

PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Justification

1. The Government of the Republic of the Union of Myanmar has requested the Asian Development Bank (ADB) a project preparatory technical assistance (TA) to prepare the Third Greater Mekong Subregion (GMS) Corridor Towns Development Project suitable for ADB financing.

B. Major Outputs and Activities

2. The project preparatory TA will (i) conduct sector and subsector analysis; (ii) develop a strategic local economic development plan for each of Mawlamyine, Hpa-An, and Myawaddy; (iii) help prioritize and identify project components for the ensuing loan project; (iv) determine the feasibility of the proposed investments for priority infrastructure construction and improvements, and (v) prepare an institutional capacity strengthening and public awareness programs. The TA will also prepare the project administration manual (PAM) that includes all the information and schedules describing project implementation. The major outputs and activities of the TA are summarized in Table A4.1.

Table A4.1: Summary of Major Outputs and Activities

Major Activities	Major Outputs	Expected Completion Date
1. Preparatory activities	Inception report	Feb 2015
1.1. Conduct stakeholder consultations		
1.2. Establish TA methodology and work program		
2. Sector and subsector analysis and strategic local economic development plan	Interim report	May 2015
2.1 Review existing development plans, policies, and strategies		
2.2. Prepare long-term development plans for water supply, drainage and flood control, wastewater management, and solid waste management		
2.3 Develop strategic local economic development plans		
2.4. Refine project rationale		
2.5. Identify priority project components		
2.6. Analyze design alternatives and prepare conceptual engineering designs		
2.7 Conduct institutional capacity assessments covering financial management, procurement, safeguards, and implementation capacity		
3. Feasibility study	Draft final report	Aug 2015
3.1. Prepare preliminary engineering designs		
3.2. Prepare cost estimates and financing plan	Final report	Oct 2015
3.3. Assess economic and financial viability and sustainability		
3.4. Conduct consultations and stakeholder mapping		
3.5 Conduct environmental and social impact assessments to prepare due diligence reports, IEEs/EIAs, RPs, IPPs, and other safeguard documents		
3.6. Develop clearly defined detailed implementation arrangements		
4. Institutional capacity strengthening and public awareness programs	Draft final report	Aug 2015
4.1. Define organizational roles and structure of State and District governments		
4.2. Develop training program to strengthen capacity of State and District governments	Final report	Oct 2015
4.3. Develop awareness programs for the project beneficiaries		
5. Project Administration Manual (PAM)	Draft final report	Aug 2015
5.1. Prepare PAM that includes all the information and schedules describing project implementation	Final report	Oct 2015

EIA = environmental impact assessment, IEE = initial environmental examination, IPP = indigenous people plan, PAM = project administration manual, RP = resettlement plan, TA = technical assistance.
Source: Asian Development Bank.

C. Cost Estimates and Proposed Financing Arrangement

3. The TA is estimated to cost \$1,350,000 equivalent of which \$500,000 will be financed by ADB's Technical Assistance Special Fund (TASF-Others), \$350,000 by the Netherlands Trust Fund under the Water Financing Partnership Facility (WFPF) administered by ADB, and \$500,000 by the Regional Cooperation and Integration Fund (RCIF).¹ All funds will be provided on a grant basis. The funds from WFPF and RCIF will be disbursed on a front loaded basis.² The government will provide counterpart support in the form of counterpart staff, office accommodation with furniture, communication facilities for consultants, relevant data, maps, and reports, and logistic assistance for the workshops and seminars. The detailed cost estimate is in Table A4.2.

Table A4.2: Cost Estimates and Financing Plan

Item	Total Cost (\$'000)
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	140,000.0
ii. National consultants	50,000.0
b. International and local travel	50,000.0
c. Reports and communications	30,000.0
2. Equipment (computer, printer, etc.) ^b	20,000.0
3. Workshops, training, seminars, and conferences ^c	
a. Facilitators	10,000.0
b. Training program	10,000.0
4. Vehicle ^d	14,000.0
5. Surveys	23,000.0
6. Miscellaneous administration and support costs	10,000.0
7. Representative for contract negotiations	8,000.0
8. Contingencies	135,000.0
Subtotal	500,000.0
Regional Cooperation and Integration Fund^e	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	400,000.0
ii. National consultants	50,000.0
b. International and local travel	50,000.0
Subtotal	500,000.0
Netherlands Trust Fund under the Water Financing Partnership Facility^f	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	300,000.0
ii. National consultants	50,000.0
Subtotal	350,000.0
Total	1,350,000.0

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

^b Equipment

Type	Quantity	Cost
2 computers with software, 1 printer, 1 photocopier, and 1 scanner	Lump sum	\$20,000

^c Workshops, training, seminars, and conferences

Purpose	Venue
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¹ Established by ADB. Financing partner: the Government of Japan.

