

PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Justification

1. A project preparatory technical assistance (TA) will assist the government in improving sector policies, preparing feasibility studies, and proposing a project design for a sector investment, and developing eligibility and evaluation criteria for selected subprojects.

B. Major Outputs and Activities

2. The TA will assist the government update its sector policies, prepare two to three sample subprojects for a new water supply system and an expansion of an existing system), design a sector investment project, and develop eligibility and evaluation criteria for selected subprojects based on previous projects. The TA will explore new technologies, including energy efficient pumps and/or decentralized wastewater treatment. The TA will also support consultations with various stakeholders. The TA will be implemented over 12 months, from September 2012 to August 2013. The major outputs and activities are described and summarized in Table A4.1.

Table A4.1: Summary of Major Outputs and Activities

Major Activities	Expected Completion Date	Major Outputs	Expected Completion Date
Update ADB sector ASR and government sector investment plan Conduct stakeholder analysis and consultations. Prepare PCA and FMA Preliminary socioeconomic data collection (no surveys). Identify areas for improvements in WSS framework (if any) Establish eligibility criteria for subproject towns, long list of subproject towns and proposed sample subproject towns.	Dec. 2012	Inception report Inception workshop ADB/Government comments	Mid-Dec. 2012 Mid-Jan. 2013 31 Jan. 2013
Prepare full feasibility study for each sample subproject town, including required ADB safeguard documents. Conduct necessary evaluations and develop draft legislation to improve water supply and sanitation framework (as required)	Feb. 2013	Interim report Interim workshop ADB/Government comments	28 Feb. 2013 Mid-Mar. 2013 31 Mar. 2013
Conduct due diligence of feasibility studies against prepared safeguard plans and frameworks, and assessments (economic and financial, governance and institutional capacity). Submit necessary legislation for approval. Prepare the draft project documents, supplementary appendixes, technical options, and project administration manual.	Apr. 2013	Draft final report Final workshop ADB/Government comments	30 Apr. 2013 Mid-May2013 31 May 2013

ADB = Asian Development Bank, ASR = assessment, strategy and roadmap, FMA = financial management assessment, PCA = procurement capacity assessment, WSS = water supply and sanitation.

Source: Asian Development Bank.

C. Cost Estimate and Proposed Financing Arrangement

3. The TA is estimated to cost \$800,000 equivalent, of which \$800,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-IV). TASF financing is being requested, as stated in the Country Operations Business Plan for the Lao PDR, 2012–2015. The government will provide counterpart support in the form of counterpart staff, provision of office space, and other in-kind contributions. Detailed cost estimate is presented in Table A4.2.

Table A4.2: Cost Estimates and Financing Plan (\$'000)

Item	Total Cost
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (18 person-months)	396.0
ii. National consultants (22 person-months)	110.0

Item	Total Cost
b. International and local travel	85.0
c. Reports and communications	10.0
2. Equipment (computer, printer, etc.) ^b	20.0
3. Workshops, training, seminars, and conferences ^c	20.0
4. Surveys	20.0
5. Miscellaneous administration and support costs ^d	20.0
6. Representative for contract negotiations ^e	15.0
7. Contingencies ^f	104.0
Total	800.0

DHUP = department of housing and urban planning, DPWT = department of public works and transport, MPWT = Ministry of Public Works and Transport, OPWT = office of public works and transport, PAI = project administration instructions, PNP = provincial nam papa (or water supply utility), TA = technical assistance.

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

^b Equipment

Type	Quantity	Cost
Desktop and laptop computers with computer software, a multi-functional color laser printer/ photocopier/scanner, GPS, and flash drives.	Lump sum (2 sets)	\$15,000
Office furniture (chairs, desks, file cabinets, etc)	Lump sum (2 sets)	\$5,000

^c Workshops, training, seminars, and conferences

Purpose	Venue
Inception, interim, and draft final workshops; and consultation meetings in potential subproject towns with local residents and stakeholders.	MPWT, DHUP, DPWT, PNP or OPWT meeting rooms and/or village halls.

^d Includes CAD technicians for design and drawing production.

^e ADB. 2010. *Specific Requirements for Recruiting Consultants by ADB*. PAI 2.04. Manila.

^f Contingencies will cover unanticipated activities arising during TA implementation and/or project start-up.

Source: Asian Development Bank.

