

SUBPROJECT SELECTION CRITERIA

A. Rural Roads

1. District eligibility criteria for rural road subprojects include
 - a. District Transport Master Plan (DTMP) prepared and approved by the DDC and acceptable to the Ministry of Local Development (MLD);
 - b. district office of Department of Survey and Land Revenue functional;
 - c. Qualified District Engineer in District Technical Office;
 - d. District Infrastructure Coordination Committee formed and functioning;
 - e. Agreement between DDCs and DOLIDAR to implement the Project in accordance with project requirements and procedures, including the Resettlement Framework; and
 - f. District Road Maintenance Fund established.

2. Rural Road Selection Criteria include the following:
 - i. The rural road is listed as a priority road in the DTMP.
 - ii. The road will not have a significant negative environmental or resettlement impact, as defined in the environmental assessment and review procedures and the resettlement framework agreed to by the ADB and the Government. Maximum effort will be made in design to ensure alignments that minimize impact on structures and settlements.
 - iii. Road construction can be completed within three years using labor-based, environmentally friendly and participatory approaches.
 - iv. The road has at least a 12% economic internal rate of return.
 - v. The road does not exceed 40 km ; the cumulative length of all proposed roads in that district will not be more than 60 km.
 - vi. The proposed road length covers the total length of the road alignment, not just partial sections.
 - vii. The number of bridges will not exceed three or the total bridge cost will not exceed 25% of the total estimated cost of the proposed road alignment.

B. Supplementary Infrastructure other than Water Supply Sanitation

3. The supplementary investment
 - i. will generate additional access benefits for the rural road subproject it is near to;
 - ii. has been identified and planned through a community-level participatory process that involves the poorest and most socially excluded groups, and targets the poor, identified through earlier social mobilization activities;
 - iii. does not duplicate activities of other development projects;
 - iv. will contribute to income-generating opportunities;
 - v. will be formulated with a sustainable operations and maintenance plan (financial, physical and organizational);

- vi. community can contribute 15% (cash or in-kind).
4. Supplementary investment type by eligibility and budgetary ceilings follows:
- i. Improvement of a village trail to improve access to the rural road subproject. Maximum length: 10km / Indicative costs: NRs100'000 per km. (Max NRs 1 million).
 - ii. Construction of a short span trail bridge on village trail to improve access to the main sub-project maximum span: 120 m ,Indicative costs: NRs 20,000 per meter span. (Max 2.4 million).
 - iii. Reconstruction and rehabilitation of an existing small irrigation scheme.¹ Maximum size: 25 ha. indicative costs: NRs 100,000 per ha. (Max 2.5 million).
 - iv. Construction of a market building (agro-collection centers, dairy etc.). Maximum size: 100 m², indicative costs: NRs.9,000 per m². (Max NRs 900,000).
 - v. Construction of a community building. Maximum size 100 m², indicative costs NRs 10,,000 per m². (Max NRs 1 million).
 - vi. Construction of a new, or rehabilitation/upgrading of an existing, primary school. new construction, up to 3 classrooms, 32 m² per classroom, indicative costs NRs.10,000 per m². (Max NRs 960,000).
 - vii. Construction of a new or rehabilitation/upgrading of an existing, health sub-post; maximum size: 100 m², indicative costs: NRs.10,000 per m². (maximum total cost NRs 1 million).

C. Rural Water Supply and Sanitation Scheme Selection Criteria²

5. Participating district development communities (DDCs) will prioritize the demands from the village development committees(VDCs). The subprojects will be funded by the project if they rank high according to the criteria. Willingness to share the costs of the water supply and sanitation subproject will be based on the Government's Rural Water Supply and Sanitation Sector Policy and Strategy. For the poor communities³ in remote inaccessible areas the minimum contribution will be reduced to 10% and 1% upfront cash is not mandatory. If the project districts overlap with Community Based Water Supply and Sanitation Districts⁴, the project should select the scheme based on the existing priority list of the DDC.

6. Required Eligibility Criteria:

¹ Construction of new (as opposed to rehabilitation of existing) irrigation schemes has been excluded because of the complexity of the process of surveying and designing a new scheme and of organizing participatory management.

² This is consistent with the criteria that 19 hill and mountain districts of far Midwestern district, and 2 western (1 terai and 1 hill) districts following under the Community Based Water Supply and Sanitation Sector Project. Ministry of Physical Planning and Works (lead agency for water supply and sanitation) adopted the criteria for the Community Based Water Supply and Sanitation.

³ According to the Nepal Poverty Assessment 1999 indicators poor household are: (i) household having food sufficiency for less than 6 months in a year; (ii) households whose major source of income is wage from labor; (iii) households headed by women with disable persons; and (iv) other households with low literacy and unsatisfactory health indicators.

⁴ Accham, Baitadi, Bajhang, Bajura, Dadeldhura, Dailekh, Dang, Darchula, Dolpa, Doti, Gulmi, Humla, Jajarkot, Jumla, Kalikot, Kapilvastu, Mugu, Pyuthan, Rolpa, Rukum and Salyan.

- (i) water supply and sanitation scheme is included in the District Plan;
- (ii) demand for water scheme originated from the community;
- (iii) the community is willing to contribute as per the Government's Rural Water Supply and Sanitation Sector Policy and Strategies. Community contribution is 20% (cash or in-kind) and 1% cash up-front.⁵
- (iv) the community accepts responsibility for operation and maintenance of the scheme after its completion.
- (v) the DDCs and VDCs commit to maintain the scheme in case of natural calamities and required major rehabilitation; and
- (vi) maximum 1,000 persons per scheme (and subject to available and equitably distributed supplementary investment budget across all districts); indicative costs per person, new construction up to NRs 5,000 per person and rehabilitation up to NRs 3,000. (Max NRs 5 million); water supply may be complemented by investments in sanitary/health infrastructure such as private and public toilets, and improved cooking stoves, as long as the total budgetary outlays remain within the indicated limits.

7. **Process of Prioritization.** Selected subprojects must pass the screening criteria. After the screening process, the schemes' demand is ranked as per the criteria for screening. Poverty, water supply coverage and incidence of diarrhea and other water borne diseases are major criteria for screening.

8. Village Planning includes that the communities
- (i) submit demand from to the DDCs through the VDCs ;and
 - (ii) are willing to share the costs of the water supply and sanitation subproject as per the Government's Rural Water Supply and Sanitation Sector Policy.
9. District Planning involves the following,
- (i) community demand must be included in the DDC Plan
 - (ii) the DDCs must prioritize all demands based on the social and poverty factors and hardship factors; and
 - (iii) criteria for subproject ranking will be defined and adopted for prioritizing the demand by community (through the VDCs) for implementation based on the priority.

⁵ However, in the case of poor and ultra-poor, the up-front cash requirement can be foregone, and the in-kind contribution lowered to 10%.