

## TERMS OF REFERENCE FOR CONSULTANTS

1. The knowledge and support technical assistance (TA) consultants will be recruited to assist the TA management unit (TMU) to implement the TA. The TA consultants will report to the TMU project manager. An international consulting firm will be engaged over a period of 30 months to support the TA consulting team. Considering the complex nature of the TA and the technical expertise required to pilot test the approaches, ADB will engage the firm or entity following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions using quality- and cost-based selection with quality-cost ratio of 90:10 and simplified technical proposal. The contract for the TA consulting services will be an output-based contract with milestone payments paid upon acceptance of the deliverables defined herein. The firm will need to handle multiple stakeholders effectively while remaining focused on the TA's outcome of strengthening capacity for water sector planning and management in select river basins.

### A. Scope of the Consultancy Services

2. The consultants will propose approaches to and implement the three outputs for the TA detailed below.

3. In addition, the consultancy may require: (i) community/beneficiary surveys; (ii) surveys required for the feasibility studies; (iii) materials testing and investigations, including field and laboratory testing of groundwater, required for the feasibility studies for pilots; (iv) training under the relevant outputs; and (v) community outreach, consultation and workshops for dissemination of results.

4. **Output 1: River basin policy recommendations prepared.** Through this output, the firm will assess the overall current water governance situation and provide recommendations for legislative and institutional reform and policy recommendations. Under this output, the firm will implement the following components:

- (i) Support the development of summary sheets and a guidance manual for the updated water law (currently being updated) and its related regulations.
- (ii) Assess and provide recommendations for clearer RBO mandates, incentives for RBAs to implement their plans, and actions for increased RBC empowerment.
- (iii) Support the establishment of select RBCs and the preparation of their by-laws.
- (iv) Provide recommendations for establishing closer links with local governments (environmental agencies at *aimags*) to avoid duplication of efforts between local government and RBOs, and to coordinate efforts.
- (v) Study and assess different RBO models, including a more corporate hybrid model, and review the current RBO structure to propose potential consolidation of RBOs on the basis of administrative boundaries.

5. **Output 2: Capacity building program for river basin administration strengthened and delivered.** Under this output, the firm will conduct the following activities:

- (i) Train RBA, RBC, line ministry, institute, and local government staff.
- (ii) Develop a scoring system to assess the status of river basins, including by (a) simplifying the Asian Water Development Outlook approach and application; (b) developing a World Wildlife Fund (WWF) Basin Report Card for the Tuul River Basin; and (c) conducting water accounting in the Tuul River Basin and training staff to use tools to monitor and make decisions on sustainable water management, climate change adaptability, and disaster risk management.

- (iii) Review and upgrade the existing state water database system for better centralized data collection and interaction between RBOs and the MET.

**6. Output 3: Actions and approaches for better river basin management implemented.**

Under this output, the following activities will be conducted:

- (i) Develop RBM plans.
- (ii) Support the updating of the Orkhon and Tuul RBM plans.
- (iii) Prioritize and implement key actions in the RBM plan.
- (iv) Design and pilot test approaches for water security in select river basins for (a) improved water quality monitoring, (b) participatory irrigation management, (c) management of community water supply and sanitation scheme, (d) groundwater recharge technologies and monitoring, (e) flood risk management interventions, and (f) better implementation of water and pollution fees.
- (v) Assess the success and potential scale-up and replication of the pilot tests.
- (vi) Develop a small program for further interventions and investments based on the successful pilot tests.

7. The small-scale localized pilot project initiatives for designing and demonstrating application and use of water security approaches and ideas will be tested. The firm will design, implement, and assess these for future scale up and replication. The pilots will be like mini projects under the TA. Potential pilot sites will be based on results of ADB's Country Water Security Assessment study and are likely to include Kharaa-Eruu, Orkhon-Chuluut, Tuul, and Uvs river basins given competing water uses and complex water governance issues. Additional criteria for pilot site selection should be developed by the firm during the inception phase of TA implementation.<sup>1</sup> The adequacy and viability of technical solutions and compatibility with local conditions for the pilot approaches should be assessed by the firm during TA implementation.

8. In accordance with the Staff Instructions on Business Processes for Knowledge and Support Technical Assistance, Attachment 1, Optional Provisions,<sup>2</sup> in the TA inception phase, and included in the TA inception report, the consulting firm will need to define and detail out: (i) the scope and outputs; (ii) a plan for application of the pilot results to the ensuing project(s); (iii) cost estimates; (iv) a procurement plan for the projects (with clarity on who procures and signs each contract), and); (v) implementation arrangements focusing on (a) results of assessments on transfer of funds (if applicable); (b) arrangements for project sites, and related permits and clearances; and (c) arrangements on the treatment of assets created under the pilot testing; and (vi) confirmation that activities do not result in any potential adverse environmental and/or social impacts.

