

Project Administration Manual

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Grant Number(s): [TBD]
23 October 2013

Islamic Republic of Afghanistan: North-South Power
Transmission Enhancement Project

Contents

ABBREVIATIONS

I.	PROJECT DESCRIPTION	1
	A. Objective	1
	B. Impact and Outcome	3
	C. Outputs	3
II.	IMPLEMENTATION PLANS	4
	A. Project Readiness Activities	4
	B. Overall Project Implementation Plan	5
III.	PROJECT MANAGEMENT ARRANGEMENTS	6
	A. Project Implementation Organizations – Roles and Responsibilities	6
	B. Key Persons Involved in Implementation	6
	C. Project Organization Structure	7
IV.	COSTS AND FINANCING	10
	A. Detailed Cost Estimates by Expenditure Category	11
	B. Allocation and Withdrawal of Grant Proceeds	12
	C. Detailed Cost Estimates by Financier	13
	D. Detailed Cost Estimates by Output/Components	14
	E. Detailed Cost Estimates Year	15
	F. Contract and Disbursement S-curve	16
	G. Fund Flow Diagram	18
V.	FINANCIAL MANAGEMENT	18
	A. Financial Management Assessment	18
	B. Disbursement	20
	C. Accounting	20
	D. Auditing	20
VI.	PROCUREMENT AND CONSULTING SERVICES	22
	A. Advance Contracting and Retroactive Financing	23
	B. Procurement of Goods, Works and Consulting Services	23
	C. Procurement Plan	24
	D. Consultant's Terms of Reference	25
VII.	SAFEGUARDS	30
VIII.	GENDER AND SOCIAL DIMENSIONS	31
IX.	PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION	32
	A. Design and Monitoring Framework	32
	B. Monitoring	33
	C. Evaluation	34
	D. Reporting	34
	E. Stakeholder Communication Strategy	34
X.	ANTICORRUPTION POLICY	36
XI.	ACCOUNTABILITY MECHANISM	36
XII.	RECORD OF PAM CHANGES	36

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 in accordance with Government and Asian Development Bank (ADB) policies and procedures. The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Da Afghanistan Breshna Sherkat are wholly responsible for the implementation of ADB financed projects, as agreed jointly between the borrower and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by Da Afghanistan Breshna Sherkat of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At Grant Negotiations the borrower and ADB shall agree to the PAM and ensure consistency with the Grant agreement. Such agreement shall be reflected in the minutes of the Grant Negotiations. In the event of any discrepancy or contradiction between the PAM and the Grant Agreement, the provisions of the Grant Agreement shall prevail.

After ADB Board approval of the project's report and recommendations 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.

Abbreviations

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
AITF	–	Afghanistan Infrastructure Trust Fund
CAREC	–	Central Asia Regional Economic Cooperation
DABS	–	Da Afghanistan Breshna Sherkat
EMP	–	environmental management plan
FMA	–	financial management assessment
ICB	–	international competitive bidding
IEE	–	initial environmental examination
km	–	kilometer
kV	–	kilovolt
LARP	–	land acquisition and resettlement plan
MFF	–	multitranches financing facility
MIS	–	management information system
MoF	–	Ministry of Finance
MW	–	megawatt
NEPS	–	north-east power system
O&M	–	operation and maintenance
PAM	–	project administration manual
QCBS	–	quality- and cost based selection
RRP	–	report and recommendation of the President to the Board
SPS	–	Safeguard Policy Statement
TOR	–	terms of reference

I. PROJECT DESCRIPTION

A. Objective

1. The proposed project will construct a 500-kilovolt (kV) transmission line about 225 kilometers long across the Hindukush mountain range between the northern town of Dashte Alwan and Kabul at the southern end. It will include a new 500-kV/220-kV substation to connect to the grid in Kabul, Afghanistan's capital.¹ The project will add up to 1,000 megawatts (MW) to the existing 300 MW of transmission capacity between northern and southern Afghanistan. The new line will transmit electricity produced domestically by hydropower and fossil fuel generation in the country's northern region, as well as accommodate power imports from neighboring Tajikistan, Turkmenistan, and Uzbekistan to supply Afghanistan's domestic needs. The project will complement a second Asian Development Bank (ADB) power project under the proposed tranche 5 of ADB's Energy Sector Development Investment Program (footnote 2) to build a 500-kV substation to connect to the grid at the northern end of the line in Dashte Alwan. Tranche 5 is expected to be considered by ADB Management soon after an ADB Board approval of the North–South Power Transmission Enhancement Project. After domestic generation projects planned in northern Afghanistan are implemented and proposed arrangements for greater power imports from the country's northern neighbors are put in place, the new line would transmit the additional power from these sources to the south and allow for the export of power in excess of Afghanistan's domestic needs to Pakistan over a planned connection between the country's two grids. The line will also allow Afghanistan to export power to Tajikistan during winter.

2. The power sector in Afghanistan has made significant progress in addressing its technical, fiscal, and governance challenges since 2001. The proportion of the population connected to the electricity grid increased from a mere 5% in 2002 to about 25% in 2012. System losses (technical and commercial) dropped during the same period from more than 70% to 42%, and collection rates rose from less than 50% to more than 90%. Revenues have increased by 15% every quarter since 2009. An autonomous, corporate state-owned power utility—Da Afghanistan Breshna Sherkat (DABS)—has been established and is gaining ground. Currently, 73% of Afghanistan's power supplies are being imported—22% from Iran, 4% from Tajikistan, 17% from Turkmenistan, and 57% from Uzbekistan. Import tariffs ranging from \$0.020 to \$0.065 per kilowatt-hour are subsidized by the exporting countries. During 2012, peak demand in Afghanistan stood at 670 MW, of which 500 MW was met through imports. Peak demand is expected to reach 3,500 MW by 2032 as the electrification rate triples.

3. Afghanistan's National Energy Supply Program is based on plans to combine the development of domestic electricity generation from domestic fossil fuel and renewable energy with an increase in power imports.² In addition to meeting its domestic needs on time and in a cost-effective manner through diversified imports, Afghanistan also plans to develop a transit transmission system through the country to move electricity from energy-rich Central Asian countries to energy consumers in energy-scarce South Asia.

¹ The project, including 10 other investment projects, was prepared under a subcomponent of ADB. 2008. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranchise Financing Facility and Administration of Grant Energy Sector Development Investment Program*. Manila (MFF 0026-AFG, \$570 million, approved on 2 December).

² The National Energy Supply Program is one of 24 national priority programs that have been jointly endorsed by the Government of Afghanistan and the country's international development partners.

4. DABS has been undertaking a comprehensive program since 2008 to import power, develop domestic generation, and expand its grids to close a gap between demand for power and supply.³ Afghanistan currently has 10 separate, unlinked grid islands that are fed by different power systems through 220-kV and 110-kV links. An ADB-supported government strategic power master plan for 2012–2032 calls for the connection of the isolated existing network segments via a ring structure of 500-kV transmission lines and the expansion of distribution networks across urban and rural load centers. The master plan expects Afghanistan's dependence on power imports from Central Asia to feed growing demand in its southern and eastern regions, where 70% of the country's people live, to remain significant for the foreseeable future.⁴

5. A key challenge is to provide the increased infrastructure capacity needed to transmit imported power from Tajikistan, Turkmenistan, and Uzbekistan to Afghanistan's eastern and southern provinces. These imports are expected to grow from 50 MW in 2012 to 300 MW by 2018.⁵ The only existing transmission link connecting northern Afghanistan to the south is a 220-kV transmission line with a capacity of 300 MW. This limits the supply of power in the areas south of the Hindukush mountain range. This in turn constrains economic growth and opportunities in the south; creates disparities in the country's economic development; and fuels ethnic and regional tensions, insecurity, and discontent.

6. The transmission line and substation to be provided under the project, combined with the substation needed to complete the system to be financed under tranche 5 of the Energy Sector Development Investment Program, will be central to the envisaged regional power trade and Afghanistan's important future role in it as an energy resource corridor connecting Central Asia's electricity systems with its own and those of South Asia. A proposed Turkmenistan–Uzbekistan–Tajikistan–Afghanistan–Pakistan (TUTAP) power transmission interconnection would boost regional cooperation and integration through this energy trade by enabling exporting countries to make profitable use of their surplus resources and importing countries to effectively meet their energy needs at cost.⁶

7. The project transmission line is identified in the power master plan and in the Afghanistan National Energy Supply Program as the link most needed to meet the country's future power needs. The project is linked and connected to upstream power generation and power transmission and downstream power transmission and distribution projects. The power link between Central Asia and South Asia is a strategic objective of the Central Asia Regional Economic Cooperation program countries and is included in the program's Strategy 2020 and energy work plan, 2013–2015. The project is included in ADB's country partnership strategy, 2009–2013⁷ and country operations business plan, 2013–2014 for Afghanistan.⁸

³ The program includes rehabilitation and construction of new hydropower plants in Afghanistan's eastern and southern provinces, gas-powered thermal plants in northern provinces, and diesel-generated plants in major load centers across Afghanistan.

⁴ ADB. 2010. *Technical Assistance to Afghanistan for the Power Sector Master Plan*. Manila (TA 7637-AFG, \$1.5 million, approved on 6 November).

⁵ The 220-kV import lines from Tajikistan and Uzbekistan are operational and were financed by ADB under Loan 1997 and Loan 2304/G0230. Under the power purchase and sales agreement, power imports from Tajikistan are up to 300 MW during March–October each year and are up to as 300 MW all year round from Uzbekistan. Afghanistan is currently importing 50 MW of power from Turkmenistan. The new 500-kV transmission line from Turkmenistan, to interconnect power grids of Afghanistan and Turkmenistan, will be completed by 2018 and will import up to 300 MW of power from Turkmenistan.

⁶ TUTAP is a regional electricity project under Central Asia South Asia Regional Electricity Markets framework.

⁷ ADB. 2007. *Country Partnership Strategy: Afghanistan, 2009–2013*. Manila.

⁸ ADB. 2013. *Country Operations Business Plan: Afghanistan, 2013–2014*. Manila.

8. Power demand is growing by almost 25% a year in the country's major load centers. Kabul experiences load-shedding due to a power shortage. Adding more domestically produced and imported power to the national grid is critical to sustaining economic growth and achieving social stability, but the domestic hydro and gas power generation projects now being prepared will not be realized until 2023–2025. Therefore, Afghanistan has to rely on imported power for a considerable time. The earlier approved tranches of ADB's multitranches financing facility (footnote 2) finance expansion of power transmission and distribution infrastructure in the north–east power system.

