

PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Background and Justification

1. The CoR has engaged the state design institute Kostanay Dorproject to carry out the detailed engineering design which will be completed in Q4, 2015. It is also recruiting a local consultant to prepare the feasibility study in conformance to government requirements. Given the difference between ADB and Government in terms of required scope and depth of analysis for project investment, additional due diligence is necessary for ADB financing. In this connection, a PPTA is recommended and the PPTA consultants will work closely and concurrently with CoR consultants to improve the feasibility study and detailed design, hence producing mutually agreed design and implementation arrangements suitable for ADB financing. The government was advised that approval of the PPTA does not commit ADB to financing any ensuing project.

B. Major Outputs and Activities

2. The major activities and outputs are summarized in Table A3.1.

Table A3.1: Summary of Major Activities and Outputs

Major Activities	Major Outputs	Expected Completion
Due diligence on engineering, environment, resettlement, social, poverty and gender	<ul style="list-style-type: none"> Sector assessment and results framework; design review report, IEE report; Resettlement Plan Summary Poverty Reduction and Social Strategy 	Month 2-6
Due diligence on economic and financial analysis and governance assessment	<ul style="list-style-type: none"> Economic and financial analysis; Procurement capacity and financial management assessment; Risk assessment and management plan 	Month 4-6
Sector review and identification of aspects for institutional strengthening	<ul style="list-style-type: none"> Identification of specific areas where support is required for institutional development. 	Month 2-5
Project implementation preparation	<ul style="list-style-type: none"> Project procurement plan; assistance to CoR in the procurement of civil works and recruitment of project implementation consultants (technical and financial evaluation, contract finalization, and mobilization). 	Month 7-15

IEE = initial environmental examination, IP = indigenous peoples, RP = resettlement plan.

C. Cost Estimate and Proposed Financing Arrangement

3. The total cost of the TA amounts to \$450,000, of which \$400,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-Others). The Government through CoR will provide counterpart support in the form of PIU staff, office space and supplies, secretarial assistance, and other in-kind contributions. The value of the government contribution is estimated to account for 11% of the total TA cost. The detailed cost estimate is in Table A3.2.

Table A3.2: Cost Estimates and Financing Plan

Item	Cost (\$'000)
Asian Development Bank Financing ^a	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants (12 person months)	255
ii. National Consultants (13 person months)	75
b. International and Local Travel	30
c. Translation, Reports and Communications	10

Item	Cost (\$'000)
2. Miscellaneous Administration and Support Costs	10
3. Contingencies	20
Total	400

^a Financed by ADB's Technical Assistance Special Fund (TASF-Others).

Source: Asian Development Bank estimate

D. Consulting Services

4. The required positions and person-months are indicated in Table A3.3. The PPTA will require 12 person-months (PMs) international specialists and 13 PMs of national experts to be recruited individually. For project due diligence where feasibility study is under preparation by EA following government internal requirements, hiring individual consultants with short duration is more appropriate for quick mobilization of consulting service and cost-effective than firms to perform the assignment. The individual experts will be engaged by ADB in accordance with the Guidelines on the Use of Consultants (2013, as amended from time to time).

Table A3.3: Summary of Consulting Services Requirement

Consultants	International (PMs)	National (PMs)
Highway Specialist cum Procurement Expert	5	
Transport Economist	3	
Financial Specialist	1	
Environmental Specialist	1.5	2
Resettlement Specialist	1.5	
Social Development Specialist		3
Highway Engineer cum Coordinator		8
Total	12	13

Source: Asian Development Bank estimates.

5. The outline terms of reference for the consultants are outlined in the paras below.

6. **Highway Specialist cum Procurement Expert (International, 5 PMs).** Qualification: Bachelor's degree or above in civil engineering with at least 20 years' experience in highway planning and design, managing multidisciplinary team and administering large civil works projects; Familiarity with FIDIC and its harmonized MDB version is a prerequisite. Scope of duties: Undertake, but not be limited to, the following tasks: (i) conduct due diligence on overall project scope, rationale, engineering features including on safety and climate risk mitigation (as applicable), cost estimates and improve the detailed design and other relevant areas; (ii) review past projects of similar size and nature and establish project implementation duration and maintenance requirements; (iii) undertake project procurement risk assessment and prepare Project Procurement Risk Assessment and Management Plan (P-RAMP), including procurement capacity assessment of the EA; (iv) prepare, based on P-RAMP, the capacity building program to strengthen EA's capacity in undertaking procurement and address other risks identified; (v) prepare draft procurement plan; and (vi) prepare master bidding documents for different types of contracts under the project, including an RFP for selection of implementation consultant.

7. **Transport Economist (International, 3 PMs).** Qualification: Bachelor's degree in economics or equivalent with broad-based work experience (a minimum of 10 years of relevant professional experience) recognized as an expert in transport economics, proven analytical skills, and preferably working experience in Kazakhstan or regional countries. Scope of duties: Undertake, but not be limited to, the following tasks: (i) review and summarize the project economic rationale, including summarizing and evaluating the project's economic risks; (ii) review the government feasibility study and macroeconomic and sector contexts, meet with

the executing agency and other stakeholders to gather in-depth information, and conduct demand analysis and update the traffic forecast; (iii) in accordance with ADB's Guidelines for the Economic Analysis of Projects and other relevant publications, identify and compare project costs and benefits, assess project sustainability, conduct the economic analysis, sensitivity and risk analysis, and identify indicators for project performance monitoring system; (iv) conduct assessment of sector particularly road subsector taking into account the problem tree analysis; and (v) review areas for institutional strengthening in the context of improving transport efficiency and quality of service.

