



Project Design Advance Project Administration Manual

Project Number: 49325-003
Loan Number: PDA6011
March 2017

Democratic Socialist Republic of Sri Lanka: Northern Province Sustainable Fisheries Development Project

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Project Administration Manual for the Project Design Advance: Purpose and Process

The project administration manual (PAM) for the Project Design Advance (PDA) is an abridged version of ADB's regular PAM and describes the essential administrative and management requirements to implement the PDA on time, within budget, and in accordance with Government and Asian Development Bank (ADB) policies and procedures. The PDA PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Ministry of Fisheries and Aquatic Resources Development (MFARD) is wholly responsible for the implementation of ADB financed PDA projects, as agreed jointly between the Government and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by the MFARD of its obligations and responsibilities for PDA project implementation in accordance with ADB's policies and procedures.

After ADB's approval of the PDA proposal, changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures (including the Project Administration Instructions), and upon such approval they will be subsequently incorporated in the PDA PAM.

Abbreviations

ADB	=	Asian Development Bank
ADF	=	Asian Development Fund
AGD	=	Auditor General's Department
AFS	=	audited financial statements
CFHC	=	Ceylon Fisheries Harbors Corporation
EA	=	executing agency
GOSL	=	Government of Sri Lanka
KG		kilograms
MFARD	=	Ministry of Fisheries and Aquatic Resources Development
MOF	=	Ministry of Finance
MSD	=	Management Services Department
PAM	=	project administration manual
PDA	=	project design advance
PIMU	=	project implementation and monitoring unit
QCBS	=	quality- and cost based selection
SLPSAS	=	Sri Lanka Public Sector Accounting Standards
TOR	=	terms of reference
TOD	=	Treasury Operations Department

I. PROPOSED PROJECT DESCRIPTION

1. The Northern Province Sustainable Fisheries Development Project will support investments to revive the fishery industry in the four conflict-affected coastal districts of Jaffna, Mannar, Mullaittivu, and Kilinochchi.¹ The project will finance the development of two fishery harbors, rehabilitate other related infrastructure, develop sustainable aquaculture, improve the management of coastal and fishery resources, and strengthen the capacity of the fishery societies and related institutions.

2. The Northern Province, which bore the brunt of a 30-year conflict that ended in 2009, is showing signs of economic recovery thanks to development projects initiated by various actors, including the government, development partners, and nongovernment agencies. The province's contribution to the country's gross domestic product rose from 3.2% in 2008 to 3.6% in 2013. The incidence of poverty in the province declined from 30.0% in 2010 to 10.9% in 2013. Despite these positive developments, wide disparities remain within the province. The poverty incidence is 20.1% in Mannar district and 28.8% in Mullaittivu district, significantly higher than the 6.7% national poverty incidence. At SLRs8,330, the monthly per capita household income in the Northern Province is the second-lowest among the nine provinces after the Eastern Province, which was also impacted by the conflict.²

3. Although the fishery industry in Sri Lanka contributed only 1.6%–1.8% annually to the national economy during 2009–2013, it plays a vital role in meeting the basic nutritional and livelihood needs of the population.³ It contributes about 70% of the animal protein in the national diet, and provides direct and indirect employment opportunities to around 0.5 million people (2.5% of the population) and livelihoods to around 2.6 million people. The government plans to increase the annual per capita fish consumption from 11 kilograms to 22 kilograms to mitigate malnutrition.⁴ About 20% of children under 5 years of age are considered underweight.⁵ The current fish production for the domestic market falls short of the consumption needs, and the country imports 70,000–80,000 tons (t) annually.⁶

4. Agriculture, fishery, and livestock are the mainstay of the economy of the Northern Province and comprised 19.6% of the provincial gross domestic product in 2012.⁷ Of the province's 1.2 million people, the majority (85%) lives in rural areas and is engaged in fisheries and agriculture. The Northern Province has 40% of the coastal belt, and before the conflict

¹ The project concept paper and project preparatory technical assistance were approved in December 2015. The project and project design advance are included in the country operations business plan, 2017–2019 of the Asian Development Bank (ADB). The ensuing project cost is estimated at \$125 million. It will be financed, in part, from a loan from ADB's concessional ordinary capital resources (\$63.13 million) and a loan from ADB's regular ordinary capital resources (\$60 million).

