



## Concept Paper

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Project Number: 47086  
May 2013

# The Republic of the Union of Myanmar: Maubin Phyarpon Road Rehabilitation Project

## **CURRENCY EQUIVALENTS**

(as of 5 May 2013)

Currency unit	–	kyat (MK)
MK1.00	=	\$0.0011
\$1.00	=	MK891.70

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
ICPS	–	Interim Country Partnership Strategy
km	–	kilometer
MOC	–	Ministry of Construction
TA	–	technical assistance

## **NOTES**

In this report, "\$" refers to US dollars.

<b>Vice-President</b>	S. Groff, Vice President, Operations 2
<b>Director General</b>	K. Senga, Southeast Asia Department (SERD)
<b>Director</b>	J. Lynch, Transport and Communications Division, SERD
<b>Team leader</b>	J. Leather, Principal Transport Specialist, SERD
<b>Team members</b>	M. Buendia, Senior Safeguard Specialist (Resettlement), SERD
	N. Farrofo, Senior Project Officer, SERD
	U. Hoque, Social Development Specialist, SERD
	H. Iwasaki, Principal Infrastructure Specialist, SERD
	K. Leung, Finance Specialist, SERD
	A. Musa, Financial Management Specialist, SERD
	P. Rhee, Counsel, Office of the General Counsel
	A. Velasquez, Safeguards Specialist (Environment), SERD
	F. Villanueva, Senior Operations Assistant, SERD
<b>Peer reviewer</b>	C. Chen, Transport Specialist, South Asia Regional Department

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## I. THE PROJECT

### A. Rationale

1. The Government of the Republic of the Union of Myanmar has approached the Asian Development Bank (ADB) for technical and financial support for the Maubin Phyarpon Road Rehabilitation Project. The road section, about 52.5 kilometers (km), will be reconstructed to 2 lanes with appropriate width shoulders, suitable for all standard highway traffic.<sup>1</sup> Improvements to the Maubin Phyarpon road in the Ayeyarwady Delta would dramatically improve connectivity and economic development in the area, lifting many in this poor region of Myanmar out of poverty. The project is well aligned with the development agenda of ADB's Strategy 2020 to support inclusive economic growth.

2. The Ayeyarwady Delta is Myanmar's principal rice production region and has the potential for large scale agribusiness and seafood industries. The country suffers from an ill-defined and poor structured transport network hierarchy. The secondary and tertiary road network consists of unpaved tracks and do not provide year-round access thus impacting economic activities, particularly in the agricultural areas. Although served by an extensive inland waterway network, the economic activities of the Ayeyarwady Delta region depend heavily on a core road network. The region's road network was badly impacted by Cyclone Nagris which made landfall in the Ayeyarwady region on 2 May 2008. While the cyclone and associated storm surges damaged some of the road network, damage also resulted from the relief efforts with overloaded trucks delivering supplies and humanitarian aid, causing significant and long-term damage to the roads, especially along the Maubin to Phyarpon road section. The road design will include climate resilient design components.

3. The road network in the Ayeyarwady region has largely fallen into disrepair, with much of it beyond conventional maintenance treatments, and most roads require complete reconstruction. The lack of an effective road system is a significant constraint to economic growth and development. Cash crops and high value seafood are not yet viable industries as the travel times along the existing road network place the primary market of Yangon effectively out of reach. Improvements to the core road network would allow this highly productive region to realize its economic potential and greatly enhance its agricultural and seafood industries.

4. Improvements to the Maubin to Phyarpon road would improve access to this densely populated, poor, and productive agricultural area. The Maubin Phyarpon Road is the principal north-south artery on the eastern edge of the Ayeyarwady Delta and provides an essential transport link connection to economic, health, education, and employment opportunities. Traffic volumes in the area are currently moderate, but are likely to increase rapidly as the country's economic liberalization program extends into the hinterland. By providing landing points at the numerous locations where waterways meet the road, the agricultural hinterland of this part of the delta region could be made more accessible and improve the lives of many of the regions' poor through increased opportunities for income generation and improved rural livelihoods.

5. Improvements to the Ayeyarwady Delta region's road network are identified as an area for assistance in the Interim Country Partnership Strategy (ICPS) and the proposed project fully supports the strategic thrusts of the ICPS. The project supports the findings of the Myanmar

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<sup>1</sup> ADB. 2012. *Technical Assistance to the Republic of the Union of Myanmar for Capacity Building Support for Project Identification*. Manila (TA 8251-MYA, \$1,500,000, approved on 10 December 2012). Resources from this TA will be used to undertake due diligence on the project, details of which are available in Appendix 4.

