



Technical Assistance Report

Project Number: 52255-001
Knowledge and Support Technical Assistance (KSTA)
September 2019

India: Knowledge and Institutional Strengthening for Infrastructure Planning and Sustainable Development for Subregional Integration

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 07 August 2019)

Currency unit	–	Indian rupee/s (₹)
₹1.00	=	\$0.0140996990
\$1.00	=	₹70.923500

ABBREVIATIONS

ADB	–	Asian Development Bank
DEA	–	Department of Economic Affairs
MDONER	–	Ministry of Development of North Eastern Region
NEC	–	North Eastern Council
RCI	–	regional cooperation and integration
TA	–	technical assistance

NOTE

In this report, “\$” refers to United States dollars.

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KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 52255-001	
Project Name	Knowledge and Institutional Strengthening for Infrastructure Planning and Sustainable Development for Subregional Integration	Department/Division	SARD/INRM
Nature of Activity Modality	Capacity Development Regular	Executing Agency	Department of Economic Affairs
Country	India		
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Transport	Road transport (non-urban)		0.50
	Transport policies and institutional development		0.30
	Urban roads and traffic management		0.20
Energy	Electricity transmission and distribution		0.40
Water and other urban infrastructure and services	Urban policy, institutional and capacity development		0.30
	Urban water supply		0.30
	Total		2.00
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Climate Change impact on the Project	Low
Regional integration (RCI)	Pillar 1: Cross-border infrastructure		
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Institutional development	Some gender elements (SGE)	✓
Knowledge solutions (KNS)	Knowledge sharing activities		
5. Poverty and SDG Targeting		Location Impact	
Geographic Targeting	No	Rural	Medium
Household Targeting	No	Urban	Medium
General Intervention on Poverty	No		
SDG Targeting	Yes		
SDG Goals	SDG5, SDG6, SDG7, SDG9		
6. Risk Categorization	Complex		
7. Safeguard Categorization	Safeguard Policy Statement does not apply		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB			2.00
Knowledge and Support technical assistance: Technical Assistance Special Fund			2.00
Cofinancing			0.00
None			0.00
Counterpart			0.00
None			0.00
Total			2.00
Currency of ADB Financing: USD			

I. INTRODUCTION

1. This knowledge and support technical assistance (TA) will support the knowledge-driven operational approach of the country partnership strategy for India, 2018–2022 of the Asian Development Bank (ADB), by providing knowledge support for infrastructure investment planning, institutional strengthening, and capacity building in India's less-developed northeastern region.¹ The TA meets ADB's country partnership strategy priorities of inclusive access to infrastructure and social services in low-income states, regional cooperation and integration (RCI), and the priority agendas in ADB's Strategy 2030.²

2. The TA will provide knowledge and capacity support for state agencies in Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura, following specific requests by the state governments.³ The TA will also support infrastructure investment planning, institutional strengthening, and related activities of the North Eastern Council (NEC), the Ministry of Development of North Eastern Region (MDONER), and other central agencies in these states.⁴ The TA has been included in ADB's country operations business plan for India, 2019–2021.⁵

II. ISSUES

3. The Government of India's Act East Policy aims to boost the northeastern region's economic development as one of its key objectives.⁶ India's RCI endeavor focuses on the region, pursuing RCI through forums such as the South Asia Subregional Economic Cooperation, supported by ADB, and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation. The South Asia Subregional Economic Cooperation focuses on promoting RCI through transport connectivity, energy cooperation, economic corridor development, and trade facilitation with the neighboring South Asian countries and the rest of India, while linking the region with countries in the Association of Southeast Asian Nations. With RCI progress, the region is expected to become an economic growth center and driver for South Asia and Southeast Asia.

4. The northeastern region has rich natural resource endowments and high development potential through RCI, but the region's economic growth has not kept pace with that of the rest of India. Poor infrastructure facilities and limited access have hindered its socioeconomic development. The development of core infrastructure—including energy and urban and transport connectivity within the region, with the rest of India, and with neighboring Bangladesh, Myanmar, Nepal, and Bhutan—is critical to promote rapid, inclusive, and sustainable growth and to drive regional integration with the Association of Southeast Asian Nations. Despite

¹ ADB. 2017. *Country Partnership Strategy: India, 2018–2022—Accelerating Inclusive Economic Transformation*. Manila.

² ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

³ The TA first appeared in the business opportunities section of ADB's website on 19 June 2019.

