



Technical Assistance Report

Project Number: 51081-001
Transaction Technical Assistance (TRTA)
September 2017

Kyrgyz Republic: Preparing the Climate Resilience and Disaster Risk Reduction in Water Resources Management Project

(Financed by the Japan Fund for Poverty Reduction)

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 31 August 2017)

Currency unit	–	som (Som)
Som1.00	=	\$0.015
\$1.00	=	Som68.66

ABBREVIATIONS

ADB	–	Asian Development Bank
DRR	–	disaster risk reduction
DWIS	–	disaster risk and water resources information system
TA	–	technical assistance

NOTE

In this report, "\$" refers to US dollars.

Vice-President	W. Zhang, Operations 1
Director General	S. O'Sullivan, Central and West Asia Department (CWRD)
Director	A. Siddiq, Environment, Natural Resources and Agriculture Division, CWRD
Team leader	N. Rive, Climate Change Specialist, CWRD
Team members	A. Amanova, Senior Project Officer, CWRD A. Araujo, Environment Specialist, CWRD H. Ayubi, Senior Project Officer (Natural Resources and Agriculture), CWRD C. Cabrales-Chiong, Senior Operations Assistant, CWRD A. Carlota, Counsel, Office of the General Counsel B. Giap, Senior Natural Resources and Agriculture Economist, CWRD A. Rosero, Social Development Specialist (Gender and Development), CWRD Y. Shibuya, Social Development Specialist (Safeguards), CWRD A. Sinha Roy, Senior Disaster Risk Management Specialist, Sustainable Development and Climate Change Department R. Takaku, Principal Water Resources Specialist, CWRD

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TRANSACTION TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 51081-001	
Project Name	Climate Resilience and Disaster Risk Reduction in Water Resources Management (Formerly: Climate Resilience and Disaster Risk Reduction in Water Resources Sector Project)	Department /Division	CWRD/CWER
Nature of Activity	Project Preparation	Executing Agency	Ministry of Agriculture, Food Industry and Land Reclamation
Modality	Regular		
Country	Kyrgyz Republic		
2. Sector		Subsector(s)	Financing (\$ million)
✓ Agriculture, natural resources and rural development	Agricultural production		0.13
	Rural flood protection		0.75
	Water-based natural resources management		0.22
		Total	1.10
3. Strategic Agenda		Subcomponents	Climate Change Information
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive		Climate Change impact on the Project
Environmentally sustainable growth (ESG)	Disaster risk management Global and regional transboundary environmental concerns		Low
4. Drivers of Change		Components	Gender Equity and Mainstreaming
Knowledge solutions (KNS)	Application and use of new knowledge solutions in key operational areas		Effective gender mainstreaming (EGM)
Partnerships (PAR)	Bilateral institutions (not client government) Official cofinancing		✓
5. Poverty and SDG Targeting		Location Impact	
Geographic Targeting	Yes	Not Applicable	
Household Targeting	No		
SDG Targeting	Yes		
SDG Goals	SDG2, SDG6, SDG9, SDG13		
6. Risk Categorization		Complex	
7. Safeguard Categorization Safeguard Policy Statement does not apply			
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		0.00	
None		0.00	
Cofinancing		1.10	
Japan Fund for Poverty Reduction		1.10	
Counterpart		0.10	
Government		0.10	
Total		1.20	

I. THE ENSUING PROJECT

1. Kyrgyz Republic is a country at high risk of impact from the adverse effects of climate change and extreme weather events. The proposed project will strengthen the resilience of the water resources sector to floods, landslides, and droughts through structural and non-structural interventions. The project will comprise four outputs: (i) irrigation infrastructure modernized; (ii) disaster-resilient agricultural and land management practices introduced; (iii) flood protection infrastructure modernized; and (iv) disaster risk and water resources data collection and analysis improved. The project outcome will be climate change and disaster resilience of infrastructure and water security improved. The project will be aligned with the following impacts: (i) population and territories protected from emergencies; threats, risks, and hazards forecasted;¹ and (ii) prevent climate change related damage and losses in the country.²

