

PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Justification

1. Most of the project preparation is financed under the TA-loan-2688-BAN: Subregional Transport Project Preparatory Facility, Rail Component (TA-loan). This Project Preparatory Technical Assistance (PPTA) will provide additional studies necessary for processing the Investment Program, to update design previously completed by BR and to provide additional support to BR during the procurement phase that cannot be covered under the TA-loan.

B. Major Outputs and Activities

2. The PPTA will support the following major outputs and activities (i) Updating the Railway Sector Master Plan; (ii) Assessment of the rolling stock maintenance sector of BR and recommendations for the strategy, investments and organization; (iii) Update the design for the Dhirasram Inland Container Depot (ICD) and associated structures to create a logistic chain with possible private sector involvement linking the ICD with Chittagong Port; (iv) Support BR in the Government-internal approval process; and (v) Procurement Advisory Services for BR.

3. The major outputs and activities are summarized in Table A4.1.

Table A4.1: Summary of Major Outputs and Activities

Major Activities	Expected Completion Date	Major Outputs	Expected Completion Date
Feasibility Studies	July 2014	Inception Report	March 2014
RS Maintenance Assessment	May 2014	Interim Report	May 2014
Update Master Plan	July 2014	Draft Final Report	July 2014
Procurement Advisor	December 2015	Final Report	August 2014

Source: Asian Development Bank estimates.

C. Cost Estimate and Proposed Financing Arrangement

4. The TA for \$1,500,000 equivalent will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-IV). The PPTA is funded by TASF, as no other resources are timely available to fund the scope as required to support the preparation of the SASEC Railway Connectivity Investment Program MFF. The Government will provide counterpart support in the form of counterpart staff, office accommodation, previous studies, reports and surveys, and other in-kind contributions. The detailed cost estimate is presented in Table A4.2.

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

Item	Total Cost
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (27 person-months)	685.0
ii. National consultants (45 person-months)	315.0
b. International and local travel	50.0
c. Reports and communications	40.0
2. Equipment (computer, printer, etc.) ^b	35.0

Item	Total Cost
3. Workshops, training, seminars, and conferences ^c	100.0
4. Surveys	100.0
5. Miscellaneous administration and support costs	25.0
6. Representative for contract negotiations ^e	6.0
7. Contingencies	144.0
Total	1,500.0

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

^b Equipment

Type	Quantity	Cost
IT-System and communication equipment	to be decided	\$25,000
Office equipment	to be decided	\$10,000

^c Workshops, training, seminars, and conferences

Purpose	Venue
Stakeholder Consultation Workshop(s)	Dhaka

Source: Asian Development Bank estimate.

D. Consulting Services

5. The TA will be implemented over 8 months from March 2014 to September 2014. Consulting services will be carried out by a firm of consultants and individual consultants, e.g. as Procurement Advisor and to support Government-internal approvals. About 27 person-months of international consulting and about 45 person-months of national consulting will be provided. ADB will engage the consultants in accordance with its Guidelines on the Use of Consultants (2013, as amended from time to time) using the quality- and cost-based selection with a quality-cost ratio of 90:10. This quality-cost ratio is proposed in light of the high complexity of the TA, which requires specialized inputs from qualified consultants with experience in the fields of railway design and transport, traffic forecasting and traffic modeling, and multimodal transport. The consulting firms will submit simplified technical proposals.

Table A4.3: Summary of Consulting Service Requirements

Position International	Person- months	Position National	Person- months
Transport Planner (Team Leader)	6	Rail Transport Expert (Deputy Team Leader)	8
Railway Engineer	2	Traffic Modeler	6
Multimodal Transport Expert	3	Railway Expert	6
Rolling Stock Maintenance Expert	4	Road and Bridge Engineer	5
Transport Economist	3	Track Engineer	2
Procurement Advisor Expert	4	Rolling Stock Expert	3
Socail/Resettlement Expert	3	Signaling and Telecom Expert	2
Environment Expert	1	Procurement Expert	2
Financial Management Expert	1	Financial Management Expert	2
		Social Development Expert	3
		Resettlement Expert	3
		Environment Expert	3

Source: Asian Development Bank estimates.

6. The outline terms of reference for the project preparatory TA consultants are described in paras. 7 to 14.

7. **Transport Planner/Team Leader** (international, 6 person-months), **Rail Transport Expert/Deputy Team Leader** (national, 8 person-months), **Traffic Modeller** (national, 6

person-months), **Multimodal Transport Expert** (international, 3 person-months), **Road and Bridge Engineer** (national, 5 person-months, two **Railway Engineers** (international 2 person-months and national, 6 person-months); **Track Engineer** (national 2 person-months); **Signal and Telecom Expert** (national 3 person-months): Review available data and studies, prepare the overall reports for all components of the TA based on their individual professional tasks and capacity: (i) Updating the Railway Sector Master Plan; (ii) Assessment of the rolling stock maintenance sector of BR and recommendations for the strategy, investments and organization; (iii) Update the design for the Dhirasram ICD and associated structures to create a logistic chain with possible private sector involvement linking the ICD with Chittagong Port; (iv) Support BR in the Government-internal approval process; and (v) Procurement Advisory Services.

