

PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Justification

1. The provincial Government of Khyber Pakhtunkhwa, Pakistan, requested the Asian Development Bank (ADB) to help improve Peshawar's urban transport system (UTS) and provide technical and financial support to implement a bus rapid transit (BRT) corridor and strengthen institutions managing the UTS. The project preparatory technical assistance (PPTA) will build on (i) Peshawar Urban Transport Pre-Feasibility Study recently undertaken by Cities Development Initiative for Asia (CDIA), and (ii) advance preparation activities undertaken under a government-financed TA.

B. Major Outputs and Activities

2. The PPTA will have the following outputs: (i) implement recommendations made under CDIA's assistance, regarding the urban transport policy reform framework and institutional and organizational developments, such as establishing a Transport Authority (Peshawar Urban Mobility Authority - PUMA) to regulate, plan, and coordinate Peshawar's UTS; and a Company (Peshawar BRT Company - PBRTC) to implement and later manage BRT operations; (ii) produce conceptual plans for BRT and non-motorized transport (NMT) networks; (iii) undertake preliminary design and cost estimates of BRT and corridor 2 restructuring, including drawings at sufficient level of details to be taken up for detailed design;¹ (iv) assess the opportunity to integrate intercity bus depots and off-street parking components in the project scope, and undertake preliminary design of such components; (v) conduct full due diligence for the BRT corridor and associated infrastructures;² (vi) undertake a public-private partnership (PPP) assessment to identify viable PPP options, leading to transaction advisory services to assist the government in the delivery of selected PPP scheme(s), if any; (vii) produce a BRT operations financial model and initiate an industry transition process through negotiation with existing bus operators; (viii) draft a project implementation roadmap including the project financing plan, an indicative implementation schedule and a procurement strategy and plan; (ix) develop a parking strategy, a street vendors' policy and other traffic management rules along the corridor; and (x) develop a transit-oriented urban development strategy along the corridor. Major outputs and activities are summarized in Table A4.1.

Table A4.1: Summary of Major Outputs and Activities

Major Activities	Expected Completion Date	Major Outputs	Expected Completion Date
1. Policy reform framework, institutional / organizational developments	November 2015	Structuration of PUMA and PBRTC	September 2015
		Parking strategy and street vendors' policy	November 2015
		Urban development strategy along BRT corridor	November 2015
2. Conceptual plan for NMT and BRT network	September 2015	Conceptual plan for BRT network	September 2015
		Conceptual plan for NMT network	September 2015
3. Preliminary design and cost estimates of corridor 2 restructuring, including BRT	November 2015	Preliminary design (BRT)	November 2015
		Preliminary design (associated infrastructure)	November 2015
		Final project cost estimates	December 2015

¹ This will include awareness campaigns and stakeholders' engagement process to experiment inclusive infrastructure design, i.e. technical design including inputs from future users.

² Aside from ADB standard due diligence (footnote 14 of main text), the PPTA will also conduct assessments for procurement and financial management capacity of the executing and implementing agencies. The soon-to-be established PUMA and PBRTC will be evaluated in terms of staffing capacity, organizational and administrative setup, evidence of transparency and accountability, and filing systems. If risks are identified, PPTA will propose an action plan to minimize those risks, mainly through capacity building. A security risk assessment will also be conducted to take into account Peshawar's specific context. A climate change vulnerability assessment and a study on carbon emissions for the selected BRT line and potential for clean development mechanism will be undertaken as well.

4. Due diligence for the selected BRT line	November 2015	Climate Risk and Vulnerability Assessment	August 2015
		Land Acquisition and Resettlement Plan	November 2015
		Environmental Impacts' Study	November 2015
		Financial and economic analysis	October 2015
		Poverty and Social analysis, incl. affordability	September 2015
		Gender analysis and action plan	September 2015
5. BRT operations financial model	November 2015	Financial model for existing bus operations	August 2015
		Financial model for future BRT operations	November 2015
6. PPP assessment	October 2015	PPP assessment and policy framework	October 2015
		Identification of viable PPP components	October 2015
7. Project implementation roadmap	November 2015	Design and Monitoring Framework	October 2015
		Project Administration Manual	November 2015

BRT = bus rapid transit, NMT = non-motorized transport, PBRTC = Peshawar BRT Company, PPP = public-private partnership, PUMA = Peshawar Urban Mobility Authority.