2. The project is estimated to cost \$30 million. ADB will finance \$25 million comprising a \$15 million concessional ordinary capital resources loan and a \$10 million Asian Development Fund grant under the disaster risk reduction (DRR) financing mechanism.³ The government will finance exemptions of taxes and duties for imported goods, works, and services, initially estimated at \$5 million. Efforts will be made during the project processing period to seek an additional \$10–\$15 million from other sources. The transaction technical assistance (TRTA) and the ensuing loan are included in ADB's country operations business plan 2017–2019.⁴

II. THE TECHNICAL ASSISTANCE

A. Justification

3. The TRTA will help the government to design and prepare the project, including (i) developing the underlying climate change and DRR framework, (ii) developing a disaster risk and water resources information system (DWIS), and (iii) preparing the feasibility study of the investment subprojects.⁵

B. Outputs and Activities

4. **Output 1: Develop climate change and disaster risk reduction framework developed.** The underlying framework for the ensuing project will be prepared including (i) a climate and disaster risk assessment of the water resources sector in project areas; (ii) socio-economic survey and data collection in project areas; (iii) assessment of responsibilities, capacity, and capacity building needs of key stakeholders including executing and implementing agencies and community organizations as related to the proposed project objectives and implementation including safeguards and gender; (iv) identification and selection of investment subprojects for improved resilience of water resources infrastructure, settlements, agriculture, and land management incorporating a system and/or basin approach addressing both upstream risks and downstream impacts; (v) developing scope and implementation plan for the agricultural and land management modernization activities including sustainable operation and maintenance, disaster

¹ Government of Kyrgyz Republic, National Council for Sustainable Development. 2013. *National Sustainable Development Strategy for The Kyrgyz Republic for the period of 2013–2017*. Bishkek.

² The Kyrgyz Republic. 2015. *Intended Nationally Determined Contribution. United Nations Framework Convention on Climate Change Paris Agreement*. Bishkek.

³ ADB. 2016. *Concessional Assistance Policy 2016*. Manila.

⁴ ADB. 2016. *Country Operations Business Plan: Kyrgyz Republic, 2017–2019*. Manila.

⁵ The TA first appeared in the business opportunities section of ADB's website on 31 January 2017.

risk management plans, and small-scale community-driven and gender-sensitive climate change and disaster resilience projects.

5. **Output 2: Develop a disaster risk and water resources information system.** A web-based information system will be developed to provide a timely and accurate data in graphical format to support climate and disaster risk management-related decision making in the water resources by key stakeholders. Under the TRTA, a DWIS will be designed, based on stakeholder requirements, and an initial prototype system will be launched. Remote sensing-based analysis from the DWIS will support the selection and feasibility study of investment subprojects. This output will include (i) consultation with key stakeholders; (ii) designing system architecture; (iii) conducting data identification, collection, and analysis; (iv) training of selected stakeholders; and (v) establishing partnerships with different government agencies and existing databases, where relevant. The DWIS will be subsequently developed further during project implementation.

6. **Output 3: Preparation of investment project.** The output will (i) conduct feasibility studies of the investment subprojects, (ii) conduct due diligence, (iii) prepare the consulting package for the project implementation consultant, (iv) prepare technical specifications and draft bidding documents for first investment package,⁶ (v) prepare draft project safeguards documents in line with ADB and government requirements, and (vi) prepare all other draft documentation submitted for ADB Board consideration. This will include among others topographical and geographical surveys supported with remote-sensing based analysis; preliminary subproject design with feasibility level of structural design incorporating results of climate and disaster risk assessment and ensuring appropriate resilience to seismic risk; institutional, financial and procurement risk assessment and training plan; financial and economic analysis; poverty, social, and food security impact assessment; gender equality strategy; development coordination and sector assessment; risk assessment and management plan; environmental, social aspects, and resettlement consultations and reports and/or plans; develop grievance redress framework; implementation arrangements including terms of reference and budgeting of project management office and project implementation offices; implementation schedule; investment and financing plans including procurement packaging; indicators for design and monitoring framework; and summary documents for internal government project approval as required.

