

## PROJECT PREPARATORY TECHNICAL ASSISTANCE

### A. Justification

1. The Government of the Democratic Republic of Timor-Leste has requested the Asian Development Bank (ADB) for a project preparatory technical assistance (TA) to prepare the Urban Services Improvement Sector Project. The TA is required to: (i) assist the National Directorate for Water Services (DNSA) to plan and prioritize investments to improve water supply services in Dili, (ii) assist the National Directorate for Basic Sanitation (DNSB) and Dili District Administration (DDA) to identify and prioritize investments to improve solid waste management in Dili, (iii) assess technical suitability, economic, financial and social viability, capacity and institutional issues, and environmental and social soundness of the project, and (iv) identify measures to strengthen project implementation capacity of DNSA, DNSB and DDA.

### B. Major Outputs and Activities

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

**Table A3.1 Summary of Major Outputs and Activities**

Major Activities	Major Outputs	Expected Completion Date
<b>1. Preparatory activities</b>		
1.1. Conduct stakeholder consultations	Inception report	February 2015
1.2. Establish TA methodology and work program		
1.3. Carry out procurement and financial management capacity assessment		
<b>2. Water supply sector analysis</b>		
2.1. Review existing water supply master plans and upgrading strategies for Dili	Interim report	April 2015
2.2. Prepare investment strategy for Dili water supply service improvements		
2.3. Identify priority project investment components		
2.4. Analyze design alternatives and identify least-cost technically feasible and socially acceptable option		
<b>3. Solid waste sector analysis</b>		
3.1. Carry out assessment of existing systems for the storage, collection and disposal of solid waste	Interim report	April 2015
3.2. Carry out an assessment of existing recycling operations in Dili		
3.3. Review Dili solid waste audit results to estimate volume and composition of urban solid waste in Dili		
3.4. Identify means of integrating informal waste recovery activities into the formal solid waste management system		
3.5. Identify priority programs and investments for promoting strengthened integrated solid waste management in Dili		
3.6. Analyze solid waste management alternatives to identify least-cost options		
<b>4. Feasibility and due diligence assessment</b>		
4.1. Prepare preliminary engineering designs for sample subprojects	Draft final report	June 2015
4.2. Prepare cost estimates and financing plan	Final report	July 2015
4.3. Assess economic viability of proposed sample subprojects		
4.4. Carry out financial analysis and evaluation of proposed sample subprojects		
4.5. Conduct environmental and social investigations to prepare EARF, IEEs, RF and RPs		
4.6. Prepare SPRSS and gender action plan		

4.7 Identify project risks and mitigating measures		
<b>5. Project Implementation Arrangements</b>	Draft final report	June 2015
5.2 Develop detailed project implementation schedule and project management arrangements	Final report	July 2015

EARF= environmental assessment and review framework, IEE = initial environmental examination, O&M= operations and maintenance, PAM = project administration manual, PIU= project implementation unit, SPRSS= summary poverty reduction and social strategy; RF= resettlement framework, RP = resettlement plan, TA = project preparatory technical assistance  
Source: ADB

### C. Cost Estimate and Proposed Financing Arrangement

3. The TA is estimated to cost \$980,000 equivalent, of which \$800,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V), and the remaining \$180,000 by the Urban Environmental Infrastructure Fund<sup>1</sup> under the Urban Financing Partnership Facility and administered by ADB. The government will provide counterpart support in the form of counterpart staff, provision of office space with furniture, communication facilities for consultants, data, reports and other in-kind contributions. The detailed cost estimate is presented in Table A4.2.

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

Item	Total Cost
<b>A. Asian Development Bank<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	438
ii. National consultants	60
b. International and local travel	115
c. Reports and communications	10
2. Workshops, training, seminars, and conferences <sup>b</sup>	10
3. Translation	10
4. Surveys	45
5. Office Operations	20
6. Contingencies	92
<b>Sub-Total (A)</b>	<b>800.0</b>
<b>B. Urban Environmental Infrastructure Fund under the Urban Financing Partnership Facility<sup>c</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	150
ii. National consultants	30
<b>Sub-Total (B)</b>	<b>180.0</b>
<b>Total (A+B)</b>	<b>980.0</b>

<sup>a</sup> Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-V).

<sup>b</sup> Workshops, training, seminars, and conferences

Purpose	Venue
Inception workshop	TBD
Community consultations	TBD
Project design workshop	TBD

<sup>c</sup> Financing partner: the Government of Sweden. Administered by the Asian Development Bank on a front-loaded basis.

TBD= to be determined.

