

## PROJECT PREPARATORY TECHNICAL ASSISTANCE

### A. Justification

1. The government has identified the priority areas to be covered under the ensuing project. A PPTA is necessary to provide sound evidence to justify proceeding with the Loan Project. In accordance with the relevant Government regulations and guidelines, and the agreements among the six International Development Banks it would define the scope, cost, procedures for identifying subprojects, financing plan, implementation arrangements, procurement strategy, technology issues, capacity development needs and post-project operation and maintenance arrangements. It is necessary to establish measures for adherence to the safeguard policies of both the Government and ADB. The PPTA would provide guidance in actions to maximize the socio-economic benefits such as impacts on poverty, gender and fair employment practices. It would also provide project start up support.

### B. Major Outputs and Activities

2. The PPTA will detail a project design that is economically, financially and technically feasible. It will provide advance drafts of the complete set of documentation necessary for the ADB to proceed with internal processing. It will prepare feasibility studies and comprehensive criteria for road sections, logistics and institutional arrangements to be improved under the project. Table A3.1 summarizes the major outputs and activities.

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

Major Activities	Expected Completion	Major Outputs <sup>1</sup>
1. Prepare detailed workplan precisely describing activities and progress against time.	Week 3	Inception Report + Mission
2. Completion of the following tasks: <ul style="list-style-type: none"> <li>• Project implementation arrangements;</li> <li>• selection and prioritization criteria for subprojects</li> <li>• Outlined feasibility studies;</li> <li>• Outlined project baseline monitoring system;</li> <li>• First stage of baseline data, including site surveys;</li> <li>• Stakeholder and gender analysis, safeguards screening and social and environmental safeguard concerns/risks identification;</li> <li>• Priority list of road sections for improvements;</li> <li>• Economic and financial viability assessment; procurement and financial management capacity assessment; and governance, and poverty and social risks assessment;</li> <li>• Potential for cooperation with the academic and training institutions assessment;</li> <li>• Road safety assessment;</li> <li>• Logistics and trade assessment;</li> <li>• Road maintenance assessment;</li> <li>• Training needs assessment</li> </ul>	Month 2.5	Progress Report 1 + Review Mission + Workshop 1

<sup>1</sup> The following ADB publications will guide the consultants in delivering their outputs: (i) Concept Paper; (ii) Fact-Finding Mission Back-to-office Report and Memorandum of Understanding; (iii) TA Paper; (iv) ADB Handbook on Poverty and Social Analysis: Working Document; (v) ADB Safeguard Policy Statement; (vi) Guidelines for Gender Mainstreaming Categories of ADB Projects; (vii) ADB Gender and Development Handbook; (viii) ADB Project Administration Instructions; (ix) ADB Operation Manual; (x) ADB Procurement Guidelines; and (xi) ADB Disbursement Handbook.

3. Completion of the following tasks: <ul style="list-style-type: none"> <li>• Initial draft of ADB (RRP and weblinked) processing documents;</li> <li>• DTA Trade and Logistics Strategy;</li> <li>• Project cost estimates and financing plan</li> <li>• Training Program and Manual</li> </ul>	Month 3	
4. Completion of the following tasks: <ul style="list-style-type: none"> <li>• First phase project base line data analysis;</li> <li>• Pre-feasibility study reports for each of the five PPCs and summary report, including: draft procurement plan and strategy;</li> <li>• Draft technical engineering reports, preliminary designs for prioritized road sections;</li> <li>• Draft economic and financial assessment report;</li> <li>• Draft procurement capacity and financial management capacity assessment reports;</li> <li>• Draft implementation manual;</li> <li>• Draft financial management manual;</li> <li>• Draft road safety guidance manual;</li> <li>• Draft road maintenance guidance manual, including road maintenance by local community groups and training manual on the above;</li> <li>• Draft resettlement and indigenous people's planning framework;</li> <li>• Draft EIA/IEE, draft resettlement plan and draft indigenous peoples plan, draft Poverty and Social Assessment report, draft gender assessment and gender action plan, draft stakeholder engagement and communication plan;</li> <li>• Results Monitoring Systems established and initial data collected and system populated;</li> </ul> <p>Draft 2 of all ADB processing documents.</p>	Month 5	Progress Report 2 + Pre-FS + Mid-term Review Mission + Workshop 2
5. Submission of pre-feasibility study report for MPI's appraisal and Prime Ministers approval.	Month 5.5	
6. Completion of the following tasks: <ul style="list-style-type: none"> <li>• Feasibility studies for the 5 PPCs and a summary FS;</li> <li>• Preliminary designs for the road subprojects;</li> <li>• Draft 3 of ADB processing documents;</li> <li>• Draft Final Report;</li> <li>• Trade facilitation and logistics training</li> <li>• Road safety training;</li> <li>• Road maintenance training;</li> <li>• Results monitoring system piloted</li> </ul>	Month 7	Draft Final Report + Project Fact Finding + Workshop 3
7. Completion of the following tasks: <ul style="list-style-type: none"> <li>• Final report;</li> <li>• Final draft ADB processing documents.</li> </ul>	Month 8	Final Report
8. Project start-up support as required.		

