

## **TERMS OF REFERENCE FOR CONSULTANTS**

1. The transaction technical assistance (TA) will be carried out by a team of consultants. A consulting firm will be recruited using the quality- and cost-based selection method, using a quality–cost ratio of 90:10 and simplified technical proposal according to the Asian Development Bank’s (ADB) Procurement Policy (2017, as amended from time to time and Procurement Regulations for ADB Borrowers (2017, as amended from time to time).

### **A. Scope of Services**

2. The objective of the TA is to prepare a project design and due diligence that achieves the project outputs and outcome. Specifically, the TA will: (i) ensure the project design is suitable for ADB financing through identifying the most appropriate project components and providing innovative ideas, concepts, management approaches, and technology to enhance project impacts; (ii) review proposed project components based on detailed due diligence assessment of technical, economic and financial, governance, safeguards, poverty, social and gender assessment, and project risk and mitigation measures; (iii) provide training to the executing agency, implementing agencies, local design institutes, and other relevant stakeholders as needed to help ensure effective project implementation; (iv) coordinate the TA activity at all levels; (v) maintain high quality of TA design and reporting; (vi) maintain firmly the schedule and TA processing milestones; (vii) prepare TA documents, including feasibility study reports and safeguard documents; and (viii) provide inputs for ADB’s draft report and recommendation of the president and linked documents.

3. The firm will report to the ADB project officer through the assigned team leader and will perform the following:

- a) **Technical design developed, and feasibility assessments conducted.** This output will provide technical support to design the project and conduct project feasibility and technical design assessments to ensure that the project activities integrate inclusive and best practices for sustainable tourism development. Key activities will include:
  - (i) rapid assessment of the local tourism sector in western Mongolia, including the impacts of the coronavirus disease (COVID-19) outbreak;
  - (ii) analysis of baseline situation in the project areas including status of tourism, management of the selected project sites, stakeholders, relevant social, economic, land use, and tourism development plans, protected area management plans, and relevant regulations and policies for tourism, protected areas, and the environment;
  - (iii) analysis of the technical, economic, and financial feasibility of the project;
  - (iv) technical support to design the project outputs in order to achieve the project outcome, including: a multi-sector and integrated approach; technical designs for the planned institutional strengthening, livelihoods, infrastructure (including preliminary design of the institutional arrangements for operation of the tourism centers), waste management, and protection of natural resources and cultural heritage. The designs will also incorporate (a) the use of digital technology and innovation e.g., virtual reality, mobile applications, and financial technology to support sustainable business models and operation and maintenance of the project facilities, (b) the results of stakeholder consultations (para. 3b), including opportunities to specifically target and benefit women, the poor and vulnerable, and youth, under each project output, and (c) adaptation and/or mitigation measures as needed to mitigate the impact of climate change on the project designs;

- (v) preparation of project technical report detailing project design, outputs, outcomes, and measurement indicators;
  - (vi) preparation of a knowledge product (a report) providing (a) a rapid assessment of the impacts of COVID-19 on the local tourism sector (with sex-disaggregated data and including the impacts and views of business run by women) and (b) a prioritized list of key protected areas and cultural heritage sites in western Mongolia for ecotourism development, based on agreed selection criteria, stakeholder dialogue, and spatial planning. The product will include description of the methodology adopted, list(s) of the sites identified, and maps, as needed; and
  - (vii) supporting the preparation of project documents according to ADB and government requirements.
- b) **Assessment and planning on social, gender, and safeguards completed.** This output will support the assessment and planning for the project-related social and safeguards (social and environment) due diligence requirements. Key activities will include:
- (i) preparation of stakeholder analysis, consultation and participation plan for the project preparation phase, and conduct of stakeholder workshops across all levels, including targeted consultations with women and youth (including women- and youth-led civil society organizations [CSOs]);
  - (ii) preparation and conduct of consultations and social surveys;
  - (iii) conduct of due diligence assessment for involuntary resettlement and indigenous peoples/ethnic minorities, and preparation of due diligence reports and/or resettlement plans and ethnic minority development plans (as required);
  - (iv) conduct of social, poverty, and gender assessments;
  - (v) preparation of plans on consultation and participation, gender, social development, and capacity building for the project implementation phase;
  - (vi) preparation of an initial environmental examination and environmental management plan; and coordinating the preparation of domestic environmental baseline assessments (including subcontracting of certified domestic firm[s]) and issuance of General Environmental Impact Assessment Letter by the Ministry of Environment and Tourism as required for project components and locations; and
  - (vii) supporting the preparation of project documents according to ADB and government requirements.
- c) **Investment plan and procurement packages prepared.** This output will support the review and preparation of economic and financial and governance due diligence requirements for project preparation. Key activities will include:
- (i) financial management assessment of executing and implementing agencies;
  - (ii) project procurement risk assessment of executing and implementing agencies;
  - (iii) preparation of procurement and investment plans;
  - (iv) carrying out of financial and economic analyses; and
  - (v) supporting the preparation of project documents according to ADB and government requirements.
- d) **Project management capacity of the executing and implementing agencies improved.** This output will strengthen the capacity of the executing and implementing agencies to improve project readiness and project implementation. Key activities include:
- (i) an institutional analysis of relevant institutions at project areas;
  - (ii) review and recommendations for institutional capacity building requirements for the implementing agencies to help achieve project implementation; and,
  - (iii) training in project and financial management, procurement, and safeguards.

