

## PROGRAM PREPARATORY TECHNICAL ASSISTANCE

### A. Justification

1. A technical assistance (TA) is required to prepare a results-based lending (RBL) program to be financed by the Asian Development Bank (ADB). The TA will conduct due diligence work, including assessments of the following government's systems that are related to the implementation of the RBL program: (i) the soundness of the government investment program, results and links with disbursements under the RBL program, expenditures and financing, and implementation arrangements; (ii) fiduciary and financial management systems; (iii) safeguard systems (environmental); (iv) procurement systems; and (v) monitoring and evaluation systems. As a result of the assessments, a program action plan will be developed, including strengthening of the government staff capacity. A program result framework and matrix will also be prepared with clear result indicators, including those to be chosen as disbursement-linked indicators (DLIs).

### B. Major Outputs and Activities

2. The major outputs and activities are summarized in Table A3.1.

**Table A3.1: Summary of Major Outputs and Activities**

<b>Major Activities</b>	<b>Major Outputs</b>	<b>Expected Completion Date</b>
1. Preparatory activities (stakeholder analysis, document collection and review)	Notes to the project team	15 March 2015
2. Conduct sector and subsector analysis and assessment	Sector/subsector assessment report	3 April 2015
3. Assess government sector investment program	Report on program soundness, program result assessment, and program expenditure and financing assessment	3 April 2015
4. Assess the program fiduciary and financial management systems, including a separate assessment on program procurement system	Program results framework	3 April 2015
5. Assess the program safeguard systems (environment)	Program fiduciary and financial management assessment report	3 April 2015
6. Develop the program monitoring and evaluation system	Program safeguard systems assessment report	3 April 2015
7. Conduct risk assessment for the RBL program	Program monitoring and evaluation systems assessment report	7 April 2015
8. Prepare program action plan	Program monitoring and evaluation system	7 April 2015
9. Prepare program implementation document	Integrated risk assessment and mitigating measures	6 April 2015
	Program action plan	10 April 2015
	Program implementation document	10 April 2015

Source: Asian Development Bank.

### C. Cost Estimates and Financing Plan

3. The TA is estimated to cost \$400,000 equivalent, of which \$350,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V). The government will provide counterpart support of \$50,000 equivalent through in-kind contributions. The detailed cost estimates are presented in Table A3.2.

**Table A3.2: Cost Estimates and Financing Plan  
(\$'000)**

Item	Total Cost
<b>A. Asian Development Bank<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (7.5 person-months)	165.0
ii. National consultants (20.0 person-months)	73.5
b. International and local travel	43.5
c. Reports, communications, outreach, and translation	5.0
2. Workshops, training, seminars, and conferences	
a. Workshop costs <sup>b</sup>	15.0
b. Training	15.0
3. Surveys	15.0
4. Miscellaneous administration and support costs	10.0
5. Contingencies	8.0
<b>Subtotal (A)</b>	<b>350.0</b>
<b>B. Government<sup>c</sup></b>	
1. Miscellaneous administration and support costs	50.0
<b>Subtotal (B)</b>	<b>50.0</b>
<b>Total (A+B)</b>	<b>400.0</b>

<sup>a</sup> Financed by the Asian Development Bank's (ADB) Technical Assistance Special Fund (TASF-V).

<sup>b</sup> Include rental and other logistic expenses for the workshop.

<sup>c</sup> The government will provide counterpart support of \$50,000 equivalent through in-kind contributions, i.e. qualified counterpart staff, necessary logistics, and data and documents

Source: Asian Development Bank.

### D. Consulting Services

4. The TA will require 7.5 person-months (pm) of international and 20.0 pm of national consultant services from a total of 11 consultants, to be engaged individually. ADB will engage the consultants in accordance with ADB's *Guidelines on Use of Consultants* (2013, as amended from time to time). Lump-sum payments and/or output-based contracts will be considered for consulting services under the TA when appropriate.

5. The outline terms of reference for the consultants are described below in paras. 6 to 13.

6. **Sector and subsector analysis.** One international consultant (also for the technical aspects) and one national disaster management consultants will be engaged to review the available analysis and assessment on the disaster risk management, particularly on seismic risk management. The consultants will conduct additional analysis and assessment, as necessary, on the strengths, weaknesses, opportunities, and threats of the institutional arrangements,

including the government policies, strategies, legislations, and plans, on seismic risk management. The consultants will identify the potential risks for the program design and implementation and recommended corrective measures and actions for inclusion in the program action plan with clear results and monitoring mechanisms.

