

PROJECT PREPARATORY TECHNICAL ASSISTANCE

1. The main objective of the proposed project preparatory technical assistance (PPTA) is to prepare the Northwest Region Power Transmission Line Project (the Project) and assist the executing agency undertaking advance procurement.

A. Justification

2. The PPTA is necessary on the following grounds:

- a. The Project is urgently needed in Uzbekistan.
- b. While the Government of the Republic of Uzbekistan has a plan to invest in the Project, there is a need to prepare a feasibility study and undertake due diligence as part of the requirements to process a loan.
- c. There is a need for specific expertise from a competent international consulting firm to prepare the Project considering its technical complexity and scale.

B. Major Outputs and Activities

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

Table A4.1: Summary of Major Outputs and Activities

Major Activities	Expected Commencement Date	Major Outputs	Expected Completion Date
Project Scope			
<ul style="list-style-type: none"> - Review relevant study reports - Gather relevant data and information - Assess power transmission and investment plan - Assess sector and project risks - Update power sector assessment 	June 2014	<ul style="list-style-type: none"> - Sector assessment report - Risk assessment report 	September 2014
Technical Design			
<ul style="list-style-type: none"> - Propose and define technical specifications - Prepare detailed cost estimates, procurement plan, and implementation schedule with disbursement projection - Update site survey and analysis - Conduct alternative analysis - Propose best available solution for river-crossings - Finalize the route 	June 2014	<ul style="list-style-type: none"> - Feasibility Study - Technical Specification report 	October 2014
Financial and Economic Analyses			
<ul style="list-style-type: none"> - Conduct economic and financial analyses with sensitivity analysis - Conduct financial management assessments of the executing agency - Conduct historical financial statements (FS) analysis and FS projection - Assess corporate management structure - Prepare project financing plan including on-lending schemes - Assess fund flow, disbursement mechanism and funding arrangements 	June 2014	<ul style="list-style-type: none"> - Economic and financial analysis report - Fund flow analysis report - Financial management assessment report 	October 2014

- Conduct least-cost analysis and demand forecast			
Safeguard			
- Assess environmental impacts and conduct public consultations			
- Prepare initial environmental examination (IEE) with environmental management plan (EMP)			
- Prepare Land Acquisition and Resettlement Plan (LARP)		June 2014	- IEE - LARP report - Draft SPRSS
- Conduct poverty, social analysis and social safeguards due diligence and prepare due diligence report			October 2014
Procurement			
- Assess procurement capacity			
- Give procurement training to the executing agency and PMU staff		December 2014	- Procurement capacity assessment report
- Assist the EA in recruiting consultants			December 2015

Source: Asian Development Bank

C. Cost Estimate and Proposed Financing Arrangement

4. The PPTA is estimated to cost \$900,000 equivalent, of which \$800,000 will be financed on a grant basis by the ADB's Technical Assistance Special Fund (TASF-V). The government will provide counterpart support in the form of office space, furniture, and counterpart staff. The detailed cost estimate is presented in Table A4.2. The government has been informed that the approval of the PPTA does not commit ADB to finance any ensuing project. All disbursements under the PPTA will be made in accordance with the *Technical Assistance Disbursement Handbook* (2012, as amended from time to time).

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

Item	Total Cost
A. Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (17 person-months)	402.0
ii. National consultants (40 person-months)	136.2
b. International and local travel	170.6
c. Reports, communications, and translations	10.0
2. Workshops, training, seminars, and conferences ^b	25.0
3. Vehicle ^c	0.6
4. Miscellaneous administration and support costs	1.4
5. Contingencies	54.2
Total	800.0^d

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-V).

^b Workshops, trainings, seminars, and conferences for stakeholder consultations and trainings. The cost includes interpretation and translation costs. Venues will be in Tashkent, Takhiatash and Navoi.

^c Vehicles will be rented for 4 months, particularly during fielding in Tashkent and for site survey.

^d The government's contribution will come in the form of counterpart staff, office space and office furniture for consultants, and other in-kind contributions. The value of government contribution is estimated at \$100,000 (approximately 11.8% of the total cost of \$900,000).

Source: Asian Development Bank estimates.

D. Consulting Services

5. The PPTA will employ (i) a consulting firm for preparing the feasibility study and technical specifications for the physical component, and (ii) individual consultants for assisting the executing agency in recruiting the project implementation consultants and preparing safeguard documents. There are 7 positions for international (17 pm) and 6 positions for national consultants (40 pm) (Table A4.3). The consulting firm will be recruited using quality- and cost-based selection (QCBS) method (80:20) with simplified technical proposal (STP), in accordance with ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time).