² Government of Sri Lanka; Ministry of Policy Planning Economic Affairs, Child Youth and Cultural Affairs; Department of Census and Statistics. 2015. *Household Income and Expenditure Survey—2012/13: Final Report*. Colombo. http://www.statistics.gov.lk/HIES/HIES2012_13FinalReport.pdf.

³ Fishery is divided into three segments: (i) coastal fishery, which is carried out within the 30,000-square-kilometer continental shelf; (ii) offshore fishery, which takes place outside the continental shelf, extending up to the edge of the 517,000-square-kilometer exclusive economic zone using multiday boats; and (iii) inland fishery and aquaculture.

⁴ Department of Fisheries and Aquatic Resources. <http://www.fisheriesdept.gov.lk/index.html>.

⁵ United Nations. Sri Lanka. 2014. *Millennium Development Goals Country Report 2014: Sri Lanka*. Colombo.

⁶ Government of Sri Lanka, Ministry of Fisheries and Aquatic Resources Development. 2015. *Fisheries Statistics—2015*. <http://www.fisheries.gov.lk/elfinder-2.0-rc1/files/stat/Fisheries%20Statistics/Web%20pdf%20Document.pdf>.

⁷ Central Bank of Sri Lanka, Statistics Department. 2013. *Provincial Gross Domestic Product—2012*. News release. 10 September.

escalated in 1983, it recorded a marine fish catch of 75,740 t, accounting for 40% of the national total. In 1995, its marine fish catch dropped to an all-time low of 4,500 t, 2% of the national production. Following the end of the conflict, the lifting of security restrictions on access to coastal waters, and the start of ongoing support toward the sector's revival, production in the Northern Province increased from 13,840 t in 2008 to 55,640 t in 2013 but remains below the 1983 production levels (footnote 6).

5. The conflict caused widespread social vulnerability and economic instability in the province. Families were displaced multiple times. Most of the internally displaced people were resettled by 2012, but a few families have yet to be resettled. Some of the returnees have been displaced from their original lands for more than 15 years. Widowed and single women, who comprise about 5% of the population, are vulnerable and require focused support. Economic activities were affected and the fisheries industry in particular was heavily impacted. Fishing vessels, equipment, and related infrastructure were damaged or destroyed. Cooperative societies, once the strength and pride of the northern fisherfolk, ceased to function and lost all of their assets.

6. Coastal livelihoods are dependent on natural resources. Given the limited development that took place during the 30-year conflict, the natural resource base has been largely undisturbed. However, some threats to the resources are emerging, including (i) damage to corals and other organisms in the seabed because of illegal fishing methods such as trawler and dynamite fishing, (ii) destruction of mangroves, (iii) coastal erosion, and (iv) illegal mining of sand dunes. Furthermore, climate-induced risks, such as sea level rise, increased frequency of storms, and rising ocean temperatures, may impact marine habitats and coastal infrastructure.

7. Since 2009, the government and development partners have supported the recovery of the fisheries industry by providing boats, engines, nets, and credit; rebuilding infrastructure; and reestablishing cooperative societies. Nonconventional aquaculture with high export and income-earning potential—such as sea cucumber production, seaweed culture, and crab fattening—are currently being pilot-tested. Improvements to the roads and railways have reconnected the Northern Province with the rest of the country, which has resulted in greater access to markets and promoted private sector investments. Many public and private banks have opened offices in the province, enabling access to financial services.

8. Although these developments created an enabling environment to develop the fishing industry, the Northern Province still needs essential infrastructure and capacity strengthening of its fishery societies and related institutions. While Sri Lanka has 20 major fishery harbors, the Northern Province has none. The lack of harbor facilities and multiday boats makes it impossible to engage in deep-sea fishing. To further develop the fishery industry in the province, investments are required to (i) rebuild large-scale infrastructure such as harbors, anchorages, and associated facilities; (ii) introduce new fishery technologies; (iii) expand aquaculture sustainably; (iv) strengthen community-based organizations and related institutions; (v) develop a fisheries management and zoning plan to ensure that resources are not overexploited; and (vi) develop economic activities for households headed by women. The government has requested Asian Development Bank (ADB) support to help rebuild the fishery industry, which provides livelihoods for more than 40,000 families in the Northern Province.

