

# Project Administration Manual

Project Number: 46378-002  
Loan Number: XXXX  
November 2015

Islamic Republic of Pakistan:  
Central Asia Regional Economic Cooperation  
Regional Improving Border Services Project

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## **Project Administration Manual Purpose and Process**

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with Government and Asian Development Bank (ADB) policies and procedures. The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Federal Board of Revenue (FBR) is wholly responsible for the implementation of ADB financed projects, as agreed jointly between the borrower and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by FBR of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At Loan Negotiations the borrower and ADB shall agree to the PAM and ensure consistency with the Loan Agreement. Such agreement shall be reflected in the minutes of the Loan Negotiations. In the event of any discrepancy or contradiction between the PAM and the Loan Agreement, the provisions of the Loan Agreement shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP) changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval they will be subsequently incorporated in the PAM.

## Abbreviations

ADB	=	Asian Development Bank
BCP	=	border crossing point
BOQ	=	bill of quantities
EA	=	Executing Agency
EAD	=	Economic Affairs Division
FBR	=	Federal Board of Revenue
FIDIC	=	International Federation of Consulting Engineers
FMA	=	Financial management assessment
GOP	=	Government of Pakistan
ICB	=	international competitive bidding
ICT	=	information and communications technology
IEE	=	initial environmental examination
IR	=	involuntary resettlement
IT	=	information technology
km	=	kilometer
LARP	=	Land acquisition and resettlement plan
LPA	=	Land Port Authority
NLC	=	National Logistics Cell
O&M	=	operations and maintenance
PMU	=	project management unit
PPTA	=	project preparation technical assistance
TA	=	technical assistance
TOR	=	terms of reference

## I. PROJECT DESCRIPTION

1. The proposed project will remove the key bottleneck for movement of goods and people through Torkham, Chaman, and Wagha in Pakistan. As part of CAREC's initiative for trade facilitation, the project will help CAREC countries take advantage of more efficient trade routes through Pakistan, and reciprocally, encourage Pakistan to play a strategic role in creating a larger regional market for intra-CAREC and inter-CAREC trade. The project will be designed as a sovereign project financing as the operation of BCPs in Pakistan is with the public sector domain.
2. The expected impact of the project will be an increased value of export, import, and transit trade. The expected outcome will be reduced cross-border processing time for goods and cargos in Torkham, Chaman, and Wagha.
3. The output will be (i) border crossing point infrastructure and facility at Torkham, Chaman, and Wagha improved to the standard that meets users' demand for quality border crossing services (sketchy layouts before and after the project for each border points in Figure 1.1–6); (ii) governance structure of national border point management regime and organizational design, management structure, financial and administrative procedures, and financial modeling for the Pakistan Land Port Authority (PLPA) produced and adopted; and (iii) knowledge and skills of border point operating agencies enhanced.

## II. IMPLEMENTATION PLANS

### A. Project Readiness Activities

Indicative Activities	2015		2016				2017				Responsible
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Approve and disclose safeguards documents:											
Post IEEs	Jul										ADB/FBR
Post land acquisition and resettlement plan	Aug										ADB/FBR
Government budget inclusion (PC-1 approval)	Aug										MOF/ FBR
ADB Management Review Meeting	Sep										ADB
Advance contracting actions	Sep										FBR/ADB
Loan negotiations		Oct									EAD/ADB
Establish project implementation arrangements		Oct									FBR
ADB Board consideration		Dec									ADB
Loan signing				May							EAD/ADB
Government legal opinion provided				Jun							EAD
Loan effectiveness				Jun							EAD/ADB
Project management and supervision consultant recruited				Jun							FBR/ADB
Land acquisition and resettlement plan for 3 border points to be implemented						Dec					FBR
EPC contractors for Torkham, Chaman, and Wagha to be mobilized							Jan				FBR
Detailed design to be completed										Dec	FBR

