



Technical Assistance Report

Project Number: 47373
Trust Fund; Regional—Capacity Development Technical Assistance (R-CDTA)
September 2014

Establishment of the Pacific Business Investment Trust Fund and Technical Assistance for the Pacific Business Investment Facility

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Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
PARD	–	Pacific Department
PLCO	–	Pacific Liaison and Coordination Office
PMU	–	project management unit
PSOD	–	Private Sector Operations Department
SMEs	–	small and medium-sized enterprises
TA	–	technical assistance
TASF	–	Technical Assistance Special Fund
TASU	–	technical assistance supervising unit

NOTE

In this report, "\$" refers to US dollars unless otherwise stated.

Vice-Presidents	S. Groff, Operations 2 L. Venkatachalam, Private Sector and Cofinancing Operations
Director General	X. Yao, Pacific Department (PARD)
Director	S. Gupta, Office of Cofinancing Operations (OCO)
Team leaders	I. Caetani, Senior Financing Partnerships Specialist, OCO A. Iffland, Regional Director, Pacific Liaison and Coordination Office, PARD
Team members	H. Everett, Senior Country Specialist, PARD A. Okamura, Principal Financial Control Specialist, Controller's Department O. Santos, Senior Operations Assistant, PARD N. Sapkota, Safeguards Specialist, PARD S. Spohn, Private Sector Development Specialist, PARD J. Versantvoort, Principal Counsel, Office of the General Counsel J. Williams, Senior Environment Specialist, PARD
Peer reviewer	P. Marro, Principal Financial Sector Specialist, South Asia Department

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CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 47373-001	
Project Name	Pacific Business Investment Facility	Department /Division	PARD/PLCO
Country Borrower	REG Pacific DMCs	Executing Agency	Asian Development Bank
2. Sector		Financing (\$ million)	
✓ Finance	Small and medium enterprise finance and leasing		6.25
Industry and trade	Small and medium enterprise development		6.25
		Total	12.50
3. Strategic Agenda		Climate Change Information	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
4. Drivers of Change		Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Organizational development	Some gender elements (SGE)	✓
Partnerships (PAR)	Bilateral institutions (not client government) Official cofinancing Private Sector		
Private sector development (PSD)	Promotion of private sector investment		
5. Poverty Targeting		Location Impact	
Project directly targets poverty	No	Regional	High
6. TA Category:	A		
7. Safeguard Categorization	Not Applicable		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		1.50	
Sovereign Capacity development technical assistance: Technical Assistance Special Fund		1.50	
Cofinancing		11.00	
To Be Determined-Others		11.00	
Counterpart		0.00	
None		0.00	
Total		12.50	
9. Effective Development Cooperation			
Use of country procurement systems	No		
Use of country public financial management systems	No		

I. INTRODUCTION

1. This paper proposes that the Asian Development Bank (ADB) (i) establish the Pacific Business Investment Trust Fund; (ii) accept and administer grant contributions to the trust fund from bilateral, multilateral, and other sources, in each case substantially in accordance with the terms and conditions set forth in this paper; and (iii) administer a portion of technical assistance (TA) for the Pacific Business Investment Facility, to be financed on a grant basis from the trust fund.

2. This paper describes the objective, scope, and implementation arrangements of the trust fund and the arrangements for ADB's administration of grant contributions to the trust fund. Any proposal to administer non-grant contributions to the trust fund and any changes to the objective, scope, and implementation arrangements of the trust fund resulting from it will be submitted for approval to ADB's Board of Directors.¹ This paper also serves as the TA report for the Pacific Business Investment Facility.

II. BACKGROUND AND RATIONALE

3. Pacific island countries face significant and complex development challenges that constrain private sector growth.² Challenges include the high cost of doing business, inadequate infrastructure, outdated legal systems, inadequate business and technical advisory services, and land rights issues. The financial sector is underdeveloped, with a low ratio of private sector credit to gross domestic product.³ Businesses of all sizes have difficulty securing commercial finance in the Pacific. Small and medium-sized enterprises (SMEs) are particularly affected, because commercial banks in the region extend little credit to this segment. Opportunities for businesses to raise additional capital through stock exchanges are also limited. There are no private equity funds in the region and no near-term prospects for new funds. Since 2010, the economic ministers of the Pacific Islands Forum have annually called on development partners to help increase access to finance for SMEs.⁴ The Government of Australia expressed interest in working with ADB to design innovative approaches to address the financing constraint faced by SMEs. ADB's Midterm Review of Strategy 2020 emphasizes ADB's intention to expand support for SME finance.⁵

4. In 2013, ADB reviewed (i) private equity funds and other finance facilities in the Pacific, (ii) the financial sector and supply of and demand for business advisory services by country, (iii) the experience of hybrid risk finance and business advisory support facilities in other regions, and (iv) potential models for the Pacific region.⁶ The review found that to ease the financing

¹ Discussions on potential non-grant contributions to the trust fund are ongoing.

² In this paper, the term Pacific island countries refers to the following countries: the Cook Islands, Fiji, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

³ The ratio of private sector credit to gross domestic product ranges from 19.4% in the Federated States of Micronesia to 77.9% in Fiji. By comparison, the ratio for the East Asia–Pacific region is 120.3%. Calculations are based on data for 2012 sourced from International Monetary Fund. 2013. *International Financial Statistics Yearbook 2013*. Washington, DC.

⁴ Pacific Islands Forum Secretariat. 2013. 2013 Forum Economic Ministers Action Plan. Forum Economic Ministers' Meeting. Nuku'alofa. 3–5 July.

⁵ ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and the Pacific*. Manila.

⁶ The review included more than 110 interviews with stakeholders in five Pacific developing member countries from the public sector, private sector and civil society, commercial banks, and providers of business advisory services. In addition, ADB convened a series of stakeholder roundtable meetings with development partners, commercial

constraint faced by SMEs, government and development partner efforts should aim to unlock the excess liquidity that commercial financiers have in almost all Pacific island countries. While commercial banks report an interest in increasing lending to SMEs, they remain hesitant. Their credit policies and products favor larger clients and short-term investments. The banks, which are highly risk averse, have expressed concerns over SMEs having weak internal management capacity (including limited financial management skills), as well as insufficient shareholder capital and acceptable collateral. Proposals put to banks by SMEs generally lack the rigor required from a business and financial plan. As a result, credit is often unavailable or unaffordable for SMEs at offered terms.