9. The ensuing project and project design advance (PDA) are consistent with the priorities for the agriculture and natural resources sector in ADB's country operations business plan,

2017–2019, and support the key pillar on inclusive and sustainable economic growth.⁸ It is aligned with the key priorities of promoting natural resource management and increasing productivity and resilience,⁹ and complements other post-conflict developments that ADB has supported in the Northern Province.

10. **Impacts, Outcome, and Outputs:** The project’s impacts will be improved nutritional status, food security, and incomes of fisher communities, aligned with the Government of Sri Lanka’s Ten-Year Development Policy and Framework of the Fisheries and Aquatic Resources Sector, 2007-2016.¹⁰ The outcome will be fisheries production in the Northern Province is sustainably increased. The proposed outputs are: (i) climate resilient infrastructure developed and operational; (ii) aquaculture developed; (iii) entrepreneurial skills, market links, and credit access for local communities, including women, strengthened; and (iv) management of coastal and fishery resources improved. The project area is defined as the coastal belt of the districts of Jaffna, Mullaitivu, Mannar, and Kilinochchi. On land, it includes the *grama niladhari* divisions¹¹ fronting the shoreline and those surrounding inland lagoons and other important coastal systems, such as estuaries. In the sea, it includes the area as defined under the Coast Conservation Act, 1981.¹²

11. Project preparatory technical assessment (PPTA) is being implemented from July 2016-March 2017 to develop the feasibility study. The PDA will finance consultancy services to undertake detailed engineering design which includes the updating of costs, updating of environment and social safeguard assessments and preparation of bidding documents and supporting the bidding process. The consultancy services will include a national consultancy firm and two individual international consultants. The key PDA outputs will be detailed designs and bidding documents. The PDA will not finance land acquisition, resettlement, or civil works. The PDA will speed up contract awards and disbursements by ensuring that contracts are ready for award by the time of loan effectiveness.

II. IMPLEMENTATION PLANS

A. PDA Readiness Activities

12. MFARD has an existing Project Implementation and Monitoring unit (PIMU) to implement the ongoing Fisheries Harbors and Anchorages Development Project funded by the government. This same unit which is headed by a Project Director and includes a Finance Manager and Director Development will implement the PDA. The PIMU will be supplemented by two engineers and additional accounting and support staff to manage the PDA. The call for expressions of interest from consultancy firms to undertake the detailed designs under the PDA was issued on 25 July 2016. Request for proposals were issued to shortlisted firms on 21 October 2016 and it is expected that the consultancy contract will be awarded in March 2017.

⁸ ADB. 2016. *Country Operations Business Plan: Sri Lanka, 2017–2019*. Manila.

⁹ ADB. 2015. *Operational Plan for Agriculture and Natural Resources: Promoting Sustainable Food Security in Asia and the Pacific in 2015–2020*. Manila.

¹⁰ Government of Sri Lanka, Ministry of Fisheries and Aquatic Resources. 2007. *Ten Year Development Policy and Framework of the Fisheries and Aquatic Resources Sector. 2007-2016*.

¹¹ The smallest administration unit, comprising around 2-3 villages.

¹² As defined under the Coast Conservation Act, the seaward boundary is the limit of two kilometers seawards of the Mean Low Water Line.

B. Overall PDA Project Implementation Plan

Activities	Advance action						PDA Year 1												PDA Year 2					
	-6	-5	-4	-3	-2	-1	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6
A. Implementation																								
Consultancy firm selection under PDA																								
Advertisement																								
Selection																								
Contract award																								
Consultants mobilized																								
Surveys and investigations																								
Detailed designs																								
Updating of environmental and social assessments																								
Preparation of bid documents																								
Initiate bidding for works packages																								
Award contracts																								
Inception report																								
Mid term report																								
Final report (detailed designs)																								
Advertisement for individual consultant																								
Individual Consultant mobilized																								
B. Management Activities																								
Submission of quarterly progress report																								
Submission of annual report																								
Submission of AFS																								
Projected date of ensuing loan																								

