	20,375.4	69.4	178.4	247.7	98.2%
B. Recurrent Costs							
1 Incremental administration cost	103.6	266.5	370.1	1.3	3.2	4.5	1.8%
Subtotal (B)	103.6	266.5	370.1	1.3	3.2	4.5	1.8%
Total Base Cost	5,808.7	14,936.8	20,745.5	70.6	181.6	252.2	100.0%
C. Contingencies							
1 Physical contingency	273.7	703.9	977.6	3.3	8.6	11.9	4.7%
2 Price contingency	370.4	952.3	1,322.7	4.5	11.6	16.1	6.4%
Subtotal (C)	644.1	1,656.2	2,300.3	7.8	20.1	28.0	11.1%
D. Financing Charges							
1 Interest during implementation	439.4	1,130.0	1,569.4	5.3	13.7	19.1	7.6%
2 Commitment charges	10.9	28.1	39.0	0.1	0.3	0.5	0.2%
Subtotal (D)	450.4	1,158.1	1,608.4	5.5	14.1	19.6	7.8%
Total Project Cost (A+B+C+D)	6,903.2	17,751.1	24,654.3	83.9	215.8	299.8	118.8%

₹ = Indian Rupee, \$ = United States dollars, O&M = operations and maintenance, SPV = special purpose vehicle.

Notes:

¹ Numbers may not sum precisely because of rounding.

² The cost of the actual audits of the program is minor and will be borne by the government.

³ Environmental monitoring and implementation of the resettlement plan, gender equality and social inclusion action plan, public communication, and project management costs are included in the main project and part in B1. ADB will not finance land acquisition costs.

Source: Asian Development Bank estimates.

DETAILED COST ESTIMATES BY FINANCIER
(\$ million)

Item	Total Cost	ADB Loan		Government				
				Tax	Nontax	Total		
				\$	\$	%	\$	\$
A. Investment Cost								
1 Civil works	247.7	191.0	77.1%	37.8	18.9	56.7	22.9%	
a. Civil works - Excl. Jodhpur Sanitation	207.0	168.9	81.6%	31.6	6.5	38.1	18.4%	
b. Civil works - Jodhpur Sanitation	40.7	22.1	54.3%	6.2	12.4	18.6	45.7%	
Subtotal (A)	247.7	191.0	77.1%	37.8	18.9	56.7	22.9%	
B. Recurrent Costs								
1 Incremental administration cost	4.5	2.5	55.0%	-	2.0	2.0	45.0%	
Subtotal (B)	4.5	2.5	55.0%	-	2.0	2.0	45.0%	
Total Base Cost	252.2	193.5	76.7%	37.8	20.9	58.7	23.3%	
C. Contingencies								
1 Physical contingency	11.9	3.0	25.0%	-	8.9	8.9	75.0%	
2 Price contingency	16.1	3.5	22.0%	-	12.5	12.5	78.0%	
Subtotal (C)	28.0	6.5	23.3%	-	21.5	21.5	76.7%	
D. Financing Charges								
1 Interest during implementation	19.1	-	0.0%	-	19.1	19.1	100.0%	
2 Commitment charges	0.5	-	0.0%	-	0.5	0.5	100.0%	
Subtotal (D)	19.6	-	0.0%	-	19.6	19.6	100.0%	
Total Project Cost (A+B+C+D)	299.8	200.0	66.7%	37.8	62.0	99.8	33.3%	

\$ = United States dollars, O&M = operations and maintenance, SPV = special purpose vehicle.

Notes:

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³ Environmental monitoring and implementation of the resettlement plan, gender equality and social inclusion action plan, public communication, and project management costs are included in the main project and part in B1. ADB will not finance land acquisition costs.

Source: Asian Development Bank estimates.