5. Tailored business advisory services are needed to reduce financier concerns about SMEs' internal capacities. While these services are available in the larger Pacific island countries, their focus is on large, predominantly foreign-owned enterprises, governments, and development partners. In contrast, business development centers, where they exist, cater to microenterprises and informal sector operators. This leaves SMEs unserved.⁷ Building the managerial and technical capacity of these entrepreneurs is essential to improve the business risk profile with financiers.⁸ Further, in the underdeveloped Pacific financial markets, innovative financing arrangements are required to leverage and supplement commercial finance. These measures facilitate access to finance for SMEs to expand and diversify, and would absorb excess bank liquidity. They would complement ongoing private sector development and financial sector reforms, including secured transactions reforms, which will increase access to finance by SMEs over time, but will not alone bridge the financing gap.⁹

6. Business financing and development programs have been implemented in the Pacific and other regions by bilateral development partners, development finance institutions, and private fund management companies for many years. The following lessons have been drawn from these programs: (i) managerial and technical advice to SMEs, pre- and post-finance, is essential for leveraging commercial finance; (ii) SMEs must contribute to the cost of advisory services to ensure buy-in, and must see the advice provided as independent, objective, and confidential; (iii) extensive collaboration with commercial financiers and other stakeholders is vital to achieve the intended impact and lower implementation cost; (iv) SMEs typically demand less than \$300,000 in finance, which finance facilities with a commercial mandate have been unable to respond to effectively; (v) where finance is provided, self-liquidating instruments are preferred to prevent exit issues; (vi) expansion of existing businesses is less risky and more likely to succeed than establishment of new ventures; (vii) maintaining an in-country advisory presence in many countries is not cost-effective; and (viii) building in-country advisory capacity

banks, and private equity fund managers hosted by ADB's Pacific Liaison and Coordination Office (PLCO) to determine root causes and options to address these challenges. Further information is in the Rationale and Option Analysis (Supplementary Appendix D) and Lessons from Business Financing and Development Programs (Supplementary Appendix E). Supplementary appendixes are available on request.

⁷ SMEs are hesitant to seek business advice from the large accounting and professional services firms (if present in the country) as fees are deemed exorbitant; they do not present themselves to serve local SMEs; and market their services to large foreign-owned businesses, the government, and development partners. Furthermore, SMEs often do not realize the importance of sourcing such advisory support, or may be concerned about the quality, independence, and confidentiality of the advice available.

⁸ Further information is provided in the Rationale and Option Analysis (Supplementary Appendix D). In addition, extensive research on the availability and requirements for business advisory services was carried out in the early-to mid-2000s by ADB and the South Pacific Project Facility. C. Reichert and A. Iffland. 2005. Business Development Services in the Pacific: A comparative study of BDS markets and institutions in the Marshall Islands, Tonga, and Vanuatu. *ADB Pacific Studies Series*. Manila: Asian Development Bank.

⁹ For example ADB. 2013. *Regional Technical Assistance for the Pacific Private Sector Development Initiative, Phase III*. Manila.

is usually not sustainable in the Pacific without continued donor support because of the small market size.¹⁰

III. OBJECTIVE AND SCOPE

7. The trust fund's objective, through the implementation of regional TA and the provision of concessional loans, is the private sector's sustainable growth in selected Pacific island countries.¹¹ It will help SMEs in the region realize commercial success and sustainability with (i) finance raised from commercial sources, including trade and supply chain finance; (ii) expanded or diversified operations; (iii) jobs created and saved; and (iv) increased gross profits. The trust fund, through the TA, will primarily finance business advisory services to SMEs seeking commercial finance. The trust fund will also provide concessional loans to a small number of SMEs, in parallel with commercial finance, and facilitate links to trade and supply chain finance. Target SMEs for business advisory services and concessional loans have at least five employees and seek \$100,000–\$1 million in finance, but typically less than \$300,000. SMEs in all sectors will be eligible.¹²

8. The TA will extend business advisory services to selected SMEs in Pacific island countries to enable them to attract commercial finance, including trade and supply chain finance provided by ADB's Private Sector Operations Department (PSOD). Advisory services will be tailored to business needs, and may include support for (i) business planning; (ii) financial management, including determining short- and long-term financing needs and potential sources; (iii) corporate governance; (iv) marketing; and (v) specialized technical skills for product development, product certification, and export. Support will be provided pre- and post-finance; all SMEs provided with specialist consultancy support, in addition to advice provided by a designated business advisor, will be expected to contribute to these services' costs.

9. The trust fund will provide concessional loans to selected eligible SMEs, following the trust fund's implementation guidelines.¹³ Concessional loans will only be provided in parallel with commercial finance and will rank equally and without preference. The financing plan must comprise at least 50% commercial finance. Loans provided will have concessional terms, including interest rate, grace period, and repayment term, which will be determined case by case. The trust fund will respond to market failures and constraints, and will apply best practice principles on deploying concessional finance.¹⁴ While ADB will provide no direct contribution or parallel financing, links will be facilitated to PSOD for trade and/or supply chain finance.

¹⁰ Further information is in Lessons from Business Financing and Development Programs (Supplementary Appendix E).

¹¹ SMEs in the following Pacific developing member countries will be eligible for trust fund and TA support: the Cook Islands, Fiji, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. No activities will be undertaken in participating countries until no-objection letters have been obtained.

¹² Activities on ADB's prohibited investment activities list or assigned environment category A will not be financed.

¹³ The trust fund will provide concessional loans to eligible SMEs, with indicative terms set out in the Trust Fund Implementation Guidelines (Supplementary Appendix A). Instruments and indicative terms will be reviewed annually, and modifications agreed upon, at the annual meeting between ADB and the financing partners. Finance may be provided for working capital and capital expenditure.

¹⁴ The provision of finance on concessional terms, in parallel with commercial finance, is commonly referred to as blended finance. Principles for deploying concessional finance include (i) providing additionality, (ii) addressing market constraints while avoiding market distortions, (iii) using a tailored approach, (iv) ensuring minimal concessionality, (v) being time-bound and transitional, and (vi) monitoring social and/or economic results. The proposed application must be expected to be financially viable and sustainable. The trust fund's implementation guidelines detail these principles.

10. The proposal supports national and regional priorities in promoting private sector development. It is aligned with ADB's Pacific Approach, 2010–2014,¹⁵ as well as country partnership strategies in Pacific developing member countries, which identify an improved private sector environment as a key driver of change. It complements several ongoing investment projects and TA programs aimed at private sector development and access to finance in the region.¹⁶ The design includes measures that promote broader social impact by giving special attention to SMEs owned and managed by women. Social and gender outcomes will be monitored in all activities.