Source: ADB estimates.

C. Cost Estimate and Proposed Financing Arrangement

3. The PPTA is estimated to cost \$1,600,000, of which \$1,500,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V). The government will provide counterpart support in the form of counterpart staff, office space and data, all made available for consultants as in-kind contributions. External financing is not pursued because of the urgent need for consulting services to prepare the project. The detailed cost estimate is presented in Table A4.2.

Table A4.2: Cost Estimate and Financing Plan (\$'000)

Item	Total Cost
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (40 person-months)	960.0
ii. National consultants (30 person-months)	180.0
b. International and local travel	80.0
c. Reports and communications ^b	50.0
2. Equipment (printer, photocopier) ^c	10.0
3. Workshops, training, seminars, and conferences ^d	30.0
4. Vehicle ^e	20.0
5. Surveys	50.0
6. Miscellaneous administration and support costs ^f	50.0
7. Contingencies	70.0
Total	1,500.0

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

^b Includes knowledge products (video and 3D presentation of the project and others).

^c All equipment(s) purchased under the TA will be handed over to the executing agency upon completion of the TA.

^d Includes at least 5 Workshops (Inception, Interim 1 & 2, Draft Final and Final) for 50 persons each.

^e International consultants will be mostly stationed in Islamabad, a 2-hour drive from Peshawar, for security purposes. An armored vehicle is needed during the whole length of PPTA (8 months) to move between the two cities, meet stakeholders and move along the BRT corridor in Peshawar.

^f Includes secretarial and technical support, and project office cost in Islamabad.

Source: ADB estimates.

D. Consulting Services and Procurement

4. All consultants will be selected in accordance with ADB's Guidelines on the Use of Consultants by ADB and Its Borrowers (2013, as amended from time to time). All procurement will be done in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). The PPTA will use (i) an international firm recruited by ADB under quality-and cost-based selection (QCBS 90:10) and using full technical proposal (FTP); and (ii) individual consultants, notably to supervise technical work under the government-financed TA.

5. A total of 70 person-months consultants' services (40 international, and 30 national) is estimated to be required. However, the PPTA will use a performance and output-based approach, similar to the one used for the PPTA for the Karachi BRT Project, as agreed with the Operations Services and Financial Management Department. Except for mandatory key experts described in Table A4.3 below, proposing firms will determine the number, nature (national or international) and specialty(ies) of any additional team members required to deliver TA outputs. Proposing firms will be responsible for budgeting and assigning team members to each task to produce TA outputs efficiently, in accordance with their proposed approach and methodology. During preparation of proposals, consulting firms shall produce a Personnel Work Plan and Schedule indicating the total time allocation of each team member (in terms of person-months), the projected timing of each team member's contribution (by month), and the activity's location (home office or field). The overall team composition, person-month allocation, and work program will be soundly reviewed by ADB's evaluation team and will be scored under "Approach and Methodology". Only CVs for mandatory key experts will be evaluated and scored under "Personnel". However, ADB will review and individually approve or reject each proposed CV. Payments to consulting firm will be made on pre-defined outputs and performance benchmarks.

Table A4.3: Summary of Minimum Consulting Services Requirement

International Consultants Name of Positions	Minimum PM	National Consultants Name of Positions	Minimum PM
Lead Urban Transport Planning & Policy Specialist/Team Leader	5.0	Transport Planning Specialist/Deputy Team Leader	5.0
Senior BRT Planning & Design Specialist	4.0	Civil Engineer(*)	3.0
Senior BRT Operations Financial modeler	4.0	Transport modeler(*)	2.0
Financial and Transport PPP Specialist	4.0		
Transport Economist	2.0		
Environmental Safeguards Specialist	2.0	Environmental Safeguards Specialist	2.0
Resettlement Specialist	3.0	Resettlement Specialist	3.0
Social and Gender Specialist	1.0		
Total	25.0	Total	15.0

(*) These experts will be recruited individually, to supervise the quality of outputs of government-financed TA. BRT = bus rapid transit, PM = person-months, PPP = public-private partnership. Source: ADB estimates.

6. Outline terms of reference for the main mandatory key positions of the PPTA team are provided below, and will be detailed in full prior to the start of the recruitment process.

