

PROGRAM PREPARATORY TECHNICAL ASSISTANCE

A. Justification

1. A technical assistance (TA) is required to prepare a results-based lending (RBL) program for possible financing by the Asian Development Bank (ADB). The TA will support development of the government program and a suitable RBL program aligned with sector and operational experience, international best practices, and lessons learned from the multitranche financing facility (MFF) Housing for Integrated Rural Development Investment Program (HIRD).¹ The due diligence work and assessments to be conducted under the TA are explained below.

B. Major Outputs and Activities

2. The major outputs and activities are summarized in Table 3.1.

Table 3.1: Summary of Major Activities and Outputs

Major Activities	Expected Completion Date	Major Outputs	Expected Completion Date
Prepare program design and management systems	July 2016	Program design	May 2016
		RBL program design	June 2016
		DMF matrix	June 2016
		DLIs / DLIs verification protocols	June 2016
		Disbursement schedule	June 2016
		Program results framework	July 2016
Conduct government sector and subsector analysis	July 2016	Review of implementation experience of HIRD – PCR Report	June 2016
		Housing/multi-sector assessment	June 2016
		Rural houses demand analysis	June 2016
		Housing design options study	June 2016
Assess government sector investment program	July 2016	Program soundness assessment	May 2016
		RBL Program results assessment	May 2016
		Report on program expenditure and financing assessment	June 2016
		Economic rationale / analysis	June 2016
Fiduciary systems assessment including risk assessment and mitigation measures	July 2016	Financial management assessment	April 2016
		Fiduciary systems assessment	May 2016
		Procurement systems assessment	May 2016
		Integrated risk assessment & mitigation plan (all consultants will contribute)	June 2016
Program safeguards systems assessment	June 2016	Program safeguards systems report (including environment/climate change assessments)	June 2016
Develop program M&E system	July 2016	Program M&E system assessment report	June 2016
		RBL Program M&E system	June 2016
Prepare program action plan	July 2016	Program action plan	July 2016
Prepare report program implementation	July 2016	RBL Program implementation document	July 2016
Capacity development	July 2016	Capacity development plan and CDTA design	June 2016

CDTA = capacity development technical assistance, DLIs = disbursement-linked indicators, DMF = design and monitoring framework, HIRD = Housing for Integrated Rural Development Investment Program, M&E = monitoring and evaluation, PCR = program completion report, RBL = results-based lending.

Source: Asian Development Bank

¹ ADB. 2011. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Republic of Uzbekistan for the Housing for Integrated Rural Development Investment Program*. Manila.

C. Cost Estimate and Proposed Financing Arrangement

3. The TA is estimated to cost \$750,000 equivalent, of which \$700,000 equivalent will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-Others). The government will provide \$50,000 in-kind counterpart support. The detailed cost estimates is presented in Table 3.2.

Table 3.2: Cost Estimates and Financing Plan (\$)

Item	Total Cost
A. Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem:	
i. International consultants (15.5 person-months)	349,406
ii. National consultants (25 person-months)	79,260
b. International and local travel	99,000
c. Reports, communications, translation and interpretation services	25,530
2. Workshops, training, seminars and conferences ^b	35,000
3. Surveys ^c	50,000
4. Miscellaneous administration and support costs	2,200
5. Contingencies	59,604
Total	700,000

^a Financed by Asian Development Bank's Technical Assistance Special Fund (TASF-Others). The government will provide in-kind counterpart support (office space, counterpart staff, secretarial assistance, transportation).

^b Including resource persons.

^c This activity will be implemented by a government institute engaged directly under a lump-sum contract.

Source: Asian Development Bank

D. Consulting Services

4. The TA is anticipated to require 15.5 person-months (p-m) of international and 20 p-m of national consulting services for a total of 13 consultants (see Supplementary Appendix 1) to be engaged using individual consultant selection in accordance with ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time). Individual consultants are being hired in view of the short processing lead time for program preparation and the consequent short duration of the TA. Advance contracting will be used to recruit the TA consultants who will be engaged under an output-based (lump-sum) contract wherever possible. To save on transaction costs, single source selection method may be used to hire consultants for shorter assignments. Depending on actual project needs, engagement of resource persons may be required and will comply with ADB rules. The consultants will report to ADB and the key implementing agencies of the government on the substance and timing of deliveries. Key findings and recommendations of the TA will be discussed in final workshops and a national workshop.

5. For a short survey assignment, the Institute for Social Researches under the Cabinet of Ministers (the Institute) is proposed to be hired on a single source basis. This government-owned Institute is considered suitable for conducting the demand analysis for rural housing given its mandate to conduct social research and its access to sensitive social and income data. The Institute was hired by ADB in the past for social research including an assessment of poverty and income levels. The Institute is expected to complete the assignment on a lump-sum basis for around \$50,000. The outline terms of reference and scope of work for the international and national consultants are given below. (For details of consultants' outputs, please see Supplementary Appendix 1.)

