



Project Preparatory Technical Assistance

Project Number: 50218
September 2016

Proposed Loan Myanmar: Rural Roads and Access Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 4 September 2016)

Currency unit	–	kyat (MK)
MK1.00	=	\$0.0008
\$1.00	=	MK1,210.0

ABBREVIATIONS

ADB	–	Asian Development Bank
DRD	–	Department of Rural Development
PPTA	–	Project Preparatory Technical Assistance
ReCAP	–	Research for Community Access Partnerships program

Vice-President	S. Groff, Operations 2
Director General	J. Nugent, Southeast Asia Department (SERD)
Directors	H. Iwasaki, Transport and Communications Division, SERD W. Wicklein, Myanmar Resident Mission, SERD
Team leader	A. Véron-Okamoto, Transport Specialist, SERD
Team members	A. Fernando, Operations Officer, SERD M. Javier, Senior Project Assistant, SERD S. Kimura, Transport Specialist, SERD K. Leung, Finance Specialist, SERD M. Radstake, Senior Safeguards Specialist (Resettlement), SERD P. Rhee, Senior Counsel, Office of the General Counsel D. Salter, Senior Natural Resources and Agriculture Specialist, SERD K. Thu, Infrastructure Specialist, SERD A. Velasquez, Safeguards Specialist (Environment), SERD
Peer reviewers	L. M. Tai, Senior Transport Specialist , South Asia Department

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PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Justification

1. Project preparatory technical assistance (PPTA) is required in order to (i) help select target roads, (ii) prepare basic engineering designs, (iii) conduct ADB's due diligence in financial, social and environmental areas, (iv) prepare required due diligence documents, and (iv) support early procurement.

B. Major Outputs and Activities

2. The PPTA will cover engineering, economic, financial, social and environmental aspects, as well as procurement preparation and support. Engineering will be carried out in sufficient detail to carry out the procurement of the works. The major outputs and activities are summarized in Table 1.

Table 1: Summary of Major Outputs and Activities

Major Activities	Major Outputs	Completion Date
TA mobilization and work program definition	Inception report	March 2017
1 Feasibility study		August 2017
1.1 Socioeconomic surveys	Draft poverty and social report	
1.2 Consultations, environmental and social studies	Context-sensitive design recommendations	
1.3 Finalization of rural road plans	Township CRRN map and priority list	
1.4 Identification of rural access measures	Complementary access infra. list	
1.5 Site, technical, materials and traffic surveys		
1.6 Selection of measures and preliminary costing	Engineering study	
1.7 Procurement planning: review of industry	Procurement review	
1.8 Specify trials and complementary measures		
1.9 Preparation of financing structure		
2 Due diligence and basic design		November 2017
2.1 Incorporate trials and complementary measures		
2.2 Design of pavement and drainage structures	Basic engineering report	
2.3 Costing	BOQ and Engineer's estimates	
2.4 Procurement planning	Procurement assessment, procurement plan and master bidding documents	
2.5 Financial planning	Financial evaluation, financial management assessment, and financing plan; risk assessment	
2.6 Environment and social planning	IEE, EMP, LARP/IPP, LARP/IPP, LARF, IPPF	
	Communications / consultations plan	
2.7 Economic study	Final poverty and social report	
2.8 Tendering support	Economic analysis report	
	ToRs for implementation consultants	
3 Pre-implementation support		September 2018
3.1 Support for ADB due diligence and approval	Support for ADB's internal review	
3.2 Pre-implementation assistance to DRD		
3.2 Procurement support	Completion of procurement	

ADB = Asian Development Bank, BOQ = Bill of Quantities, CRRN = Core Rural Road Network, DRD = Department of Rural Development, EARF = Environmental Assessment and Review Framework; IEE = Initial Environmental Evaluation, infra. = infrastructure, IPP = Indigenous People Plan, IPPF = Indigenous People Planning Framework; LARP = Land Acquisition and Resettlement Plan, LARF = Land Acquisition and Resettlement Framework; ToRs = Terms of Reference.

Source: Asian Development Bank.

3. ADB has recruited consultants under MYA: TA8788 to advise Department of Rural Development (DRD) on a long-term sustainable approach to providing rural access.¹ TA8788 consultants and DRD will (i) define the CRRN, train local DRD staff in prioritizing projects for the pilot areas (excluding projects with significant negative environmental impacts and/or resettlement requirements) and facilitate consultations carried out by DRD, (ii) select design standards, (iii) select trials and complementary measures to be piloted under the project, and (iv) draft a national rural roads and access strategy. Results will be available before the PPTA commences.

4. The UK Aid-funded Research for Community Access Program (ReCAP) is defining with DRD a program of assistance. DRD's priority is to a review and upgrading of existing standards leading to a Low Volume Rural Road Design Manual, which is likely to include some trials work. ADB is in discussions with ReCAP and DRD to enter into an agreement on cooperation whereby ReCAP will support DRD in preparation and implementation support for these measures, which will be integrated by the PPTA consultant into the project to be financed under the ADB loan.