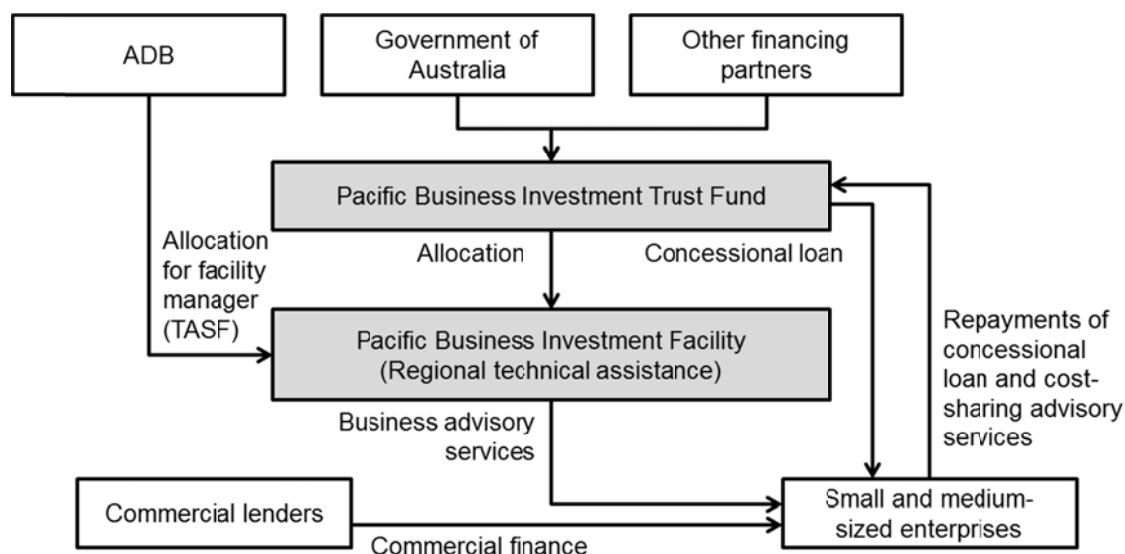
IV. TRUST FUND IMPLEMENTATION ARRANGEMENTS

11. ADB will act as the trustee for the trust fund and will not contribute any of its own resources to the trust fund. ADB acting as trustee will function separately from its other operations.

12. The trust fund and ADB, through the Technical Assistance Special Fund (TASF-Others), will cofinance regional TA for the Pacific Business Investment Facility. The trust fund will also provide concessional loans to a small number of SMEs.

13. The TA will deliver business advisory services to SMEs seeking commercial finance. It will facilitate the provision of concessional loans to SMEs from the trust fund, by leading identification and due diligence of financing proposals, approval processes, and administration post-finance. The TA will also provide project management, and monitoring and evaluation. Figure 1 illustrates the trust fund and TA structure.

Figure 1: Trust Fund and Technical Assistance Structure



Note: An internal management committee will select small and medium-sized enterprises to receive business advisory services, and an independent finance committee will select a subset of these to receive concessional loans.

ADB = Asian Development Bank, TASF = Technical Assistance Special Fund

Source: Asian Development Bank.

¹⁵ ADB. 2009. *Pacific Approach, 2010–2014*. Manila.

¹⁶ For example: ADB. 2013. *Regional Technical Assistance for the Pacific Private Sector Development Initiative, Phase III*. Manila.

14. ADB's Pacific Department (PARD) will act as the focal point on technical matters for financing partners.¹⁷ The trust fund and TA will be implemented through a core team of consultants with technical and administrative expertise serving in a project management unit (PMU) in the Pacific Liaison and Coordination Office (PLCO), under the supervision of ADB's technical assistance supervising unit (TASU) officer. The consultant team will include a facility manager, business advisors, a monitoring and evaluation consultant, and accounting and administration resources. A finance-structuring consultant will structure financing proposals. In-country coordinators may be engaged. Specialized short-term consultants will be engaged to support activities and for specific business advisory assignments.

15. The TASU officer will chair an internal management committee to select SMEs to receive specialist business advisory services. The committee will comprise the TASU officer and full-time TA consultants. The committee will apply criteria set forth in the implementation guidelines. The specialist services will be provided under mandate letters, after the designated business advisor, in close consultation with the business and its commercial financiers, assess the scope of the support required. SMEs will be required to contribute to the service costs.¹⁸

16. An independent finance committee will select SMEs that will receive concessional loans. It will (i) guide the implementation of the trust fund's financing strategy, (ii) recommend changes to the financing strategy, (iii) approve financing concepts to proceed to due diligence, (iv) approve terms and documentation for concessional loans, (v) review the portfolio of outstanding loans, and (vi) review audit and compliance reports for financed SMEs. The finance committee will comprise five to seven independent members, engaged through the TA, one of whom will be the chair. Members will have significant investment, finance, and/or business expertise in the Pacific. The implementation guidelines will set out the minimum qualifications and selection criteria for finance committee members. ADB will select the committee members, following the implementation guidelines.¹⁹

17. In approving the terms of concessional loans, the finance committee will ensure that the following criteria are met: (i) the application of concessionality is sufficiently justified as a response to a market constraint, (ii) the minimum concessionality necessary to overcome constraints is applied, (iii) the proposed application would not distort the commercial market, and (iv) the financing plan comprises at least 50% commercial finance provided in parallel and ranked equally and without preference. The proposed application must be expected to be financially viable and sustainable.

18. ADB's Office of Cofinancing Operations will facilitate contributions to the trust fund and act as the official channel for communicating financial issues between financing partners, ADB, and the trust fund. It will also lead the discussions with financing partners on procedural agreements for contributions.

19. Implementation guidelines setting out the governance structure and activities eligible for funding under the trust fund and the TA will be developed and agreed upon by ADB and the financing partners. The implementation guidelines may be amended with prior approval from

¹⁷ The term financing partners refers to contributors to the trust fund.

¹⁸ The mandate agreement will set out the cost-sharing arrangements, which will be calculated on a percentage of the remuneration for specialist and/or technical services assigned to the project, at a minimum of 10%. Contributions to the cost of such specialist advisory services will be paid to the Pacific Business Investment Trust Fund.

¹⁹ ADB's Office of Risk Management and PSOD will support the selection of finance committee members.

ADB and the financing partners' representatives. PARD will be responsible for day-to-day implementation of the trust fund and TA, following the implementation guidelines.

20. Financing partners and ADB will annually review and agree on the volume of trust fund resources, including income and net of expenses, to be allocated to concessional loans.²⁰ Further details are provided in the implementation guidelines. This will be subject to identification, due diligence, structuring, and approval of the provision of concessional loans by the finance committee, following the implementation guidelines.