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PPTA = Project Preparatory Technical Assistance, RRP = Report and Recommendation of the President,

### C. Cost Estimate and Proposed Financing Arrangement

3. The PPTA is estimated to cost \$1.1 million equivalent, of which \$900,000 equivalent will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V). The government will provide remaining \$200,000 equivalent in the form of in-kind contributions. The detailed cost estimate is presented in Table A3.2.

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

Item	Total Cost
<b>Asian Development Bank<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (24 person-months)	490.0
ii. National consultants (55 person-months)	165.0
b. International and local travel	60.0
c. Reports and communications	8.0
2. Equipment <sup>b</sup>	14.0
3. Workshops, training, seminars, and conferences <sup>c</sup>	
a. Facilitators	2.0
b. Training program and conferences	12.0
4. Vehicle <sup>d</sup>	15.0
5. Surveys	40.0
6. Miscellaneous administration and support costs <sup>e</sup>	16.0
7. Representative for contract negotiations <sup>f</sup>	3.0
8. Contingencies	75.0
<b>Total</b>	<b>900.0</b>

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

<sup>b</sup> Equipment for office work (designs and printing) and monitoring/ supervising survey works and accuracy of surveys. Equipment will be procured in accordance with ADB's Procurement Guidelines (April 2010, as amended from time to time). Upon PPTA completion the equipment will be turned over to the EA:

Type	Quantity	Total Cost
Photocopier	2	2 \$1,500 (\$750 each) \$1,400
Computer	2	4 \$2,000 (\$1000 each) \$4,000
Engineering – dynamic cone penetrometers.	1	4 \$3,000 \$3,200
GPS	2	4 \$500 (\$250 each) \$2,000
Cameras	1	2 \$500 \$300
Total Station survey equipment set	2	2 \$5,500 (\$2750 each) \$11,000
Field soil and gravel testing kits including sieves.	2	2 \$1,000 \$1,000

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

Purpose: PPTA Inception, institutional capacity building workshops, tripartite progress review meetings, provincial and government high level DTA conferences.

Includes participants' travel and related logistical costs, fees, and related costs for external resource persons. Fees for resource persons and facilitators, who are government officials, will be covered by the government counterpart fund.

<sup>d</sup> Vehicle

Justify the use of and the need to purchase or lease a vehicle	Expected length of use
Lease of vehicles is needed for land transport for PPTA consultants. The Government does not have spare capacity to provide vehicles for this PPTA.	8 months

<sup>e</sup> Office administration and secretarial services, consultants use for liaison, EA's travel and accommodation cost for missions to the DTA area.

<sup>f</sup> In accordance with the project administration instructions on recruiting consulting firms for TA assignments, the user division, in consultation with OSFMD, will decide on the mode of negotiation. ADB. 2010. Specific Requirements for Recruiting Consultants by ADB. *Project Administration Instructions*. PAI 2.04. Manila.

Source: Asian Development Bank Estimates

Note: The PPTA is estimated to cost \$1.1 million equivalent of which contributions from the Asian Development Bank are presented in the table above. The government will provide counterpart support in the form of counterpart staff, office and housing accommodation, office supplies, secretarial assistance, domestic transportation, provision of office space, communication facilities for consultants, and other in-kind contributions. The value of government contribution is estimated to account for 18% of the total PPTA cost.