**9. Integrated river basin governance.** The firm must be mindful to ensure that the TA outputs will support implementation of integrated river basin governance. In the context of climate change, enhanced river basin planning and management is key to sustain livelihoods and economic growth. An integrated approach to basin water management to better understand priority uses and responses to water-related disasters needs to be applied. There is scope for high-level technology

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<sup>1</sup> Details on pilots and compliance with the staff instructions will be ensured.

<sup>2</sup> ADB. 2017. Compendium of Staff Instructions. Business Processes for Knowledge and Support Technical Assistance. Attachment 1 on Optional Provisions. Manila. In line with Attachment 1 on Optional Provisions of the Staff Instructions on Business Processes for Knowledge and Support Technical Assistance, (i) the pilot testing amount will not exceed 30% of the estimated ADB financing amount; (ii) activities will not result in any potential adverse environmental and/or social impacts and will be classified category C for the social and environment safeguards; (iii) goods, services, and works required for the pilot testing will be listed in a procurement plan to be prepared in the TA report; and (iv) arrangements for pilot testing sites, permits and clearances, and treatment of assets are agreed between ADB and the executing agency prior to TA approval.

application, particularly for water accounting in Tuul River using remote sensing and geographic information system to establish water allocations. Modern communication technology will improve the efficiency of institutions involved. The firm is expected to explore the potential use of high-level technology application and community technology application in this TA, propose it to the executing agency and ADB, and pilot it within the TA.

## **B. Consultancy Outputs and Activities**

10. Outputs and activities of the consultants will include (but not be limited to):

11. **Output 1. River basin policy recommendations prepared.** The firm is expected to undertake the following activities under this output:

- (i) Prepare summary sheet and two-pager guidance manual for updated water law and its related regulations by Q1 2018.
- (ii) Propose (a) recommendations for clearer RBO mandates and incentives for river basin authorities to implement plans; (b) actions for RBC empowerment, including supporting the establishment of the remaining RBCs and preparing by laws and responsibilities; and (c) recommendations for closer links with *aimag* and *soum* governments to avoid duplication of efforts between local government and RBOs, and to coordinate efforts by Q2 2018.
- (iii) Study and propose different models of RBO's improvements or alternates, including a more corporate 'hybrid' model, by Q4 2018.
- (iv) Review the current RBO structure and consider and present options for consolidation of RBOs based on administration boundaries by Q1 2019.

12. **Output 2. Capacity building program for river basin administration strengthened and delivered.** The firm is expected to undertake the following activities under this output:

- (i) Prepare and deliver a water governance training and capacity building program by Q4 2018.
- (ii) Develop a scoring system to assess the status of the river basins, including by (a) simplifying the Asian Water Development Outlook approach, (b) developing a World Wildlife Fund Basin Report Card for the Tuul River Basin, and (c) conducting water accounting in select river basins by Q4 2018.
- (iii) Review and update the existing database system for better interaction between RBOs and the MET by Q4 2018.

13. **Output 3. Actions and approaches for better river basin management implemented.**

The firm is expected to undertake the following activities under this output:

- (i) Develop seven RBM plans, support the updating of the Orkhon and Tuul RBM plans, and discuss and agree these plans with the MET by Q2 2019.
- (ii) Conduct consultations with the MET and RBOs to prioritize RBM plan actions and implement key actions under the TA by Q3 2019.
- (iii) Propose and assess the viability of pilot interventions for at least three to five river basins by Q1 2019.
- (iv) Carry out pilot tests with the MET and RBOs by Q4 2019.
- (v) Assess the success and potential for scale-up and replication of the pilot tests, and identify river basins for scale up by Q1 2020.
- (vi) Recommend a small program for further interventions and investments based on the implementation and assessments of the pilot tests by Q1 2020.

14. **TA management.** The firm is expected to undertake the following activities under this output:

- (i) Monitor and evaluate TA impact, outcome, and outputs and submit quarterly progress reports until year 2020.
- (ii) Prepare inception (Q2 Year 2018), midterm (Q2 Year 2019), and final (Q1 Year 2020) reports. The firm should propose a workplan, list of proposed deliverables and timeline of deliverables as part of their proposal to ADB.

### C. Required Expertise

15. Proposing entities will determine the number and the nature of experts required to deliver the consultancy outputs, milestones and deliverables. Proposing entities must include in their technical proposal, in the personnel work plan, and in the financial proposal all experts required in accordance with the proposing entity's approach and methodology. The proposing entity must also determine and indicate the number of person-months inputs required for each of the experts and the minimum time each of the experts will deliver their inputs to the project in Mongolia. However, ADB requires a minimum of two key experts, one of which will be expected to act as Team Leader: (i) team leader/water resources specialist (international); and (ii) institutional water management and capacity development specialist (international).