9. The government has developed the country's power sector strategy, road map, policy framework, and envisaged investment plan in line with the power sector master plan 2012–2032 approved in 2011. The power master plan builds upon the Afghanistan National Development Strategy crafted in 2008. The power sector in Afghanistan made substantial progress in meeting strategic objectives and road map milestones set out in 2008, including (i) greater efficiency from existing operations (rehabilitation of hydropower plants and transmission and distribution networks); (ii) improvement in sector governance (formulation of an electricity law, renewable energy policy, and creation of an autonomous power utility); (iii) promotion of rural electrification (development of off-grid solutions and strengthening on-grid networks in secondary towns); and (iv) investments in new capacity (development of additional generation, transmission, and distribution systems).

10. DABS has institutionalized operations and maintenance (O&M) protocols and systems. An O&M unit under the operations department has been established and strengthened, with adequate budgetary resources allocated from utility's internal revenues. ADB, the World Bank, and the United States Agency for International Development are providing capacity support through training programs. In total, nearly \$45 million of O&M capacity support programs are currently being implemented.

11. Since 2010, the ADB-financed program management and project implementation consultants recruited under ADB's multitranches financing facility (footnote 2) have been providing on-the-job training to DABS personnel in technical, financial management, procurement, and social safeguards areas. In parallel, the Government of the United States is implementing \$200 million in capacity support programs to strengthen DABS capacity in technical, governance, financial management, and social safeguards functions

B. Impact and Outcome

12. The impact will be increased power trade between Afghanistan and its neighbors, and a higher rate of electrification within the country. The outcome of the project will be an increased supply of power from the north of Afghanistan to its southern and eastern regions.

C. Outputs

13. The output will be a 500-kV transmission line constructed from Dashte Alwan to Kabul and a 500-kV/220-kV substation built at Arghundy in Kabul.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Indicative Activities	2013				2014					Responsibility
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
Grant Negotiations	X									ADB and GoA
ADB Board approval			X							ADB
Grant Signing					X					ADB and GoA
Legal Opinion finalized							X			GoA
Grant Effectiveness								X		ADB and GoA

ADB = Asian Development Bank, GoA = Government of Afghanistan

B. Overall Project Implementation Plan

North-South Power Transmission Enhancement Project																														
Activities	2013												2014												2015		2016		2017	
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	H1	H2	H1	H2	H1	H2
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25-30	31-36	37-42	43-48	49-54	55-60
1. Project Processing through till Approval by ADB Board																														
1.1 Concept Clearance																														
1.2 Project Preparation including formulation of RRP																														
1.3 Management Review Meeting																														
1.4 Project Negotiations																														
1.5 Board Approval																														
1.6 Project Agreement Signing																														
1.7 Grant Effective Date																														
2. Recruitment of Implementation Consultants																														
2.1 Preparation of RFP, incl. Govt. Approval																														
2.2 ADB Review and Approval																														
2.3 Proposal Preparation Period																														
2.4 Technical Proposal Evaluation incl, Govt. Approval																														
2.5 ADB Review and Approval																														
2.6 Financial Proposal Opening/ Evaluation/ Govt. Approval																														
2.7 ADB Review and Approval																														
2.8 Contract Signing, incl. Registration																														
3. Procurement of EPC Contractor																														
3.1 Preparation of Bidding Documents, incl. Govt. Approval																														
3.2 Review and Approval																														
3.3 Bidding Period 1st Stage																														
3.4 Bid Evaluation incl, Govt. Approval																														
3.5 Review and Approval																														
3.6 Bidding Period 2nd Stage																														
3.7 Bid Evaluation incl, Govt. Approval																														
3.8 Review and Approval																														
3.8 Contract Signing, incl. Registration																														
4. Construction of Plant and Works																														
4.1 Design																														
4.2 Civil Works																														
4.3 Erection																														
4.4 Commissioning																														
4.5 Commercial Operation																														
5. EMP Implementation																														
5.1 EMP Implementation																														

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations – Roles and Responsibilities

Project implementation Management Roles and Responsibilities organizations

➤ Ministry of Finance (MoF) on behalf of Afghanistan	Borrower <ul style="list-style-type: none"> ▪ Represents the Government of Afghanistan Signs Subsidiary Loan Agreement with Da Afghanistan Breshna Sherkat ▪ Implements Subsidiary Loan Agreement and ensures that loan proceeds are used in accordance with the Grant Agreement ▪ Ensures repayment of the loan ▪ Signing of withdrawal and submission of withdrawal application to ADB. ▪ Ensures peripheral infrastructure is completed on schedule ▪ Ensures funding for land acquisition and involuntary resettlement is adequately budgeted and provided on time.
➤ Da Afghanistan Breshna Sherkat (DABS)	Executing Agency <ul style="list-style-type: none"> ▪ Power Generation, transmission and distribution utility ▪ Executes and implements Project Agreement with ADB ▪ Executes Subsidiary Loan Agreement with MoF and complies with terms of Subsidiary Loan Agreement ▪ Implement project physical components and consultancy services in compliance with applicable ADB policies, including procurement and safeguards requirements ▪ Preparation of withdrawal application for MoF approval and retention of supporting documents ▪ Preparation and submission to ADB of any reporting requirements including the DABS annual financial statements' audit report and audit of project financial statements.
➤ ADB ⁹	Lender <ul style="list-style-type: none"> ▪ Main project financier

B. Key Persons Involved in Implementation

Executing Agency

Da Afghanistan Breshna Sherkat (DABS)	Officer's Name Position Telephone	Abdul Razique Samadi Chief Executive Officer +93 752 024301
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⁹ \$57 million will be cofinanced by the Afghanistan Infrastructure Trust Fund administered by ADB. Contributors include the governments of Japan, the United Kingdom and the United States of America.

Email address raziq.samadi@dabs.af
Office Address Chaman Houzori, Kabul, Afghanistan

ADB

Director, Central and West Asia
Energy Division (CWEN)

Staff Name Rune Stroem
Position Director, CWEN
Telephone No. +63-2-632-6356
Email address rstroem@adb.org

Mission Leader

Staff Name Asad Aleem
Position Energy Specialist
Telephone No. +63-2-632-5659
Email address aaleem@adb.org

C. Project Organization Structure

14. DABS is currently the executing agency for ADB-assisted Energy Sector Development Investment Program (Energy MFF).¹⁰ A well-functioning full time Program Management Office (PMO) is already staffed and operational with the dedicated PMO Director. The PMO will administer all consulting and procurement contracts on behalf of DABS. It will be responsible for preparing project plans, bid evaluation reports, progress reports, withdrawal fund applications, and any other required reports to ADB. The Director of the PMO will report directly to the Chief Executive of DABS. The PMO will be the main point of contact for working communication between DABS and ADB. The PMO will direct and manage the consultants and contractors. An organogram of PMO is attached below.

15. The terms of reference of the PMO manager and staff are as follows:

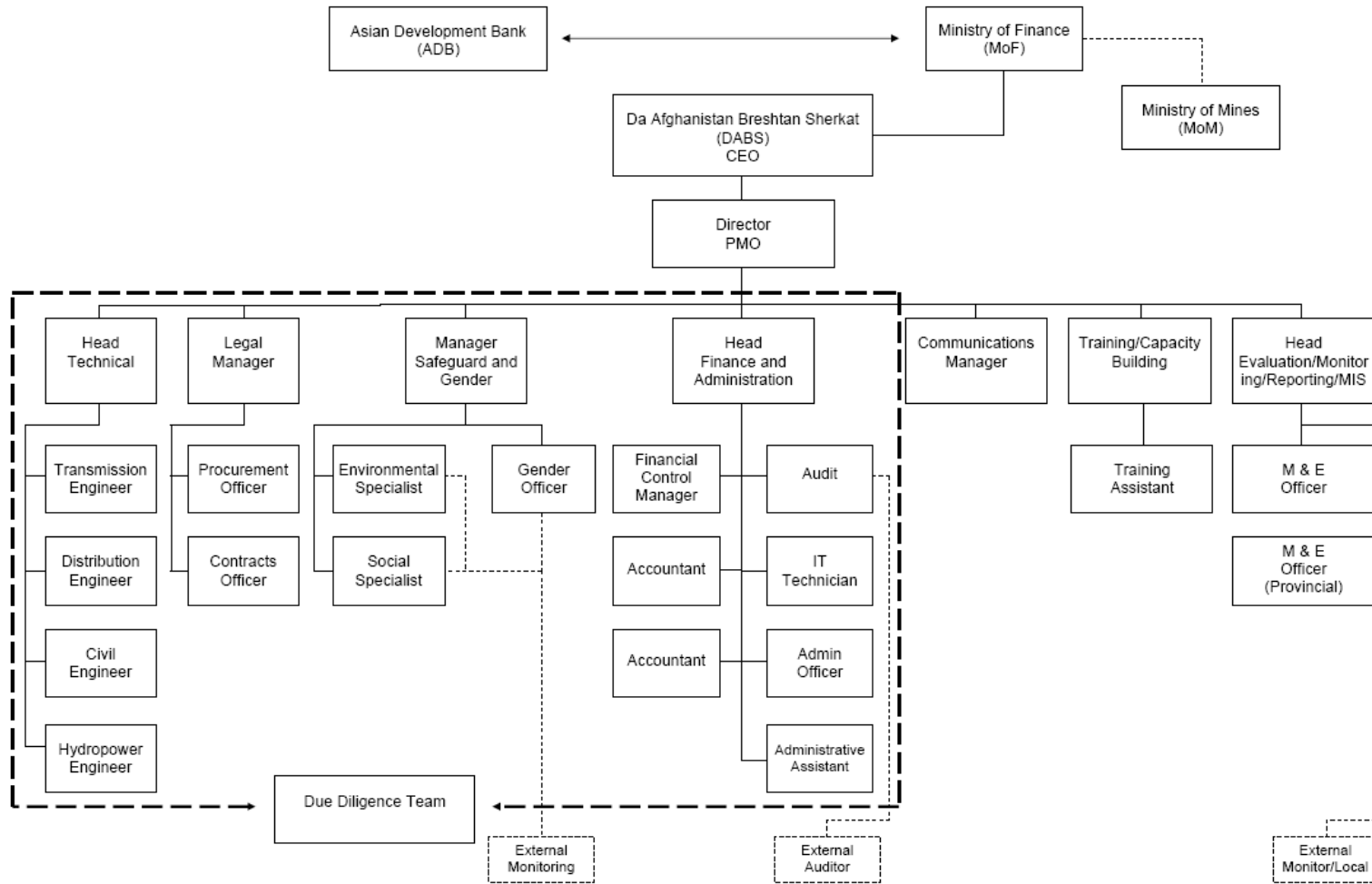
Unit	Responsibility
PMO Director	<p>The PMO Director is a senior management staff of DABS who is responsible for the overall performance of the PMO. S/he is engaged for at least 5 years without interference from the Government.</p> <p>The Director will supervise the day-to-day implementation of the projects and report directly to DABS' Chief Executive Officer DABS. S/he will also be the point of contact with MOF and ADB.</p>
Technical team	<p>The technical team handles all operational and technical matters during implementation including design, procurement, supervision, commissioning. The team will be supported by the engineers of the consultants.</p> <p>The technical team will also be responsible for the technical due diligence of projects to be included in the subsequent tranches.</p>
Legal team	<p>The legal team provides fiduciary oversight to ensure project implementation adheres to the laws and regulations of Afghanistan, as well as with the policies and guidelines of ADB. The legal team will also monitor compliance with the grant covenants.</p> <p>The legal team will also assist with the legal aspects of procurement.</p>
Finance and Administration Team	<p>The finance and administration team handles administration, including withdrawal applications, bank accounts, and payment instructions.</p>