(iv)

4. The major outputs and activities are summarized in Table 1.

**Table 1: Summary of Major Outputs and Activities**

<b>Major Activities</b>	<b>Expected Completion Date</b>	<b>Major Outputs</b>	<b>Expected Completion Date</b>
Sector assessment and stakeholder analysis	August 2020	Sector assessment report, stakeholder analysis report, and revised problem tree	September 2020
Institutional capacity and training needs	September 2020	Institutional capacity and training needs assessment report	September 2020
Social survey, poverty assessment, gender analysis, and consultation and participation	September 2020	Reports on poverty and social analysis, gender analysis, beneficiary analysis, and consultation and participation (as detailed appendices to SPRSS).	November 2020
Assessment of the technical feasibility	September 2020	FSR and draft project design and monitoring framework	November 2020
Procurement risk assessment	October 2020	Procurement risk assessment and management report including procurement implementation arrangements and procurement capacity assessment report	November 2020
Financial management assessment	September 2020	Financial management assessment report	November 2020
Due diligence on safeguard requirements	October 2020	DDR on involuntary resettlement and indigenous peoples/ethnic minorities; resettlement plan and EMDP for subprojects (if applicable); IEE, with EMP	December 2020
Prepare procurement plan	November 2020	Procurement plan; market analysis, operating environment analysis, and supply positioning; draft bidding documents for all works contracts and contracts for advance procurement	December 2020
Due diligence on the economic and financial feasibility	November 2020	Economic and financial analysis report	January 2021
Final project technical, economic, financial, environment, and social appraisal, including knowledge product	December 2020	Final report with all appendices including IEE with EMP, DDR on involuntary resettlement and indigenous peoples/ethnic minorities; resettlement plan and EMDP for subprojects (if applicable); SPRSS with appendices on detailed reports on poverty and social analysis, beneficiary analysis, consultation and participation plan, and SGAP; CRVA; economic and financial analysis report; a FMA and PRA report, PPMS; draft PAM; and procurement capacity building training plan (for executing/implementing agencies start-up), and other supporting documents	February 2021

CRVA = climate risk and vulnerability assessment, DDR = due diligence report, EMDP = ethnic minority development plan, EMP = environmental management plan, FMA = financial management assessment, FSR = feasibility study report, IEE = initial environmental examination, PAM = project administration manual, PPMS = project performance management system, PRA = procurement risk assessment, SGAP = social and gender action plan, SPRSS = summary poverty reduction and social strategy .

## **B. Key expertise required**

5. The assignment will be carried out by a consulting firm. Proposing entities will determine the number and the specific expertise along with their inputs of the specialists they will require to achieve the objectives of the contract, in accordance with their proposed approach and methodology. However, ADB requires a minimum of nine key experts, one of which will be expected to act as team leader. Table 2 provides a summary of the required key experts.