DETAILED COST ESTIMATES BY OUTPUTS
(\$ million)

	Item	Total Cost		Output 1		Output 2		Output 3	
		\$		\$	%	\$	%	\$	%
A.	Investment Cost								
1	Civil works	247.7		57.0	23.0%	111.3	44.9%	79.4	32.0%
a.	Civil works - Excl. Jodhpur Sanitation	207.0		57.0	27.5%	70.6	34.1%	79.4	38.4%
b.	Civil works - Jodhpur Sanitation	40.7		-	0.0%	40.7	100.0%	-	0.0%
	Subtotal (A)	247.7		57.0	23.0%	111.3	44.9%	79.4	32.0%
B.	Recurrent Costs								
1	Incremental administration cost	4.5		1.1	23.7%	2.1	46.8%	1.3	29.5%
	Subtotal (B)	4.5		1.1	23.7%	2.1	46.8%	1.3	29.5%
	Total Base Cost	252.2		58.1	23.0%	113.4	45.0%	80.7	32.0%
C.	Contingencies								
1	Physical contingency	11.9		2.9	24.0%	5.6	46.8%	3.5	29.2%
2	Price contingency	16.1		3.7	23.0%	7.2	45.0%	5.1	32.0%
	Subtotal (C)	28.0		6.6	23.4%	12.8	45.8%	8.6	30.8%
D.	Financing Charges								
1	Interest during implementation	19.1		4.4	23.1%	8.6	45.1%	6.1	31.9%
2	Commitment charges	0.5		0.1	23.1%	0.2	45.1%	0.2	31.9%
	Subtotal (D)	19.6		4.5	23.1%	8.8	45.1%	6.2	31.9%
	Total Project Cost (A+B+C+D)	299.8		69.1	23.1%	135.1	45.1%	95.6	31.9%

\$ = United States dollars, O&M = operations and maintenance, SPV = special purpose vehicle.

Notes:

¹ Numbers may not sum precisely because of rounding.

² The cost of the actual audits of the program is minor and will be borne by the government.

³ Environmental monitoring and implementation of the resettlement plan, gender equality and social inclusion action plan, public communication, and project management costs are included in the main project and part in B1. ADB will not finance land acquisition costs.

Source: Asian Development Bank estimates.

DETAILED COST ESTIMATES BY YEAR
(\$ million)

Item		Total Cost	2023	2024	2025	2026	2027	2028	2029
A.	Investment Cost								
1	Civil works	247.7	30.2	83.4	69.3	41.4	21.4	1.4	0.7
a.	Civil works - Excl. Jodhpur Sanitation	207.0	25.1	73.3	59.1	31.3	16.3	1.3	0.6
b.	Civil works - Jodhpur Sanitation	40.7	5.1	10.1	10.1	10.1	5.1	0.1	0.0
	Subtotal (A)	247.7	30.2	83.4	69.3	41.4	21.4	1.4	0.7
B.	Recurrent Costs								
1	Incremental administration cost	4.5	0.6	1.5	1.2	0.8	0.4	0.0	0.0
	Subtotal (B)	4.5	0.6	1.5	1.2	0.8	0.4	0.0	0.0
	Total Base Cost	252.2	30.8	84.9	70.5	42.2	21.8	1.4	0.7
C.	Contingencies								
1	Physical contingency	11.9	1.5	4.0	3.2	2.1	1.1	0.1	0.0
2	Price contingency	16.1	1.0	4.2	4.7	3.6	2.3	0.2	0.1
	Subtotal (C)	28.0	2.5	8.1	7.9	5.7	3.4	0.2	0.2
D.	Financing Charges								
1	Interest during implementation	19.1	0.1	2.5	5.2	7.1	4.1	-	-
2	Commitment charges	0.5	0.1	0.2	0.1	0.1	0.0	0.0	0.0
	Subtotal (D)	19.6	0.2	2.7	5.3	7.2	4.1	0.0	0.0
Total Project Cost (A+B+C+D)		299.8	33.5	95.8	83.7	55.0	29.3	1.6	0.9
% of Total Project Cost		100.0%	11.2%	32.0%	27.9%	18.4%	9.8%	0.5%	0.3%

\$ = United States dollars, O&M = operations and maintenance, SPV = special purpose vehicle.

Notes:

¹ Numbers may not sum precisely because of rounding.

² The cost of the actual audits of the program is minor and will be borne by the government.

³ Environmental monitoring and implementation of the resettlement plan, gender equality and social inclusion action plan, public communication, and project management costs are included in the main project and part in B1. ADB will not finance land acquisition costs.

Source: Asian Development Bank estimates.