7. Team Leader/Lead Urban Transport Planning & Policy Specialist (international).

The Team Leader will possess a university degree in transport planning, political economy or a related field. He/she will possess at least 12 years of experience with urban transport and BRT projects. He/she will be mainly responsible for: (i) overall project and team supervision; (ii) institutional support and capacity building for PUMA and PBRTC; (iii) supervision of the technical design work (preliminary design), in relation with the approved BRT conceptual operational plan; (iv) monitoring of the preparation of all due diligence and loan documents; and (v) liaison with project partners, project communications and report compilation.

8. Deputy Team Leader/Transport Planning Specialist (national). The Deputy Team leader will possess a degree in civil works and/or transport engineering, transport planning or a related field. He/she will assist the international Team Leader in all tasks, and will be knowledgeable of Peshawar local context issues in the urban transport sector.

9. Senior BRT Planning & Design Specialist (international). The expert will possess a university degree in civil works and/or transport engineering, architecture or a related field. He/she will also possess at least 8 years of experience with BRT infrastructure planning and design, and he will be familiar with technical specifications of relevant equipment (rolling stock; intelligent transport systems, including fare collection and passenger information systems).

10. **Senior BRT Operations' Financial Modeler (international).** The specialist will possess a degree in transport engineering, finance or a related field. He/she will possess at least 8 years' experience with standard bus and BRT operations financial modelling, and bus industry reform.

11. **Financial and Transport PPP Specialist (international).** The specialist needs a strong transaction background in PPP with at least 10 years' experience in private sector participation in urban transport. He/she will assess the potential role of private sector in the project, to maximize efficiency through optimal allocation of responsibilities and risks between public and private partners, while ensuring high level of service and safety to users. He/she will analyze alternative PPP contractual structures and assess attractiveness for the private sector. He/she will also undertake the financial analysis of the project (FIRR calculation), and he will conduct financial management and fiduciary risk assessment of executing and implementing agencies.

12. **Environmental Safeguards Specialist (international).** The specialist will possess a degree in environmental sciences or a related field, with knowledge and experience on ADB's Safeguard Policy Statement (SPS) 2009. He/she will prepare the environmental assessment study for the project after studying the background environment of the affected corridor and the implications of the operation on the natural and socio-economic environment. This assessment will (i) lead to the preparation of an initial environmental examination or an environmental initial assessment; and (ii) include mitigation measures and a detailed environmental management plan to implement mitigation measures in compliance with ADB's SPS 2009.

13. **Resettlement Specialist (international).** The specialist will possess a degree in social sciences or a related field, with knowledge and experience on ADB's SPS 2009. He/she will (i) review national laws/policies pertaining to land acquisition and resettlement; (ii) assess the project's land acquisition and resettlement impacts; and (iii) prepare the land acquisition and resettlement plan; all in compliance with ADB's SPS 2009.

14. **Social and Gender Specialist (international).** The specialist will possess a degree in social sciences or a related field, with knowledge and experience on ADB's 2009 SPS. He/she will (i) prepare the summary poverty reduction and social strategy; (ii) prepare the poverty and social assessment; (iii) analyze women's use of public transport and propose strategies to increase it; (iv) conduct gender analysis, identify project design elements, and draft a gender action plan; and (v) analyze potential employment opportunities.

E. Implementation Arrangements

15. The Steering Committee established to supervise CDIA's pre-feasibility study will continue to monitor project preparation throughout all design stages. The Urban Policy Unit within the Planning and Development Department will be the initial executing agency, responsible for overall execution, coordination and supervision of the PPTA. Implementation arrangements for the project will be firmed up during PPTA, depending upon the approved structure, role, and administrative setup of PUMA and PBRTC once they have been established. All disbursements under the TA will be done in accordance with the ADB's Technical Assistance Handbook (May 2010, as amended).

16. The proposed TA processing and implementation schedule is listed in Table A4.4.

Table A4.4: Technical Assistance Processing and Implementation Schedule

Major Milestones	Expected Completion Date
Recruitment of consultants and commencement of service	June 2015
Draft Final Report, including preliminary design and cost estimates	October 2015
Final Report, including all due diligence	December 2015
Physical completion and Financial closure	January 2016

Source: ADB estimates.