21. The operations of the trust fund will be in accordance with the implementation guidelines and will comply with ADB's policies and procedures applicable from time to time in respect of funds administered by ADB, including ADB's Safeguard Policy Statement (2009); and social protection, anticorruption, and other integrity policies, procedures, principles, and guidelines. As established in the trust fund's implementation guidelines, due diligence will include an assessment of safeguard risks. Activities on ADB's prohibited investment activities list will not be financed.²¹ Appropriate arrangements for project accounting, auditing, and close monitoring and reporting will be in place for all activities, and are set out in the implementation guidelines. Consulting services and procurement financed by the trust fund will follow ADB's Guidelines on the Use of Consultants (2013, as amended from time to time) and Procurement Guidelines (2013, as amended from time to time).

22. Except as may be indicated otherwise, ADB's operational policies and procedures applicable to its nonsovereign operations do not apply to trust fund investments. Investments will be made by ADB acting solely in its capacity as trustee of the financing partners, whose resources may be used to provide loans to SMEs on concessional terms.²²

V. PROPOSED TECHNICAL ASSISTANCE FOR THE PACIFIC BUSINESS INVESTMENT FACILITY

A. Impact and Outcome

23. The TA's impact will be the sustainable growth of the private sector in selected Pacific island countries. The outcome will be commercially successful and sustainable SMEs in Pacific island countries. It is expected that (i) at least \$15 million of additional finance will be leveraged from commercial sources; (ii) at least 100 supported SMEs will expand or diversify operations;

²⁰ At the time of approval, the trust fund is expected to provide up to \$3,000,000 in concessional loans to about 10 SMEs.

²¹ Any category A activities for environment will not be supported. Any requirement for land will be facilitated through lease agreement or negotiated settlement to avoid triggering the involuntary resettlement safeguard. No distinct or vulnerable indigenous peoples groups will be affected by the investments, so the indigenous peoples safeguard is not triggered.

²² The ADB President has waived the requirement to apply *Operations Manual* section D10/OP (Nonsovereign Operations) to the trust fund. The waiver is required because (i) responsibility for administering the nonsovereign component of the trust fund (i.e., the provision of loans to beneficiary SMEs from trust fund resources) will be given to PARD, and (ii) the business and credit approval process under *Operations Manual* section D10/OP will not be applied as, instead, the trust fund will have a tailored business and credit approval process that is better suited to the size and concessional terms of the loans. This arrangement is considered appropriate given (i) the pilot nature of the proposal to address the constraints faced by SMEs in fragile Pacific economies, (ii) the small size and concessional terms of loans and the overall size of the facility, and (iii) that concessional loans will only be provided in parallel with commercial finance. The loan approval process has been reviewed and agreed with ADB's Office of the General Counsel and Office of Risk Management, and is described in detail in the trust fund's implementation guidelines (Supplementary Appendix A).

and (iii) at least 1,000 jobs will be created or saved in supported SMEs. The TA's design and monitoring framework is in Appendix 1.²³

B. Methodology and Key Activities

24. Output 1: Business advisory services provided to SMEs in selected Pacific island countries. The TA will deliver advisory services following para. 8. The TA will identify SMEs that seek commercial finance through referrals from commercial financiers, chambers of commerce, business associations, and other stakeholders. The PMU will assess and process requests for support. An eligible SME will be assigned a designated business advisor who will (i) maintain the client relationship throughout its involvement with the TA; (ii) advise, guide, and review the client's financing needs; (iii) support the client in developing a bankable proposal for commercial financiers to consider where the proposal is assessed commercially viable; (iv) identify the need for and source-specific technical expertise; and (v) refer and link clients with business support programs funded by development partners in the region to leverage their resources and expertise, where appropriate. Business advisory services and specific technical expertise will be sourced from the region where possible. SMEs will only receive business advisory services for one funding cycle (commercial finance only or a concessional loan in parallel with commercial finance). These measures, including the cost sharing for specialist and/or technical services, will help develop a market for local business advisory services.

25. Output 2: Concessional loans from the Pacific Business Investment Trust Fund received by selected SMEs in parallel with commercial finance. SMEs that have received advisory services and have insufficient finance from commercial sources will be considered for a concessional loan from the trust fund (para. 9). The TA will identify candidates for concessional loans from the trust fund. It will lead in identification of beneficiary SMEs, due diligence, approval processes, and administration post-finance. A finance-structuring consultant will (i) assess and structure financing proposals, (ii) prepare all the documentation required for the finance committee, and (iii) review the performance of the SMEs and concessional loan portfolio. The TA will engage the independent finance committee members (para. 16). The TA will also support the development of other financing modalities that meet the needs of SMEs, such as trade finance.²⁴ Implementation of all activities will follow the trust fund's implementation guidelines, as amended over time.

26. Output 3: Project management services effectively delivered. A PMU will be set up in the PLCO and will manage day-to-day implementation of the TA. The TASU officer will oversee its staff of full-time consultants (para. 14). The PMU will prepare annual work programs, quarterly progress reports, and annual reports. A monitoring and evaluation consultant will design a project monitoring and evaluation framework at TA inception. This will capture baseline data, gender-disaggregated where appropriate, for all indicators. A comprehensive stakeholder communication and marketing strategy will be established to help disseminate good practices and lessons. The PMU will organize an annual meeting of ADB and the financing partners, which will provide strategic guidance and assess performance.

27. Key assumptions are that (i) business advisory services and concessional finance from the trust fund will leverage commercial finance, and will help SMEs to consolidate, grow, and diversify; (ii) SMEs are interested in and willing to make a contribution for advisory services; and

²³ The TA first appeared in the business opportunities section of ADB's website on 1 April 2014.

²⁴ At least 10% of the consultants' time is expected to be allocated to support trade and supply chain finance.

(iii) links with business support programs funded by development partners can lead to the provision of timely and effective advisory services to referred SMEs.

C. Cost and Financing

28. The TA is estimated to cost \$12,500,000, of which \$1,500,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-Others), and \$11,000,000 will be financed on a grant basis by the trust fund and administered by ADB. The detailed cost estimates and financing plans are in Appendix 2.