SEMIANNUAL ENVIRONMENTAL MONITORING REPORT OUTLINE

I. INTRODUCTION

- Overall project description and objectives
- Environmental category as per ADB Safeguard Policy Statement, 2009
- Environmental category of each subproject as per national laws and regulations
- Project Safeguards Team

Name	Designation/Office	E-mail Address	Contact Number
1. PMU			
2. PIUs			
3. Consultants			

- Overall project and subproject progress and status
- Description of subprojects (package-wise) and status of implementation (preliminary, detailed design, ongoing construction, completed, and/or O&M stage)

Package Number	Components/ List of Works	Status of Implementation (Preliminary Design/Detailed Design/Ongoing Construction/Completed/O&M) ^a	Contract Status (specify if under bidding or contract awarded)	If Ongoing Construction	
				%Physical Progress	Expected Completion Date

^a If ongoing construction, include %physical progress and expected date of completion.

II. COMPLIANCE STATUS WITH NATIONAL/STATE/LOCAL STATUTORY ENVIRONMENTAL REQUIREMENTS^a

- Identify the role/s of the Safeguards Team including the schedule of on-site verification of reports submitted by consultants and contractors.
- For each package, provide name/s and contact details of the contractor/s' nodal person/s for environmental safeguards.
- Include as an appendix all supporting documents including **signed** monthly environmental site inspection reports prepared by consultants and/or contractors.
- With reference to approved EMP/site-specific EMP/construction EMP, complete the table below
- Provide the monitoring results as per the parameters outlined in the approved EMP (or site-specific EMP/construction EMP when applicable).
- In addition to the table on EMP implementation, the main text of the report should discuss in detail the following items:

(i) **Grievance Redress Mechanism.** Provide information on the establishment of a grievance redress mechanism and the capacity of a grievance redress committee to address project-related issues/complaints. Include as appendix Notification of the GRM (town-wise if applicable).

(ii) **Complaints Received during the Reporting Period.** Provide information on the number, nature, and resolution of complaints received during the reporting period. Attach records as per GRM in the approved IEE. Identify safeguards for team member/s involved in the GRM process. Attach minutes of meetings (ensure English translation is provided).

- Confirm if any dust was noted to escape the site boundaries and identify dust suppression techniques followed for site/s.
- Identify muddy water was escaping site boundaries or muddy tracks were seen on adjacent roads.
- Identify the type of erosion and sediment control measures installed on-site/s, condition of erosion and sediment control measures including if these were intact following heavy rain;
- Identify designated areas for concrete works, chemical storage, construction materials, and refueling. Attach photographs of each area.
- Confirm spill kits on-site and site procedure for handling emergencies.
- Identify any chemicals stored on-site and provide information on storage conditions. Attach photograph.
- Describe the management of stockpiles (construction materials, excavated soils, spoils, etc.). Provide photographs.
- Describe the management of solid and liquid wastes on-site (quantity generated, transport, storage, and disposal). Provide photographs.
- Provide information on barricades, signages, and on-site boards. Provide photographs.
- Provide information on
- Checking if there are any activities being under taken out of working hours and how that is being managed.

Summary of Environmental Monitoring Activities (for the Reporting Period)^a

Impacts (List from IEE)	Mitigation Measures (List from IEE)	Parameters Monitored (As a minimum those identified in the IEE should be monitored)	Method of Monitoring	Location of Monitoring	Date of Monitoring Conducted	Name of Person Who Conducted the Monitoring
Design Phase						
Pre-Construction Phase						
Construction Phase						
Operational Phase						

^a Attach Laboratory Results and Sampling Map/Locations.

Overall Compliance with CEMP/EMP

No.	Subproject Name	EMP/ CEMP Part of Contract Documents (Y/N)	CEMP/ EMP Being Implemented (Y/N)	Status of Implementation (Excellent/ Satisfactory/ Partially Satisfactory/ Below Satisfactory)	Action Proposed and Additional Measures Required

V. APPROACH AND METHODOLOGY FOR ENVIRONMENTAL MONITORING OF THE PROJECT

- Brief description on the approach and methodology used for environmental monitoring of each subproject

VI. MONITORING OF ENVIRONMENTAL IMPACTS ON PROJECT SURROUNDINGS (ambient air, water quality and noise levels)

- Brief discussion on the basis for monitoring
- Indicate type and location of environmental parameters to be monitored
- Indicate the method of monitoring and equipment to be used
- Provide monitoring results and an analysis of results in relation to baseline data and statutory requirements

As a minimum the results should be presented as per the tables below.