Transport Sector Initial Assessment of the need for improved road maintenance and rehabilitation coupled with capacity development of government staff.<sup>2</sup> To support the Government with this priority project to improve connectivity to the delta region, financing through an Asian Development Fund (ADF) loan from ADB will be provided. In addition to government counterpart financing, cofinancing will be sought for the project. The project will form part of a broader engagement with the Government in the road subsector, which included capacity development support for asset management; this project will be used as a pilot project to demonstrate best practices as part of the broader capacity development program.<sup>3</sup>

## **B. Impact, Outcome, and Outputs**

6. The impact of the project will be reduced travel times and transport costs in the project area. The project outcome will be improved access to and within the Ayeyarwady Delta. The Project output is the rehabilitation of 52.5 km of road between Maubin and Phyarpon, and will include the training of government staff in project development preparation and implementation. A draft Design and Monitoring Framework highlighting the project key features is included in Appendix 3.

7. **Output 1: Road rehabilitation.** The project will rehabilitate 52.5 km of the Ayeyarwady Delta road network to support increased movement of people and goods and, thus, provide economic opportunities to the eastern side of the Delta region. The road would provide the enabling transport connections to support agricultural and seafood industry opportunities and development, and in so doing, reduce the incidence of poverty in this poor region of Myanmar. The project will reduce transport costs between the Delta and Yangon, the prime market for agriculture and seafood. The road will also open up the agricultural hinterland by providing landing points at locations where the road meets the inland water transport network. The output activities will include: (i) detailed design and construction supervisions, including safety audits; (ii) preparation of tender documents and contracts, including advanced action and procurement, if required;<sup>4</sup> (iii) preparation of social and gender action plans; (iv) preparation of safeguard planning documents in accordance with ADB's Safeguard Policy Statement (SPS, 2009); (v) road rehabilitation; and (vi) landing facilities at points where the road crosses the inland water network.

8. **Output 2: Training of government staff.** The project will undertake a needs assessment and support capacity development training for government staff within the Ministry of Construction (MOC) Public Works, including training programs for: (i) road project prioritization and selection; (ii) economic analysis of project due diligence; (iii) project development and implementation; and (iv) gender, safeguard, and other social dimensions of road project assessment, planning, and implementation. The output will also include safety awareness campaigns to match the safety design features of the road.

## **C. Investment and Financing Plans**

9. The tentative financing plan for the project is in Table 1. ADB will provide financing in an amount equivalent to \$30 million (ADF) to help finance civil works, goods and equipment, and consulting services for project implementation and capacity development. The government and

<sup>2</sup> ADB. 2012. *Myanmar Transport Sector Initial Assessment*. Manila.

<sup>3</sup> ADB. 2013. *Technical Assistance to the Republic of the Union of Myanmar: Developing the Asset Management Program for Myanmar Roads*. Manila (TA 8327-MYA, \$1,365,000, approved on 20 February 2013).

<sup>4</sup> ADB is undertaking two TA projects to Myanmar to support such work: ADB. 2012. *Technical Assistance to the Republic of the Union of Myanmar: Capacity Development and Institutional Support*. Manila (TA 8244-MYA, \$1,500,000, approved on 3 December 2012); and TA 8251-MYA (footnote 1).

cofinanciers will provide \$20 million.

**Table 1: Tentative Financing Plan**

<b>Source</b>	<b>Amount (\$ million)</b>	<b>Share of Total (%)</b>
Asian Development Bank (ADF)	30.0	60.0
Government and Cofinanciers <sup>a</sup>	20.0	40.0
<b>Total</b>	<b>50.0</b>	<b>100.0</b>

ADF = Asian Development Fund.

<sup>a</sup> Other sources of cofinance to be sought during processing.

Source: ADB estimates.