² Disbursement of WFPF will be followed by RCIF.

Inception, interim, and draft final workshop	Mawlamyine
^d Vehicle	
Justify the use of and the need to purchase or lease a vehicle	Expected length of use
Leasing one car for consultants use for fieldwork	7 months

^e Established by the Asian Development Bank. Financing partner: the Government of Japan.

^f Administered by the Asian Development Bank.

Source: Asian Development Bank.

D. Consulting Services

4. A team of consultants will be engaged through firm(s). The TA will require 10 positions and 30 person-months (pm) of international, and 13 positions and 50 pm of national consulting services. ADB will select and engage consultants in accordance with ADB's *Guidelines on Use of Consultants* (2013, as amended from time to time). The quality- and cost-based selection method with quality-cost ratio of 90:10, using full technical proposal procedures, will be followed. A small number of individual international and national consultants will be additionally engaged after submission of the draft final report, to support start-up activities of the ensuing loan project on an as-needed basis using the contingencies.

Table A4.3: Summary of Consulting Services Requirement

Positions (International)	Person-Months Required	Positions (National)	Person-Months Required
Urban development specialist / team leader	6.0	Civil engineer / deputy team leader	6.0
Water supply and wastewater management engineer / procurement specialist	3.0	Urban planner	3.0
Solid waste management specialist	2.0	Water supply engineer	4.0
Road and drainage engineer	2.0	Sanitation engineer	4.0
Financial specialist	3.0	Solid waste management specialist	4.0
Economist	3.0	Road and drainage engineer	4.0
Institutional development	3.0	Financial and municipal finance specialist	4.0
Environment specialist	3.0	Economist	3.0
Social development and gender specialist	2.0	Institutional development specialist	4.0
Social safeguard specialist (IR and IP)	3.0	Environment specialist	4.0
		Social development and gender specialist	3.0
		Social safeguard specialist (IR and IP)	4.0
		Procurement specialist	3.0

IP = indigenous people, IR = involuntary resettlement.

Source: Asian Development Bank.

5. The outline terms of reference for the consultants are described in Table A4.4

Table A4.4: Outline Terms of Reference

Sector and subsector analysis and strategic local economic development plans. The consultant will (i) review the existing urban development plans and other relevant plans, regulations, reports, standards, and studies; (ii) predict the future development needs and trends; (iii) assess the existing institutional framework for urban planning, development, and management; and (iv) develop a strategic local economic development plan with a long-term city development vision for each project city.

Technical aspects. The consultant will (i) review subsector development plans, natural environment, existing infrastructure conditions, and institutional framework; (ii) review preparation and administration of phase I and II of the GMS corridor towns development project and prepare lessons learned; (iii) consult key stakeholders to identify major issues and bottlenecks; (iv) prepare long-term development plans for water supply, sanitation and wastewater management, solid waste collection and treatment, and urban roads and drainage; (v) confirm the priority areas and finalize the infrastructure investment subprojects;

(vi) collect and analyze information on infrastructure and civil works; (vii) analyze design alternatives and prepare conceptual engineering designs; (viii) introduce climate resilient designs for infrastructure facilities; (ix) prepare preliminary engineering design and cost estimates; (x) prepare an operation and maintenance plan; (xi) conduct the procurement capacity assessment; (xii) review the country procurement system and SOE eligibilities; (xiii) conduct procurement due diligence if NCB will be an option; (xiv) prepare a procurement plan; and (xv) prepare the PAM.

Economic analysis. The consultant will (i) conduct socioeconomic surveys and prepare baseline data; (ii) conduct SWOT analysis; (iii) refine the project rationale; and (iv) prepare economic analyses for individual project components as well as the project as a whole following ADB's guidelines.