7. All outputs will be digitally delivered and disseminated.

C. Cost and Financing

8. The TRTA is estimated to cost \$1.2 million, of which \$1.1 million will be financed on a grant basis by the Japan Fund for Poverty Reduction and administered by ADB. The key expenditure items are listed in Appendix 1. The government will provide in-kind support in the form of office space for TRTA consultants, counterpart staff, data and information access, and facilitation of consultation with stakeholders during the feasibility study, among others. The government was informed that approval of the TRTA does not commit ADB to finance any ensuing project.

D. Implementation Arrangements

9. ADB will administer the TRTA. The Ministry of Agriculture, Food Industry, and Land Reclamation will be the executing agency, responsible for government coordination and inputs. ADB's Environment, Natural Resources, and Agriculture Division (CWER) of Central and West

⁶ This is expected to be goods package for hydrometeorological monitoring stations, but will be confirmed during TRTA.

Asia Department (CWRD) will be the implementing agency and act as the focal point and coordinator of consulting inputs and activities. The TRTA will be implemented over 18 months from September 2017 to February 2019. Disbursements will be made in accordance with ADB's *Technical Assistance Disbursement Handbook* (May 2010, as amended from time to time). The implementation arrangements are detailed in Table 1.

Table 1: Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	September 2017 – February 2019		
Executing agency	Ministry of Agriculture, Food Industry, and Land Reclamation		
Implementing agency	Environment, Natural Resources, and Agriculture Division (CWER) of Central and West Asia Department (CWRD) of ADB		
Consultants	To be selected and engaged by ADB		
	QCBS 90:10	50 person-months	\$1,050,000
	ICS	2 person-months	\$50,000
Disbursement	The TRTA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time)		
Asset turnover or disposal arrangement upon TA completion	Assets will be turned over to executing agency upon TRTA completion		

QCBS = quality- and cost-based selection; ICS = individual consultant selection.
Source: Asian Development Bank.

10. **Consulting services.** The TRTA will require (i) one consulting firm providing an estimated 20 international person-months and 30 national person-months to undertake outputs 1 through 3, recruited using quality-and-cost based selection (QCBS) procedure at 90:10 quality-cost ratio and full technical proposals; and (ii) one individual international consultant providing 2 person-months to expedite project processing and implementation start-up.

11. The deliverables of the consulting firm are linked to the outputs and activities in Section B above as performance-based terms of reference. Required key experts are tabulated in Table 2, in addition to which shortlisted firms will propose non-key experts. The contract will be a partial lump-sum with provision for out-of-pocket expenditures including workshops, studies and surveys, equipment, and DWIS development. The expected date of service commencement is November 2017.

Table 2: Required Key Experts

Position	Person Months	
	International	National
Disaster Risk Management Specialists ^a	✓	✓
Agricultural Development Specialist	✓	
Climate Change Specialist	✓	
Hydrologist	✓	
Social Development Specialist	✓	

^a Team Leader/Deputy Team Leader.
Source: Asian Development Bank.

12. The consultants will be engaged by ADB in accordance with ADB's *Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers* (2013, as amended from time to time). Terms of reference for consultants is accessible from the list of linked documents in Appendix 2.

COST ESTIMATES AND FINANCING PLAN

(\$'000)

Item	Amount
Japan Fund for Poverty Reduction^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	506.0
ii. National consultants	120.0
b. Out-of-pocket expenditures	
i. International and local travel	201.7
ii. Office equipment	5.0
iii. Studies and surveys ^b	130.0
iv. Training, seminars, and conferences	18.0
v. Reports and communications ^c	20.0
vi. Miscellaneous administration and support costs	5.0
vii. Transport and vehicle hire	10.0
2. Contingencies	84.3
Total	1,100.0

^a Administered by the Asian Development Bank. The following are ineligible expenditures: (i) purchase of vehicles, (ii) salaries for civil servants, (iii) any foreign travel, (iv) scholarships or long internships, (v) detailed engineering, (vi) civil works and other related expenses, and (vii) those under ADB's List of Ineligible Items (or Negative List) and Prohibited Investment Activities List.¹

^b Includes cost of development of disaster risk and water resources information system including additional consulting services, IT equipment and services, software, and data licenses.

^c Including report preparation, production, dissemination, telecommunication, and translation/interpretation services.

