

PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Justification

1. A technical assistance package is required to conduct project related due diligence, site evaluation, and recommendation. These activities will include technical, economic, financial and governance due diligence. It will also cover initial environmental examinations and formulate any potentially required resettlement plans. An environmental assessment and review framework, especially given that formalized environmental awareness towards waste flows such as 'reduce, reuse, recycle' that should translate into best operational practices, a dedicated waste separation / waste recycling program will be prepared for the project.

B. Major Outputs and Activities

2. 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
1. Preparation	November 2014	Inception Report	November 2014
1.1 Conduct stakeholder consultations			
1.2 Start collect baseline data			
2. Due Diligence	February 2015	Interim Report	February 2015
2.1 Site identification and selection			
2.2 Conduct social surveys and impact assessment			
2.3 Feasibility assessment (including CRVA)		Draft Final Report	March 2015
2.4 Preliminary engineering designs			
2.5 Cost estimates and financing plan			
2.6 Assess economic and financial viability			
2.7 Conduct financial management assessment and formulate capacity development plan			
3. Documentation	April 2015	Final Report	May 2015
3.1 Prepare RPs as required			
3.2 Assess environment safeguards and prepare docs			
3.3 Develop implementation arrangements			
3.3 Prepare advance action for detailed design		Bid Documents	June 2015

CRVA = climate, risk, vulnerability, and adaptation; RP = resettlement plan.
Source: Asian Development Bank.

C. Cost Estimate and Proposed Financing Arrangement

3. The PPTA is estimated to cost \$1,192,000, of which (i) \$800,000 to be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V); and (ii) \$225,000 to be financed on a grant basis by the Urban Environmental Infrastructure Fund¹ under the Urban Financing Partnership Facility and administered by ADB. The government will provide in-kind support in the form of counterpart staff, office space and communication facilities for consultants. The detailed cost estimates and financing plan are presented in Table A4.2.

¹ Financing partner: the Government of Sweden.

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

Item	PPTA	UFPF	Total
ADB Financing^a			
1. Consultants			
a. Remuneration and per diem			
i. International consultants (person-months)	460,000	138,000	621,000
ii. National consultants (person-months)	202,000	27,000	202,000
b. Travel, Reports, and Communications	25,500	9,000	34,500
2. Workshops, training and seminars ^b	10,500	12,500	23,000
3. Land transportation	3,000	2,250	5,250
4. Surveys	50,000	25,000	75,000
5. Equipment (Computers, printers, etc) ^c	12,000		12,000
6. Contingencies	37,000	11,250	52,250
Total	800,000	225,000	1,025,000

^a Financed by the ADB Technical Assistance Special Fund (TASF-V).

^b Workshops, training, seminars, and conferences

Purpose	Venue
Project inception, interim & draft final workshop, consultation workshops	Baku and other localities in Azerbaijan

^c Equipment – to be handed over to the EA at the end of the TA implementation

Type	Quantity	Cost
4 desktop computers & 3 laptops with software, 1 laser color printer, 1 photocopying machine, cameras, projector, miscellaneous IT equipment.	2 sets	\$12,000

Note: The government will provide in-kind support (office space, counterpart staff), with estimated value of approximately 14% of the total TA cost.

D. Consulting Services

4. Consultants will be engaged through a firm. The TA will require 10 positions and 26 person-months (pm) of international consulting services, and 8 positions and 25 pm of national consulting services. ADB will select and engage consultants in accordance with ADB's Guidelines on Use of Consultants (2013, as amended from time to time). The quality-and-cost based selection method, using simplified technical proposal procedures, will be followed. The quality-cost ratio will be 90-10, due to the complex technical nature of the assignment and the importance of getting the right expertise for the consultancy.

Table A4.3: Summary of Consulting Services Requirement

Positions	PM	Positions	PM
International		National	
Team Leader (TL) SWM Specialist	7	Deputy TL – Design Engineer	7
SWM Design Engineer	4	Waste Characterization Specialist	4
Waste Characterization Specialist	3	Financial Specialist	2
Institutional Specialist	2	Economist	3
Financial Specialist	2	Institutional Specialist	2
Economist	2	Environmental Specialist	5
Procurement Specialist	2	Resettlement Specialist	1
Environmental Specialist	2	Social and Gender Specialist	1
Resettlement Specialist	1		
Social and Gender Specialist	1		
Subtotal	26	Subtotal	25

Source: Asian Development Bank.

5. **Team Leader, Senior SWM Specialist** (international, 7 pm). Team Leader will lead the team of specialists to investigate the existing SWM conditions and practices, evaluate and

determine optimal SWM solutions in the project areas², taking into consideration: (i) the current legislation, regulation and enforcement, (ii) institutional and organizational arrangements, (iii) financing, tariffs and cost recovery, (iv) physical infrastructure, (v) operations and management, (vi) landfill site identification and selection; and (vii) civil society and private sector participation. Team Leader will develop the proposed project and contribute to and coordinate preparation of the feasibility study, conceptual engineering designs, a due diligence exercise preparation and execution, and a procurement plan for physical and non-physical investments.

6. **SWM Specialist / Design Engineer** (international - 4 pm, national - 5 pm). The specialist will identify the current and alternative location, designs, engineering, civil works, and SWM equipment components and systems for the project areas. Where appropriate, the specialist will evaluate each alternative through least-cost analytical methods, and recommend a preferred location, system and engineering design. For the preferred alternative, a conceptual design of the system will be completed, with outline costs estimates to a level of detail sufficient for loan processing. The specialist will also formulate proposals for closing existing dumpsites.