7. **Technical aspects.** One international consultant (also for the sector and subsector analysis) and one national disaster management consultant will be engaged to assess the government's seismic safety investment program, including technical and economic soundness of the program (adequacy and economic efficiency), results and links with disbursements under the RBL program, expenditures and financing, and implementation arrangements. Necessary measures and actions to be taken to strengthen the government investment program will be identified for inclusion in the program action plan with clear results and monitoring mechanisms.

8. **Economic analysis.** The consultants, during the assessment of the government's seismic safety investment program, will assess the cost-efficiency of the program, including economic rationale; appropriateness of the building codes and standards; demands and prioritization criteria; adequacy and cost efficiency of selected technical solutions; and complementary measures to maximize investment impact, including the maintenance of the renovated school buildings.

9. **Fiduciary systems assessment.** One international financial management consultant, one national financial management consultant, and one national procurement consultant will be engaged to assess the program's fiduciary systems' ability to manage fiduciary risks and provide reasonable assurance for the appropriate use of program funds. The overall output will be a fiduciary systems assessment and a procurement system assessment, which assess financial management, procurement and corruption risks and recommend mitigating measures, including capacity-development activities for inclusion in the program action plan with clear results and monitoring mechanisms.

10. **Safeguards assessment (Environment).** One national environment consultant will be engaged to assess the program environment safeguard system in accordance with RBL guidance and develop action plans to address the gaps and recommend measures for using the national environmental regulations in accordance with the principles of ADB's *Safeguard Policy Statement* (2009). This will be based on the Armenia country assessment of environmental safeguard capacity study, which has recently been endorsed by Ministry of Environment and Natural Resources. The safeguard management system will consist of a screening checklist for potential environmental impacts which may affect the program design and recommended necessary measures and actions for mitigation, with clear results and monitoring mechanisms.

11. **Monitoring and evaluation.** One international and one national monitoring and evaluation consultants will be engaged to assess the government monitoring and evaluation systems and identify gap that may affect the program implementation and results monitoring and evaluation. Based on the integrated risk assessment, the program action plan and the gap identified, the consultants will develop a monitoring and evaluation system for the program.

12. **Social, poverty, and gender analyses.** One national social and gender development consultant will be engaged to prepare poverty and social analysis using participatory methods in accordance with ADB's *Handbook on Poverty and Social Analysis – A Working Document* (2012) and the operations manual on Incorporation of Social Dimensions into ADB Operations (OM Section C3) to assess the type and significance of the project impacts on the poor, women and any other vulnerable groups. The consultant will review ADB tip sheet on gender and

disaster risk management (2014) and existing guidelines or work done in Armenia on gender and earthquake. The consultant will support the consultants doing the assessment of the government's seismic safety investment program, by analyzing from a social and gender perspective how the government program differentially affects female, male, and disabled students, or other groups of students. The consultant will recommend the measures and actions for engaging and empowering the civil society organizations, women, and disadvantaged group during the program implementation to maximize the project impact, which will be included in the program action plan with clear results and monitoring mechanisms.

13. **Integrated risk assessment for the program.** All consultants engaged under the TA will assist the project team in reviewing and consolidating the risks identified and measures and actions recommended by the assessments described in paras. 6-12 and develop a risk mitigation plan with clear results and monitoring mechanisms.

14. In addition, a contract management coordinator will be engaged to manage and coordinate the administrative and contractual matters under the TA.

## E. Implementation Arrangements

15. The Ministry of International Economic Integration and Reforms will be the executing agency for the TA, which will coordinate among the relevant government agencies for the program design and preparation. The government will provide qualified counterpart staff, necessary logistics, and data and documents. Disbursements under the TA will be done in accordance with ADB's *Technical Assistance Disbursement Handbook* (May 2010, as amended from time to time).

16. The proposed TA processing and implementation schedule is listed in Table A3.3.

**Table A3.3: Technical Assistance Processing and Implementation Schedule**

<b>Major Milestones</b>	<b>Expected Completion Date</b>
Concept paper with TA approval	II March 2015
TA commencement	III March 2015
Draft final reports	15 April 2015
Final reports	15 May 2015
Completion of TA	30 June 2015
Financial closure	30 September 2015

TA = technical assistance.

Source: Asian Development Bank.