

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 full technical proposal according to the Asian Development Bank’s (ADB) Procurement Policy (2017, as amended from time to time) and the associated staff instructions.

A. Scope of Services

2. The objectives of the TA are to: (i) design the project, ensuring the design is suitable for ADB financing through identifying the most appropriate project components and providing innovative ideas, concepts, management approaches, and technology including pilot testing to enhance project impacts; (ii) review proposed project components based on detailed due diligence assessment of technical, economic and financial, governance, safeguards and poverty and social, and project risk and mitigation measures; (iii) provide training to the executing agency, implementing agency, their project implementing units, local design institutes, and other relevant stakeholders, to increase institutional capacity on effective project development and implementation; (iv) coordinate the project activity at all levels; (v) maintain high quality of project design and reporting; (vi) maintain firmly the schedule and project processing milestones; and (vii) prepare inputs to project documents, including feasibility study reports, safeguard documents, and ADB’s draft report and recommendation of the president (RRP).

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 forest sector development. Key activities will include:
 - (i) analysis of baseline situation of the proposed project including early warning systems for various types of natural hazards including epidemics and pandemics (risk knowledge, detection, surveillance, forecasting, warning, dissemination, preparedness and response capabilities), stakeholders, relevant social and economic development plan, disaster risk hazard mapping, and relevant environmental regulations and policies;
 - (ii) assessment of ongoing and proposed end-to-end early warning systems (EWS) including epidemic and pandemic response and specifically, the project activities;
 - (iii) piloting the pandemic/epidemic surveillance system, as well as, for other selected hazards including decision support system with geographical information system/global positioning system-enabled interactive monitoring platform to be linked to the EWS;
 - (iv) preparation of project technical report detailing project design, outputs, outcomes, and measurement indicators;
 - (v) conduct of a comprehensive analysis of the technical, economic, and financial feasibility of the project;
 - (vi) preparation of guidelines for activity selection criteria for the core and ensuing sector investment projects;
 - (vii) provision of technical support to strengthen project design that includes a people centered approach for multi-hazard end-to-end EWSs, including a disaster

- resilience perspective, and innovative approaches to adapt to the impact of climate change;
- (viii) assessment of stakeholder engagement in disaster risk management with focus on EWS and propose effective project component to strengthen the stakeholder engagement including community based EWS to maximize the outcomes of national EWS; and
 - (ix) provide inputs to project documents according to ADB and government requirements.
- b) **Technical and 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 will include:
- (i) carrying out of an institutional analysis of relevant institutions at national and local project areas;
 - (ii) review of and provide recommendation to the institutional capacity building requirements for the implementing agency to enhance cooperation and coordination between all relevant government agencies, including relevant line ministries and technical agencies;
 - (iii) provision of training in project management, safeguards, financial management, and procurement; and
 - (iv) finalization of TA final report.
- c) **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;
 - (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 on resettlement and ethnic minority;
 - (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 subproject environmental impact assessments, initial environmental examination, and environmental monitoring plan; and
 - (vii) preparation of inputs to project documents according to ADB and government requirements.
- d) **Implementation arrangements, 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) carrying out of financial management assessment of executing and implementing agencies;
 - (ii) carrying out of project procurement risk assessment and preparing strategic procurement planning documents;
 - (iii) preparation of procurement and investment plans;
 - (iv) carrying out of financial and economic analyses; and

- (v) preparation of inputs to project documents according to ADB and government requirements.
- e) **Know-how from the project design documented.** This output will support the review of the overall project design and disseminate the know-how to the broader audience and clients. Key activities will include:
- (i) carrying out the review of issues and challenges as well as unique features of the project design including innovative features and summarize this as recommendations to design similar projects in similar socio-economic, geographical, environmental, and climatic conditions; and
 - (ii) draft the knowledge product based on the lessons learned from overall project design.