8. **Procurement Specialist** (national, 2 person-months). Prepare the following aspects relating to the ensuing loan project: (i) detailed loan executing agency /implementing agency capacity assessment, and suggested remedial action plan to build executing agency and implementing agency capacity to minimize procurement and financial management risks; (ii) proposed or indicative loan related procurement plan with suggested level of priority or, if applicable, post review based on executing agency and implementing agency capacity assessment; and (iii) indicative implementation schedule with proposed sequencing of consultant recruitment and procurement bidding and awarding.

9. **Transport Economist** (international, 3 person-months), **Traffic Modeler** (national, 6 person-months and **Financial Management Expert** (international 1 person-month and national, 2 person-months): Review existing traffic data and surveys for the Railway Master Plan area, if any; plan and carry out necessary traffic counts, origin-destination surveys and interviews; and forecast traffic demand over a 20-year period. Prepare economic evaluation following ADB's Guidelines for the Economic Analysis of Projects, estimate the expected distribution of project net benefits among freight transport users, passenger transport users, vehicle owners, labor, the Government, and the economy in general, including international trade. Update the Railway Master Plan based on the findings and establish a priority list of projects with ranking of projects in an investment pipeline with prioritization based on criteria agreed upon with the Government. Design of the funds flow and disbursement mechanisms for the ensuing project, based on financial management assessment (FMA) of the executing agency, and identify any further capacity building (financial management and ADB's disbursement procedures) that will be necessary for the project, based on the results of the FMA.

10. **Rolling Stock Expert** (international, 4 person-months, national, 3 person-months): Prepare an assessment of the status of rolling stock maintenance of BR and recommend the strategy, investments and organization; this shall include assessment of the types and needs of current and future rolling stock, needs assessment for maintenance, work-split between different workshops and depots, improvement in management and organization, etc.

11. **Procurement Advisor Expert** (international, 4 person-months): The procurement advisor will be engaged by ADB and will be in place during procurement process for Project 1.

12. **Social Development Expert** (national, 3 person-months): Prepare Poverty and Social Analysis (PSA) report in accordance with ADB's Handbook on Social Analysis (2007) and ADB's Poverty Handbook (2006). The scope shall include an in-depth social, poverty and gender analysis by providing a socioeconomic profile of the project influenced areas to assess local demand for the proposed investments, employment opportunities, child labor, gender specific capacity to take advantage of the likely socioeconomic opportunities that would result

from the Project, HIV transmission and/or other health and safety risks, and to collect baseline data for monitoring social impacts.

13. **Resettlement Expert** (international, 3 person-months national, 3 person-months): Prepare or update (i) Involuntary Resettlement (IR) screening and impact categorization checklists, (ii) indigenous peoples (IP) screening and categorization checklists. (iii) resettlement and Indigenous Peoples frameworks (iv) propose/design a mechanism for grievance redress in these frameworks as well as in safeguard plans, (v) undertake audit(s) of existing facilities, (vi) prepare Resettlement Plans (RP); and (vii) prepare indigenous peoples plans, if required, in accordance with ADB's Safeguard Policy Statement (2009), Government rules, regulations and policies and other related policies such as ADB's Public Communications Policy (2012). The scope shall include, but not be limited to, the following: (i) how the projects could avoid/reduce involuntary resettlement,(ii) the extent of physical and economic displacement expected, if any, by carrying 100% census of the displaced persons and preparing inventory of losses, (iii) whether indigenous peoples are present within/nearby the project areas, and if they will benefit from or be affected by the project, (iv) carry out meaningful consultations with all the stakeholders including displaced persons, and (v) recommend measures and organizational improvements in BR for implementation of the land acquisitions and RP and how to organize the monitoring and documentation of actions taken.

14. **Environment Expert** (international, 1 person-month; national, 3 person-months): Update and prepare (i) environmental categorization form and rapid environmental assessment checklist; and (ii) an environmental impact assessment (EIA) or initial environmental examination (IEE) in accordance with ADB's Safeguard Policy Statement (2009). The environmental considerations will require assessment of environmental improvement and/or emission reduction due to diversion of passenger and cargo traffic from roads to rail. The environmental analysis shall also include analysis of options for carbon financing for the subprojects.

E. Implementation Arrangements

15. BR is the executing agency for the TA.

16. All equipment for the TA will be procured according to ADB's Procurement Guidelines (2013, as amended from time to time) and transferred to the Government upon TA completion. Disbursements under the TA will be made in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

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

Table A4.4: Technical Assistance Processing and Implementation Schedule

Major Milestones	Expected Completion Date
Concept Paper Meeting	December 2013
Approval of concept paper	December 2013
Recruitment of PPTA Consultant	December 2013 – March 2014
PPTA implementation	March – September 2014

Source: Asian Development Bank estimate.