⁴ The NEC is a central government agency established as a regional advisory and planning body. The Ministry of Development of North Eastern Region (MDONER) is responsible for matters relating to planning, executing, and monitoring development schemes and projects in the northeastern region.

⁵ ADB. 2018. *Country Operational Business Plan India, 2019–2021*. Manila.

⁶ The Government of India formally enunciated the 'Act East Policy' at the 12th ASEAN-India Summit and 9th East Asia Summit, in November 2014, held in Nay Pyi Taw, Myanmar.

continuous efforts by the central and state governments, the efficiency of public and private infrastructure investment in the region remains constrained.⁷

5. The most critical constraint on the region's rapid infrastructure development is the severe lack of investment project proposals that are ready for financing and backed by investment prioritization strategies and plans at the sector or state level. Project implementation is also generally slow, with numerous cases of time and cost overruns. These are associated with insufficient human resources and capacity of the state infrastructure departments to undertake investment and project planning, project preparation including detailed designs, pre-construction activities (such as statutory clearances for environment and forestry, and land acquisition), and implementation. Moreover, development projects in the northeastern region have more complex procedures between the state and federal governments in terms of project appraisal, budgetary process, and fund flow mechanisms, posing additional challenges.

6. With this backdrop, the Department of Economic Affairs (DEA), Ministry of Finance, Government of India has requested ADB to help relevant states (para. 2) strengthen the institutional systems and capacities for state-wide infrastructure vision and investment project planning and preparation, by providing TA in response to states' specific requests received by the DEA.

7. ADB approved several knowledge management TA projects for India to provide knowledge support for operational relevance. These TA projects have helped to carry out front-end strategic studies in a large country like India, with multiple government ministries, departments, and agencies at the central and state levels. The TA will provide knowledge support for strategic studies to help achieve the development vision of India's less-developed northeastern region.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

8. The TA is aligned with the following impact: improved project delivery leading to more sustainable and inclusive economic growth in the northeastern region. The TA will have the following outcome: knowledge-driven investment-ready infrastructure projects prepared.⁸

B. Outputs, Methods, and Activities

9. **Output 1: Knowledge support for infrastructure planning provided.** Key outputs will be enhancing the capacity of state departments and agencies through knowledge support for better infrastructure planning and project preparation, and developing NEC/MDONER as a knowledge resource center to support the above. The activities would:

- (i) prepare at least four demand-driven state/sector development vision/policy and strategy interventions for investment plans in core infrastructure sectors;
- (ii) provide inputs to at least seven project development initiatives on project concepts and for potential transaction (including assessing potential public-private partnership modality, if any), which will include identification, prefeasibility

⁷ Government of India, Ministry of Development of North Eastern Region. 2008. *North Eastern Region Vision 2020*. New Delhi; and World Bank. 2007. *Development and Growth in Northeast India—Strategy Report*. Washington, DC.

⁸ The design and monitoring framework is in Appendix 1.

- assessments, and prioritization and result in at least five potential knowledge-driven investment-ready infrastructure projects, including regional connectivity subprojects;
- (iii) support knowledge for infrastructure planning/framework studies, quality assurance of potential transactions and inputs on safeguards, gender mainstreaming, climate and disaster risk resilience, financial and economic aspects, and structuring project finance;
- (iv) provide inputs to strengthen financial management and fund flow mechanisms of identified projects;
- (v) review fund flow mechanisms for central government/externally aided projects, identify gaps, and suggest improvements; and
- (vi) devise a framework to strengthen center-state and interstate coordination, including two to three central/interstate/state-level initiatives to develop and structure projects.

10. **Output 2: Institutional strengthening and capacity-building support provided.** Key outputs will be institutional strengthening and capacity building of state governments and institutional strengthening support to NEC/MDONER and other central agencies for project appraisal, and monitoring and evaluation. The activities would:

- (i) assess training needs in project planning and implementation for identified states and central agencies;
- (ii) provide training programs for state agencies for sustainable capacity development in areas of
 - (a) project planning, preparation, and management, including procurement, contract management, construction supervision, and quality control;
 - (b) portfolio and project performance monitoring;
 - (c) safeguards, governance, gender mainstreaming, and grievance redressal mechanism;
 - (d) climate change and disaster risk resilience (adaptation and/or mitigation measures) for addressing significant risks, if any, identified for specific projects and sectors (particularly, ADB's South Asia Department framework and practice); and
 - (e) identification and quantification of cross-border spillover effects on regional connectivity subprojects;
- (iii) help NEC/MDONER strengthen their advisory and coordination roles for identifying and appraising investment projects and accessing external funding for the identified opportunities under the TA.
- (iv) engage and train 10–12 young professionals from various disciplines (including project management, procurement, engineering, safeguards, and financial management) to develop the local talent pool as a potential resource for the northeastern states; and
- (v) develop mechanisms and tools for project planning, appraisal, monitoring and evaluation; a management information system for the TA; and a knowledge database/repository.