D. Consulting Services

4. A firm will be engaged in accordance with ADB *Guidelines on the Use of Consultants* (2010, as amended from time to time). A total of 11 positions and 40 person-months required (6 international specialists for 18 person-months and 5 national experts for 22 person-months). The firm will be recruited using quality and cost-based selection (90:10) using simplified technical proposal.¹⁵ Individual consultants may be hired during the TA to help complete unanticipated tasks and/or provide start-up support prior to loan effectiveness. The TA will adequately address the following aspects relating to the ensuing project: (i) detailed executing agency, and implementing agency capacity assessments, with remedial action plan to build executing agency and implementing agency capacity to minimize procurement and financial management risks; (ii) proposed or indicative loan related procurement plan with suggested level of priority or, if applicable, post review based on executing agency and implementing agency capacity assessment; (iii) indicative implementation schedule with proposed sequencing of consultant recruitment and procurement bidding and awarding; (iv) a draft project performance management system; and (v) administration of seminars and workshops.

5. The terms of reference are summarized in Table A4.3. The consultant team will be required to prepare the following reports: (i) inception report, 1.5 months after mobilization; (ii) interim report, 5 months after mobilization; (iii) draft final report, 7.0 months after mobilization; and (iv) final report, within 2 weeks after receipt of comments. The reports shall be of high quality and in formats agreed to in advance with ADB and the government. The team shall review previous feasibility studies prepared in the sector in Lao PDR, shall have an excellent command of the English language, shall be required to provide their inputs to the team leader for timely consolidation, shall coordinate with other team members, and may be asked to complete additional tasks as assigned by the consultant team leader and ADB project officer.

¹⁵ A ratio of 90:10 will be used as the PPTA puts more emphasis on the quality rather than the cost.

Table A4.3: Summary of Consulting Services Requirement

Positions	P-M	Requirements	Terms of Reference
Team leader and water supply specialist (I)	6	<ul style="list-style-type: none"> •At least an advanced degree in water supply engineering. •At least 10 years of relevant experience in SEA. •Knowledge of the urban WSS in Lao PDR is preferred. •At least 5 years of relevant experience leading PPTA consultant teams and preparing feasibility studies. 	<ul style="list-style-type: none"> •Update the WSS ASR, the sector investment plan, and prepare and finalize PPTA reports based on the inputs of other team members. •Confirm designs, and manage the proposed project cost and financing tables, procurement plan, and project administration manual. •Coordinate with ADB, the EA and development partners in preparing the project design.
Water supply engineer (I)	2	<ul style="list-style-type: none"> • At least a bachelor's degree in water supply engineering. • At least 10 years of relevant experience in SEA. •Knowledge of the urban WSS in Lao PDR is preferred. •At least 5 years of relevant experience on PPTA consultant teams and in preparing feasibility studies. 	<ul style="list-style-type: none"> •Work with water supply specialists in (i) preparing the feasibility studies for the sample towns, (ii) outlining the O&M needs of each system under the project, (iii) confirming the technical due diligence of the subprojects, (iv) developing an approach to non-revenue water monitoring and reduction, and (v) exploring new technologies for energy saving systems and/or decentralized wastewater management. •Work with water supply, environmental and corporate planning specialists in developing an approach to institutionalizing drinking water quality monitoring and water safety plans into PNP corporate plans.
Financial and economic specialist (I)	3	<ul style="list-style-type: none"> •At least a bachelor's degree in finance economics or related field. •At least 5 years of relevant experience in SEA. •Knowledge of the urban development and/or WSS in Lao PDR is preferred. •At least 5 years of relevant experience on PPTA consultant teams and in assisting in preparing feasibility studies. 	<ul style="list-style-type: none"> •Review financial and operational performance of participating PNPs (including tariffs), conduct FMA for project implementation agencies, financial and economic analysis for each subproject and for the project overall. •Work with the social specialists in developing a willingness to pay and affordability survey, and incorporate the analysis into the economic feasibility of subprojects. •Design project fund flow/disbursement mechanism based on FMA results and financing plan/arrangements. •Simplify financing/disbursement arrangements for multiple financing sources.
Institutional specialist (I)	2	<ul style="list-style-type: none"> •At least a bachelor's degree in political science or related field. •At least 5 years of relevant experience in SEA. •Knowledge of the urban development and/or WSS sector in Lao PDR is preferred. •At least 5 years of relevant experience on PPTA consultant teams and in assisting in preparing feasibility studies. 	<ul style="list-style-type: none"> •Assist team leader in updating the WSS ASR, the sector investment plan, and completing the procurement capacity assessment for the implementing agencies. Include a review of the capacity of subnational levels to manage and implement future WSS projects. •Review and update any governing legislation for urban WSS, and preparing the capacity development plan.
Social development specialist (I)	3	<ul style="list-style-type: none"> •At least a bachelor's degree in social development or related field. •At least 10 years of relevant experience in SEA. •Knowledge of the urban development and/or WSS in Lao PDR is preferred. •At least 5 years of relevant experience on PPTA consultant teams and in assisting in preparing feasibility studies. 	<ul style="list-style-type: none"> •Provide oversight and guidance to the national experts on the social analyses and document preparations, and ensuring quality outputs for the project. •Review, assess and improve O&M agreements for urban sanitation output. •Review the community driven component and the gender activities from previous projects and provide recommendations for the project. •Document stakeholder consultations. •Outputs include, but may not be limited to: socioeconomic survey preparation, piloting, administration and analysis; social safeguard documents (resettlement and indigenous peoples screening checklists and planning documents for each subproject and the project overall) in accordance with ADB SPS [2009]; social and poverty assessment for the project; summary poverty reduction and social strategy; gender analysis, action plan and targets/indicators; stakeholder analysis; stakeholder communication strategy; consultation and participation strategy; and water conservation program.
Environment specialist (I)	2	<ul style="list-style-type: none"> •At least a bachelor's degree in environment or related field. •At least 5 years of relevant experience in SEA. •Knowledge of the urban development and/or WSS in Lao PDR is preferred. •At least 3 years of relevant experience on 	<ul style="list-style-type: none"> •Provide oversight and guidance to the national expert on environment assessments and document preparations for each subproject town and the project overall. •Outputs include, but may not be limited to environmental safeguard document preparation of rapid environment assessment checklists, environmental assessment and review framework,