Figure 1: Existing BCP Layout in Torkham

# Existing BCP Layout in Torkham

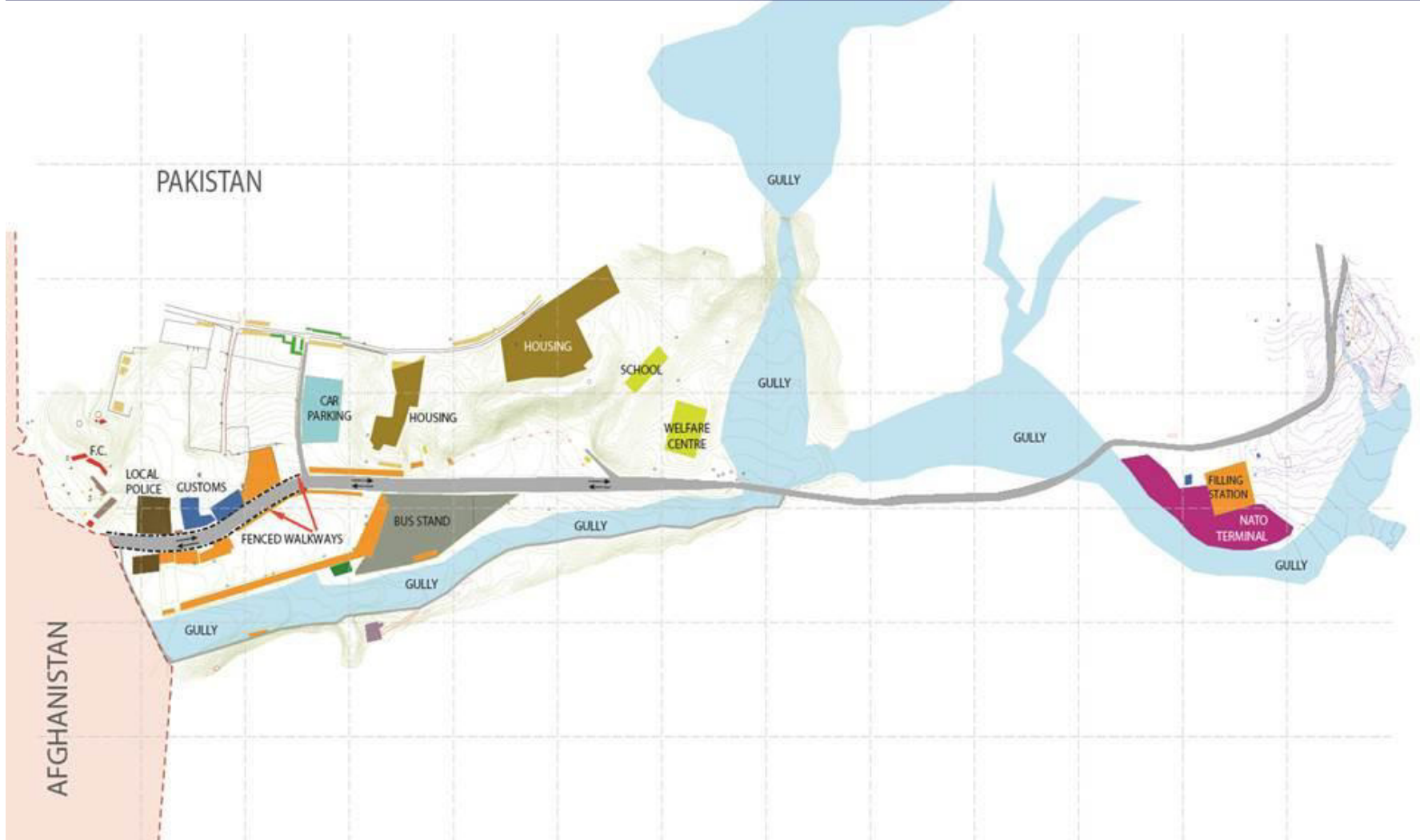


Figure 2: Proposed Layout in Torkham

# Proposed Layout in Torkham

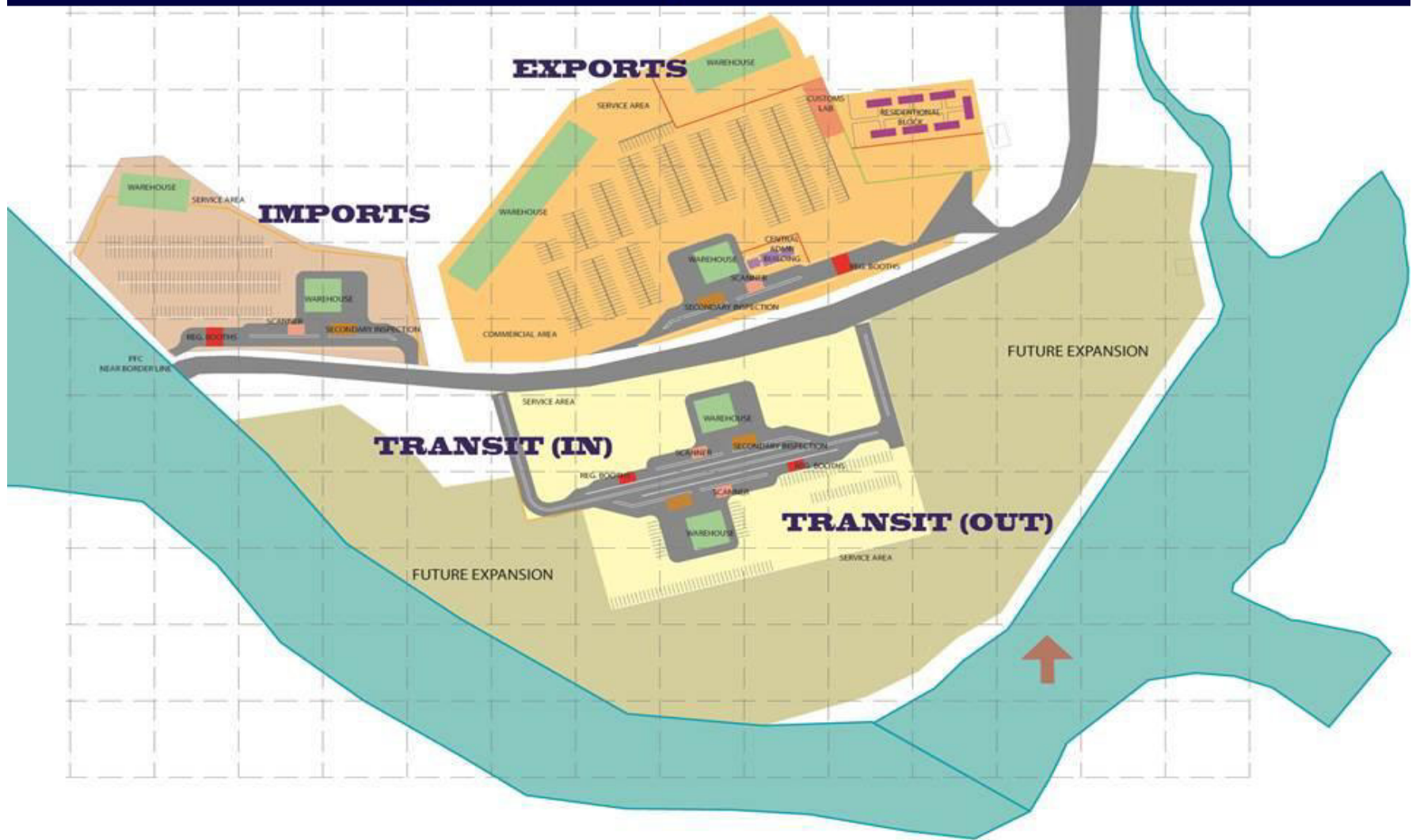


Figure 3: Existing BCP Layout in Wagha

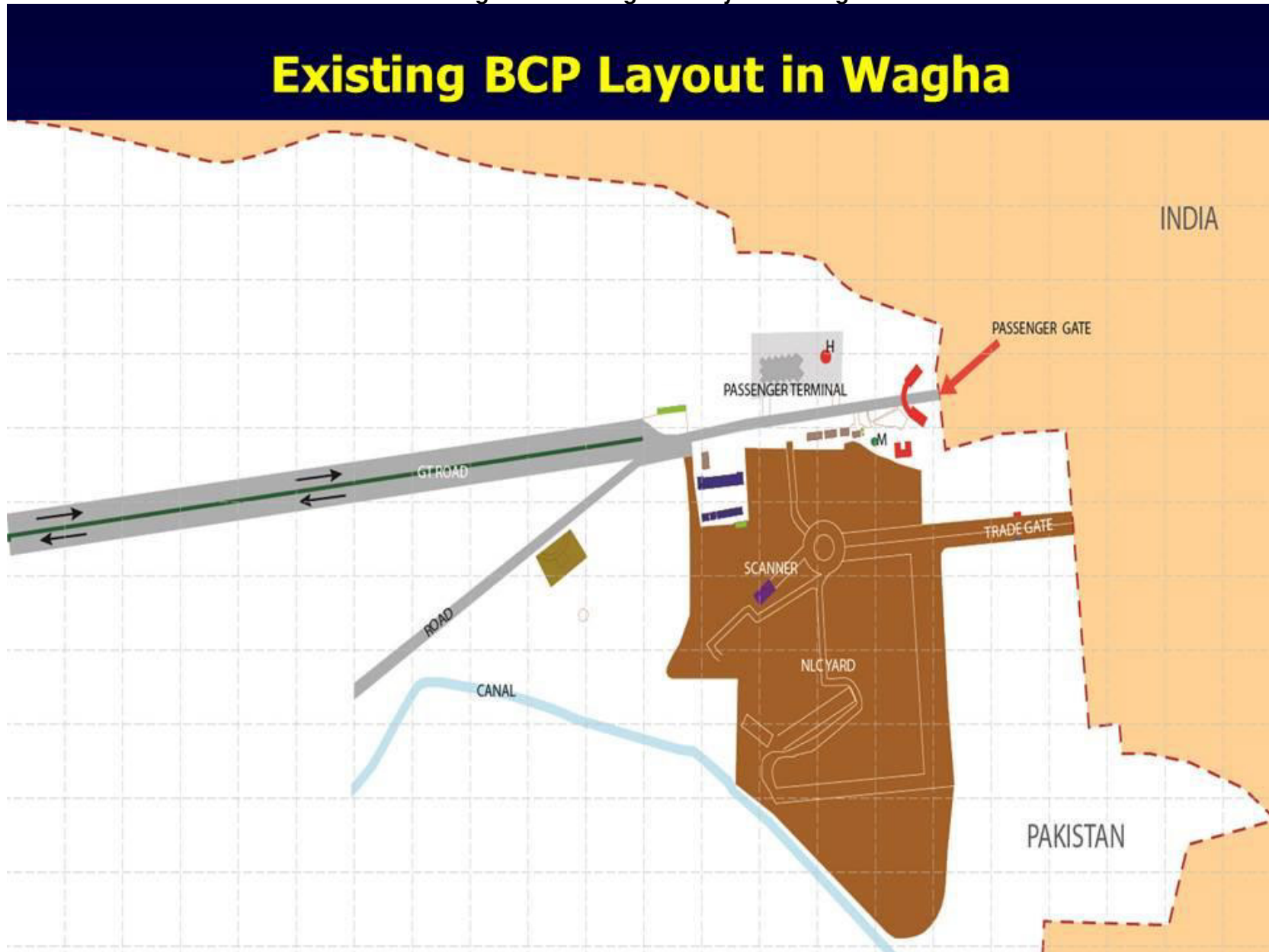




Figure 4: Proposed Layout in Wagha

# Proposed Layout in Wagha

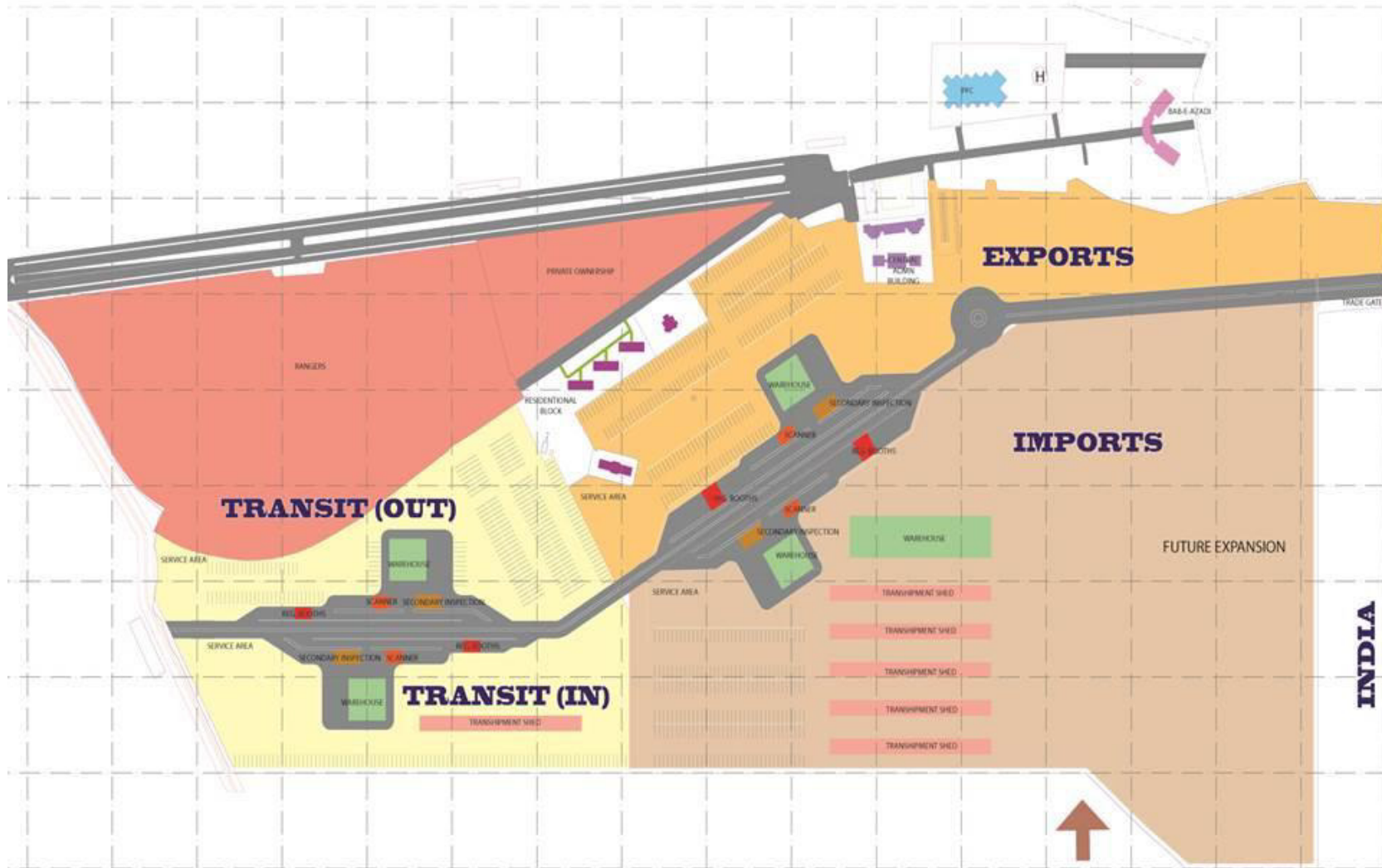


Figure 5: Existing BCP Layout in Chaman

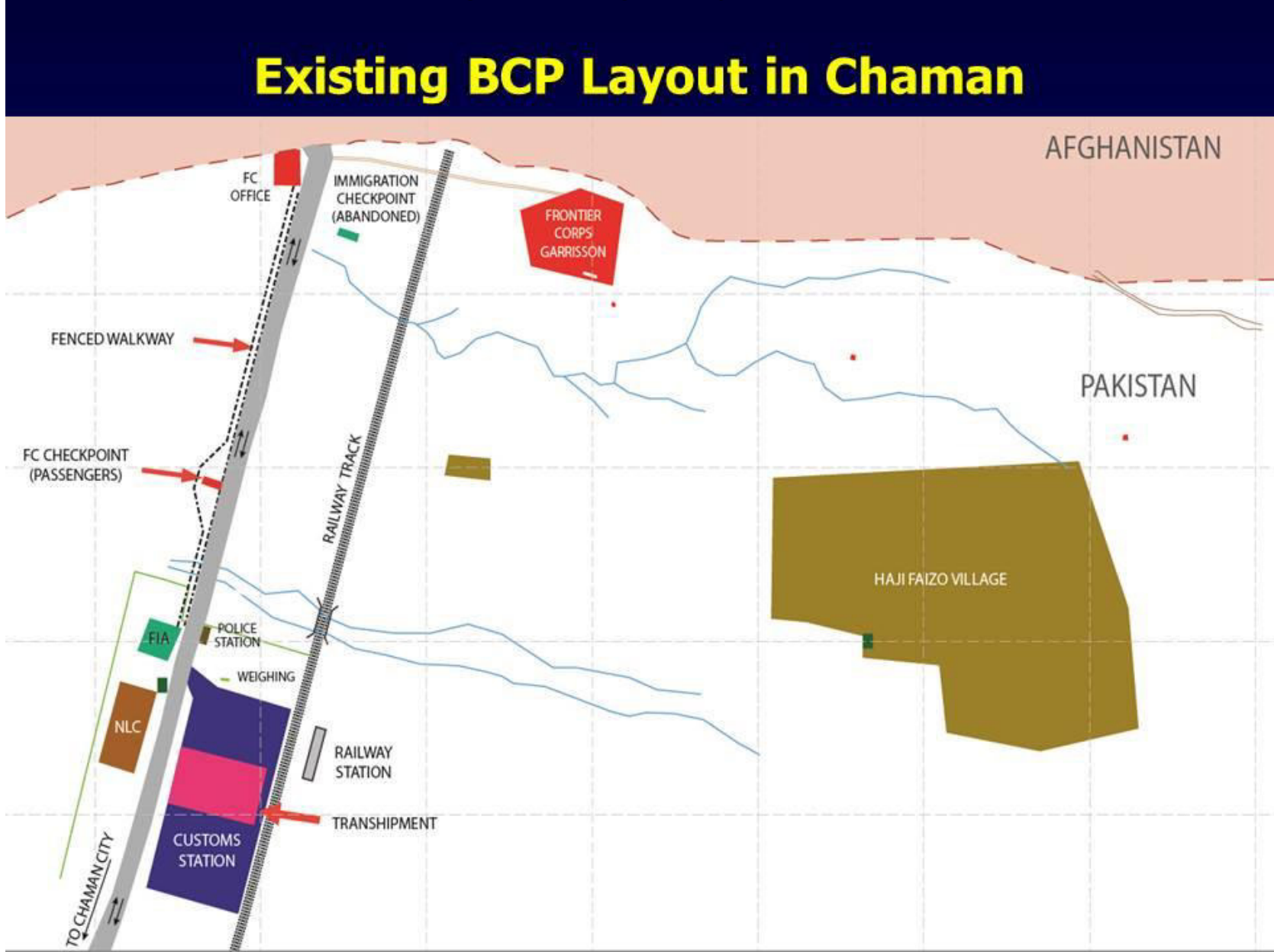
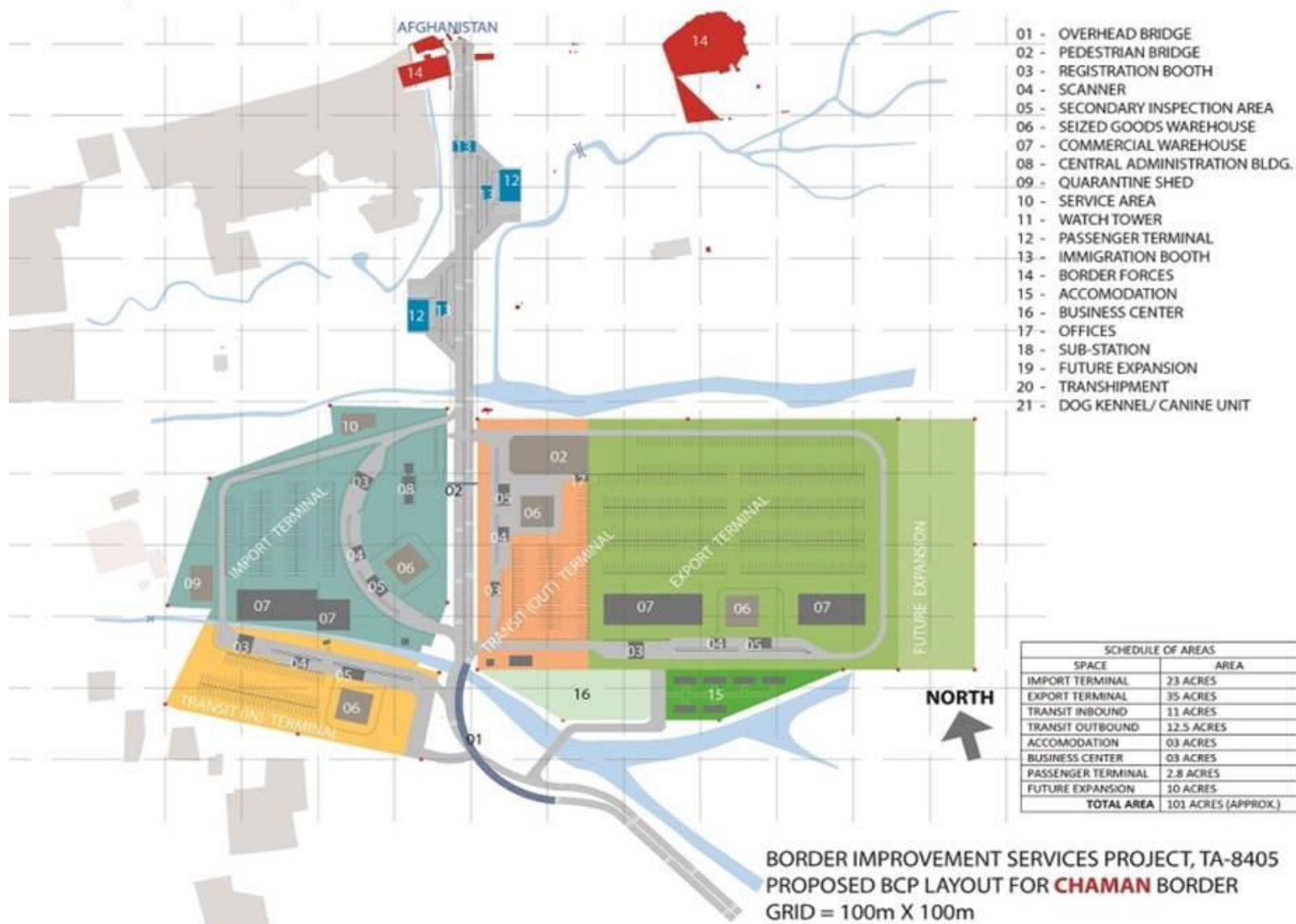


Figure 6: Proposed Layout in Chaman

## Proposed Layout in Chaman



## B. Overall Project Implementation Plan

	2015		2016				2017				2018				2019				2020				2021				2022					
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
<b>I. Pre-Approval Activities</b>																																
Approve and disclose safeguards documents	■																															
Government budget inclusion (PC-1 approval)	■																															
Advance contracting actions	■	■																														
Establish project implementation arrangements		■	■																													
<b>II. Border Points Improvements</b>																																
Project management consultant and supervision consultant recruited			■	■	■	■																										
Land acquisition and resettlement plan for 3 border points implemented			■	■	■	■	■	■	■	■	■	■	■	■																		
EPC contractors for Torkham, Chaman and Wagha mobilized			■	■	■	■	■	■	■																							
Detailed design completed								■	■	■	■	■	■																			
EPC works for 3 border points to be completed and commissioned after rest running										■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	
Project implementation period																																
<b>III. Establishing PLPA</b>																																
Consultants for establishing PLPA recruited			■	■	■	■																										
Planning and design of PLPA completed																																
PLPA established with a board of directors, a chief executive, and core staff																																
PLPA's taking over of improved border points																																
<b>IV. Training of Border Point Operating Agencies</b>																																
Consultants for training of border point operating agencies recruited																																
Training needs assessment completed																																
Training program designed																																
Training program implemented																																
<b>V. Management Activities</b>																																
Communication strategy key activities	■																															
Annual/Mid-term review																																
Project completion report																																

### III. PROJECT MANAGEMENT ARRANGEMENTS

#### A. Project Implementation Organizations – Roles and Responsibilities

Project implementation organizations	Roles and Responsibilities
ITTMS	<ul style="list-style-type: none"> <li>➤ Provide overall guidance on project implementation.</li> <li>➤ Act as the highest decision-making authority for project implementation issues remaining undecided at an EA/Project Steering Committee level.</li> </ul>
Project Management Unit (PMU) under Executing Agency (FBR) aided by Project Implementation Committee	<ul style="list-style-type: none"> <li>➤ Provide guidance on and oversight to the overall implementation and performance of the project.</li> <li>➤ Approve awarding of contracts for civil works, equipment, and consultancy and publicly disclose procurement results.</li> <li>➤ Resolve issues and conflicts that would compromise quality of results, investment cost or project completion time.</li> </ul>
Indicative Staffing of PMU: 1 Project Director and 6 Deputy Directors	<ul style="list-style-type: none"> <li>➤ Ensure timely agreed counterpart funds and approval of higher authorities for project activities.</li> <li>➤ Establish a sound financial management system, submit timely withdrawal applications to ADB, conduct timely financial audits as per agreed timeframe, submit audited project account reports, and take recommended actions.</li> <li>➤ Review any request for reallocating the loan proceeds and submitting it to ADB.</li> <li>➤ Endorse to ADB through EAD the authorized staff in the Executing Agency with approved signatures for processing payments and maintaining the imprest account(s).</li> <li>➤ Ensure compliance with all loan covenants and reporting to ADB.</li> <li>➤ Review and approve the annual activity plan of the PIU.</li> <li>➤ Review implementation progress and resolve issues remaining undecided at a PIU level.</li> <li>➤ Review and evaluate performance of consultants and contractors.</li> <li>➤ Convene meetings with the PIU on quarterly basis or as and when required.</li> <li>➤ Ensure projects' sustainability during post-implementation stage and reporting to ADB on the achieved development impacts.</li> </ul>
Project Management Consultant (PMC)	<ul style="list-style-type: none"> <li>➤ Responsible for overall project management; finalizing bidding documents and conducting procurement processes for civil works, equipment, and consultancy (preparing bid evaluation reports for approval by the Executing Agency and ADB).</li> </ul>
Indicative Staffing of PMC: 10 engineers/specialists for project management; contract management; procurement; civil engineering; social safeguards; security; IT; and monitoring & evaluation	<ul style="list-style-type: none"> <li>➤ Responsible for overall construction supervision with the consultants, milestone and quality validation of civil works in accordance with the conditions of the contract agreement.</li> <li>➤ Monitor and evaluate project activities and outputs, including periodic review, preparation of review and progress reports reflecting issues and time-bound actions taken (or to be taken), and their timely submission to the Executing Agency and ADB.</li> <li>➤ Prepare regular periodic progress reports, monitoring and evaluation reports, and project completion report and their timely submission to the Executing Agency and ADB.</li> <li>➤ Review and endorse IPCs submitted by supervision consultant to PMU for processing.</li> <li>➤ Involve community villages around BCPs as necessary in day-to-day implementation of the project.</li> <li>➤ Assure quality of works and services of PMC and supervision consultant.</li> </ul>

<b>Project implementation organizations</b>	<b>Roles and Responsibilities</b>
	<ul style="list-style-type: none"> <li>➤ Prepare, implement, and monitor safeguards in accordance with the Land Acquisition and Resettlement Plans and Initial Environmental Examinations, ADB's SPS (2009), and Loan Agreement.</li> <li>➤ Establish a grievance redress mechanism with a dedicated grievance staff to address all project-related grievances.</li> </ul>
Supervision Consultant  Indicative Staffing: 81 engineers/ specialists for all engineering areas including project management, contract management, financial, safeguards, and IT	<ul style="list-style-type: none"> <li>➤ Review and certify detailed design and selection of the equipment and components for the proposed system and the offered costs. Ensure that the drawings and plans prepared by the contractor are in conformity with specifications and meet the required objectives.</li> <li>➤ Supervise construction of facilities and installation of the procured equipment for the effective operation and ensure that it conforms to the specifications, drawings, standards, and plans and is consistent with client's requirements.</li> <li>➤ Conduct required quality assurance tests on works done and equipment purchased and installed.</li> <li>➤ Review the contractor's work program including quality control program.</li> <li>➤ Review and certify works done and equipment purchased and installed before initiating testing and trial running.</li> <li>➤ Review and endorse interim payment certificates for Implementing Agency's approval.</li> <li>➤ Ensure commissioning and test at trial running.</li> </ul>
Engineering, Procurement, and Construction (EPC) Contractor	<ul style="list-style-type: none"> <li>➤ Prepare detailed engineering design for facilities and specifications for equipment. Seek approval of the design and specifications of the works and equipment from the supervision consultants.</li> <li>➤ Construct facilities and purchase and install equipment.</li> <li>➤ Prepare interim payment certificate and submit it to the Implementing Agency.</li> <li>➤ Conduct test run and commission completed facilities and installed equipment.</li> <li>➤ Hand over the completed facility in fully operational condition.</li> </ul>

ADB = Asian Development Bank; BCP = border crossing point; EA = executing agency; EAD = Economic Affairs Division; EPC = engineering, procurement, and construction; IEE = initial environmental examination; IPC = interim payment certificates; IT = information technology; FBR = Federal Board of Revenue; ITTMS = integrated transit trade management system; PMC = project management consultant; PMU = project management unit; SPS = Safeguards Policy Statement; WA= withdrawal application.

## **B. Key Persons Involved in Implementation**

<b>Executing Agency</b> Federal Board of Revenue (FBR) Revenue Division	<p>Tariq Bajwa Chairman Telephone: +92 51 920 1938 Email address: <a href="mailto:chairman@fbr.gov.pk">chairman@fbr.gov.pk</a></p> <p>Muhammad Zubair Chief, International Customs Telephone: +92 51 920 1938/9723 Email address:</p>
<b>Borrower and Oversight Agency</b> Economic Affairs Division	<p>Sabina Qureshi Deputy Secretary (ADB)</p>



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**C. Project Organization Structure**

4. Figure 3.1 has the proposed structure for implementation of the project. The steering committee is headed by the Minister for Finance and Revenue with Ministerial representation from Ministries of Foreign Affairs, Defense, Railways, Communication, Commerce and concerned federal Secretaries acting as the steering committee for the project playing the role spelled out in Section III-A.

5. FBR will be an executing agency; a project management unit (PMU) will be established in FBR that will act as an Employer under FIDIC. PMU's technical expertise will be supplemented and complemented by the project management consultant who will be recruited from outside and attached to PMU. Supervision consultant will supervise contractor's works as the Engineer under FIDIC.

6. ITTMS will act as the highest decision-making authority for project implementation issues and provide overall guidance for all agencies involved in project implementation. A project implementation committee (PIC), consisting of senior officers (not below the rank of an Additional Secretary) from the Ministry of Commerce, Revenue Division/ FBR, Ministry of Defense, and Project Director, ITTMS, will be established to guide PMU, review the progress of implementation, and coordinate with relevant ministries and departments to sort out any project implementation problems.

7. The indicative staff strength of PMU, project management, and supervision consultants are as follows:

Indicative Staffing of Project Management Unit	
Title	Positions
Project Director	1
Deputy Directors	6

<b>Indicative Staffing of Project Management Consultant – 10 Positions</b>
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Consisting of engineers/specialists for project management; contract management; procurement; civil engineers; financial specialist; environmental specialist; social safeguards; security; IT; and monitoring and evaluation.
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<b>Indicative Staffing of Supervision Consultant – 73 Positions</b>
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Consisting of team leader, project coordinator/deputy team leader, contracts specialist, planning/project management engineer, electromechanical installation engineer, IT engineer, social safeguards specialist, chief quantity surveyor, highway engineer, bridge and structures engineer, building (structural) engineer, architect, interior designer/space planner, electromechanical and IT engineer, security equipment specialist, 3 resident engineer (RE), 3 assistant resident engineer (ARE) roads and infrastructure works, 3 ARE buildings, 3 ARE electro-mechanical works, 3 quantity surveyor (QS), 3 assistant QS, 3 surveyor, 3 material engineer, 9 site inspector (roads and infrastructure), 9 site inspector (buildings), 6 site inspector (electro-mechanical works), 9 laboratory technicians, and survey technicians.
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<b>Indicative Staffing of Training Consultants for Border Point Operating Agencies – 5 Positions</b>
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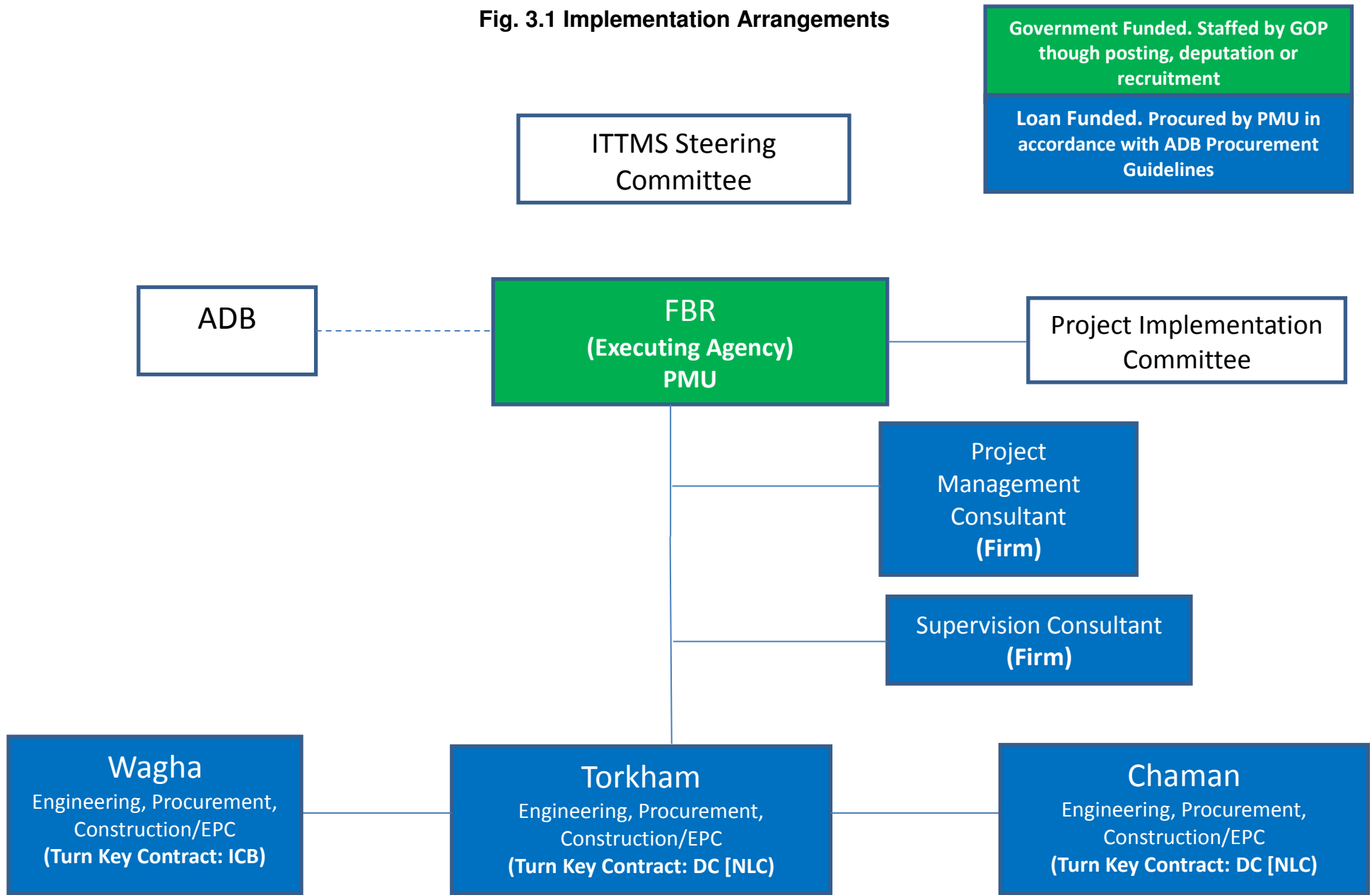
Consisting of PLPA border management trainings advisor, PLPA training advisor and team leader, and 3 PLPA training specialists.
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<b>Indicative Staffing of Establishing PLPA Consultants – 9 Positions</b>
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Consisting of trade facilitation and port operations specialist/team leader, border security and facilitation advisor, public sector specialist/deputy team leader, principal transport specialist, principal civil engineer, 2 principal IT specialists, principal legal advisor, and principal financial advisor.
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**Fig. 3.1 Implementation Arrangements**



#### IV. COSTS AND FINANCING

The project is estimated to cost \$300 million (Table IV.1).

**Table IV.1: Project Investment Plan**

		(\$ million)
Items	Amount <sup>a</sup>	
<b>A. Base Cost<sup>b</sup></b>		
1	Border Point Improvement	251.2
2	Capacity Development	6.0
<b>Subtotal (A)</b>		<b>257.2</b>
<b>B. Contingencies<sup>c</sup></b>		<b>29.4</b>
<b>C. Financing Charges During Implementation<sup>d</sup></b>		<b>13.4</b>
<b>Total (A+B+C)</b>		<b>300.0</b>

<sup>a</sup> Includes taxes and duties of \$20.9 million to be financed from the government resources.

<sup>b</sup> In June 2015 prices.

<sup>c</sup> Physical contingencies computed at 10% for civil works and equipment. Price contingencies computed at 1.4%–1.5% on foreign exchange costs and at 5.5%–6.0% on local currency costs include provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

<sup>d</sup> Includes interest and commitment charges. Interest during construction for the Asian Development Bank (ADB) loan has been computed at the 5-year fixed swap rate against 6-month London interbank offered rate plus a spread of 0.35%. Commitment charges for an ADB loan are 0.15% per year to be charged on the undisbursed loan amount.

Source: ADB staff estimates.

8. The financing plan is in Table IV.2.

**Table IV.2: Financing Plan**

Source	Amount (\$million)	Share of Total (%)
Asian Development Bank		
Ordinary capital resources (loan)	150.0	50.0
Special Fund resources (loan)	100.0	33.3
Government	50.0	16.7
<b>Total</b>	<b>300.0</b>	<b>100.0</b>

Source: Asian Development Bank estimates.

Item	Total Cost	ADB	Govt.	ADB Share (%)	
<b>A. Base Cost</b>					
1	Border Point Improvement	251.2	225.1	26.1	89.6
2	Capacity Development	6.0	6.0	0.0	100.0
<b>Subtotal (A)</b>		<b>257.2</b>	<b>231.1</b>	<b>26.1</b>	<b>89.9</b>
<b>B. Contingencies</b>		<b>29.4</b>	<b>5.50</b>	<b>23.9</b>	<b>18.7</b>
<b>C. Financing Charges During Implementation</b>		<b>13.4</b>	<b>13.40</b>	<b>0.0</b>	<b>100.0</b>
<b>Total (A+B+C)</b>		<b>300.0</b>	<b>250.0</b>	<b>50.0</b>	<b>83.3</b>

Source: Asian Development Bank estimates.

## A. Detailed Cost Estimates by Expenditure Category

	\$ million			% of Total Base Cost
	Foreign Exchange	Local Currency	Total Cost	
<b>A. Investment Cost<sup>a</sup></b>				
1. Land Acquisition and Resettlement	0.0	5.2	5.2	2.0
2. Infrastructure and Development Works	17.7	70.7	88.3	34.3
3. Buildings	17.1	68.4	85.5	33.3
4. Equipment	21.7	14.5	36.2	14.1
a. IT Connectivity and IT System	4.4	2.9	7.3	2.8
b. Security	17.0	11.3	28.3	11.0
c. Trade Facilitation	0.4	0.2	0.6	0.2
5. Consulting Services <sup>b</sup>	8.3	6.8	15.0	5.8
a. Project Management Consultant	1.7	1.4	3.0	1.2
b. Construction Supervision Consultant	6.6	5.4	12.0	4.7
6. Capacity Development <sup>b</sup>	3.3	2.7	6.0	2.3
a. Establishing Pakistan Land Port Authority	1.7	1.4	3.0	1.2
b. Training of Border Point Operating Agencies	1.7	1.4	3.0	1.2
7. Taxes and Duties	0.0	20.9	20.9	8.1
<b>Total Base Cost (A)</b>	<b>68.0</b>	<b>189.1</b>	<b>257.2</b>	<b>100.0</b>
<b>B. Contingencies<sup>c</sup></b>				
1. Physical	5.6	17.5	23.1	9.0
2. Price	1.5	4.8	6.3	2.4
<b>Subtotal (B)</b>	<b>7.2</b>	<b>22.2</b>	<b>29.4</b>	<b>11.4</b>
<b>C. Financial Charges during Construction<sup>d</sup></b>				
1. Interest during Implementation	11.8	0.0	11.8	4.6
2. Commitment Charge	1.7	0.0	1.7	0.6
<b>Subtotal (C)</b>	<b>13.4</b>	<b>0.0</b>	<b>13.4</b>	<b>5.2</b>
<b>Total Project Cost (A+B+C)</b>	<b>88.6</b>	<b>211.4</b>	<b>300.0</b>	<b>116.6</b>

<sup>a</sup> In June 2015 prices.

