

APPENDIX 3: PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Justification

1. The project preparatory technical assistance (PPTA) is needed to undertake sector preparatory work and define the scope of the proposed City Region Development Project II (CRDP II). The PPTA will carry out due diligence on technical, economic, financial, governance, safeguards, gender, and social aspects for the ensuing project. Assisting the target city corporations/*pourashavas* (secondary towns) along the Southwest Economic Corridor is an integral part of project preparation, without which the project implementation may face significant start-up delays. Project Design Advance (PDA) is also proposed for the project. The PPTA and PDA schedules are synchronized to maximize knowledge transfer.

B. Major Outputs and Activities

2. The PPTA will conduct technical, financial, economic, social, environmental due diligence, and develop resilience criteria for prioritization and selection of subprojects. The priority subprojects will be identified with cost estimates. Environmental and involuntary resettlement classification for the project will be finalized, and safeguards documents will be prepared. The PPTA will enhance project readiness by assisting the Government of Bangladesh in undertaking advance actions, including identification of lands for project facilities. The Cities Development Initiative for Asia (CDIA) has assisted in the preparation of a sector assessment, road maps, and investment plan, and a pre-feasibility study for Khulna and Gazipur city corporations.¹ The PPTA will consider the CDIA study outputs to perform the abovementioned tasks.

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

Table A3.1: Summary of Major Outputs and Activities
(including Cities Development Initiative for Asia Activities)

Major Activities (<i>CDIA tasks shown in italics to show links to the PPTA</i>)	Expected Completion Date	Major Outputs	Expected Completion Date
1. <i>CDIA Preparatory Activities</i> 1.1 <i>Establish methodology and context</i> 1.2 <i>Develop work program</i>	<i>May 2016</i>	<i>CDIA Inception Report</i>	<i>May 2016</i>
2. <i>CDIA Sector Analysis, Data Collection, and Review of Government Proposals</i> 2.1 <i>Review sector strategy and recommend improvements</i> 2.2 <i>Refine project rationale</i> 2.3 <i>Review existing data and feasibility studies, and identify data gaps</i> 2.4 <i>Conduct surveys and data collection</i> 2.5 <i>Confirm and prioritize subprojects for the two city corporations</i>	<i>July 2016</i>	<i>CDIA Interim Report</i>	<i>July 2016</i>
3. <i>CDIA Roadmap and Feasibility Assessment:</i>	<i>November 2016</i>	<i>CDIA Draft Feasibility Report</i>	<i>November 2016</i>

¹ The CDIA activities include (i) conducting rapid sector assessments of long- and medium-term development plans for the solid waste, road, drainage, and sewerage sectors of the Gazipur and Khulna city corporations; (ii) preparing a road map of 10–20 years; (iii) providing an investment plan; (iv) undertaking technical pre-feasibility studies and assisting the government in evaluating and prioritizing components; (v) preparing cost estimates; (vi) preparing preliminary engineering designs for priority subprojects; and (vii) assessing the social and environmental feasibility and suggesting design features to ensure that CRDP II will lead to urban poverty reduction and sustainability.

Major Activities (<i>CDIA tasks shown in italics to show links to the PPTA</i>)	Expected Completion Date	Major Outputs	Expected Completion Date
<i>3.1 Update existing and prepare new feasibility studies</i>			
<i>3.2 Prepare Master Plan and Roadmap</i>			
<i>3.3 Prepare preliminary engineering designs for the two city corporations</i>			
<i>3.4 Prepare detailed engineering designs for priority subprojects</i>			
<i>3.5 Prepare cost estimates and financing plan</i>			
4.1 Prepare detailed PPTA work plan and schedule	February 2017	Inception Report	February 2017
4.2 Prepare selection criteria and select sample project areas			
5.1 Data collection			
5.2 Research and analysis			
5.3 Competitiveness surveys			
5.4 Propose design of the project	February 2017	Interim workshop	February 2017
5.5 Assess technical, economic, and financial viability, and disaster and climate resilience. Assess financial management, procurement, anticorruption measures, policy and legal frameworks, and other institutional issues and mechanisms, poverty reduction, gender and social impact assessment, and safeguards.	June 2017	Draft final report	June 2017
6.1 Final design of the project	September 2017	Final report	September 2017
7.1 Support for enhancement of project readiness and expediting implementation	March 2018	Performance assessment report	March 2018

CDIA = Cities Development Initiative for Asia, PPTA = project preparatory technical assistance.
Source: Asian Development Bank estimates.

C. Cost Estimate and Proposed Financing Arrangement

4. The PPTA is estimated to cost \$612,500 equivalent, of which \$400,000 will be financed on a grant basis by Technical Assistance Special Fund (TASF-V) of the Asian Development Bank (ADB) and \$212,500 will be financed on a grant basis by the Netherlands Trust Fund under the Water Financing Partnership Facility (WFPF) and administered by ADB. The funding for \$212,500 from the Netherlands Trust Fund under WFPF has been approved. The government will provide support in the form of counterpart staff, office and housing accommodation, office supplies, secretarial assistance, provision of office space, communication facilities for consultants, and other in-kind contributions. Detailed cost estimates are presented in Table A3.2.

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

Item	Total Cost
A. Netherland Trust Fund under WFPF^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	100.0
ii. National consultants	100.0
b. International and local travel	10.0
c. Reports and communications	2.5
Subtotal (A)	212.5
B. Asian Development Bank^b	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	150.0
ii. National consultants	100.0
b. International and local travel	22.0
c. Reports and communications	2.0
2. Equipment (computer, printer, etc.) ^c	5.0
3. Workshops, training, seminars, and conferences ^d	50.0
4. Vehicle ^e	5.0
5. Surveys	20.0
6. Contingencies	46.0
Subtotal (B)	400.0
Total (A+B)	612.5

^a Netherlands Trust Fund under the Water Financing Partnership Facility (WFPF) administered by the Asian Development Bank.

^b Financed by the Asian Development Bank's TASF-V.

^c Equipment (turnover of the equipment to Local Government Engineering Department upon completion of the project preparatory technical assistance)

Type	Quantity	Cost
Computers	2	\$3,000
Printer	1	\$1,000
Miscellaneous	Lump sum	\$1,000

^d Workshops, training, seminars, and conferences

Purpose	Venue
Consultation workshops (3)	Government office or hotel

^e Vehicle rental: Leasing one vehicle is deemed essential as many travels inside Dhaka and field visits to distant project city corporations/*pourashavas* would be required.

Source: Asian Development Bank estimates.

D. Consulting Services

5. The PPTA will require about 60 person-months of consulting services (21 international and 39 national). ADB will recruit consultants on firm and individual basis, who will work together with the PDA consulting firm to achieve better cooperation. All consultants will be recruited in accordance with the Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers (2013, as amended from time to time). International experts (12 person-months) and national experts (33 person-months) should provide the services through a firm. An international firm will be recruited using quality- and cost-based selection method with a quality-cost ratio of 90:10 and will require bio-data technical proposal. The consulting firm will be engaged to undertake technical, financial, economic, and safeguards due diligence; individual consultants (9 person-months international and 6 national) will take independent assignment and provide assistance in quality control and enhance project readiness (Table A3.3).