Air Quality Results

Site No.	Date of Testing	Site Location	Parameters (Monitoring Results)			
			PM10 $\mu\text{g}/\text{m}^3$	PM2.5 $\mu\text{g}/\text{m}^3$	SO2 $\mu\text{g}/\text{m}^3$	NO2 $\mu\text{g}/\text{m}^3$

Surface Water Quality Results

S.No.	Parameters	Results		
		Location-1 (Name)	Location-2 (Name)	Location-3 (Name)
1.	pH			
2.	Turbidity			
3.	Total Hardness			
4.	DO			
5.	BOD			
6.	COD			
7.	Chloride			
8.	Iron			
9.	TSS			
10.	Arsenic			
11.	Cadmium			

12.	Fluoride			
13.	Potassium			
14.	Sodium			
15.	Calcium			
16.	Zn			
17.	Cr ⁺⁶			
18.	Magnesium			
19.	Copper			
20.	Manganese			
21.	Sulfate			
22.	Cyanide			
23.	Nitrate			
24.	Lead			
25.	Boron			
26.	Selenium			
27.	Aluminum			
28.	Total residual Chlorine			

Ground water Quality Results

S.No.	Parameters	Results		
		Location-1 (Name)	Location-2 (Name)	Location-3 (Name)
1.	pH			
2.	Total Alkalinity			
3.	Total Hardness			
4.	Chloride			
5.	Iron			
6.	TDS			
7.	Arsenic			
8.	Fluoride			
9.	Zn			
10.	Cr+6			
11.	Copper			
12.	Manganese			
13.	Sulfate			
14.	Phosphate			
15.	Nitrate			
16.	Lead			
17.	Phenolic Compound			

Noise Quality Results

Site No.	Date of Testing	Site Location	LA _{eq} (dBA) (Monitoring Results)	
			Day Time	Night Time

VII. ASBESTOS MANAGEMENT

Information on encountered or potential asbestos materials and capacity building activities on project sites should be included in this section.

FORM I – ASBETOS INVENTORY, INSPECTION AND ACTION FORM		
Format: RUIDP/IIA/ LOCATION/NAME OF DBO CONTRACTOR/HSE 002/YEAR		
Location:		
Site coordinates:		
Elevation:		Team:
Date of visit:		Sign:
Present Status		Indicate if installed, operational, in storage, etc.
Original age		Months or years since installation
Diameter		mm or inches
Length		meters
Volume		
Total packet		
Packing date		
Disposal date		
Existing Site (Photo or illustrations):		
Illustration/ Design of Activities On-site with respect to existing asbestos (include details such as the size of new pipes, distance from existing AC pipes, other notable observations)		
DBO contractor Handling Asbestos:		
Number of persons handling waste		
Medical Records		
Safety Gears		
Vocational Training Last Conducted:		
Number of attendees:		
Conducted by Schedule:		
Required Actions:		
Remarks		
Conclusion/Remark		
HSE Signatory		

MATRIX FOR TRAINING & RECORDS

Format: RUIDP/INSP.MATRIX/LOCATION/NAME OF DBO CONTRACTOR/HSE 001/YEAR			
S. No.	Aspects of Asbestos Materials	Check points	Remarks
Training Schedule:			
Trainer Details:			
Date/Location of Training:			
Number of attendees:			
Training Schedule, Training Materials & Attendance Sheet, Feedback of Trainees.			
Understanding of:			
A. DOCUMENTS AND RECORDS			