<sup>b</sup> Net of taxes and duties.

<sup>c</sup> Physical contingencies computed at 10% for civil works and equipment. Price contingencies computed at 1.4%–1.5% on foreign exchange costs and at 5.5%–6.0% on local currency costs includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

<sup>d</sup> Includes interest and commitment charges. Interest during construction for ADB loan(s) has been computed at the 5-year forward London interbank offered rate plus a spread of 0.35%. Commitment charges for an ADB loan are 0.15% per year to be charged on the undisbursed loan amount.

Source: ADB staff estimates.

**B. Allocation and Withdrawal of Loan Proceeds**

**ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS  
Regional Improving Border Services Project**

**Ordinary Capital Resources Loan**

Number	Item	Total Amount Allocated for ADB Financing (\$)		Basis for Withdrawal from the Loan Account
		Category	Subcategory	
1	Turnkey (Civil Works, Buildings, and Equipment)	112,300,000		91% of total expenditure claimed*
2	Consulting Services	15,000,000		100% of total expenditure claimed**
3	Capacity Development	6,000,000		100% of total expenditure claimed**
4	Financial Charges during Implementation	11,200,000		
5	Unallocated	5,500,000		
	<b>Total</b>	<b>150,000,000</b>		

\* Financing allocated to the Ordinary Operations Loan Agreement will be utilized at 91% of every claim until it has been disbursed in full. Thereafter, financing allocated to this item under the Special Operations Loan Agreement will be utilized at 91% of every claim.

\*\*Exclusive of taxes and duties imposed within the territory of the Borrower

**Asian Development Fund Resources Loan**

Number	Item	Total Amount Allocated for ADB Financing (\$)		Basis for Withdrawal from the Loan Account
		Category	Subcategory	
1	Turnkey (Civil Works, Buildings, and Equipment)	97,800,000		91% of total expenditure claimed*
2	Financial Charges during Implementation	2,200,000		
	<b>Total</b>	<b>100,000,000</b>		

\* Financing allocated to the Ordinary Operations Loan Agreement will be utilized at 91% of every claim until it has been disbursed in full. Thereafter, financing allocated to this item under the Special Operations Loan Agreement will be utilized at 91% of every claim.

### C. Detailed Cost Estimates by Financier

	ADB		Government		Total Cost
	Amount (\$ million)	% of Cost Category	Amount (\$ million)	% of Cost Category	
<b>A. Investment Cost<sup>a</sup></b>					
1. Land Acquisition and Resettlement	0.0	0.0	5.2	100.0	5.2
2. Infrastructure and Development Works	88.3	92.2 <sup>f</sup>	7.5 <sup>e</sup>	7.8	95.8
3. Buildings	85.5	92.2 <sup>f</sup>	7.3 <sup>e</sup>	7.8	92.8
4. Equipment	36.2	85.5 <sup>f</sup>	6.2 <sup>e</sup>	14.5	42.4
a. IT Connectivity and IT System	7.3	85.5	1.2 <sup>e</sup>	14.5	8.5
b. Security	28.3	85.5	4.8 <sup>e</sup>	14.5	33.1
c. Trade Facilitation	0.6	85.5	0.1 <sup>e</sup>	14.5	0.7
5. Consulting Services <sup>b</sup>	15.0	100.0	0.0	0.0	15.0
a. Project Management Consultant	3.0	100.0	0.0	0.0	3.0
b. Construction Supervision Consultant	12.0	100.0	0.0	0.0	12.0
6. Capacity Development <sup>b</sup>	6.0	100.0	0.0	0.0	6.0
Establishing Pakistan Land Port					
a. Authority	3.0	100.0	0.0	0.0	3.0
Training of Border Point Operating					
b. Agencies	3.0	100.0	0.0	0.0	3.0
<b>Total Base Cost (A)</b>	<b>231.1</b>	<b>89.8</b>	<b>26.1</b>	<b>10.2</b>	<b>257.2</b>
<b>B. Contingencies<sup>c</sup></b>					
1. Physical	5.5	23.8	17.6	76.2	23.1
2. Price	0.0	0.0	6.3	100.0	6.3
<b>Subtotal (B)</b>	<b>5.5</b>	<b>18.7</b>	<b>23.9</b>	<b>81.3</b>	<b>29.4</b>
<b>C. Financial Charges during Construction<sup>d</sup></b>					
1. Interest during Implementation	11.8	100.0	0.0	0.0	11.8
2. Commitment Charge	1.7	100.0	0.0	0.0	1.7
<b>Subtotal (C)</b>	<b>13.4</b>	<b>100.0</b>	<b>0.0</b>	<b>0.0</b>	<b>13.4</b>
<b>Total Project Cost (A+B+C)</b>	<b>250.0</b>	<b>83.3</b>	<b>50.0</b>	<b>16.7</b>	<b>300.0</b>

<sup>a</sup> In June 2015 prices.

<sup>b</sup> Net of taxes and duties.

<sup>c</sup> Physical contingencies computed at 10% for civil works and equipment. Price contingencies computed at 1.4–1.5% on foreign exchange costs and at 5.5–6.0% on local currency costs includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

<sup>d</sup> Includes interest and commitment charges.

<sup>e</sup> Taxes and duties.

<sup>f</sup> Infrastructure and development works, buildings, and equipment will be contracted on a turnkey basis and ADB's disbursement percentage for the entire turnkey works is 91% (\$210.1 million out of \$231.0 million).

Source: ADB staff estimates.

#### D. Detailed Cost Estimates by Outputs/Components

	Total Cost (\$ million)	Border Point Improvement		Capacity Development	
		Amount (\$ million)	% of Cost Category	Amount (\$ million)	% of Cost Category
<b>A. Investment Cost<sup>a</sup></b>					
1. Land Acquisition and Resettlement	5.2	5.2	100.0	0.0	0.0
2. Infrastructure and Development Works	88.3	88.3	100.0	0.0	0.0
3. Buildings	85.5	85.5	100.0	0.0	0.0
4. Equipment	36.2	36.2	100.0	0.0	0.0
a. IT Connectivity and IT System	7.3	7.3	100.0	0.0	0.0
b. Security	28.3	28.3	100.0	0.0	0.0
c. Trade Facilitation	0.6	0.6	100.0	0.0	0.0
5. Consulting Services <sup>b</sup>	15.0	15.0	100.0	0.0	0.0
a. Project Management Consultant Construction Supervision	3.0	3.0	100.0	0.0	0.0
b. Consultant	12.0	12.0	100.0	0.0	0.0
6. Capacity Development <sup>b</sup>	6.0	0.0	0.0	6.0	100.0
Establishing Pakistan Land Port					
a. Authority	3.0	0.0	0.0	3.0	100.0
Training of Border Point Operating					
b. Agencies	3.0	0.0	0.0	3.0	100.0
7. Taxes and Duties	20.9	20.9	100.0	0.0	0.0
<b>Total Base Cost (A)</b>	<b>257.2</b>	<b>251.2</b>	<b>97.7</b>	<b>6.0</b>	<b>2.3</b>
<b>B. Contingencies<sup>c</sup></b>					
1. Physical	23.1	23.1	100.0	0.0	0.0
2. Price	6.3	6.3	100.0	0.0	0.0
<b>Subtotal (B)</b>	<b>29.4</b>	<b>29.4</b>	<b>100.0</b>	<b>0.0</b>	<b>0.0</b>
<b>C. Financial Charges during Construction<sup>d</sup></b>					
1. Interest during Implementation	11.8	11.5	97.9	0.2	2.1
2. Commitment Charge	1.7	1.6	97.9	0.0	2.1
<b>Subtotal (C)</b>	<b>13.4</b>	<b>13.1</b>	<b>97.9</b>	<b>0.3</b>	<b>2.1</b>
<b>Total Project Cost (A+B+C)</b>	<b>300.0</b>	<b>293.7</b>	<b>97.9</b>	<b>6.3</b>	<b>2.1</b>

<sup>a</sup> In June 2015 prices.

<sup>b</sup> Net of taxes and duties.

<sup>b</sup> Physical contingencies computed at 10% for civil works and equipment. Price contingencies computed at 1.4–1.5% on foreign exchange costs and at 5.5–6.0% on local currency costs includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

<sup>c</sup> Includes interest and commitment charges. Interest during construction for ADB loan(s) has been computed at the 5-year forward London interbank offered rate plus a spread of 0.35%. Commitment charges for an ADB loan are 0.15% per year to be charged on the undisbursed loan amount.

Source: ADB staff estimates.

**Detailed Cost Estimates by Border Crossing Point (BCP)**

<b>Item</b>	<b>Torkham</b>	<b>Chaman</b>	<b>Wagha</b>	<b>Total</b>
<b>I. Land Acquisition and Resettlement</b>	<b>1.3</b>	<b>0.1</b>	<b>3.8</b>	<b>5.2</b>
<b>II. Civil Works</b>				
1. Infrastructure and Development Works	24.2	31.7	32.4	88.3
2. Buildings	26.4	27.3	31.8	85.5
3. Equipment				
IT Connectivity and IT Systems	2.6	2.5	2.2	7.3
Security	10.6	9.1	8.6	28.3
Trade Facilitation	0.2	0.2	0.2	0.6
Equipment Total	13.4	11.8	11	36.2
4. Taxes and Duties	6.6	7.0	7.3	20.9
<b>Total Civil Works</b>	<b>70.6</b>	<b>77.8</b>	<b>82.5</b>	<b>231.0</b>
<b>III. Consulting Services</b>				
1. Project Management Consultant	0.9	1.0	1.1	3.0
2. Construction Supervision Consultant	3.7	4.0	4.3	12.0
<b>Total Consulting Services</b>	<b>4.6</b>	<b>5.1</b>	<b>5.4</b>	<b>15.0</b>
<b>IV. Capacity Development</b>				
1. Establishing Pakistan Land Port Authority	0.9	1.0	1.1	3.0
2. Training of BCP Operating Agencies	0.9	1.0	1.1	3.0
<b>Total Capacity Development</b>	<b>1.8</b>	<b>2.0</b>	<b>2.1</b>	<b>6.0</b>
<b>V. Contingencies</b>				
1. Physical	7.1	7.8	8.3	23.1
2. Price	1.9	2.1	2.3	6.3
<b>Total Contingency</b>	<b>9.0</b>	<b>9.9</b>	<b>10.5</b>	<b>29.4</b>
<b>VI. Financial Charges during Construction</b>				
1. Interest during Implementation	3.6	4.0	4.2	11.8
2. Commitment Charge	0.5	0.6	0.6	1.7
<b>Total</b>	<b>4.1</b>	<b>4.5</b>	<b>4.8</b>	<b>13.4</b>
<b>Total Project Cost</b>	<b>91.4</b>	<b>99.5</b>	<b>109.1</b>	<b>300.0</b>

Source: Asian Development Bank estimates.

### E. Detailed Cost Estimates by Year

	Total Cost (\$ million)	2016	2017	2018	2019	2020	2021
<b>A. Base Cost<sup>a</sup></b>							
1. Land Acquisition and Resettlement	5.2	5.2	0.0	0.0	0.0	0.0	0.0
2. Infrastructure and Development Works	88.3	0.0	8.8	13.2	22.1	26.5	17.7
3. Buildings	85.5	0.0	8.6	12.8	21.4	25.7	17.1
4. Equipment	36.2	0.0	3.6	5.4	9.1	10.9	7.2
a. IT Connectivity and IT System	7.3	0.0	0.7	1.1	1.8	2.2	1.5
b. Security	28.3	0.0	2.8	4.2	7.1	8.5	5.7
c. Trade Facilitation	0.6	0.0	0.1	0.1	0.2	0.2	0.1
5. Consulting Services <sup>b</sup>	15.0	0.3	1.5	2.9	3.0	3.2	4.2
a. Project Management Consultant	3.0	0.3	0.3	0.5	0.6	0.8	0.6
b. Construction Supervision Consultant	12.0	0.0	1.2	2.4	2.4	2.4	3.6
6. Capacity Development <sup>b</sup>	6.0	0.2	0.8	1.2	1.2	1.4	1.4
a. Establishing Pakistan Land Port Authority	3.0	0.2	0.5	0.6	0.6	0.6	0.6
b. Training of Border Point Operating Agencies	3.0	0.0	0.3	0.6	0.6	0.8	0.8
7. Taxes and Duties	20.9	0.0	2.1	3.1	5.2	6.3	4.2
<b>Total Base Cost (A)</b>	<b>257.2</b>	<b>5.6</b>	<b>25.3</b>	<b>38.7</b>	<b>61.9</b>	<b>73.8</b>	<b>51.7</b>
<b>B. Contingencies<sup>c</sup></b>							
1. Physical	23.1	0.0	0.0	0.0	0.0	0.0	23.1
2. Price	6.3	0.0	0.0	0.0	0.0	0.0	6.3
<b>Subtotal (B)</b>	<b>29.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>29.4</b>
<b>C. Financial Charges during Construction<sup>d</sup></b>							
1. Interest during Implementation	11.8	0.0	0.3	0.9	2.0	3.4	5.1
2. Commitment Charge	1.7	0.4	0.4	0.3	0.3	0.2	0.1
<b>Subtotal (C)</b>	<b>13.4</b>	<b>0.4</b>	<b>0.7</b>	<b>1.3</b>	<b>2.3</b>	<b>3.6</b>	<b>5.2</b>
<b>Total Project Cost (A+B+C)</b>	<b>300.0</b>	<b>6.1</b>	<b>26.0</b>	<b>40.0</b>	<b>64.2</b>	<b>77.4</b>	<b>86.4</b>
<b>% of Total Project Cost</b>	<b>100.0</b>	<b>2.0</b>	<b>8.7</b>	<b>13.3</b>	<b>21.4</b>	<b>25.8</b>	<b>28.8</b>

<sup>a</sup> In June 2015 prices.

<sup>b</sup> Net of taxes and duties.

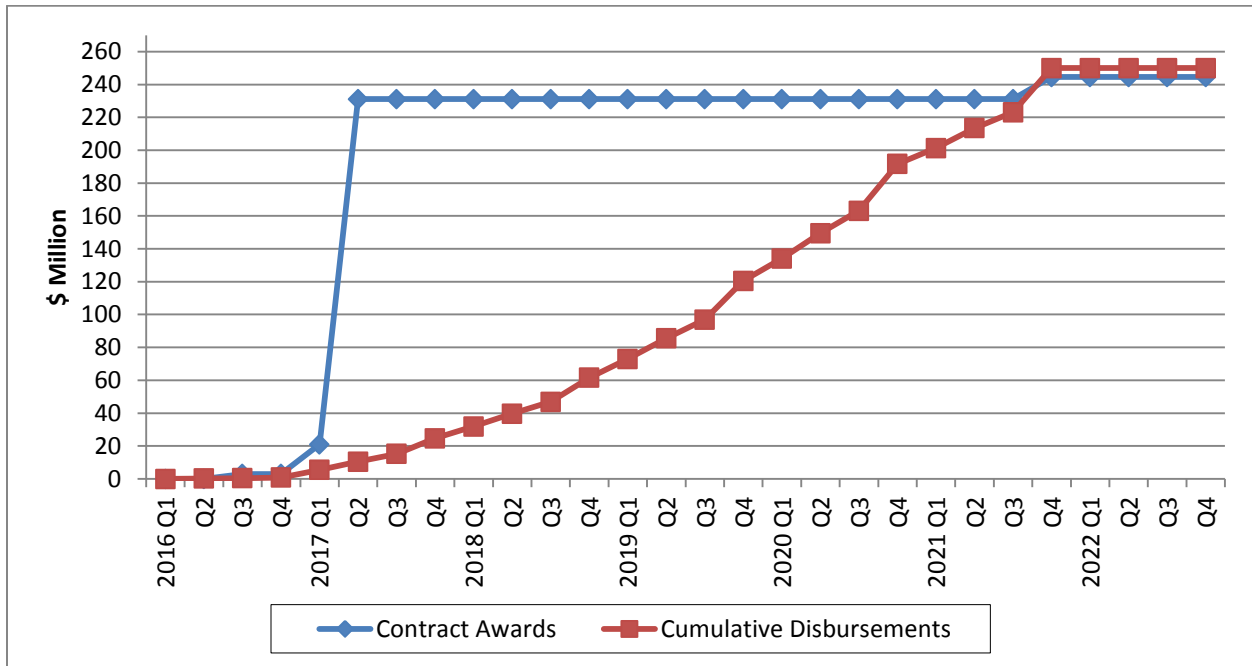
<sup>b</sup> Physical contingencies computed at 10% for civil works and equipment. Price contingencies computed at 1.4–1.5% on foreign exchange costs and at 5.5–6.0% on local currency costs includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

<sup>c</sup> Includes interest and commitment charges. Interest during construction for ADB loan(s) has been computed at the 5-year forward London interbank offered rate plus a spread of 0.35%. Commitment charges for an ADB loan are 0.15% per year to be charged on the undisbursed loan amount.

Source: ADB staff estimates.



**F. Contracts and Disbursements S-curve**



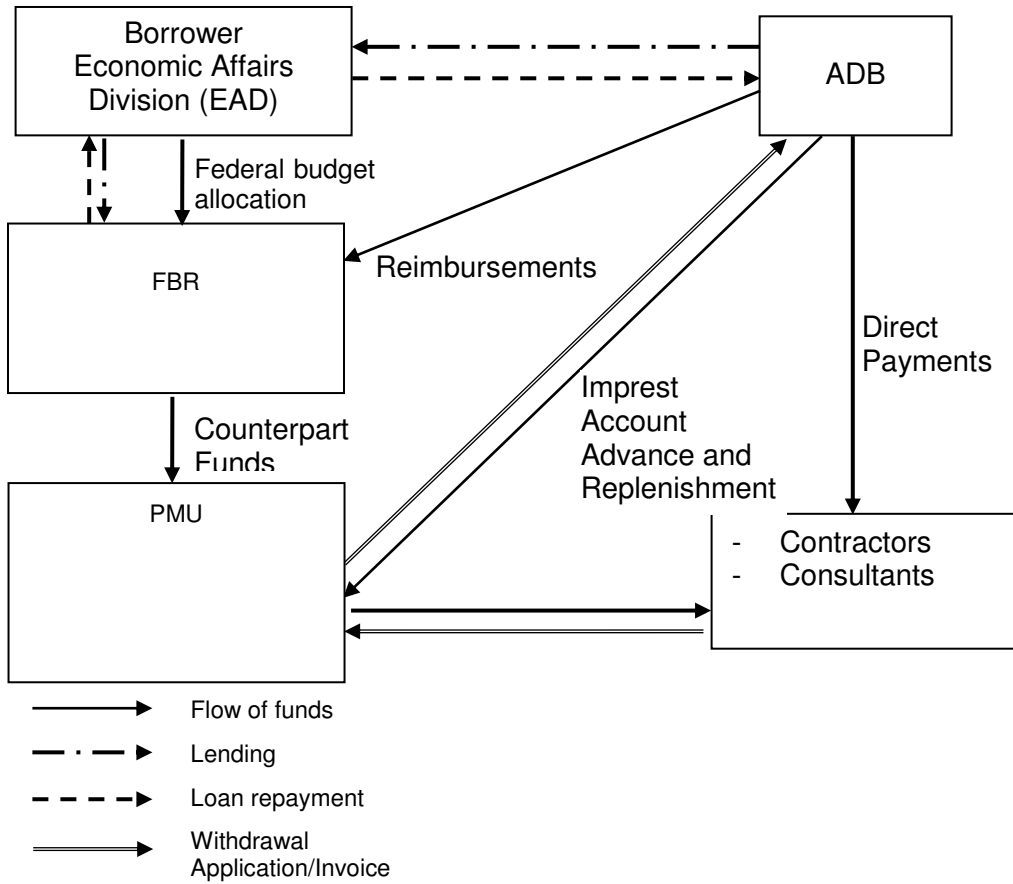
Contract Awards					
Year	Q1	Q2	Q3	Q4	Total
2016	0.0	0.0	3.0	0.0	3.0
2017	18.0	210.1	0.0	0.0	228.1
2018	0.0	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.0	5.5	5.5
<b>Total</b>					<b>236.6</b>

Disbursements					
Year	Q1	Q2	Q3	Q4	Total
2016	0.0	0.0	0.2	0.5	0.7
2017	4.7	5.1	4.7	9.6	24.1
2018	7.2	7.8	7.2	14.6	36.8
2019	11.4	12.5	11.4	23.7	59.0
2020	13.6	15.4	13.6	28.6	71.2
2021	9.6	12.2	9.6	26.9	58.3
2022					
<b>Total</b>					<b>250.0</b>

**G. Fund Flow Diagram**

**Figure 4.3: Fund Flow Diagram**

Fund Flow of the Project is summarized in the diagram below:



## V. FINANCIAL MANAGEMENT

9. Financial management assessment has been conducted for the EA in accordance with ADB's *Guidelines for the Financial Management and Analysis of Projects*<sup>1</sup> and *A Methodology Note on Financial Due Diligence*<sup>2</sup>. Key findings are given below.

### A. Financial Management Assessment

10. The assessment confirmed that the EA is committed to provide adequate number of accounting professionals and computerized financial accounting and reporting systems and procedures which will control *accounting*, financial and physical progresses related to the Project. The Government's New Accounting Manual shall be used which is adequate and is followed in all ADB projects in Pakistan. The EA meets the overall financial management, accounting and auditing requirements, and has expressed commitment to address issues relating to staffing and strengthening of the internal control process.

11. Financial management internal control and risk assessments have also been conducted for the EA of the Project in accordance with ADB's *Guidelines for the Financial Management and Analysis of Projects*. The overall inherent risk was assessed as moderate primarily due to security-related factors. The overall control risk was also assessed as moderate. The EA has considerable experience in implementing externally financed project of World Bank's Tax Administration Reforms Program. The risk mitigation measures are set out below and establishment of PMU at the EA level with qualified professionals will help in smooth implementation of the Project.