¹⁰ ADB. 2008. *Report and Recommendation of the President to the Board of Directors for a Proposed Energy Sector Development Investment Program (Multitranchise Financing Facility)*. Manila (MFF 0026-AFG for \$570 million approved on 2 December 2008).

Unit	Responsibility
	<p>The team will work with the Evaluation/ Monitoring/ Reporting/Management Information System (MIS) Team to prepare and update the MIS in financial management and administration.</p> <p>The team is also responsible for the financial and economic due diligence of projects to be included in the subsequent tranches.</p>
Safeguards and Gender Mainstreaming Team	<p>The team will prepare/review environmental and social safeguard documents and ensure that project implementation adheres to the safeguard policies of the government and ADB. The team will be responsible for hiring an external monitoring agency which will monitor the contractor's compliance with the environmental monitoring and management plans and land acquisition and resettlement plans (LARPs), and issue no-objection certificates for civil works to commence.</p> <p>The team is also responsible for the safeguard due diligence of the projects to be included in the subsequent tranches.</p> <p>The team will ensure that there are no gender segregation in terms of supply of services and job opportunities.</p>
Due Diligence Team	<p>The team prepares new projects to be included in subsequent tranches. The team consists of staff from technical, legal, finance and administration, and safeguards teams.</p>
Evaluation/Monitoring/ Reporting/MIS Team	<p>The team is responsible to establish a Project Performance Monitoring System for the project, collect baseline data, and update periodically. The team measures the results of ADB projects using a methodology consistent with the Design and Monitoring Framework of the project.</p> <p>The team will also be responsible for establishing the MIS, as well as preparing reports as required by the government and ADB.</p>
Communications Team	<p>The team establishes a strategy and action plan, and communicates regularly with the public on actions and successes.</p>
Capacity Building Team	<p>The capacity building team coordinates staff training on (i) planning and project management, (ii) financial management, (iii) policy refinements, and (iv) business operations (including commercial and operational assistance).</p>

16. The project organization structure and the staffing of the PMO are shown below:

The project organization structure and the staffing of the PMO



IV. COSTS AND FINANCING

17. The project costs consist of:

- a) **Turnkey Contract.** The turnkey contract (2 lots) is for the design, supply, installation, testing and commissioning of the 500 kV transmission line from Dashte Alwan to Kabul (Arghundy substation) and a 500/220-kV Arghundy substation.

This will be under DABS' responsibility. It is financed out of the grant proceeds which is relented by the government to DABS in accordance with the subsidiary loan agreement.¹¹

- b) **Project Implementation and Supervision Consultant.** The project implementation and supervision of the DABS components will be assisted by a team of project supervision consultant.

This will be under DABS' responsibility and recruited by DABS. It is financed out of the grant proceeds which are relented by the government to DABS in accordance with the subsidiary loan agreement. DABS will provide necessary office space and office equipment as its share of the project cost.

- c) **Environmental Management Costs.** The environmental mitigation will be undertaken by the turnkey contractor and included in its contract. The environmental monitoring will be undertaken by project supervision consultant and included in its contract.

- d) **Land Acquisition Cost.** Land acquisition costs are financed by the government as their share of the project cost.

- e) **Security and Demining Cost.** This will be under DABS' responsibility and recruited by DABS. It is financed out of the grant proceeds.

- f) **Taxes and Duties.** Taxes and duties will be covered by the ADF grant and the AITF grant, including business receipts tax, sales tax and customs payments.

- g) **Financial Charges.** Interests during implementation are financed by DABS as their share of the project cost.

¹¹ Subsidiary Loan Agreement between the government and DABS—DABS shall pay to the government the service charge beyond the amount capitalized in the loan at the rate of 1% per annum during the grace period, and 1.5% per annum thereafter, on the amount of the loan withdrawn and not repaid from time to time of 1 June and 1 December in each year. DABS shall repay to the government the principal amount of the loan after the service charge thereon with 32 years including a grace period of 8 years after the execution date of the Subsidiary Loan Agreement.

A. Detailed Cost Estimates by Expenditure Category

Detailed Cost Estimates by Expenditure Category (\$ million)		
Item	Total Cost ^a	% of Total Base Cost
A. Investment Costs^b		
1 Turnkey Contract	181.00	92.90
2 Land Acquisition and Resettlement	1.64	0.84
3 Security and Demining	6.00	3.08
4. Consulting Services	6.00	3.08
Subtotal (A)	194.64	99.90
B. Recurrent Costs^c		
1 Project Management	0.20	0.10
Subtotal (B)	0.20	0.10
Total Base Cost	194.84	100.00
C. Contingencies^d		
1 Physical	19.50	10.01
2 Price	3.50	1.80
Subtotal (C)	23.00	11.80
D. Financing Charges During Implementation^e		
1 Interest During Implementation	2.16	1.11
Subtotal (D)	2.16	1.11
Total Project Cost (A+B+C+D)	220.00	112.91

a Cost estimates include Afghanistan's business receipt tax and sales-type taxes (7%) and customs payment (10%).

b In 2013 prices.

c Includes DABS' project management cost

d Physical contingencies computed at 10% for civil works and 5% for non-civil works.

Inflation factors were included in estimating price contingencies: local – 5.8% (2014), 5.0% (2015 to 2017); foreign – 5.8% (2014), 5.0% (2015 to 2017); foreign – 2.2% (2014), 1.9% (2015), 1.8% (2016 to 2017).

e Includes interest during construction based on an interest rate of 1.0% for the loan between Afghanistan Ministry of Finance and DABS. Interest during implementation is capitalized in the loan.

Source: DABS and ADB estimates.

B. Allocation and Withdrawal of Grant Proceeds

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS			
(North-South Power Transmission Enhancement Project)			
CATEGORY			ADB ADF FINANCING
Number	Item	Total Amount Allocated for ADB ADF Grant Financing (USD)	Percentage and Basis for Withdrawal from the Grant Account**
1	Turnkey Contract*	127,000,000	70.17% of total expenditures claimed
2	Consulting Services	3,000,000	50% of total expenditures claimed
3	Security and Demining	6,000,000	100% of total expenditures claimed
4	Unallocated	23,000,000	
	Total	159,000,000	

*Note: No withdrawals shall be made from the Grant Account for the Turnkey contract until after an updated LARP with respect to such Works has been approved by ADB and implemented in a manner satisfactory to ADB

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS			
(North-South Power Transmission Enhancement Project)			
CATEGORY			AITF FINANCING
Number	Item	Total Amount Allocated for AITF Grant Financing (USD)	Percentage and Basis for Withdrawal from the Grant Account**
1	Turnkey Contract*	54,000,000	29.83% of total expenditures claimed
2.	Consulting Services	3,000,000	50% of total expenditures claimed
	Total	57,000,000	

* Note: The AITF financing will be front loaded to disburse funds. No withdrawals shall be made from the Grant Account for the Turnkey contract until after an updated LARP with respect to such Works has been approved by ADB and implemented in a manner satisfactory to ADB.

** Financing allocated to these items under the AITF Grant Agreement will be utilized first at 100% of every claim until it has been disbursed in full. Thereafter, financing allocated to this item under the Special operations Grant Agreement will be utilized at 100% of every claim.

C. Detailed Cost Estimates by Financier

Detailed Cost Estimates by Financier (\$ million)							
Item	ADF Grant Amount (A)	% of Cost Category (A/D)	AITF Grant ^f Amount (B)	% of Cost Category (B/D)	Gov't Amount (C)	% of Cost Category (C/D)	Total Cost ^a (D)
A. Investment Costs^b							
1 Turnkey Contract	67.00	37.02%	114.00	62.98%	-	-	181.00
2 Land Acquisition and Resettlement	-	-	-	-	1.64	100.00%	1.64
3 Security and Demining	6.00	100.00%	-	-	-	-	6.00
4 Consulting Services	3.00	50.00%	3.00	50.00%	-	-	6.00
Subtotal (A)	76.00	39.05%	117.00	60.11%	1.64	0.84%	194.64
B. Recurrent Costs^c							
1 Project Management	-	-	-	-	0.20	100.00%	0.20
Subtotal (B)	-	-	-	-	0.20	100.00%	0.20
Total Base Cost	76.00	39.01%	117.00	60.05%	1.84	0.94%	194.84
C. Contingencies^d	23.00	100.00%	-	-	-	-	23.00
D. Financing Charges During Implementation^e	-	-	-	-	2.16	100.00%	2.16
Total Project Cost (A+B+C+D)	99.00		117.00		4.00		220.00
% Total Project Cost	45.00%		53.18%		1.82%		100.00%

ADF = Asian Development Fund, AITF = Afghanistan Infrastructure Trust Fund, Gov't = Government.

a Cost estimates include Afghanistan's business receipt tax and sales-type taxes (7%) and customs payment (10%).

b In 2013 prices.

c Includes DABS' project management cost and contract for external auditors to audit the annual project accounts.

d Physical contingencies computed at 10% for civil works and 5% for non-civil works.