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

Table 1: Summary of Major Outputs and Activities

Major Activities	Expected Completion Date	Major Outputs	Expected Completion Date
Sector assessment and stakeholder analysis	December 2020	Sector assessment report, stakeholder analysis report and revised problem tree	January 2021
Institutional capacity and training needs assessment	December 2020	Institutional capacity and training needs assessment report	January 2021
Social survey, poverty assessment, gender analysis and consultation & participation	December 2020	Reports on poverty and social analysis, gender analysis, beneficiary analysis, and consultation and participation (as detailed appendices to SPRSS).	February 2021
Assessment of the technical feasibility	December 2020	FSR and draft project design and monitoring framework	February 2021
Procurement risk assessment	December 2020	Procurement risk assessment and management report including procurement implementation arrangements, and procurement capacity assessment report	February 2021
Strategic procurement planning (SPP) documents	December 2020	Strategic procurement planning (SPP) documents updated	February 2021
Financial management assessment	December 2020	Financial management assessment report	February 2021
Due diligence on safeguard requirements	January 2021	DDR on involuntary resettlement and indigenous peoples/ethnic minorities; IEE, with EMP	February 2021
Prepare procurement plan	February 2021	Procurement plan which includes market analysis and supply positioning; master bidding documents for the project	March 2021
Due diligence on the economic and financial feasibility	March 2021	Economic and financial analysis report	May 2021
Final project technical, economic, financial, environment, and social appraisal	April 2021	Final report with all appendices including IEE with EMP, DDR on involuntary resettlement and indigenous peoples/ethnic minorities; SPRSS with appendices on detailed reports on poverty and social analysis, beneficiary analysis, consultation and participation plan, SAP, a GAP, CRVA, and economic and financial analysis report, a FMA and PRA report, PPMS, and draft RRP including PAM; procurement capacity building training plan (for executing/implementation agencies start-up), and other linked documents	May 2021

CRVA = climate risk and vulnerability assessment, DDR = due diligence report, EMDP = ethnic minorities development plan, EMP = environmental management plan, FMA = financial management assessment, FSR = feasibility study report, GAP = gender action plan, IEE = initial environmental examination, PAM = project administration manual, PPMS = project performance management system, PRA = Procurement Risk Assessment, RRP = report and recommendation of the President, SAP = social action plan, SPRSS = summary poverty reduction 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 five 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

International Positions	National Positions
Early warning system specialist/team leader	Early warning system specialist/deputy team leader
Health security and health system expert	Social development specialist
Social development and gender specialist	Economist (disaster risk management)
Economist (disaster risk management)	Financial management specialist
	Project management and procurement 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.

7. **Early warning system specialists** (international team leader and national deputy team leader). The specialists 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 climatological sciences, forecasting, or other relevant discipline, and at least 10 years work experience in disaster risk management sector development and management, including in the design and implementation of EWSs. Specific tasks include: (i) guide the TA team in preparing sector assessment, cost estimate and financing plan, and economic and financial analysis of the project; (ii) develop a coherent rationale for the project with associated problem tree analysis and project design and monitoring framework; (iii) assume overall responsibility for the preparation, coordination, and design of the three outputs of the proposed loan project; (iv) coordinate with the Ministry of Environment and Tourism of Mongolia and project team members to design and pilot hazard (*dzud*, flood, and fire) surveillance system, forecast model, interactive tracking and tracing tools appropriate for Mongolia, disaster communication channels and that to be linked with communication and decision support system as part of comprehensive early warning system; (v) help prepare a draft project administration manual with assistance from the deputy team leader; (vi) help compile and prepare the final draft of the RRP; (vii) draft the lesson learned from design incorporating issues, challenges, and solutions in the form of knowledge product; and (viii) participate in and present findings at consultations and workshops.

