

PROJECT PREPARATORY TECHNICAL ASSISTANCE

Justification

1. The project preparatory technical assistance (TA) is necessary to: (i) review the technical and economic viability and designs of the four investment projects under the North Central Province Canal Program (NCPCP); (ii) review and update safeguard measures; (iii) review civil works contract documents and ensure they meet ADB's criteria; (iv) prepare the consulting package for the Program Design and Management Consultant (PDMC); (v) design the consulting services package for improving system efficiencies and water productivity (ISEWP); (vi) undertake financial and procurement assessments of the Ministry of Irrigation and Water Resources Management (MIWRM, executing agency), and Mahaweli Authority of Sri Lanka (MASL) and Department of Irrigation (DOI) who are the implementing agencies; and (vii) prepare all requirements to meet the processing criteria for a multi-tranche financing facility (MFF) and Tranche 1.

Major Outputs and Activities

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

Table A4.1: Summary of Major Outputs and Activities

Major Activities	Expected Completion Date	Major Outputs	Expected Completion Date
PPTA consultants mobilization	April 2014	Inception Report	May 2014
Technical assessment	July 2014	PDMC EOI	June 2014
Safeguards assessment	July 2014	PDMC RFP	July 2014
Economic appraisal	July 2014	FMA	July 2014
Review contract documents for Tranche 1 civil works	July 2014	Procurement Assessment	July 2014
Evaluate PDMC proposals	September 2014	RRP	October 2014
PDMC mobilized	October 2014	PDMC contract awarded	October 2014
PPTA completion	December 2014	Tranche 1 contracts awarded	November 2014

EOI = expression of interest, FMA = financial management assessment, PDMC = Program Design and Management Consultant, PPTA = project preparatory technical assistance, RFP = request for proposal, RRP = Report and Recommendation of the President.

Source: Asian Development Bank.

Cost Estimate and Proposed Financing Arrangement

3. The TA is estimated to cost \$850,000 equivalent, of which \$800,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V). The use of TASF is required to expedite loan processing and meet the government's development schedule. The government has been advised that approval of the TA does not commit ADB to financing any ensuing investment program. The detailed cost estimate is in Table A4.2.

Consulting Services

4. The TA will be implemented over a period of 12 months tentatively from April 2014 to March 2015. Nine individuals comprising seven international consultants and two national consultants, providing 27.5 person-months of input, will be engaged to undertake the TA. Resources are also available to recruit additional consultants to address specific unforeseen issues as they arise. Table A4.3 summarizes the consulting services requirement for the individuals.

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

Item	Total Cost
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (19.5 person-months)	490.0
ii. National consultants (8 person-months)	45.0
b. International and local travel	60.0
c. Reports and communications	10.0
2. Workshops, training, seminars, and conferences ^b	
a. Facilitators	3.0
b. Venue hire and catering	5.0
3. Vehicle ^c	20.0
4. Surveys	35.0
5. Miscellaneous administration and support costs	10.0
6. Contingencies	122.0
Total	800.0

Note: The technical assistance is estimated to cost \$850,000 equivalent, of which contributions from the Asian Development Bank are presented in the table above. The government will provide counterpart support in the form of counterpart staff, office accommodation, office supplies, secretarial assistance, domestic transportation, provision of office space, communication facilities for consultants, and other in-kind contributions. The value of government contribution is estimated to account for 6% of the total TA cost.

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

^b Workshops, training, seminars, and conferences.

Purpose	Venue
Focus group discussions for surveys	Available venues in project areas

Vehicle	
Rented for field visits and surveys	8 months

Source: Asian Development Bank.