6. **Program design, DLIs, and results framework** will be developed with the help of an experienced international results-based and monitoring and evaluation specialist (3 p-m – also for monitoring and evaluation) assisted by a national economist (design and results) (3 p-m – also for monitoring and evaluation). The consultants will be assisted as required by the sector assessment team and will: (i) help the government design the multi-year program, including a results framework and an expenditure framework; (ii) develop the RBL program design including the design and monitoring framework and a separate results framework and an expenditure framework; (iii) finalize DLIs and DLIs' verification protocols; and (iv) propose the disbursement schedule. The consultants will also build the capacity of the government and implementing agencies in understanding RBL.

7. **Sector and subsector analysis and assessment and program technical work** will be conducted by an international urban economist (2 p-m – also for sector investment program), and an international town-planner/architect (2 p-m), an international financial sector specialist (3 p-m). The experts will review the implementation of HIRD (programs 1 and 2) to learn lessons for program design and will examine and review government policies, strategies, law, and implementation experience in the sector to flesh out the strengths, weaknesses, opportunities, and threats in the institutional arrangements. In addition to the economic analysis, the consultants will design a rapid housing demand assessment. One national economist and survey specialist (4 p-m) will help design and coordinate survey implementation by the Institute (see para. 5).

8. **The sector investment program** will be assessed by an international financial management specialist (2 p-m – also for fiduciary systems assessment), an international urban economist (2 p-m - also for sector assessment), assisted by a national economist (sector investment) (2 p-m). The consultants will assess the government program's adequacy and economic efficiency, results and links with disbursements under the RBL program, expenditures and financing, and implementation arrangements. Necessary measures and actions to be taken to strengthen the government investment program will be identified for inclusion in the program action plan and in capacity development TA design, with clear results and monitoring mechanisms.

9. **Fiduciary systems assessments** will be carried out by an international financial management specialist (2 p-m - also for sector investment program assessment) and an international procurement specialist (2 p-m) assisted by a national economist (sector investment) (3 p-m - also for sector investment program assessment). The consultants will assess the program's fiduciary systems' ability to manage fiduciary risks and provide reasonable assurance for the appropriate use of program funds. The outputs will be fiduciary systems' assessment; financial management systems' assessment for participating commercial banks and QQI; and a program's procurement systems assessment and risk mitigation plan, including capacity development activities for inclusion in the program action plan and the CDTA design with clear results and monitoring measures. The consultants will also prepare the program integrated risk mitigation plan will assistance from the other consultants (see para. 13).

10. **Safeguards assessment (environment/climate change)**. One international safeguards specialist (environment and climate change) (1.5 p-m) and one national safeguards specialist (environment and climate change) (3 p-m) will assess the program environment safeguard system and conduct a climate change mitigation assessment. The assessments, in accordance with RBL guidance, will develop action plans to address the gaps and recommend measures for using the national environment and climate change regulations and systems in accordance with the principles of ADB's *Safeguards Policy Statement* (2009). The consultants

will carefully examine the existing safeguards management systems employed during HIRD implementation.

11. **Monitoring and evaluation.** An international results-based program and monitoring and evaluation specialist (3 p-m – also for program design, DLIs, and results framework) and one national economist (design and results) (3 p-m - also for program design, DLIs, and results framework) will be engaged to assess the government program’s monitoring and evaluation systems and identify gaps that may affect program implementation and results monitoring and evaluation. Based on the risk assessment, the program action plan, and the gaps identified, the consultants will develop a monitoring and evaluation system for the RBL program.

12. **Social, poverty and gender analyses.** One national social and gender specialist (3 p-m) will be engaged to prepare poverty and social analysis using participatory methods to assess the type and significance of the project impacts on the poor, women, and any other vulnerable group. This will also build on the existing work done in HIRD. The consultant will assist in sector assessment and program review to bring out impact of home ownership by women. The consultant will recommend measures to engage local people, potential home-owners—especially women—in program monitoring and evaluation. The recommendations will be included in the program results framework and the program monitoring and evaluation systems.

13. **Integrated risk assessment and capacity building for the program.** All consultants engaged under the TA will assist the project team in reviewing and consolidating the risks identified and measures and actions recommended by the assessments indicated in paras. 6–12 and develop a risk mitigation plan with clear results and monitoring mechanisms. All consultants will also contribute to the design of a proposed CDTA.

14. To manage and coordinate the administrative and contractual matters, a national TA and contracts coordinator (5 p-m) will be hired under the TA.

E. Implementation Arrangements

15. The Ministry of Economy is the proposed TA executing agency while the participating commercial banks (Qishloq Qurilish Bank, National Bank of Uzbekistan, and Ipoteka Bank) and Qishloq Qurilish Invest will be the implementing agencies. The government will provide necessary logistics and access to data and documents. The TA will be implemented over 7 months from May 2016 to November 2016. Disbursement under the TA will be done in accordance with ADB’s *Technical Assistance Disbursement Handbook* (May 2010, as amended from time to time).

16. The proposed TA processing and implementation schedule is listed in Table 3.3.

Table 3.3: Technical Assistance Processing and Implementation Schedule

Major Milestones	Expected Completion Date
Concept paper with TA approval	20 April 2016
TA commencement	25 April 2016
Draft final reports	20 June 2016
Final reports	29 July 2016
Follow-up work	31 October 2016
Completion of TA	30 November 2016
Financial closure	31 December 2016

TA = technical assistance.

Source: Asian Development Bank