8. Financial Specialist (International, 1 PM). Qualification: Bachelor's degree and a broad-based work experience (10 years of relevant professional experience) recognized as an expert in transport financial analysis; proven analytical skills and working experience in ADB developing member countries, with a recognized accountancy qualification such as a Chartered Accountant, Certified Public Accountant or Chartered Certified Accountant. Scope of duties: Undertake, but not be limited to, the following tasks: (i) review the government feasibility and prepare the project financing plan; (ii) assess unconstrained operations and maintenance requirements for the road network and actual budget allocation over the last 3 or 4 years, and carry out the financial analysis and evaluate the financial viability of the investment; (iii) prepare an updated financial management assessment; (iv) identify key risks and actions to ensure project sustainability and propose related assurances or covenants; and (v) review ongoing and planned institutional development and propose measures necessary for institutional strengthening, particularly in financial management.

9. Environmental Specialist (International, 1.5 PMs; National 2 PMs). Qualification: relevant education background to undertake environmental impact assessment works and significant experience for preparing environmental impact assessment for similar projects, and be familiar with implementation of Kazakhstan's environmental protection law; preferably a master degree and at least 5 years' experience in work related with environmental impact assessment. Familiarity with the ADB Safeguards Policy Statement (SPS) 2009 is an advantage. Scope of duties: undertake, but not be limited to, the following tasks: (i) prepare Initial Environmental Examination (IEE) Report and its Summary or Environmental Impact Assessment (EIA) Report and its Summary if it is warranted. The IEE/EIA report should be prepared in accordance to the ADB's Safeguard Policy Statement 2009 for Environmental Assessment Requirement; (ii) conduct meaningful public consultations with affected people; (iii) prepare an Environmental Management Plan; (iii) assess the capacity of the Government in addressing environmental problems including the institutional arrangements and any capacity building measures need to be elaborated, and propose the review procedure for addressing environmental concerns of the project, and on this basis, prepare recommendation on how the recommendation of IEE or EIA will be implemented; and (iv) Reconfirm the environmental classification of the proposed project.

10. Resettlement Specialist (International, 1.5 PMs). Qualification: relevant education background and significant experience in preparing RP and implementing land acquisition and resettlement in Central Asia especially for projects in Kazakhstan; full understanding of the ADB SPS 2009; preferably a master degree and over 5 years' experience and at least 3 years' work as resettlement specialist. Scope of duties: undertake, but not be limited to, the following tasks: (i) Reconfirm the project classification for Involuntary Resettlement (IR) and Indigenous Peoples Safeguards; (ii) Prepare options to minimize land acquisition and associated impacts; (iii) Prepare Resettlement Plan that sets out strategies to mitigate adverse effects and maintain living standards of affected people. It shall address the policy objectives of ADB and the government for land acquisition and resettlement, in line with the ADB SPS 2009 and relevant Government Law and Regulations; (iv) conduct socio economic survey and 100% census

survey to identify all persons who will be displaced by the project with appropriate socio economic baseline data and to assess the project's socio economic impact on them, carry out meaningful consultations with the affected people; (v) Describe the institutional arrangements for addressing social impacts/risks associated with the project to develop grievance redress mechanism, and to develop effective arrangement to implement RP; and (vi) Prepare estimated budget for implementing RP covering all aspects.

11. **Social Development Specialist (National, 3 PMs).** Qualification: relevant education background to conduct social impact assessment and significant experience in preparing poverty and social impact assessment. Familiar with ADB's policy on social impacts especially gender and poverty. Preferably master degree with at least 5 years' related work experience. Scope of duties: undertake but will not be limited to the following work: (i) conduct social impact assessment other than social aspects covered by safeguards requirement, especially poverty assessment, gender assessment, participatory assessment, labor impacts and other social impacts as described in relevant ADB guideline; (ii) Conduct socio-economic survey to prepare Poverty and Social Impact Assessment in compliance with ADB guidelines for social impact assessment other than the social aspects covered by safeguards requirement, especially poverty and gender assessment, participatory assessment, labor and other social impacts, specifically to identify social and gender issues in the project's command area and determine how the project will impact (both positively and negatively) on the communities' lives, including (improvement, if any, in) women's and men's access to markets, municipal services, health, and education, livelihood/employment opportunities, and safety, as well as improvement, if any, in women's participation in community decision-making; (iii) assess gender issues for the project and prepare measures, including gender action plan if warranted; and (iv) prepare a summary poverty reduction and social strategy including gender strategy and/or measures as appropriate.

12. **Highway Engineer cum Coordinator (National, 8 PMs).** Qualification: an experienced road engineer with civil engineering degree qualification or above and 15 years' related experience; have good skills in English language. Scope of duties: undertake, but not be limited to, the following tasks: (i) coordinate and facilitate work of all international consultants, including on data collection, public consultations and dialogues with various stakeholders, etc.; (ii) conduct assessment, guided by international consultants, on road sector, costing and engineering aspects of the project; (iii) provide inputs to ADB documents such as the report and recommendations to the President, project administration manual, etc.; and (iv) assist ADB fact-finding and appraisal missions on technical discussions with the EA and Government agencies.

F. Schedule and Reporting Requirements

13. The consulting services will be implemented over a period of 15 months, with estimated TA commencement starting on 1 May 2015 and completing on 31 August 2016. TA funds will be disbursed in accordance with ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time). The PPTA will be financially closed by 30 November 2016. On a regular basis, the consultants will work closely with CoR and its consultants, and provide all necessary assistance in the preparation of project documents. The consultant will report directly to the project officer.

14. The consultants will submit to CoR and ADB (i) an interim report within three months of commencing services; and (ii) a final report (including a five-page executive summary with key findings and recommendations) three weeks after receipt of review comments from CoR and ADB. All reports shall be written in English and translated into Russian.