Note: The TA is estimated to cost \$1.2 million, of which contributions from the Japan Fund for Poverty Reduction are presented in the table above. The government will provide in-kind support in the form of office space for TA consultants, counterpart staff, data and information access, and facilitation of consultation with stakeholders during the feasibility study, among others. The value of the government contribution is estimated to account for less than 10% of the total TA cost.

Source: Asian Development Bank estimates.

¹ ADB. 2017. *Staff Instruction on Cost Sharing and Eligibility of Expenditures for ADB Financing*. Manila.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=51081-001-TARreport>

1. Terms of Reference for Consultants

TERMS OF REFERENCE FOR CONSULTANTS

A. Scope of the Consulting Services

1. A consultant team will develop and prepare the proposed investment project for climate change and disaster risk reduction in the water resources sector in line with ADB and government requirements, including all necessary studies and documentation for ADB Board consideration. The assignment will comprise three key outputs.

2. **Develop a climate change and disaster risk reduction framework.** The consultant team will undertake (i) a climate and disaster risk assessment of the water resources sector in project areas; (ii) socio-economic survey and data collection in project areas; (iii) assessment of responsibilities, capacity, and capacity building needs of key stakeholders including executing and implementing agencies and community organizations as related to the proposed project objectives and implementation including safeguards and gender; (iv) identification and selection of investment subprojects for improved resilience of water resources infrastructure, settlements, agriculture, and land management incorporating a system and/or basin approach addressing both upstream risks and downstream impacts;¹ (v) developing scope and implementation plan for the agricultural and land management modernization activities including sustainable operation and maintenance, disaster risk management plans, and small-scale community-driven and gender-sensitive climate change and disaster resilience projects.

3. **Develop a disaster risk and water resources information system (DWIS).** The consultant team will develop a web-based tool using a geographic information system incorporating ground-based and remote sensing-based data and analysis, to support climate and disaster risk management-related decision making in the water resources sector by key stakeholders. This is expected to include consultation on business requirements; designing system architecture; conducting data identification, collection and analysis; training of selected stakeholders; establishing partnerships with different government agencies and existing databases where relevant; and launching an initial prototype version of the system. The consultant team will also undertake remote sensing-based analysis to support the selection and feasibility study of investment subprojects. The DWIS will be subsequently further developed during project implementation. The consultant team should explore the opportunities to use technologies and platforms for web-based information systems developed under ongoing ADB TAs elsewhere in the region and data and technical expertise from the Japan Aerospace Exploration Agency.

4. **Preparation of investment project.** The output will conduct feasibility studies of the investment subprojects, conduct due diligence, prepare the consulting package for the project implementation consultant, prepare technical specifications and draft bidding documents for first investment package,² prepare project safeguards in line with ADB and government requirements, and prepare all other documentation submitted for ADB Board consideration (see list of documents below). This will include among others topographical and geographical surveys supported with remote-sensing based analysis; preliminary subproject design with feasibility level of structural design incorporating results of climate and disaster risk assessment and ensuring

¹ The implementing agencies have produced long lists of prospective investment subprojects in disaster-prone sites. The consultant team is expected to: review, revise and/or enhance the prospective subprojects; as appropriate and necessary, identify additional prospective subprojects; develop and apply a multi-criteria subproject prioritization scheme; and recommend subprojects to be undertaken under the proposed project.

² This is expected to be goods package for hydrometeorological monitoring stations, but will be confirmed during project preparation.

appropriate resilience to seismic risk; financial and procurement risk assessment and training plan; financial and economic analysis; poverty, social, and food security impact assessment; gender equality strategy; development coordination and sector assessment; risk assessment and management plan; environmental, social aspects, and resettlement consultations and reports and/or plans; develop grievance redress framework; implementation arrangements including terms of reference and budgeting of PMO and PIOs; implementation schedule; investment and financing plans including procurement packages; indicators for design and monitoring framework; and summary documents for internal government project approval as required. The preparation of the investment project should incorporate the results of the stakeholder capacity needs assessment (see para. 2). Further information and details on due diligence is provided in Section G below.

B. Key Expertise Required

5. The consultant team will be led by an international firm with preferably 10 years' experience in designing and preparing similar externally financed projects in the water resources and related sectors, preferably with ADB and in the Central Asia region.

