

PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Justification

1. The proposed project preparatory technical assistance (PPTA) is required to establish the basis for the proposed investments and capacity building activities for the proposed project.

2. The selection criteria include (i) economic and investment potentials; (ii) potentials for cross-border trade and presence of economic and industrial zones; (iii) potential for tourism development; and (iv) for public–private partnership for selected public investments. The following towns are the candidates for the proposed project, confirmed during the PPTA reconnaissance mission:

- (i) Cambodia: towns on the Central Corridor–Sihanoukville and Kampot;¹
- (ii) Lao PDR: towns on the North–South Corridor–Houayxay and Luang Namtha;²
- (iii) Viet Nam: towns on the Eastern Economic Corridor–Sapa, Bac Giang, and Mong Cai.³

B. Major Outputs and Activities

3. For each of the corridor towns included in the PPTA, the principal outputs will include: (i) national GMS Urban Development Strategies;⁴ (ii) a strategic local economic development plan;⁵ (iii) an infrastructure investment program for priority urban infrastructure;⁶ and (iv) clearly defined institutional arrangements and the necessary capacities to implement the strategic development plan and infrastructure investment program, and will offer opportunities for forging learning partnerships for long-term sustainability. The PPTA will use the most appropriate low-cost technology options, compatible with other existing national policies, programs and projects, and will include a climate change vulnerability assessment to look at impacts of extreme weather events and protection of critical and essential urban infrastructure for each town. The PPTA consultants will ensure that sector plans are integrated and that facilities are designed in accordance with realistic population and demand projections. Provision of services shall ensure inclusiveness, and the project may be designed to provide subsidies to ensure such inclusiveness of all beneficiaries. Infrastructure investments will be prioritized using appropriate prioritization tools for strategic investments.⁷

4. The major outputs and activities are summarized in Table A4.1.

¹ These towns have been nominated by the Ministry of Public Works and Transport (MPWT), Cambodia.

² These towns have been nominated by the MPWT, Lao PDR.

³ These towns have been nominated by the Ministry of Planning and Investment (MPI), Viet Nam.

⁴ The participating countries have not yet addressed the specific dimensions GMS corridors in their urban development strategies. The urban dimension of regional cooperation and integration will require further attention. The national GMS urban strategies will address climate and disaster resilience.

⁵ An SLEDP is a hybrid concept combining economic and spatial plans which gives emphasis to GMS-related development efforts.

⁶ Prefeasibility studies may also be undertaken for economic infrastructure investments such as land and water transport terminals, market and trading centers, and transshipment or dry port facilities.

⁷ The project is expected to be complementary to the proposed Second GMS Tourism Infrastructure for Inclusive Growth Project, which mainly focuses on developing 'last-mile' infrastructure services to tourism sites, and the Lao PDR Water Supply and Sanitation Sector Project.

Table A4.1: Summary of Major Outputs and Activities

Major Activities	Expected Completion Date	Major Outputs	Expected Completion Date
1. Preparatory activities	November 2013	Inception report	November 2013
1.1 Conduct stakeholder consultations			
1.2 Establish TA methodology			
1.3 Develop work program			
1.4 Collect baseline indicators for DMF			
2. Output 1: Strategic local economic development plans	June 2014	Interim report	July 2014
2.1 Review of existing urban development plans and prepare recommendations for improvements			
2.2 Conduct socioeconomic surveys, assess LAR impacts, prepare baseline data and conduct SWOT analysis; prepare GAP, PSA, and SPRSS			
2.3 Assess existing institutional framework for urban management and propose improvements			
2.4 Assess environmental and social soundness, and prepare IEEs-EMPs, RPs, and EMDPs as required ^a			
2.5 Development strategic local economic development plans			
2.6 Refine project rationale, determine selection criteria for subprojects which promote environmental sustainability and support economic linkages			
3. Output 2: Draft investment plans	August 2014	Interim report 2	August 2014
3.1 Prepare planning base materials			
3.2 Develop draft sector master plans for selected subprojects			
4. Output 2: Feasibility assessment of selected subprojects ^b	August 2014	Draft final report	September 2014
4.1 Prepare conceptual engineering designs		Final report	December 2014
4.2 Prepare cost estimates and financing plans			
4.3 Undertake economic and financial analyses, assess economic and financial viability and sustainability			
4.4 Develop detailed implementation arrangements (including PPP arrangements, if any)			
5. Output 3: Institutional Development and Capacity Development Plan	August 2014	Draft final report	October 2014
5.1 Identify key stakeholders		Final report	December 2014
5.2 Assess institutional capacity constraints			
5.3 Develop capacity development plan			
5.4 Prepare draft RRP and PAM (including procurement plans), and monitoring and evaluation benchmarks			
5.5 Prepare procurement capacity assessment			
5.6 Prepare advance actions for procurement and tender documents			

DMF = design and monitoring framework, EMDP = ethnic minority development plan, EMP = environmental management plan, GAP = gender action plan; LAR= land acquisition and resettlement; IEE = initial environmental examination; PAM = project administration manual; PPP = public-private partnership; PSA = poverty and social analysis, RP = resettlement plan; RRP = report and recommendation of the President; SPRSS = summary poverty reduction and social strategy, SWOT = strengths, weaknesses, opportunities, and threats; TA = technical assistance.