Inflation factors were included in estimating price contingencies: local – 5.8% (2014), 5.0% (2015 to 2017); foreign – 2.2% (2014), 1.9% (2015), 1.8% (2016 to 2017).

e Includes interest during construction based on an interest rate of 1.0% for the loan between Afghanistan Ministry of Finance and DABS. Interest during implementation is capitalized in the loan.

f Contributors: the governments of Japan, the United Kingdom, and the United States of America. Administered by ADB. AITF financing will be front-loaded.

Source: DABS and ADB estimates.

D. Detailed Cost Estimates by Output/Components

14

Detailed Cost Estimates by Output/Components (\$ million)

Item	Total Cost ^a	Dashte Alwan-Arghundy Transmission Line		Arghundy Substation	
		Amount	% of Cost Category	Amount	% of Cost Category
A. Investment Costs^b					
1 Turnkey Contract (Dashte Alwan-Arghundy T/L and Arghundy Substation)	181.00	155.00	85.64%	26.00	14.36%
2 Land Acquisition and Resettlement	1.64	1.41	85.98%	0.23	14.02%
3 Security and Demining	6.00	5.16	86.00%	0.84	14.00%
4 Consulting Services	6.00	5.16	86.00%	0.84	14.00%
Subtotal (A)	194.64	166.73	85.66%	27.91	14.34%
B. Recurrent Costs^c					
1 Project Management	0.20	0.10	50.00%	0.10	50.00%
Subtotal (B)	0.20	0.10	50.00%	0.10	50.00%
Total Base Cost	194.84	166.83	85.62%	28.01	14.38%
C. Contingencies^d					
1 Physical	19.50	16.77	86.00%	2.73	14.00%
2 Price	3.50	3.01	86.00%	0.49	14.00%
Subtotal (C)	23.00	19.78	86.00%	3.22	14.00%
D. Financing Charges During Implementation^e					
1 Interest During Implementation	2.16	1.86	86.11%	0.30	13.89%
Subtotal (D)	2.16	1.86	86.11%	0.30	13.89%
Total Project Cost (A+B+C+D)	220.00	188.47	85.67%	31.53	14.33%

T/L = transmission line.

a Cost estimates include Afghanistan's business receipt tax and sales-type taxes (7%) and customs payment (10%).

b In 2013 prices.

c Includes DABS' project management cost.

d Physical contingencies computed at 10% for civil works and 5% for non-civil works.

Inflation factors were included in estimating price contingencies; local – 5.8% (2014), 5.0% (2015 to 2017); foreign – 2.2% (2014), 1.9% (2015), 1.8% (2016 to 2017).

e Includes interest during construction based on an interest rate of 1.0% for the loan between Afghanistan Ministry of Finance and DABS. Interest during implementation is capitalized in the loan.

Source: DABS and ADB estimates.

E. Detailed Cost Estimates Year

Detailed Cost Estimates by Year (\$ million)

Item	Total Cost ^a	2013	2014	2015	2016	2017
A. Investment Costs^b						
1 Turnkey Contract (Daste Alwan-Arghundy T/L and Arghundy Substation)	181.00	0.00	0.00	27.15	99.55	54.30
2 Land Acquisition and Resettlement	1.64	0.00	0.00	0.25	0.90	0.49
3 Security and Demining	6.00	0.00	0.00	0.90	3.30	1.80
4 Consulting Services ^f	6.00	0.00	0.00	0.90	3.30	1.80
Subtotal (A)	194.64	0.00	0.00	29.20	107.05	58.39
B. Recurrent Cost^d						
1 Project Management	0.20	0.00	0.00	0.03	0.11	0.06
C. Contingencies^d						
1 Physical	19.50	0.00	0.98	5.85	7.80	4.88
2 Price	3.50	0.00	0.18	1.05	1.40	0.88
Subtotal (A+B+C)	217.84	0.00	1.15	36.13	116.36	64.20
D. Financing Charges During Implementation^e	2.16	0.00	0.32	1.08	0.54	0.22
Total Project Cost (A+B+C)	220.00	0.00	1.47	37.21	116.90	64.42

T/L = transmission line.

a Cost estimates include Afghanistan's business receipt tax and sales-type taxes (7%) and customs payment (10%).

b In 2013 prices.

c Includes DABS' project management cost.

d Physical contingencies computed at 10% for civil works and 5% for non-civil works.

Inflation factors were included in estimating price contingencies; local – 5.8% (2014), 5.0% (2015 to 2017); foreign – 2.2% (2014), 1.9% (2015), 1.8% (2016 to 2017).

e Includes interest during construction based on an interest rate of 1.0% for the loan between Afghanistan Ministry of Finance and DABS. Interest during implementation is capitalized in the loan.

Source: DABS and ADB estimates.

F. Contract and Disbursement S-curve

18. The graph shows contract awards and disbursement over the life of the project, and annually based on the contract awards and disbursement projections.

Baseline Projections: Project Level

	Contract Awards (in USD million)					Disbursements (in USD million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2013	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2014	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2015	0.00	6.00	181.00	3.00	190.00	0.60	1.38	1.20	28.41	31.59
2016	3.00	0.00	0.00	0.00	3.00	25.41	26.30	33.70	10.00	95.41
2017	0.00	0.00	0.00	0.00	0.00	16.70	14.20	25.10	10.00	66.00
	Total Contract Awards				193.00	Total Disbursements				193.00

Baseline Projections Product Level: AITF Grant*

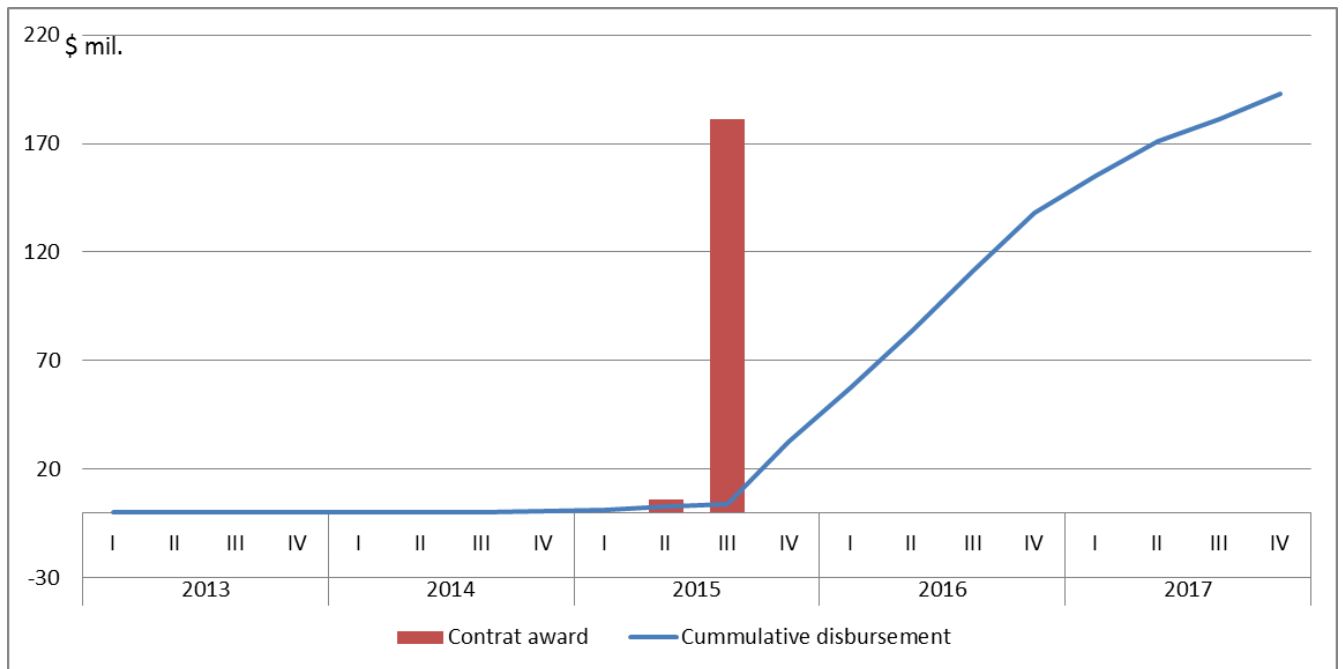
	Contract Awards (in USD million)					Disbursements (in USD million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2013	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2014	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2015	0.00	3.00	54.00	0.00	57.00	0.60	1.38	1.20	28.41	31.59
2016	0.00	0.00	0.00	0.00	0.00	25.41	0.00	0.00	0.00	25.41
2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total Contract Awards				57.00	Total Disbursements				57.00

Baseline Projections Product Level: ADF Grant

	Contract Awards (in USD million)					Disbursements (in USD million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2013	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2014	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2015	0.00	3.00	127.00	3.00	133.00	0.00	0.00	0.00	0.00	0.00
2016	3.00	0.00	0.00	0.00	3.00	0.00	26.30	33.70	10.00	70.00
2017	0.00	0.00	0.00	0.00	0.00	16.70	14.20	25.10	10.00	66.00
	Total Contract Awards				136.00	Total Disbursements				136.00