6. The contract will be awarded on an output-based (partial lump-sum) basis and thus proposing firms will determine the number and the nature of experts they will require to achieve assignment outputs, in accordance with their proposed approach and methodology. However, ADB requires a minimum number of key experts, including a Team Leader and Deputy Team Leader, as tabulated in Table 3 below.

7. In addition to the required key experts, the proposing entities should also include in their technical proposal, in the personnel work plan, and in their financial proposal all other "non-key experts" required in accordance with their proposed approach and methodology. The proposing entity must also determine and indicate the number of person-months for which each key or non-key expert will be required. For indicative purposes only, the non-key experts might include: civil or irrigation engineer, resettlement specialist, environment specialist, financial management specialist, economist, procurement specialist. All experts engaged under the contract, whether key or non-key experts, must be citizens of one of the ADB eligible countries.

8. The following provisional sums (non-competitive items) will be included in the consultant contract: (i) workshops, seminars, training, (ii) studies and surveys, (iii) equipment, and (iv) development of DWIS and remotes sensing-based analysis. It is intended that the selected consulting firm will sub-contract the DWIS and remote sensing activities following commencement of service.

Table 3: Required Key Experts

Position	Specialist	
	International	National
Disaster Risk Management Specialists ^a	✓	✓
Agriculture/On-Farm Water Management Specialist	✓	
Climate Change Specialist	✓	
Hydrologist	✓	
Social Development Specialist	✓	
Total		

^a International Specialist will be Team Leader. National Specialist will be Deputy Team Leader.

Source: Asian Development Bank.

C. Outline Terms of Reference for Key Experts

9. The expected tasks of each key expert are summarized below, which may be adjusted in consultation with the parties concerned from time to time. In addition to the technical inputs specified below, each expert will support the team leader in (i) identifying relevant developments in government strategy, policy, and legislation; (ii) identifying best-practice techniques and lessons learned from previous and ongoing studies and projects³ of the relevant sectors as well as options to improve the project design; (iii) identifying capacity building requirements specific to his/her field of expertise; and (iv) preparing relevant sections in the reports.

10. **Disaster Risk Management Specialists** (international/team leader; national/deputy team leader). The international specialist must have at least a graduate degree (preferably post graduate degree) in disaster risk management, civil engineering, rural development, water resources or related field, with 15 years or longer experience in designing and implementing projects in disaster risk management, water resources sector development, or similar. Regional experience is highly preferred, especially in the context of flood, landslide, and drought risk management. The national specialist must have a graduate degree in a related field, and at least 10 years' professional experience in similar activities. The international specialist will lead (supported by national specialist) the consultant team, manage relationships with the Ministry of Agriculture, Food Industry, and Land Reclamation, Ministry of Emergency Situations, Ministry of Finance, Ministry of Foreign Affairs, local administration, ADB, and other stakeholders and coordinate all TRTA inputs and outputs. The specialists' tasks and direct responsibilities are expected to include but not be limited to (i) climate change and disaster risk reduction framework, including leading disaster risk assessment of the water resources sector for the project area; (ii) subproject identification, prioritization methodology, and selection incorporating among others climate and disaster vulnerability, socioeconomic needs, and safeguards considerations; (iii) feasibility studies for investment subprojects; (iv) integrated project formulation including capacity building components; and (v) oversight of due diligence, institutional assessment, safeguards, project packaging, and reporting.

11. **Agriculture/On-Farm Water Management Specialist** (international). The international specialist must have at least a graduate degree (preferably post graduate degree) in agriculture or related fields, with 10 years' experience in designing and implementing agricultural or rural development projects. Regional experience is highly preferred. Good understanding of climate change and disaster risk issues in the context of agriculture sector will be required. The specialist's tasks are expected to include but not be limited to (i) develop agricultural resilience and water productivity improvement interventions incorporating improved organization, water use, and cultural practices; (ii) identify suitable cropping patterns and intensities consistent with local agro-climatic conditions; (iii) calculate crop water requirements, yield, and water productivity, and other inputs required for the proposed cropping patterns and intensities; (iv) suggest improvements in water use, field operations, inputs, and the expected outputs over the planning horizon; and (v) suggest suitable value chain and value addition mechanisms.