**D. Consulting Services**

4. The PPTA is expected to require a total of 79 person-months (p-m) of consulting services, consisting of 24 p-m of international and 55 p-m of national experts, commencing in April 2015 and with expected physical completion in February 2016. The consulting services will be provided by an international consulting firm, joint venture, or consortium of consulting firms, which will be recruited in accordance with the Asian Development Bank's (ADB's) Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers (April 2013, as amended from time to time), using Quality Cost Based Selection (QCBS), 90% quality and 10% cost, with simplified technical proposal. In addition, individual consultants will be recruited for preparing the strategy and acting as facilitators for workshops and seminars and providing support on logistics and trade issues. The required person-month inputs per expert are shown in Table A3.3 while the draft Terms of Reference (TOR) for the project preparatory TA consultants, including firm and individuals are presented in Appendixes 1 and 2.

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

<b>Positions</b>	<b>Person-Months Required</b>
<b>International</b>	
<u>Individuals</u>	
Agriculture, Logistics and Trade Specialist	1.5 p-m
Regional Development Strategy Specialist	1.5 p-m
<u>Firm</u>	
Team Leader/ Sr. Roads Engineer	8.0 p-m
Transport Economist	1.5 p-m
Financial Management Specialist	1.0 p-m
Procurement Specialist	2.0 p-m
Institutional Development Specialist	1.0 p-m
Environment and Climate Change Specialist	1.5 p-m
Social/Gender/Ethnic Minority Specialist	1.5 p-m
Social Safeguards/ Resettlement Specialist	1.5 p-m
Road Safety Specialist	1.5 p-m
Road Maintenance Specialists	1.5 p-m
<b>Total (Individuals and Firm)</b>	<b>24.0 p-m</b>
<b>National</b>	
<u>Individuals</u>	
Agriculture, Logistics and Trade Specialist	3.0 p-m
Regional Development Strategy Specialist	3.0 p-m
<u>Firm</u>	
Deputy Team Leader/ Roads and Bridge Engineer	8.0 p-m
Transport Economist	2.0 p-m
Procurement Specialist	3.0 p-m
Financial Management Specialist	3.0 p-m
Institutional Development Specialist	3.0 p-m
Social Safeguards/ Resettlement Specialist	3.0 p-m
Social/Gender/Ethnic Minority Specialist	4.0 p-m
Environment and climate change specialist	4.0 p-m
Roads/Structures/CAD Design Engineer	4.0 p-m
Project Coordinator(s)	15.0 p-m
<b>Total (individuals and firm)</b>	<b>55.0 p-m</b>

## E. Implementation Arrangements

5. The PPTA EA will be MPI. The PPTA consultants will be based in Dak Lak<sup>2</sup>. MOT will provide technical guidance on transport related matters. MPI will provide guidance to the five PPCs to prepare the project documents and coordinate the PPTA activities. A project preparation unit will be established in each of the five provinces. These PPU will be upgraded into PPMUs for the ensuing project. A coordinating unit will be established in Dak Lak, which will do the coordination with all the PPCs and report to MPI and ADB during the PPTA implementation. Proceed of the PPTA will be disbursed in line with Technical Assistance Disbursement Handbook (2010 as amended from time to time). Procurement of equipment under the PPTA will be carried out in accordance with ADB Procurement Guidelines (2013, as amended from time to time). Upon PPTA completion the equipment will be turned over to the EA. The PPTA consultants will be responsible for administering workshops, training, seminars, and conferences. The Government was advised that approval of the PPTA does not commit ADB to finance any ensuing loan. The proposed PPTA processing and implementation schedule is listed in Table A3.4.

6. The proposed TA processing and implementation schedule is listed in Table A3.4.

**Table A3.4: Proposed PPTA Processing and Implementation Schedule**

<b>Major Milestones</b>	<b>Expected Completion Date</b>
Government approval of PPTA Outline (PO)	December 2014
Concept Clearance/PPTA approval	December 2014
Shortlisting of PPTA consultants	January 2015
Fielding of PPTA consultants	April 2015
Midterm Review	September 2015
Submission of pre-feasibility study report for PM approval	October 2015
Submission of Final FS Report	December 2015
Physical completion of consulting services	February 2016
Government approval of FS	March 2016
Financial Closure of TA	December 2016

<sup>2</sup> MPI and Dak Lak PPC will provide to the PPTA consultants: office space, counterpart staff, office staff and translators, domestic transport for counterpart staff and basic office and communications equipment and associated costs.