

PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Justification

1. The proposed Fourth Greater Mekong Subregion (GMS) Corridor Towns Development Project represents the fourth phase of the ongoing GMS corridor towns development initiative and will be implemented in 3 towns each (total of 6 towns) in Cambodia and Lao People's Democratic Republic (Lao PDR). Regional project preparatory technical assistance (R-PPTA) is needed to assist the Governments of Cambodia and the Lao PDR to prepare feasibility studies, capacity building programs and other documentation suitable for Asian Development Bank (ADB) and the governments to consider financing.

B. Major Outputs and Activities

2. The major outputs of the R-PPTA will be (i) strategic local economic development plans (SLEDPs) for each town; (ii) feasibility studies confirming the selected investment programs are technically, financially, economically, socially, and environmentally feasible, gender responsive and addressing climate change resilience and integrated disaster risk management. Activities will include respective assessments, stakeholder consultations, workshops and seminars, and preparation of related documents required for project appraisal and approval by ADB and the governments.

Table A3.1: Summary of Major Outputs and Activities

| Major Activities | Expected Completion Date | Major Outputs ^a | Expected Completion Date |
|---|--------------------------|----------------------------|--------------------------|
| Develop work program, data collection methodology, and safeguard screening, stakeholder consultations. | March 2017 | Inception report | March 2017 |
| Initial technical, financial, social, gender, safeguards, environment assessments for each component, institutional assessments; capacity building programs and implementation arrangements, SLEDP. Prepare draft PSA, SPRSS, GAP, Stakeholder Communication Strategy and Participation Plan. | August 2017 | Interim report, SLEDP | September 2017 |
| Detailed feasibility studies for each component, institutional assessments; capacity building programs and implementation arrangements | January 2018 | Draft final report | February 2018 |
| Finalize feasibility studies, capacity building programs, implementation arrangements, procurement plans, safeguard documents, PAM, RRP, and other required documents. | April 2018 | Final report | May 2018 |

^a All outputs will be prepared following prevailing ADB and government guidelines.

GAP = gender action plan, PAM = project administration manual, PSA = poverty and social analysis, RRP = report and recommendation of the President to the Board of Directors; SLEDP = strategic local economic development plan, SPRSS = summary poverty reduction and social strategy.

Source: Asian Development Bank estimates.

C. Cost Estimate and Proposed Financing Arrangement

3. The R-PPTA is estimated to cost \$1.8 million financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-Others). Governments will provide counterpart support in the form of staff, staff's travel expenses, office space, data and reports, and other in-kind contributions. The governments of Cambodia and Lao PDR have been advised that approval of the R-PPTA does not commit ADB to finance any ensuing project. Cost estimates and financing plan are shown 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 (42 person-months) | 890.0 |
| ii. National consultants (80 person-months) | 450.0 |
| b. International and local travel | 120.0 |
| c. Reports and communications | 15.0 |
| 2. Equipment (computer, printer, etc.) ^b | 20.0 |
| 3. Workshops, training, seminars, and conferences ^c | 40.0 |
| 4. Vehicle ^d | 50.0 |
| 5. Surveys | 30.0 |
| 6. Miscellaneous administration and support costs | 20.0 |
| 7. Representative for contract negotiations ^e | 10.0 |
| 8. Unallocated | 80.0 |
| 9. Contingencies | 75.0 |
| Total | 1,800.0 |

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

^b Equipment

| Type | Quantity | Cost |
|-------------------------------------|----------|----------|
| Computer, fax, copier, scanner, GPS | | \$20,000 |

^c Workshops, training, seminars, and conferences

| Purpose | Venue |
|--|-------|
| Ten workshops (five each per country): (i) inception report; (ii) Strategic Local Economic Development Plans; (iii) disaster risk management; (iv) interim report; and (v) draft final report. | |

^d Vehicle

| Justify the use of and the need to purchase or lease a vehicle | Expected length of use |
|--|------------------------|
| It is necessary to lease vehicles for field surveys and consultations in two countries | 15 months |

^e In accordance with the project administration instructions on recruiting consulting firms for TA assignments, the user division, in consultation with OSFMD, will decide on the mode of negotiation. Negotiations are usually conducted by correspondence when the assignment budgets are equal to or less than \$600,000. ADB. 2010. Specific Requirements for Recruiting Consultants by ADB. *Project Administration Instructions*. PAI 2.04. Manila.

Source: Asian Development Bank estimates.

D. Consulting Services

4. Consultants will be engaged through a firm. The R-PPTA will require about 122 person-months (pm) of consulting services, consisting of 42 international and 80 national pm of services. ADB will select and engage consultants in accordance with *ADB's Guidelines on the Use of Consultants* (March 2013, as amended from time to time). The mode of selection will be quality- and cost-based selection (QCBS) method, using a quality-cost ratio of 90:10. The summary of consulting services requirements are summarized in Table A3.3.