12. **Climate Change Specialist** (international). The international specialist must have at least a graduate degree (preferably post graduate degree) in meteorology, climatology, or related field, with 10 years' experience in climate modeling. Experience in conducting downscaled climate assessments to inform project design and risk analysis, particularly in the region, is highly preferred. The specialist's task is expected to include but not be limited to leading the detailed

³ Documentation from recent ADB studies and projects is available on request.

climate vulnerability and risk assessment to support subproject prioritization and design. The study is expected to assess the change and variability of key climate-related parameters over the project lifetime, to be used as inputs to the disaster risk assessment, feasibility studies, among others. The specialist should identify the uncertainties associated with the projections, and provide guidance on how the results should be interpreted. The specialist will also review existing hydromet monitoring network and propose additional weather stations and associated capacity requirements for proper monitoring and surveillance in the project areas.

13. **Hydrologist** (international). The international specialist must have at least a graduate degree (preferably post graduate degree) in hydrology, hydraulic engineering, or related field, with 10 years' experience in hydrological assessments. Experience in conducting climate risk assessments and/or flood risk assessment to inform project design, particularly in the region, is highly preferred. The hydrologist's tasks are expected to include but not be limited to (i) collect, collate, and analyze hydrometeorological information to calculate design parameters (such as discharge, stage, and sediment loads) for the proposed works; (ii) develop projections of key hydrological variables such as precipitation, river flows, and river morphology and incorporate their impact in the subproject selection and design; and (iii) review existing hydromet monitoring network and propose additional stations and hydroposts and associated capacity necessary for proper monitoring and surveillance of water resources in the project areas.

14. **Social Development Specialist** (international). The international specialist must have at least a graduate degree (preferably a post graduate degree) in social development, or related field, with 15 years' experience in social development in developing countries. Familiarity with ADB policies and procedures on social development is required. Regional experience and experience in community-driven development and gender are highly preferred. The specialist will develop the methodology for government and community engagement to identify, prioritize, implement, and maintain social and gender-inclusive disaster risk reduction measures in agriculture and land management practices in target project areas, incorporating community-driven development approaches. The specialist's tasks are expected to include but not be limited to (i) needs assessment and stakeholder consultation; (ii) producing training materials and guidance materials; and (iii) developing proposals to enhance gender-sensitive engagement. The specialist will also be expected to be responsible for preparing (i) poverty and social assessment including assessment of compliance with national labor laws and international core labor standards (CLS), and recommendations to ensure that CLS are observed in areas affected by the project; (ii) draft summary poverty reduction and social strategy; and (iii) gender action plan and any social actions, mitigations, and/or participation/communication plans.

D. Preparation of Proposal

15. Shortlisted entities are requested to prepare a proposal. The proposal should include a detailed description of how they propose to deliver on the outputs of the contract in the section of their proposal called "Approach and Methodology". In this narrative, entities should be explicit in explaining how they will achieve the outputs, and include any information on their existing activities upon which they may eventually build as well as the details of what staff will comprise the project team.

16. Entities must also describe their experience in Kyrgyz Republic and Central Asia, and their ability to operate in Russian language.

17. Only one curriculum vitae (CV) must be submitted for each key and non-key expert included in the proposal. Only the CVs of key experts will be scored as part of the technical

evaluation of proposals. The CVs of non-key experts will not be scored, however ADB will review and individually approve or reject each CV for each non-key expert position in the proposal.

18. All positions under the contract, both key and non-key experts, must be included and budgeted for in the financial proposal in accordance with the person-month allocation required for each as defined by the proposing organization.

E. Reporting requirements

19. **Reports.** The consulting firm will prepare and submit as a minimum the reports specified below.