C. Cost Estimate and Proposed Financing Arrangement

5. The TA is estimated to cost \$1,030,000 equivalent, of which \$1,000,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-Others). The government will provide counterpart support in the form of counterpart staff, provision of furnished office accommodation, communications (local calls and internet connection), and other in-kind contributions. The detailed cost estimate is presented in Table 2.

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

Item	Total Cost
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (32 person-months)	580.0
ii. National consultants (38 person-months)	130.0
b. International and local travel	70.0
c. Reports and communications	5.0
2. Equipment (computer, printer, etc.) ^b	10.0
3. Surveys	100.0
4. Workshops and training	15.0
5. Miscellaneous administration and support costs	5.0
6. Contingencies	85.0
Total	1,000.0

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

^b Equipment

Type	Quantity	Cost
Office equipment		\$10,000

Source: Asian Development Bank.

Note: The rate of the in-kind government contribution is estimated at about 3% of the total TA cost.

¹ ADB. 2014. *Technical Assistance to Myanmar for Transport Sector Reform and Modernization*. Manila.

D. Consulting Services

6. The PPTA will be implemented over a period of 19 months (9 months project preparation followed by up to 10 months of procurement support) using a combination of a consulting firm and individual consultants. All consultants will be engaged in accordance with ADB's *Guidelines on the Use of Consultants by the Asian Development Bank and its Borrowers* (2013, as amended from time to time). To enable a quick start of works and continuity with the ongoing TA8788, an individual consultant in rural road management will be engaged to help DRD finalize the selection of roads and scope of other subcomponents. ADB will hire a consulting firm using quality- and cost-based selection (simplified technical proposal) with a quality to cost ratio of 90:10. The firm will provide 16 months of international consultant input and 35 person-months of national consultant input. Finally, ADB will recruit individual environment, social management, and road safety specialists with expertise in the design of rural road programs in South or Southeast Asia region to implement a context-sensitive design approach.

7. The consulting firm will be responsible for the administration of workshop training, seminars and conferences, and surveys under the project preparatory TA. Equipment and assets purchased under the work will adhere to ADB's Procurement Guidelines (2015, as amended from time to time), and upon completion of the project, the assets will be turned over to the executing agency.

Table 3: Summary of Consulting Services Requirement

International Positions	Person-Months	National Positions	Person-Months
Rural Road Engineer (Team Leader)*	7	Road Engineer (Deputy team Leader)*	10
Pavement, Geotechnical / Materials Engineer*	2	Bridge Engineer	4
Bridge/Drainage Engineer	1	Road Design Team	15
Procurement Specialist*	4	Communications/Interpreter	6
Transport Economist*	1	Gender Specialist**	3
Financial Management Specialist	1		
Environment Specialist**	4		
Road Safety Specialist**	4		
Social Management Specialist**	5		
Road Management Specialist**	3		

* Key experts. ** Individual consultants.

Source: Asian Development Bank.

8. Under the consulting firm, the team leader (international, 7 person-months) and deputy team leader (national, 10 person-months) will coordinate PPTA activities, conduct the engineering study, prepare a detailed plan for implementation and other documents required for the project to be approved by ADB. The other engineers will assist the above two experts to complete the basic designs of the subprojects. The transport economist and the financial specialist will help prepare economic and financial analyzes, in accordance with ADB's guidelines. The procurement specialist will be responsible for procurement planning and support implementation.

9. The road management specialist (international, 3 person-months) will assist DRD in selecting the projects, identify access infrastructure, liaise with ReCAP on the definition of trials, and advise on institutional arrangements for implementation and maintenance. The social management specialist (international, 5 person-months), environment and road safety specialists (international, 4 person-months each) will be responsible for recommending context-sensitive design features, introducing a community participation framework, and developing

safeguard documents and social and poverty analysis, in accordance with ADB's guidelines. They will work with the national gender development specialist (three person-months) to assess gender issues and develop gender-sensitive design features.

E. Implementation Arrangements

10. The Ministry of Agriculture, Livestock and Irrigation will be the executing agency, and the Department of Rural Development will be the implementing agency. Disbursements under the TA will follow ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time).

11. The proposed TA processing and implementation schedule is listed in Table 4.

Table 4: Technical Assistance Processing and Implementation Schedule

Major Milestones	Expected Completion Date
Project concept and PPTA approval	September 2016
PPTA Start of works	February 2017
PPTA Inception	March 2017
PPTA Interim	August 2017
PPTA Draft final report	November 2017
PPTA Physical closing	September 2018
PPTA Closing	January 2019

Source: Asian Development Bank.