

## PROJECT PREPARATORY TECHNICAL ASSISTANCE

### A. Justification

1. The Government of Uzbekistan requested for a project preparatory technical assistance (PPTA) to carry out due diligence and prepare a comprehensive design for multitranche financing facility (MFF)—the Third Central Asia Regional Economic Cooperation (CAREC) Corridor Road Investment Program. The design should be suitable for financing by Asian Development Bank (ADB) and where possible other cofinanciers. The PPTA will (i) develop an investment project bankable by ADB loan; (ii) conduct due diligence for technical, economic, financial, social, and environmental viability of the project; (iii) assist the executing agency (EA) in developing required documentation for country resource allocation; and (iv) assist the EA in procuring contracts and managing safeguards issues for the first tranche of the MFF.

### B. Major Outputs and Activities

2. The PPTA will be structured in two phases. **Phase 1 – Before Approval of MFF.** An international consulting firm will be recruited for this phase. In addition, consultants will be recruited on individual basis - climate change specialist (international) and trade facilitation specialist (international and national). This phase will involve (a) preparing all documents for all the three tranche projects leading up to the approval of the investment program and its first tranche; and (b) capacity development activities for supporting Uzavtoyul agencies in preparing a framework and action plan to implement institutional reforms, and for carrying out technical hands-on training to improve construction standards. The Executing Agency - Republican Road Fund (Road Fund) is in the process of conducting technical due diligence and detailed design for Tranche 1 Project. Based on this, the PPTA Consultant will carry out the due diligence activities—technical, economic and financial assessment, governance, poverty and social analysis, safeguards assessment and climate change vulnerability assessment.

3. **Phase 2 – After Approval of MFF.** Individual international and national consultants will be recruited for this phase. After the MFF is approved, the consultants will assist the Road Fund in procurement and safeguards activities leading up to the award of the contracts under Tranche 1 and effectiveness of these contracts. 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
<b>Phase 1 implemented by Firm (Before approval of MFF)</b>			
Environmental and social safeguards surveys and analysis, validation of indigenous people existence and analysis; poverty, and gender analyses.	30 June 2016	(i) EARF for the MFF, and IEE/EIA reports incorporating environmental monitoring and management plans for each project of the proposed MFF; (ii) social safeguards framework for land acquisition and resettlement and indigenous people for the MFF, and assessment and/or due diligence work of land acquisition and resettlement impacts, social safeguard frameworks (involuntary resettlement and indigenous peoples) for entire MFF, including LARPs and/or indigenous people plans for each project of the proposed MFF; (iii) poverty and social analysis; (iv) summary poverty reduction and social strategy; and (v) gender action plan (if needed).	31 July 2016

Major Activities	Expected Completion Date	Major Outputs	Expected Completion Date
Technical due diligence for civil works and equipment supply, and least cost analysis for preliminary design assessment, institutional needs assessment, and analysis for road safety and trade facilitation.	30 June 2016	Technical preliminary design report, bill of quantities, overall project cost estimates, draft tender documents, procurement plan, recommendations for institutional development and road safety components, project consultants terms of reference and scheduling. Key documents include Facility Administration Manual, Procurement Assessment, and other documents needed for loan approval consideration.	31 July 2016
Economic and financial analyses.	30 June 2016	Cost-benefit ratio, economic internal rate of return, financial internal rate of return, financial management assessment and fiduciary systems assessment.	31 July 2016
<b>Phase 1 implemented by Individual Consultants (Before approval of MFF)</b>			
Assessment of institutional status of state owned enterprises, recommending steps for reforms.	30 June 2016	Framework for institutional reforms and action plan for two select state owned enterprises to be reformed on pilot basis.	31 July 2016
Capacity development for improving road design standards.	30 June 2016	Training of Design Institute staff including on-the-job training and workshops	31 July 2016
<b>Phase 2 implemented by Individuals (After approval of MFF)</b>			
Support program management unit in all activities up to contract award and effectiveness	28 February 2017	Updated safeguard documents, final bid documents and evaluation reports for Tranche 1	28 February 2017

Source: Asian Development Bank

### C. Cost Estimate and Proposed Financing Arrangement

4. The TA is estimated to cost \$1,600,000, of which \$1,500,000 will be financed on a grant basis by ADB through ADB's Technical Assistance Special Fund (TASF-V). External financing, other than TASF, is currently not available for the TA. The Government will provide counterpart support in the form of counterpart staff (PMU comprising Director, Procurement Specialist, Office Manager, and Translator), office space (suitable for 12 international and 10 national consultants), office equipment (work stations and furniture), communications (local call and internet connection), and office supplies. The Government was advised that approval of the TA does not commit ADB to financing any ensuing project. The detailed cost estimate is presented in Table A3.2.

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

Item	Total Cost <sup>a</sup>
1. Consultants	
a. Remuneration and per diem	
i. International consultants (55 person-months)	1,068.1
ii. National consultants (54 person-months)	163.8
b. International and local travel	114.5
c. Reports and communications	7.8
2. Equipment (computers, printers, etc.) <sup>b</sup>	5.0
3. Workshops <sup>c</sup>	8.0
4. Vehicle <sup>d</sup>	17.0
5. Surveys	25.8
6. Miscellaneous administration and support costs	11.0
7. Contingencies	79.0
<b>Total</b>	<b>1,500.0</b>

Source: ADB staff estimates.