#### **D. Indicative Implementation Arrangements**

10. The project's executing agency will be MOC, and Public Works of MOC will be the implementing agency. A project management unit within MOC will be established to provide additional capacity. A firm of consultants will be recruited through quality- and cost-based selection for design review and construction supervision services. Consulting services will also be required to train government staff under the capacity development program. The recruitment of consultants will be done in accordance with ADB's Guidelines on the Use of Consultants (2010, as amended from time-to-time). Civil works will be procured following procedures in accordance with ADB's Procurement Guidelines (2010, as amended from time-to-time).<sup>5</sup>

### **II. DUE DILIGENCE REQUIRED**

11. Due diligence is required for the project, including:

- (i) **Technical.** Technical standards of the road, including highway specifications in line with national standards.
- (ii) **Economic and financial.** The project preparatory technical assistance (TA) will prepare an assessment of the economic and financial viability and sustainability of the project road.
- (iii) **Governance.** Financial management, procurement, anticorruption, policy and legal, capacity, and other institutional issues and mechanisms will be assessed under the project due diligence and parallel technical assistance currently being provided to Myanmar. The work will include financial management capacity assessments of Public Works and suitable finance mechanisms for the ensuing project.
- (iv) **Poverty and social.** Project-specific poverty, gender, and social impacts will be assessed for the project area. With the planned inclusion of gender specific elements, the project is classified as "Effective Gender Mainstreaming".
- (v) **Safeguards.** Assessment of impacts on environment, involuntary resettlement, and indigenous people will be undertaken in accordance with ADB's SPS.

12. Rather than utilizing a project preparatory TA, the project due diligence will be undertaken by using resources under TA 8251 (footnote 1) due to the institutional strengthening and capacity development activities and parallel ADB support to the government in institutional

<sup>5</sup> The type of competitive bidding will be confirmed during project due diligence.

strengthening, capacity development, and stakeholder engagement.<sup>6</sup> In addition, ADB is undertaking several consultation exercises with government on financial management, and contracting and procurement, all of which will provide valuable support for ADB project assistance and delivery.

### III. PROCESSING PLAN

#### A. Risk Categorization

13. It is a project loan in an amount of \$30 million. The project's safeguards categorization for involuntary resettlement, environment, and indigenous peoples categorization is B. ADB has limited recent experience in Myanmar and the executing agency's capacity for managing internationally-assisted projects is similarly limited. Thus, it is considered a complex project because of limited experience of the executing agency and ADB's limited recent experience in the country.

#### B. Resource Requirements

14. The project team will comprise a principal transport specialist/mission leader, an infrastructure specialist, a finance specialist, an environment specialist, a social safeguards specialist, a project analyst, and a senior operations assistant. About 80 person-weeks of internal staff resources will be required for timely processing. A TA of \$400,000 is required to design the project which will be provided by TA 8251. The project due diligence requirements are provided in Appendix 4.

#### C. Processing Schedule

15. Table 2 shows the major milestones of the project up to loan effectiveness.

**Table 2: Proposed Processing Schedule**

<b>Milestones</b>	<b>Expected Completion Date</b>
Concept paper meeting (DRM)	7 March 2013
Reconnaissance mission	11–14 February 2013
Sector focused peer review	18 March 2013
Interdepartmental review meeting	29 April 2013
Project concept approval	May 2013
Mobilization of consultants	July 2013
Loan fact finding	February–March 2014
Management review meeting	April 2014
Loan negotiations	June 2014
Board consideration	July 2014
Loan effectiveness	December 2014

DRM = department review meeting.  
Source: ADB estimates.

<sup>6</sup> The work will be supported by three parallel TA projects: (i) ADB, 2012. *Technical Assistance to the Republic of the Union of Myanmar: Maximizing Transport Benefits through Community Engagement*. Manila (TA 8304-MYA, \$190,000 approved on 21 December 2012); (ii) TA 8244-MYA (footnote 4); and (iii) TA 8251-MYA (footnote 1).