^a Safeguards documents shall be prepared per town.

^b Feasibility studies shall be prepared per subproject.

Source: Asian Development Bank.

C. Cost Estimate and Proposed Financing Arrangement

5. The estimated cost of this PPTA is \$2 million equivalent of which \$1.5 million will be financed from Asian Development Bank's Technical Assistance Special Fund (TASF-V). The

\$0.5 million will be financed from the People's Republic of China Poverty Reduction and Regional Cooperation Fund. The Governments of Cambodia, Lao PDR, and Viet Nam will provide in-kind support (counterpart staff, office, logistic assistance). The Governments of Cambodia, Lao PDR, and Viet Nam have been informed that approval of the PPTA does not commit ADB to finance any ensuing project. The detailed cost estimate is presented in Table A4.2.

Table A4.2: Cost Estimates and Financing Plan
(\$'000)

Item	Amount
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (50 person-months)	960.0
ii. National consultants (132 person-months)	528.0
b. International and local travel	100.0
c. Reports and communications	30.0
2. Equipment (computer, printer, etc.) ^b	39.0
3. Workshops, training, seminars, and conferences ^c	
a. Workshop costs	60.0
b. Facilitators	15.0
4. Vehicle ^d	90.0
5. Surveys	36.0
6. Miscellaneous administration and support costs	30.0
7. Representative for contract negotiations	12.0
8. Contingencies	100.0
Total	2,000.0

Note: The project preparatory technical assistance (TA) is estimated to cost \$2 million, of which contributions from the Asian Development Bank's (ADB's) Technical Assistance Special Fund (TASF-V) are presented in the table above. The Governments of Cambodia, Lao PDR, and Viet Nam will provide counterpart support in the form of counterpart staff, office space and transport, and contingencies.

^a Financed by ADB's TASF-V and People's Republic of China Poverty Reduction and Regional Cooperation Fund.

^b Equipment will be turned over to the executing agency (EA) after completion of the project preparatory technical assistance.

Type	Quantity	Cost (\$)
Desktop computers with software and peripherals	6	6,000
Laptop computers with software	9	13,500
Fax machine with scanner	3	1,500
Photocopiers	3	9,000
Laser printers	6	3,000
Air conditioners	9	4,500
LCD projector and portable projection screen	3	1,500
		39,000

^c Workshops, training, seminars, and conferences

Purpose	Venue
1. Inception Workshops	
Cambodia - \$5,000	Phnom Penh
Lao PDR - \$5,000	Vientiane
Viet Nam - \$5,000	Ha Noi
2. Workshops to discuss the Strategic Local Economic Development Plans	
Cambodia - \$5,000	Phnom Penh
Lao PDR - \$5,000	Vientiane
Viet Nam - \$5,000	Ha Noi
3. Workshops with EAs on the draft final report	
Cambodia - \$5,000	Phnom Penh
Lao PDR - \$5,000	Vientiane
Viet Nam - \$5,000	Ha Noi
4. Workshop on the final report	
Cambodia - \$5,000	Phnom Penh

Lao PDR - \$5,000	Vientiane	
Viet Nam - \$5,000	Ha Noi	
^d Vehicle		
Justify the use of and the need to purchase or lease a vehicle		Expected length of use
It is necessary to lease vehicles (with drivers and fuel expenses) in order to provide easily available and reliable transportation for the consultant team and the EA counterparts to and from the project locations.		8 months
Six vehicles, two each in Cambodia, Lao PDR, and Viet Nam		\$90,000

Source: Asian Development Bank estimates.

6. The PPTA for the preparation of the Second GMS Corridor Towns Development Project will require about 182 person-months (pm) of consulting services, consisting of 50 international and 132 national pm of services. The summary of consulting services requirements (position and pm), are summarized in Table A4.3. ADB will select and engage consultants in accordance with ADB's Guidelines on the Use of Consultants (March 2013, as amended from time to time). The mode of procurement shall be by quality- and cost-based selection (QCBS) method, using detailed technical proposal procedures and a quality-cost ratio of 90:10.

Table A4.3: Summary of Consulting Services Requirement

Positions	Person-Months Required
International	
Urban Management Specialist/Team Leader	8
Finance/Procurement Specialist	6
Urban Economist	5
Social Development and Gender Specialist	4
Social Safeguards Specialist	5
Environment Safeguards Specialist	6
Infrastructure Specialist	6
Institutional Capacity Development and Monitoring & Evaluation Specialist	4
National	
Water and Sanitation Engineer	12
Social Preparation/Community Development Specialist	12
Monitoring & Evaluation Specialist	1
Town Planner	2
Flood Control and Drainage Engineer	12
Institutional Development/Procurement Specialist	12
Financial Analyst	12
Environment Specialist	12
Urban Economist	9
Social Safeguards (IP and IR) Specialist	9
Solid Waste Management Specialist	9
Highway/Road Engineer	9
Geographic Information System (GIS) Specialist	12

Source: Asian Development Bank.

D. Implementation Arrangements

7. The implementation of the PPTA will require cooperation of five executing agencies: in Cambodia: Ministry of Public Works and Transport (MPWT); in Lao PDR: MPWT; and in Viet Nam: Provincial People's Committees of the selected towns.