**Table 5.1: Summary of Financial Management Internal Control and Risk Assessment**

Risk Type	Risk Assessment	Risk Description	Risk Mitigation Measures
1. Country-Specific Risks	M	No significant budgetary or financial management issues are evident vis-a-vis allocations, releases and accounting of Development Budget.	The National Accounting, development budget system, financial controls and auditing procedures are adequate in the country
2. Entity-Specific Risks	L	No major issues were noted	- The EA has established accounting and reporting systems - Past audit reports of the EA do not identify any major accounting or control issues.
3. Project Specific Risks	M	The project locations requiring rehabilitation works are geographically scattered	Payments will be made by the PMU and there will be no second generation imprest accounts to ensure better control and monitoring.
<b>Control Risk</b>			

<sup>1</sup> ADB. 2005. *Financial Management and Analysis of Projects*. Manila. Available at: <http://www.adb.org/Documents/Guidelines/Financial/default.asp>.

<sup>2</sup> ADB. 2009. *Financial Due Diligence: A Methodology Note*. Manila. Available at: <http://www.adb.org/Documents/Others/FM-toolkit/Methodology-Note.pdf>

<b>Risk Type</b>	<b>Risk Assessment</b>	<b>Risk Description</b>	<b>Risk Mitigation Measures</b>
1. Executing and implementing agencies	M	- The EA does not have good experience in implementing ADB and other multilateral and bilateral assisted projects except for a World Bank project.	Performance of the PMU will be closely monitored and staff capacity building shall be done by ADB
2. Funds Flow	L	The loan proceeds will be disbursed in accordance with ADB's <i>Loan Disbursement Handbook</i> and there is little risk foreseen.	A rule based mechanism for fund flow is available and governed under rules of the Ministry of Finance: <ul style="list-style-type: none"> <li>- Imprest Accounts shall be used for the share of external financiers (ADB)</li> <li>- Assignment Accounts shall be used for GOP counterpart funding by the EA</li> <li>- Direct payment procedure shall be used for large value payments or payments which require disbursement in foreign currency</li> <li>- Reimbursement procedure shall be used for disbursement of ADB share if the EA uses its own resources to make payments.</li> </ul>
3. Staffing	M	Availability of qualified and trained finance and accounts staff at the PMU shall be critical	- Assurance given by the EA that prior to loan effectiveness, qualified staff shall be posted at PMU
4. Accounting Policies and Procedures	N	Implementation of given rules is important	Accounting standards and practices are based on Pakistan National Accounting Standards which are in compliance with International Accounting Standards. The EA is using the National systems and procedures, and no major issues are noted
5. Internal Audit	M	- Internal audit functions are mainly perceived and limited to pre-audit of payments	- EA has assured that it shall have a dedicated staff assigned to internal audit functions. ADB will ensure staffing and compliance prior to loan disbursements. - ADB will train such staff after loan effectivity
6. External Audit	N	The Department of Auditor General of Pakistan (AGP) shall conduct Audit and submit separate Audited Project Financial Statements within the due date for EA.	ADB works closely with the AGP to ensure timely submission of audited project accounts.
7. Reporting and Monitoring	M	Quality of project financial statements is an issue which	ADB is working with all EAs to improve the quality of project

<b>Risk Type</b>	<b>Risk Assessment</b>	<b>Risk Description</b>	<b>Risk Mitigation Measures</b>
		needs to be addressed	financial statements so that all essential financial information is suitably disclosed. EA of the Project shall also be trained
8. Information System	N	Computerized accounting system is needed to ensure quality and timeliness of preparation of project financial statements and other management accounting and information reports	- EA shall be mandated to have their own standalone computerized accounting package
<b>Overall Risk</b>	<b>M</b>		

\* H = High, S = Substantial, M = Moderate, N = Negligible or Low.

## **B. Disbursement**

12. The Loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2015, as amended from time to time),<sup>3</sup> and detailed arrangements agreed upon between the EA and ADB. In order to ensure separate accounting and financial reporting, the EA shall request for the borrower's authorization to withdraw funds from the loan account to meet expenditure under their respective loan components. Withdrawals from the loan account shall be made after the EA has recruited accounting, finance and internal audit staff. Pursuant to ADB's Safeguard Policy Statement (2009) (SPS), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS. All financial institutions will ensure that their investments are in compliance with applicable national laws and regulations and will apply the prohibited investment activities list (Appendix 5) to subprojects financed by ADB.

13. Reimbursement procedure shall be used for expenditures made from EA's own resources to claim ADB share. Disbursement from the loan account under all claims of under reimbursement will be made by ADB after loan effectiveness upon submission of a withdrawal application and Statement of Expenditure forms.

14. Direct payment procedure will be used for large value payments, or payments which require disbursement in a foreign currency for civil works contracts, procurement of equipment and for consulting services.

15. Immediately after loan effectiveness, the EA will open an imprest account for OCR loan in US dollar at the designated branch of National Bank of Pakistan in Islamabad in accordance with Finance Division Procedures.<sup>4</sup> When OCR loan proceeds for civil works and equipment are fully disbursed, the EA will open a separate imprest account for ADF loan. The imprest account is to be used exclusively for ADB's share of eligible expenditures. Imprest account will be established, managed, and liquidated in accordance with ADB's *Loan Disbursement Handbook* and detailed arrangements agreed by the EA and ADB. ADB's *Loan Disbursement Handbook* describes which supporting documents should be submitted to ADB and which should be retained by the EA for liquidation and replenishment of an Imprest account. The request for

<sup>3</sup> Available at: [http://www.adb.org/Documents/Handbooks/Loan\\_Disbursement/loan-disbursement-final.pdf](http://www.adb.org/Documents/Handbooks/Loan_Disbursement/loan-disbursement-final.pdf)

<sup>4</sup> Any bank charges will be financed from the loan, in line with OM H3 requirement.

initial advance to the imprest account should be accompanied by an Estimate of Expenditure Sheet<sup>5</sup> setting out the estimated expenditures for the first six (6) months of project implementation. The total outstanding advance to the imprest account should not exceed the estimate of ADB's share of expenditures to be paid through the imprest account for the forthcoming 6 months. For every liquidation and replenishment request of the imprest account, the EA will furnish to ADB (a) Statement of Account (Bank Statement) where the imprest account is maintained, and (b) the Imprest Account Reconciliation Statement (IARS) reconciling the above mentioned bank statement against the EA's records.<sup>6</sup>

16. The EA will be responsible to prepare their respective annual budget requests to ensure adequate budgetary provisions are there for Project financing and to ensure adequate counterpart funding.

17. The statement of expenditure (SOE) procedure will be used to reimburse eligible expenditure and to liquidate and replenish the imprest account for individual payments of \$100,000 equivalent and below. SOE records should be maintained by the EA, and made readily available for review by ADB's disbursement and review mission or upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.<sup>7</sup>

18. Before the submission of the first withdrawal application (WA), the EA should submit, through the borrower (EAD), to ADB sufficient evidence of the authority of the person(s) who will sign the WAs on behalf of the borrower, together with the authenticated specimen signatures of each authorized person. The minimum value per each WA shall be US\$100,000 equivalent, unless otherwise accepted by ADB. The EA is to consolidate claims to meet this limit for reimbursement and imprest account claims. Withdrawal applications and supporting documents will demonstrate, among other things that the goods, and/or services were produced in or from ADB members, and are eligible for ADB financing.”

### **C. Accounting**

19. The EA will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project. The EA will prepare project financial statements in accordance with the Government's accounting laws and regulations which are consistent with international accounting principles and practices.

### **D. Auditing and Public Disclosure**

20. The EA will cause the project accounts and project financial statements pertaining to its respective Project components to be audited in accordance with International Standards on Auditing and in accordance with the audit regulations and procedures of the Department of the Auditor General of Pakistan. The annual audit report for the project accounts will include audited project financial statements, an audit management letter, if necessary, and audit opinion which cover (i) whether the financial statements present fairly, in all material respects, or give a true and fair view of, the project's financial position, its financial performance and cash flows in

<sup>5</sup> Available in Appendix 29 of the *Loan Disbursement Handbook*.

<sup>6</sup> Follow the format provided in Appendix 30 of the *Loan Disbursement Handbook*.

<sup>7</sup> Checklist for SOE procedures and formats are available at:

[http://www.adb.org/documents/handbooks/loan\\_disbursement/chap-09.pdf](http://www.adb.org/documents/handbooks/loan_disbursement/chap-09.pdf)

[http://www.adb.org/documents/handbooks/loan\\_disbursement/SOE-Contracts-100-Below.xls](http://www.adb.org/documents/handbooks/loan_disbursement/SOE-Contracts-100-Below.xls)

[http://www.adb.org/documents/handbooks/loan\\_disbursement/SOE-Contracts-Over-100.xls](http://www.adb.org/documents/handbooks/loan_disbursement/SOE-Contracts-Over-100.xls)

[http://www.adb.org/documents/handbooks/loan\\_disbursement/SOE-Operating-Costs.xls](http://www.adb.org/documents/handbooks/loan_disbursement/SOE-Operating-Costs.xls)

[http://www.adb.org/documents/handbooks/loan\\_disbursement/SOE-Free-Format.xls](http://www.adb.org/documents/handbooks/loan_disbursement/SOE-Free-Format.xls)

accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loan were used only for the purpose(s) of the project; and (iii) compliance with financial covenants (where applicable).

21. The audited project financial statements will be submitted in the English language to ADB within 6 months of the end of the fiscal year by the executing agency. The annual audit report will include a separate audit opinion on the use of the imprest accounts and the SOE procedures. The Government have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

22. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal project supervision, and followed up regularly with all concerned, including the external auditor.

23. The EA has been made aware of ADB's policy on delayed submission of audited project financial statements and the audit reports, and the requirements for satisfactory and acceptable quality of the audited project financial statements.<sup>8</sup> ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audit required is not conducted in a manner satisfactory to ADB, or if the audit is substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

24. Public disclosure of the project financial statements, including the audit report on the project financial statements, will be guided by ADB's Public Communications Policy (2011).<sup>9</sup> After review, ADB will disclose the audited project financial statements for the project and the opinion of the auditors on the financial statements within 14 days of the date of ADB's confirmation of their acceptability by posting them on ADB's website. The Audit Management Letter will not be disclosed.

## **VI. PROCUREMENT OF GOODS, WORKS AND CONSULTING SERVICES**

### **A. Advance Contracting**

25. All advance contracting will be undertaken in conformity with ADB's *Procurement Guidelines* (2015, as amended from time to time) (ADB's *Procurement Guidelines*)<sup>10</sup> and ADB's

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<sup>8</sup> ADB's policy on delayed submission of audited project financial statements:

- When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (i) the audit documents are overdue; and (ii) if they are not received within the next six months, requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- When audited project financial statements have not been received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (i) inform the executing agency of ADB's actions; and (ii) advise that the loan may be suspended if the audit documents are not received within the next six months.
- When audited project financial statements have not been received within 12 months after the due date, ADB may suspend the loan.

<sup>9</sup> Available from <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>.

<sup>10</sup> Available at: <http://www.adb.org/Documents/Guidelines/Procurement/Guidelines-Procurement.pdf>.

*Guidelines on the Use of Consultants* (2013, as amended from time to time) (ADB's *Guidelines on the Use of Consultants*).<sup>11</sup> Under advance contracting, the invitations for bid and bidding documents should be approved by ADB before they are issued. The bid evaluation reports are also subject to ADB's approval. The borrower and FBR have been advised that approval of advance contracting does not commit ADB to subsequently finance the Project.

26. **Advance contracting.** FBR will request approval for advance contracting. FBR will proceed with tendering, bid evaluation for civil work packages, and technical and financial evaluation of consultant proposals before loan effectiveness. All advance contracting activities are subject to ADB prior review and no objection.

## B. Procurement of Goods, Works and Consulting Services

27. Procurement of goods, civil works, and related services financed from the ADB loan will be done in accordance with ADB's *Procurement Guidelines* (2015, as amended from time to time). For Wagha, the entire works will be tendered by an engineering-procurement-construction contract through international competitive bidding. For Torkham and Chaman, the entire works will be directly contracted to National Logistics Cell by an engineering-procurement-construction contract since private, particularly foreign contractors can hardly access the project sites, located at the Pakistan and Afghanistan border, highly security-sensitive areas. An 18-month procurement plan indicating threshold and review procedures, works, and consulting service contract packages is in Section C.

28. All consultants will be recruited according to ADB's *Guidelines on the Use of Consultants*.<sup>12</sup> Four consultant contracts are envisaged: (i) Project Management Consultant (PMC); (ii) construction supervision consultant; (iii) capacity development in establishing Pakistan Land Port Authority (PLPA); and (iv) capacity development in training of border point operating agencies. The terms of reference for all consulting services are detailed in Appendix 1. An estimated 774 key expert person-months (108 international, 666 national) of consulting services are required for construction supervision. The project management consultants will consist of 90 key expert person-months of international consultants and 192 key expert person-months of national consultants. The establishing PLPA consultants will consist of 42 key expert person-months of international consultants and 138 key expert person-months of national consultants. The training BCP operating agencies consultants will consist of 12 key expert person-months of international consultants and 132 key expert person-months of national consultants. Consulting firms will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality: cost ratio of 80:20.

## C. Procurement Plan

### PROCUREMENT PLAN

#### Basic Data

<b>Project Name:</b> Central Asia Regional Economic Cooperation Regional Improving Border Services Project	
<b>Project Number:</b> 46378-002	<b>Approval Number:</b>
<b>Country:</b> Pakistan	<b>Executing Agency:</b> Federal Board of Revenue
<b>Project Procurement Classification:</b> Category B	<b>Implementing Agency:</b>
<b>Project Procurement Risk:</b> Moderate	N/A

<sup>11</sup> Available at: <http://www.adb.org/Documents/Guidelines/Consulting/Guidelines-Consultants.pdf>.

<sup>12</sup> Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>.



<b>Project Financing Amount:</b> US\$ 300,000,000 <b>ADB Financing:</b> US\$ 250,000,000 <b>Cofinancing (ADB Administered):</b> <b>Non-ADB Financing:</b> US\$ 50,000,000	<b>Project Completion Date:</b> 31 December 2021
<b>Date of First Procurement Plan:</b> 22 June 2015	<b>Date of this Procurement Plan:</b> 22 June 2015

## A. Methods, Thresholds, Review and 18-Month Procurement Plan

### 1. Procurement and Consulting Methods and Thresholds

Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works		
Method	Threshold	Comments
International Competitive Bidding for Goods	US\$2,000,000 and above	
National Competitive Bidding for Goods	Between US\$100,001 and US\$ 1,999,999	The first NCB is subject to prior review, thereafter post review.
Shopping for Goods	Up to US\$100,000	
International Competitive Bidding for Works	US\$15,000,000 and above	
National Competitive Bidding for Works	Between US\$100,001 and US\$ 14,999,999	The first NCB is subject to prior review, thereafter post review.
Shopping for Works	Up to US\$100,000	
Direct Contracting for Works	Up to US\$100,000,000	Direct contracting for Torkham and Chaman.

Consulting Services	
Method	Comments
Quality- and Cost-Based Selection for Consulting Firm	

### 2. Goods and Works Contracts Estimated to Cost \$1 Million or More

The following table lists goods and works contracts for which the procurement activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior/ Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
BSI/CIV/01	Construction of Border Crossing Facilities at Wagha	82,500,000	ICB	Prior	1S2E	Q1 / 2016	Prequalification of Bidders: N  Domestic Preference Applicable: N  Advanced Contracting: Y  Bidding Document: Large Works  Comments: Engineering-

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior/ Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
							procurement-construction (EPC) contract
BSI/CIV/02	Construction of Border Crossing Facilities at Torkham	77,800,000	DC	Prior		Q2 / 2016	Domestic Preference Applicable: N  Advanced Contracting: Y  Comments: Direct contracting using engineering-procurement-construction (EPC) contract. ADB will validate the contract price through a 3 <sup>rd</sup> party independent validator.
BSI/CIV/03	Construction of Border Crossing Facilities at Chaman	70,600,000	DC	Prior		Q2/ 2016	Domestic Preference Applicable: N  Advanced Contracting: Y  Comments: Direct contracting using engineering-procurement-construction (EPC) contract. ADB will validate the contract price through a 3 <sup>rd</sup> party independent validator.

### 3. Consulting Services Contracts Estimated to Cost \$100,000 or More

The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Recruitment Method	Review (Prior/ Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
BSI/CS/01	Project Management Support	3,000,000	QCBS	Prior	Q4 / 2015	FTP	Assignment: International  Quality-Cost Ratio: 80:20

Package Number	General Description	Estimated Value	Recruitment Method	Review (Prior/ Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
							Advanced Contracting: Y
BSI/CS/02	Construction Supervision	12,000,000	QCBS	Prior	Q4/ 2015	FTP	Assignment: International  Quality-Cost Ratio: 80:20  Advanced Contracting: Y
BSI/CS/03	Establishing Pakistan Land Port Authority	3,000,000.00	QCBS	Prior	Q1 / 2016	FTP	Assignment: International  Quality-Cost Ratio: 80:20  Advanced Contracting: Y
BSI/CS/04	Training of border point operating agencies	3,000,000.00	QCBS	Prior	Q1 / 2016	FTP	Assignment: International  Quality-Cost Ratio: 80:20  Advanced Contracting: Y

#### 4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

The following table lists smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Goods and Works								
Package Number	General Description	Estimated Value	Number of Contracts	Procurement Method	Review (Prior/ Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
None								

Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior/ Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
None								

#### B. Indicative List of Packages Required Under the Project

The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e.,

those expected beyond the current period).

Goods and Works							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Comments
None							

Consulting Services							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Review (Prior/Post)	Type of Proposal	Comments
None							

#### D. Consultant's Terms of Reference

29. The Consultants' terms of reference are in Appendix 1.

### VII. SAFEGUARDS

#### A. Environment

30. The project has been categorized as B for environment. The three sub projects selected all lie in areas where there are no environmental features of concern. Therefore, impacts on the environment are largely due to the construction activities. An initial environmental examination (IEE) study has been conducted for each sub project and discusses the likely impacts, and recommends mitigation measures to minimize the impacts. The IEE reports have been prepared in compliance with ADB's safeguards policy statement 2009 and each contains an environmental management plan (EMP) according to which the mitigation measures will be implemented in the field, the IEEs also contain the cost for EMP implementation. During project implementation stage the supervision consultant's environment specialist will monitor contractor compliance with the IEE and EMP. The FBR/PIU will be responsible for overall compliance with ADB requirements and will submit biannual environmental monitoring reports detailing progress on the implementation of the EMPs. The three IEE reports were disclosed at ADB website.

#### B. Involuntary Resettlement

31. **Land Acquisition and Resettlement:** The Pakistan Government through Executing Agency (EA)/Federal Board of Revenue (FBR), shall ensure that the project is developed, implemented and maintained in accordance with all applicable laws and regulations of Pakistan, ADB's SPS 2009 requirements and the provisions outlined in the draft LARPs of all three border crossing points prepared for the Central Asia Regional Economic Cooperation (CAREC) Regional Improving Border Services Project. The Government shall cause EA/FBR to ensure that:

- (i) all safeguards related institutional arrangements as outlined in the LARPs are put in place and functional both at PMU and PIU level;
- (ii) grievance redress mechanism is established at each Border crossing Point and local communities and project affected persons are fully informed;
- (iii) Land Acquisition and Resettlement Committees are notified and functional for timely

completion of land acquisition (either through leasing or permanent acquisition) preferably through private negotiation in a manner consistent with ADB's SPS 2009 requirements;

- (iv) based on land acquisition process completed (either through leasing or permanent acquisition) as per project design, impact inventory could be updated after changed measurement of impacted assets and LARPs are revised reflecting changed impact inventory, private negotiations record with land lease/sale deeds (whatever the case is) signed by interested parties (land owners and acquiring agency/EA), and LAR compensation costs if amended to fully reflect replacement costs criterion as of SPS 2009;
- (v) the updated LARPs are submitted to ADB for review and clearance prior to mobilization civil works contractor and external monitor is engaged before starting implementation of ADB endorsed final LARP;
- (vi) final ADB approved LARPs are disclosed on EA/FBR and ADB web sites and the affected persons are made aware of the LARP compensation entitlements and compensation mechanism with delivery schedule;
- (vii) affected persons will not be displaced (physical or economical) unless they are compensated for their lost assets; and Civil works contractor will not be mobilized before the EA/FBR endorsed LARPs are approved by ADB
- (viii) Proposed BCP sites will not be handed over to the civil works contractor unless, a) compensation for lost assets has been paid to affected persons in accordance with the LARP provisions; and (d) implementation of the LARP is confirmed to ADB through external monitor.
- (ix) The Notice to Proceed for commencement of civil works will be issued after review and acceptance of external monitors report by ADB.

32. Three border crossing points i.e Wagha Border Crossing Point located at Eastern Border, Torkham and Chaman Border crossing points located at Western Border are subject to be improved under the CAREC Regional Improving Border Crossing Services Project. As per draft LARPs findings, out of three border crossing points that are to be improved under the project, the land acquisition is entailed at only two BCPs including Wagha BCP and Torkham BCP, while at Chaman BCP entire land is owned by Federal Government. Project Key resettlement impacts include acquisition of 115 acres of privately owned land (64.8 Acres agricultural land at Wagha and 50.3 acres barren hilly land at Torkham BCP), relocation of three residential structures (Torkham BCP), 42 commercial structures<sup>13</sup> (2, 12 and 28 at Wagha, Torkham and Chamn respectively) located on land required for the project. Besides 13 moveable push carts, crops and trees grown on the acquired land will be removed. There are 91 affected households across the 3 sub-projects, with a total of 192 affected persons entitled for compensation, as summarized in the following table:

<b><i>Sub-Project</i></b>	<b><i>Affected Households (AH)</i></b>	<b><i>Affected People (AP)</i></b>
Torkham	18	41
Wagha	29	107
Chaman	44	44
<b>Total:</b>	91	192

<sup>13</sup> Out of 42 commercial structures, 29 structures (1 at Wagha and 28 at Chaman) are constructed on encroached government land while remaining 13 (1 at Wagha and 12 at Torkham) are located on acquired private land.

33. The impact analysis showed limited physical and economic displacement, i.e (i) 03 affected households will face physical dislocation due to lost residential structure and (ii) 42 affected households will face temporary income loss due to affected commercial structures. As per LARP provisions: all impacted assets will be compensated in cash at full replacement costs basis; the business structure owners will be provided replacement land/structure in the service/business area in the proposed project facilities on secured tenure bases to relocate their business; the AH losing residential structures will re-construct their new residential structures at locations of their choice in close proximity and thus no off-site relocation is envisaged under the project. Accordingly the project is placed under category B for IR safeguards requirements.