#### **IV. KEY ISSUES**

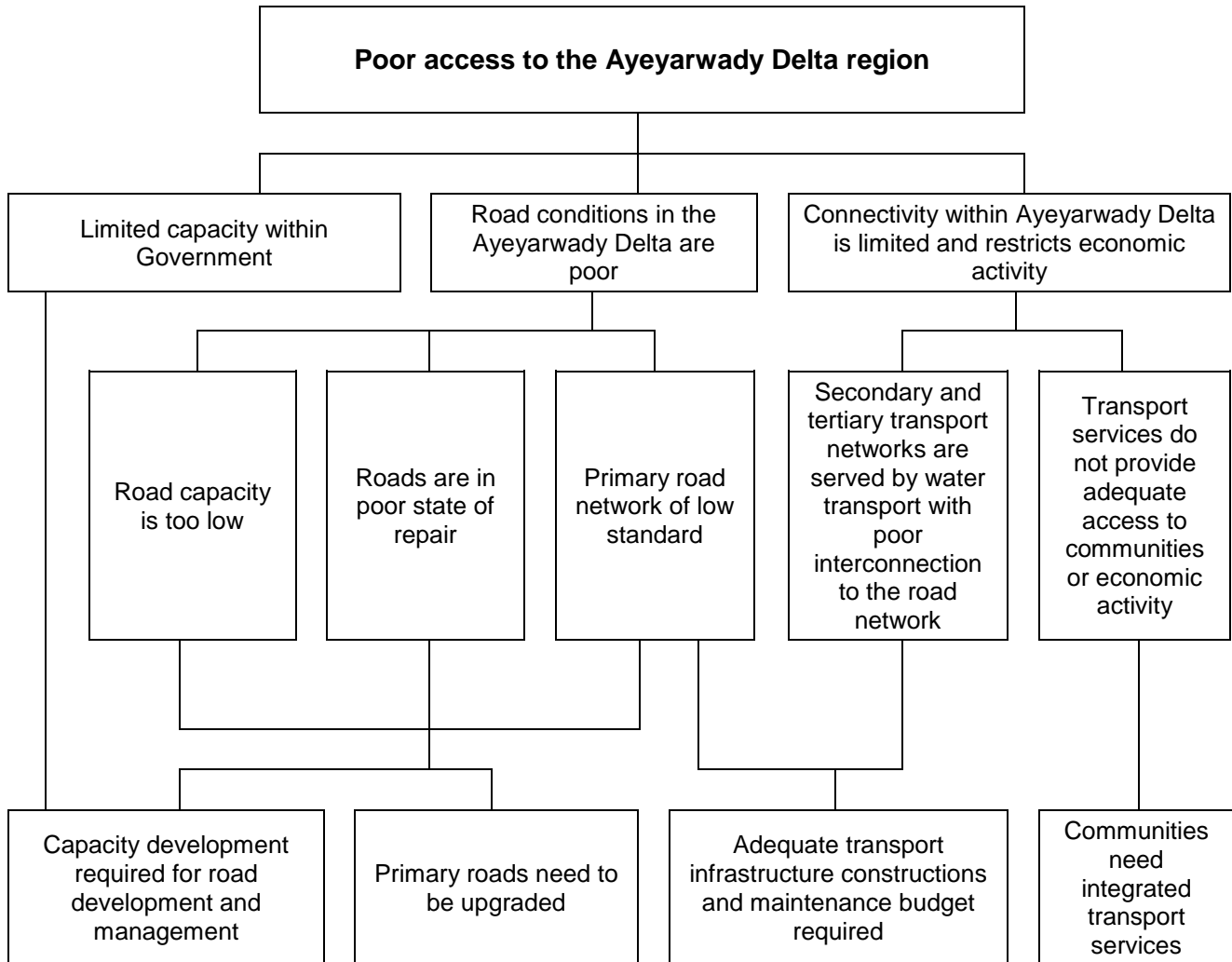
16. As ADB reengages with Myanmar, the country's introduction to, and thereafter adherence to, ADB policies and practices is essential. During the project due diligence, it will be necessary to confirm cofinancing arrangements.

**BASIC PROJECT INFORMATION**

<b>Aspects</b>	<b>Arrangements</b>
Modality	Project loan
Financing	ADB financing of \$30 million of ADF; Government financing and parallel cofinancing will provide the remaining amount of about \$20 million
COBP/ RCOBP	ADB. 2012. Interim Country Partnership Strategy: Myanmar.
Classification	Sector (subsectors): Transport and ICT (road transport)  Themes (subthemes): economic growth (widening access to markets and economic opportunities), capacity development (institutional development).  Targeting classification: general intervention  Gender mainstreaming category: effective gender mainstreaming  Location impact: rural (high), urban (low), national (high) and regional/cross country (low).  Safeguards: environment (B), involuntary resettlement (B), indigenous peoples (B).
Risk categorization	Complex
Partnership(s)	During the project due diligence, ADB will seek co-financing for the project from bilateral partners.
Use of a PBA	None
Parallel PIU	None
Department and division	Southeast Asia Department, Transport and Communication Division
Mission leader and members	Mission Leader: J. Leather, Principal Transport Specialist  Mission Members: M. Buendia, Senior Safeguards Specialist (Resettlement); N. Farrofo, Senior Project Officer; U. Hoque, Social Development Specialist (Gender and Development); H. Iwasaki, Principal Infrastructure Specialist; K. Leung, Finance Specialist; A. Musa, Financial Management Specialist; P. Rhee, Counsel; A. Velasquez, Safeguards Specialist (Environment); F. Villanueva, Senior Operations Assistant.
Peer reviewer	C. Chen, Transport Specialist, South Asia Department

ADB = Asian Development Bank, ADF = Asian Development Fund, ICT = information and communication technology.