Financial due diligence. The consultant will (i) conduct financial management assessments of the executing and implementing agencies, and recommend measures to strengthen financial management capacity for each subproject; (ii) prepare detailed cost estimates and a project financing plan by financier, and design the funds flow and disbursement mechanism; (iii) establish a strategy for cost recovery and propose a business model for each subproject which has the potential to be revenue-generating; (iv) prepare financial analysis to ascertain its long-term impact (i.e. financial statement analysis for corporatized entities, or incremental recurrent cost analysis for government sector units including building a user-friendly financial model for each); (v) conduct affordability assessment including willingness to pay (in collaboration with the social development and gender specialist); and (vi) propose auditor arrangements.

Environment. The consultant will (i) collect data on environmental conditions; (ii) conduct environment screening and assess the environment category of the project; (iii) assess the projected impacts of climate change on the project areas; (iv) assess the environmental impacts of the infrastructure works; (v) ensure close integration of environment sustainability and climate resilient in infrastructure designs; (vi) conduct an environment compliance audit for existing facilities which will be rehabilitated under the project; and (vii) prepare due diligence reports on existing facilities and associated facilities and/or subprojects as well as an IEE or EIA for each subproject in accordance with ADB's safeguard policy statement.

Social safeguard. The consultant will (i) assess the significance of the land acquisition and resettlement impacts, and prepare RPs accordingly per subproject in accordance with ADB's safeguard policy statement; (ii) assess potential impacts on indigenous peoples and prepare IPPs as required per subproject in accordance with ADB's safeguard policy statement; (iii) help the government initiate a participatory process for RP preparation; (iv) conduct public consultations; and (v) assess the capacity of the responsible institutions to plan, update, and implement RPs and IPPs, and propose training programs.

Institutional analysis and capacity strengthening. The consultant will (i) identify policy, institutional, regulatory, and human resource bottlenecks for urban planning and management, and municipal service delivery; (ii) assess the managerial, technical, financial, and administrative capacities; (iii) prepare realistic project implementation arrangements; (iv) review existing training programs; (v) prepare an institutional analyses disaggregated by sex; and (vi) develop capacity development programs for local government agencies and residents.

Social analysis. The consultant will (i) help conduct socioeconomic surveys; (ii) review the government policies and strategies for poverty reduction and gender development; (iii) conduct a public perception survey to identify public problems and development priorities; (iv) conduct a poverty and social analysis; (v) prepare a poverty reduction and social strategy; (vi) collect sex-disaggregated data to inform project's gender specific design measures and targets; (vii) develop gender targets in the design and monitoring framework as per EGM requirements; (viii) prepare a gender action plan; (ix) prepare a participation plan; (x) conduct a stakeholder analysis and prepare a stakeholder communication strategy; and (xi) develop public health and environmental protection awareness programs.

Others. The consultant will administer the meetings, training, seminars, conferences, and surveys.

ADB = Asian Development Bank, EGM = effective gender mainstreaming, EIA = environmental impact assessment, GMS = Greater Mekong Subregion, IEE = initial environmental examination, IPP = indigenous people plan, NCB = national competitive bidding, PAM = project administration manual; RP = resettlement plan, SOE = state-owned enterprise, SWOT = strengths, weakness, opportunities, and threats.

Source: Asian Development Bank.

E. Implementation Arrangements

6. The executing agency will be the Department of Human Settlement and Housing Division (DHSHD) of the Ministry of Construction. The implementing agencies will be the Kayin State Government and the Mon State Government. A project management unit will be established under DHSHD and project implementation units will be established under the Kayin State Government and the Mon State Government. The consultant will closely consult with the ADB conflict sensitivity consultant who may be able to provide project specific guidance. Disbursements under the TA will be done in accordance with the ADB's *Technical Assistance Disbursement Handbook* (May 2010, amended from time to time). The consultants may procure equipment through shopping in accordance with the ADB's *Procurement Guidelines* (2013, amended from time to time). Upon completion of the TA, equipment procured under the TA will be transferred to the executing agencies. The TA is expected to start on 1 January 2015 and completed by 30 April 2016.

7. The proposed TA processing and implementation schedule is listed in Table A4.5.

Table A4.5: Technical Assistance Processing and Implementation Schedule

Major Milestones	Expected Completion Date
TA commencement	1 January 2015
Inception report	28 February 2015
Interim report	31 May 2015
Draft final report	31 August 2015
Final report	31 October 2015
Financial closure	30 April 2016

TA = technical assistance.

Source: Asian Development Bank.