- (i) **Draft inception report** to be submitted within 2 weeks after the inception workshop. The report will include a review of the proposed approach and methodology for key tasks under each output, detailed workflow, staffing schedule, and schedule of deliverables. The **final inception report** is to be submitted within 1 week of receiving comments on the draft report.
- (ii) **Draft midterm report** to be submitted two weeks prior to the midterm workshop. The midterm report is expected to present final deliverables under the *Climate change and disaster risk reduction framework* output and interim deliverables under the *Disaster Risk and Water Resources Information System* and *Preparation of investment project* outputs as per agreed work schedule. A **final midterm report** is to be submitted within 1 week of receiving comments on the draft report.
- (iii) **Draft final report** to be submitted two weeks prior to the midterm workshop. The final report is expected to present final deliverables under all three outputs, including all documentation for ADB Board consideration. The **final report** is to be submitted within 1 week of receiving comments on the draft report.
- (iv) Progress summaries will be submitted every 4 weeks after the inception workshop. The report will record information required by ADB on project progress, including but not limited to (i) status of progress of each output in relation to the schedule, (ii) record of key meetings and consultations, (iii) assessment of challenges and ways to overcome them, (iv) upcoming major tasks, meetings, etc. and (v) financial status. It is strongly encouraged that the progress summaries also include in-progress drafts of the midterm or final report (as appropriate) for advanced review and comment by the ADB project team.

20. **Meetings and workshops.** The consulting team will organize and participate in meetings and workshops with ADB, the government counterparts, local community organizations and other stakeholders, and development partners in order to foster quality project outputs and stakeholder ownership. The meetings and workshops listed below are the minimum such sessions expected. If appropriate, the consultant firm is encouraged to conduct additional workshops and stakeholder sessions as deemed necessary.

- (i) **An inception workshop** will be conducted to summarize and discuss the initial findings for the draft inception report and agree next steps, within 4 weeks of the commencement of services, expected end of November 2017.
- (ii) **A midterm workshop** will be conducted to summarize and discuss the findings of the draft midterm report and agree next steps, expected end of March 2017.

- (iii) **A final workshop** will be conducted to summarize and agree the findings of the final report, expected end June 2017.
- (iv) **Extensive stakeholder consultations** should be undertaken with government counterparts, local community organizations and other stakeholders, and development partners as part of the delivery of each output.
- (v) **Periodic progress review meetings** will be conducted with ADB and government counterparts, tentatively every 4 weeks.

21. **Language and formats.** All reports to ADB shall be produced in English. Reports shall be provided in both printed and electronic form. The consulting firm shall provide to each the two project implementing agencies 3 copies of each report in Russian and 1 copy in English. The consulting firm shall provide to ADB with electronic versions of the reports and associated outputs/deliverables/analysis. All handouts, slide presentations, and related material for meetings and workshops must be in both English and Russian. The consulting firm will be expected to procure all interpretation and translation services.

F. Terms of the assignment

22. Experts will mainly be based in Bishkek for the duration of the assignment. The expected duration of the assignment is 12 months from the start date, expected to be early November 2017, and the assignment of experts is intermittent in nature. The terms will be revised based on consultations between the parties involved in the assignment per changes and/or additional requirements identified during implementation.

23. The consultant team will report to the ADB Team Leader and the designated officials from the Government of Kyrgyz Republic.

G. Information and specifications of due diligence

24. In preparing the proposal, the shortlisted entities should be advised of the following information and specifications expected of deliverables required under output "Preparation of investment project" (see para. 4):

25. **Environment safeguards.** The consultant team will (i) prepare initial environmental examination (IEE) report to meet the requirements of ADB's *Safeguards Policy Statement (2009)*, including a costed environmental management plan (EMP) and grievance redress mechanism that is in line with the Government of Kyrgyz Republic national regulations and will be a combined mechanism for handling both environmental and social concerns; (ii) assist the implementing agencies in conducting meaningful public consultation with the project affected people; (iii) assist the implementing agencies in consultation with relevant national authorities and getting necessary government environmental approval and permissions; and (iv) assist the implementing agencies in ensuring that the bidding documents, as well as the project administration manual, adequately address the cost and tasks for EMP implementation. Selection of investment subprojects should seek to avoid significant and/or complex environment issues.

26. **Land acquisition and resettlement safeguards.** The consultant team will (i) assess and compare government land acquisition and resettlement legislation, policies, and framework with those of ADB, (ii) assess all potential assets and people impacted with the project interventions; (iii) prepare land acquisition and resettlement plans as required based on the national legislation,

policies and framework and ADB *Safeguard Policy Statement* (2009); and (iv) assess the capacity of the executing agency and implementing agencies in implementing the resettlement plans and propose capacity building program. Selection of investment subprojects should seek to avoid significant and/or complex land acquisition and resettlement issues.