<sup>1</sup> Financing partner: the Government of Sweden

Source: Asian Development Bank.

## D. Consulting Services

4. An international water supply specialist, international project implementation specialist, and a national water supply specialist will be engaged as individual consultants. The remaining consultants will be recruited through a firm using the quality- and cost-based selection method. A quality-cost ratio of 80:20 will be applied, and simplified technical proposal procedures will be followed to engage the firm. ADB will select and engage consultants in accordance with ADB's *Guidelines on Use of Consultants* (2013, as amended from time to time).

**Table A3.3: Summary of Consulting Services Requirement**

Positions	Inputs (months)	Outline of Tasks
<b>International Team</b>	<b>25.0</b>	
Leader/Solid Waste Management Specialist	4.0	Develop costed and prioritized integrated solid waste management program for Dili covering solid waste disposal, collections, and recycling. Develop specifications and costs for equipment and vehicles for improving solid waste collection and disposal systems. Take overall responsibility for ensure quality of TA outputs are produced by other consultants.
Solid Waste Design Engineer	2.0	Prepare preliminary engineering designs and specifications for dumpsite upgrading investments, and other required facilities, such as a transfer station or waste segregation center.
Water Supply Engineer	4.0	Develop demand projections for water supply services in Dili over the next 20 years. Prepare investment strategy for Dili water supply, and identify high priority investments. Prepare preliminary designs and specifications for sample water supply subprojects.
Urban Sector Economist	1.5	Undertake least-cost analysis for proposed water supply and solid waste management investments, an economic analysis in line with ADB's <i>Key Areas of Economic Analysis of Investment Projects</i> (2013) including sensitivity analysis on key variables, and poverty distribution analysis.
Financial Management Specialist	2.0	Carry out financial due diligence on proposed sample subprojects, including financial analysis and evaluation. Undertake a financial management capacity assessment of the executing and implementing agencies, design disbursement arrangements and funds flow mechanism for the project. Prepare detailed project cost estimates for all project activities.
Environment Specialist	2.0	Prepare an environmental assessment and review framework for the project, as well as the initial environmental examinations for sample subprojects in line with ADB's <i>Safeguards Policy Statement 2009</i> , based on an audit of existing facilities, and identification of corrective measures where required.
Social Development Gender, and Social Safeguards Specialist	4.0	Carry out social, gender and poverty assessments to identify the impact, and special features to be considered in project design to maximize project benefits flowing to target groups such as low-income households and women. Preparation of summary poverty reduction and social strategy and gender action plan. Develop the project resettlement framework, and resettlement plans for sample subprojects in accordance with ADB's <i>Safeguards Policy Statement</i> (2009).
Social Marketing Specialist	1.5	Identify target community members to assess current behavior, knowledge, beliefs on solid waste management and water supply, and barriers to behavior change. Develop marketing strategies and public awareness campaigns to promote behavior change.

Project Implementation Specialist	2.5	Design project implementation arrangements within MOP and Estatal. Prepare the project administration manual, and identify start-up activities including advance action for consultant recruitment. Assess required training and capacity building measures for staff involved in project implementation.
Procurement Specialist	1.5	Carry out procurement capacity assessments for MOP and Estatal, including required capacity support. Structure contract packages and prepare the project procurement plan. Prepare performance-based contract templates for solid waste collections services and management of the Tibar dumpsite
<b>National</b>	<b>18.0</b>	
Solid Waste Management Specialist/ Deputy Team Leader	6.0	Support development of a solid waste management program for Dili. Assist with all consultations and investigations to identify, assess and prioritize measures for improving solid waste management.
Water Supply Design Engineer	6.0	Support the development of demand projections and preparation of preliminary designs and drawings for priority engineering works.
Social development specialist	6.0	Support the international expert to carry out social, poverty and gender analysis, and develop measures to ensure that project benefits flow to target groups, including poor households and women. Assist with the preparation of the resettlement framework and resettlement plans for sample subprojects.

Source: Asian Development Bank.

## E. Implementation Arrangements

18. The executing agency will be the Ministry of Finance and the implementing agencies will be MOP and Estatal. Disbursements under the TA will be done in accordance with the ADB's *Technical Assistance Disbursement Handbook* (July 2012, amended from time to time).

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

**Table A3.4: TA Processing and Implementation Schedule**

<b>Major Milestones</b>	<b>Expected Completion Date</b>
TA commencement	January 2015
Inception report	February 2015
Interim report	April 2015
Draft final report	June 2015
Final report	July 2015

TA= project preparatory technical assistance

Source: Asian Development Bank.