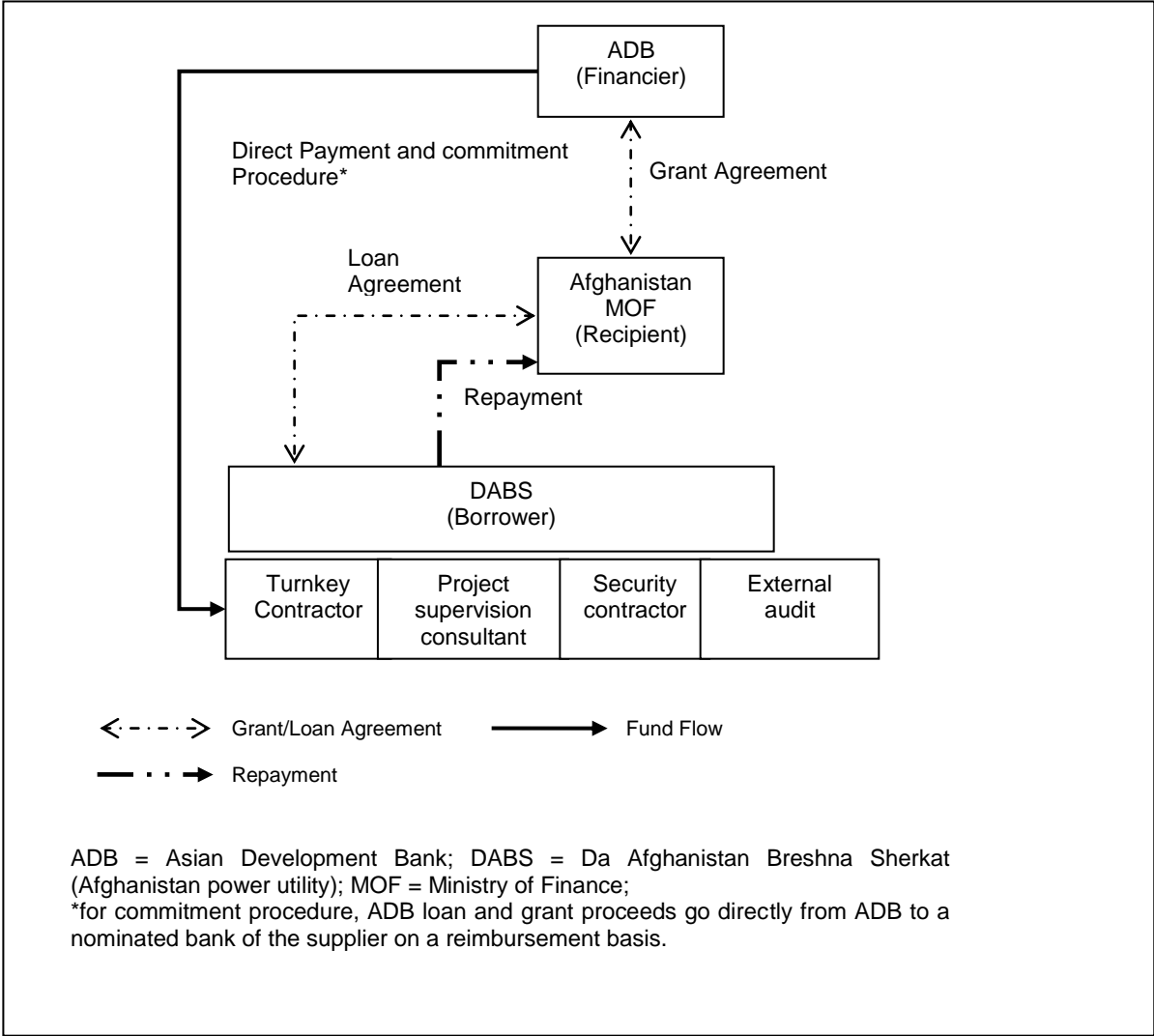
* Note: The AITF financing will be front loaded to disburse funds.

Baseline Projections: S-curve



Note: Graph only includes ADB- and AITF-funded portion excluding unallocated amounts.
 Source: Asian Development Bank estimates.

G. Fund Flow Diagram



V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

19. A financial management assessment (FMA) for DABS was conducted for the North-South Transmission Enhancement Project and in accordance with the guidelines¹² of ADB. The FMA includes a review of DABS’ systems for corporate governance, financial and management accounting, reporting, auditing, internal controls, and fund flow pertaining to the project. A detailed FMA is available in the Supplementary Appendix A: Financial Management Assessment.

20. Significant improvement has been made in comparison with the situation suggested in the previous FMAs. Policies and procedures have been prepared and approved. However, DABS’ capacity in financial management and accounting systems still remains weak and, while

¹² ADB. 2005. *Financial Management and Analysis of Projects*. Manila.

certain policies and procedures may have been established, implementation of such has not fully taken place. Lack of qualified professional staff remains a key issue. However, this FMA also re-asserted that such issue could not be resolved in the immediate future due to the unstable political situation in Afghanistan.

21. The project is expected to improve DABS's financial management in 2 ways. Complying with ADB requirement on external audit for corporate financial statements will improve the transparency of DABS's financial performance. The PMO will maintain adequate and experienced staff, and training on ADB procedure is necessary. Project supervision consultant will be recruited to assist the PMO and to ensure accurate project cost recording, timely disbursement, and accurate and comprehensive reporting.

22. Overall control risk could be mitigated to moderate level through various mitigation measures. The financial management risk assessment and mitigation measures are summarized in the table below:

Risk	Risk Assessment	Management Plan and/or Mitigation Measures
1. Inherent risks (specific to the executing agency)	Substantial	<ul style="list-style-type: none"> Corporate governance will need to be strengthened in order to ensure adequate implementation of all projects and sustainability of the business operation. Policies and procedures to follow national guidelines and best practices. DABS to agree with ADB with regards to the required form and content of regular reporting to SMG of ADB-funded projects by PMO.
2. Financial risks	Moderate/Low	<ul style="list-style-type: none"> DABS' PMO has developed and strengthened its financial management capacity under the earlier 4 tranches. The program management and project implementation consultants are providing adequate assistance in conducting due diligence, and providing requisite training to DABS on financial management. A USAID-funded financial management capacity building program (\$18 million) is also underway in DABS that is providing training and addressing weaknesses identified by the external auditors, as well as under the financial management assessment conducted by other donors. No imprest account procedure will be established.
3. Staffing	Moderate	<ul style="list-style-type: none"> Existing PMO to manage the project and be supported by international consultants.
4. Accounting policies, procedures, and systems	Moderate	<ul style="list-style-type: none"> Similar to previous MFF projects, a project accounting system will need to be established and maintained for the project, with ADB procedures to be followed to minimize financial risk. The external auditors have identified certain weaknesses in the disclaimers for fiscal years 2009 to 2012. These are being mitigated by DABS through extensive assistance of \$200 million by the 3 development partners including ADB, USAID and the World Bank.
5. Internal audit	Moderate	<ul style="list-style-type: none"> Strengthening internal auditing through training to further enhance corporate governance and monitoring and evaluation of business operation.
6. Reporting and monitoring	Substantial/ Moderate	<ul style="list-style-type: none"> A reporting system, which will have functionality for automatic generation of financial reports, will need to be established and maintained for the project.

Risk	Risk Assessment	Management Plan and/or Mitigation Measures
		<ul style="list-style-type: none"> Implementation consultants will be recruited to assist PMO in supervising the project implementation, recording project costs, preparing withdrawal applications and progress reports.
7. Information systems	Substantial/ Moderate	<ul style="list-style-type: none"> Project accounts and other data are kept separated from DABS business operation data across DABS' information systems.
Overall	Substantial / Moderate	<ul style="list-style-type: none"> Overall project risk should be reduced if all mitigation measures are undertaken.

ADB = Asian Development Bank, AFRM = Afghanistan Resident Mission, DABS = Da Afghanistan Breshna Sherkat, MFF = multitranchise financing facility, PMO = Project Management Office, SMG = Senior Management Group, USAID = United States Agency for International Development

B. Disbursement

23. The grant proceeds, including ADB-administered AITF fund, will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2012, as amended from time to time),¹³ and detailed arrangements agreed upon between the government and ADB.

24. The project uses direct payment, commitment, and reimbursement procedures for all the contracts. A team of project supervision consultant will be recruited to assist the DABS PMO in project implementation including preparing disbursement projections, collecting supporting documents, and preparing and sending withdrawal applications to ADB through the MoF. The government and DABS will ensure necessary funds are available and/or in kind contributions are made available for their respective counterpart responsibilities.

25. 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 borrower, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is \$100,000, unless otherwise approved by ADB. The borrower is to consolidate claims to meet this limit for reimbursement. Withdrawal applications and supporting documents will demonstrate, among other things, that the goods and/or services were produced in or from ADB members, and are eligible for ADB financing.

C. Accounting

26. DABS will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project. DABS 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.

D. Auditing

27. DABS will cause the detailed consolidated project financial statements to be audited in accordance with International Standards on Auditing and with the government's audit regulations, by an independent auditor acceptable to ADB. The audited project financial statements will be submitted in the English language to ADB within six months of the end of the fiscal year by DABS.

¹³ Available at: <http://www.adb.org/sites/default/files/loan-disbursement-handbook.pdf>

28. DABS will also cause the entity-level financial statements to be audited in accordance with International Standards on Auditing and with the government's audit regulations, by an independent auditor acceptable to ADB. The audited entity-level financial statements, together with the auditors' report and management letter, will be submitted in the English language to ADB within one month after their approval by the competent authority.

29. The annual audit report for the project accounts will include an audit management letter and audit opinions which cover (i) whether the project financial statements present a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework; (ii) whether loan and grant proceeds were used only for the purposes of the project or not; (iii) the level of compliance for each financial covenant contained in the legal agreements for the project; (iv) use of the imprest fund procedure; and (v) the use of the statement of expenditure procedure certifying to the eligibility of those expenditures claimed under the statement of expenditure procedures, and proper use of the statement of expenditure and imprest procedures in accordance with ADB's Loan Disbursement Handbook and the project documents.

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

31. The government and DABS have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.¹⁴ 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.

32. Public disclosure of the project financial statements, including the audit report on the project financial statements, will be guided by ADB's Public Communications Policy (2011).¹⁵ After review, ADB will disclose the project financial statements for the project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website. The Audit Management Letter will not be disclosed.

¹⁴ ADB Policy on delayed submission of audited project financial statements:

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

¹⁵ Available from <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

VI. PROCUREMENT AND CONSULTING SERVICES

33. A procurement capacity assessment found that the country's procurement system is weak but improving. Public procurement by government controlled corporate entities including DABS, is governed by Public Procurement Law (29 July 2008, with amendment incorporated on 18 Jan 2009) of Afghanistan. A Procurement Policy Unit is established in the MoF for policy and professional development and as a performance monitoring organ in the field of Public Procurement. The Procurement Policy Unit is responsible for prescribing policies and proposing improvements in procurement practices to accomplish the purposes of the Law in all areas of Public Procurement. Although the public procurement legislative framework provides a theoretically sound environment for competitive and transparent procurement, it is not strictly enforced. In addition, the capacities of the procurement entities and the supervising authorized state body on public procurement are limited. Under the ongoing ADB Energy MFF, project supervision and implementation has been engaged in assisting the PMO in the procurement process to ensure that the procurement procedure conforms to ADB's policy and guideline. Under this project, a separate project supervision consultant will be recruited to assist the PMO in project implementation and supervision. A summary of the assessment on the country's procurement system and DABS's procurement capacity is shown below.

