Support for Transportation Policy Technical Assistance Concept Paper

Date: 27 May 2014

1.	Country partnership strategy (CPS) / Regional cooperation strategy (RCS): • Year included in CPS/RCS/COBP/RCOBP/CPS or RCS midterm review report:						
	Technical Assistance (TA) included in Country Operations Business Plan for Georgia (2014–2016).						
	Document reference number and date approved:						
	IN-441-13. ADB Country Operations Business Plan, Georgia, 2014-2016, December 2013.						
	In case of change in the TA title, type, or amount, please state reason:						
	The proposed TA project was originally identified in the Country Operations Business Plan 2014-2016 as 'Support for Transportation Strategy and Policy' with a budget of \$1,000,000. Subsequent to this, CWTC were notified that the budget was cut to \$750,000. During TA mission in May 2014, the scope of the TA was clarified and the title altered to 'Support for Transportation Policy' to reflect the agreements reached during the mission.						
2.	TA Type						
	□ PATA □ R-PATA □ Yes □ No						
	☐ RDTA ☐ R-RDTA						
4	Categorization of TA: Category A TA Category B TA						
4. 5.	Categorization of TA: Category A TA Category B TA Merits for using the TA approach over the grant-financed project approach:						
J.	wents for using the TA approach over the grant-infanced project approach.						
	Not applicable.						
6.	Coverage Geographical coverage of TA to include all regions within Country Subregional Interregional Georgia.						
7.	For RDTA: Medium-Term Corporate Strategic Priorities for Research:						
	☐ Promoting Inclusive Growth ☐ Address increasing commodity price						
	☐ Addressing Climate Change ☐ Demographic Change						
	Regional Integration Other						
8.	Name of the Specialist (project team leader) in charge of the project: Fergal Trace Name of the Alternate Specialist: Prianka Seneviratne						
	Local Number: 6716 Local Number: 6414						
	Email Address: ftrace@adb.org Email Address: pseneviratne@adb.org						
9.	Department/Division: CWRD/CWTC						
10. Key Development Issues to be addressed:							
Georgia's transport system comprises of five modes – road, rail, sea, air and pipelines (for oil and natural gas). Since 2005 successive governments have revised rules and regulations on the supply of transport infrastructure and services, as well as restructuring institutions and delegating to transport agencies the authority to modernize the transport system. However, with demand for transport growing rapidly a number of key issues still have to be addressed, including:							
incl	1. Lack of transport policy. The transport sector in Georgia lacks an overall sector policy to guide its development in an inclusive and sustainable manner. The lack of which has resulted in each agency developing its own vision / strategy / agenda. The transport sector has a need for a development policy with a suitable road map for each mode and financing arrangements.						

- 2. Institutional issues. Transport institutions are fragmented and under the direction of multiple ministries: the Ministry of Economy and Sustainable Development (MOESD) which has overall responsibility for civil aviation, land and maritime transport, the Ministry of Regional Development and Infrastructure (MRDI) which is responsible for roads, and the Ministry of Internal Affairs that handles policing of roads, including traffic safety matters. There is a need to review the institutional structure within which transport services are provided and ensure that in the long-term both institutional structure, and coordination between agencies, does not represent an impediment to efficient provision of transport services.
- **3. Regulation.** The Maritime Transport Agency, Georgian Civil Aviation Agency, the Land Transport Agency and the State Hydrographic Service of Georgia operate as technical regulators. However, economic regulation of transport services, meaning the regulation of price, service quality and frequency, is rather limited for most modes and needs further development.
- **4. Human resource development needs.** Despite ongoing work by various development partners, the capacity of the various transport agencies still needs to be strengthened. For example, the roads department of the MRDI has evolved into a network manager and contract administrator but internally lacks the skills to efficiently deliver projects. At ministry level the situation also needs improvement: less than 50% of MOESD staff working on transport-related issues are qualified or have received formal education in a transport-related discipline, and it is estimated that 90% of staff members require short-term training to handle their respective assignments, while 20% need post-graduate specializations. There is an urgent need to build transport planning capacity especially within MOESD.
- **5. Ability to prioritize between transport projects.** As noted in the ADB's Georgia *Transport Sector Assessment, Strategy, and Road Map*, Georgia would benefit from a framework for prioritization between competing projects in the transport sector, which would enable them to more efficiently allocate scare resources for transport projects across all transport modes.