**Table 2: Summary of Key Experts**

<b>International Positions</b>	<b>National Positions</b>
Ecotourism specialist/team leader	Project management and procurement specialist /deputy team leader
Architect	Building engineer
Economist (natural resources)	Financial management specialist
Social, gender, and civil society specialist	Social, gender, and civil society specialist
Environment impact assessment specialist	

Source: Asian Development Bank.

6. 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. The proposal will specify where the experts will be based together with the expected durations. Based on experience from the design and implementation of two previous ADB-supported grant and lending projects in Mongolia for tourism,<sup>1</sup> it is anticipated that successful delivery of the TA deliverables will require the inclusion of international and/or national non-key experts in the following disciplines: ecotourism, building engineering, power and heating, solid waste management, sanitation, archaeological heritage, climate change, tourism business development, health risk management, economics, information technology, environmental safeguards, and protected area management.

7. All experts engaged under the contract, whether key or non-key experts, must be a citizen of an ADB member country.

8. **Ecotourism specialist and team leader** (international). The specialist will have the overall responsibility for the effective and timely implementation of the TA, ensuring the quality of all TA outputs, and coordinating and consolidating inputs of government agencies and other specialists. The specialist will have a graduate degree in tourism or relevant discipline and at least 10 years work experience in ecotourism planning and development. Specific tasks include: (i) guide the TA team in preparing the sector assessment, cost estimates, financing plan, and project economic and financial analysis; (ii) develop a coherent rationale for the project with associated problem tree analysis and project design and monitoring framework; (iii) overall responsibility for the preparation, coordination, and design of the project outputs and subcomponents, based on best practice principles for ecotourism and green development within and near protected areas and cultural heritage sites; (iv) lead the preparation of a knowledge product on (a) a rapid assessment of the impacts of COVID-19 on the local tourism sector and (b) a prioritized list of key protected areas and cultural heritage sites in western Mongolia for potential ecotourism development, based on agreed selection criteria, stakeholder dialogue, and spatial planning; (v) prepare inputs to the other project documents and review TA deliverables ahead of submission to ADB; and (vi) participate in and present findings at consultations and workshops.

9. **Architect** (international). The specialist will lead the design components for the two planned tourist streets (output 1), Uvs tourism complex (output 2), and rock art research and tourism center (output 4). The specialist will have a postgraduate degree in architecture, at least 10 years of experience in architectural and engineering design, relevant international architectural

<sup>1</sup> ADB. 2015. *Grant Assistance to Mongolia for Integrated Livelihoods Improvement and Sustainable Tourism in Khuvsgul Lake National Park Project*. Manila; and ADB. 2019. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to Mongolia for Sustainable Tourism Development Project*. Manila.

certifications, and a track record in innovative designs tailored to local culture and landscapes. Specific tasks include: (i) lead the preparation of preliminary architectural designs for the two tourist streets, Uvs tourism complex, and rock art research and tourism center; (ii) for these facilities, clarify design intention and concept designs, and apply international best practice and standards, ensuring that environmental risks are avoided or minimized, and that designs are culturally appropriate and sensitive to landscape and aesthetic values; (iii) design and coordinate domestic studies as needed to support preparation of the preliminary designs; (iv) ensure that the preliminary designs are prepared to a level of detail that will enable finalization of the architectural designs and preparation of the detailed engineering designs during project implementation; (v) identify steps, schedule, and costs for the detailed designs, technical designs, and construction and administration of the facilities that will be prepared during project implementation; (vi) with the building engineer and other relevant specialists, integrate best-practice design measures for heating, energy efficiency, water supply, sanitation, and solid waste, and ensure compliance with national regulations and international standards for safety and other features; (vii) participate in and present findings at consultations and workshops; and (viii) prepare inputs to the project documents.