D. Implementation Arrangements

29. ADB will be the executing agency.²⁵ The TA will be implemented over 5 years from September 2014 until August 2019. It will require a total of 395 person-months of international consultants and 144 person-months of national consultants.²⁶ ADB will engage the consultants following its Guidelines on the Use of Consultants (2013, as amended from time to time). Implementation will start in the larger Pacific island countries (Fiji, Papua New Guinea, and Solomon Islands) and will gradually be extended to others when appropriate. The TA will begin with a facility manager, two business advisors, a monitoring and evaluation officer, and an administrative officer; it will be gradually expanded up to eight full-time consultants—five international (228 person-months) and three national (144 person-months)—hired under individual consultant selection.²⁷ The recruitment process for full-time consultants will include panel interviews. A finance-structuring consultant (international, 20 person-months, intermittent) will be recruited under individual consultant selection. In-country private sector coordinators (international and/or national, 36 person-months) may be recruited using individual consultant selection. Specialized short-term consultants (international and/or national, 105 person-months) will be recruited through individual consultant selection and/or indefinite delivery contract.²⁸ Specialized short-term consultants will be required for specific on-demand assignments to support individual SMEs and may support the development of other financing modalities such as trade finance. Finance committee members (international, 6 person-months, intermittent) will be recruited through individual consultant selection or on indefinite delivery contracts, and will serve pro bono, with expenses paid. ADB will organize finance committee meetings, training, workshops, and conferences. ADB will procure all office space, equipment, and materials following ADB's Procurement Guidelines (2013, as amended from time to time). At TA completion, equipment and materials will be retained by ADB or transferred to subsequent phases of the TA.

²⁵ PARD will implement the TA and will draw on specific expertise from other departments (PSOD, Office of Risk Management, Controller's Department, and Office of Cofinancing Operations) as appropriate.

²⁶ The consultants will be recruited on an individual basis as (i) the five international specialist positions are diverse and complex, and fulfill sensitive roles requiring a high degree of personal integrity; (ii) cost-effectiveness criteria also apply to recruiting national administrative staff on an individual basis; (iii) it is unlikely that any firm would have the expertise to provide the required long- and short-term international experts in highly specialized areas at acceptable rates; and (iv) the required expertise for short-term international consultants will be tailored to needs.

²⁷ The full-time consultant team will be recruited during TA implementation as activities grow. One national and two international consultants will be recruited in the third year for full-time input in the fourth and fifth years.

²⁸ For this TA paper, in-country private sector coordinators and specialized short-term consultants are assumed to be international consultants. Placement of coordinators will be agreed with ADB Pacific field offices. Indefinite delivery contracts may be used for the selection of firms in Pacific island countries where competent and cost-effective local professional firms may be identified and the rates for their services agreed before any demand-driven engagements, primarily to provide accounting, auditing, and tax advice.

30. TA proceeds will be disbursed in line with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time) and other specific arrangements as detailed in the implementation guidelines.²⁹ ADB's Controller's Department will undertake accounting for the trust fund, including loans the trust fund provides to SMEs. Payments that clients contribute to business advisory services costs (subject to mandate agreements) and repayments of loans (interest and principal) will be made to the trust fund account.

VI. CONTRIBUTIONS TO THE TRUST FUND

31. ADB will accept grant contributions to the trust fund from bilateral, multilateral, and other sources through the signing of a memorandum of understanding between ADB and each financing partner. Memoranda of understanding will be substantially in accordance with the terms and conditions of this paper and the implementation guidelines.

32. Contributions to the trust fund will be made in cash in a freely convertible currency. Contributions will be deposited into a United States (US) dollar interest-bearing account that ADB specifies. The depository bank will convert contributions received in currencies other than US dollars into US dollars at the then-prevailing market rate and transfer them to the respective account.

33. ADB will hold, administer, and invest contributions at its discretion. Pending disbursements, ADB may invest and reinvest contributions. Any income earned from such investment and reinvestment, as well as interest accrued on the account (the available funds net of expenses), will be credited to the account and used for the fund's purposes, including related administrative expenses.³⁰

34. ADB will make withdrawals from the account as necessary to meet expenditures for activities supported by the available funds.³¹ If other currencies are required for payment to meet eligible expenditures, ADB may purchase those currencies with the available funds. Any fees and charges relating to such purchase will be paid out of the account.

35. The trust fund may receive payments from its beneficiary SMEs in the form of principal repayments and interest. In addition, it may receive income from the partial cost recovery for business advisory services provided under mandate letters.

36. The Government of Australia has committed A\$15,000,000 in grant resources to the trust fund.³² Additional grant contributions from bilateral, multilateral, and other sources may be accepted, substantially following the terms and conditions in this paper and the implementation guidelines.

²⁹ Section VI. Use and Flow of Funds in the Trust Fund Implementation Guidelines (Supplementary Appendix A).

³⁰ Administrative expenses include service charges, cost of external audits, and finance charges that may be incurred in purchasing required currencies and in remitting funds.

³¹ Resources may be used for TA, investments, or direct charge, as described in the implementation guidelines (para. 69). Direct charges may include, but not be limited to, consultant services and related expenses. ADB's Controller's Department, conditional upon the independent finance committee's approval, and upon the request of the Director General of PARD, will disburse concessional loans to SMEs.

³² The initial allocation for concessional loans through the trust fund will be the balance from the Government of Australia's contribution less the \$11,000,000 allocated to the TA, and is estimated at \$3,000,000.

VII. TRUST FUND ADMINISTRATION ARRANGEMENTS

37. ADB will assert the privileges and immunities accorded to ADB under the Agreement Establishing the Asian Development Bank (the Charter)³³ with respect to all the trust fund's property, assets, income, and operations.

38. ADB will hold and administer contributions separately from its own resources and from other ADB-administered trust fund resources. As a multi-partner fund, the trust fund will comingle all available funds in the trust fund account. Following its standard procedures, ADB will maintain records and accounts that identify the contributions made and the commitments to be financed out of the available funds, including eligible activities and administrative expenses. ADB will provide financing partners with special purpose financial statements of the account audited annually by ADB's external auditors within 6 months after the financial year end. The cost of these audits will be charged to the trust fund.

39. Funds for providing concessional loans to SMEs will be accepted and administered under documentation that details each party's understandings, risks, and obligations. ADB will have no liability to the financing partners for the nonpayment of principal or other amounts, or for other nonperformance by the recipient of the concessional loan, nor for partial or complete loss of contributions to the trust fund. ADB and its officers, employees or agents, and consultants will be indemnified out of trust fund property against any loss, liability, cost, claim, action, or demand that any indemnified party may incur or which may be made against any of them arising out of or in connection with the trust fund's activities, except as may result from ADB's gross negligence or willful misconduct.