11. TA Description:

The TA seeks to develop a national transport policy and action plan for Georgia. As part of this TA the consultants will also complete a framework for prioritization between competing demands in the transport sector, produce a long-term human resource development plan for the transport sector, improve transport planning capacity within MOESD and, after completion of the transport policy and action plan, provide support to transport agencies in implementing action plan.

The national transport policy will review the Georgian transport sector, identify issues that impede the development of the sector and recommend a series of measures designed to improve the delivery of transport services and capacity in Georgia. Recommendations may include, but are not limited to: (i) reforms to existing transport policies, regulations and organizational structures for delivery of transport services; (ii) actions needed to promote Georgia as a multimodal logistics hub linking Asia and Europe, including needed improvements to existing border crossing services/procedures, and the need to ensure that transit traffic yields high economic value to the country; (iii) actions needed to improve road safety in Georgia; (iv) proposals for reasonable funding envelope for transport projects, including consideration of private sector investment and covering both new investments and ongoing operations and maintenance; (v) transport projects to be prioritized in line with prioritization framework created, and (vi) the need for revised engineering design standards.

There are a number of ongoing actions from the World Bank, for example in areas of road safety, financing for the transport sector and multimodal logistics, but World Bank actions stop short of providing a transport policy, the main goal of this TA. The TA consultants will need to coordinate closely with the World Bank consultants to ensure no overlapping of activities.

Prior to the finalization of the national transport policy and action plan, the consultants will identify key areas where implementation support to various transport agencies is necessary to ensure successful implementation. With agreement of the steering committee, the consultants will also provide implementation support.

a. Link to Country Partnership Strategy/Regional Cooperation Strategy:
The need for TA on 'Support for Transportation Strategy and Policy' was identified in the draft Country Partnership Strategy 2014–2018, the Country Operations Business Plan 2014–2016, and ADB's Georgia Transport Sector Assessment, Strategy, and Road Map (2013).

b. Impact

The impact of the TA will be the development of a safer and more efficient of the transport system that promotes economic growth in Georgia. The indicators will be: (i) the number of fatalities per 100,000 population fell from 11.7 in 2012 to 10.0 in 2020, and (ii) share of container freight travelling by rail increased from 4.6% in 2011 to 20% in 2020.

c. Outcome

The outcome of the TA will be government of Georgia being able to plan, identify, appraise and implement necessary transport sector interventions. The indicators will be: (i) institutional / policy / regulatory reforms and human resource development needs accepted by the government, and (ii) prioritization framework accepted by the government.

d. Outputs

The TA outputs will be: (i) national transport policy and action plan; (ii) long-term human resource development plan for transport sector; (iii) capacity strengthening of MOESD in strategic planning, (iv) a framework for prioritization of transport projects, and (v) consulting support to transport agencies in implementing national transport policy and action plan.

12. Assumptions and risks

We assume that all stakeholders, including government ministries, agencies, development partners and civil society, give timely support to consultants' performing assignments.

The identified risks are: deterioration in government finances resulting in reduced budget devoted to transport, lack of support from government agencies on required sector reform, and prolonged decision making leading to delays in government acceptance of project outputs.

13. Implementation Arrangements

a. Proposed executing and implementing agency

The transport policy department of MOESD will be the executing agency for this TA. The transport policy department of MOESD will be responsible for providing the government's in-kind contributions of office space (suitable for 3 international and 2 national staff), basic office supplies and counterpart staff. The Transport and Communications Division of the Central and West Asia Department will administer the implementation of the TA in coordination with ADB's Georgia Resident Mission.

