

PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Justification

1. Project preparatory technical assistance (PPTA) is required in order to produce a mutually agreeable multitranche financing facility (MFF) and tranche projects suitable for ADB financing. The PPTA will (i) develop an MFF and tranche projects bankable by ADB loan; (ii) conduct due diligence for technical, economic, financial, social, and environmental viability of the 1st tranche project and prepare required due diligence documents.

B. Major Outputs and Activities

2. The PPTA will design an MFF to assist the government in improving the CAREC corridors to serve the needs of surrounding countries to be interconnected through Pakistan and thereby acting as a regional hub to promote regional integration and intra- and inter-regional trade. The PPTA will also conduct a feasibility assessment for the 1st tranche project including preliminary engineering designs; cost estimating; technical, financial, economic, and socioeconomic analysis; environmental analysis; social impact assessment; a study for initial benchmark performance indicators; and preparation of project evaluation and monitoring framework. 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
	Consultant mobilization	Month 1	Work program; Inception report
Task 1	Road sector assessment and MFF packaging	Months 1 to 5	<ul style="list-style-type: none"> • Road sector assessment report • Sector roadmap and undertakings • Sector policy framework • Modified CAREC investment projects for CAREC Corridor 5 and 6 • MFF investment program (physical and nonphysical)
Task 2	Feasibility study and engineering design	Months 1 to 9	<ul style="list-style-type: none"> • Preliminary engineering design • Project procurement risk assessment and management plan • Procurement plan • Draft master bid documents including the request for proposal for detailed design consultancy • Final project administration manual and design and monitoring framework • Final feasibility study report
Task 3	Environment and social safeguards survey and analysis, validation of indigenous people existence and analysis	Months 3 to 9	<ul style="list-style-type: none"> • EARF and LARF • Final IEE/EIA report • Final draft LARP report • Final IP report
Task 4	Social, poverty and gender analysis	Months 3 to 9	Final poverty and social report
Task 5	Financial analysis and management assessment	Months 5 to 6	Financial analysis report, risk assessment and risk management plan (financial, procurement, governance)
Task 6	Economic assessment	Months 4 to 9	Economic analysis report

CAREC = Central Asia Regional Economic Cooperation; EARF = environmental assessment and review framework; EIA = environmental impact assessment; IEE = initial environmental examination; IP = indigenous peoples; LARF = land acquisition and resettlement framework; LARP = land acquisition and resettlement plan; TOR = terms of reference.

Source: Asian Development Bank.

C. Cost Estimate and Proposed Financing Arrangement

3. The TA is estimated to cost \$1,700,000 equivalent, of which \$1,500,000 equivalent will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V). The Government will finance the remaining \$200,000 equivalent in in-kind contributions of counterpart staff, office space, office equipment (work stations and printer), communications (local call and internet connection), and office supplies. The detailed cost estimate is presented in Table A3.2.

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

Item	Total Cost
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (37 person-months)	919.0
ii. National consultants (51 person-months)	322.0
b. International and local travel	50.0
c. Reports and communications	20.0
2. Vehicle rental ^b	20.0
3. Surveys ^c	90.0
4. Miscellaneous administration and support costs	5.0
5. Contingencies	74.0
Total	1,500.0

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

^b Vehicle rental.

For consultant team's site visits for conducting surveys and stakeholders consultation	Expected length of use
2 vehicles	18 vehicle-months

^c Surveys cover traffic, engineering, social, environmental, and other field surveys, as necessary.

Source: Asian Development Bank estimates.

D. Consulting Services

4. For the PPTA, a consulting firm will be recruited using the quality-and cost-based selection procedure, with a full technical proposal and a 90:10 proportion of quality to cost. 90:10 is required due to the technical knowledge required in preparing an MFF. The services will be implemented over about 14 calendar months and will require about 37 international person-months and 51 national person-months. ADB will select and engage the consulting firm in accordance with ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time). Table A3.3 shows the summary of consulting services requirements; see Supplementary Appendix 1 for the detailed terms of reference.

Table A3.3: Summary of Consulting Services Requirement

International	National
Expertise	
Highway Engineer/Team Leader*	Highway Engineer/Deputy Team Leader*
Geotechnical Engineer*	Geotechnical Engineer*
Bridge Engineer*	Bridge Engineer*
Transport Planner/Transport Economist*	Hydrologist*
Financial Specialist	Material Engineer*
Environmental Specialist	Transport Economist*
Resettlement Specialist	Financial Specialist
Social Development and Gender Specialist	Environmental Specialist

International	National
Expertise	
Procurement Specialist	Resettlement Specialist
	Social Development Specialist
	Procurement Specialist

* Key experts.

Source: Asian Development Bank estimates.

E. Implementation Arrangements

5. The executing agency (EA) will be NHA. A project management unit (PMU) will be established under NHA for overall implementation of the TA including providing necessary assistance for consultants. The PMU will be headed by a project director and be assigned with suitably qualified staff to assist consultants.

6. TA funds will be disbursed in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). The tentative TA processing and implementation schedule is listed in Table A3.4.

Table A3.4: Technical Assistance Processing and Implementation Schedule

Milestones	Expected Completion Date
Approval of concept paper	June 2015
Consultant selection	September 2015
Mobilization of consultant	October 2015
TA inception review	November 2015
TA final review cum loan fact-finding	July 2016
TA financial closure	December 2016

Source: Staff estimates.