**PROBLEM TREE**



## DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b> Reduced travel times and transport costs in the project area.</p>	<p>By 2020, travel time reduced by 20% from current levels (2013).</p>	<p>National statistics  Project benefit and monitoring and post-evaluation reports</p>	<p><b>Assumptions</b> Political reform process within Myanmar continues</p> <p><b>Risks</b> Rapid motorization and trip generation in the project area</p>
<p><b>Outcome</b> Improved access to and within the Ayeyarwady Delta</p>	<p>By 2018, traffic volume on project road increased fivefold (from 1,000 vehicles per day in 2013 to over 3,000 vehicles per day by 2018).</p>	<p>National statistics  Project benefit and monitoring and post-evaluation reports</p>	<p><b>Assumption</b> Road rehabilitation and connections improved</p> <p><b>Risk</b> Contracting industry able to compete for ADB projects</p>
<p><b>Outputs</b></p> <p>1. The upgrading of 52.5 km of road between Maubin and Phyarpon</p> <p>2. Training of government staff in project development preparation and implementation</p>	<p>By project completion (2018), approximately 52.5 km of road rehabilitated</p> <p>Women employed in road construction (50%) by 2016</p> <p>50 staff trained (including 25 women) in project development, and implementation by 2016</p>	<p>MOC progress report  ADB review missions  ADB project completion report</p>	<p><b>Assumptions</b> Land acquisition is undertaken on time</p> <p><b>Risks</b> Recruitment of contractors is delayed by external factors</p> <p>Trained MOC staff are transferred out of line agencies</p>

Activities with Milestones	Inputs	
<b>1. 52.5-km road rehabilitation</b> 1.1 MOC completes stakeholder consultation meetings and workshops by Q2/2015 1.2 MOC selects detailed design and construction supervision consultants by Q3/2015 1.3 MOC prepares tender documents and selects contractors by Q4/2015 1.4 MOC completes land acquisition and resettlement by Q1/2016 1.5 MOC completes 52.5 km of road rehabilitation and water transport landing points by Q1/2018	<b>ADB:</b>	<b>\$30 million</b>
	<b>Item</b>	<b>Amount (\$ million)</b>
	<b>Government and cofinanciers:</b>	<b>\$20 million</b>
	<b>Item</b>	<b>Amount (\$ million)</b>
<b>2. Training of Government Staff</b> 2.1 Training program prepared for road project prioritization and selection by Q3/2015 2.2 Training program in economic analysis of project preparation by Q3/2015 2.3 Training program prepared for project development and implementation by Q3/2015 2.4 Training program for safeguards prepared and implemented by Q3/2015		

ADB = Asian Development Bank, MOC = Ministry of Construction, km = kilometer, Q = quarter.  
 Source: ADB estimates.

## PROJECT PREPARATION AND DUE DILIGENCE<sup>1</sup>

### A. Justification

1. The Government of the Republic of the Union of Myanmar has requested the Asian Development Bank's (ADB) assistance to prepare the Maubin Phyarpon Road Rehabilitation Project. This project is a priority project in the Government's key infrastructure development agenda as it will improve connectivity to the rich agricultural Ayeyarwady Delta and, in so doing, support inclusive economic growth.