Assessment of the National Environment	Business Environment and Enterprise Performance Survey (BEEPS, 2008) reports that crime, theft and disorder and corruption as some of the main problems in doing business. The country also ranked 174 out of 176 countries in 2012 Transparency International Corruption Perception Index.
General Agency Resource Assessment	Da Afghanistan Breshna Sherkat (DABS) has an existing well-staffed project management office (PMO) with experience with ADB and other donor-funded projects. It is staffed with 21 staffs plus a Director. The legal and technical teams are in charge of procurement process. A safeguard team is in charge of safeguard monitoring while the financial and administrative team is in charge of adhering to ADB project accounting requirements. The PMO will continue to be strengthened by capacity building from project supervision consultant to be hired under the project. It is also recommended that appropriate training in ADB guidelines and procedures be provided by ADB.
Agency Procurement Process	The Public Procurement Law (PPL) calls for the procuring entity to assign a department to handle the tender and to establish a Procurement Committee (PC) for each tender. There must be at least three members in the committee. PC functions are (i) verifying proper procurement planning and preparation of procurement proceedings; (ii) approving the proposed invitation, notices, requests and other documents; (iii) open bids and record bid opening; (iv) evaluate bids ; (v) rejecting unsuccessful bids and recommend winner of the bid to the donor; (vi) discharging any other duties or functions.
Process Control and Oversight	The PMO is expected to provide control and oversight of the procurement All the procurement process will be assisted and monitored by project supervision consultant to ensure compliance with ADB guidelines and procedures. This will assure transparency and accountability for all procurement activities.
Records Keeping and Audit	Project management records including procurement are maintained in the PMO. DABS assured ADB that a separate project financial statement will be established and that it will be audited annually by an external auditor acceptable to ADB.
Summary Assessment and Recommendations	The country procurement system and DABS's capacity on procurement are weak. The current procurement practice is considered to be insufficient from the standpoint of transparency and accountability. It is recommended that (i) appropriate training in ADB guidelines and procedure be provided by ADB resources and (ii) the project supervisor consultant closely monitor the procurement progress and undertake timely and adequate actions as necessary to ensure speedy and efficiency procurement in a transparent and competitive manner.

A. Advance Contracting and Retroactive Financing

34. All advance contracting will be undertaken in conformity with and ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time).¹⁶ The issuance of invitations to bid under advance contracting will be subject to ADB approval. The borrower and DABS have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the Project.

35. Advance contracting. Advance contracting is expected for recruitment of project turnkey contractor and the project supervision consultant. Advertisement, shortlisting, issuance of requests for proposals, technical and financial evaluations may take place prior to effectiveness of the grant agreements.

36. Retroactive financing. Retroactive financing is not required.

B. Procurement of Goods, Works and Consulting Services

37. All procurement of goods and works will be undertaken in accordance with ADB's *Procurement Guidelines* (2013, as amended from time to time).

38. DABS will employ a single turnkey contractor to design, manufacture, supply, install and commission the transmission line. The procurement will follow ICB procedure using the ADB's single stage two-envelope bidding procedure. ADB's standard bidding documents for Plant – Design, Supply and Install will be used.

39. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Section C.

40. Project implementation and supervision consultant. Up to 219 person-months (91 international, 128 national) of consulting services are required to (i) develop and implement comprehensive project management plan to ensure most efficient, timely and economical implementation of the project; and (ii) supervise the engineering contractor for supply, installation, commissioning and testing of equipment. Estimated contract duration is 32 months. A consulting firm will be engaged by DABS using the quality-and cost based (QCBS) method with a standard quality cost ratio of 90:10. The reason for the quality cost ratio is due to the complexity of the project. The project supervision consultant will be recruited according to ADB's *Guidelines on the Use of Consultants*.¹⁷ The outline terms of reference for all consulting services are detailed in Section D.

¹⁶ Available at: <http://www.adb.org/documents/guidelines-use-consultants-asian-development-bank-and-its-borrowers>

¹⁷ Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

C. Procurement Plan

A. Basic Data

Project Name: AFG North-South Power Transmission Enhancement Project	
Country: Afghanistan	Executing Agency: DABS
Grant Amount: \$216.0 million	Grant Number: XXXX
Date of First Procurement Plan: 18 September 2013	Date of this Procurement Plan: 18 September 2013

B. Process Thresholds, Review and 18-Month Procurement Plan

41. Except as ADB may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works	
Method	Threshold
International Competitive Bidding for Works	Greater than \$2,000,000
International Competitive Bidding for Goods	Greater than \$500,000
National Competitive Bidding for Works	Beneath that stated for ICB, Works
National Competitive Bidding for Goods	Beneath that stated for ICB, Goods
Shopping for Works	Less than or equal to \$100,000
Shopping for Goods	Less than or equal to \$100,000

1. ADB Prior or Post Review

42. Except as ADB may otherwise agree, the following prior or post-review requirements apply to the various procurement and consultant recruitment methods used for the project.

Procurement Method	Prior or Post	Comments
Procurement of Goods and Works		
International Competitive Bidding for Works, Goods	Prior	
Limited International Bidding for Works, Goods	Prior	
National Competitive Bidding for Works, Goods	First use, Prior	
Shopping for Works, Goods	Post	
Direct Contracting	Prior	
Recruitment of Consulting Firms		
Quality- and Cost-Based Selection	Prior	
Quality-Based Selection	Prior	
Other selection methods: Consultants Qualifications, Least-Cost Selection, Fixed Budget, and Single Source	Prior	
Recruitment of Individual Consultants		
Procurement for recruitment of individual consultants	Prior	

2. Goods and Works Contracts Estimated to Cost More Than \$1 Million

43. The following table lists goods and works contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

General Description	Est. Contract Value (\$ million)	Procurement Method	Prequalification of Bidders	Advertisement Date (quarter/ year)	Comments
500-kV Dashte Alwan- Kabul (Arghundy) transmission line and Arghundy substation	181.0	ICB	No	Q4 2013	Single-stage, two-envelope, 2 lots

ICB = international competitive bidding, kV = kilovolt.

Note: Domestic preference is not applicable for any of the contract packages.

3. Consulting Services Contracts Estimated to Cost More Than \$100,000

44. The following table lists consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

General Description	Est. Contract Value (\$ million)	Recruitment Method	Advertisement Date (quarter/ year)	International or National Assignment	Comments
Project Implementation and Supervision	6.00	QCBS (90:10) (FTP)	Q4 2013	International and National	

FTP = full technical proposal, QCBS = quality- and cost-based selection.

4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000

45. The following table groups smaller-value goods, works and consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

C. Indicative List of Packages Required Under the Project

46. The following table provides an indicative list of all procurement (goods, works and consulting services) over the life of the Project. Contracts financed by the Recipient and others should also be indicated, with an appropriate notation in the Comments section.

Project	Contract Type	Procurement/ Recruitment Mode	Estimated Value (\$ million)	Remarks/Status
1 500-kV Dashte Alwan-Kabul (Arghundy) transmission line and Arghundy substation	Turnkey	ICB	181.0	Single-stage, two-envelope
2 Project Implementation and Supervision Consultant	Consulting Services	QCBS (FTP)	6.00	QCBS 90:10

ICB = international competitive bidding, kV = kilovolt, QCBS = quality- and cost-based selection.

Note 1: Domestic preference is not applicable for any of the contract packages.

Note 2: International and national assignments for all consulting services packages.

D. Consultant's Terms of Reference

[Position-based Terms of Reference to be finalized at recruitment stage]

47. DABS, the executing agency for the North-South Power Transmission Enhancement Project, is an autonomous, corporate state-owned power utility in Afghanistan. DABS wishes to strengthen its power transmission network. The proposed project will construct a 500-kilovolt (kV) transmission line about 225 kilometers long across the Hindukush mountain range between the northern town of Dashte Alwan and Kabul at the southern end. It will include a new 500-kV/220-kV substation to connect to the grid in Kabul, Afghanistan's capital.¹⁸ The project will

¹⁸ The project, including 10 other investment projects, was prepared under a subcomponent of ADB. 2008. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranches Financing Facility and*

add up to 1,000 megawatts (MW) to the existing 300 MW of transmission capacity between northern and southern Afghanistan. The new line will transmit electricity produced domestically by hydropower and fossil fuel generation in the country's northern region, as well as accommodate power imports from neighboring Tajikistan, Turkmenistan, and Uzbekistan to supply Afghanistan's domestic needs.

48. DABS will recruit a Project Supervision and Implementation Consultant to review existing designs, supervise the works of the suppliers and contractors and ensure successful commissioning of the 500-kV transmission line and 500/220-kV substation. The recruitment of the Consultant The implementation consultant will be recruited using QCBS method under full technical proposal, following ADB *Guidelines on the Use of Consultants* (2013, as amended from time to time), in view of the highly specialized and technical nature of the assignment.

49. The consultant needs to ensure that the project would provide efficient, economical, integrated and coordinated transmission and supply of electricity and, in particular to enable interconnections and coordination of grid facilities, grid stability, reliability and security of supply; enhanced safety and level of service for consumers of electricity; train DABS staff vis superior operation and maintenance enabling enhanced operational efficiency of the project transmission system, minimal adverse impact on the local population and consumers of electricity due to construction of the transmission system, minimal adverse impact on environment, minimal additional acquisition of land; and improved financial viability of the transmission grid consistent with the need to minimize frequent outages of electricity and to eliminate transmission constraints in a cost effective manner. The consultant will be recruited to provide project implementation and supervision services for the duration of the Project which is estimated to be 30 months. The scope of services broadly includes

- supervision of the civil construction work (foundation and protection works),
- supervision of erection of the tower structures and substation,
- supervision of the stringing works,
- geotechnical support,
- capacity building and training, and
- reporting.

50. DABS, the executing agency, will provide the consultant, free of charge, with relevant data, information and documents which the consultant may reasonably request, e.g., power system data, transmission/substation design specifications, details of any route considered, any other planning information like land ownership and acquisition, legal requirements, permits needed and granted, public information, among others. The executing agency will arrange and facilitate meetings with relevant institutions and authorities as required and will provide in such context where possible and requested by the consultant translation services, if any, which will be at the consultant's expense.

51. A total of 91 international person-months and 128 national person-months of consulting services will be required under the services. The team composition of the international and national consultants, along with their estimated person-months, is provided in the table below.