1.	Site Inventory		
2.	List of Asbestos materials storage and installation points		
3.	Structure of Asbestos materials management committee		
B. INVENTORY			
1.	Inventory of Asbestos materials		
	Number of Asbestos materials/ pipes		
	Dimensions of Asbestos materials/ pipes		
	Total volume of Asbestos materials/ pipes		
2.	Storage facility/ installation location:		
A.	In-use	Location	
		Condition	Intact/ damaged
		Purpose	
		Accessibility by the workers	
		Evidence of physical damage and approximate size (length, width, volume) without coming into contact with The damaged Asbestos materials	
		Impacts on the environment (Based on Asbestos fiber Monitoring)	
3.	LABELING AND SIGNAGE		
	Notification to workplace safety and health		
	Working instruction		
	The risks associated with exposure to asbestos fibers		
	Cautionary statement to not disturb materials containing asbestos		
4.	PERSONAL PROTECTIVE EQUIPMENT (PPE)		
	Record of PPE		
	Mask		
	Eye glasses		
	Gloves		
	Ear muffs		
	Others		
	Training		
	On occupational risks of asbestos to the workers	Date: Time: In-house/ external: Faculty: No of workers attended:	
	Training for maintenance, repair and renovation	Date: Time: In-house/ external: Faculty: No of workers attended:	
Training for workers working with asbestos	Date: Time:		

VIII. SUMMARY OF KEY ISSUES AND REMEDIAL ACTIONS

- Summary of follow up time-bound actions to be taken within a set timeframe.

APPENDIXES

- Photos
- Summary of consultations
- Copies of environmental clearances and permits
- Sample of environmental site inspection report
- Other

SEMIANNUAL SOCIAL SAFEGUARDS MONITORING REPORT OUTLINE

1. Under the ADB Safeguard Policy Statement (2009) and the *Operations Manual* section on safeguard policy (OM F1), borrowers/clients are required to establish and maintain procedures to monitor the status of implementation of safeguard plans and ensure progress is made toward the desired outcomes. For projects categorized as A or B in involuntary resettlement and/or indigenous people, the borrowers/clients are required to submit semiannual monitoring reports for ADB review. The level of detail and comprehensiveness of a monitoring report is commensurate with the complexity and significance of social safeguards impacts (involuntary resettlement and indigenous people) and with the current status of the project implementation phase.

2. This outline can be used for periodic monitoring report (semiannual) and resettlement plan/indigenous peoples plan (IPP)/combined resettlement and indigenous peoples plan (RIPP) completion report to start the civil works in the impacted areas. A safeguard monitoring report may include the following elements:

A. Executive Summary

3. This section provides a concise statement of project scope and impacts, key findings and recommended actions.

B. Background of the Report and Project Description

4. This section provides a general description of the project, including:

- (i) Background and context of the monitoring report, which includes the information on the project, project components, safeguards categorizations and general scope of the social safeguards impacts;
- (ii) Information on the implementation progress of the project activities, scope of the monitoring report and requirements, reporting period, including frequency of submission, and changes in project scope and adjusted safeguard measures, if applicable; and
- (iii) Summary table of identified impacts and the mitigation actions.

C. Scope of Impacts

5. This section outlines the detail of

- (i) Scale and scopes of the project's safeguards impacts;
- (ii) Vulnerability status of the affected people and/or communities; and
- (iii) Entitlements matrix and other rehabilitation measures, as applicable, as described in the approved final resettlement plans and IPPs.

D. Compensation and Rehabilitation

6. This section describes the process and progress of the implementation of the safeguards plan and other required activities as determined in the plan, including: ¹

- (i) Payment of compensation for the affected assets, allowances and/or loss of

¹ Depending on the status of the final detail design during the submission of the report, this activity might not yet have started. Provide instead the information on the expected date the activity will be conducted.

- incomes to the entitled persons; and
- (ii) Provisions of other types of entitlement as described in the matrix and implementation of livelihood rehabilitation activities as determined in the plan.
- (iii) Specific provisions or beneficial and mitigation measures identified for indigenous peoples.

7. Quantitative as well as qualitative results of the monitoring parameters, as agreed in the plan, should be provided.

E. Public Participation and Consultation

8. This section describes public participation and consultations activities during the project implementation as agreed in the plan. This includes final consultations with affected people/indigenous peoples during resettlement plan/IPP/RIPP finalization after the completion of the detail design, the numbers of activities conducted, issues raised during consultations, and responses provided by the project team, implementing nongovernment organizations, project supervision consultants, and/or contractors.

F. Grievance Redress Mechanism

9. This section described the implementation of the project's grievance redress mechanism (GRM) as designed in the approved resettlement plan/IPP. This includes evaluations of its effectiveness, procedures, complaints received, timeliness to resolve issues and complaints, and resources provided to solve the complaints. Special attention should be given if there are complaints received from the affected people or communities.