8. **Health security and health system expert** (international). The health security and health system expert is expected to have a master’s degree in public health, medicine, hospital

management, health policy, health system or related field, at least 10 years of experience of conducting assessment of health system response to outbreaks and minimum of 8 years of experience working with government or international organizations. Aside from knowledge in communicable diseases, containment and immunization, the expert should have good skills in statistics, database management and handling. The health security and health system expert will (i) conduct rapid health security system impact assessments on the potential effect of COVID-19 and other pandemic situations for COVID-19 affected and potentially affected areas in Mongolia based on baseline scenario (the outbreak is contained relatively quickly and behavioral and policy changes are also short-lived); and worse-case scenario (the outbreak spreads more rapidly and/or widely, is more fatal, and/or takes longer than expected to be contained); covering key issues including (a) regional and national contexts; (b) diagnostic, treatment and laboratory capabilities; (c) human resources; (d) adequacy of medical supplies; (e) health service delivery; (f) health financing; (g) capability of risk communication; and (h) capability of subnational reporting and decision-making; (ii) coordinate with the Ministry of Health of Mongolia and project team members to design and pilot the health surveillance system, forecast model, interactive tracking and tracing tools appropriate for Mongolia, disaster communication channels and that to be linked with communication and decision support system as part of comprehensive early warning system; (iii) link the proposed early warning system to existing or proposed country-level and regional outbreak and epidemic and pandemic response plans (contingency plan); (iv) draft recommendations on how to design appropriate response measures to strengthen health systems to better address the COVID-19 outbreak and potential outbreaks of other communicable diseases in Mongolia; and (v) perform other related tasks requested by the team leader.

9. **Social development specialists** (international and national). The specialists will have a graduate degree or relevant qualification in social safeguards and/or social development studies and at least 10 years of work experience in social development and/or resettlement. The specialists will: (i) conduct stakeholder analysis; prepare and implement a consultation and participation plan, including identifying how civil society organizations will participate during 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, and identify beneficiaries and affected people and needs and opportunities for local beneficiaries and affected people; (v) prepare a beneficiary data table in an excel sheet with the breakdown of beneficiary data among different social groups (including women, the poor, and vulnerable), and develop measures to target women, the poor, and vulnerable groups; (vi) provide inputs to the project social and gender action plan, and the consultation and participation plan for the loan implementation period, including identifying how civil society organizations will participate in project implementation; (vii) assess potential benefits and impacts to indigenous peoples/ethnic minorities and prepare a due diligence report on indigenous peoples/ethnic minorities; (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; assess if subprojects will cause economic displacement (other than land acquisition) due to restrictions on land use or access to forest areas, and include livelihood strategies in relevant social action plan; and in addition (ix) contribute to the preparation, and design of output 2: Disaster response capability is strengthened to ensure inclusive and equitable approach is adopted.

10. **Economist (disaster risk management)** (international and national). The specialist will have a graduate degree in economics, disaster risk management, environmental economics, or other relevant discipline, 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 disaster risk management sector and impact

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; and (vi) conduct a benefit distribution analysis and a poverty impact analysis. The specialist will design and apply relevant tools to guide and strengthen the project designs and due diligence, including projections of population and hazard scenarios including projections and scenarios and impacts of pandemic.

11. **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; (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.

12. **Project management and procurement specialist** (national). The specialist will have a degree in engineering, or relevant discipline and at least seven years of work experience in project management, procurement, and consulting services. The specialist will: (i) prepare the project procurement risk assessment and strategic 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 plan’; (ii) collect data including market prices on equipment procurement to contribute to the preparation of the project cost tables; (iii) conduct market analysis and supply positioning and incorporate the results into the strategic procurement plan; (iv) 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; (v) support the executing agency prepare a plan prior to loan negotiations covering the whole implementation period of end to end procurement activities, including contract management; (vi) prepare a realistic schedule and cost estimate for design, supervision, inspection, and maintenance of proposed procurement activities; (vii) organize procurement capacity development workshops for executing and implementing agencies for the loan; and (viii) support executing agency in advance procurement of consultants and works/goods if any.

C. Preparation of Proposal

13. 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.

14. Entities must also describe their experience in Mongolia and experience in disaster risk management, including early warning and disaster preparedness and their ability to operate in the respective languages.

15. 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. In addition, the credentials of the non-key experts and the overall design of the team will be considered as part of the "Approach and Methodology" evaluation. The final team composition and inputs of each of the specialists will be finalized with the winning firm during contract negotiations.

16. 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

17. Experts will be based in Ulaanbaatar, Mongolia for the duration of the assignment. The duration of the assignment is one year from the start date, expected to be around the last week of September 2020, 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 the course of implementation.