Table: Consultant Team Composition¹⁹

International Consultants	No. of Experts	Total PM	National Consultants	No. of Experts	Total PM
Project Manager-Electrical Engineer (Team Leader)	1	24	Electrical Engineer (Deputy Team Leader)	1	28
Substation Engineer	1	21	Electrical Engineer	1	22
Transmission Line Engineer	2	21	Civil Engineer	1	30
Civil Engineer	1	21	Safeguard Expert	1	22
Safeguard Specialist	1	4	Accountant	1	32
Total PM (International Consultants)		91	Total PM (National Consultants)		128

PM = person-month

52. It is envisaged that the project components will be delivered by the turnkey contractor to be procured under international competitive bidding to undertake procurement of plant, design, supply, installation, testing and commissioning of the proposed 500-kV transmission line between Dashte Alwan and Kabul and the Arghundy substation and will be executed by DABS. Project sites are in multiple locations in the eastern region of Afghanistan as indicated above. The consultant must ensure that the contractor deliver the requisite material in time and provide sufficient staff for parallel operation at multiple sites for the timely completion of the project. A designated PMO in DABS will manage the project on behalf of DABS.

a. Scope of Works

53. DABS is a commercialized corporation with limited resources and capacities. Therefore, the role of the consultant would also be to mentor and transfer technical and managerial skills to the young Afghan engineers seconded by DABS through its PMO. The objective of the assignment is to provide engineering, supervisory and managerial services to DABS including review of project implementation aspects (including technical, procurement, safeguards, linkages with upstream and downstream investments, sequencing, schedules, and preparation of necessary documentation for the successful monitoring of the project). The preparation of bidding document and evaluation technical and financial proposals for the turnkey contractor will be undertaken by another team of international consultant already fielded in DABS. The consultant will prepare all reports in English and summary of reports in Dari.

54. The consultant will be responsible for review of the designs and will assist the PMO in planning, as well as developing and implementing comprehensive project management plans, to ensure the most efficient, timely, and economical implementation of the project. This plan should take into consideration the sophisticated engineering technology, the resources and costs involved, and the critical time frame for completion. The consultant will coordinate with other contractors to ensure tie-in of the 500-kV transmission lines with the two newly built and upgraded 220/500-kV substations at Dashte Alwan and Arghundy (Kabul). The consulting services shall be required primarily for the construction phase during which the consultant will be responsible for the following:

¹⁹ The consulting firm can propose change in input months of consultants to effectively deliver the optimized outputs, provided there is no cost impact and the total minimum number of person-months inputs for all expert positions is retained as required and specified in the request for proposal.

- (i) Ensure that the Environmental Management and Monitoring Plan for the project submitted by the contractors is adequate and are in accordance with the IEE.
- (ii) Ensure that any land acquisition and involuntary resettlement are fully compensated and other requirements stipulated in the LARP are fully implemented before the commencement of works.
- (iii) Prepare a project implementation manual covering the project organization, payment procedures, and project time schedule and quality assurance program;
- (iv) Establish a computerized project monitoring program using off-the-shelf software packages.
- (v) Prepare the overall disbursement plan, monitor costs, and maintain project accounts.
- (vi) Review and approve the engineering design drawings, calculations, delivery program, and documents submitted by the contractors.
- (vii) Assist the executing agency in procurement, organizing site visits, monitor the execution of the project components in line with the project time schedules and the work programs provided by the contractors.
- (viii) Assist with the implementation and, if necessary, periodic revisions of LARP and ensure timely reporting on LARP implementation in the quarterly report.
- (ix) Assist the executing agency and the local government with necessary public consultations. Liaise with the executing agency and local government to ensure that all compensations (social and environmental) are paid in a timely manner and that the right-of-way is cleared.
- (x) Certify invoices, prepare withdrawal applications and keep records of any disbursement under the project. Prepare and regularly update the forecast disbursement schedules.
- (xi) Prepare project financial statements recording the project expenditures and annual financial reports ready for auditing by independent auditors; manage cash flows and set up financial management information system.
- (xii) Identify any problem areas during project implementation, proposing remedial actions, and promptly report any outstanding issues to the executing agency;
- (xiii) Conduct field visits and appropriate tests at regular and appropriate times during construction, testing and commissioning.
- (xiv) In line with the work programs of the contractors, prepare and advise the executing agency on the outage planning of existing facilities during implementation/
- (xv) Coordinate safety measures between live components in operation and components under construction. Giving advice and, when required, provide training to the executing agency on safety planning and safety measures.
- (xvi) Conduct factory inspections and performance tests within the framework of the supply contracts.
- (xvii) Review and certify the commissioning test reports submitted by the contractors/suppliers; attend the commissioning phase; establish the list of deficiencies after commissioning; and prepare a time frame for the contractors/suppliers to remedy the deficiencies. Establish a monitoring program for the use of the executing agency.
- (xviii) Prepare and issue provisional acceptance certificates for the works, as well as for spare parts. Prepare the final taking-over certificates, along with the final payments to be issued by the executing agency after the end of the warranty period and the remedy of all deficiencies.

- (xix) Monitor the executing agency compliance with the grant agreement covenants and report to ADB; track project outputs, outcomes and impacts against the project's design and monitoring framework.
- (xx) Prepare monthly progress reports, quarterly reports, project completion report, and other reports deemed necessary by the executing agency and/or ADB; and
- (xxi) Plan and execute capacity building measures (classroom lectures and on-the-job training) to enhance the executing agency's capacity in project management. Implement workshops and study tours related to new technologies in the energy sector appropriate for the executing agency's needs. Capacity building programs should be included in the inception report.

55. The consultant shall address the operation and maintenance (O&M) plan for the project. The project transmission system components, as required, shall be equipped with all the required facilities such as protection, communication, measurement, telemetry and interface equipment, probes and sensors required for connecting to other parts of the transmission grid, as well as supervisory control and data acquisition systems at the national level to allow for the remote monitoring of equipment, to perform reliable and timely maintenance, for instance on protection relays, bay controllers, communication channels, etc., and to ensure safe, secure, stable, reliable and coordinated operation and maintenance of all the components of transmission line systems and substations covered under the project transmission system. The consultant is required to suggest comprehensive periodic maintenance schedules for the transmission system, including a list of the diagnostic tools and testing equipment, etc., with a view to enabling the achievement of the targeted transmission losses and availability factor established by DABS. The consultant shall determine the cost of O&M on a yearly basis until 2030, including the O&M personnel plan, contractor services and spare parts inventory, taking into account the difficult terrain and weather conditions.

56. **Consultant Qualifications, Experts and Person-Months.** The consultant shall have an experience on 500-kV overhead line design, construction and supervision. The consultant shall have performed consulting services on at least one projects involving design and construction of 500-kV overhead lines and in the last five years.

57. **Reporting Requirements.** The consultant will prepare monthly progress reports to be submitted within two weeks from the end of the month that is being reported. Quarterly progress reports will be prepared and submitted within one month from the end of the quarter that is being reported. The format of the progress reports shall be drafted by the consultant and endorsed by the executing agency and ADB, and they should include, but not be limited to, physical progress against schedule and plan for next term; disbursement against schedule and plan for next term; quality test results; safety control; survey of quantity when required; environmental monitoring; social issues including land acquisition and resettlement, as well as implementation of grievance redress mechanisms; compliance with grant covenants; and any other issues to be raised. Annual reports will be prepared by the consultant and shall be submitted within one month from the end of the year that is being reported. Variation orders and any other documents deemed necessary by the executing agency and/or ADB will be prepared. A completion report will be prepared within one month after project completion. All reports will be in English. Safeguard documents are to be translated in Dari/Pashto for public consultations. All documents and reports would be made available on an electronic format to ADB.

58. Specifically, the consultant will prepare the following reports (English):

- (i) quarterly progress reports that will include but not limited to (a) introduction and basic data; (b) utilization of the funds (ADB grant and counterpart funds); and (c)

- status of project scope/implementation arrangements, assessment of changes in the key assumptions and risks, etc.;
- (ii) implementation progress;
- (iii) semi-annual environmental report and updated IEE and EMP;
- (iv) compliance with the grant covenants;
- (v) major project issues and problems;
- (vi) training and capacity building plan, progress status and completion reports;
- (vii) annual projections in terms of contract awards and disbursement and forecast to complete the project;
- (viii) design report, if required; and
- (ix) project completion report.

59. **Implementation Arrangements.** As indicated, the executing agency will be DABS and the PMO will be responsible for supervising and implementing the project. The executing agency will provide the needed counterpart staff, office space, requisite security, including vehicles, telephone and internet connection for every project office.

b. Outputs

60. **Inception Report.** Within 2 months of startup, the consultant will prepare an inception report that would include the revised work plan and implementation schedule, change or revisions in scope, if any, and an agreed way forward till December 2014, with priority actions and milestones.

61. Specifically, the consultant will prepare the following reports (English):
- (i) quarterly progress reports that will include but not limited to (a) introduction and basic data; (b) utilization of the funds (ADB grant and counterpart funds); and (c) status of project scope/implementation arrangements, assessment of changes in the key assumptions and risks, etc.;
 - (ii) implementation progress;
 - (iii) semi-annual environmental report and updated IEE and EMP;
 - (iv) compliance with the loan covenants;
 - (v) major project issues and problems;
 - (vi) training and capacity building plan, progress status and completion reports;
 - (vii) annual projections in terms of contract awards and disbursement and forecast to complete the project;
 - (viii) design report, if required; and
 - (ix) project completion report.

VII. SAFEGUARDS

62. **Environment.** The project is classified as Category B under ADB's Safeguard Policy Statement (SPS 2009). An IEE including an EMP was drafted and disclosed as per ADB public disclosure requirements and is provided as web-linked documents of the report and recommendation of the President (RRP). The IEE including EMP will be finalized by the PMO and project supervision consultant based on detailed design by the engineering contractor and implemented by the project supervision consultant. The consultants' responsibility of the EMP will be included in the respective contract. See Section VIII.B for safeguard monitoring.

63. **Land Acquisition and Resettlement.** The project is classified as Category B under ADB's SPS 2009. A LARP was drafted and disclosed as per ADB public disclosure

requirements and is provided as web-linked documents of the RRP. LARP will be finalized by the PMO and project supervision consultant based on detailed design by the engineering contractor and implemented by the project supervision consultant. The consultants' responsibility of the LARP will be included in the respective contract. See Section VIII.B for safeguard monitoring.

64. **Indigenous Peoples.** The project is classified as Category C under ADB's SPS 2009. The project is not expected to affect indigenous peoples as defined under the SPS.

65. Pursuant to ADB's SPS 2009,²⁰ ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS.

VIII. GENDER AND SOCIAL DIMENSIONS

66. **Gender.** The project is gender neutral, and monitoring is not required.