11. **Output 3: Knowledge products disseminated.** The knowledge products produced under the TA will be delivered through (i) publications in the form of (preferably digital) reports, books, working papers, and blog posts; and (ii) periodic and focused conferences, seminars, workshops, and other knowledge-sharing and dissemination activities (e.g., presentations at investment forums and intergovernmental summits). Examples include vision/policy

documents/infrastructure planning/framework studies. The TA will also focus on building the skills of officials in central and state governments/agencies, and capturing and sharing their experiences through various seminar and conferences.

C. Cost and Financing

12. The TA is estimated to cost \$2,250,000, of which \$2,000,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources). The key expenditure items are listed in Appendix 2. The government will provide counterpart support in the form of counterpart staff, workshop venues, office and housing accommodation, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions.

D. Implementation Arrangements

13. The TA will be implemented over a period of 3 years from September 2019 to August 2022. The executing agency of the TA will be the DEA, Ministry of Finance, Government of India. ADB will administer the TA activities through its India Resident Mission, which will play an active role in selecting, supervising, and evaluating the consulting firm and individual consultants. All activities, including consultations, trainings, and workshops, will be organized in coordination with ADB's India Resident Mission.

14. The implementation arrangements are summarized in the table.

Table 1: Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	September 2019–August 2022		
Executing agency	Department of Economic Affairs, Ministry of Finance		
Implementing agencies	Respective line department/agencies in state and central governments		
Consultants	To be selected and engaged by ADB		
	Firm: QCBS with 90:10 ratio	Consulting firm 400 person-months (cumulative) Expertise: economists, infrastructure planner, engineers, young professionals	\$1,400,000
	Individual: Individual consultant selection	International/national expertise 72 person-months (cumulative) Expertise: transport, urban, energy, financial management, safeguards, gender, and climate change experts	\$600,000
Disbursement	The technical assistance resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time).		

ADB = Asian Development Bank, QCBS = quality- and cost-based selection.

Source: Asian Development Bank.

15. **Consulting services.** ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.⁹ The TA will engage a consulting firm as well as individual

⁹ Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 3).

consultants to provide knowledge and capacity development support to both state and central government agencies. Based on indicative activities, a total of 472 person-months of consulting services is estimated, including 72 person-months of international/national inputs by individual consultants, 400 person-months of international/national inputs by a consulting firm, including 10–12 young professionals (in areas such as project management, procurement, engineering, safeguards, and financial management) to be engaged and trained by the consulting firm.

IV. THE PRESIDENT'S DECISION

16. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$2,000,000 on a grant basis to the Government of India for Knowledge and Institutional Strengthening for Infrastructure Planning and Sustainable Development for Subregional Integration, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Impacts the TA is Aligned with Improved project delivery leading to more sustainable and inclusive economic growth in the northeastern region (defined)			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Knowledge-driven investment-ready infrastructure projects prepared	By 2023: a. Institutional mechanism in place and processes established for developing investment-ready infrastructure projects (2019 baseline: Not applicable) b. Knowledge base and institutional capacity/technical capacity of NEC/MDONER and other central agency or agencies enhanced (2019 baseline: Not applicable)	a. Government websites and reports; planning and implementation mechanisms in various agencies; policy/master plans/strategy papers b. User surveys and feedback	Political leadership changes; change in government agenda
Outputs 1. Knowledge support for infrastructure planning provided	By 2022: 1a. Enhanced knowledge base of state government departments and agencies for infrastructure planning, project preparation, including (i) at least four state or sector level vision/policy paper/investment planning/infrastructure strategy for northeastern states developed (ii) concept notes for at least seven key infrastructure projects for ADB project readiness financing/external funding developed (iii) at least five knowledge-driven investment-ready infrastructure projects prepared (iv) quality assurance strengthened for potential transactions and related inputs, including safeguards, gender mainstreaming, climate and disaster risk resilience, and financial and economic aspects (2019 baseline: Not applicable)	1a.–1b. Reports from state government(s)/ NEC/MDONER and/or related central agencies Progress report of TA consultants	Unavailable or incomplete data delaying knowledge and/or infrastructure planning documents; lack of government ownership