16. **Water resources specialist/team leader** (international, minimum 6 person-months). The water resources specialist and team leader will be responsible for providing technical and implementation support for the country water sector assessment and provide overall guidance and supervision to team members. The specialist should have (i) a master's degree in natural resources management, water, or other related fields; and (ii) at least 10 years of relevant experience in water resources management, preferably with project-related experience in Mongolia. The team leader must also have at least 10 years demonstrated experience in managing multi-disciplinary teams. The team leader will have work experience on projects financed by international organizations; experience with ADB will be preferred. The team leader will have overall substantive and administrative responsibility for effective and timely TA implementation. The team leader will guide the team, foster close coordination between team members (including coordination of inputs, quality control of reports, financial management, and technical guidance), and coordinate with executing and implementing agencies, other related government agencies, ADB, and international organizations undertaking related work in partnership with ADB. The team leader will be responsible for ensuring satisfactory performance of all TA consultants and will assist the TMU project manager with day-to-day activities required to prepare the project. The team leader, with support from other key team members, will (i) develop methodology and approach for TA implementation and the pilot projects within the TA; (ii) prepare work plan and schedule; (iii) conduct and report on all missions; (iv) prepare draft and final programs of investments; (v) guide and facilitate the organization of stakeholder consultation workshops; (vi) provide periodic progress reports to ADB and the executing agency; (vii) consolidate inputs of team members into draft and final reports; (viii) oversee preparation of all outputs; and (ix) participate in stakeholder consultation workshops.

17. **Institutional water management and capacity development specialist** (international, minimum 3 person-months). The specialist should have (i) a master's degree or relevant qualification in natural resource economics, water resources management, or other related fields; and (ii) at least 10 years of relevant experience in project design involving institutional analysis and institutional capacity building in the water sector. The specialist will (i) review the existing legal and regulatory frameworks in water management, and assess their efficiency and effectiveness; (ii) describe responsibilities and authorities of existing government organizations

involved in water management; (iii) describe responsibilities and authorities of the existing or proposed river basin organizations; (iv) assess the capacity of government organizations and river basin organizations; (v) participate as resource person in stakeholder consultation workshops; (vi) make institutional reform and capacity-building recommendations into the draft and final programs of investments and technical assistance; (vii) provide inputs and recommendations on institutional analysis to the draft and final reports; and (viii) support and deliver relevant activities under outputs 1, 2, and 3.

18. In addition to the above 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.

19. All experts engaged under the contract, whether key or non-key experts, must be citizens of one of the ADB eligible countries.

#### **D. Proposal Preparation**

20. Proposing entities are requested to prepare 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. The entities should also propose a list of deliverables and timeline for delivery of these.

21. Only one curriculum vitae must be submitted for each key and non-key expert included in the proposal. Only the curriculum vitae of key experts will be scored as part of the technical evaluation of proposals. The curriculum vitae of non-key experts will not be scored, however ADB will review and individually approve or reject each curriculum vitae for each non-key expert position in the proposal.

22. 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. Terms of Assignment**

23. **Implementation and funding.** The TA consulting firm is expected to implement overall TA objectives, achieve all outputs and all activities under the TA, with the exception of the river health score that WWF Mongolia will conduct and the water accounting work that UNESCO-IHE will carry out; the firm will however still be responsible for helping with coordination of these two activities and for imbedding them in the overall TA. The TA will partly fund the river health scorecard, in particular, time inputs from WWF Mongolia, while WWF US and WWF Mongolia will provide some in-kind inputs. The UNESCO-IHE water accounting exercise will be funded by an ongoing ADB TA<sup>3</sup> and not from the subject TA. Publications of results and incorporation of results in the final report will remain the responsibility of the firm—technically and financially.

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<sup>3</sup> ADB. 2008. *Technical Assistance for Knowledge and Innovation Support for ADB’s Water Financing Program*. Manila.

24. **Location.** Experts will be based in Mongolia for the duration of the assignment on an intermittent basis. The duration of the assignment is two and a half years from the start date, expected to be around early February 2018, and the assignment of experts is intermittent in nature. The terms will be revised based on consultations between the parties involved in the assignment according to changes and or additional requirements identified during implementation.

25. **Coordination and reporting requirements.** The executing agency will establish a cross-agency expert panel to ensure institutional coordination and quality of the TA preparation. The team leader will organize inception, interim, and final workshops to review the consulting team's outputs. The consultant, represented by the team leader, will submit to the executing and implementing agencies and ADB an electronic copy and a hard copy (both in English and Mongolian) of the inception (month 3), interim (month 9), draft final report (month 21), final report and knowledge products (month 24) and each sub-report. The draft knowledge product will be submitted in month 18 and the final knowledge product in month 27. The delivery schedule is tentative and will be confirmed in the consultant's work plan to be prepared in month 1.