A steering committee will be formed, with the transport policy department of MOESD being the key counterpart from the Georgian government, to guide the project's development. The steering committee will consist of representatives of: MOESD, MRDI, Roads Department, and Georgian Railways and other key stakeholders in the transport industry including private sector, development agencies and non-governmental organizations. The steering committee will be chaired by MOESD will act as a secretariat of the committee and regularly report to the steering committee and ADB about the progress of the TA. MOESD will designate a Project Director, who will be the primary MOESD focal person for the TA.

Disbursements under the TA will be done in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

b. Institutional, organizational, procurement, and/or financial management assessments on the executing and implementing agency previously conducted. Not applicable

c. ADB inputs

The TA will be implemented over 24 months, from December 2014 to December 2016. The TA will mobilize and engage 20 person-months of individual international consultants and 18 person-months of individual national consultants over the 2-year TA period. The international consultants will comprise: a transport planner, a transport economist, and a human resources development specialist. The national consultants will comprise a national transport specialist and an institutional and regulatory specialist. All experts shall be recruited by using ICS method and following ADB's *Guidelines on The Use of Consultants by Asian Development Bank and Its Borrower's* (2013, as amended from time to time). Proceeds of the TA will be disbursed in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

It is envisaged that external peer reviewers will be brought in as resource persons to provide additional guidance to the team.

d. Complementary inputs to be provided by the government and/or other TA providing agencies

MOESD will be the primary focal point for the government of Georgia for this TA, and will be responsible for providing support in the form of office accommodation, basic office supplies, counterpart staff and other in-kind contributions.

14. Nature and/or extent of government and/or beneficiary involvement in identifying or conceptualizing the assistance:

ADB has been asked by the Government of Georgia to assist with the completion of a national transport policy, action plan and strengthening the transport planning capacity of government institutions. The need for TA on 'Support for Transportation Strategy and Policy' was jointly identified in the draft Country Partnership Strategy 2014–2018, the Country Operation Business Plan 2014–2016 and is outlined in detail in the ADB's Georgia Transport Sector Assessment, Strategy, and Road Map. A TA mission to Tbilisi in May 2014 confirmed government support from the TA and clarified the nature and scope of services required as part of the TA.

15. Cost Estimates and Proposed Financing Arrangements

The TA is estimated to cost \$825,000 equivalent. It is proposed that the ADB provide \$750,000 equivalent on a grant basis from TASF-V. The government of Georgia will provide necessary in-kind counterpart resources, in the form of office space, basic office supplies and counterpart staff, to assist the consultants in carrying out the required tasks and activities.

Source	Amount (\$)	
ADB ^a		
TASF-V	\$750,000	
Total	\$750,000	

^a Administered by ADB.

Source: Asian Development Bank.

- 16. Initial assessment on eligibility of expenditure
- Proposed activities are likely to comply with specific fund regulations, agreements and/or guidelines.
 - Waiver from the Board may be necessary for {exceeding the normal limit of the use of pilot testing on the project approach.} {use of TASF for items other than the eligible activities defined by TASF regulations.}

17. Monitoring and Evaluation

During implementation, the TA will be monitored by the ADB project team leader and the MOESD. The transport planner will act as team leader for consultants and be primarily responsible for deliverables required as part of TA. The consultants will be required to submit monthly and quarterly progress reports which will be used to review progress in implementation of the TA. The TA implementation will also be reviewed during TA review missions and monthly project team videoconference meetings. Good practices and lessons learned from the TA will be identified by the consultants and outlined in TA outputs.