27. **Economic analysis.** The consultant team will conduct economic analysis of the project in line with ADB *Guidelines for the Economic Analysis of Projects* (2017). The analysis is expected to include cost-benefit analysis, analysis of alternatives, sustainability analysis, risk and sensitivity analysis, analysis of distribution of project costs and benefits, and identification of indicators and baselines for project design and monitoring framework. The team's activities are expected to include but not be limited to: (i) estimate project costs; (ii) identify and estimate project benefits; (iii) prepare financing plan and investment scenarios; (iv) carry out economic analysis of the project; (v) conduct sensitivity analysis using various scenarios of costs, benefits, and implementation schedules; and (vi) assess the financial sustainability of the project. The proposal should include appropriate allocation of resources for data collection.

28. **Financial analysis.** The consultant team will conduct financial analysis including financial management assessment of the project in line with ADB Technical Guidance Notes on *Financial Management Assessment* (2015), *Project Financial Reporting and Auditing* (2015), *Preparing and Presenting Cost Estimates for Projects and Programs Financed by the Asian Development Bank* (2014), and ADB *Financial Management and Analysis of Projects* (2005). The financial analysis should cover the executing agency and implementing agencies. In cases of subprojects that are non-revenue earning, a financial sustainability assessment needs to be conducted to confirm that adequate funds are available for maintenance of the various facilities created with project funds. A fiscal assessment of the government departments also needs to be conducted to assess their capacity to spend their budgets allocated. The team's activities are expected to include but not be limited to: (i) assessing whether previous financial management assessments have been conducted by ADB or other agencies and, if so, reviewing the results and ascertaining whether these can be used as input; (ii) assessing capacity for planning and budgeting, management and financial accounting, reporting, auditing, internal controls, and information systems; (iii) reviewing proposed disbursement and funds-flow arrangements; (iv) concluding on the financial management risk rating and identifying and confirming measures for addressing identified deficiencies; (v) supporting the preparation and agreement of cost estimates and a financing plan, which are based on verifiable data and are sufficient to support project implementation; (vi) preparing financial projections and conducting financial analyses of the executing and implementing agencies, and incremental recurrent costs, to determine financial sustainability, and where applicable reviewing proposed cost-recovery and tariff policies, including affordability; (vii) conducting financial evaluations (financial cost-benefit analyses) including sensitivity analyses of project components that have a cost-recovery objective; (viii) where significant risks are identified to project financial sustainability or viability, proposing relevant financial performance indicators to be incorporated in financial covenants; and (ix) assessing and reaching agreement on financial reporting, auditing and public disclosure arrangements for the project, and, as appropriate, identifying and agreeing arrangements for receiving financial statements from executing and/or implementing agencies. The proposal should include appropriate allocation of resources for data collection.

H. Documents for use in ADB Board consideration

29. The documents to be produced by the consultant team for use in ADB Board consideration are expected to be:

- (i) Report and Recommendation of the President to the Board of Directors⁴
- (ii) Sector Assessment
- (iii) Project Administration Manual⁵
- (iv) Contribution to the ADB Results Framework
- (v) Development Coordination
- (vi) Summary Economic and Financial Analysis
- (vii) Detailed Economic and Financial Analysis
- (viii) Summary Poverty Reduction and Social Strategy
- (ix) Gender Action Plan
- (x) Initial Environmental Examination
- (xi) Risk Assessment and Risk Management Plan
- (xii) Financial Management Assessment
- (xiii) Procurement Capacity Assessment
- (xiv) Climate Change and Disaster Risk Assessment and Management
- (xv) Social Safeguards Due Diligence Report
- (xvi) Land Acquisition and Resettlement Plan(s)
- (xvii) Asset Management and Operation and Maintenance Plan

30. Sample documents are available for review on the ADB website:
<https://www.adb.org/projects/documents>

⁴ Consultant team will prepare an outline version with necessary data and information for final report preparation by ADB staff.

⁵ *Ibid.*