<sup>a</sup> Financed by ADB's Technical Assistance Special Fund.

<sup>b</sup> Equipment include computers, photocopier, printer and road survey equipment. The turnover or disposal of the equipment after completion of TA contract shall be in accordance with PAI 2.06 para 24.

<sup>c</sup> Workshops

Purpose	Venue
Inception, mid-term, and wrap-up workshops for donor communities, concerned government agencies, and other stakeholders.	Tashkent, Karshi, Kitab, Kungrad and Urgench

<sup>d</sup> Vehicle

Justification for the use of and the need to lease a vehicle	Expected length of use
During Phase 1, two vehicles will be leased by the firm/consultant team for visiting sites, conducting surveys, in-city transport;	8 months
During Phase 2, individual consultants will hire vehicle for site visits	6 months

## D. Consulting Services

5. The TA will be implemented over a 14-month period, commencing from January 2016 and being completed in February 2017. An international consulting firm will be recruited for the Phase 1 for a period of 8 calendar months. Climate Change Specialist (International), Trade Facilitation Specialists (International and National), Institutional Reforms Specialist (International and National) and Road Design Specialist (International and National) will be hired as individual consultants. The Phase 2 will be implemented by individual consultants, engaged separately.

6. The consultants will be engaged by ADB in accordance with ADB's Guidelines on the use of Consultants (2013, as amended from time to time). The firm will be hired using quality- and cost-based selection with a quality to cost ratio of 90:10 on the basis of simplified technical proposal based on the size of the consulting firm contract. The expertise and person-months of international and national consultants are summarized in Table A3.3.

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

<b>Phase 1 – Experts Selected through firm</b>	
<b>Experts selected through firm</b>	<b>Preference</b>
<b>International Consultants</b>	
1. Team Leader/Highway Specialist	Key
2. Transport Economist	Key
3. Financial Specialist	Key
4. Road Design Review Specialist	Key
5. Institutional Specialist	Key
6. Social Development Specialist	Key
7. Environmental Specialist	Key
8. Procurement Specialist	Key
<b>Subtotal Minimum International Inputs for Phase 1</b>	<b>35 Person-Months</b>
<b>National Consultants</b>	
1. Road Engineer/Deputy Team Leader	Key
2. Transport Economist	Key
3. Design Review and Cost Estimate Specialist	Key
4. Institutional Specialist	Key
5. Social Development Specialist	Key
6. Environmental Specialist	Key
7. Procurement Specialist	Key
<b>Subtotal Minimum National Inputs for Phase 1</b>	<b>35 Person-Months</b>
<b>Total Minimum Inputs for Phase 1</b>	<b>70 Person-Months</b>
<b>Maximum size of consulting contract</b>	<b>\$1 Million</b>

**Phase 1 – Individual Consultants**

Individual International Experts	Intermittent Inputs (P-M)	Individual National Experts	Intermittent Inputs (P-M)
1. Trade Facilitation Specialist	1	1. Trade Facilitation Specialist	1
2. Institutional Reform Specialist	4	2. Institutional Reform Specialist	4
3. Road Design Specialist	4	3. Road Design Specialist	4
4. Climate Change Specialist	1		
<b>Total</b>	<b>10</b>		<b>9</b>

**Phase 2 – Individual Consultants**

Individual International Experts	Intermittent Inputs (P-M)	Individual National Experts	Intermittent Inputs (P-M)
1. Road Design Review Specialist	2	1. Design Review and Cost Estimate Specialist	2
2. Institutional Specialist	2	2. Institutional Specialist	2
3. Social Development Specialist	2	3. Social Development Specialist	2
4. Environmental Specialist	2	4. Environmental Specialist	2
5. Procurement Specialist	2	5. Procurement Specialist	2
<b>Total</b>	<b>10</b>		<b>10</b>

7. In addition to the above required key experts, the proposing entities should also include in their technical proposal, in the personnel work plan and in their financial proposal all other 'non-key experts' required in accordance with their proposed approach and methodology. The proposing entity must also determine and indicate the number of person-months for which each key or non-key expert will be required.

**E. Terms of the assignment**

8. Experts will be based in Tashkent city of Uzbekistan for the duration of the assignment. The duration of the assignment is 8 months for Phase 1 and 6 months for Phase 2, and the assignment of experts is intermittent in nature. The terms will be revised based on consultations between the parties involved in the assignment according to changes and/or additional requirements identified during the course of the implementation. All experts engaged under the contract, whether key or non-key experts must be citizens of one of the ADB eligible countries.

**F. Implementation Arrangements**

9. The EA will be the Road Fund. A project management unit (PMU) will be established under the Road Fund for overall implementation of the PPTA including supervision of consultants. The PMU will be headed by a project director and be assigned with suitably qualified staff to assist consultants. Disbursements under the PPTA will be done in accordance with ADB's *Technical Assistance Disbursement Handbook* (May 2010, as amended from time to time). The proposed PPTA processing and implementation schedule is listed in Table A3.4.

**Table A3.4: Technical Assistance Processing and Implementation Schedule**

Milestones	Expected Date
PPTA Approval	September 2015
PPTA Inception Mission	February 2016
Interim Report	April 2016
Draft Report	June 2016
Draft Bidding Documents	July 2016
Final Report – Phase 1	July 2016
Completion of Phase 2	February 2017

PPTA = technical assistance. Source: ADB estimates.