Table A3.3: Summary of Consulting Services Requirements

| International Name of Positions | Person- months | National Specialists Name of Positions | Person- months |
|--|---------------------------|---|---------------------------|
| Team Leader and Urban Development | 13 | Civil Engineering (2 x 6 pm) | 12 |
| Urban Infrastructure | 4 | Water / Sanitation (2 x 4 pm) | 6 |
| Financial / Economic Analysis | 4 | Urban Planning (2 x 3 pm) | 6 |
| Regional Economist | 2 | Flood control and drainage (2 x 3 pm) | 6 |
| Social Development and Gender | 3 | Solid Waste Management. (2 x 3 pm) | 6 |
| Social Safeguards (IR & IP) | 3 | Roads Engineering (2 x 3 pm) | 4 |
| Environmental Safeguards | 3 | GIS (2 x 4 pm) | 4 |
| Institutional Development | 3 | Procurement (2 x 3 pm) | 6 |
| Procurement | 2 | Institutional Development(2 x 3 pm) | 6 |
| Disaster Risk Management | 2 | Financial / Economic Analysis (2 x 6 pm) | 6 |
| Urban Planning | 2 | Social Development.& Gender (2 x 3 pm) | 6 |
| Urban Renewal and Heritage Conservation | 1 | Social Safeguards (IR & IP) (2 x 3 pm) | 6 |
| | | Environmental Safeguards (2 x 3 pm) | 6 |
| Total | 42 | | 80 |

GMS = Greater Mekong Subregion, GIS = geographic information system; IP = indigenous peoples; IR = involuntary resettlement; pm = person months.

5. International consultants with experience in working in similar assignments in developing countries, preferably including in Asia, will be given preference. Experience in the region, preferably in the GMS countries, and in processing and implementing official development assistance loan funded projects and international development projects will be considered. National consultants with experience in similar assignments and working on international development projects will be given preference. The scope of work will include:

6. **Output 1 - Strategic Local Economic Development Plans (SLEDP).** The SLEDP are town-specific and will give adequate attention to the possible role of private sector involvement in infrastructure provision and the town's contribution to regional economic development. The SLEDP will include an analysis of the strengths, weaknesses; opportunities and threats (SWOT) of each city and will include an investment priority list.

7. **Outputs 2 and 3 - Preparation of Feasibility Studies, Institutional Arrangements.** For each of the towns, assess the technical, financial, social, environmental (including climate and disaster risk induced impacts), and economic feasibility, sustainability and priority of each subproject component, including the phasing of investments.

8. **Financial and economic analysis.** Prepare financial and economic analysis following ADB's *Financial Management and Analysis of Projects (2005)*, *Financial Management Technical Guidance Note (2015)* and ADB's *Guidelines for the Economic Analysis of Projects (1997)*. Assess and analyze the regional impact of the project and the corridor towns' contribution to regional economic development.

9. **Institutional and capacity building.** Carry out an institutional assessment including the institutional mechanisms along the entire chain of urban services; roles and responsibilities of departments. Outline a capacity development program and implementation plan.

10. **Procurement.** Carry out a procurement capacity assessment according to ADB requirements and prepare a draft project administration manual (PAM) in accordance with ADB requirements.

11. **Social development and gender.** Prepare a poverty and social analysis (PSA) using participatory methods in accordance with ADB's Handbook on Poverty and Social Analysis (2007), ADB's Guidelines for Incorporation of Social Dimensions in Bank Operations. Develop a Stakeholder Communication Strategy and prepare a Gender Action Plan.
12. **Social safeguards involuntary resettlement and indigenous peoples.** Based on surveys prepare, if warranted, resettlement plans for selected subprojects in accordance with ADB's Safeguard Policy Statement 2009 guided by the Operations Manual Section F1 and Safeguard Requirements (SR-2 and 3). Assess the need for an Indigenous Peoples Development Plan (IPDP) and prepare IP plans, as necessary.
13. **Environmental safeguards.** Complete a rapid environmental assessment (REA), and prepare an initial environmental examination (IEE) or environmental impact assessment (EIA), for each individual subproject. Prepare an environmental management plan per issues identified in the IEE, for each subproject.
14. **Integrated disaster risk management.** For the selected towns, identify appropriate disaster risk management (DRM) measures and technologies to serve as inputs to the detailed feasibility studies. The consultants will follow ADB's Disaster Management Handbook (2008).
15. **Workshops and seminars.** Organize 10 workshops at the country level (5 in each of the 2 countries),¹⁴ to explain, discuss and agree on project objectives, scope and findings with government agencies, local governments, local business groups, community groups, nongovernment organizations (NGOs), and other interested parties.

E. Implementation Arrangements

16. For both countries, the executing agency will be the respective Ministry of Public Works and Transport (MPWT). The implementing agencies will be the Department of Public Works and Transport (DPWT) of the respective provinces. The proposed R-PPTA schedule is in Table A3.4. Proceeds of the TA will be disbursed in accordance with the Technical Assistance Disbursement Handbook (2010 as amended from time to time). The consultant will purchase the equipment in accordance with ADB's procurement guidelines and will turn it over to the executing agency upon completion of TA activities.

Table A3.4: Technical Assistance Processing and Implementation Schedule

| Major Milestones | Expected Completion Date |
|---|---------------------------------|
| Concept clearance | 16 September 2016 |
| Consultants mobilized | 1 February 2017 |
| Inception report and workshops | 1 March 2017 |
| SLEDP workshop | 5 May 2017 |
| Disaster risk management workshop | 7 July 2017 |
| Interim and SLEDP report and workshops | 1 September 2017 |
| Draft final report and workshops | 1 February 2018 |
| Final report and completion of the R-PPTA | 30 April 2018 |
| Closure of the R-PPTA | 31 October 2018 |

¹⁴ Including (i) inception report workshops; (ii) Strategic Local Economic Development Plans workshops; (iii) disaster risk management workshops; (iv) interim report workshops; and (v) draft final report workshops.