

Project Preparatory Technical Assistance

A. Justification

1. A project preparatory technical assistance (PPTA) is needed to further develop public transport programs and investments in Ho Chi Minh City (HCMC). The proposed PPTA will focus on developing a series of innovative and transformational interventions, which enhance the quality of public transport systems and increase the modal share of public transport. The PPTA will assess and prepare the priority investments of HCMC mass rapid transit (MRT) Line 5 – Phase 1 Project and HCMC Traffic Control Center (HTCC) Project.

B. Major Outputs and Activities

2. The PPTA will develop the overall multitranche financing facility (MFF) Investment Program, further define the proposed components and finalize tranche 1 investments. The PPTA will undertake an assessment of relevant HCMC public transport subsector issues, including the HCMC urban transport masterplan (HUTMP) implementation, reviewing policies, regulations and institutional arrangements and identification of capacity development needs.¹ The PPTA will develop measures to promote public transport in HCMC, including the proposed Traffic Management Planning Study and identify investment needs in subsequent tranches.

3. The PPTA will finalize the draft feasibility study for MRT Line 5 – Phase 1 project prepared in 2012, including: (i) updating the environment impact assessment (EIA) and draft resettlement plan to meet ADB safeguard policy statement requirements, (ii) cost estimate and financing plan review, and (iii) an assessment of integration and all other cofinancier requirements.² The draft feasibility study will be revised based on findings prior to approval by HCMC People's Committee (HCMC PC). After feasibility study approval, the front end engineering design (FEED) will be undertaken over an 18 month period, to ensure all design issues are resolved and cost estimate finalized prior to ADB consideration of the MFF.³ Bidding documents will be prepared and procurement commenced prior to design approval.

4. For the proposed HTCC project, the PPTA will review the feasibility study to be prepared by World Bank consultants in 2015 to identify amendments to meet ADB requirements and determine the sub-components to be included under tranche 1.⁴

5. The three main PPTA components: (i) HTCC feasibility study review, (ii) MRT Line 5 after FEED completed, and (iii) public transport assessment and recommendations will be all incorporated into the PPTA Draft Final Report in 2016.

6. The PPTA will assist with advance action for tranche 1 implementation, until the tranche 1 loan funded consultants are mobilized in 2017, to ensure start-up and implementation delays

¹ The PPTA services will partially rely on urban transport studies being undertaken by technical assistance for the Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility to the Socialist Republic of Viet Nam for the Ho Chi Minh City Urban Mass Rapid Transit Line 2 Investment Program and and the Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility to the Socialist Republic of Viet Nam for the Sustainable Urban Transport for Ho Chi Minh City Mass Rapid Line 2 Project.

² Cost estimate review is financed using internal European Investment Bank technical assistance funding.

³ The HCMC PC has submitted in March 2014 an application to the Project Preparation and Start-up Support Facility for \$13.2 million to complete the MRT Line 5 FEED.

⁴ The feasibility study is being prepared under the proposed Green Transport Project, funded by World Bank.

are avoided. This implementation support and subsequent changes to the Investment Program will all be incorporated in the Final Report. 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
- MFF and investment components defined	February 2015	Interim Report	April 2015
- MRT Line 5 Feasibility Study approved			
- MRT Line 5 FEED and HTCC Feasibility Study reviewed and MFF/tranche 1 prepared	April 2015 June 2016	Draft Final Report	July 2016
- Tranche 1 advanced action	September 2017	Final Report	June 2017

FEED = front end engineering design, HCMC = Ho Chi Minh City, HTCC = HCMC traffic control center, MFF = multitranchise financing facility, MRT = mass rapid transit

Source: Asian Development Bank staff

C. Cost Estimate and Proposed Financing Arrangement

7. The TA is estimated to cost \$840,000, of which \$600,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-others). The government will provide financing of \$240,000, including counterpart support in the form of counterpart staff, provision of office space, and other in-kind contributions. The cost estimate is indicated in Table A3.2.

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

Item	Total Cost
A. Asian Development Bank ^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (18 person-months)	410.8
ii. National consultants (27 person-months)	70.5
b. International and local travel	48.0
c. Reports and communications	3.0
2. Workshops and seminars ^b	4.0
3. Surveys	10.0
4. Contingencies	53.7
Subtotal (A)	600.0
B. Government Financing	
1. MRT Line 5 – Phase 1 environment and resettlement update	200.0
2. Office facilities and counterpart staff	40.0
Subtotal (B)	240.0
Total (A + B)	840.0

^a Financed by TASF-others

^b Major outputs workshop in HCMC.