18. Estimated period of TA implementation:

a. Approval of TA
b. Physical completion of TA
c. Closing of TA
June 2014
December 2016
March 2017

Project Classification Information Status: Complete

POLICY AND ADVISORY TECHNICAL ASSISTANCE AT A GLANCE

1.	Basic Data			Project Number	47220-00	
	Project Name	Support for Transportation Policy (formerly Support for Transportation Strategy and Policy)	Department /Division	CWRD/CWTC		
	Country	Georgia	Executing	Ministry of Economy and Sustainable		
	Borrower	Ministry of Economy and Sustainable Development	Agency	Development of Georgia		
2.	Sector	Subsector(s)	ADB Financing (\$ million)			
1	Transport	Transport policies and institutional devi	elopment		0.75	
				Total	0.75	
3.	Strategic Agenda	Subcomponents	Climate Chan	ge Information		
	Inclusive economic growth Environmentally sustainable growth	Pillar 1: Economic opportunities, including jobs, created and expanded Global and regional transboundary environmental concerns	Climate Change impact on the Low		Low	
4	Drivers of Change	Components	Gender Equity and Mainstreaming			
	Governance and capacity development Knowledge solutions	Institutional development Organizational development Application and use of new knowledge solutions in key operational areas Knowledge sharing activities	No gender elements (NGE)		J	
5.	Poverty Targeting		Location Impa	act		
	Project directly targets poverty	No	Nation-wide High			
6.	TA Category:	В	,			
7.	Safeguard Categoriza	tion Not Applicable				
8	Financing					
•	Modality and Sources			Amount (\$ million)		
	ADB			0.75		
	Sovereign Technical Assistance: Technical Assistance Special Fund 0.75					
	Cofinancing 0.00					
	None			0.00		
	Counterpart 0.00					
	None			0.00		
	Total 0.75					
9.	Effective Developmen Use of country procurer		10			
	Use of country procurer	ment systems No nancial management systems No				

PRELIMINARY DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
Impact Safer and more efficient transport system that promotes economic growth in Georgia	By 2020: The number of fatalities per 100,000 population fell from 11.7 in 2012 to 10.0 in 2020 Share of container freight travelling by rail increased from 4.6% in 2011 to 20% in 2020	World Health Organization Global Status Report on Road Safety MOESD data on truck movements	Assumption Government is committed to national transport policy, including funding necessary to implement measures contained therein Risk Deterioration in economic conditions results in reduction in available budget
Outcome Government is able to plan, identify, appraise and implement necessary transport sector interventions.	By 2016 Institutional / policy / regulatory reforms and human resource development needs accepted by the government Prioritization framework accepted by the government	Government publication of transport sector policy Consultant reports	Risk Lack of support from transport agencies on required sector reform
1. Transport sector policy recommendations and action plan for Georgia developed 2. Long term human resource development plan for the transport sector completed 3. Transport planning capacity within MOESD and other transport agencies strengthened 4. Framework for prioritization of transport projects completed 5. Consulting support to transport agencies in implementing developed transport policy and action plan	Transport policy and action plan agreed with steering committee (by 2015) Human resource development plan agreed with steering committee (by 2015) At least 5 key staff trained in transport planning (by 2015) Structure of prioritization framework agreed with steering committee (by 2015) Agreement on scope of implementation support agreed with steering committee (by 2016)	Consultant reports	All stakeholders, including government ministries, agencies, development partners and civil society, give timely support to consultants' performing assignments. Risk Prolonged decision making delays acceptance of TA outputs.

Activities with Milestones

1. Transport sector policy and action plan for Georgia developed

- 1.1 Conduct initial consultations (by March 2015)
- 1.2 Review of existing issues, and future challenges, in transport sector (by June 2015)
- 1.3 Produce draft sector policy and action plan and completion of final consultations (by October 2015)
- 1.4 Finalize transport policy and action plan based on comments received during consultations (by December 2015)

2. Long term human resource development plan for the transport sector completed

- 2.1 Conduct initial consultations (by March 2015)
- 2.2 Review existing human resource development needs in the transport sector (by June 2015)
- 2.3 Produce long term human resource development plan (by October 2015)