Table A4.3: Summary of Consulting Services Requirement

Positions	Person-Months Required
International	
Team Leader	5.0
Irrigation and Water Resources Specialist	2.5
Tunneling Specialist	3.0
Safeguards and Social Development Specialist	3.0
Economist and Financial Management Specialist	2.5
Procurement Specialist	1.5
Communications Specialist	2.0
National	
Financial Management Specialist	3.0
Communications Specialist	5.0

Source: Asian Development Bank estimates

5. Individual specialists will be engaged to prepare the TA as: (i) preparation of projects under Tranche 1 are well advanced as the government has prepared detailed designs, cost estimates and contract documents, and the environment safeguard documents are under preparation; (ii) the specialists will undertake due-diligence of the available documents, amend if necessary, and prepare necessary Board documents; (iii) MIWRM, MASL and DOI will provide support where necessary; and (iv) recruiting individual specialists is more appropriate within

given time and cost constraints. The outline terms of reference are described in paragraphs 6 to 13.

6. **Team Leader** (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, and preferably has recent experience of leading ADB project preparation teams. The specialist will be responsible for overall management of the TA team of independent consultants and (i) managing client relationships with the government and ADB; (ii) conducting quality control of outputs from TA team members; (iii) overall sequencing of the investment; (iv) preparing the necessary MFF and loan documents; (v) preparing inception, interim and final reports; and (vi) supporting ADB missions.

7. **Irrigation and Water Resources Specialist** (international, 2.5 person-months). The specialist will have a suitable post-graduate qualification and at least 20 years of applicable experience. The specialist's responsibilities will include: (i) assessing the water balance of the Mahaweli system and considering future water availability accounting for planned national developments, land use changes, siltation, and anticipated climate change; (ii) reviewing the layouts and designs of the investment projects and confirm they are suitable to meet the needs of the investment program, and recommend improvements; (iii) undertaking a sector analysis and assessment of MIWRM, MASL, DOI, and other relevant government agencies following diagnostic analysis approach, including establishing the institutional and legal context of this investment program and its linkages with other national initiatives; (iv) reviewing the legislative framework and institutional structure and arrangements governing the sector and recommend improvements, if any; and (v) designing the ISEWP consultant package.

8. **Tunneling Specialist** (international, 3 person-months). The specialist will have a post-graduate qualification in civil engineering and at least 15-years of experience in designing and implementing tunnel projects. The specialist's responsibilities include: (i) reviewing designs and geological survey information for all planned tunnel segments; (ii) recommending additional geotechnical investigations, if necessary, and supporting the government with supervising the investigations and analysis of results; (iii) finalizing the detailed designs for the North Western Province tunnel; (iv) updating the cost estimates and implementation schedule for constructing the tunnels; (v) designing the feasibility design consultant package for preparing the feasibility designs of the tunnels and associated facilities, including preparing the consultant's terms of reference (the level of detail of the feasibility designs should be appropriate for the Engineering, Procurement and Construction contracting modality); and (vi) providing advice on the pre-qualification requirements and selection criteria for works in Tranche 2.

9. **Safeguards and Social Development Specialist** (international, 3.0 person-months). The specialist will have at least 10 years of experience in formulating and implementing Resettlement Plans, Indigenous Peoples Plans, and addressing social development issues. The specialist will have at least a Master's degree in any of the social sciences. The specialist's responsibilities will include: (i) preparing a social impact assessment of the identified project affected persons from both involuntary resettlement and Indigenous Peoples policies perspectives, following ADB's Safeguard Policy Statement (2009);¹ (ii) undertaking a 100% census of the affected persons based on a preliminary design of the projects; (iii) undertaking a

¹ For guidance on the tasks listed, in addition to ADB's Safeguard Policy Statement (2009), also refer to ADB's Operations Manual Section F1 on Safeguard Policy Statement issued on 1 October 2013, available at <http://www.adb.org/sites/default/files/OM-F1-20131001.pdf> and ADB's Involuntary Resettlement Safeguards: A Planning and Implementation Good Practice Sourcebook (Draft Working Document), available at <http://www.adb.org/documents/involuntary-resettlement-safeguards-planning-and-implementation-good-practice-sourcebook-d> for guidance on the tasks listed above.

sample socio-economic survey; (iv) preparing a resettlement framework for the investment program; (v) preparing a resettlement plan for Tranche 1; (vi) carrying out both a poverty analysis and a gender analysis of the population within the investment program area; (vii) preparing a communication plan and supporting its implementation; (viii) preparing a Summary Poverty Reduction and Social Strategy for the investment program; (ix) reviewing and updating the Environmental Impact Assessment and Initial Environmental Examination; and (x) preparing an Environmental Assessment Review Framework.

