

## PROJECT PREPARATORY TECHNICAL ASSISTANCE

### A. Justification

1. Project preparatory technical assistance (PPTA) is required to (i) conduct feasibility study and develop basic design of facilities in the project outer islands, and reach consensus on the investment plan with the government, stakeholders, and the Asian Development Bank (ADB), (ii) conduct the due diligence required, (iii) assess capacity of the government, (iv) familiarize the government officials with ADB policies and procedures on safeguards, procurement, financial management, audit and administrative requirements, and (v) familiarize the ADB team with the government policies, procedures and requirements to process and implement the grant project.

### B. Major Outputs and Activities

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

**Table A3.1: Summary of Major Outputs and Activities**

<b>Major Activities</b>	<b>Expected Completion Date</b>	<b>Major Outputs</b>	<b>Expected Completion Date</b>
Conduct due diligence on technical, economic, financial, institutional capacity, social and poverty dimensions, procurement, financial management and safeguards, and financial management.	February 2016	Due diligence to provide basis for project justification	March 2016
Feasibility study substantially completed and basic design for project islands developed within the available budget. The results of feasibility study and basic design will be presented at the midterm workshop in seeking consensus among the stakeholders.	December 2015	Sufficient understanding among the stakeholders of the project	December 2015
Hold inception and final workshops	November 2015 December 2015 and February 2016	Agreement among stakeholders on the project scope	February 2016

Source: Asian Development Bank.

### C. Cost Estimate and Proposed Financing Arrangement

3. The PPTA is estimated to cost \$600,000 equivalent, all of which 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, communication facilities for consultants, assistance to travels to outer islands, and other in-kind contributions. The detailed cost estimate is presented in Table A3.2

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

Item	Total Cost
<b>Asian Development Bank<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (13.5 person-months)	402.6
ii. National consultants (1 person-month)	6.0
b. International and local travel	71.0
c. Reports and communications	20.0
2. Office and Equipment (rent, furniture, printer, equipment etc.) <sup>b</sup>	17.0
3. Workshops <sup>c</sup>	15.0
4. Vehicle <sup>d</sup>	2.0
5. Surveys	10.0
6. Miscellaneous administration and support costs	5.0
7. Contingencies	51.4
<b>Total</b>	<b>600.0</b>

<sup>a</sup> Financed by ADB's TASF-V

<sup>b</sup> Office furniture and equipment (will be provided to the government upon completion of PPTA). Disposal arrangements upon completion of project.

Type	Quantity	Cost
Office rent	7 months	\$7,000
Office furniture	1 set	\$5,000
Combined printer and IT accessories	1 set	\$5,000

<sup>c</sup> Workshops, training, seminars, and conferences

Purpose	Venue	Cost
Inception	Funafuti	\$7,500
Final	Funafuti	\$7,500

<sup>d</sup> Vehicle: Taxi fare only

PPTA=project preparatory technical assistance, TASF=Technical Assistance Special Fund.

Source: Asian Development Bank.

## D. Consulting Services

4. **Deliverables.** Under an output-based terms of reference (TOR), the consultant will deliver the following documents at satisfactory quality that are required at ADB for approval of a new project.

- (i) **Feasibility Study and Basic Design Report.** The consultant will demonstrate the results of feasibility study in this report. The report will show all relevant engineering, social, and environmental considerations given in the studies including but not limited to the following: (a) how the design criteria are set for the natural conditions (such as waves) and socioeconomic conditions and other conditions; (b) how facilities to be constructed are determined for each outer island; (c) types of structure compared and selected in consideration of design criteria; (d) measures to minimize environmental impacts such as minimizing dredging volume during construction, or minimizing erosion and sedimentation after completion; and (e) the project facilities can be constructed by contractors available in the region.
- (ii) **Sector Assessment.**<sup>1</sup> This document provides overview of the current status and issues and possible future issues in the maritime transport sector in the country. It analyzes the role and the use of the government owned ships in terms of connectivity of outer islands, based on passengers and cargo carried in the recent

<sup>1</sup> This is one of standard ADB's project appraisal documents.

years. It will also analyze the financial performance of the government's maritime transport operation and the institutional capacity.