3. Transport planning capacity within MOESD and other transport agencies strengthened

- 3.1 Review existing transport planning capacity in MOESD (by June 2015)
- 3.2 Provide training in transport planning (by December 2015)

4. Framework for prioritization of transportation projects completed

- 4.1 Review current mechanisms to allocate assets to transport projects (by June 2015)
- 4.2 Produce prioritization framework (by October 2015)

5. Consulting support to transport agencies in implementing developed transport policy and action plan

- 5.1 Identify need for implementation support (by October 2015)
- 5.2 Commence implementation support (by January 2016)
- 5.3 Finalize implementation support (by December 2016)

Inputs

ADB: \$750,000 (TASF-V)

Note: The government will provide counterpart support in the form of: office space, basic office supplies, counterpart staff, and other in-kind contributions.

ADB = Asian Development Bank, MOESD = Ministry of Economy and Sustainable Development, MOF = Ministry of Finance, MRDI = Ministry of Regional Development and Infrastructure, TA = Technical Assistance, TASF-V = Technical Assistance Special Fund-V. Source: Asian Development Bank.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Introduction

- 1. Under the Technical Assistance (TA), 38 person-months of consultant services (20 international and 18 national) will be provided through individual consultants to help the Government of Georgia to formulate a transport sector policy for 2014–2020. The Consultants will be recruited according to the ADB's *Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers* (2013, as amended from time to time).
- 2. The individual international and national consultants will work closely with the Transport and Communications Division of the ADB's Central and West Asia Department, who are responsible for implementing this TA. The transport policy department of MOESD will be the executing agency for this TA.

B. Terms of Reference

- 3. The consultant's tasks will include, but not necessarily be limited to:
 - (i) Preparation of a comprehensive review of the existing status of the transport sector. The review will cover but not be limited to: (a) the contribution of the transport sector to the economic and social development of Georgia; (b) demand for transport services and infrastructure; (c) current state of both physical transport infrastructure and of transport services; (d) legislative, regulatory and policy background; (e) efficiency of border crossing services; (f) transport planning capacity at ministry and transport agency levels; (g) general human resource capacity in transport sector; (h) current development plans for road, rail, maritime and aviation sectors; (i) operations and maintenance; (j) transport and road safety; (k) current issues impeding the development of Georgia as a multimodal transport hub and recommendations for improvements to logistics efficiency; (l) environmental impacts of transport; and (m) funding envelope available for transportation and (n) current practices regarding allocation of resources between transport sectors/modes.
 - (ii) Review of future challenges for the transport sector, considering Georgia's strategic geographic location, and the demographic and economic background. This review will consider the government's desired goals for the transport sector and other relevant policies.
 - (iii) Undertake consultations on the formulation of the transport policy and action plan. While consultations will be held throughout the TA, two main consultation workshops are to be arranged: at project inception, seeking the views of stakeholders as to existing, and likely future, issues in the transport sector; and upon completion of the draft transport policy. The stakeholders to be consulted will include but not be limited to: relevant government ministries, transport agencies, state-owned transport agencies, private sector, civil society, the general public, and international development partners.
 - (iv) Work with consultants from the World Bank and other development agencies currently working on projects on e.g. road safety action plan, green transport / multimodal logistics, transport sector financing strategies, to ensure (a) no overlapping of activities, and (b) a common vision for development of the transport sector in Georgia.