AFS- Audited Financial Statements, PDA-Project Design Advance

III. PDA PROJECT MANAGEMENT ARRANGEMENTS

A. PDA Project Implementation Organizations–Roles and Responsibilities

PDA Project implementation organizations	Management Roles and Responsibilities
Oversight body	
<ul style="list-style-type: none">Design Coordinating Committee (DCC)	<ul style="list-style-type: none">(i) The DCC will be chaired by Secretary MFARD and will include representatives from the Ceylon Fisheries Harbors Corporation, Coast Conservation Department, Ministry of Prison Reforms, Rehabilitation, Resettlement and Hindu Religious Affairs, Northern Provincial Council, and Department of External Resources(ii) Provide policy guidance(iii) Ensure smooth inter-agency/ministry coordination
Executing agency	
<ul style="list-style-type: none">Ministry of Fisheries and Aquatic Resources Development	<ul style="list-style-type: none">(i) Ensure the project implementation and management unit is fully staffed(ii) Submit audit, progress and other reports to ADB and government(iii) Monitor use of all funding provided by ADB and government(iv) Ensure that complaints received are adequately addressed(v) Support and coordinate with ADB review missions(vi) Submit timely withdrawal applications to ADB
<ul style="list-style-type: none">Project Implementation and Monitoring Unit	<ul style="list-style-type: none">(i) Oversee and supervise consultants(ii) Review and comment on consultants outputs(iii) Ensure timely advance procurement for civil works contracts for the ensuing project in accordance with ADB's Procurement Guidelines(iv) Review of withdrawal applications before submission to EA
ADB	<ul style="list-style-type: none">(i) Monitor and advise overall project implementation(ii) Review and issue no-objection to procurement and documents(iii) Provide funding against eligible claims

B. Key Persons Involved in Implementation

Executing Agency

Ministry of Fisheries and Aquatic Resources Development

Officer's Name: Mrs. W. M. M. Adikari

Position: Secretary

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Email address: secfisherieslk@gmail.com

Office Address: New Secretariat, Maligawatta, Colombo 10, Sri Lanka.

ADB

Staff Name: Sri Widowati

Position : Country Director

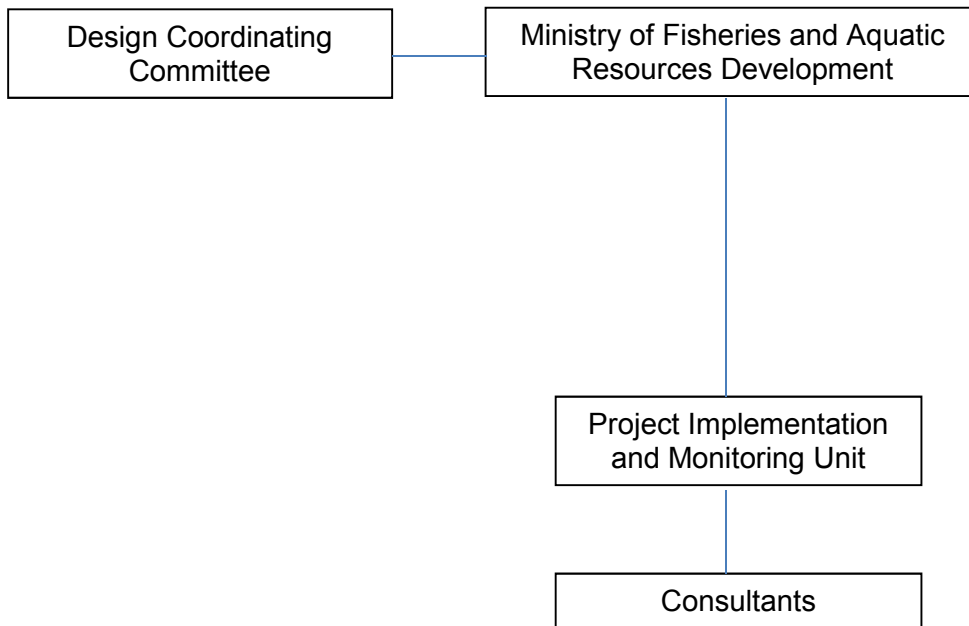
Telephone:+94 11 4455455

Email address: swidowati@adb.org

Mission Leader

Staff Name: Manjula Amerasinghe
Position : Project Management Specialist
Telephone:+94 11 4455455
Email address: nmamerasinghe@adb.org

C. PDA Project Organization Structure



IV. COSTS AND FINANCING

13. The total cost of the PDA project is \$1.59 million, including a concessional loan from ADB's ordinary capital resources in an amount of \$1.3 million to support the preparation of detailed designs. The PDA loan will have an interest rate charged at 2% per annum, and it is expected that the PDA loan will be repaid from the proceeds of the ensuing loan on the date of effectiveness of the ensuing loan. The PDA cost estimates are summarized in Table 1.