10. **Economist and Financial Management Specialist** (international, 2.5 person-months). The specialist will have a post-graduate degree in Economics, or equivalent, with at least 10 years of professional experience in undertaking economic assessments, preferably within the irrigation, agriculture and water resources management sectors. The specialist will also have experience in financial assurance, impact evaluation and drinking water valuation. Understanding of econometrics and economic surplus analysis is also important. Experience in ADB or other externally assisted programs will be considered an advantage. Responsibilities will include: (i) undertaking a detailed economic analysis in accordance with ADB's Guidelines for the Economic Analysis of Projects (1997); (ii) identifying the economic risks associated with the investment program and undertaking a sensitivity and risk analysis; (iii) preparing the costing of the investment program and Tranche 1; and (iv) guiding the Financial Management Specialist.

11. **Financial Management Specialist** (national, 3 person-months). The specialist will have financial assurance experience, which would include relevant prior ADB or other MDB experience, preferably in the same country and sector. The specialist should have at least five years of relevant experience, and have a Master's Degree or equivalent in Finance, or a relevant professional qualification such as a CA, CPA, CIMA, etc. and have good understanding of public financial management and international best practices in accounting and auditing. The specialist will undertake financial evaluation and analysis of the investment program and financial management assessment of MIWRM, MASL, and DOI as per ADB requirements.

12. **Procurement Specialist** (international, 1.5 person-months). The specialist will hold a degree in a relevant discipline and preferably at least five years of experience in procurement practices. The specialist's responsibilities include: (i) undertaking a procurement assessment of MIWRM, MASL, and DOI; (ii) preparing the procurement plan for each tranche, and assisting and advising on the preparation process of the procurement documents and materials in line with the requirement of the government and for ADB financing; (iii) assisting on advance recruiting of the PDMC under the project design advance; (iv) reviewing the contract packages and documents for advance action subprojects and assisting MIWRM, MASL, and DOI with improving them to meet ADB requirements; (v) supporting MASL and DOI with awarding and mobilizing the Tranche 1 contractors; and (vi) undertaking seminars with the government.

13. **Communications Specialists** (international, 2.0 person-months; national, 5.0 person-months). Both specialists will have relevant post-graduate qualifications in communication, journalism, social sciences, public affairs, political science, or international relations with at least 10 years of relevant experience in developing and implementing communication strategies. Previous experience with multilateral development banks is preferred. The national specialist, and preferably the international specialist, will know and understand the socio-political, economic, and cultural background of Sri Lanka. The specialists will: (i) undertake a diagnostic of the overall communication needs, both during investment program design and during implementation, including assessing communication needs of project-affected people, civil society organizations, and stakeholders; (ii) develop a strategic communication program for the investment program including relevant terms of reference for the PDMC; and (iii) support MIWRM, MASL and DOI with initiating the communications program for Tranche 1.

Implementation Arrangements

14. MIWRM will be the EA for the PPTA. Consultants will be mobilized in a staggered manner with a focus on prioritizing the advance actions on: (i) recruiting the PDMC, and (ii) undertaking requisite surveys and investigations, and due diligence on technical and economic matters. Disbursement under the PPTA will be in accordance with ADB's Technical Assistance Disbursement Handbook (May 2010, as amended). The proposed TA processing and implementation schedule is in Table A4.4.

Table A4.4: Technical Assistance Processing and Implementation Schedule

Major Milestones	Expected Completion Date
Concept Paper clearance (including PPTA)	March 2014
Consultant mobilization	April 2014
Completion of PPTA	March 2015

PPTA = project preparatory technical assistance

Source: Asian Development Bank estimates