40. Following its standard procedures, ADB will charge a service fee to cover its incremental cost in administering, managing, supervising, and operating the trust fund. The service charge will be paid from available funds at the time of eligible disbursements from the trust fund.³⁴

41. ADB will submit annual progress reports to the financing partners on the trust fund's performance. ADB will also provide financing partners with reports and information, as appropriate, on the progress of activities under the trust fund. Financing partners and ADB will meet at least once a year after the establishment of the trust fund to provide strategic guidance, review progress, and assess performance.

42. ADB will promptly inform the financing partners of any condition that interferes with, or threatens to interfere with, ADB's administration of the trust fund.

43. From time to time, ADB may adopt additional rules for administering the trust fund that are substantially based on this paper's terms and conditions, and will inform all financing partners accordingly.

44. The financing partners and ADB will agree upon any changes in the implementation arrangements for grant contributions to the trust fund, including the implementation guidelines. Changes will be approved by the Director General of PARD.

³³ ADB. 1965. *Agreement Establishing the Asian Development Bank*. Manila.

³⁴ The service charge is 5% of the amounts disbursed for the TA, in accordance with ADB's fee structure, as amended from time to time. The service charge is also 5% of the amounts disbursed for concessional loans.

45. Any proposal to administer non-grant contributions to the trust fund and any changes to the objective, scope, and implementation arrangements to the trust fund resulting therefrom will be submitted for approval to ADB's Board of Directors.

46. A midterm evaluation of the trust fund and the TA will be carried out after the second year to assess the efficiency and effectiveness of the organizational setup. An independent evaluation of the trust fund and the TA will be carried out in the fourth year to assess results. The evaluation will inform the trust fund's future after the fifth year, which may include (i) continuation of the trust fund with ADB as its trustee, (ii) termination and winding up of the trust fund, and (iii) transfer of the fund's assets into a newly created fund and appointment of a new trustee qualified to perform its roles and to manage the assets.

47. Unless otherwise agreed by the financing partners and ADB, the trust fund will terminate on such date declared by ADB that ADB has substantially disbursed the contributions and all concessional loans provided to SMEs from the trust fund have been liquidated. At such time, except for actions necessary for the orderly and expeditious winding up of the trust fund's activities, ADB's functions in relation to the contributions will be considered terminated.

48. Unless otherwise agreed with the financing partners, upon termination of the trust fund and subsequent liquidation of the account, any available funds will be returned to the individual financing partners, in proportion to their respective available contributions. Following trust fund termination, ADB will provide financing partners and the Board with a final report on the projects and activities supported.

49. ADB will discharge its function as trustee with care and due diligence, and will have no further liability in respect of the contributions provided by financing partners.

VIII. RISK AND MITIGATION MEASURES

50. Most trust fund activities will focus on business advisory services to assist SMEs in raising finance on commercial terms from financial institutions in the region. Where concessional loans are provided, the evaluation of risk is a key task performed by the finance-structuring consultant and finance committee during due diligence, and approval of the provision of a concessional loan through the trust fund. Concessional loans provided from the trust fund will carry a relatively high repayment risk. In addition, the trustee and financing partners face reputational risks as well as safeguard risks.³⁵ The major risks and mitigating measures are summarized in the table.

Summary of Risks and Mitigating Measures

Risks	Mitigating Measures
Trustee and/or financing partner reputations affected by failed investments	Funds for providing concessional loans to small and medium-sized enterprises (SMEs) will be accepted and administered under documentation that details each party's understandings, risks, and obligations.
Poor quality business advice provided by business advisor	The individual business advisors will be selected on the strength of their previous performance and reputation. Performance-based contracts will be used. The mandate letter will stipulate that SMEs decide whether to take the business advice, at their risk. Commercial lenders will apply their own due diligence.
Partner SMEs' poor business	Careful due diligence, assessment, and development of a business

³⁵ Risk Assessment and Risk Management Plan (Supplementary Appendix F).

Risks	Mitigating Measures
performance	plan will be done before allocating a concessional loan. The concessional loan will be approved by independent finance committee (comprising members with significant business experience in the Pacific). Tailored business advisory services will be provided pre- and post-finance, with amendments and additional support if required. As business advice always aims to leverage commercial finance, commercial lenders will apply their own due diligence providing additional screening.
Non-repayment of concessional loans due to poor business performance	The risk of non-repayment will be set out in the documentation signed with financing partners. Business advice will be provided post-investment to support the SMEs during their expansion and/or diversification. The SMEs' bankers will be consulted as part of due diligence and on an ongoing basis. Concessional loans will be ranked equally and without preference to commercial finance. Loan agreements will be enforced, if necessary.
Moral hazard of overreliance on concessional loans	Concessional loans will only be provided in parallel with commercial finance, comprising at least 50% of the financing plan, and will rank equally and without preference. The independent finance committee will review all proposals against core principles set out in the implementation guidelines.
Partner SMEs' noncompliance with safeguard standards	An initial compliance assessment and regular monitoring will be done.
Delays in staffing the project management unit, contracting method (use of individual consultants) and/or inefficient project management lead to delays in implementation and/or inefficient use of resources	The technical assistance supervising unit officer will oversee all activities and will chair the internal management meeting. Progress will be measured against agreed annual work plans, and quarterly and annual progress reports will be prepared. An annual meeting with the financing partners will provide strategic guidance and assess performance. A midterm evaluation will be carried out after the second year, which will assess the effectiveness and efficiency of the organizational setup. An independent evaluation will be carried out in the fourth year.

Source: Asian Development Bank.

IX. THE PRESIDENT’S RECOMMENDATION AND DECISION

51. The President recommends that the Board approve
- (i) the establishment of the Pacific Business Investment Trust Fund, substantially in accordance with the terms and conditions set forth in this paper;
 - (ii) the acceptance and administration by ADB of grant contributions to the Pacific Business Investment Trust Fund by bilateral, multilateral, and other sources, substantially in accordance with the terms and conditions set forth in this paper; and
 - (iii) ADB administering a portion of technical assistance not exceeding the equivalent of \$11,000,000 for the Pacific Business Investment Facility, to be financed on a grant basis by the Pacific Business Investment Trust Fund.
52. If the Board approves the three items in para. 51, the President, acting under the authority delegated by the Board, approves ADB providing the balance of the technical assistance not exceeding the equivalent of \$1,500,000 on a grant basis, for the Pacific Business Investment Facility.