G. Institutional Arrangement

10. This section describes the actual implementation or any adjustment made to the institutional arrangement for managing the social safeguards issues in the projects. This includes the establishment of safeguards unit or team and appointment of staff in the executing agency and/or implementing agency, implementation of the GRM and its committee, supervision and coordination between institutions involved in the management and monitoring of safeguards issues, and the roles of nongovernment organizations including indigenous peoples organizations and women's groups in the monitoring and implementation of the plan, if any.

H. Monitoring Results – Findings

11. This section provides a summary and describes the key findings of the monitoring activities. The results are compared against previously established benchmarks and compliance status (e.g., adequacy of involuntary resettlement compensation rates and timeliness of payments, adequacy and timeliness of involuntary resettlement rehabilitation measures including livelihood support measures, and training; budget for implementing EMP, resettlement plan, or IPP or RIPP, timeliness and adequacy of capacity building.). The section also compares the findings against the objectives of safeguards or desired outcomes documented (e.g., involuntary resettlement impacts avoided or minimized; livelihood restored or enhanced; indigenous peoples' identity, human rights, livelihood systems, and cultural uniqueness fully respected; indigenous people not suffering adverse impacts, environmental impacts avoided or minimized.). If noncompliance or any major gaps are identified, include the recommendation of corrective action plan.

I. Compliance Status

12. This section will summarize the compliance status of the project activities with the loan covenants, ADB SPS (2009) on SR two and SR-3 and the approved final resettlement plan(s)/IPPs/RIPPs.

J. Follow up Actions, Recommendations, and Disclosure

13. This section describes recommendations and further actions or items to focus on for the remaining monitoring period. It also includes lesson learned for improvement for future safeguards monitoring activities. Disclosure dates of the monitoring report to the affected communities should also be included. A time-bound summary table for required actions should be included, with the following:

- (i) List of affected persons and entitlements;
- (ii) Summary of resettlement plan/IPP/RIPP with entitlement matrix
- (iii) Copies of affected people's certification of payment (signed by the affected peoples);
- (iv) Summary of minutes of meetings during public consultations; and
- (v) Summary of complaints received and solution status.

SAMPLE GRIEVANCE REGISTRATION FORM
(to be made available in the local language (Hindi))

The _____ Project welcomes complaints, suggestions, queries and comments regarding project implementation.

Aggravated persons may provide grievance with their name and contact information to enable us to get in touch for clarification and feedback.

In case, someone chooses not to include personal details and wants that the information provided to remain confidential, please indicate by writing/typing ***(CONFIDENTIAL)*** above Grievance Format.

Thank you.

Date		Place of registration			
Contact Information/Personal Details					
Name		Gender	* Male *Female	Age	
Home Address					
Place					
Phone no.					
E-mail					
Complaint/Suggestion/Comment/Question Please provide the details (who, what, where and how) of your grievance below: If included as attachment/note/letter, please tick here:					
How do you want us to reach you for feedback or update on your comment/grievance?					

FOR OFFICIAL USE ONLY

Registered by: (Name of Official registering grievance)	
Mode of communication: Note/Letter E-mail Verbal/Telephonic	
Reviewed by: (Names/Positions of Official(s) reviewing grievance)	
Action Taken:	
Whether Action Taken Disclosed:	Yes No
Means of Disclosure:	

शिकायत पंजीकरण प्रारूप

परियोजना में कार्यान्वयन के दौरान शिकायतों, सुझावों, सवालों एवं टिपपणियों को स्वागत है।

कोई भी संबंधित व्यक्ति अपने नाम तथा स्थाई पते की जानकारी के साथ अपनी शिकायत/सुझाव प्रदान कर सकता है ताकि उससे संपर्क करके उचित स्पष्टीकरण अथवा समाधान किया जा सके।

यदि कोई व्यक्ति बिना अपना नाम व पता उजागर किये कोई सूचना चाहता है अथवा शिकायत करना चाहता है तो वह शिकायत पंजीकरण प्रारूप के लिफाफे पर गोपनीय (Confidential) लिख कर भी जमा करवा सकता है।