### B. Major Outputs and Activities

2. The project due diligence will include a feasibility study of the Maubin Phyarpon road rehabilitation. The 52.5 kilometer section of road will be improved to standard road network specification, essentially 2 lanes with appropriate width shoulders, suitable for all standard highway traffic. Specific activities under the project due diligence will include the following activities (which, amongst others, will strengthen institutional and capacity development): (i) topographic surveys of the existing road, including bridges and waterways; (ii) engineering work in sufficient detail to define the quantities of principle work items, such as earthworks, pavement structure, surfacing, and drainage structures; (iii) safety design component audits; (iv) cost estimates, based on appropriate unit rates for each type of work; (v) an economic analysis, based on an assessment of vehicle-related and other benefits, and estimated costs; (vi) safeguards assessments, covering land acquisition and involuntary resettlement, environmental impacts, and indigenous peoples' impacts; (vii) social and gender impact analysis and preparation of social and gender action plan; (viii) an implementation study, to provide options for procuring and managing the contracts required to implement the work; (ix) preparation of sample procurement documentation for the works contracts, and with advance action for both consultant recruitment, and procurement of goods and works for the critical items or components, as required; (x) financial sustainability analysis and cofinancing options; and (xi) landing facilities at locations where the road crosses the inland water transport network.

3. The project due diligence will cover engineering, safety, economic, social, gender, and environmental aspects. The engineering study will include geological, topographical, hydrological surveys, preliminary pavement design, detailed cost estimates, and implementation plan. The economic study will conduct traffic surveys and assess the economic feasibility of the project. The financial analysis will include financial management assessment of the executing and/or implementing agency, and financial analysis of the project. The social and environmental studies will prepare reports on environmental assessment, poverty and social assessment, gender action plan, resettlement plans, creation of a stakeholder communication strategy, and consultation and participation plan for community engagement.

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<sup>1</sup> Rather than utilizing a project preparatory technical assistance, the project due diligence will be undertaken by using resources under TA 8251 (ADB. 2012. *Technical Assistance to the Republic of the Union of Myanmar: Capacity Building Support for Project Identification*. Manila [\$1,500,000, approved on 10 December 2012]) and parallel ADB support to the government in institutional strengthening, capacity development, and stakeholder engagement: (i) ADB. 2012. *Technical Assistance to the Republic of the Union of Myanmar: Maximizing Transport Benefits through Community Engagement*. Manila (TA 8304-MYA, \$190,000 approved on 21 December 2012); (ii) ADB. 2012. *Technical Assistance to the Republic of the Union of Myanmar: Capacity Development and Institutional Support*. Manila (TA 8244-MYA, \$1,500,000, approved on 3 December 2012); and (iii) TA 8251-MYA.

4. ADB will provide technical assistance (TA) to Myanmar in areas that will support the project due diligence; these TA projects will be undertaken in parallel and provide direct input to the project due diligence. The work will be funded under TA 8251, and supported by two other parallel TA projects: (i) TA 8304; and (ii) TA 8244.<sup>2</sup> TA 8244 includes transport as one of the focus sectors and will help the government implement effective and efficient policies and strategies. Each of these TA projects will support the project due diligence by building capacity within government, providing stakeholder consultation, and community participation. The project will also work closely as a demonstration project with the capacity development TA Developing the Asset Management Program for Myanmar Roads.<sup>3</sup>

5. The project due diligence outputs will be undertaken through three activities, namely: (i) inception, (ii) feasibility study and capacity development program, and (iii) project design. The major outputs and activities are summarized in Table A4.1.

**Table A4.1: Summary of Major Outputs and Activities**

Major Activities		Major Outputs	Expected Completion Date
1.	Inception	Inception report with tripartite meeting	August 2013
1.1	Stakeholder consultations		
1.2	Establish methodology and work program		
2.	Feasibility study	Midterm report (this report may contain interim results of the feasibility study as of July 2013) with tripartite meeting	November 2013
2.1	Conduct engineering study to select route alignment, preliminary engineering design and detailed cost estimates.		
2.2	Conduct economic study to assess economic viability		
2.3	Conduct financial of the project and executing and/or implementing agency		
2.4	Conduct environmental and social studies to prepare IEE, resettlement and indigenous peoples plans, and social and gender assessment reports		
3.	Project design	Draft final report with tripartite meeting	January 2014
3.1	Prepare RRP		
3.2	Prepare PAM		
		Final Report	February 2014

IEE = initial environmental examination, PAM = project administration manual, RRP = report and recommendation of the president.

### C. Cost Estimate and Proposed Financing Arrangement

6. The project due diligence is estimated to cost \$400,000 equivalent, to be financed by ADB. The required project due diligence will be provided through TA 8251. The government will provide counterpart support in the form of counterpart staff, provision of office accommodation and equipment, and provision of venues for workshops and seminars. The detailed cost estimate is presented in Table A4.2.