TECHNICAL ASSISTANCE DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Sustainable growth of the private sector in selected Pacific island countries</p>	<p>By August 2021: An increase in the ratio of total domestic credit extended by financial corporations to the private sector to gross domestic product of at least 8% in selected Pacific island countries (baseline 2014)</p>	<p>Central bank bulletins International Monetary Fund reports and data</p>	<p>Risk Political and/or economic instability in Pacific island countries</p>
<p>Outcome Commercially successful and sustainable SMEs in Pacific island countries</p>	<p>By August 2019: \$15 million of additional finance leveraged from commercial sources 100 supported SMEs expanding or diversifying operations At least 1,000 jobs created or saved in supported SMEs 25% increase in supported SMEs' gross profits</p>	<p>Company records obtained during initial assessment and ongoing engagement with SMEs Annual project reports (incorporating monitoring and evaluation data)</p>	<p>Assumption Business advisory services enable SMEs to expand production and/or access new markets Risk High cost of production and/or other domestic factors make SMEs uncompetitive in domestic and/or export market</p>
<p>Outputs 1. Business advisory services provided to SMEs in selected Pacific island countries</p>	<p>By August 2019: At least 185 SMEs receive advice from designated business advisors At least 100 SMEs receive specialist business advisory support to secure finance for business consolidation, expansion, or diversification At least 20 women-owned and/or managed SMEs receive advisory support At least 20 SMEs receive support through facility collaboration with other development partner programs</p>	<p>SMEs' records Data collected through provision of business advisory services Reports on effectiveness of business advisory service provision Reports on outcomes from collaboration program</p>	<p>Assumptions Links with other development partner programs can generate provision of timely and effective advisory services to referred SMEs Facility can maintain high-caliber and effective service provision through team members and contracted specialist consultants Risk Lack of interest or commitment from SMEs</p>
<p>2. Concessional loans from the Pacific Business Investment</p>	<p>The Pacific Business Investment Trust Fund provides concessional</p>	<p>Independent finance committee records</p>	<p>Assumption Commercial finance can be leveraged through</p>

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
Trust Fund received by selected SMEs in parallel with commercial finance	loans to at least 10 SMEs by year 4 At least 80% of financed SMEs current with payments as in loan agreement at any one time		the concessional loans of the Pacific Business Investment Trust Fund
3. Project management services effectively delivered	Project team meets annual performance targets for business advisory services and concessional loans Progress reports delivered on time	Quarterly and annual progress reports	Assumption Qualified consultants recruited and retained for the project management unit
Activities with Milestones 1. Business advisory services are provided to SMEs in selected Pacific island countries 1.1 Select and contract business advisors (from November 2014) 1.2 Establish agreements with business support programs funded by development partners for referral services (from December 2014) 1.3 Identify and support business advisory services providers from the region for capacity enhancement (from December 2014) 1.4 Start business advisory service contact program with banks and other relevant organizations (November 2014) 1.5 Start provision of ongoing business advisory services (December 2014–August 2019) 2. Selected SMEs receive concessional loans from the Pacific Business Investment Trust Fund in parallel with commercial finance 2.1 Select and contract finance committee members (December 2014) 2.2 Start developing concessional loan pipeline (from January 2015) 2.3 Run due diligence assessment of shortlisted financing opportunities (from March 2015) 2.4 Execute loan agreements with SMEs (from May 2015) 3. Project management services are effectively delivered 3.1 Recruit facility manager (September 2014) and full-time consultant team (from October 2014) (through panel interview) 3.2 Develop standard operating procedures, monitoring and evaluation processes, and promotional materials (November 2014–February 2015) 3.3 Monitor supported SMEs' commercial performance (2015–2019) 3.4 Conduct internal evaluation to assess effectiveness and efficiency of the organizational set-up (October 2016) 3.5 Run independent evaluation of the facility and Pacific Business Investment Trust Fund activities (mid-2018) 3.6 Decide future scope and nature of facility (early 2019)			Inputs Total amount \$12,500,000 ADB grant (TASF- Others): \$1,500,000 Pacific Business Investment Trust Fund: \$11,000,000

ADB = Asian Development Bank, SMEs = small and medium-sized enterprises, TASF = Technical Assistance Special Fund.

Source: Asian Development Bank.

TECHNICAL ASSISTANCE COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
A. Asian Development Bank^a	
1. Consultants ^b	
a. Remuneration and per diem	1,263.0
b. International and local travel	160.0
2. Contingencies	77.0
Subtotal (A)	1,500.0
B. Pacific Business Investment Trust Fund^c	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	5,527.0
ii. National consultants	697.0
b. International and local travel	1,839.0
2. Equipment ^d	155.0
3. Workshops, training, seminars, and conferences ^e	150.0
4. Surveys and impact monitoring ^f	200.0
5. Miscellaneous administration and support costs ^g	1,735.0
6. Contingencies	697.0
Subtotal (B)	11,000.0
Total	12,500.0

Note: The technical assistance is estimated to cost \$12.5 million, of which contributions from the Asian Development Bank (\$1.5 million) and the Pacific Business Investment Trust Fund (\$11.0 million) are presented in the table above.

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

^b Includes the facility manager.

^c Financing partner: the Government of Australia. Administered by the Asian Development Bank. These amounts include the Asian Development Bank's administration fee, audit costs, bank charges, and a provision for foreign currency fluctuations (if any) to the extent that these items are not covered by the investment income earned on these funds, or any additional contributions by the Pacific Business Investment Trust Fund.

^d Includes computers, printers, communications equipment, and database and other software.

^e Includes costs of meetings of the independent finance committee, and capacity building workshops, training, seminars, and conferences.

^f Includes survey for independent evaluation in year 4 and ad hoc surveys and impact monitoring.

^g Includes office rent (\$1.1 million), overhead expenses, and publications and other media.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. International Consultants