34. Change to the scope or location/design of any of the Border Crossing Point shall be avoided and if during detailed engineering design or implementation of the project, any such change to the scope or location is identified, shall not be made without prior approval of ADB. Any new LAR-related impacts as a result of changing in project scope or location will require a new LARP which should be submitted to ADB for its approval. The additional plan should be prepared following ADB's SPS and its required guidelines. No construction activities shall be commenced in the sections with new/additional LAR impacts prior full implementation of ADB approved LARP is confirmed by External Monitor and cleared by ADB. Any new LAR impacts must be kept minimal so as not to cause changes in the project's involuntary resettlement categorization from B (limited impacts) to A (significant impact).

35. **Grievance Redress Mechanism:** An efficient grievance redress mechanism is required for each Border crossing point to assist the APs in resolving queries and complaints. The EA/FBR shall put in place a functional and efficient grievance redress mechanisms prior to starting LARP implementation and will maintain the mechanism until project completion. The main objective of providing redress mechanism is to address and resolve the issues and complaints raised by the APs and to avoid potential delays in completion of construction works for the project. The APs will be made aware of the procedures involved in the resolution of grievances and of the remedies available to them. The project resettlement team will be responsible for dissemination and disclosure of information regarding progress on complaints under process and actions recommended/implemented to project stakeholders including APs, throughout the project cycle.

Under the project, there will be a three-stage (informal and formal levels) grievance redress mechanism available for redress of grievances and complaints; however APs will have the right to move a court of law at any stage. The four stages are as follows:

- Informal Level of Grievance Redress System. At informal/local level, in coordination with resettlement team, the concerns/grievance of AH/APs will be recorded, examined and resolved at local level by through village level Affected Persons Committees/local Jirga in accordance with provisions of the approved land acquisition and resettlement plan. The Affected Persons Committee (APC)/Jirga will communicate its recommendations to the AP and to the project team and will assist the project team in the mediation and resolution of conflict.
- First Level of GRM: If the grievance is not resolved at informal/local level or the AP is unsatisfied with informal level of conflict resolution, he may raise his grievance to the first level of formal grievance redress mechanism by tendering a complaint to the project GRC established at project level. The project GRC at PIU level will immediately acknowledge, to the AP, receipt of complaint and log it in the complaint tracking system. The GRC will investigate the issue, hear the complainant in person

or through his agent and will communicate its decision to the AP and the project team within 30 days (maximum) from the day of receipt of complaint.

- If the AP is unsatisfied with the decision of the GRC, his grievances may be elevated to the second level GRM at PMU Level in EA/FBR or to the Political Agent Khyber Agency<sup>14</sup> with the GRC proceedings record. The grievance redress cell at PMU or the Political Agent Khyber Agency will acknowledge, to the AP, receipt of the complaint and will log it in the complaint-tracking system immediately. At second level of the GRM, the record of the GRC will be reviewed and after further investigation of the issues and hearing the complainant the issue will be adjudicated and decision will be communicated to the AP and the project team at PIU within 30 days (maximum) from the day of receipt of complaint.

36. In addition to above grievance redress system the APs will be at liberty to refer their issues to the appropriate court of law through Pakistan's legal channels; however, every effort will be made to avoid this situation. Should the AP want to pursue legal recourse, in a court of law at any time, EA/FBR through its staff in PMU or PIU will ensure that due support is given to the AP to lodge his complaint in the appropriate court of law.

37. **Information Disclosure:** Information sharing and disclosure are tools to engage local communities and the projected affected population during project planning, development and implementation aimed to promote understanding about project activities and discuss way forward for fruitful solutions of developmental problems such as local needs, problems and prospects of land acquisition and resettlement. EA/FBR shall ensure the land acquisition and resettlement plan and monitoring reports are disclosed by: (i) uploading the draft and ADB approved final land acquisition and resettlement plans on EA/FBR and ADB websites, (ii) placing hard copies of approved land acquisition and resettlement plan in the offices of PMU in EA/FBR, and PIU at Wagha, Torkham and Chaman, (iii) and translating the executive summary of ADB approved resettlement plans, bearing information on project impacts, asset valuation, entitlements, compensation budget and provisions with institutional arrangements in place and providing it to the affected persons/ community.

38. Since consultations were carried out at preparatory stage of the project and draft resettlement plans, however for continued information sharing, EA/FBR through its PMU shall ensure that the Land Acquisition and Resettlement unit/committee at PIU level with support from Project management and Supervisory Consultants conduct additional consultations during detailed design and updating of draft LARPs into final LARPs. Besides, in order to disclose the information regarding LAR entitlements, compensation delivery, grievance redress mechanism and progress on LAR management, resolution of grievances and implementation of civil works the consultation process will be kept intact throughout implementation of the ADB approved final LARPs and till completion of the project.

39. **Monitoring and Evaluation:** LARP implementation shall be monitored internally and externally. Following monitoring parameters specified in the LARPs, the day to day LARPs implementation progress shall be monitored internally by EA through PMU/PIU to ensure compliance with the provisions of the LARPs for each border crossing point. During RP implementation phase day to day implementation progress will be shared with ADB as part of project progress reports and the monitoring results shall be consolidated into quarterly internal

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<sup>14</sup> Second level of GRM for Wagha and Chaman Border crossing points is the PMU while in case of the Torkham Border crossing point which is located in Federally Administered Tribal Area, the second level of GRM is the Political Agent Khyber Agency.

monitoring reports to be shared with ADB for review. In addition to internal monitoring, an external monitoring agent will be engaged by EA/FBR to conduct independent external monitoring and evaluation of the implementation progress on LARPs. The costs of monitoring, internal and external, are included in the respective LARP budgets.

40. The external monitoring agent will monitor and evaluate LARPs implementation progress and will share bi-annual external resettlement monitoring reports/social monitoring reports directly to both EA/FBR and ADB till completion of the project. Upon clearance of external monitoring reports by ADB, these will be disclosed by uploading on EA/FBR and ADB websites simultaneously.

### **C. Indigenous Peoples**

41. During Social due diligence and preparation of draft LARPs, the population/tribal group having secluded culture, socio-economic and administrative institutions different than mainstream population of the area at each Border Crossing Point location was not identified. Hence the project is screened as category C project for Indigenous peoples planning requirement under SPS 2009 and the EA/FBR shall ensure that any of the border crossing point financed under the loan do not have any indigenous peoples' impacts within the meaning of the Safeguard Policy Statement (2009).

42. However, if during detailed engineering design or implementation, any change to the scope or location (with prior approval of ADB) causes to have any such impacts, EA/FBR shall take all steps required to ensure that the Project complies with the applicable laws and regulations of Pakistan and the ADB's Safeguard Policy Statement 2009 and thereby the project will be re-categorized accordingly and an indigenous peoples plan (IPP) will be prepared by EA/FBR in line with SPS 2009 requirements.

## **VIII. GENDER AND SOCIAL DIMENSIONS**

43. The main works during civil works will be implemented with use of heavy machinery, with limited use of unskilled labor. However, execution of civil works may generate limited employment and business opportunities for local communities during execution of civil works. During implementation EA/FBR will incorporate provisions in bidding documents and civil work contracts that contractors shall (i) comply with Pakistan's applicable labor laws and related international treaty obligations and not employ child labor, (ii) provide safe work conditions and separate sanitation facilities for male and female workers, (iii) provide equal wage to male and female workers for work of equal value, (iv) provide employment opportunities for women and, (v) carry out programs of preventing HIV/AIDS, illicit drugs and human trafficking at workers' campsites etc.

44. Although the bidding document will include clauses ensuring gender equalities in wages, due to given socio-cultural context of the country in general and BCP locations in particular, it is unlikely for women to participate in project civil works or road side business. Presently, there is no evidence that project will increase HIV/AIDS incidence, during and after implementation. However, any risks associated with will be mitigated by conducting awareness campaigns targeting workers and local populations during implementation. The PMU in EA/FBR assisted by PIU, PMC and supervision consultants will cause the contractors to conduct awareness raising campaign and carryout programs for public and workers about preventive measures on HIV/AIDS, sexually transmitted diseases, health safety and other social issues.



45. During and after implementation, active region-wide population movements over the project areas are expected and it could be argued that this may lead to increased risk of human trafficking. These risks will be addressed and minimized through awareness campaigns targeting construction workers and local populations during implementation. Required measures will be included in the bidding documents for civil works. It should also be noted that improved BCP infrastructure include improved security and integrity of National Borders that will also facilitate the authorities' efforts to combat human trafficking.

## IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

### A. Project Design and Monitoring Framework

#### DESIGN AND MONITORING FRAMEWORK

Impact of the Program is Aligned with: Value of exports, imports, and transit trade increased (Pakistan Vision 2025) <sup>a</sup>			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
<p><b>Outcome</b></p> <p>Reduced cross-border processing time for goods and cargo in Chaman, Torkham, and Wagha.</p>	<p>By 2022 (first full year of operation)</p> <p>a. Cross-border processing time for exports reduced to 4.8 hours for Chaman (2015 baseline: 8.0 hours), 3.0 hours for Torkham, (2015 baseline: 5.5 hours), and 4.4. hours for Wagha in the first full year of operation (2022)</p> <p>b. Cross-border processing time for imports reduced to 3.7 hours for Chaman (2015 baseline: 6.2 hours), 1.6 hours for Torkham (2015 baseline: 3.3 hours), and 3.3 hours for Wagha (2015 baseline: 5.1 hours)</p>	<p>a.–b. FBR compiled statistics on border point processing time</p>	<p>Law and order situation remains unstable.</p> <p>Security situation at borders deteriorates, leading to closing of border points either by Pakistan or by a neighboring country.</p> <p>Local tribal powers disturb border point operation beyond federal government's control.</p>
<p><b>Output</b></p> <p>1. Border crossing point infrastructure and facilities at Chaman, Torkham, and Wagha improved</p> <p>2. Governance structure of national border point management regime produced and adopted; and organizational design, management structure, financial and administrative</p>	<p>1a. Border point facilities certified as compliant to internationally accepted standards at Chaman, Torkham, and Wagha by 2021</p> <p>2a. PLPA established with transparent governance structure and clear vision and mandate statement by 2021</p>	<p>1a.–3a. Project progress report and project completion report</p>	<p>Few internationally qualified contractors and consultants are interested in the work because of security concern.</p> <p>Local tribal powers disturb construction works outside of government's control.</p>

<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting</b>	<b>Risks</b>
<p>procedures, and financial modeling for the PLPA produced and adopted</p> <p>3. Knowledge and skills of border point operating agencies enhanced</p>	<p>3a. Professionally qualified border point agencies and officials appointed by 2021</p>		

**Key Activities with Milestones**

**1. Border crossing point infrastructure and facilities at Chaman, Torkham, and Wagha improved**

1.1 Project management consultant to be recruited by 30 June 2016, and supervision consultant to be recruited by 31 December 2016.

1.2 Land acquisition and resettlement plan for three border points to be implemented by 31 December 2016.

1.3 EPC Contractors for Chaman, Torkham, and Wagha to be mobilized by 31 March 2017.

1.4 Detailed design to be completed by 31 December 2017.

1.5 EPC works for three border points to be completed and commissioned (after tests are run) by 31 December 2021.

**2. Governance structure of national border point management regime produced and adopted; and organizational design, management structure, financial and administrative procedures, and financial modeling for the PLPA produced and adopted**

2.1 Consultants to be recruited by 30 June 2016.

2.2 Planning and design of the PLPA to be completed by 30 June 2018.

2.3 PLPA to be established with a board of directors, a chief executive, and core staff by 30 June 2019.

2.4 PLPA takes over improved border points by 31 December 2021.

**3. Knowledge and skills of border point operating agencies enhanced**

3.1 Consultants to be recruited by 31 December 2016.

3.2 Training needs assessment to be completed by 30 June 2017.

3.3 Training program to be designed by 31 December 2017.

3.4 Training program to be implemented by December 2021.

**Inputs**

ADB: \$150 million (OCR loan)  
\$100 million (ADF loan)

Government: \$50 million

**Assumptions for Partner Financing**  
Not Applicable

ADB = Asian Development Bank, EPC = engineering-procurement-construction, FBR = Federal Board of Revenue, PLPA = Pakistan Land Port Authority.

<sup>a</sup> Government of Pakistan, Planning Commission. 2014. *Pakistan2025: One Nation–One Vision*. Islamabad.

Source: Asian Development Bank.

## B. Monitoring

46. **Project performance monitoring.** The Asian Development Bank (ADB) and the Federal Board of Revenue (FBR) have agreed on a preliminary set of indicators to be monitored and for evaluating project performance. Representative indicators are included in the design and monitoring framework. The baseline data will be collected within 6 months of the date of loan effectiveness. At the beginning of project implementation, FBR will confirm baseline values for social, environmental, and poverty reduction impact indicators. Monitoring indicators will be measured, with appropriate frequency, during implementation. Comments and findings regarding these project indicators will be incorporated in progress report to ADB. In addition to indicators for implementation monitoring, indicators for project evaluation will be measured at project completion, and 3 years after completion. Where relevant, indicators will be disaggregated by gender, participatory surveys will take place, and results will be compared with the baseline. A final report will evaluate changes in the preceding 3 years. FBR will develop its monitoring capability for the project, and develop the capacity to monitor the project. A consultant will assist in establishing the monitoring and evaluation system, and periodically updating project impacts on socioeconomic, gender, and environment.

47. **Compliance monitoring:** Compliance to the covenants will be jointly monitored by FBR and ADB through monthly and semi-annual updates provided by the project management consultant and the construction supervision consultant. The consultant will submit to ADB a status report on the covenants with the explanation and time-bound actions on partly or non-complied covenants. Apart from ADB project review missions 2–3 times a year, ADB’s resident mission in Pakistan will also hold quarterly country portfolio review meetings with FBR to ensure the full compliance of the covenants.

**Safeguards monitoring:** The project has been categorized as B for environment. An initial environmental examination (IEE) study has been conducted for each sub project and discusses the likely impacts, and recommends mitigation measures to minimize the impacts. The IEE reports have been prepared in compliance with ADBs safeguards policy statement 2009 and each contains an environmental management plan (EMP) according to which the mitigation measures will be implemented in the field, the IEEs also contain the cost for EMP implementation, The environmental safeguards specialist of the contractor will use the generic EMPs to prepare site specific EMPs and will also implement the EMP at the project level. The safeguards coordinator of the PIU will be responsible for ensuring that the environmental safeguards requirements and EMP implementations costs are included in the bidding documents. The environmental safeguards officer of the contractor will implement the EMP at the project level. The construction supervision consultant’s environment specialist will monitor the contractor’s compliance of the project with the requirements stated in the IEE, EMP and the site specific EMPS. During project implementation stage the supervision consultant’s environment specialist will monitor contractor compliance with the IEE and EMP. The PIU safeguards coordinator will be responsible for overall compliance with ADB requirements and will submit biannual environmental monitoring reports to ADB detailing progress on the implementation of the EMPs, support in preparing the environmental monitoring reports will be provided by the supervision consultant’s environmental specialist.

48. Monitoring of land acquisition and resettlement (LAR) tasks and other social issues will be routinely conducted internally through the Social Safeguards Management staff in PMU/PIU and externally by the External Monitor Agent engaged by the EA. The internal resettlement/social monitoring reports shall be shared with ADB on quarterly basis while external resettlement/social monitoring reports shall be shared with ADB bi-annually. ADB

cleared bi-annual external resettlement/social monitoring reports shall be disclosed by uploading on EA/FBR and ADB websites simultaneously. The basic benchmarks for LAR monitoring reports may include but not limited to: (i) information campaign and consultation with affected persons; (ii) status of grievance/complaints recorded and grievances redressed during monitoring period; (iii) compensation for affected structures and other assets; (iv) relocation of affected persons; (v) payments for loss of income; and (vi) living standard and income restoration activities.

49. **Gender and social dimensions monitoring:** A summary poverty reduction and social strategy has been prepared which ascertain certain actions for Gender and other Social issues during project implementation. The PMU/PIU in EA with the assistance of Project Management and Supervisory Consultants teams shall monitor the progress and ensure the project follows (i) measures and actions to raise public awareness regarding risks of HIV/AIDS, other sexually transmitted infections and human trafficking; (ii) awareness raising campaigns about important social and health issues among temporary workers and surrounding community; and (iii) measures included in the civil works contract(s) regarding child labour, gender equality, and maintaining healthy and work conducive the labour environment to protecting Workers/Labour ADB's Core Labor Standards (2006) and the country's relevant laws and regulations."

### C. Evaluation

50. ADB will field an inception mission within 3 months after signing of the loan agreement. Review missions will be carried out every 4–6 months jointly by representatives of ADB, the Borrower, and FBR. The review missions will assess the status of the project implementation and site visits are also required, whenever possible. ADB and the government will carry out a midterm review of project implementation in mid-2017. The review will focus on project impacts, particularly those relating to institutional, administrative, organizational, technical, environmental, and social aspects and poverty reduction. The project's economic viability, and other aspects that may have an impact on project performance, will be assessed. The review will examine the implementation progress of policy reforms and compliance with assurances specified in the loan agreement. This will allow for any necessary mid-course corrections to ensure successful implementation and the achievement of the project objectives.

### D. Reporting

51. FBR will provide ADB with (i) monthly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated semi-annual project progress reports including (a) progress achieved by output as measured through the indicator's performance targets; (b) key implementation issues and solutions; and (c) updated implementation plan for next 12 months; and (iii) a project completion report within 6 months of physical completion of the project. To ensure projects continue to be both viable and sustainable, project financial statements together with the associated auditors' report, would be adequately reviewed by FBR and ADB.

### E. Stakeholder Communication Strategy

<b>Project Documents</b>	<b>Means of Communication</b>	<b>Responsible Party</b>	<b>Frequency</b>	<b>Audience(s)</b>
Project data sheet (PDS)	ADB's website	ADB	Initial project data sheet posted on the website no later than 2 weeks after	General Public

<b>Project Documents</b>	<b>Means of Communication</b>	<b>Responsible Party</b>	<b>Frequency</b>	<b>Audience(s)</b>
			approval of the concept paper; updated at least twice a year	
Design and monitoring framework	ADB's website	ADB	Key information from the draft reflected in project data sheet; final version posted on the website at the same time it is circulated to the Board for approval, subject to the concurrence of the government	General Public
Initial Environmental Examination Reports (IEE)	ADB's website	FBR, ADB	Draft posted on the website before appraisal; and the final version no later than 2 weeks of receipt by ADB	General Public, project-affected people
Resettlement Plans (RPs)	ADB's website	FBR, ADB	Draft posted on the website before appraisal; and the final/updated version no later than 2 weeks of receipt by ADB	General Public, project-affected people
Loan Agreement	ADB's website	ADB	Posted on the website no later than 2 weeks from their signing, after removing any information falling within exceptions at the time of the negotiations	General Public
Report and Recommendation of the President (RRP)	ADB's website	ADB	Posted on the website at the same time it is circulated to the Board for approval, subject to the concurrence of the government	General Public
Summary of Poverty Reduction and Social Strategy	ADB's website Consultation	ADB FBR	Posted on the website at the same time it is circulated to the Board for approval, subject to the concurrence of the government	General Public
Procurement requirements	ADB website for procurement notice (ACN/SPN), invitation for bids (IFB), Local newspaper advertisement	ADB FBR	Available online (current and archive)	General public, potential civil works contracting firms
Consulting services requirement	ADB website for recruitment notice (CSRN) for expression of interest	FBR	When required	General public, consulting firms

<b>Project Documents</b>	<b>Means of Communication</b>	<b>Responsible Party</b>	<b>Frequency</b>	<b>Audience(s)</b>
	ADB website for list of shortlisted firms	ADB	Always available	General public, consulting firms
Project Administration Manual	ADB's website	ADB	Posted on the website at the same time it is circulated to the Board for approval, subject to the concurrence of the government	General Public
Environmental & Social Safeguard Monitoring Reports	ADB's website FBR's website	ADB FBR	Routinely disclosed, no specific requirements	General Public, project-affected people in particular
Audited project financial statements and the auditors' report	ADB's website	ADB	Within 30 days of receipt	General Public
Project Completion Report	ADB's website	ADB	Within 2 weeks of circulation to the Board for information	General Public
Evaluation Report	ADB's website	ADB	Within 2 weeks of circulation to Management and the Board	General Public

ADB=Asian Development Bank, ACN= advance contracting notice, CSRN = consulting services recruitment notice, IEE = initial environmental examination, IFB = invitation for bids, FBR = Federal Board of Revenue, RRP = Report and Recommendation of the President, SPN = specific procurement notice.

## **X. ANTICORRUPTION POLICY**

52. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the Project.<sup>15</sup> All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all Project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the Project.<sup>16</sup>

53. To support these efforts, relevant provisions are included in the loan agreement and the bidding documents for the Project. Further, FBR will establish eligibility criteria for persons serving on bid evaluation committees and require full disclosure of relevant interests and any potential conflict of interests. Additionally, FBR will engage private firms to conduct technical audits of randomly selected works contracts within 12 months of commencement of the contract and six months prior to FBR taking over the project site from the contractor.

## **XI. ACCOUNTABILITY MECHANISM**

54. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects

<sup>15</sup> Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>.

<sup>16</sup> ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>.

can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.<sup>17</sup>

## XII. RECORD OF PAM CHANGES

<b>PAM Version</b>	<b>Created Date</b>	<b>Revision Date</b>	<b>Reasons for Change</b>	<b>Main Contents of Change</b>
V1.0	June 2015	NA	Initial	NA

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<sup>17</sup> For further information see: <http://www.adb.org/Accountability-Mechanism/default.asp>.

**Terms of Reference**  
**Central Asia Regional Economic Cooperation Regional Improving Border Services**  
**Project**  
**Outline Terms of Reference**  
**Project Management Consultants**

### **Introduction**

1. The Government of the Islamic Republic of Pakistan (GoP) intends to seek loan from the Asian Development Bank (ADB) which will be applied for financing the cost of construction of new border facilities at Wagha, Torkham and Chaman border crossing points. The Federal Board of Revenue (FBR) will be an executing agency (EA). The project management unit (PMU) to be established in FBR will act as a project owner and provides guidance on, and oversight to, the overall implementation and performance of the project. Approximately 90 key expert person-months of international specialists and 192 key expert person-months of national specialists will be needed. The EA will select a firm of consultants following quality- and cost-based selection procedure in accordance with the ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time). For all project activities, the consultant will report to PIU.
2. The successful consulting firm will not be considered for bidding for the construction supervision services for the project which will be procured separately.