<sup>2</sup> Footnote 1.

<sup>3</sup> ADB. 2013. *Technical Assistance to the Republic of the Union of Myanmar: Developing the Asset Management Program for Myanmar Roads*. Manila (TA 8327-MYA, \$1,365,000, approved on 20 February 2013).

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

Item	Total Cost
<b>ADB Financing</b>	
1. Consultant	
a. Remuneration and per diem	
i. International consultants	260.0
ii. Domestic consultants <sup>a</sup>	0.0
b. International and local travel	25.0
c. Reports and communications	5.0
2. Equipment <sup>b</sup>	10.0
3. Workshops, local training, seminars, and conferences <sup>c</sup>	10.0
4. Surveys and studies	50.0
5. Miscellaneous administration and support costs	5.0
6. Representative for contract negotiations	5.0
7. Contingencies	30.0
<b>Total</b>	<b>400.0</b>

Note: The project preparation is estimated to cost \$400,000, to be funded from TA 8251-MYA. The government will provide counterpart support in the form of surveys, counterpart staff, office accommodation, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions. The value of government contribution is estimated to account for 10% of the total project preparation cost.

<sup>a</sup> Domestic consultants will be sourced as required under surveys and studies due to limited availability of national consultants in Myanmar.

<sup>b</sup> Equipment

Type	Quantity	Cost (\$)
2 desktop computers with software, 1 color laser printer, and 1 color copy machine	Lump sum	10,000

Note: Upon completion of the TA, the equipment will be handed over to the executing and/or implementing agency.

<sup>c</sup> Workshops, local training, seminars, and conferences (to be administered by consultants)

Purpose	Number of Participants	Venue and Location	Duration	Cost (\$)
Tripartite meetings	15–20	Nay Pyi Taw and project site	2–3 days	5,000
Stakeholder meetings	10–30	Project site	1–2 days	5,000

## D. Consulting Services

7. The project due diligence will be implemented over a period of 5 months, between May 2013 and October 2013. Consultancy services will be provided by individuals as provided for under TA 8251. It will require 15.5 person-months of international consultants; due to limited national consultants, such inputs as might be required will be provided under studies and surveys. During project due diligence, ADB will work closely with the Ministry of Construction (MOC) and Public Works staff assigned to the project on a permanent or part-time basis, as required. ADB will select and engage the international consultants in accordance with ADB's Guidelines on the Use of Consultants (2010, as amended from time to time). Table A4.3 shows the summary of consulting services requirement. The consultant team leader will be responsible for the administration of workshop training, seminars and conferences, and surveys and/or studies under the project due diligence. Equipment and assets purchased under the work will adhere to ADB's Procurement Guidelines (2010, as amended from time to time), and upon completion of the project, the assets will be turned over to the executing agency (MOC).



**Table A4.3: Summary of Consulting Services Requirement**

<b>Positions</b>	<b>International (person-months)</b>
Team Leader/Highway Engineer	3.5
Transport Economist	1.5
Bridge Engineer	0.5
Contracts/procurement specialist	5.0
Finance Management Specialist	1.5
Resettlement Specialist	1.0
Environmental Specialist	1.0
Social Development/Gender Specialist	1.5
<b>Total</b>	<b>15.5</b>

Source: ADB estimates.

8. The team leader will coordinate all project due diligence activities and engage with key stakeholders. The team leader will conduct the engineering study and road safety audit of the proposed project and, together with the contracts/procurement specialist, prepare a detailed plan for implementation of the project, including civil works, consulting services, and other necessary contracts, procurement method, and detailed cost estimate. The bridge engineer will assist with the engineering and cost estimates of the bridge at kilometer 26 on the Maubin to Kyailat section, and also assist the other engineers in the assessment of landing facilities at river crossing points. The engineers will work with safeguards specialists on resettlement, environmental, and social safeguards to minimize potential negative environment and social impacts, including gender issues.

9. The financial management consultant will review cost estimates and financing plan; implementation arrangements; fund flow mechanism, auditing, and disbursement arrangements; risk analysis, financial risks and mitigation, and covenants; financial analysis; and financial management assessment and other financial due diligence of the Project.

10. The consultants will prepare a cost estimate for the civil works and a program for improved capability of Public Works of MOC in procurement and project management, and those of design review and supervision consultants that will assist Public Works in project implementation. They will also prepare all documents such as draft report and recommendation to the president, related linked documents, including a draft project administration manual, good governance framework, and other documents necessary to get the project approved by the Board. The transport economist will conduct economic analysis for the project road to confirm economic viability, and conduct risk and sensitivity analyses.

