

PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Justification

1. The government of Sri Lanka has requested the Asian Development Bank (ADB) for a project preparatory technical assessment (PPTA) to conduct the necessary due diligence for the project. The team will review and update the feasibility studies undertaken and prepare the project in accordance with government's and the ADB's standards and requirements.

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

Major Activities	Expected Completion Date	Major Outputs	Expected Completion Date
PPTA consultants mobilized Stakeholder Consultations	May 2016 July 2016	Inception Report	June 2016
Review of feasibility studies, financial evaluation of project and financial analysis of entities	July 2016	Mid-term Review Report	July 2016
Conduct socioeconomic and other surveys	August 2016		
Safeguard assessments	September 2016	Environment and Social safeguard assessments	September 2016
Feasibility design, including preliminary cost estimates, economic and financial assessments, procurement capacity assessments, governance, gender and climate change assessments	September 2016	Draft final report Draft procurement plan Draft RFP for project management consultants	September 2016
Project management, and advisory support to executing agency, and implementing agencies	Throughout the PPTA	Monthly progress reports Final report	Monthly October 2016

PPTA = project preparatory technical assistance, RFP = request for proposal

Source: Asian Development Bank estimates.

C. Cost Estimate and Proposed Financing Arrangement

3. The TA is estimated to cost \$600,000 equivalent, which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources). The use of TASF is required to expedite loan processing and meet the government's development plan for the North. The government will provide counterpart support in the form of counterpart staff, provision of office space (in Jaffna and Colombo), communication facilities for consultants, and other in-kind contributions. The detailed cost estimate is presented in Table A3.2.

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

Item	Total Cost
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (10 person-months)	265.0
ii. National consultants (24 person-months)	144.0
b. International and local travel	40.0

Item		Total Cost
2.	c. Reports and communications	5.0
2.	Equipment (computer, printer, etc.) ^b	7.0
3.	Workshops, training, seminars, and conferences ^c	7.5
4.	Vehicles ^d	35.0
5.	Surveys	50.0
6.	Miscellaneous administration and support costs	5.0
7.	Contingencies	41.5
Total		600.0

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

^b Equipment includes computer, photocopiers, printers, to be handed over to the executing agency at the end of the PPTA.

^c Workshops, training, seminars, and conferences, for focus group discussions in project area and inception, midterm, and final PPTA workshop.

^d Vehicle rental for two vehicles for field visits and surveys for 6 months each.

Source: Asian Development Bank estimates.

D. Consulting Services

4. The PPTA consulting contract will be implemented over 6 months, from May 2016 to October 2016. ADB will engage a consultancy firm (consisting of 10 person-months of international experts and 24 person-months of national experts) using the quality- and cost-based selection method at a ratio of 90:10 based on simplified technical proposal. Consultants will be engaged in accordance with ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time), and all procurement will be in accordance with ADB's *Procurement Guidelines* (2015, as amended from time to time). The terms of reference of the consulting services are summarized below.

Table A3.3: Summary of Consulting Services Requirement

Positions	Person-Months Required
International	
Team Leader/Harbor Engineer	5.0
Aquaculture Specialist	2.0
Environment Specialist	1.5
Economist	1.5
National	
Deputy Team Leader/Institutional and Community	
Development Specialist	4.0
Infrastructure Engineer	3.0
Poverty, Social and Gender Specialist	3.0
Procurement Specialist	2.0
Coastal Engineer	1.5
Aquaculture Specialist	2.5
Financial Specialist	2.0
Economist	2.0
Involuntary Resettlement Specialist	1.5
Environment Specialist	2.5

Source: Asian Development Bank estimates.

5. The outline terms of reference for the project preparatory TA consultants are described in paras. 6 to 16.

6. **Team Leader/Harbor Engineer** (international, 5 person-months). The Team Leader will have a post-graduate civil engineering degree (or equivalent), at least 15-years of experience in undertaking similar projects, including design and construction of maritime infrastructure. Demonstrated experience in team leadership with ADB project preparation teams is an advantage. Tasks include (i) overall management of the TA team, (ii) managing client relationships with the government and ADB, (iii) leading the design of output 1, (iv) preparing the necessary project documents, and (v) submitting progress reports.

7. **Deputy Team Leader/Institutional and Community Development Specialist** (national, 4 person-months). The consultant will have a post-graduate degree in social development or related subject, with over 15 years of experience, including community development in particular fisheries sector. The consultant will (i) support the team leader in all areas of TA delivery, (ii) take the lead in the design of outputs 3 and 4, and (iii) undertake a sector analysis and assessment.

8. **Aquaculture Specialist** (international, 2 person-months; national, 2.5 person-months). Both international and national consultants will have post-graduate degrees in aquaculture. The international consultant will have over 15 years of work experience, including working in developing countries. The national consultant will have over 10 years of related experience. The consultants will (i) review ongoing pilot initiatives, and (ii) prepare a sustainable aquaculture development plan and investment proposal for the project area.