### **Consulting Services –Project Management**

#### **(i) Scope**

3. These services also relate to construction of three border facilities at Wagha, Torkham and Chaman border crossing points. The consultant will assist PIU in extending its technical support for PMU's evaluating bids and awarding contracts for three engineering-procurement-construction (EPC) contracts. The consultant will also assist PIU in managing day-to-day project implementation activities. Project implementation activities involve ensuring compliance with ADB's environmental and social safeguards requirements and coordinating with all stakeholders.
4. The project management services include but are not limited to the following activities:
  - a) Assist PIU in attending pre-bid meetings, responding to bidders' queries and evaluating the bids received, attending the EA's evaluation committee in reaching decision for award, and negotiating and finalizing the contract.
  - b) Assist PIU in supervising overall construction together with PMU and validating contractors' achievement of milestone and quality of works in accordance with the conditions of the contract agreement.
  - c) Assist PIU in monitoring and evaluating project activities and outputs, including periodic review, preparation of review and progress reports reflecting issues and time-bound actions taken (or to be taken), and their timely submission to PMU, PIU, and ADB.
  - d) Assist PIU in preparing regular periodic progress reports, monitoring and evaluation reports, and project completion report and their timely submission to PMU, PIU, and ADB.



- e) Assist PIU in reviewing and endorsing IPCs submitted by supervision consultant to PMU for processing.
- f) Assist PIU in involving community villages around BCPs as necessary in day-to-day implementation of the project.
- g) Assist PIU in assuring quality of works and services of supervision consultant.
- h) Assist PIU in preparing, implementing, and monitoring safeguards in accordance with the Land Acquisition and Resettlement Plans and Initial Environmental Examinations, ADB's SPS (2009), and Loan Agreement.
- i) Assist PIU in establishing a grievance redress mechanism with a dedicated grievance staff to address all project-related grievances.
- j) Assist PIU in ensuring that the contractors comply with the environment management plan (EMP) and undertaking monitoring and reporting based on the EMP.
- k) Assist PIU in developing baseline information for project monitoring and evaluation (as per design and monitoring framework) and progressively updating the information during implementation.
- l) Assist PIU in implementing the capacity development activities under the project.
- m) Assist PIU in ensuring compliance with the ADB's Anti-Corruption policies.
- n) Assist PIU in preparing annual contract awards and disbursement projections and other similar information required by ADB.
- o) Assist PIU in coordinating with all stakeholders.

**(ii) Staffing**

5. The consultant shall provide the following staffing inputs:

<b>Key Experts (International)</b>	<b>Key Expert</b>
Project Management Engineer/Team Leader	Yes
Contract Engineer	Yes
Procurement Specialist	Yes
<b>Total Key Expert Person-Months</b>	<b>90</b>
<b>Key Experts (National)</b>	
Infrastructure (Civil) Engineer	Yes
Financial Specialist	Yes
Security Specialist	Yes
IT Specialist	Yes
Monitoring and Evaluation Specialist	Yes
Social Safeguards Specialist	Yes
Environmental Specialist	Yes
<b>Total Key Expert Peron-Months</b>	<b>192</b>

## Timeline

6. It is expected that the services will commence on 1 July 2016 and end 31 December 2021.

## Counterpart Facilities

7. The consultant shall make its own arrangements for office accommodation, equipment, communications and travel. Regional offices may be needed in provinces of project sites.

## Reporting

8. The consultant shall provide the following reports and documents to PIU:

- (i) **Inception Report.** Within 1 month of the commencement of consulting services, the inception report will be submitted, highlighting initial findings, proposing a working and reporting structure, and suggesting any recommendations and changes to the work program and TOR.
- (ii) **Quarterly Task Report.** Starting from the 1<sup>st</sup> calendar quarter after submission of inception report, a quarterly task report will be submitted, summarizing the tasks achieved in comparison with the work program, resources spent, payment received, key problems arisen and how they were resolved or will be resolved, and resource plan for the next quarter.
- (iii) **Annual Task Report.** Within 1 month after the end of calendar year, an annual task report will be submitted, summarizing the tasks achieved in comparison with the work program, resources spent, payment received, key problems arisen and how they were resolved or will be resolved, and resource plan for the next calendar year.
- (iv) **Task Completion Report.** Within 1 month of contract completion, a task completion report will be submitted, summarizing the tasks achieved in comparison with the work program, resources spent, payment received, key problems arisen and how they were resolved or will be resolved, self-evaluation of performance, evaluation of performance of contractors and supervision consultants, and recommendations to PIU.

**Central Asia Regional Economic Cooperation Regional Improving Border Services  
Project  
Outline Terms of Reference  
Construction Supervision Consultant**

**Introduction**

1. The Government of the Islamic Republic of Pakistan (GoP) intends to seek loan from the Asian Development Bank (ADB) which will be applied for financing the cost of construction of new border facilities at Wagha, Torkham and Chaman border crossing points. The Federal Board of Revenue (FBR) will be an executing agency (EA). The project management unit (PMU) to be established in FBR will act as a project owner and provides guidance on, and oversight to, the overall implementation and performance of the project. Approximately 108 key expert person-months of international specialists and 666 key expert person-months of national specialists will be needed. The EA will select a firm of consultants following quality- and cost-based selection procedure in accordance with the ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time). For all project activities, the consultant will report to PMU through PIU.

2. The successful consulting firm will not be considered for bidding for the project management services for the project which will be procured separately.

**Consulting Services - Detailed Design and Bid Documents**

**(i) Scope**

3. The contracts for civil works and ICT/Security systems will be executed through an engineering-procurement-construction contract, the draft of which was developed by the project preparatory TA consultant. Following the FIDIC Conditions of Contract, the Employer will be FBR, the Employer's Representative will be the Project Director for PMU, the Engineer will be the consultant, and the Engineer's Representative will be the consultant's chief resident engineer/team leader for the supervision task. In accordance with the FIDIC based contract between FBR and contractors for Plant and Design Build, the Engineer will undertake the responsibilities defined in the Conditions of Contract, which will include the following:

- a) Review and certify detailed design and selection of the equipment and components for the proposed system and the offered costs. Ensure that the drawings and plans prepared by the contractor are in conformity with specifications and meet the required objectives.
- b) Supervise construction of facilities and installation of the procured equipment for the effective operation and ensure that it conforms to the specifications, drawings, standards, and plans and is consistent with client's requirements.
- c) Conduct required quality assurance tests on works done and equipment purchased and installed.
- d) Review the contractor's work program including quality control program.
- e) Review and certify works done and equipment purchased and installed before initiating testing and trial running.

- f) Review and endorse interim payment certificates for Implementing Agency's approval.
- g) Ensure commissioning and test at trial running.
- h) Perform any and all other items of the works not specifically mentioned above but which are necessary and essential to successfully supervise and control the construction activities in accordance with the plans, specifications and terms of contract.

**(ii) Staffing**

4. The consultant shall provide the following staffing inputs:

Expertise	International	National
	Key Expert	
<b>Team Leader's Office</b>		
Team Leader	Yes	
Project coordinator/Deputy Team leader		Yes
<b>Supervision Team</b>		
Contracts Specialist		Yes
Planning/Project Management Engineer		Yes
Electromechanical installation Engineer		Yes
IT Engineer		Yes
Social Safeguards Specialist		Yes
Environmental Specialist		Yes
Chief Quantity Surveyor		Yes
<b>EPC Design Review and Approval Team</b>		
Highway Engineer		Yes
Bridge and Structures Engineer		Yes
Building (structural) Engineer	Yes	
Architect		Yes
Interior Designer/Space Planner	Yes	
Electromechanical and IT Engineer	Yes	
Security Equipment Specialist	Yes	
<b>Resident Engineer's Office (One each at Wagha, Torkham and Chaman)</b>		
3 Resident Engineer (RE)		Yes
3 Assistant Resident Engineer (ARE) Roads and infrastructure Works		No
3 ARE Buildings		No
3 ARE Electro-Mechanical Works		No
3 Quantity Surveyor (QS)		No
3 Assistant QS		No
3 Surveyor		No
3 Material Engineer		No
9 Site Inspector (Roads and infrastructure)		No
9 Site Inspector (Buildings)		No
6 Site Inspector (Electro-Mechanical Works)		No

Expertise	International	National
	Key Expert	
9 Laboratory Technicians		No
Survey Technicians		No
<b>Total Key Expert Person-Months</b>	<b>108</b>	<b>666</b>

### Timeline

5. It is expected that the services will commence on 1 July 2016 and end on 31 December 2021.

### Counterpart Facilities

6. Furnished site offices will be provided by the contractors. The consultant shall make own arrangements for equipment, communications and other office needs.

### Reporting

7. The consultant shall provide the following reports and documents to the PMU through PIU:

- a) Monthly and quarterly progress reports on implementation progress.
- b) Contractual reports.
- c) Other reports as needed.

**Outline Terms of Reference**  
**Consulting Services for Pakistan Land Port Authority Establishment Institutional and Technical Support**

**A. Background**

1. Project Background – The proposed project will remove the key bottleneck for movement of goods and people through Torkham, Chaman, and Wagha in Pakistan. As part of CAREC’s initiative for trade facilitation, the project will help CAREC countries take advantage of more efficient trade routes through Pakistan, and reciprocally, encourage Pakistan to play a strategic role in creating a larger regional market for intra-CAREC and inter-CAREC trade. The project will be designed as a sovereign project financing as the operation of BCPs in Pakistan is with the public sector domain. The expected impact of the project will be an increased value of export, import, and transit trade. The expected outcome will be reduced cross-border processing time for goods and cargos in Torkham, Chaman, and Wagha. The output will be (i) border crossing point infrastructure and facility at Torkham, Chaman, and Wagha improved to the standard that meets users’ demand for quality border crossing services; (ii) governance structure and vision and mandate statement for the Pakistan Land Port Authority (PLPA) produced and adopted; and (ii) knowledge and skills of border point operating agencies enhanced.

2. Project Implementation Arrangements

- a) The project steering committee is headed by the Minister for Finance and Revenue with Ministerial representation from Ministries of Foreign Affairs, Defense, Railways, Communication, Commerce and concerned federal Secretaries acting as the steering committee for the project.
- b) FBR will be an executing agency; a project management unit (PMU) will be established in FBR that will act as an Employer under FIDIC. PIU’s technical expertise will be supplemented and complemented by the project management consultant who will be recruited from outside and attached to PIU. Supervision consultant will supervise contractor’s works as the Engineer under FIDIC.
- c) ITTMS will act as the highest decision-making authority for project implementation issues and provide overall guidance for all agencies involved in project implementation. A project implementation committee (PIC), consisting of senior officers (not below the rank of an Additional Secretary) from the Ministry of Commerce, Revenue Division/ FBR, Ministry of Defense, Director General, NLC, and Project Director, ITTMS, will be established to guide PMU and PIU, review the progress of implementation, and coordinate with relevant ministries and departments to sort out any project implementation problems.

3. The Strategic Trade Policy Framework 2012-2015 presented by the Ministry of Commerce and approved by the Government of Pakistan provides the direction for the establishment of the Pakistan Land Ports Authority (PLPA) to strengthen regional trade. This Policy provides that the PLPA will be “responsible for cohesive management of cross-border movement of goods & people. It would be vested with powers on the lines of similar bodies like existing Port Authorities and Civil Aviation.”

4. Since the approval of the STPF 2012, the FBR organized a development partners' conference in December 2013 to share the Government of Pakistan's visions on the developing Pakistan as a trade and transit hub and presented the concept of an Integrated Trade and Transit Management System (ITTMS)—it was at this conference that the Asian Development Bank agreed to Finance the project supporting the development of three key border crossings and the overall establishment of the PLPA.

5. The Government, subsequently, established a Steering Committee led by the Minister for Finance and Revenue, with Ministerial representation from the Ministries of Foreign Affairs, Defense, Communication, and Commerce, and the concerned Federal Secretaries, for the implementation and monitoring of the ITTMS. Three meetings of the Steering Committee have been held till now.

6. A concept paper for the PLPA was discussed with the Steering Committee in its 3<sup>rd</sup> meeting on 18<sup>th</sup> February, 2015; and it has approved the preparation and issuance of a notification—and Executive Order—for the establishment of the PLPA which will pave the way for the preparation of the formal legislation for the PLPA as well as the commencement of the requisite steps required for the establishment of the PLPA. This notification has been drafted and has been whetted by the Ministry of Law, Justice, and Human Rights. The notification is now being prepared for executive approval by the Prime Minister, by FBR. It is after the approval of the executive order that the PLPA will start developing the consensus on its scope, jurisdiction, mandate, functions, composition, overall governance model, and its administrative control.

7. The PLPA will initially focus on the three critical identified border crossings at Wagha, Chaman, and Torkham; by establishing integrated border crossing infrastructure (or Land Ports—LPs—at the border). The PLPA will gradually extend to other border points, and will also review the efficacy of extending its reach to other inland ports.

8. To objective of the PLPA is to ensure the effective, timely, and efficient movement of goods, people, and vehicles across and international border or at an inland location where similar functions are being performed; with a view to relieve traffic infrastructures of congestion and help increase efficiencies of processes related to international trade logistics and transport.

9. These objectives will be achieved by the Land Ports contributing to:

- reducing total transport expenses;
- reducing environmental externalities by appropriate intra- and inter- modal shifts;
- strengthening the ports' role in national and international transport chains;
- reducing the use of relatively expensive and/or more insecure lands/areas for such activities;
- avoiding traffic bottlenecks, and lessening congestion on the roads near the borders or other types of ports areas;
- efficient clearing (all required cross border requirements) of legitimate goods, people, and vehicles;
- better management of government BCP/LP assets;
- improved security for clients (commercial and private) of the BCP and BCP Border Management Agencies (BCP operating agencies).

10. The PLPA by virtue of its Land Ports will also be a source of locational job creation, and hence will serve a wider public interest than simply that of facilitating and securing trade and revenue. See Annex 1 for further details

11. Some key functions currently envisioned for the PLPA, at present, are as follows.

- Land Ports (LPs) Facilities Manager—Land-lord of the LPs with responsibility for establishment, operation, maintenance, and improvement facilities [including provision of facility security].
- Regulator of commercial activities at the LPs.
- Integrator of processes performed at the LPs.
- Integrator of data for all processes/functions performed at the LP.
- Provider of the base ICT infrastructure for integrating the various functions at and across LPs.
- Policy maker for integrated operations at LPs.

12. A land port generally provides transport, warehousing, and clearance facilities. Land ports can have varying functions depending on the land transport modes that they service and their location.

13. By and large they have the following functions—the functions performed at the LP but not by the PLPA.

- a. Transport (can be rail or road or both): cargo handling; intermodal or unimodal handling or cargos and containers; storage of empty or laden containers, bulks, break-bulks, liquids.
- b. Logistics and warehousing: storage or warehousing of cargos; consolidation and deconsolidation; freight forwarding; handling;
- c. Border Management Facilitation: Customs inspection; clearance of goods; immigration; other border transactions required for movement of goods, vehicle, and people transporting the goods—if inland, this could depend on whether or not the whole or a part of the land port is a bonded area or not.
- d. Facility Management: customers and drivers facilities; sanitation; medicine and emergency; fire-fighting; other ancillary facilities for drivers and vehicles; power; security. This will also include management and maintenance of shared equipment, such as weighbridges, non-intrusive and intrusive inspection systems, facilities for physical inspection—which can be used by several border agencies for their controls
- e. ICT: information systems linking Customs/sea- air- land- ports/customers/service providers.

14. In summary, a typical land port caters to the following type of trade activities: “value added” processing; consolidation; distribution; combination; cargo handling activities; trans-loading; commercial Customs activities; Free/Foreign Trade Zone; Container Depots.

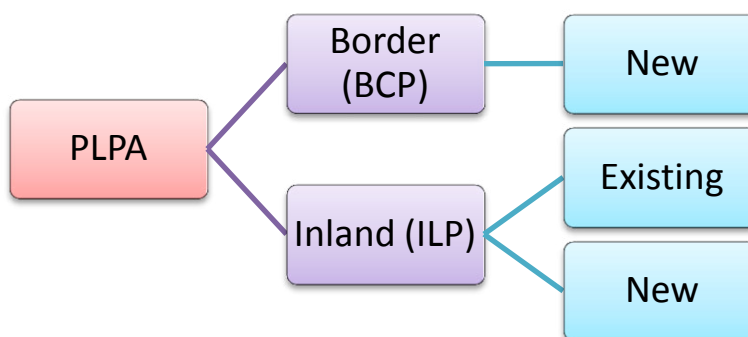
15. As mentioned earlier, the PLPA will own and operate, or lease and operate LPs in the Pakistan Customs Territory. The PLPA will act as the “landlord” and facility manager similar to



how the current seaport authorities/trusts are functioning in Pakistan; with all the respective border agencies performing their respective roles within the LPs.

16. *PLPA's Land Ports' typology* – PLPA's Land ports will have the following possible permutations

17. The border land ports under the PLPA—referred to as Border Control Points or BCPs—will all be new as no LPs exist currently—and this project will start with the construction of the



three agreed BCPs at Towrkham, Chaman, and Wagha. Inland, the PLPA will gradually takeover existing LPs or construct new LPs—both based on an established plan which will be part of the PLPA establishment support. This typology differentiation clarifies the core agencies or Anchor Tenants at each type of LP.

18. *Anchor Tenants at the LPs* – The following tables clarify the Anchor Tenants at the various types of LPs.

**Table 1: Anchor Tenants at BCPs**

Agency	Parent Body	Function
Pakistan Customs	Federal Board of Revenue	Customs
Federal Investigation Agency	Federal Government	Immigration/Passport Control
Anti Narcotics Force	Ministry of Narcotics	Control of narcotics
Animal Quarantine and Department of Plant Protection	MINFAL	Regulate the import, export and quarantine of animals and animal products, and plants and plants' products

**Table 2: Anchor Tenants at ILPs**

Agency	Parent Body	Function
Pakistan Customs	Federal Board of Revenue	Customs
Animal Quarantine and Department of Plant Protection	MINFAL	Regulate the import, export and quarantine of animals and animal products, and plants and plants' products

19. A more detailed list of the overall set of stakeholders for the PLPA, with non-core border clearance functions is also provided as follows.

**Table 3: Foreseeable Stakeholders in PLPA and LPs**

Type	Direct Stakeholders	Indirect Stakeholders
Public	Revenue Division, FBR, Customs	Ministry of Defense (NLC)
	Federal Investigation Agency	Banks (Public, Private)
	NADRA under the Ministry of Interior	Ministry of Commerce
	Ministry of Railways	Ministry of Ports and Shipping
	National Highway Authority under the Ministry of Communications	Ministry of Communications
	Anti-Narcotics Force under the Ministry of Narcotics	Rangers, FC, Armed Forces, Police, Levis, Khasa-dars
	Quarantine (MINFAL)	Political Agents, Provincial Administration
Private	Local Freight-forwarding companies and their foreign counterparts	Local Traders
	Port Operators	Foreign traders
	Clearing agents	Hospitality industry
	Traders and other business communities (Importers, Exporters etc.)	Chambers of Commerce

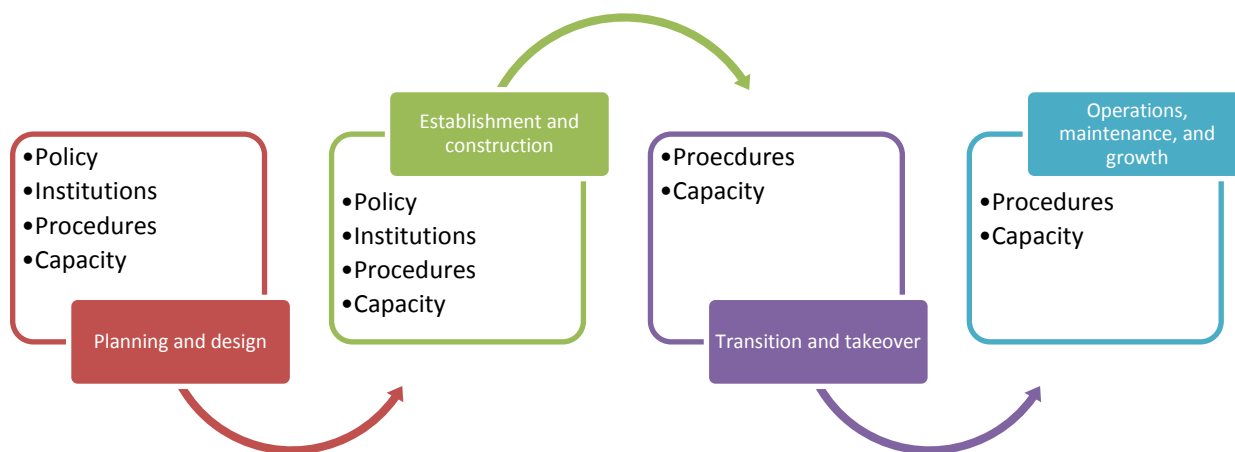
20. The PLPA and LPs will be on-budget entities at their creation. This follows the overall model followed by similar entities in South Asia and other regions with similar entities. Progressively, the LPs and subsequently the PLPA itself should move to being financially sustainable. Given the nature of the services that will be provided by the public and private sector at the LPs, achieving this financial sustainability should not be possible rapidly—within 5 years of full establishment and operationalization. The sources of financing the PLPA and the LPs will include rents from tenants at LPs and fees for services provided at the LPs—all of which will be no different from existing operating dry ports owned and operated completely by the private sector in various parts of Pakistan.

21. Pakistan Land Ports Authority establishment Plan – Establishing the Pakistan Land Ports Authority (PLPA) will be a four part process, as follows.

- Phase I: planning and design;
- Phase II: establishment and construction;
- Phase III: transition and takeover; and,
- Phase IV: operations, maintenance, and growth.

22. Activities in Phases I and II are further grouped into four further parts, for the ease of execution and coordination.

- *Policy* – This group of activities will contain those activities that require a policy decision across various government entities, by the Government.
- *Institutions* – This group will contain all those activities that will require discussions on institutional mandates and responsibilities.
- *Procedures* – This group will contain those activities which pertain to processes and procedures within the LPA.
- *Human Resource Capacity* – As implied, this group will contain activities relating to human resources and administrative matters in the LPA.



## B. Scope of Consultancy Services

23. *Support all 4 phases of the establishment and operationalization of the PLPA* – The consultants will provide support to the FBR/PMU in the establishment of the Pakistan Land Ports Authority through the following process phases: (a) planning and design; (b) establishment and construction; (c) transition and takeover; (d) operations, maintenance, and growth.

24. *Support PLPA and the Agencies ('anchor tenants') operating at the LPs* – The consultants will provide support for the establishment of the PLPA itself, as well as to the other Agencies that will be providing services at the LPs operated by the PLPA. The agencies identified for support are as follows.