## **E. Implementation Arrangements**

11. The counterpart agency for the project development would be MOC, specifically, within MOC, Public Works. Disbursements under the due diligence will follow ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

12. The project due diligence implementation schedule is listed in Table A4.4.

**Table A4.4: Project Due Diligence Implementation Schedule**

<b>Major Milestones</b>	<b>Expected Completion Date</b>
Loan Concept approval	May 2013
Inception mission	June 2013
Midterm review mission	September 2013
Submission of TA draft Final Report	January 2014
Submission of TA Final Report	February 2014
Loan fact finding mission	February–March 2014

TA = technical assistance.

Source: Asian Development Bank.

**INITIAL POVERTY AND SOCIAL ANALYSIS**

Country:	Myanmar	Project Title:	Maubin Phyarpon Road Rehabilitation Project
Lending/Financing Modality:	Project Loan	Department/Division:	Southeast Asia Department Transport and Communications Division

**I. POVERTY IMPACT AND SOCIAL DIMENSIONS**

**A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy**

The Interim Country Partnership Strategy (ICPS) for Myanmar was presented to the Board on 26 October 2012. The ICPS highlights road improvements in the Ayeyarwady Delta region as a priority for ADB assistance.

The project will support the government to improve transport connections to the rich agricultural and seafood areas of the Ayeyarwady Delta and, thus, support inclusive economic development by reducing transport costs and open up the flow of goods and people from the region to the major market of Yangon. As such, the project has a strong, indirect poverty reduction aspect.

**B. Targeting Classification**

- General Intervention
- Individual or Household (TI-H)
- Geographic (TI-G)
- Non-Income MDGs (TI-M1, M2, etc.)

As the project will support improved access to the Ayeyarwady Delta, the project is classified as general intervention as the improvements will be achieved through indirect actions to address poverty and social issues.

**C. Poverty and Social Analysis**

1. Key issues and potential beneficiaries.  
The potential primary beneficiaries of the project will be the people and agriculture and seafood industries of the Ayeyarwady Delta region.
2. Impact channels and expected systemic changes.  
The communities along the road will have improved access to social and economic services, allowing them to be used more often and become more affordable.
3. Focus of (and resources allocated in) the TA or due diligence.  
The TA will assess the local needs and incorporate these in the project design.
4. Specific analysis for policy-based lending.  
Not applicable.

**II. GENDER AND DEVELOPMENT**

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?  
Improved access to employment, health, and education opportunities upon completion of the road rehabilitation; female workers on road construction sites during construction.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?  Yes  No  
While improvements to the road will provide better access, being a rehabilitation of an existing road the project will have limited opportunities to provide new access, thus, focus more on improvements to access and economic activities.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?  Yes  No  
As a rehabilitation of the existing road, there will be no adverse impacts on gender inequality.



3. Will the project require broad community support of affected indigenous communities?  
 Yes  No
4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?  
 Indigenous peoples plan  Indigenous peoples planning framework  
 Social Impact matrix  Environmental and social management system arrangement  
 None

#### **V. OTHER SOCIAL ISSUES AND RISKS**

1. What other social issues and risks should be considered in the project design?
- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Creating decent jobs and employment<br><input type="checkbox"/> Labor retrenchment<br><input checked="" type="checkbox"/> Increase in human trafficking<br><input checked="" type="checkbox"/> Increase in unplanned migration<br><input checked="" type="checkbox"/> Creating political instability<br><input type="checkbox"/> Others, please specify _____ | <input checked="" type="checkbox"/> Adhering to core labor standards<br><input checked="" type="checkbox"/> Spread of communicable diseases, including HIV/AIDS<br><input checked="" type="checkbox"/> Affordability<br><input checked="" type="checkbox"/> Increase in vulnerability to natural disasters<br><input checked="" type="checkbox"/> Creating internal social conflicts |
|---|--|
2. How are these additional social issues and risks going to be addressed in the project design?  
 The TA will address social issues, as and if they are identified.

#### **VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT**

1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (vi) other social risks. Are the relevant specialists identified?  Yes  No
2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the PPTA or due diligence?  
 12.5 person months of consultants and additional studies and surveys, as required.