9. **Environment Specialist** (international, 1.5 person-months, national, 2.5 person-months). The consultants will have post-graduate degrees in environmental science/management/engineering. The international consultant will have at least 12 years related experience in preparing environmental impact assessments, assessing impacts of climate change and undertaking vulnerability assessments. The national consultant will have at least 10 years of related experience. The consultants will (i) recommend measures for improve coastal resources management; (ii) prepare environmental assessments complying with ADB's Safeguard Policy Statement (2009) (SPS); and (iii) lead the preparation of the climate risk and vulnerability assessment together with inputs from coastal engineer.

10. **Economist** (international, 1.5 person-months, national, 2 person-months). The consultant will have a post-graduate degree in economics and 10 years related experience in conducting economic and financial analysis of similar projects. The consultant will (i) undertake a detailed economic analysis in accordance with ADB's Guidelines for the Economic Analysis of Projects and other relevant publications; (ii) identify the economic risks associated with the project and undertake a sensitivity and risk analysis; (iii) undertake a demand and market analysis (iv) prepare the project costing; and (v) guide the national Economist and Financial Specialist.

11. **Infrastructure Engineer** (national, 3 person-months). The consultant will have a post-graduate degree in civil engineering and over 12 years' experience and demonstrated experience in designing coastal/marine related infrastructure. The consultant will (i) review and update of harbor designs; (ii) prepare preliminary designs and cost estimates for other related infrastructure; and (iii) provide necessary inputs for the feasibility study.

12. **Poverty, Social and Gender Specialist** (national, 3 person-months). The consultant will have a master's degree in social sciences and 10 years of relevant work experience. The consultant will prepare the (i) poverty and social assessment (PSA) report with assessment on project's impacts on poverty reduction, gender equality, compliance with core labor standards, and participation; (ii) gender action plan; (iii) participatory and communication plan; and (iv) summary poverty reduction and social strategy. The PSA will be prepared in accordance with ADB's *Handbook on Poverty and Social Analysis* (2012).

13. **Procurement Specialist** (national, 2 person-months). The consultant will hold a degree in a relevant discipline and preferably at least five 5 years of experience in procurement practices and has previous experience with ADB-funded or World Bank-funded projects. The consultant will (i) undertake a procurement assessment of the sector, Ministry of Rehabilitation, Resettlement and Hindu Religious Affairs (MRRHRA), Ceylon Fisheries Harbor Corporation (CFHC) and National Aquaculture Development Authority (NAQDA); (ii) prepare the procurement plan for the project, and assist in the preparation of initial bidding documents in

line with ADB's *Procurement Guidelines* (2015, as amended from time to time); (iii) assist in the preparation of terms of reference and request for proposals for project management consultants and any other consultancy package; and (iv) provide training on ADB's procurement procedures to counterpart staff.

14. **Coastal Engineer** (national, 1.5 person-months). The consultant will have a post-graduate degree in coastal engineering and have around 10 years of related experience. The consultant will (i) assess the impact of project interventions on coastal processes and identify areas of accretion and erosion; (ii) identify suitable coast protection measures; and (iii) together with the environment specialists, undertake a climate risk and vulnerability assessment.

15. **Financial Specialist** (national, 2 person-months). The consultant will have a post-graduate degree in finance, or accounting, or a relevant professional qualification, and 8 years of related experience. The consultant will (i) prepare cost estimates and financing plan; (ii) undertake a financial management assessment of the executing and implementing agencies; (iii) recommend the fund flow mechanism, auditing, and disbursement arrangements; (iv) undertake a financial evaluation of project and analysis of the entities; and (v) review other financial due diligence of the project.

16. **Involuntary Resettlement Specialist** (national, 1.5 person-months) The consultant will have a master's degree in social sciences and 10 years of relevant work experience. The consultant will prepare all requirements related with social safeguards especially involuntary resettlement as described in the SPS, and will include (i) short due diligence report on involuntary resettlement to enable in categorizing the project based on the SPS; and (ii) if the due diligence report warrant's preparation of resettlement plan, prepare resettlement plan report in close consultation with affected people and incompliance with the SPS.

E. Implementation Arrangements

17. The executing agency will be the MRRHRA and the implementing agencies will be the CFHC, and NAQDA, under the Ministry of Fisheries and Aquatic Resources. MRRHRA will appoint a project manager dedicated to the PPTA to monitor the day-to-day progress of implementation and prepare necessary documents and reports. The project manager will oversee the consultants' activities and facilitate all facets of PPTA administration with the support of additional staff appointed by the implementing agencies. The MRRHRA, CFHC, and NAQDA will provide (i) counterpart staff who will work closely with the consultants; (ii) office facilities in Colombo and Jaffna; and (iii) communication facilities. Disbursements will be done in accordance with ADB's *Technical Assistance Handbook* (2010, as amended from time to time). The proposed PPTA processing and implementation schedule is listed in Table A3.4.

Table A3.4: Technical Assistance Processing and Implementation Schedule

Major Milestones	Expected Completion Date
PPTA approval	December 2015
Consultants mobilized	May 2016
Inception mission	June 2016
Mid-term review mission	July 2016
Submission of PPTA draft final report	September 2016
Submission of PPTA Final Report	October 2016
PPTA completion date	October 2017 ¹

PPTA = project preparatory technical assistance.

Source: Asian Development Bank estimates.

¹ TA will be kept open beyond submission of final report to support advance action in procurement of works and consultancy services to meet loan readiness conditions.