- (v) Preparation of a long term human resource development plan for the transport sector. This plan will: (a) consider existing transport planning capacity within relevant transport agencies; (b) review existing transport agency staff skill levels; (c) identify any mismatch between current staff skill sets and organizational needs across each transport agency; (d) consider the university sector (e.g., Batumi State Maritime Academy, Free Tbilisi University, Georgian Aviation Academy, and Georgian Technical University) as well as potential for community colleges and continuing education programs, and (e) propose a series of recommendations designed to ensure that relevant transport sector agencies have workforces with the appropriate skills mix and experience.
- (vi) Review of existing strategic planning capacity within MOESD and other transport agencies and strengthening of their ability to plan long-term for development of sector policies, and transport services and capacity.
- (vii) Preparation of a framework for prioritization of transport sector projects. This framework will assist transport agencies and decision makers on transport projects through the process of ensuring that the best choices are made and the best value for money obtained from investment in transport projects in Georgia. The final product will be in line with best international practice and will be an objectives lead framework within which the various costs and benefits of a project can be brought together for consideration. The framework will likely include both Cost Benefit Analysis (CBA) and Multi-Criteria Analysis (MCA) approaches.
- Preparation of a national transport policy, which will include but not be limited to: (viii) (a) review the importance of transport to the economy of Georgia; (b) summarize existing demand for transport and existing condition of transport infrastructure and services; (c) review existing funding of transport sector and propose a reasonable funding envelope for transport distinguishing between various modes and between operation and maintenance of existing infrastructure and new investment; (d) set out the strategic priorities for transport in Georgia, including key transport corridors for development; (e) review the structure for delivery of existing transport services and recommend necessary reforms in transport policies, regulations and organizational structure; (f) summarize the framework for prioritization of transport policies; (g) summarize the human resource plan developed: (h) recommend a series of measures designed to develop Georgia into a multimodal logistics hub; (i) review existing border / customs facilities and make recommendations as to needed improvements to facilities and procedures; (j) review progress made in terms of road and transport safety and make any recommendations necessary to fulfill targets outlined in Georgia's road safety action plan; (k) impact on the environment and climate change; and (l) review design standards relating to transport projects and make recommendations as to needed changes.
- (ix) Finalization of transport sector policy, action plan, long term human resource development plan and prioritization framework after completion of final round of consultations.

C. Composition of Consultants

4. The consultant team will comprise of 3 international individual consultants and 2 national individual consultants. The international consultants will comprise (i) transport planner (10 person-months); (ii) transport economist (5 person-months); and (iii) human resource specialist (5 person-months). The international transport planner will also serve as the team leader coordinating the inputs of all international and national specialists and the delivery of the TA.

The national consultants will comprise (i) an institutional / regulatory specialist (6 personmonths), and (ii) national transport expert (12 person-months). It is envisaged that in addition to the consultant team, ADB will bring in external peer reviewers as resource persons.

D. Reporting Requirements

- 5. The consultants will be required to submit the following deliverables to the Government of Georgia and ADB: (i) an inception report within 4 weeks of commencement of services; (ii) a draft review of the existing state of, and future challenges for, the transport sector within 12 weeks of commencement of services; (iii) a draft human resource plan for the transport sector within 24 weeks of commencement of services; (iv) a draft prioritization framework for transport projects within 24 weeks of commencement of services; (v) a draft transport policy within 36 weeks of commencement of services, and (vi) final transport policy within 44 weeks of commencement of services. The Consultants will also submit progress reports to the ADB and Government of Georgia every 4 weeks throughout the TA. Draft reports shall be finalized no later than two weeks after receipt of comments from ADB and Government of Georgia.
- 6. The inception report, all progress reports, the prioritization framework, the long term human resource development plan for the transport sector, the transport policy and action plan are to be delivered in a format to be agreed with ADB and the Government of Georgia. Six copies (three in English and three in Georgian) of all reports are to be provided to MOESD and three copies (in English) to be delivered to ADB. The main text of the transport policy should not exceed 100 pages including executive summary, whilst both the prioritization framework and the human resource development plan should not exceed 75 pages (A4-size, single spaced). A separate 4-page knowledge product based on the transport policy and action plan should also be produced. An electronic copy of the final draft of the transport policy (in Word and PDF formats), knowledge product, and a presentation to the government (in Powerpoint format) will be submitted to MOESD in Georgian and English and to ADB (in English) at the end of the services.