7. **Waste Characterization Specialist** (international - 3 pm, national - 4 pm). The specialist will formulate and implement a waste characterization program in order to initially the volumes and composition of municipal solid waste being generated in the defined project areas. Using this and other available information, the specialist will develop waste generation and characterization projections over the 2014–2030 SWM planning horizon. He or she will include projections for individual waste generator groups (such as residential, institutional and commercial) within urban, peri-urban and rural areas, and for a range of scenarios relating to population growth, economic development, source reduction, and recycling efficiency.

8. **Financial Specialist / Economist** (international - 4 pm, national - 7 pm). The specialists will prepare assessment of the economic and financial viability of the proposed project; as well as recommendations to support prudent financial management and ensure sustainability of SWM service delivery according to best operational practices and international standards. This will include: (i) financial assessment of the accounts of relevant national and regional / provincial implementing agencies / partners, (ii) financial projections, including cash flows, FIRR, sensitivity and affordability analysis for proposed project, (iii) options analysis for cost recovery and financial improvement, (iv) design of funds flow / disbursement mechanism, (v) design, conduct and management of representative household and industry surveys; (vi) analysis of survey and secondary data to identify effects expected of project attributable changes in solid waste management; (vii) use of estimates of expected project effects in EIRR calculations, as per ADB's Guidelines for the Economic Analysis of Projects, and (viii) analysis and agreement on project financial reporting, auditing and disclosure arrangements.

9. **Procurement Specialist** (international, 2 pm). The specialist will strictly follow ADB Procurement Guidelines and related procedures and develop optimized procurement structures within the scope of the guidelines for easy ADB internal processing. The specialist should guide indicative forming of, at minimum, four procurement packages that will support the core of the IP: detailed design, civil works, SWM collection equipment and vehicles, institutional capacity building. Detailed design and civil works procurement may be combined in a single procurement package as design-build structure. He or she will carry out the following tasks: (i) develop and provide guidance to implementing agency with respect to the procurement capacity building; (ii) lead the preparation of various bidding documents and procurement packages; and (iii) evaluation of bids and assistance with the contract negotiations, if and where applicable.

² Project areas will include: (i) Lower Caucasus Economic Zone, including Qazakh, Aghstafa, Dashkasan, Gadabay, Goranboy, Samukh, Goygol, Tovuz and Shamkir rayons; and (ii) Nakhchivan Autonomous Republic.

10. Environmental Specialist (international - 2 pm, national - 5 pm): The tasks of the environmental specialist will include: (i) preparation of an initial environmental examination (IEE) or environmental impact assessment (EIA) (including Environmental Management Plans), as required for the identified sub-projects, in accordance with ADB Safeguard Policy Statement (2009) and relevant guidelines, and rules and requirements in Azerbaijan; (ii) review the available environmental guidelines and of the need for an environmental management system to facilitate project supervision and monitoring; (iv) review the environmental performance of the EA and IA, and ensure that capacity assessment is included in the IEE or EIA.

11. Resettlement Specialist (international - 1 pm, national - 1 pm): The specialist will carry out resettlement safeguard analysis. His or her tasks will include preparation of land acquisition and resettlement plan in accordance with all relevant policies, particularly the ADB Safeguard Policy Statement (2009).

12. Social and Gender Specialist (international - 1 pm, national - 1 pm): The specialist will carry out social and gender analysis. In particular, he or she will perform the following tasks: (i) make field visits to selected project sites following ADB guidelines in the Handbook on Poverty and Social Analysis (2001); (ii) conduct a socioeconomic survey with the target population of the projects and relevant key stakeholders including non-governmental organizations together with the resettlement specialist; (iii) prepare a socioeconomic profile, undertake poverty mapping and analysis, analysis on access to basic facilities, health and sanitation conditions, gender profile and analysis, labor profile and analysis; (iv) assess the socio-economic benefits and possible entry points for effective gender mainstreaming such as training, job creation, reduction of drudgery, impacts on health and wellbeing; and (v) draft the project Gender Action Plan as it relates to the design and monitoring framework.

E. Implementation Arrangements

13. Executing Agency: According to the recommendations of the Government of Azerbaijan, the executing agency would be the Ministry of Economy and Industry (MEI). For the two designated regions of work, MEI will appoint local counterparts. For the purpose of PPTA implementation, the MEI will provide: (i) office space, (ii) counterpart staff in Baku and at the field levels, and (iii) relevant documentation and data as needed and available. The PPTA will also provide advisory support and facilitation of stakeholder consultations as needed.

14. Disbursements under the TA will be done in accordance with ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time). The consultants may procure equipment through shopping in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). Upon completion of the TA, equipment procured under the TA will be transferred to the EA. The TA is expected to commence in September 2014 and completed by April 2015. The processing and implementation schedule is listed in Table A4.4.

Table A4.4: Technical Assistance Processing and Implementation Schedule

Major Milestones	Expected Completion Date
TA commencement	September 2014
Inception report	November 2014
Interim report	February 2015
Draft final report	March 2015
Final report	May 2015
Financial closure	July 2015

Source: Asian Development Bank estimates.