10. **Economist (natural resources)** (international). The specialist will have a graduate degree in natural resource, environmental, ecological economics or economics, and at least 10 years of international work experience in economic analysis. In accordance with ADB's Guidelines for the Economic Analysis of Projects, the economist will: (i) assess macroeconomic and sector contexts; (ii) establish the economic rationale for public and private sector involvement; (iii) undertake a demand analysis; (iv) assess least-cost investment options; (v) conduct project economic cost–benefit analysis. This will include the identification and design of an appropriate methodology and cost–benefit analysis approach that is representative of the project investments; (vi) conduct a benefit distribution analysis and a poverty impact analysis; and (vii) support the financial management specialist to design a pilot tourism business scheme linking small- and medium-sized enterprises with communities. The specialist will design and apply relevant tools to guide and strengthen the project designs and due diligence, including projections of gross domestic product and population and tourism growth; willingness-to-pay surveys and/or affordability assessments; and projections and scenarios of the potential impacts of COVID-19 on the project economic feasibility.

11. **Social, gender, and civil society specialists** (international and national). The specialists will have a graduate degree or relevant qualification in social safeguards, social development studies, and/or gender studies, and at least 10 years of work experience in social development, gender mainstreaming, and/or resettlement. The specialists will: (i) conduct stakeholder analysis; prepare and implement a consultation and participation plan for the technical assistance period; (ii) collect baseline socioeconomic data, and poverty profiles, including sex-disaggregated data; (iii) conduct a poverty, social, and gender analysis; (iv) assess the project's social impacts and benefits across different social groups (including women, the poor and vulnerable, and youth), and identify beneficiaries and affected people and their needs and opportunities; (v) prepare a beneficiary data table in an excel sheet with the breakdown of beneficiary data among different social groups, and develop measures to target women, the poor and vulnerable, and youth; (vi) prepare the project social and gender action plan and the consultation and participation plan for the implementation period. The social and gender action plan will include the establishment of physical and social measures to prevent sexual exploitation, abuse and harassment of residents, service providers, and tourists. The consultation and participation plan will include the potential role of CSOs to participate and/or lead in project components; (vii) assess potential benefits and impacts to indigenous peoples/ethnic minorities, including any potential restriction of access to ecotourism sites and/or potential commercial development of indigenous cultural resources and

knowledge; assess whether ADB's IP safeguard requirements need to be triggered; and prepare a due diligence report on indigenous peoples/ethnic minorities and an ethnic minority development plan (if needed) based on documented stakeholder consultations and agreements with communities (e.g. owners of heritage sites and cultural handicrafts to be promoted under the project); (viii) ensure that the project does not involve involuntary resettlement and reconfirm the project's category on involuntary resettlement; and prepare a resettlement due diligence report and a resettlement plan (if needed); assess if the project will cause economic displacement (other than land acquisition) due to restrictions on land use or access and include livelihood strategies in the resettlement plan (if needed) and/or the social and gender action plan; and (ix) contribute to the preparation and design of all outputs, especially output 1. In preparing these tasks, the specialists will facilitate and ensure team collaboration with relevant stakeholders, especially CSOs.

**12. Environmental impact assessment specialist** (international). The specialist will have a degree in environment or relevant discipline and at least 10 years of work experience in environmental impact assessment. The specialist will: (i) coordinate and conduct baseline reviews and surveys; (ii) coordinate the preparation of the required domestic environmental assessments; (iii) assess possible environmental impacts, including the direct impacts of project construction as well as potential cumulative, induced, and indirect impacts resulting from greater visitor numbers; and (iv) prepare an initial environmental examination and environmental management plan, which complies with ADB requirements. The environment management plan will include measures for the operational phase to manage and monitor visitor numbers and potential impacts to protected areas and cultural sites, including based on estimated limits of site carrying capacity, regulatory limitations for activities and locations in protected areas, and capacity of nearby facilities and utilities to accommodate increased tourism pressures.