- (iii) **Economic Analysis** (footnote 1). The economic viability and sustainability of the project is analyzed according to ADB guidelines considering the port's role in domestic maritime transportation, expected benefits and costs, historical trends, and sensitivity analysis.<sup>2</sup>
- (iv) **Financial Management and Sustainability Assessments** (footnote 1). Assessing financial management and financial analysis/sustainability of the Ministry of Communication and Transport (MCT) and other relevant national government agencies.
- (v) **Capacity development program**. Based on the sector and capacity assessments on the various aspects, the consultant will develop a capacity development program for outer island communities and the relevant national government agencies to be implemented during the project. The program should be effective and suitable for the relevant government agencies which have very small number of staff and the program deliveries should be sustainable.
- (vi) **Stakeholder Consultation and Participation Plan; Social and Poverty Analysis and Summary Poverty Reduction and Social Strategy** (footnote 1).
- (vii) **Gender Action Plan** (footnote 1).
- (viii) **Environmental Impact Assessment (EIA) or Initial Environmental Examination (IEE)** (footnote 1). While some volume of dredging coral reef would be required, tentatively the project is environmentally categorized as B. This will be reassessed during the PPTA and EIA or IEE will be prepared according to ADB's Safeguard Policy Statement.<sup>3</sup>
- (ix) **Due Diligence Report** (footnote 1). On land acquisition and resettlement, including agreements and procedures on the use of communal land (the outer island communities are expected to provide land for the project with their full consent). Land acquisition and resettlement plan, if the project requires any land acquisition and resettlement impacts.
- (x) **Due Diligence Report** summarizing findings on indigenous people (IP) or IP Plan if the project will impact any distinct and vulnerable IP.
- (xi) **Climate Risk Assessment and Management Report**. The report should include (a) the methodological framework for the climate risk and vulnerability assessment; (b) projected climate change in the project area, including assumptions and data used; (c) assessment of projected climate change impacts on key project components; and (d) analysis of potential adaptation measures in terms of their effectiveness, cost, technical feasibility (including implementation speed) and cultural acceptance.
- (xii) **Procurement Strategy**. The consultant will carry out the market survey to identify the possible locations of potential bidders for the civil works and their capacities and develop the procurement strategy to attract competent bidders to the bidding. The strategies will recommend packaging of works, procurement procedures, including e-procurement, and advertisement methods with justifications.

<sup>2</sup> ADB. 1997. *Guidelines for the Economic Analysis of Projects*. Manila and ADB. 2005. *Financial Management and Analysis of Projects*. Manila.

<sup>3</sup> ADB. 2009. *Safeguard Policy Statement*. Manila.

- (xiii) **Risk Assessment and Risk Management Plan** (footnote 1).
- (xiv) **Reports on the inception and final workshops.** Each report will summarize the discussions and agreements reached during the workshops with all relevant information about the participants, presentation slides used, and photos.
- (xv) **Progress reports** including inception report, interim report, draft final report, and final report.

5. A firm will be engaged on an output-based TOR with a lump-sum contract through quality and cost-based selection using full technical proposals. Inputs of 7 specialists with a total of 14.5 person-months are estimated as in Table A3.3.

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

No	Positions	Person-Months Required
<b>International</b>		
1	Port Engineer/Team Leader	5.0
2	Economist	1.0
3	Environment and Climate Change Specialist	1.0
4	Social Specialist	2.0
5	Financial Management/Institutional Specialist	3.0
6	Procurement Specialist	1.5
<b>National</b>		
7	Social Specialist	1.0
<b>Total</b>		<b>14.5</b>

Source: Asian Development Bank.

## E. Implementation Arrangements

6. ADB will be the executing agency for the PPTA, and the PPTA consultant will, under the guidance of ADB and the government's task force, work closely with the task force, the MCT, the project management unit, outer island communities, other stakeholders, and ADB staff and other consultants.

7. **Schedule.** The TA processing and implementation schedule is listed in Table A3.4.

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

Major Milestones	Expected Completion Date
Initiate consultant recruitment	July 2015
Complete consultant recruitment	October 2015
Mobilization	October 2015
Inception Report	November 2015
Interim Report	January 2016
Draft Final Report	March 2016
Final Report	April 2016

Source: Asian Development Bank.