Agency <sup>18</sup>	Parent Body	Function
1. Pakistan Customs	Federal Board of Revenue	Customs
2. Federal Investigation Agency	Federal Government	Immigration/Passport Control
3. Anti Narcotics Force	Ministry of Narcotics	Control of narcotics
4. Animal Quarantine and Department of Plant Protection	MINFAL	Regulate the import, export and quarantine of animals and animal products, and plants and plants' products

25. In addition to the above core agencies, other non-core agencies—both public and private—identified by PLPA on particular issues, will also be supported.

<sup>18</sup> The Anchor Tenants described here relate only to the LPs at the borders—also known as BCPs or border control points. The Anchor Tenants at the in land LPs—also known as ILPs or In Land Ports—will primarily be Customs, and possibly Quarantine/MINFAL.

26. *Consultancy services required from the consultants* – A team of consultants is required to assist the PLPA and its ‘Anchor Tenants’ (agencies providing core functions at the LPs as identified in the above table) to support its establishment and operationalization [including the operationalization of the first 3 notified border LPs—at Torkham, Chaman, and Wagha].

- a) Technical advice and analysis relating to establishment and operation of LPs.
- b) Legal advice and analysis relating to operations at a LP.
- c) Business process mapping and re-engineering in border management functions relating to international trade.
- d) Cross border transactions data management and analysis design—establishment of management dashboards for real time analysis and monitoring from a security, revenue, and trade facilitation perspective.
- e) Design and deployment of ICT systems for trade transactions integrating the many services providers.
- f) Commercial regulation advice for LPs.
- g) Organizational design, governance, and management.
- h) Design and establishment of financial and administrative procedures.
- i) Financial modelling and advice on insurance and banking products required to secure services at LPs.
- j) Advice on local, regional, and international transport, transit, and trade regulations and conventions.
- k) Facilitation and negotiations; stakeholder engagement; and consensus building.

27. *Activities to be supported by the consultants* – The foreseeable activities to be supported by the consultants in the various phases are as follows.

During planning and design phase –

- Establishing the functions of the PLPA.
- Establishing the activities/functions at the LPs.
- Finalization of entities ‘tenants’ functioning at the LPs.
- Consensus on responsibilities of all entities functioning at the LPs.
- Audit of existing LPs and their responsible entities (in public or in private sector).
- Identification of locations for LPs beyond the presently agreed 3 border LPs.
- Identification of main trade partners for the importers and exporters using each [proposed and existing] LP.
- Feasibility studies and transaction advisory services studies for new LPs and existing dry ports<sup>19</sup>.
- Developing a custodian for the LPs—border and inland—best practice designs, building laws, and regulations.
- Develop standard list of ‘common user’ infrastructure at LPs.
- Develop standard list of ‘common user’ services to be provided by LPs.
- Develop generic operational procedures for integrated delivery of services by all LP tenants.
- Develop procedure for design (including traffic analysis, multi-modal and transshipment analysis, information exchange and security analysis) and construction supervision of LPs.
- Develop procedure for operation and maintenance of LPs.

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<sup>19</sup> Feasibility studies have already been carried out for the first 3 LPs identified for the ADB financed “Improving Border Services Project”.

- Study of all relevant policies, regulations, and procedures applicable to functions/activities.
- Identification of all permits, agreements, rents and fees, required for establishment of the LPs.
- Design of the transition and takeover arrangements upon establishment of LPs—especially for the ones at the borders.
- Design, notification, negotiation, and approval of operating rights agreements with tenants of the LPs.
- Design the financial functions of the PLPA.
- Design the financial model for the PLPA.
- Design economic incentives provided under PLPA to the LP tenants.
- Design the financial model for a generic LP.
- Identify the subsidy requirements (if any) for the PLPA.
- Identify the subsidy requirements (if any) for a generic LP.
- Develop financing plan for the PLPA (including for the establishment and operation of the LPs).
- Design Anchor tenants' agreements.
- Design other tenants' agreements.
- Design any required generic LP services' concession agreements.
- Design the organizational structure of the PLPA.
- Draft the LPA Act.
- Legal review, finalization, and tabling of the PLPA Act in the Parliament.
- Preparation and presentation of the final PC-I for ECC approval.

#### During establishment of the LPA and implementation of LPs

- Approval, signing, and notification of the PLPA Act.
- Finalization of the rules and regulations and operating procedures for the PLPA.
- Budget proposal, approval, and allocation of PLPA annual budget.
- Job descriptions and selection criteria for the skeletal staff for day-to-day operation of the PLPA.
- Design exchange and exposure programs for the development of staff selected and hired in the LPA.
- Finalization of regulations and procedures for LPs.
- Detailed design transaction advisory services studies for notified LPs.
- Implement the transition and takeover arrangements for the notified LPs in parallel with commencement of construction.
- Signing of operating rights agreements with tenants of the LPs
- Signing of Anchor tenant agreements for notified LPs.
- Signing other tenant agreements for notified LPs as and when required.
- Signing of required generic LP services' concession agreements.

#### During transition and takeover

The transition and takeover stage will have two distinct processes: (i) 'transition' refers to the transition from the existing as-is scenario of transit trade and related processes (no LP scenario) to the new processes after the completion of the new LPs; and (ii) the takeover refers to the PLPA notifying and taking over regulation of the existing LPs.

*Transition-*

- Providing job descriptions and selection criteria for selecting and appointing the staff for day-to-day operation of the LP.
- Move-in notices to tenants and commencement notices to concessionaires at the LPs.
- Test operation of integrated services provision.
- Opening of LPs to the users.

*Takeover-*

- PLPA-Trade (users)-LP tri-partite forums as part of an IEC (Information Education and Communication) campaign towards highlighting the benefits to existing LPs and to Trade.
- Notification of regulatory takeover to identified LPs.
- Audits of LPs for compliance.
- Issuance of guidance for compliance.

During operations, maintenance, and growth

- Undertake first operational review and assess performance against established KPIs—such as clearance times, WCO time of release, etc.
- Assess maintenance and emergency response and security services.
- Prepare 10 year master plan for improvement and growth learning from the operations till-date.

**C. Methodology requirements to be adopted to achieve results**

28. It is required that the consultant achieve the support and delivery outcomes for this assignment using the following methodology requirements.

29. *Focus on results and not reports* – It is expected that the consultants will provide hands-on assistance to the government and their performance and delivery will be linked to results achieved on the ground—rather than on production and submission of reports.

30. *Bringing industry experience to bear* – The consultants will be required to bring industry experience in establishment and operation of land ports. As an example the establishment of the Khorgos port recently at the border of Kazakhstan and the People’s Republic of China was developed with assistance from Dubai Port World.<sup>20</sup> It is envisioned that the consultants will bring similar industry experience to facilitate the establishment of the LPA—and thereby ensure success.

31. *Consensus building amongst stakeholders through workshops and consultations* – The consultants will provide a neutral and informed platform by acting as a knowledge broker to build consensus amongst the LPA stakeholders which will be essential towards the timely establishment and operationalization of the LPA and LPs. The consultant will extensively use workshops and consultation facilitation tools to achieve this consensus.

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<sup>20</sup> <http://www.dubaitrade.ae/dpw-qr/1803-dp-world-said-to-invest-1bn-in-kazakhstan>.

#### **D. Team composition and outline TOR for key experts**

32. The team composition and outline TOR described here should be read in conjunction with the earlier listed activities to be supported by, and the services required from, the consultants.

#### **33. Team Leader [Trade Facilitation and Port Operations Specialist] (International: Full-Time)**

Outline scope of work

##### *Team Lead and Trade Facilitation*

- Take overall lead in supporting the establishment and operationalization of the PLPA.
- As lead technical advisor bring global practice, and local adaptability to global practice, to inform design, discussion, and implementation of the key issues in establishing the PLPA; such as functions of PLPA, and functions of Anchor Tenants at PLPA, and PLPA's role in facilitating integrated operations [from the users' perspective] at the LPs.
- Working closely with the Public Sector Specialist, develop overall organizational structure best suited to the PLPA and also develop a generic organizational structure for the LPs (with a guide on how to tailor this to each LP location).
- Facilitate the discussions with users (traders) and services providers (transporters, freight forwarders, insurers, banks) and public sector anchor tenants of PLPA in clarifying roles as well as streamlining procedures for improved border clearance operations at the LPs.
- Oversee and provide advice in the development of the overall integrated ICT enabled information, and data, exchange and management system to be established at the PLPA, and ensuring that this system interacts seamlessly with current public border management ICT environments such as those being used by the Customs and FIA. The border management agencies (the Anchor Tenants) have their own systems and the PLPA at the LPs will integrate information flow to, and from, these systems to enable and integrated service provision—a single window—for the users at LPs. Whether or not one of the border management agencies' systems—such as WeBOC—can eventually play this integrating role will be studied and formalized during the course of the establishment of the PLPA and LPs.
- Oversee and provide advice in the design and approval of the various procedures and practices and agreements to be implemented at the LPs by the PLPA; in light of global best practices.
- Provide lead technical assistance to the finance and budgeting team

##### *Logistics and Ports Operations*

- Guide and assist the team in the, establishing the functions of the PLPA, the activities/functions at the LPA, the finalization of entities 'tenants' functioning at the

PLPA, audit of existing LPs and their responsible entities (in public or in private sector), identification of locations for LPs beyond the presently agreed 3 border LPs.

- Assist the team in the, identification of main trade partners for the importers and exporters using each [proposed and existing] LP, carrying out the feasibility studies and transaction advisory services studies for new and existing dry ports.
- Assist the team in developing, best practice designs of facilities, standard list of 'common user' infrastructure, and standard list of 'common user' services to be provided by LPs.
- Assist the team in developing generic operational procedures for integrated delivery of services by all LP tenants, and in the design of operating rights agreements with tenants of the LPs
- Assist the team in designing the financial functions of the PLPA and advice on the possible financial models and economic incentives for the LP users.

34. Deputy Team Leader [Public Sector Specialist] (National: Full-Time)

Outline scope of work

- Assist the Team Leader in the development of the overall organizational structure best suited to the PLPA and also develop a generic organizational structure for the LPs (with a guide on how to tailor this to each LP location).
- Provide inputs to the draft PLPA Act and assist the TL in finalizing the functions of the PLPA and of the Anchor Tenants.
- Lead the audit of the existing LPs and the identification of all policies, regulations, and procedures applicable to the functioning of the LPs under the PLPA.
- Lead the development of the transition and takeover arrangements for the PLPA.
- Lead the development of the SOPs for finance and administration for the PLPA and for the 3 border LPs.
- Lead the capacity assessment of the PLPA's anchor tenants with a view to designing the trainings program; and, based on the developed organization structures for the PLPA and typical LP, oversee the design of the induction and early stage capacity building trainings.
- Assemble any required PLPA PC-I revisions with support from the rest of the team.
- Provide administrative support to the TL in the day to day office operations of the Consultants' team and in the overall administrative responsibilities for successful execution of the TA for establishment institutional and technical support to the PLPA.

35. Border Security and Facilitation Advisor (International)



#### Outline scope of work

- Assist the TL and the team in the development of the integrated procedures for the LPs and assist in the discussions with the Anchor tenants as well as with peripheral agencies at the border as well as with the private sector stakeholders/users.
- Provide global best practice advice on integrated border security and trade facilitation to assist the consultants' team as well as lead related discussions in workshops, meetings, and other forums.
- Work closely with the ICT team on data acquisition, use, and security, and guide them on international best practice.

#### 36. Transport Specialist (National)

##### Outline scope of work

- Assist the team in the development of the methodology for audit of existing LPs and their operations.
- Develop the methodology for identification of location of LPs (new and those that will be taken over) beyond the presently agreed 3 border LPs.
- Develop a summary of the overall transport characteristics/geography of Pakistan in the context of LPs development for the team.
- Assist the TL, DTL, and the Legal Advisor on the work related possible implications of various transport conventions (currently implemented or planned to be implemented by GoP) in the operational procedures at the LPs.

#### 37. Principal Civil Engineer (National)

##### Outline scope of work

- Provide all required engineering expertise in the design and development of the process focused PLPA facilities; including development of all required facilities' layouts, designs, and standards, and of a standard list of 'common user' infrastructure at LPs.
- Support the audit of existing LPs and their responsible entities (in public or in private sector).
- Support the feasibility studies and transaction advisory services studies for new LPs and existing dry ports<sup>21</sup>.
- Along with the Public Sector Specialist, lead the development of a custodian for the LPs—border and inland—best practice designs, building laws, and regulations.

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<sup>21</sup> Feasibility studies have already been carried out for the first 3 LPs identified for the ADB financed "Improving Border Services Project".

- Provide overall design guidance to PLPA's Anchor tenants for their facilities to ensure harmonization of the facilities with a view to integrating services and processes at the LPs.
- Develop procedure for design (including traffic analysis, multi-modal and transshipment analysis, information exchange and security analysis) and construction supervision of LPs.
- Develop procedure for infrastructure operation and maintenance of LPs.

### 38. Two Principal ICT Specialists (National)

#### Outline scope of work

- Lead the integration of the overall information and data, collection, exchange, and management within the various Anchor tenants and the LPA.
- Streamlining the processes with the help of the BPR team under the guidance of the TL, such that when new processes are notified for the LPA and its LPs they are easy to IT enable and improve the efficiency and effectiveness of the trade and transit services to the users.
- Ensuring compatibility with all existing Anchor tenant ICT systems, especially with those used by the Customs and FIA.
- Reviewing the existing ICT applications in other public and private sector service providers (other ports, banks, freight forwarders and other logistics services providers) and developing processes that will enable the LPA and its LPs to seamlessly integrate.
- Support and provide inputs as and where required to the deployment of ICT hardware at the LPA and LPs. This will include, but not be limited to, design, procurement, supervision, operational testing, of the hardware and networking required at the LPs and at the PLPA.

### 39. Principal Legal Advisor (National)

#### Outline scope of work

- Support the team in content, drafting, whetting, and finalization of the PLPA Act.
- Provide legal guidance to the team in feasibility studies and transaction advisory services studies for new and existing dry ports
- Lead the study of all relevant policies, regulations, and procedures applicable to PLPA and LPs functions/activities.
- Assist the team during, the identification of all permits, agreements, rents and fees, required for establishment of the LPs.

- Assist the team in the design of the transition and takeover arrangements upon establishment of LPs—especially for the ones at the borders.
- Assist the team in design and finalization of, operating rights agreements with tenants of the LPs, the Anchor tenant agreement, service providers' concession agreements.
- Provide inputs to PLPA and Anchor tenants on matters pertaining to accession to international conventions by Pakistan with a view to improving the functioning of the PLPA and its LPs.

40. Principal Financial Advisor (National)

Outline scope of work

- With assistance from the team, design, the financial functions of the PLPA, financial model for the PLPA, and economic incentives provided under PLPA to the LP tenants.
- In coordination with the team, design the financial model for a generic LP; and identify the subsidy requirements (if any) for the LPA, as well as the subsidy requirements (if any) for a generic LP.
- Develop the financing plan for the PLPA (including for the establishment and operation of the LPs).
- Assist in the design of the, Anchor tenant agreements, other tenant agreements, and required generic LP services' concession agreements.
- Assist the team in the drafting, review, finalization, and tabling of the PLPA Act in the Parliament; and in the preparation and presentation of the final PC-I for ECC approval.

**Table 4: Summary of required key consulting inputs**

<b>Position</b>	<b>Key Expert</b>
<b>International Experts</b>	
Team Leader [Trade Facilitation and Port Operations Specialist]	Yes
Border Security and Facilitation Advisor	Yes
<b>Total International Input</b>	<b>42</b>
<b>National Experts</b>	
Deputy Team Leader [Public Sector Specialist]	Yes
Principal Transport Specialist	Yes
Principal Civil Engineer	Yes
2 Principal ICT Specialists	Yes
Principal Legal Advisor	Yes
Principal Financial Advisor	Yes
<b>Total National Input</b>	<b>138</b>

**Outline Terms of Reference**  
**Consulting Services for Training of Border Point Operating Agencies**

**A. Project Background**

1. Project Background – The proposed project will remove the key bottleneck for movement of goods and people through Torkham, Chaman, and Wagha in Pakistan. As part of CAREC’s initiative for trade facilitation, the project will help CAREC countries take advantage of more efficient trade routes through Pakistan, and reciprocally, encourage Pakistan to play a strategic role in creating a larger regional market for intra-CAREC and inter-CAREC trade. The project will be designed as a sovereign project financing as the operation of BCPs in Pakistan is with the public sector domain. The expected impact of the project will be an increased value of export, import, and transit trade. The expected outcome will be reduced cross-border processing time for goods and cargos in Torkham, Chaman, and Wagha. The output will be (i) border crossing point infrastructure and facility at Torkham, Chaman, and Wagha improved to the standard that meets users’ demand for quality border crossing services; (ii) governance structure and vision and mandate statement for the Pakistan Land Port Authority (PLPA) produced and adopted; and (ii) knowledge and skills of border point operating agencies enhanced.

2. Project Implementation Arrangements

- a) The project steering committee is headed by the Minister for Finance and Revenue with Ministerial representation from Ministries of Foreign Affairs, Defense, Railways, Communication, Commerce and concerned federal Secretaries acting as the steering committee for the project.
- b) FBR will be an executing agency; a project management unit (PMU) will be established in FBR that will act as an Employer under FIDIC. PIU’s technical expertise will be supplemented and complemented by the project management consultant who will be recruited from outside and attached to PIU. Supervision consultant will supervise contractor’s works as the Engineer under FIDIC.
- c) ITTMS will act as the highest decision-making authority for project implementation issues and provide overall guidance for all agencies involved in project implementation. A project implementation committee (PIC), consisting of senior officers (not below the rank of an Additional Secretary) from the Ministry of Commerce, Revenue Division/ FBR, Ministry of Defense, Director General, NLC, and Project Director, ITTMS, will be established to guide PMU and PIU, review the progress of implementation, and coordinate with relevant ministries and departments to sort out any project implementation problems.

3. The Strategic Trade Policy Framework 2012-2015 presented by the Ministry of Commerce and approved by the Government of Pakistan provides the direction for the establishment of the Pakistan Land Ports Authority (PLPA) to strengthen regional trade. This Policy provides that the PLPA will be “responsible for cohesive management of cross-border movement of goods & people. It would be vested with powers on the lines of similar bodies like existing Port Authorities and Civil Aviation.”

4. Since the approval of the STPF 2012, the FBR organized a development partners’ conference in December 2013 to share the Government of Pakistan’s visions on the developing

Pakistan as a trade and transit hub and presented the concept of an Integrated Trade and Transit Management System (ITTMS)—it was at this conference that the Asian Development Bank agreed to Finance the project supporting the development of three key border crossings and the overall establishment of the PLPA.

5. The Government, subsequently, established a Steering Committee lead by the Minister for Finance and Revenue, with Ministerial representation from the Ministries of Foreign Affairs, Defense, Communication, and Commerce, and the concerned Federal Secretaries, for the implementation and monitoring of the ITTMS. Three meetings of the Steering Committee have been held till now.

6. A concept paper for the PLPA was discussed with the Steering Committee in its 3<sup>rd</sup> meeting on 18<sup>th</sup> February, 2015; and it has approved the preparation and issuance of a notification—and Executive Order—for the establishment of the PLPA which will pave the way for the preparation of the formal legislation for the PLPA as well as the commencement of the requisite steps required for the establishment of the PLPA. This notification has been drafted and has been whetted by the Ministry of Law, Justice, and Human Rights. The notification is now being prepared for executive approval by the Prime Minister, by FBR. It is after the approval of the executive order that the PLPA will start developing the consensus on its scope, jurisdiction, mandate, functions, composition, overall governance model, and its administrative control.

7. The PLPA will initially focus on the three critical identified border crossings at Wagha, Chaman, and Torkham; by establishing integrated border crossing infrastructure (or Land Ports—LPs—at the border). The PLPA will gradually extend to other border points, and will also review the efficacy of extending its reach to other inland ports.

8. To objective of the PLPA is to ensure the effective, timely, and efficient movement of goods, people, and vehicles across and international border or at an inland location where similar functions are being performed; with a view to relieve traffic infrastructures of congestion and help increase efficiencies of processes related to international trade logistics and transport.

9. These objectives will be achieved by the Land Ports contributing to:

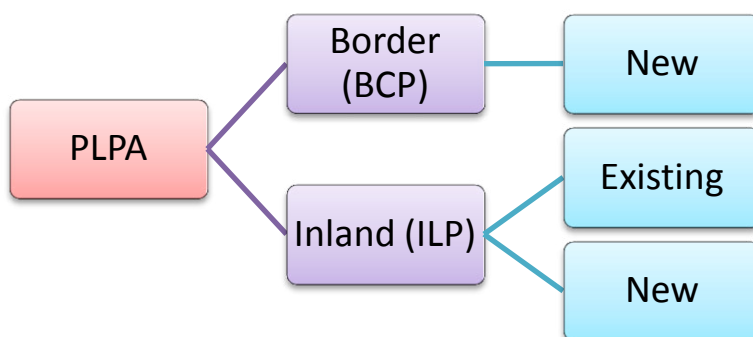
- reducing total transport expenses;
- reducing environmental externalities by appropriate intra- and inter- modal shifts;
- strengthening the ports' role in national and international transport chains;
- reducing the use of relatively expensive and/or more insecure lands/areas for such activities;
- avoiding traffic bottlenecks, and lessening congestion on the roads near the borders or other types of ports areas;
- efficient clearing (all required cross border requirements) of legitimate goods, people, and vehicles;
- better management of government BCP/LP assets;
- improved security for clients (commercial and private) of the BCP and BCP Border Management Agencies (BCP operating agencies).

