

## PROJECT PREPARATORY TECHNICAL ASSISTANCE

### A. Justification

1. The Government of the People's Republic of China (PRC) requested the Asian Development Bank (ADB) to provide lending support to demonstrate integrated and climate-resilient flood and environmental management with harmonized with realistic urban planning, in Kongmu River watershed in Xinyu City that is a manageable size watershed for project level intervention. The proposed project is included in ADB's country operations business plan, 2015–2017 and the ensuing loan in ADB's 2017 lending pipeline for the PRC. Since the executing agency, Xinyu city government (XCG) is not familiar with ADB's project preparation requirements, it is necessary to provide a project preparatory technical assistance (TA) to help the XCG prepare the project that complies with ADB's requirements and includes best international practices.

### B. Major Outputs and Activities

2. The TA will (i) assess the technical feasibility of the project; (ii) conduct due diligence on the economic and financial feasibility of the project; (iii) review safeguard requirements; (iv) conduct social survey and consultations; (v) develop capacity of the XCG for project management; and (vi) prepare project documents, including feasibility study reports (FSR), safeguard documents, and ADB's draft report and recommendations of the President (RRP). The major outputs and activities are summarized in Table A3.1.

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

Major Activities	Expected Completion Date	Major Outputs	Expected Completion Date
Sector assessment	November 2015	An inception report	November 2015
Assessment of the technical feasibility	July 2016	Interim and draft final reports including finalized FSRs for all subprojects, EIA, EMP, RP, a social and poverty analysis report, a gender action plan, a social action plan, a consultation and participation plan, an economic and financial analysis report, a financial management assessment report, PPMS, and draft RRP	July 2016
Financial due diligence of the project including financial management assessment, project financial evaluation, and financial analysis of entities	July 2016		
Assessment of environmental, social, and resettlement impacts	July 2016		
Social survey and consultations	July 2016		
Capacity development of the XCG for project management	September 2016	A final report	September 2016

EIA = environmental impact assessment report, EMP = environmental management plan, FSR = feasibility study report, PPMS = project performance management system, RP = resettlement plan, RRP = report and recommendation of the President, XCG = Xinyu city government.

Source: Asian Development Bank.

### C. Cost Estimate and Proposed Financing Arrangement

3. The TA is estimated to cost \$750,000 equivalent, of which \$600,000 equivalent will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-Other Sources). The XCG will provide counterpart support in the form of counterpart staff, domestic transportation, provision of office space, communication facilities for consultants, and other in-kind contributions. The detailed cost estimate is presented in Table A3.2.

**Table A3.2: Cost Estimates and Financing Plan**

Item	Total Cost (\$'000)
<b>Asian Development Bank<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (12.5 person-months)	263.4
ii. National consultants (32.0 person-months)	230.7
b. International and local travel	37.2
c. Reports and communications	6.5
2. Equipment (computer, printer, etc.) <sup>b</sup>	2.0
3. Workshops, training, seminars, and conferences <sup>c</sup> (training program)	12.0
4. Surveys	12.0
5. Miscellaneous administration and support costs <sup>d</sup>	4.5
6. Contingencies	31.7
<b>Total</b>	<b>600.0</b>

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

<sup>b</sup> Equipment (will be handed over to Xinyu city government upon TA completion)

Type	Quantity	Cost
Printer (1) and facsimile machine (1)	2	\$2,000

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

Purpose	Venue
Stakeholder and resettlement consultation workshops	Xinyu City, Jiangxi Province
Training on social and environmental safeguards, procurement, etc.	Xinyu City, Jiangxi Province

<sup>d</sup> For office operation including costs for interpretation, translation, secretary, telephone, internet, electricity, and water. Source: Asian Development Bank estimates.

#### D. Consulting Services

4. The TA will be carried out by a team of consultants. A total of 12.5 person-months of international and 32.0 person-months of national consulting services will be required. Table A3.3 provides details of the required expertise. The consulting firm will be selected by (i) inviting simplified technical proposals; and (ii) using the quality- and cost-based selection method, with a quality-cost ratio of 90:10. The outline terms of reference are described in paras. 5–17.

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

International Positions	PM	National Positions	PM
Flood management specialist/team leader	4.50	Flood management specialist/deputy team leader	5.50
Wetlands and vegetation specialist	1.25	Wetlands and vegetation specialist	1.75
Economist	2.00	Financial specialist	3.50
Environmental impact assessment specialist	2.50	Environmental impact assessment specialist	4.50
Social development and resettlement specialist	2.25	Resettlement specialist	4.50
		Social development specialist	2.50
		Urban planning specialist	1.50
		Wastewater management and water supply specialist	2.75
		Solid waste management specialist	1.50
		Landscaping specialist	1.25
		Climate change specialist	1.25
		Procurement specialist	1.50

PM=person-months.

Source: Asian Development Bank estimates.

5. **Flood management specialist/team leader** (international, 4.50 person-months). The specialist will have a degree or relevant qualification in flood management or other related fields, and work experience in designing projects. The specialist will have overall responsibility for quality of all TA outputs, coordinating government agencies and other specialists. Specifically, the specialist will (i) prepare a sector assessment report, (ii) identify flood and waterlogging issues

and design project components for them, (iii) develop a river basin hydrological and water quality model, (iv) establish a project performance management system, (v) prepare a project implementation schedule and detailed implementation arrangements, (vi) prepare a draft RRP, and (vii) organize and implement training to develop capacity of the XCG.