**13. Project management and procurement specialist/deputy team leader** (national). The specialist will support the team leader in all required tasks for project coordination, preparation of project deliverables, and quality control of team member deliverables. The specialist will have a degree in engineering, or relevant discipline; at least five years team leadership experience, including demonstrated ability to lead teams, prepare reports, and work with the government, private sector, communities, and CSOs; at least seven years of work experience in project management, procurement, and consulting services; excellent facilitator of meetings and negotiations with a range of stakeholders; and has good command of spoken English. Previous experience with ADB projects and familiarity with ADB processing and document requirements is preferred. The specialist will: (i) ensure timely and effective coordination between the consultant team members, central and local government agencies, and other project stakeholders; (ii) prepare the project procurement risk assessment and procurement plan in accordance with ADB Procurement Policy (2017), Procurement Regulations for ADB Borrowers (2017), and related guidance notes for 'procurement risk framework' and 'strategic procurement planning'; (iii) collect data including market prices on equipment procurement to contribute to the preparation of the project cost tables; (iv) conduct market analysis, operating environment analysis, and supply positioning, and incorporate the results into the project procurement plan; (v) identify the constraints and challenges in procurement operations; incorporate into the project procurement risk assessment and management plan including the risk categorization and risk register; (vi) support the executing agency to prepare a plan prior to loan negotiations covering the whole implementation period of end to end procurement activities, including contract management; (vii) prepare a realistic schedule and cost estimate for design, supervision, inspection, and maintenance of proposed procurement activities; (viii) develop master bidding documents for procurement under the project and the bidding documents for contracts under the loan, including all contracts to be procured in advance; (ix) organize procurement capacity development

workshops for executing and implementing agencies for the loan; and (x) support the executing agency in advance procurement of consultants and works/goods if any.

14. **Building engineer** (national). The specialist will have: a postgraduate degree in building engineering; relevant national certifications and qualifications as a practicing engineer; at least 10 years applied experience in the design, construction, and operation of civil infrastructure projects; at least 5 years team leadership experience, including demonstrated ability to prepare reports and work with the government, private sector, communities, and CSOs; excellent facilitator of meetings and negotiations with a range of stakeholders; and some spoken English. Previous experience with ADB projects and familiarity with ADB processing and document requirements is preferred. The specialist will: (i) lead the design of the project engineering deliverables and ensure overall quality control and compliance with domestic standards and certifications; (ii) conduct alternatives analysis and identify technical risks, to identify the optimal infrastructure designs; (iii) design and coordinate domestic studies (as needed) and obtain domestic approvals for the preliminary project engineering designs; and (iv) provide written and technical inputs to project outputs and deliverables as needed, including the procurement plan and packaging of civil works contracts; and the economic models, for sensitivity and risk analyses.

15. **Financial management specialist** (national). The specialist will have a graduate degree in accounting, finance, or a related field, and will have a recognized professional accountancy qualification management such as certified public accountant or chartered accountant. The specialist is required to have at least 8 years of experience including recent experience in financial due diligence for ADB projects. In accordance with ADB's Guidelines for Financial Management, Cost Estimates, Financial Analysis, and Financial Performance Indicators, the specialist will: (i) conduct financial management assessments of the executing and implementing agencies, including (a) 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, (b) assessing capacity for planning and budgeting, management and financial accounting, reporting, auditing, internal controls, and information systems, (c) reviewing proposed disbursement and funds-flow arrangements, and (d) concluding on the financial management risk rating and identifying and confirming measures for addressing identified deficiencies; (ii) support the preparation of project cost estimates and financing plan; (iii) prepare financial projections and conducting financial analyses of the executing and implementing agencies, and incremental recurrent costs, to determine financial sustainability, and reviewing proposed cost-recovery and tariff policies, including affordability; (iv) conduct financial evaluations (financial cost-benefit analyses) including sensitivity analyses of project components that have a cost-recovery objective; (v) propose relevant financial performance indicators to be incorporated in financial covenants; and (vi) assess and reach 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.

### **C. Preparation of Proposal**

16. Proposing entities are requested to prepare a detailed description of how they propose to deliver 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.

17. Entities must also describe their experience in Mongolia and experience in sustainable tourism and their ability to operate in the respective languages.

18. 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 the CV for each non-key expert position in the proposal. The final team composition and inputs of each of the specialists will be finalized with the winning firm during contract negotiations.

19. 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.

#### **D. Terms of the Assignment**

20. The duration of the assignment is nine months from the start date, expected to be around August 2020, and the assignment of experts is intermittent in nature. Relevant international specialists will make intermittent visits to Ulaanbaatar and the field sites. It is anticipated that domestic specialists will be largely or all based in Ulaanbaatar. The terms will be revised based on consultations between the parties involved in the assignment according to change(s) and or additional requirements identified during the course of implementation.