67. **Social dimensions.** The project does not entail impacts on affordability or operational employment opportunities. During construction the turnkey contractor will be required to ensure equal opportunities for all social groups, equal pay for equal work regardless of gender, and prohibition of child labor. The contractor will also be required to undertake HIV/AIDS awareness activities with imported workers.

²⁰ Available at: <http://www.adb.org/Documents/Policies/Safeguards/Safeguard-Policy-Statement-June2009.pdf>

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

A. DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Increased power trade between Afghanistan and its neighbors, and a higher rate of electrification within the country</p>	<p>Power imports increased from 550 MW in 2011 to 800 MW in 2020</p> <p>Power exports increased from 0 MW in 2012 to 50 MW in 2020</p> <p>Electrification rate in Afghanistan increased from less than 25% in 2012 to 40% in 2020</p>	<p>Afghanistan CSO publications</p> <p>DABS annual report</p> <p>Publications by international development partners</p> <p>AEIC online reports</p>	<p>Assumptions Governments remain committed to regional power trade.</p> <p>Tariff is raised to reflect costs, and billing and revenue collection improves.</p> <p>Power transmission lines from importing countries are made operational.</p> <p>Power purchase and sales agreements are enforced and implemented.</p> <p>Risk Political stability and security deteriorate.</p>
<p>Outcome Supply of power from the north of Afghanistan to the south and east increased</p>	<p>NEPS transmission capacity increases from 150 MW in 2009 to 1,000 MW of connected load by 2018</p> <p>Power shortfall in Kabul reduced from 100 MW in 2013 to 50 MW in 2018</p>	<p>Afghanistan CSO publications</p> <p>Publications by international development partners</p> <p>DABS annual report</p> <p>AEIC online reports</p>	<p>Assumption Power infrastructure in Afghanistan is adequately operated and maintained.</p> <p>Risk Political stability and security environment in Afghanistan deteriorates.</p>
<p>Outputs A 500-kV transmission line from Baghlan to Kabul (Dashte Alwan to Arghundy) commissioned, including a 500-kV/200-kV substation in Arghundy, Kabul</p>	<p>New 500-kV transmission line of 225 km from Baghlan to Kabul installed by 2018</p> <p>New 500-kV/220-kV substation in Arghundy operational by 2018</p> <p>Transmission flow capacity between north and south Afghanistan increased from 300 MW in 2012 to 1,300 MW by 2018</p>	<p>Afghanistan CSO publications</p> <p>DABS annual report</p> <p>Publications by international development partners</p> <p>DABS' project completion reports</p> <p>AEIC online reports</p>	<p>Assumptions Costs related to security and social safeguards remain manageable.</p> <p>Associated NEPS infrastructure is funded, well-maintained, and kept operational</p> <p>Risk Contractors lack interest in implementing power projects in Afghanistan</p>

Activities with Milestones	Inputs
<ol style="list-style-type: none"> 1. 500-kV Dashte Alwan-Kabul transmission line and substation at Arghundy installed (Q4 2016) <ol style="list-style-type: none"> 1.1 Project preparation consultants recruited and fielded in Afghanistan by 31 March 2013 (Q1 2013) 1.2 Feasibility studies completed by 30 September 2013 (Q3 2013) 1.3 Bidding document for EPC contract finalized by 30 November 2013 (Q4 2013) 1.4 Contractor and project supervision consultant mobilized (Q2 2014) 1.5 500-kV Dashte Alwan–Kabul transmission line and substation at Arghundy installed (Q2 2017) 	Grant ADB: \$159.0 million AITF: \$57.0 million^a Government: \$4.0 million

ADB = Asian Development Bank, AEIC = Afghan Energy Information Center, AITF = Afghanistan Infrastructure Trust Fund, CSO = Central Statistical Organization, DABS = Da Afghanistan Breshna Sherkat (Afghanistan's state-owned power utility), EPC = engineering procurement and construction, kV = kilovolt, MW = megawatt, NEPS = North East Power System.

^a Contributors: the governments of Japan, the United Kingdom, and the United States of America.

B. Monitoring

68. **Project Performance Monitoring.** The PMO and project implementation consultants will prepare separate progress reports for the project and submit to ADB on a quarterly basis within 30 days from the end of each quarter. The reports will provide a narrative description of progress made during the period, changes in the implementation schedule, problems or difficulties encountered performance of the project management and implementation consultants, and the work to be carried out in the next period. The progress reports will also include a summary financial account for the project, consisting of project expenditures for the year to date and total expenditure to date. Performance will be evaluated on the basis of indicators and targets stipulated in the design and monitoring framework.

69. Following indicators will be updated in the quarterly progress reports and at the time of semi-annual meetings and the midterm review expected in two years from the date of loan effectiveness. The financial indicators will be monitored annually at the time of submission of:

- (i) Design of the Project complete (milestone)
- (ii) Structural works complete (milestone)
- (iii) Electromechanical equipment delivered on site (milestone)
- (iv) Generating equipment installed (milestone)
- (v) Switchyard and substation complete (milestone)
- (vi) The Project is commissioned (milestone)

70. **Compliance Monitoring.** Grant covenants—policy, legal, financial, economic, environmental, and others—will be monitored through semi-annual project meeting and the midterm review. DABS should submit to ADB semi-annual environmental monitoring reports. After ADB's review, the environmental monitoring reports will be uploaded to ADB website.

71. **Safeguards monitoring** will be performed by DABS' Safeguards Unit and implementation consultants and the results will be included in the quarterly progress reports. Such monitoring should adhere to the requirements in IEE and LARP.

72. **Gender and social dimensions monitoring** is not envisaged specially for this project

as the project is expected to be confirmed as Category C.

C. Evaluation

73. **Inception Mission.** ADB will field an inception mission after grant signing to (i) establish a working relationship between ADB and the executing agency; and (ii) to ensure that the borrower and executing agency understand ADB's procedures.

74. **Review Missions.** ADB will field review missions at least once a year to review overall implementation of the project and update project implementation schedule based on mission findings.

75. **Midterm Review Mission.** ADB will field a midterm review mission after two years of grant signing to assess whether attainment of the project's immediate objective (purpose in terms of the design and monitoring framework) is still likely.

76. **Project Completion Review Mission.** ADB will field a project completion review mission upon physical completion of the project to commence preparation of ADB's project completion report. DABS will submit a project completion report to ADB within 6 months of physical completion of the project.²¹

D. Reporting

77. DABS will provide ADB with:

- (i) quarterly progress reports in a format consistent with ADB's project performance reporting system;
- (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 next 12 months;
- (iii) semiannual environmental monitoring reports during project construction and annual reports during project operation; and
- (iv) a project completion report within 6 months of physical completion of the project. To ensure that projects continue to be both viable and sustainable, project accounts and the executing agency's audited financial statements, together with the associated auditor's report, should be adequately reviewed.

E. Stakeholder Communication Strategy

78. Project information will be strategically disseminated through media at main milestones including loan signing, contract awards and project completion. Grievance redress mechanism will be established at the PMO, by phone and email, and through public consultation events. The PMO is responsible for:

- (i) designation of a focal point for regular contact with project-affected people and other stakeholders;
- (ii) identification of mechanisms for feedback during design and implementation; and
- (iii) details of types of information to be disclosed, mechanisms for public notice including language and timing, and responsibility for implementing and

²¹ Project completion report format available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

monitoring disclosure and dissemination.

79. Following table outlines the framework of communication strategy to be adopted for the project.

Project Documents	Means of Communication	Responsible Party	Frequency	Audience(s)
Project Information Documents (PID)	ADB's website	ADB	Initial PID no later than 30 calendar days of approval of the concept paper, quarterly afterwards.	General public
Design and Monitoring Framework (DMF)	ADB's website	ADB	Draft DMF after post fact-finding mission	Project-affected people
Environment Impact Assessment (EIA)	ADB's website	ADB	At least 120 days before Board consideration	General public, project-affected people in particular
Resettlement Planning Documents	ADB's website	ADB	Post fact-finding mission	General public, project-affected people in particular
Report and Recommendations of the President	ADB's website	ADB	Within 2 weeks of Board approval of the loan	General public
Legal Agreements	ADB's website	ADB	No later than 14 days of Board approval of the project	General public
Initial Poverty and Social Assessment	ADB's website	ADB	Within 2 weeks of completion	General public, project-affected people in particular
Documents produced under Technical Assistance	ADB's website	ADB	Within 2 weeks of completion	General public
Project Administration Memorandum	ADB's website	ADB	After loan negotiations	General public, project-affected people in particular
Social and Environmental Monitoring Reports	ADB's website	ADB	Routinely disclosed, no specific requirements	General public
Major Change in Scope	ADB's website	ADB	Within 2 weeks of approval of the change	General public
Progress Reports	ADB's website	ADB	Within 2 weeks of circulation to Board or management approval	General public
Completion Reports	ADB's website	ADB	Within 2 weeks of circulation to Board for information	General public
Evaluation Reports	ADB's website	ADB	Routinely disclosed, no specific requirements	General public
Performance of the investment program with clearly defined information requirements and indicators, policy construction and reconstruction, 5-year investment plan, business opportunities, bidding process and guidelines, results of bidding process, and summary progress reports of the ongoing projects.	ADB's website	ADB	Per project progress, no longer than monthly	General public

X. ANTICORRUPTION POLICY

80. ADB reserves the right to investigate, directly or through its agents, any violations of ADB's Anticorruption Policy (1998, as amended to date) relating to the project.²² All contracts financed by ADB shall include provisions specifying ADB's right to audit and examine the executing agency's records and accounts and all project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.²³

81. To support these efforts, relevant provisions are included in the loan agreement/regulations and the bidding documents for the project. Procurement will follow ADB's Procurement Guidelines with such modifications as may be approved by ADB's Board in connection with the project; consultant selection will adopt ADB's Guidelines on the Use of Consultants; and disbursement will be made in accordance with ADB's disbursement policies, guidelines, practices, and procedures.

82. DABS will provide updated information on the project on their website, including information on the performance of the project, business opportunities, bidding process and guidelines, outcome of biddings and summary progress reports of the project.

XI. ACCOUNTABILITY MECHANISM

83. People who are, or may in the future be, adversely affected by the project may address complaints to ADB, or request the review of ADB's compliance under the Accountability Mechanism.²⁴

XII. RECORD OF PAM CHANGES

	Approval	Type	Change	Document Section Affected
1			*None as of 22 October 2013	
2				
3				

²² Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

²³ ADB's Integrity Office website is available at: <http://www.adb.org/integrity/unit.asp>

²⁴ For further information, see: <http://compliance.adb.org/>.