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	1b. (i) NEC/MDONER developed as the knowledge resource center to support potential transactions (ii) Support provided by NEC/MDONER to 2–3 central/interstate/state level initiatives to develop and structure investment projects (2019 baseline: Not applicable)		
2. Institutional strengthening and capacity-building support provided	2a. Increased knowledge reported by at least 100 staff of state government agencies on (i) project planning and preparation; (ii) portfolio and project performance monitoring; (iii) safeguards, governance, gender mainstreaming, and grievance redressal mechanism; and (iv) climate change and disaster risk resilience 2b. Increased knowledge reported by at least 50 staff from NEC/MDONER and other central agencies on project identification and appraisal for external funding, monitoring, and evaluation 2c. 10–12 young professionals (including 30% women) engaged and trained on project planning, appraisal, and monitoring and evaluation 2d. Developed tools for project planning, appraisal, and monitoring and evaluation (2019 baseline: Not applicable)	2a.–2d. Training/workshop calendar of the TA. Workshop reports including modules feedback, assessment, and list of participants. Reports/manuals/guidelines prepared under the TA	
3. Knowledge products disseminated	3a. Two sector-specific vision documents published 3b. Two infrastructure planning/framework studies published 3c. Five or six conferences, seminars, and workshops to disseminate knowledge products held (2019 baseline: Not applicable)	3a.–3c. Online publications	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Key Activities with Milestones 1. Knowledge support for infrastructure planning provided 1.1 Identify key development issues in consultation with the states, NEC, MDONER, and/or related central agencies to prepare investment planning/infrastructure strategy (October 2019–August 2022). 1.2 In consultation with the states, NEC, MDONER, and/or related central agencies, identify issues and formulate initiatives to develop and structure investment projects (continuous during the TA period). 1.3 Consult with stakeholders to prioritize development projects and finalize the concept note for key infrastructure projects for ADB project readiness financing/external funding (October 2019–August 2021). 2. Institutional strengthening and capacity-building support provided 2.1 Conduct dialogue with state government agencies to identify the capacity gaps to address and manage the identified development needs (from December 2019 throughout the TA period). 2.2 Conduct dialogue with NEC/MDONER or related central agencies to understand the changing development needs and capacity development on project identification and appraisal for external funding, monitoring, and evaluation (from December 2019 throughout the TA period). 2.3 Formalize the mechanism to engage and train young professionals on project appraisal and monitoring and evaluation through the TA consulting firm (from May 2020 throughout the TA period). 3. Knowledge products disseminated 3.1 Establish arrangements for hosting knowledge events (from December 2019 throughout the TA period). 3.2 Update web-based facilities for disseminating knowledge activities (from March 2020 throughout the TA period). TA Management Activities Monitor and evaluate the infrastructure vision/strategy/road maps. Manage consultant outputs related to identified knowledge projects. Liaise with executing agency, central agencies, and government officials of participating states. Recruit consultants to deliver the identified knowledge products (from September 2019, periodically). Manage and monitor all knowledge commitments (quarterly every year).			
Inputs ADB: \$2,000,000 Note: The government will provide counterpart support in the form of counterpart staff, workshop venues, office and housing accommodation, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions.			
Assumptions for Partner Financing Not applicable			

ADB = Asian Development Bank, MDONER = Ministry of Development of North Eastern Region, NEC = North Eastern Council, TA = technical assistance.
Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN

(\$'000)

Item	Amount
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	400.0
ii. National consultants	800.0
b. Out-of-pocket expenditures	
i. International and local travel	350.0
ii. Reports and communications	50.0
iii. Miscellaneous administration and support costs	50.0
iv. Reports and publications ^b	50.0
v. Surveys	50.0
vi. Training, seminars, workshops, forums, and conferences ^c	100.0
2. Contingencies	150.0
Total	2,000.0

Note: The technical assistance is estimated to cost \$2,250,000, of which contributions from the Asian Development Bank are presented in the table above. The government will provide counterpart support in the form of counterpart staff, workshop venues, office and housing accommodation, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions. The value of the government contribution is estimated to account for 11% of the total technical assistance cost.

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

^b Includes cost of printing of reports, publications, and other knowledge material to be used during workshops and seminars. Wherever possible, electronic versions of reports and publications will be used and printing will only be undertaken based on requests of various state government counterparts.

^c Includes hiring of venues, resource persons, expenses related to travel and lodging of guests and speakers, and other expenses relating to training, seminars, workshop, forums, and conferences.

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=52255-001-TARreport>

1. Terms of Reference for Consultants