Source(s): Asian Development Bank and government staff

B. Consulting Services

8. The PPTA will engage 18 person months of international and 27 person months of domestic consultants, by individual selection method for international positions and a firm for local positions. Consultant selection will be done in accordance with ADB's *Consultant*

Guidelines (2013, as amended from time to time). A summary of consultant positions is detailed in Table A3.3 and the outline terms of reference described in paras 9 to 15. The PPTA will be supported through separate consultant services to address climate change adaptation.⁵

Table A3.3: Summary of Consulting Services Requirement

International Name of Positions	Person- months	National Name of Positions	Person- Months
Urban Transport Planner/Team Leader	5.0	Public Transport Expert	5.0
Urban Railway Specialist	2.5	Urban Railway Expert	4.0
Financial Specialist/Transport Economist	3.0	Procurement/cost Expert	5.0
Institutional/Procurement Specialist	2.5	Finance/Economic Expert	4.0
Resettlement Specialist	1.5	Resettlement Expert	2.0
Environmental Specialist	1.5	Social/Gender Expert	5.0
Social Development Specialist	2.0	Environmental Expert	2.0

Source: Asian Development Bank staff

9. Urban Transport Planner (international, 5.0 person-months) supported by Public Transport Expert (national, 5.0 person-months).⁶ Minimum of bachelor degree in relevant urban planning discipline and 15 years experience, with responsibility for project management and coordination of all services. Key tasks include: (i) assessment of public transport masterplan, policies and institutional arrangements to develop modal shift measures, (ii) scope and prepare station conceptual layouts for MRT Line 5 integration measures, (iii) identify station development issues, including public private participation opportunities, (iv) identify capacity development programs, and (v) assess the lending modality, risks and determine indicators.

10. Urban Railway Specialist (international, 2.5 person-months) supported by Urban Railway Expert (national, 4.0 person-months). Minimum of bachelor degree in relevant engineering discipline and 15 years experience. Key tasks for MRT Line 5 include: (i) assess technical, construction and implementation methods, (ii) review cost and schedule, including optimization as needed, (iii) quality assure recommended technical solutions, and (iv) support updating feasibility study and other related project documents.

11. Financial Specialist/Transport Economist (international, 3.0 person-months) supported by Finance/Economic Expert (national, 4 person-months). Minimum of bachelor degree in financial discipline and 15 years experience, with key tasks for MFF and tranche 1 projects include: (i) financial analysis and evaluation, including cash flow projections, (ii) financial management assessment and report, (iii) identify project revenue and cost risks, (iv) prepare cost estimates and financing plan, (v) develop auditing arrangements and capacity development program, (vi) assess economic, passenger and traffic conditions, (vii) review feasibility study demand assessment and forecasts,⁷ and (viii) evaluate direct/indirect cost and benefits to undertake economic analysis to assess project.

12. Institutional/Procurement Specialist (international, 2.5 person-months) supported by Procurement/ Cost Expert (national, 5.0 person-months). Minimum of bachelor degree in relevant discipline and 10 years experience. Key tasks for tranche 1 projects include: (i) assess

⁵ Financed under other ADB TA funds established for these issues or existing RSDD TA programs.

⁶ For positions listed as international and national, the national specialist's primary task will be to support the international experts, or other assigned sub-task work as necessary.

⁷ The consultant review will rely on outputs from proposed MRT demand model to be established by MAUR in 2015.

proposed contract and procurement methods, (ii) undertake procurement capacity assessment, (iii) assist agencies to prepare bidding documents and procurement process, and (iv) assist the recruitment of FEED consultant and loan funded contracts.

13. Resettlement Specialist (international, 1.5 person-months) supported by Resettlement Expert (national, 2.0 person months). Minimum of bachelor degree in relevant discipline and 10 years experience. Tasks will include: (i) assessment of draft resettlement plan for tranche 1 projects and revise after FEED completed, (ii) prepare MFF resettlement framework, and (iii) complete consultations, assessments and training of relevant agencies.

14. Environmental Specialist (international, 1.5 person-months) supported by Environmental Expert (national, 2.0 person months). Minimum of bachelor degree in environmental discipline and 10 years experience. Tasks will include: (i) assessment of draft environmental impact assessment (EIA) for MRT Line 5 and revise after FEED completed, (ii) undertake MFF environmental assessment and review framework, including strategic environmental assessment, (iii) assist with development of consultation and participation process, and (iv) determine capacity building requirements and monitoring of relevant environmental issues.

15. Social Development Specialist (international, 2.0 person-months) supported by Social/Gender Expert (national, 5.0 person-months). Minimum of bachelor degree in a relevant degree and 10 years experience. Tasks will include: (i) assessment of social issues and impacts for tranche 1 projects, (ii) prepare a project communication and participation plan and conduct the consultation process, (iii) review and assess gender impacts, including development of gender sensitive features, (iv) completion of necessary documentation in accordance with relevant guidelines, and (v) determine capacity building requirements.

C. Implementation Arrangements

16. The executing agency will be the HCMC PC and the implementing agencies will be the Department of Transport (DOT) and Management Authority for Urban Railways (MAUR). In addition to PPTA financing and HCMC PC financed consulting services, the government will provide in-kind contributions with counterpart staff, limited office space for consultant use, logistic support for project and consultations meetings, and provision of relevant documentation. Proceeds of the TA will be disbursed in accordance with ADB's *TA Disbursement Handbook (2010, as amended from time to time)*.

17. The TA is expected to be approved in December 2014 and closed on 31 January 2018. The services will be completed in two phases: Phase 1 for due diligence on MRT Line 5 feasibility study, and Phase 2 for due diligence of HTCC project and the MFF and tranche 1 preparation. The proposed schedule is outlined in Table A3.4

Table A3.4: Technical Assistance Processing and Implementation Schedule

Major Milestones	Expected Completion Date
Approval of PPTA (MFF concept paper)	December 2014
Consultant recruitment (individuals)	February 2015
Consultant recruitment (firm)	April 2015
Completion of services	October 2017
Financial Closure	January 2018

Source: Asian Development Bank staff