1. **Facility manager (1 position, 60 person-months).** The facility manager will (i) lead and manage all activities relating to the Pacific Business Investment Trust Fund, (ii) develop and implement all strategic and operational planning, (iii) manage all consultants effectively and proactively, (iv) ensure all processes and procedures are adhered to and reporting completed on time, (v) manage all internal and external stakeholder relationships effectively, (vi) lead collaboration activities where appropriate, (vii) ensure the facility operates within budgets, and (viii) ensure effective communication and dissemination activities are planned and implemented.
2. **Business advisors (2–4 positions, 168 person-months).** The consultants will (i) lead and manage in-country relationships with new and existing clients; (ii) develop pipeline business for financing by the Pacific Business Investment Trust Fund; (iii) manage in-country and regional collaboration activities for their clients; (iv) design and implement business advisory activities for their clients, including for managing short-term consultants; (v) lead all reporting related to their client's activities; (vi) contribute to partnership development activities in the region; and (vii) participate actively in and contribute to all technical assistance (TA) and trust fund processes.¹
3. **Finance-structuring consultant (1 position, 20 person-months).** The consultant will (i) support the business advisors with expert funds management advice on the pipeline business for financing from the Pacific Business Investment Trust Fund; (ii) engage with client companies as required; (iii) structure and close concessional loans; (iv) build the financial models; (v) work with legal experts on preparing legal documents, and other finance processing documents; (vi) prepare all documentation and service the finance committee; (vii) participate actively in and contribute to all TA and trust fund review processes (as required); and (viii) monitor and review the performance of the concessional loan portfolio.
4. **Short-term international consultants (105 person-months, international and/or national).** Short-term consultants will be recruited with business and finance skills including expertise in (i) audit; (ii) industry sectors; (iii) export and import marketing; (iv) governance and management; (v) business information systems; (vi) value and supply chain analysis; (vii) quality assurance; (viii) environmental and social systems; and (ix) finance for small and medium-sized enterprises, including trade finance. In addition, legal advisors will be hired to assist with drafting contractual documentation and due diligence. Short-term consultants will be recruited by a combination of individual consultant selection and indefinite delivery contract. Terms of reference for short-term assignments will be prepared by the project management unit with supervision from the TA supervising unit officer. The Asian Development Bank's Office of the General Counsel will review and agree to the terms of reference, where appropriate.
5. **Private sector coordinators (36 person-months, international and/or national, based in Pacific developing member countries).** The private sector coordinators will support the TA and trust fund activities in-country and will be located, where possible, in ADB's resident missions and/or regional country offices. The coordinators will assist in (i) project identification and due diligence, (ii) monitoring and support for existing projects, (iii) liaison with relevant public and private sector organizations, (iv) sourcing local information and data, and (v) any

¹ Includes two business advisors for 60 person-months and two business advisors for 24 person-months.

other duties required to facilitate TA and trust fund activities in-country. These roles may be part-time and will be established based on demand.

6. Finance committee members (5–7 positions, 6 person-months, intermittent). Independent finance committee members will be hired and will (i) guide on implementing the trust fund's financing strategy, (ii) recommend changes to the financing strategy, (iii) review and approve financing concepts to proceed to due diligence, (iv) approve terms and documentation for concessional loans, (v) review the portfolio of outstanding concessional loans, and (vi) review audit and compliance reports for financed small and medium-sized enterprises.

B. National Consultants

7. Monitoring and evaluation officer (1 position, 60 person-months). This officer will (i) develop and implement a monitoring and evaluation system for the TA and trust fund, (ii) ensure all consultants are trained in its use and benefits, (iii) maintain the system, (iv) analyze and report on work completed in the TA, and (v) participate actively in and contribute to all TA and trust fund processes.

8. Administration and finance support (1–2 positions, 84 person-months).² These officers will (i) administer consultant recruitment and claims; (ii) collate, monitor, and review financial and administrative records; (iii) assist with procuring goods and services; (iv) assist with the monitoring and evaluation framework processes; (v) assist with producing all reports and communications; (vi) maintain the website; (vii) assist with any logistical arrangements; and (viii) monitor all correspondence for action and reassignment.

² Includes one officer for 60 person-months and one officer for 24 person-months.

INDICATIVE PROCUREMENT PLAN

Basic Data

Project Name: Pacific Business Investment Facility	
Project Number: 47373	Approval Number:
Country: Regional	Executing Agency: ADB
Project Financing Amount: \$12,500,000 ADB Grant: \$1,500,000 (TASF-other sources) Cofinancing (ADB Administered): \$11,000,000 (Pacific Business Investment Trust Fund)	Implementing Agency: ADB
Date of First Procurement Plan: 6 May 2014	Date of this Procurement Plan: 6 May 2014

ADB = Asian Development Bank, TASF = Technical Assistance Special Fund.
Source: Asian Development Bank.

A. Methods, Thresholds, Review and 18-Month Procurement Plan

1. **Procurement and consulting methods and thresholds.** Except as the Asian Development Bank may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works		
Method	Threshold	Comments
Shopping for Goods	Up to \$99,999	

Consulting Services	
Method	Comments
Individual Consultants Selection for Individual Consultant	

2. **Goods and works contracts estimated to cost \$1 million or more.** The following table lists goods and works contracts for which the procurement activity is either ongoing or expected to start within 18 months after approval of this paper.

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior/ Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
None							

3. **Consulting services contracts estimated to cost \$100,000 or more.** The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to start within the next 18 months.

Package Number	General Description	Estimated Value ¹	Recruitment Method	Review (Prior/ Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
1	Facility manager (international)	\$1,422,500	ICS	Prior	Q4 2014	Bidata	
2/3	Business advisors (international)	\$2,587,000	ICS	Prior	Q4 2014	Bidata	

¹ Value given is estimated budget over 5 years. Initial contracts will have a shorter duration and lower value, which are to be determined.

Package Number	General Description	Estimated Value ¹	Recruitment Method	Review (Prior/ Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
4	M&E consultant (national)	\$471,000	ICS	Prior	Q4 2014	Biodata	
5	Admin consultant (national)	\$275,000	ICS	Prior	Q4 2014	Biodata	
6	Finance structuring consultant (international)	\$353,600	ICS	Prior	Q1 2015	Biodata	

ICS = individual consultant selection, M&E = monitoring and evaluation, Q = quarter.
Source: Asian Development Bank

4. **Goods and works contracts estimated to cost less than \$1 million and consulting services contracts less than \$100,000 (smaller value contracts).** The following table groups smaller-value goods, works, and consulting services contracts for which the activity is either ongoing or expected to start within 18 months after approval of this paper.

Goods and Works								
Package Number	General Description	Estimated Value	Number of Contracts	Procurement Method	Review (Prior/ Post)	Advertisement Date (quarter/year)	Bidding Procedure	Comment
None								

Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior/ Post)	Advertisement Date (quarter/year)	Type of Proposal	Comment
Various	Short-term international and/or national consultants	\$3,426,100	Multiple	ICS	Prior	from Q4 2014	Biodata	

ICS = individual consultant selection, Q = quarter.
Source: Asian Development Bank.

B. Indicative List of Packages Required Under the Project

5. The following table provides an indicative list of goods, works, and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

Goods and Works							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Review (Prior/ Post)	Bidding Procedure	Comments
None							

Consulting Services							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Review (Prior/ Post)	Type of Proposal	Comments
	Business advisors (international)	\$950,800	2	ICS	Prior	Biodata	

ICS = individual consultant selection.
Source: Asian Development Bank.