10. The PLPA by virtue of its Land Ports will also be a source of locational job creation, and hence will serve a wider public interest than simply that of facilitating and securing trade and revenue. See Annex 1 for further details

11. Some key functions currently envisioned for the PLPA, at present, are as follows.
- Land Ports (LPs) Facilities Manager—Land-lord of the LPs with responsibility for establishment, operation, maintenance, and improvement facilities [including provision of facility security].
  - Regulator of commercial activities at the LPs.
  - Integrator of processes performed at the LPs.
  - Integrator of data for all processes/functions performed at the LP.
  - Provider of the base ICT infrastructure for integrating the various functions at and across LPs.
  - Policy maker for integrated operations at LPs.
12. A land port generally provides transport, warehousing, and clearance facilities. Land ports can have varying functions depending on the land transport modes that they service and their location.
13. By and large they have the following functions—the functions performed at the LP but not by the PLPA.
- a. Transport (can be rail or road or both): cargo handling; intermodal or unimodal handling or cargos and containers; storage of empty or laden containers, bulks, break-bulks, liquids.
  - b. Logistics and warehousing: storage or warehousing of cargos; consolidation and deconsolidation; freight forwarding; handling;
  - c. Border Management Facilitation: Customs inspection; clearance of goods; immigration; other border transactions required for movement of goods, vehicle, and people transporting the goods—if inland, this could depend on whether or not the whole or a part of the land port is a bonded area or not.
  - d. Facility Management: customers and drivers facilities; sanitation; medicine and emergency; fire-fighting; other ancillary facilities for drivers and vehicles; power; security. This will also include management and maintenance of shared equipment, such as weighbridges, non-intrusive and intrusive inspection systems, facilities for physical inspection—which can be used by several border agencies for their controls
  - e. ICT: information systems linking Customs/sea- air- land- ports/customers/service providers.
14. In summary, a typical land port caters to the following type of trade activities: “value added” processing; consolidation; distribution; combination; cargo handling activities; trans-loading; commercial Customs activities; Free/Foreign Trade Zone; Container Depots.
15. As mentioned earlier, the PLPA will own and operate, or lease and operate LPs in the Pakistan Customs Territory. The PLPA will act as the “landlord” and facility manager similar to how the current seaport authorities/trusts are functioning in Pakistan; with all the respective border agencies performing their respective roles within the LPs.

16. *PLPA's Land Ports' typology* – PLPA's Land ports will have the following possible permutations

17. The border land ports under the PLPA—referred to as Border Control Points or BCPs—will all be new as no LPs exist currently—and this project will start with the construction of the three agreed BCPs at Torkham, Chaman, and Wagha. Inland, the PLPA will gradually takeover existing LPs or construct new LPs—both based on an established plan which will be part of the PLPA establishment support. This typology differentiation clarifies the core agencies or Anchor



Tenants at each type of LP.

18. *Anchor Tenants at the LPs* – The following tables clarify the Anchor Tenants at the various types of LPs.

**Table 5: Anchor Tenants at BCPs**

Agency	Parent Body	Function
Pakistan Customs	Federal Board of Revenue	Customs
Federal Investigation Agency	Federal Government	Immigration/Passport Control
Anti Narcotics Force	Ministry of Narcotics	Control of narcotics
Animal Quarantine and Department of Plant Protection	MINFAL	Regulate the import, export and quarantine of animals and animal products, and plants and plants' products

**Table 6: Anchor Tenants at ILPs**

Agency	Parent Body	Function
Pakistan Customs	Federal Board of Revenue	Customs
Animal Quarantine and Department of Plant Protection	MINFAL	Regulate the import, export and quarantine of animals and animal products, and plants and plants' products

19. A more detailed list of the overall set of stakeholders for the PLPA, with non-core border clearance functions is also provided as follows.



**Table 7: Foreseeable Stakeholders in PLPA and LPs**

Type	Direct Stakeholders	Indirect Stakeholders
Public	Revenue Division, FBR, Customs	Ministry of Defense (NLC)
	Federal Investigation Agency	Banks (Public, Private)
	NADRA under the Ministry of Interior	Ministry of Commerce
	Ministry of Railways	Ministry of Ports and Shipping
	National Highway Authority under the Ministry of Communications	Ministry of Communications
	Anti-Narcotics Force under the Ministry of Narcotics	Rangers, FC, Armed Forces, Police, Levis, Khasa-dars
	Quarantine (MINFAL)	Political Agents, Provincial Administration
Private	Local Freight-forwarding companies and their foreign counterparts	Local Traders
	Port Operators	Foreign traders
	Clearing agents	Hospitality industry
	Traders and other business communities (Importers, Exporters etc.)	Chambers of Commerce

20. The PLPA and LPs will be on-budget entities at their creation. This follows the overall model followed by similar entities in South Asia and other regions with similar entities. Progressively, the LPs and subsequently the PLPA itself should move to being financially sustainable. Given the nature of the services that will be provided by the public and private sector at the LPs, achieving this financial sustainability should not be possible rapidly—within 5 years of full establishment and operationalization. The sources of financing the PLPA and the LPs will include rents from tenants at LPs and fees for services provided at the LPs—all of which will be no different from existing operating dry ports owned and operated completely by the private sector in various parts of Pakistan.

21. PLPA Capacity Development – Capacity beyond what currently exists in the GoP will be required to execute the PLPA establishment plan. This required capacity will be both in terms of requirement of specific skills as well as simply numbers. The requirement for new and skilled staff will eventually be addressed by the hiring of the requisite skilled staff in the new PLPA and its LPs. In the interim, this capacity gap will be filled in three ways: seconding of staff to the PLPA PMU<sup>22</sup>; hiring of a consulting firm to support the establishment of the PLPA in its establishment; and hiring of a consulting firm to support design and implementation of trainings for the PLPA.

22. A consulting firm will be hired to support the design and implementation of trainings and workshops for the PLPA and its tenants—primarily for the Anchor Tenants. The following is a description of the overall training and related capacity development strategy by FBR/Customs, and provides a context to the TOR [described further on].

23. Overall Training Plan for PLPA – As part of the overall capacity development plan for the PLPA, the FBR/Customs see the training of all the key stakeholders that will be part of the PLPA at the core of achieving the PLPA's desired objectives. The overall approach to this training is integrated [vis-à-vis both, donors as well as stakeholders] and efficient.

<sup>22</sup> The PMU will also separately and distinctly serve the execution of the infrastructure project; its capacity will be separately enhanced to deliver on the technical assistance required for the establishment of the PLPA.

- a. **Core Training Streams** – Trainings will be required in respect to the three critical function streams at the LPA, these being: (a) facility operations and management, and commercial regulation; (b) border clearance of goods, vehicles, and people (something that is already done--albeit now being done with a focus on integration with a view to better facilitation and more security); and (c) trade and transport facilitation and logistics.
- b. **Scope of Training: areas in which trainings will be required for PLPA and its other Anchor tenants/core agencies** – For the three streams, the following indicative areas of training have been identified, wherein trainings will be required for the staff in PLPA and LPs, and for the Anchor Tenants and the other stakeholders. This listing only highlights the core training areas within each of the three streams; the detailed training program will be developed by the consultants after a detailed needs assessment and after consultations with the stakeholders.
- i. *Facility operations and management, and commercial regulation*
- Management principles
  - Commercial Regulation
  - Operation of Land Ports
  - Managing complex infrastructure
    - Hazard, safety, and security
    - Maintenance
    - Service quality standards
    - Information and Communication and data management for utility/infrastructure management.
- ii. *Border clearance of goods, vehicles, and people*
- Customs, Border Security and Trade Facilitation
  - Collaborative border management, including exposure visits to best practice examples
  - Custom to Customs data exchange and practices across borders
  - WCO SAFE Trainings<sup>23</sup> - tools to facilitate and secure global trade
    - SAFE Framework of Standards to Secure and Facilitate Global Trade
    - Customs Guidelines on Integrated Supply Chain Management
    - Authorized Economic Operator (AEO) Implementation Guidance
    - Model AEO Appeal Procedures
    - AEO Benefits: Contribution from the WCO Private Sector Consultative Group
    - Guidelines for the Purchase and Deployment of Scanning/Imaging Equipment
    - SAFE Data Element Maintenance Mechanism
    - Trade Recovery Guidelines
    - The Authorized Economic Operator and the Small and Medium Enterprise
    - Mutual Recognition Arrangement/Agreement Guidelines
- iii. *Trade and Transport Facilitation and Logistics*

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<sup>23</sup> [http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/safe\\_package.aspx](http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/safe_package.aspx).

- Modern Logistics Business
  - Transport Conventions supporting International Trade—logic and implementation
  - Establishing and benchmarking transport performance
  - Finance in support of transport and logistics
- c. **Training Approaches** – FBR/Customs has decided to localize the trainings delivery to the extent possible—therefore an emphasis on developing the local training capacity through improving the training resources—environment and human—including developing a cohort of internationally trained trainers. Simultaneously, there is also a realization that there is a need to learn from the international best practices and thus the additional focus on international exposure and exchange programs, and importing international resident trainers. So, the identified training streams will be delivered through the following approaches:
- i. Local Training: Customs Academy; International Trainers; and Local Training and Training of Trainers Program.
  - ii. International Training: Exposure Visits; Exchange Programs.
- d. **Who will be trained?** – The training program supporting the PLPA establishment and operationalization will entertain Clients from all core stakeholder agencies, so the Customs, ANF, FIA, Quarantine/MINFAL, and other nominated [by PLPA] entities will be able to participate in these trainings. The trainings will cover needs of participants at the ‘induction and skilling’ stage as well as during the operations or ‘refresh and upgrade’ stage. Since PLPA will have many seconded staff, it is foreseen that the training program will cater not only to the current PLPA staff but will also include the wider FBR/Customs staff [and those of the Anchor Tenants]—this will also facilitate the staff rotation between PLPA and FBR/Customs, and similarly other Anchor Tenant agencies’ internal staff rotations. Cohorts of senior and middle level management staff from the PLPA and core agencies will be attend existing available trainings. Each cohort will include a select group of pre-identified staff that will be part of these trainings and come back and contribute as local trainers.
- e. **Focusing on the Pakistan Customs Training Academy as the facility for the local training capacity development: context** – All Anchor tenants, such as ANF, FIA, and Customs, presently train officers at induction and during their careers (as part of refreshing and updating skills)—and almost all have internal infrastructure to handle this. In recent years, especially post 9/11, with the changing border risk management models, increasing security concerns, and higher levels of international cooperation amongst border agencies, there has been a focus in the Pakistan government on (i) increasing the coordinated training and development of border agencies’ staff and (ii) developing Customs to undertake its emerging role in this coordination. This has led to the enhancement of the Pakistan Customs’ capacity through improving its training programs. One important aspect of this enhancement is to improve the central Customs Training Academy based in Islamabad, as well as improving the overall Pakistan Customs infrastructure and re-tooling to respond to the requirements of present day border management. FBR/Customs are now in negotiations with the USA government to set upgrade its present Customs Training Academy’s

infrastructure. This initiative is a continuation of the Customs Mutual Assistance Agreement (CMAA) between the Governments of Pakistan and USA—with the implementing parties being the Homeland Security Investigations (HIS), International Narcotics and Law Enforcement Affairs (INL), and the Office of Defense Representative to Pakistan (ODRP) from the US government and Pakistan Customs through FBR from Pakistan government. The Custom Training Academy improvement also fits in well with the efforts of the UNODC and Pakistan government to make this the Regional Customs Training Hub for SAR, CAR, Iran, and GCC. In parallel, JICA is also considering a request to improve the marine interdiction capacity of Pakistan Customs. In all these efforts, the overall outcome sought is simple, that through joint training of border agencies all cross border mandates can better share data and operational planning thereby increasing multifold the chances of securing borders and revenue, and facilitating legitimate trade across them. With these on-going efforts, it makes eminent sense to leverage this effort in designing and planning the PLPA training program. Therefore FBR/Customs have suggested using the current and ‘planned’ capacity of the Customs Training Academy to form the basis for anchoring the local training planning for the PLPA. Therefore, and as shown before, it is planned that local training plan for the PLPA will have two activities: (i) resident international trainers; and (ii) local training and training of trainers program.

- f. ***Exposure and exchange training activity*** – In addition to the two local training plan activities mentioned above, there will be a parallel international exposure visits and international exchange program activities. This is the fastest and most effective hands-on method to build capacity—wherein experienced staff from other LPAs are seconded to the newly established PLPA and newly appointed PLPA staff are seconded in a reverse exchange to these other LPAs to train and learn on the job [where procedures are already established].
- g. ***Overall Training Plan and the Training TA Components*** –Thus overall, the PLPA Training TA will have five parallel and mutually complimentary components, as follows: (i) resident international trainers; (ii) local training and training of trainers program; (iii) exposure visits; (iv) exchange program; and, (v) PLPA training program design and delivery support consultants.

## **B. Scope of Consultancy Services**

24. *Scope of work for the Training Program Design and Delivery Consultants* – The overall scope of work of the Consultants is provided as follows.

- a. ***Objective*** – To support the PLPA in implementing the training program to bolster the establishment and operationalization of the PLPA towards the achievement of its outcomes.
- b. ***Training Needs Assessment*** – Carry out a detailed needs assessment for the training and related capacity building.
  - i. Measure the current capacity and capability within the stakeholder agencies—this measurement should cover the current available human

- resources, equipment, infrastructure, curriculum, and performance evaluation setup.
- ii. Define and describe the capacity and capabilities/skills required to achieve the objectives of the PLPA.
  - iii. Review the three Core Training Streams and enhance and detail them as required.
  - iv. Carry out any required surveys and workshops required for the training needs assessment.
  - v. Assess all parallel on-going and planned training activities in the Anchor Tenant agencies that can be leveraged by the PLPA.
  - vi. Identify what base curriculum and training materials will have to be developed to support the Training Program.
  - vii. Review the current governance and financial sustainability of the Customs Training Academy.
- c. **Program Design** – Based on the needs assessment, decide on the overall training requirements—the Training Program Outline/Design for the PLPA.
- i. Identify and describe the trainings that are required within the Core Training Streams.
  - ii. Provide a justification for these training needs—essentially based on the Needs Assessment
  - iii. Develop and provide a time-frame for the Training Program Outline, i.e., when will these trainings be required.
  - iv. Review and describe how the Training Program is leveraging all parallel other on-going training initiatives, especially within the Anchor Tenants.
  - v. Describe the types of staff who will be trained and the criteria to be employed by the PLPA in selecting the trainees.
  - vi. The Training Program Design will detail how the trainings will be delivered—the Training Delivery Mechanism. This description will be based on the five Training Approaches already agreed with FBR/Customs and will build upon them.
  - vii. The Training Delivery Mechanism will also cover:
    - training materials to be developed;
    - the Customs Training Academy’s role—including any improvement required to its governance and financial management;
    - the Training of Trainers;
    - the Exposure Visits and the Exchange Program;
    - identification of Resident International Trainers; and
    - the training performance management.
  - viii. The Training Program Design will also contain the detailed training budget within the allocations provided as part of the overall PLPA Training TA.
- d. **Program Implementation and Training Performance Assessment** – Support the PLPA in implementing the agreed Training Program Design. Program implementation is the most critical stage as this has to be synchronized in a way that it goes hand-in-hand with the entire PLPA establishment and operationalization under the overall PLPA project. The Consultants will closely liaise with all required PLPA stakeholders as well as with the PMU Consultants and the Consultants supporting the establishment of the PLPA. Another critical

aspect will be training budget monitoring and management support to PLPA during the implementation. The Consultants will simultaneously report to the PLPA about all training performance evaluations/assessments.

### **C. Guideline approach to be adopted to achieve results**

25. It is required that the Consultants achieve the support and delivery outcomes for this assignment follow the following broad guidelines.

- a) *Focus on results and not reports* – It is expected that the Consultants will provide hands-on assistance to the government and their performance and delivery will be linked to results achieved on the ground—rather than on production and submission of reports.
- b) *Bringing industry experience to bear* – The Consultants will be required to bring industry experience in establishment and operation of land ports. As an example the establishment of the Khorgos port recently at the border of Kazakhstan and the People’s Republic of China was developed with assistance from Dubai Port World.<sup>24</sup> It is envisioned that the Consultants will bring similar industry experience to facilitate the establishment of the LPA—and thereby ensure success.
- c) *Consensus building amongst stakeholders through workshops and consultations* – The consultants will provide a neutral and informed platform by acting as a knowledge broker to build consensus amongst the LPA stakeholders which will be essential towards the timely establishment and operationalization of the LPA and LPs. The consultant will extensively use workshops and consultation facilitation tools to achieve this consensus.

### **D. Team composition and outline TOR for key experts**

26. The team composition and outline TOR described here should be read in conjunction with the earlier listed activities to be supported by, and the services required from, the Consultants.

27. PLPA Training Advisor and Team Leader (National: Full-Time)

Outline scope of work

- a) Lead the overall Training Support program for the PLPA—including providing overall project management leadership.
- b) Develop the Training Needs Assessment, the Training Program Design, the Training Implementation Plan, and the Training Performance Assessment.
- c) Lead the implementation of the Training Implementation Plan, and assist the PLPA in its entire management.
- d) Liaise with international and national training bodies related.
- e) Identify and prepare procurement plans for all training related equipment.

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<sup>24</sup> <http://www.dubaitrade.ae/dpw-qr/1803-dp-world-said-to-invest-1bn-in-kazakhstan>.

- f) Identify resident international trainers in consultation with PLPA and manage them while they are resident.
- g) Assist the PLPA in managing the local trainer cohorts developing as a result the train-the-trainer programs.
- h) Assist the PLPA in the management of the trainees.
- i) Assist the PLPA in the overall management of the PLPA Training TA.
- j) Manage the overall PLPA Training Consultants' Team.

28. 3 PLPA Training Specialists (National)

Outline scope of work

- a) Assist the PLPA Training Advisor in developing the Training Needs Assessment, the Training Program Design, the Training Implementation Plan, and the Training Performance Assessment.
- b) Assist the PLPA Training Advisor in the overall management of the PLPA Training TA.
- c) Support the Team Leader/Training Advisor in all project management and overall procurement management support to the PLPA/FBR in delivering the training and capacity development program.
- d) Support the team leader in identification of all related training equipment and its procurement.
- e) Develop the overall SOPs under the guidance of the PLPA Advisor to implement the training program and its performance assessment.

29. Border Management Trainings Advisor (International: Full-Time)

Outline scope of work

- a) Advise the PLPA Training Advisor and the Training Specialist by bring global best-and state-of-practice knowledge in Border Management and associated training programs.
- b) Assist in developing global training networks and associations.
- c) Assist in the design and development of the international exposure programs by bringing knowledge of similar programs in border management implemented elsewhere.
- d) Assist in the design and development of the international agencies' exchange programs by utilizing global networks available from prior similar assignments.

**E. Overall PLPA Training TA to be managed by the Consultants**

30. The Consultant will assist the PLPA/FBR in managing the overall technical assistance component for training support for the training approaches, i.e., (a) Exposure Visits, (b) Exchange Programs, (c) Resident International Trainers, and (d) Local Training and Train the Trainers Program.

**Table 4: Output of Technical Assistance for PLPA and border operating agencies (LP Anchor Tenants) training support**

<b>International Training</b>	
<i>Target - Senior and Middle Management</i>	
<b>Exposure visits</b>	
Cohorts/Teams per year	4
Persons per cohort/team	3
Year program will run	5
Duration of each program	15
Staff Trained	60
<u>Total Person-days Exposure Visits</u>	900
<b>Exchange Programs</b>	
Cohorts/Teams per year	2
Persons per cohort/team	3
Year program will run	5
Duration of each program	15
Staff Trained	30
<u>Total Person-days Exposure Visits</u>	450
<b>Local Training and Training of Trainers</b>	
<i>Target - Senior and Middle Management</i>	
<b>Resident International Trainers</b>	
Resident Trainers per year	4
Cohorts/Teams per year	4
Persons per cohort/team	30
Year program will run	5
Duration of each program	45
Staff Trained	600
<u>Total Person-days Resident International Trainers and Local Trainers</u>	27,000
<b>Total Staff Trained</b>	<b>690</b>
<b>Total Person-days of International Training Delivered</b>	<b>1350</b>
<b>Total Person-days of Local Training Delivered</b>	<b>27,000</b>



**Table 5: Consultants input for technical assistance for PLPA and border operating agencies training support**

<b>Position</b>	<b>Key Expert</b>
<b>International Experts</b>	
PLPA Border Management Trainings Advisor	Yes
<b>Total International Input</b>	
	<b>12</b>
<b>National Experts</b>	
PLPA Training Advisor and Team Leader	Yes
3 PLPA Training Specialists	Yes
<b>Total National Input</b>	
	<b>132</b>

**F. Reporting**

The consultant shall provide the following reports and documents to PMU:

- (i) **Inception Report.** Within 1 month of the commencement of consulting services, the inception report will be submitted, highlighting initial findings, proposing a working and reporting structure, and suggesting any recommendations and changes to the work program and TOR.
- (ii) **Quarterly Progress Report.** Starting from the 1<sup>st</sup> calendar quarter after submission of inception report, a quarterly progress report will be submitted, summarizing the tasks achieved in comparison with the work program, resources spent, payment received, key problems arisen and how they were resolved or will be resolved, and resource plan for the next quarter.
- (iii) **Annual Progress Report.** Within 1 month after the end of calendar year, an annual progress report will be submitted, summarizing the tasks achieved in comparison with the work program, resources spent, payment received, key problems arisen and how they were resolved or will be resolved, and resource plan for the next calendar year.
- (iv) **Completion Report.** Within 1 month of contract completion, a task completion report will be submitted, summarizing the tasks achieved in comparison with the work program, resources spent, payment received, key problems arisen and how they were resolved or will be resolved, self-evaluation of performance, and recommendations to PMU.

**Table 6: Overall Technical Assistance for PLPA Training Support to be managed by the Consultants (outside the Consultant's budget)**

Description	Quantity	Unit	Currency	Unit price	Total Amount
<b>Exposure Visits</b>					
	4	team trips per yr			
International Flights	60	per trip	USD	3,000	180,000
Flight Terminal Expenses	240	per trip	USD	38	9,120
Per Diem	900	per day	USD	150	135,000
				<b>Sub-total Exposure Visits</b>	<b>324,120</b>
<b>Exchange Programs</b>					
	2	team trips per yr			
International Flights	30	per trip	USD	3,000	90,000
Flight Terminal Expenses	120	per trip	USD	38	4,560
Per Diem	450	per day	USD	150	67,500
				<b>Sub-total Exchange Program</b>	<b>162,060</b>
<b>Resident International Trainers</b>					
	9				
International Flights	9	per trip	USD	5,000	45,000
Flight Terminal Expenses	36	per trip	USD	38	1,368
Per Diem	300	per day	USD	300	90,000
Remuneration	450	per day	USD	1000	450,000
				<b>Sub-total Resident International Trainers</b>	<b>586,368</b>
<b>Local Training and Training of Trainers</b>					
	1	Lumpsum	USD	500,000	500,000
				<b>Sub-total Local Training and Training of Trainers</b>	<b>500,000</b>
				<b>Total Provisional Sum for Training</b>	<b>1,572,548</b>

**Note:**

As explained in the scope of work for the Training Advisor/Team Leader and of the Training Specialists, the overall identification (in consultation with PLPA/FBR) and its entire procurement and utilization is to be carried out by them. The team under the leadership of the TL and in consultation with PLPA/FBR will also procure all the implementation requirements for the trainings including administrative management of the trainees.