Positions	P-M	Requirements	Terms of Reference
		PPTA consultant teams and in assisting in preparing feasibility studies.	and relevant environmental assessments and planning documents for each subproject in accordance with ADB SPS (2009). •Tasks include review of potential impacts and the risks associated with the project; borrower's capacity in environmental management and compliance; consultations with stakeholders; capacity development recommendations; and details of specific gap-filling requirements.
Deputy team leader and water supply expert (N)	8	•At least a bachelor's degree in water supply engineering. •At least 5 years of experience in designing piped water supply systems in Lao PDR. •At least 3 years of relevant experience on similar PPTAs in Lao PDR.	•Work with the two water supply specialists. •Support the team leader in his or her leadership tasks. •Manage the consultant team in the absence of the team leader.
Social development expert (N)	3	•At least a bachelor's degree in social development or a related field. •At least 3 years of relevant experience on similar PPTAs in Lao PDR.	•Work with the international social development specialist on the tasks mentioned above.
Resettlement expert (N)	4	•At least a bachelor's degree in social development or a related field. • At least 3 years of relevant experience on similar PPTAs in Lao PDR.	•Work with the international social development specialist on the tasks mentioned above.
Environment expert (N)	3	•At least a bachelor's degree in environment management or a related field. •At least 3 years of relevant experience on similar PPTAs in Lao PDR.	•Work with the international environment specialist on the tasks mentioned above.
Corporate planning expert (N)	4	•At least a bachelor's degree in economics, finance or related field. • At least 3 years of relevant experience on PPTA consultant teams in Lao PDR.	•Review current corporate plan preparations in the sector in the Lao PDR, and assist the institutional specialist and the team leader in updating PNP corporate plans as part of each subproject town feasibility study.

ADB = Asian Development Bank, ASR = assessment, strategy and roadmap, EA = Executing Agency, FMA = financial management assessment, I = international, N = national, O&M = operation and maintenance, P-M = person-months, PNP = provincial nam papa (water utility), PPTA = project preparatory technical assistance, SEA = Southeast Asia, SPS = Safeguard Policy Statement, WSS = water supply and sanitation.

Source: Asian Development Bank.

E. Implementation Arrangements

6. The executing agency for the TA is the Ministry of Public Works and Transport, specifically the Department of Housing and Urban Planning (DHUP). The current project coordination unit in DHUP will provide guidance during TA implementation. This will ensure lessons from the ongoing projects are incorporated into the design of the proposed project. The government will provide in-kind contributions to the TA, including office space and counterpart staff. The TA consultants will be based in the PCU office in Vientiane. Disbursements under the TA will be done in accordance with the ADB *Technical Assistance Disbursement Handbook* (2008, as amended from time to time) and procurement in accordance with ADB's *Procurement Guidelines* (2010, as amended from time to time). Equipment procured by the TA will be transferred to the Government (project coordination unit) at the end of the TA.

7. The proposed TA processing and implementation schedule is listed in Table A4.4.

Table A4.4: Technical Assistance Processing and Implementation Schedule

Major Milestones	Expected Completion Date
Commencement	November 2012
Inception report	Mid-December 2012
Interim report	February 2013
Draft final report	April 2013
Final report	May 2013
Financial closing	December 2013

Source: Asian Development Bank.