6. **Flood management specialist/deputy team leader** (national, 5.50 person-months). The specialist will have a degree or relevant qualification in flood management or other related fields, and work experience in flood management. The specialist will assist the international flood management specialist/team leader in accomplishing his/her tasks.

7. **Wetlands and vegetation specialists** (international, 1.25 person-months; national, 1.75 person-months). The specialists will have a degree or relevant qualification in botany or related fields, and work experience in artificial wetland designing, vegetation, and forestation. The specialists will assist the XCG in (i) designing artificial wetlands in nine lakes existing in the upper Kongmu River watershed; and (ii) selecting tree and/or plant species for water front area creation and forestation in the upper Kongmu River watershed.

8. **Economist** (international, 2.00 person-months). The specialist will have a degree or relevant qualification in economics, and work experience in project economic analysis. The specialist will (i) prepare project cost estimates, financing plan, financial projections, and financial sustainability assessment for non-revenue generating components; and (ii) conduct economic and financial analyses for individual project component and overall project.

9. **Financial specialist** (national, 3.50 person-months). The specialist will have a degree or relevant qualification in business or finance, and work experience in project financial analysis and financial management analysis. The specialist will (i) prepare project cost estimates, financing plan, and financial projections; (ii) conduct a financial analysis; (iii) conduct a financial management assessment of the XCG; (iv) propose arrangements for financial management; and (v) explore a possibility for public-private partnership for wastewater and solid waste management and water supply.

10. **Environmental impact assessment specialists** (international, 2.50 person-months; national, 4.50 person-months). The specialists will have a degree or relevant qualification in environmental studies, and work experience in environmental impact assessment. The specialists will (i) assess potential environmental impacts of the project, including social impacts of environmental interventions; and (ii) prepare an environmental impact assessment report and an environmental management plan for the whole project.

11. **Social development and resettlement specialists** (international, 2.25 person-months; national, 4.50 person-months [resettlement] and 2.50 person-months [social development]). The specialists will have a degree or relevant qualification in social safeguards and/or development studies, and work experience in resettlement and/or social development studies. The specialists will (i) assess resettlement impacts; (ii) assist the XCG in preparing a resettlement plan, with emphasis on livelihood restoration; (iii) assess indigenous people living in the project area and, if necessary, assist the XCG in preparing an ethnic minority development plan; (iv) conduct a poverty and social analysis; and (v) prepare a social action plan, a consultation and participation plan, and a gender action plan.

12. **Urban planning specialist** (national, 1.50 person-months). The specialist will have a degree or relevant qualification in urban planning or related fields, and work experience in urban planning including population estimate. The specialist will (i) review Xinyu City Master Plan for 2008–2030 and other relevant plans, especially population estimates; and (ii) estimate population in the new high-speed railway district in the project area.

13. **Wastewater management and water supply specialist** (national, 2.75 person-months). The specialist will have a degree or relevant qualification in wastewater management and water supply or related fields, and work experience in wastewater management and water supply. The specialist will (i) identify wastewater management and water supply issues in Kongmu River and set targets of the project for wastewater management and water supply; and (ii) review proposed project activities and improve a project component for wastewater management and water supply.

14. **Solid waste management specialist** (national, 1.50 person-months). The specialist will have a degree or relevant qualification in solid waste management or related fields, and work experience in solid waste management. The specialist will (i) identify solid waste management issues in Kongmu River and set targets of the project for solid waste management; and (ii) review proposed project activities and improve a project component for solid waste management.

15. **Landscaping specialist** (national, 1.25 person-months). The specialist will have a degree or relevant qualification in landscaping or related fields, and work experience in landscaping. The specialist will assist the XCG in designing attractive water front areas along the nine lakes and canals connecting the lakes in the upper Kongmu River watershed.

16. **Climate change specialist** (national, 1.25 person-months). The specialist will have a degree or relevant qualification in climate change or related fields, and work experience in climate change studies. The specialist will (i) review climate change impacts and local planning for climate change impacts; (ii) assess potential climate change impacts; (iii) assess potential impacts to climate change the project may cause, and propose mitigation measures; and (iv) propose adaptation measures to anticipated regional climate change.

17. **Procurement specialist** (national, 1.50 person-months). The specialist will have experience in procurement and consultant recruitments. The specialist will (i) assess capacity of the XCG to undertake procurement and consultant recruitments; (ii) prepare a procurement plan; and (iii) prepare master bidding documents.

## E. Implementation Arrangements

18. The XCG will be the executing agency of the TA. Xinyu Urban and Rural Construction Investment Group Company under the XCG will be the implementing agency. A project leading group has been established in the XCG to provide overall guidance for TA implementation. A project management office has also been established to administer day-to-day TA activities and coordinate with ADB and the implementing agencies. The TA will be implemented over 10 months tentatively from 16 November 2015 to 16 September 2016. Equipment for TA consultants will be procured following ADB's Procurement Guidelines (2015, as amended from time to time), and handed over to the XCG upon TA completion. Disbursement under the TA will be in line with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). The TA processing and implementation schedule is listed in Table A3.4.

**Table A3.4: Technical Assistance Processing and Implementation Schedule**

<b>Major Milestones</b>	<b>Expected Completion Date</b>
Concept paper approval	July 2015
Recruitment of consultants	July–October 2015
Commencement of project preparatory technical assistance	November 2015
Submission of project preparatory technical assistance draft final report	July 2016
Loan fact-finding mission	July 2016
Submission of project preparatory technical assistance final report	September 2016

Source: Asian Development Bank estimates.