धन्यवाद

दिनांक	पंजीकरण का स्थान				
व्यक्तिगत जानकारी एवं स्थाई पता					
नाम		लिंग	पुरुष/महिला	उम्र	
घर का पता					
स्थान					
फोन नम्बर					
ई-मेल					
कृपया अपने शिकायत/सुझाव/टिप्पणी/सवाल की जानकारी विस्तृत रूप में दें जैसे- कौन, क्या कहा और कैसे					
यदि आपने कोई पत्र/टिप्पणी/नोट संलग्न किया हो तो यहां अंकित करें।					
आपके द्वारा प्रेषित शिकायत/टिप्पणी पर प्रतिक्रिया या अपडेट आप तक कैसे पहुंचाया जाये/या आप किस प्रकार से चाहते हैं।					

⊕ केवल कार्यालय कार्यवाही के लिए

पंजीकरणकर्ता: शिकायत/सुझाव पंजीकरणकर्ता अधिकारी का नाम	
संचार का तरीका नोट/पत्र ई-मेल मौखिक/टेलीफोन से	
अवलोकनकर्ता/समीक्षक: शिकायतों का अवलोकनकर्ता का नाम एवं पद	
क्या कार्रवाई की गई:	
क्या कार्रवाई का खुलासा किया गया।	हां नहीं
प्रकटीकरण के तरीके	

GENDER EQUALITY AND SOCIAL INCLUSION ACTION PLAN (Additional Financing) MONITORING FORM

Activities	Progress for the Quarter	Cumulative Progress	Issues and Challenges
Output 1. <u>Resilient</u> water supply systems in at least <u>15</u> project towns <u>developed or improved</u>			
<p>Activity: 1.1 Provide water supply to households including BPL households^a in project covered areas</p> <p>Indicator 1: About 177,000 households connected to new or replaced water supply distribution lines (including at least 95% BPL households) (2019 baseline:0)</p> <p>Responsibility: PMU and PIUs</p> <p>Timeline: Year 1-6</p> <p>Indicator 2: Ward-wise list of households maintained at PIUs</p> <p>Responsibility: PMU and PIUs</p> <p>Timeline: Year 1-6</p> <p>Indicator 3: An end-line survey conducted to assess time savings and benefits for women from improved urban water and sanitation infrastructure and services (2020 Baseline: 55 minutes; Source: Baseline report)</p> <p>Responsibility: PMU and PIUs</p> <p>Timeline: Year 1-6</p>			
Output 2. <u>Resilient and inclusive</u> sanitation systems in at least-34 project towns-developed or-improved			
<p>Activity 2.1: Provide improved sanitation services^b to households, including BPL households in project covered areas</p> <p>Indicator 4: About 157,000 households,(including at least 95% BPL households) connected to the sewer system (2019 baseline:0)</p>			

Activities	Progress for the Quarter	Cumulative Progress	Issues and Challenges
Responsibility: PMU and PIUs Timeline: Year 1-6 Indicator 5: Ward-wise list of households maintained at PIUs Responsibility: PMU and PIUs Timeline: Year 1-6			
<u>Output 3. Urban assets to enhance climate resilience and heritage living in at least 11 project towns developed or improved.</u>			
Activity: 3.1: Incorporate elderly (older persons), women, children, and persons with disabilities (EWCD) sensitive design features in rehabilitated/ reconstructed urban assets Indicator 6: At least 20 heritage-like structures furbished , refurbished incorporating EWCD design features in six ULBs (2023 baseline: 0) Responsibility: PMU and PIUs Timeline: Year 1-6 Indicator 7: At least two urban heritage and heritage-like structures operated and maintained by all women staff. (2023 baseline: N/A) Responsibility: PMU and PIUs Timeline: Year 1-6			
<u>Output 4. Institutional and human capacities strengthened for sustainable service delivery, gender equality, and improved public health</u>			
Activity 4.1: Conduct skills training relevant to the sector for community women as measure to increase inclusiveness in implementation Indicator 8: Training needs assessment conducted to list skills relevant to the sector (2019 baseline: Not applicable) Responsibility: PMU and PIUs Timeline: Year 1-6			

