

PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Justification

1. The KP government has requested a project preparatory technical assistance (PPTA) from the Asian Development Bank (ADB) to prepare the proposed Khyber Pakhtunkhwa Provincial Roads Improvement Project (project). The project will (i) rehabilitate 350 km of provincial highways in KP; (ii) contract out routine maintenance work for about 200 km of provincial highways combined with connecting district roads based on performance-based maintenance contract; and (b) enhance the functionality of RAMS. The PPTA will carry out required due diligence and will complete technical, economic, financial, social, and environmental due diligence in accordance with ADB's requirements. The PPTA will also assist the executing agency (EA) in developing required documentation for country resource allocation including PC-1 for submission to the Planning Commission.

B. Major Outputs and Activities

2. The major outputs and activities are presented in Table A3.1.

Table A3.1: Summary of Major Outputs and Activities

| | Major Activities | Expected Completion | Major Outputs |
|--------|--|---------------------|---|
| | Consultant mobilization | Month 1 | Work program; Inception report |
| Task 1 | Selection of project roads (Group 1 and Group 2), technical viability assessment, engineering design for Group 1 roads, preliminary design for Group 2 roads, security assessment, and procurement packaging | Months 1 to 5 | <ul style="list-style-type: none"> • Final engineering design and bill of quantities for Group 1 roads • Preliminary engineering design and initial bill of quantities for Group 2 roads (to be confirmed after detailed engineering) • Project procurement risk assessment and management plan • Procurement plan • Terms of reference for detailed design of reconstruction/major rehabilitation/improvement works for Group 2 roads and terms of reference for supervision consultancies • Final bid documents for Group 1 roads • Draft master bid document and request for proposal for detailed design for Group 2 roads • Request for proposal for supervision consultancy for both Group 1 and 2 road works contracts • Final project administration manual and design and monitoring framework • Final feasibility study report |
| Task 2 | Design of road asset management system enhancement and procurement packaging | Months 2 to 5 | <ul style="list-style-type: none"> • Concept and design paper for road asset management system enhancement to be launched under the project • Terms of reference and request for proposal for consultancy for road asset management system enhancement • Bid document for road asset management system enhancement |

| | Major Activities | Expected Completion | Major Outputs |
|--------|--|---------------------|---|
| Task 3 | Environment and social safeguards survey and analysis, climate change risk and impact assessment, validation of indigenous people existence and analysis, and social, poverty, and gender analysis | Months 2 to 5 | <ul style="list-style-type: none"> • IEE (or EIA) report • Climate change risk assessment and management report • Draft LARP • Final IP report • Poverty and social report |
| Task 4 | Financial analysis and management assessment | Months 3 to 5 | Financial analysis report, risk assessment and risk management plan (financial, procurement, governance) |
| Task 5 | Economic assessment | Months 2 to 5 | Economic analysis report |

Group 1 Roads: Road links requiring functional/structural asphalt concrete overlays with minor drainage and safety improvements; and Group 2 Roads: Remaining road links requiring major rehabilitation and/or reconstruction with safety and climate resilience enhancements.

Source: Asian Development Bank.

C. Cost Estimate and Proposed Financing Arrangement

3. The TA is estimated to cost \$1,000,000 which will be financed on a grant basis by ADB's technical assistance special fund (TASF-V). The KP government was advised that approval of the TA does not commit ADB to financing any ensuing project. The detailed cost estimate is presented in Table A3.2.

Table A3.2: Cost Estimates and Financing Plan
(\$'000)

| Item | Total Cost |
|---|--------------|
| Asian Development Bank | |
| 1. Consultants | |
| a. Remuneration and per diem | |
| i. International consultants (21 person-months) | 513 |
| ii. National consultants (37 person-months) | 287 |
| b. International and local travel | 47 |
| c. Reports and communications | 5 |
| 2. Vehicle Rental ^a | 25 |
| 3. Surveys ^b | 60 |
| 4. Miscellaneous administration and support costs | 5 |
| 5. Contingencies | 59 |
| Total | 1,000 |

^a Vehicle Rental: For consultant firm, expected length of use 2 vehicles for office of consultant team and 3 vehicles for conducting surveys at site.

^b Surveys include topographic survey, pavement and structure condition survey, traffic counting, social surveys and others as necessary.

Source: Asian Development Bank estimates.

D. Consulting Services

4. The TA will be implemented by a combined team of international and national consulting firms over a 6-month period commencing from December 2016. The services will require 21 international person-months and 37 national person-months. ADB will select and engage the consulting firm in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). Table A3.3 shows the summary of consulting services requirements. The consultant firm will be hired using quality-and cost-based selection (QCBS) method with a quality to cost ratio of 90:10.

Table A3.3: Summary of Consultant Service Requirement

| Positions | Preference |
|---------------------------------------|-------------------------|
| International | |
| Team Leader/Highway Expert | Key |
| Road Asset Management System Expert | Key |
| IT Expert | Non-key |
| Transport Economist | Key |
| Financial Management Expert | Non-key |
| Environment Expert | Non-key |
| Climate Change Adaptation Expert | Non-key |
| Resettlement Expert | Non-key |
| Procurement Expert | Non-key |
| International Input | 21 Person-Months |
| National | |
| Deputy Team Leader / Highway Engineer | Key |
| Geotechnical Engineer | Non-key |
| Bridge Engineer | Non-key |
| Materials Engineer | Non-key |
| Hydrologist | Non-key |
| Transport Economist | Non-key |
| Financial Management Expert | Non-key |
| Environment Expert | Non-key |
| Resettlement Expert | Non-key |
| Social and Gender Expert | Non-key |
| Procurement Expert | Non-key |
| GIS Expert | Non-key |
| National Input | 37 Person-Months |
| Total Input | 58 Person-Months |

Source: Asian Development Bank estimates.

5. The terms of reference for the PPTA consultants are described in the Supplementary Appendix.

E. Implementation Arrangements

6. CWD will be the executing agency. PKHA will be the implementing agency, and a PIU at PKHA has been established for the overall implementation of the PPTA including supervision of consultants. The KP government will provide counterpart support in the form of counterpart staff, field visit facilities and security.

7. PPTA funds will be disbursed in accordance with ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time).

8. The proposed PPTA processing and implementation schedule is listed in Table A3.4.

Table A3.4: Technical Assistance Processing and Implementation Schedule

| Major Milestones | Expected Completion Date |
|-------------------------------------|---------------------------------|
| Project Concept (and PPTA) Approval | September 2016 |
| Consultant Mobilization | December 2016 |
| PPTA Inception Report | December 2016 |
| PPTA Interim Report | February 2017 |
| PPTA Draft Final Report | April 2017 |
| PPTA Completion | May 2017 |

Source: Asian Development Bank estimates.