Table A4.3: Summary of Consulting Services Requirement

International Positions	Person-months	National Positions	Person-months
(firm)		(firm)	
Transmission Engineer- Team leader	5	Transmission Engineer	6
Transmission System Planning Expert	1		
Transmission Asset Management Expert	2		
Substation Engineer	3	Substation Engineer	5
Economic and Financial Expert	2	Economic and Financial Expert	3
Environment Safeguard Expert	2	Environmental Safeguards Expert	2
Subtotal	15		16
(individual)		(individual)	
Procurement Specialist	2	Procurement Expert	12
		Social Safeguards and Resettlement Specialist (2 positions)	12
Subtotal	2		24

Source: Asian Development Bank

6. The outline of the terms of reference for the PPTA consultants are described in paragraphs 7 to 8.

7. The consulting firm will undertake the following within 12 months (June 2014-May 2015):
- (i) Review and assess sector performance and identify sector development constraints;
 - (ii) Prepare energy sector overview and conduct sector risk assessment;
 - (iii) Conduct technical, financial and economic, environmental and social safeguard due diligence assessment of the Project including rapid gender analysis and social risk analysis (core labor standards);
 - (iv) Verify the technical design, scope and cost of the Project;
 - (v) Assess the structure and current status of transmission asset management and transmission planning systems, propose options for transmission system modernization and identify the most optimal solution;
 - (vi) Undertake economic and financial analysis of the Project according to ADB requirements and update financial management assessment of the executing agency;
 - (vii) Propose the most appropriate and cost-effective solutions for river-crossing towers;
 - (viii) Conduct alternative analysis and least-cost analysis for the Project;
 - (ix) Prepare IEE for the Project and conduct stakeholder consultations as required;
 - (x) Assist ADB fact-finding mission as required, and
 - (xi) Assist preparing relevant sections of the ADB's Report and Recommendation of the President (RRP), including all supporting documents and reports.

8. Individual consultants will undertake the following within 18 months (June 2014-December 2015):

- (i) Undertake social and poverty analysis;
- (ii) Prepare LARP for the Project and conduct stakeholder consultations as required;
- (iii) Assess the executing agency's procurement capacity;
- (iv) Provide procurement training for the executing agency's staff and Project Management Unit (PMU) staff in ADB procurement procedures, and
- (v) Assist the executing agency in preparing the request for proposal and recruitment of the consultant for project implementation consultant.

E. Implementation Arrangements

9. The State Joint-Stock Company Uzbekenergo will be the executing agency for the PPTA. PMU will be the project coordinating unit. A project manager will be appointed and will work on the preparatory works. Uzbekenergo has allocated and will continue to allocate sufficient resources and qualified personnel as required for the Project. The PMU will closely work with the consultants.

10. Uzbekenergo will assist the consultants in data gathering and preliminary analysis. Uzbekenergo will provide all necessary assistance to the consultants in liaising with other government ministries and agencies. Uzbekenergo will also provide and make available to the consultants, free of charge, the following facilities, services, equipment, materials, documents and information as required by the consultants for carrying out the PPTA:

- (i) Counterpart staff/technical support
- (ii) Office space: sufficient office space for the consultant team, with national telephone lines, electricity and air conditioning/heating, and internet
- (iii) Office furniture: desks, office chairs, and bookshelves/cabinets adequate to accommodate the full complement of international and local consultants
- (iv) Organizational support: assistance in all arrangements for workshops, meetings, and field visits; and access to required data, maps and other relevant information

11. The consultants will be responsible for their personal computers and other facilities for producing reports.

12. The proposed PPTA implementation schedule is listed in Table A4.4.

Table A4.4: Proposed Technical Assistance Implementation Schedule

Major Milestones	Expected Completion Date (consulting firm)	Expected Completion Date (individual consultant)
RFP issuance	March 2014	March 2014
Proposal evaluation	April 2014	April 2014
Contract signing	May 2014	May 2014
Inception mobilization	June 2014	June 2014
Inception report	June 2014	June 2014
IEE completion	September 2014	–
LARP completion	–	October 2014
Final due diligence and interim reports	October 2014	October 2014
Technical specification	December 2014	–
Draft final report	December 2014	December 2014
Final report	February 2015	February 2015

IEE = initial environmental examination; LARP = land acquisition and resettlement plan; RFP = request for proposal
Source: Asian Development Bank.