Activities	Progress for the Quarter	Cumulative Progress	Issues and Challenges
<p>Indicator 9: At least 200 community women (including 100 women from scheduled caste/other backward castes/ scheduled tribes) gained livelihood skills relevant to the sector (2019 baseline:0)</p> <p>Responsibility: PMU and PIUs Timeline: Year 1-6</p> <p>Indicator 10: Pre- and Post-activity assessments conducted to assess knowledge gained Responsibility: PMU and PIUs Timeline: Year 1-6</p>			
<p>Activity 4.2: Organize training for girls/women in project towns in conducting water audits^c in schools and households to promote interest in technical fields and build understanding of water management.</p> <p>Indicator 11: At least 1,800 students including 900 girls in project towns report enhanced knowledge in conducting water audits ^c in schools and households. (2019 baseline: 0)</p> <p>Responsibility: PMU and PIUs Timeline: Year 1-6</p>			
<p>Activity 4.3: Enhance skills of women staff and elected representatives of project ULBs in sustainable and resilient WSS operations and hygiene and gender equality and social inclusion action plan implementation</p> <p>Indicator 12: A customized training module on sustainable and resilient WSS operations and hygiene and gender equality and social inclusion</p>			

Activities	Progress for the Quarter	Cumulative Progress	Issues and Challenges
<p>action plan implementation prepared (2019 baseline: Not applicable)</p> <p>Responsibility: PMU Timeline: Year 1-6 Indicator 13: About 800 staff and 800 elected representatives of at least 24 project ULBs, including at least 80% eligible women staff and elected women representatives, reported increased knowledge on sustainable and resilient WSS operations, hygiene and gender equality and social inclusion action plan implementation. (2019 baseline: Not applicable)</p> <p>Responsibility: PMU and PIUs Timeline: Year 1-6 Indicator 14: Post-training assessments conducted to assess knowledge gained Responsibility: PMU and PIUs Timeline: Year 1-6</p>			
<p>Activity 4.4: Implement an internship program aimed at providing women with professional work experience in a technical (non-traditional) field through the project</p> <p>Indicator 15: MOU signed between RUDSICO and partner colleges Responsibility: PMU Timeline: Year 1-6 Indicator 16: At least 1,000 college-age women gain professional experience through completed internship program at RUDSICO and reported increased knowledge on urban development in Rajasthan (2019 baseline: 0)</p>			

Activities	Progress for the Quarter	Cumulative Progress	Issues and Challenges
<p>Responsibility: PMU Timeline: Year 1-6 Indicator 17: Induction and completion workshops organized for each batch of interns. Responsibility: PMU Timeline: Year 1-6</p>			
Project Management Activities			
<p>Establish a gender-inclusive agency (RUDSICO) with attention to providing equitable opportunities for women and maximizing women's participation in all project activities.</p> <ul style="list-style-type: none"> • Gender specialists are recruited (one at PMU/PMCBC and two at CMSC) • Gender focal points designated in PMU, each zonal office and each PIU • Sex-disaggregated data on project staff, consultants, workforce, laborers, and project-related orientation and training programs is maintained and reported in progress reports • GESI action plan completion report highlighting lessons learned submitted at project completion 			

BPL = below poverty line, CMSC = contract management and supervision consultant, GESI = gender equality and social inclusion, MOU = memorandum of understanding, O&M = operation and maintenance, PMCBC = project management and capacity building consultant, PPTA = project preparatory technical assistance, PIU = project implementation unit, PMU = project management unit, QPR = quarterly progress report, RUDSICO = Rajasthan Urban Drinking Water, Sewerage & Infrastructure Corporation Limited, ULBs = urban local bodies, WSS = water supply and sanitation.

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- ^a BPL households as identified by the Food and Civil Supplies Department, Government of Rajasthan.
 - ^b Improved sanitation services include connection to the sewerage network or fecal emptying services if household/ward is not covered under sewerage network.
 - ^c Including (but not limited to) features to adapt/ suit the requirements of EWCD persons without affecting the historical character, ensuring accessible, easy to locate entrance, provision of resting benches, adequate illumination, clearly visible universal signage cutting across regional/ cultural language barriers for information, identification, instruction, safety and helpline numbers, drinking water, separate toilets for men and women
 - ^d A water audit is a method of quantifying all the flows of water in a system to understand its usage, reduce losses, and improve water conservation. It can be performed on a large scale for a city or on a smaller scale for institutions, buildings, or even households to promote water conservation.