Table 1: PDA Project Investment and Financing Plan^a
(\$ million)

Item	Cost ^b	ADB	Government
A. Base Cost^c			
1 Consulting Firm	1.16	0.99	0.17
2 Individual Consultants	0.26	0.22	0.04
3 PIMU staff and office expenses	0.06	0.00	0.06
Subtotal (A)	1.48	1.21	0.27
B. Contingencies^d	0.11	0.09	0.02
Total (A+B)	1.59	1.30	0.29

ADB= Asian Development Bank, PDA = project design advance.

^a A PDA loan carries interest charges where applicable, and these charges are deferred until the PDA loan is repaid from the ensuing financing or other repayment terms take effect.

^b Includes taxes and duties of \$0.21 million to be financed from government resources on cash contribution.

^c In mid-2016 prices.

^d Physical contingencies computed at 7.5% for consulting services.

Source: Asian Development Bank

Table 2: Detailed Cost Estimates by Expenditure Category
(\$ 000)

Item	Foreign Exchange	Local Currency	Total Cost ^b	% of Total Base Cost
A Investment Costs^a				
1 Consultant				
a Remuneration and per diem	182.50	517.55	700.05	47.1
b International and local travel	40.00	70.26	110.26	7.4
c Equipment	0	8.21	8.21	0.6
d Studies, surveys and reports	1.70	570.37	572.07	38.5
e Training, seminars and workshops	0	8.80	8.80	0.6
f Software	17.00	2.94	19.94	1.3
g Miscellaneous costs	0	5.63	5.63	0.4
Subtotal (A)	241.20	1,183.76	1,424.96	96.0
B Other Costs				
1 PMU staff and office expenses	0	60.00	60.00	4.0
Subtotal (B)	0	60.00	60.00	4.0
Total Base Cost	241.20	1,243.76	1,484.96	100.0

C Contingencies^c					
1	Physical	18.09	88.78	106.87	7.2
2	Price	0	0	0	0.0
Subtotal (C)		18.09	88.78	106.87	7.2
Total PDA Project Cost (A+B+C)		259.29	1,332.54	1,591.83	

ADB= Asian Development Bank, PDA = project design advance.

Note: Numbers may not sum precisely because of rounding.

^a Includes taxes and duties of \$0.21 million on consultancy services to be financed from government resources.

^b In mid-2016 prices.

^c Physical contingencies computed at 7.5% for consulting services.

Source: ADB estimates.

Table 3: Allocation and Withdrawal of Loan Proceeds

Category			ADB financing Basis
Number	Item	Total Amount allocated for ADB financing \$ million	Percentage and Basis for Withdrawal from the Loan Account
1	Consultancy	1.30	100% of total expenditure claimed*
	TOTAL	1.30	

ADB= Asian Development Bank

*Exclusive of taxes and duties imposed within the territory of the recipient

Source: ADB estimates

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

14. A financial management assessment was carried out for the MFARD for PDA of Northern Province Sustainable Fisheries Development Project during May-June 2016 in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects (2005) and *Financial Management Assessment Technical Guidance Note* (May 2015).¹³ This assessment primarily looked at the capacity of MFARD to manage PDA funds. This included an assessment of the financial management capacity of MFARD including fund-flow and budgeting arrangements, staffing, accounting and financial reporting systems, financial information systems, internal controls, and internal and external auditing arrangements. The primary instrument used for the assessment was ADB's financial management assessment questionnaire, interviews with the PIMU of Fisheries Harbors and Anchorages Development project (government funded ongoing projects) and internal auditors. A more detailed assessment is being undertaken under the ongoing project preparatory technical assistance (PPTA) for the ensuing loan.

15. MFARD is the executing agency for the proposed PDA project. The existing PIMU will be strengthened through additional staff to implement the PDA project. The last project that MFARD implemented under ADB funding closed in 2011. The Project Director and Project Accountant of PIMU will be responsible for the financial management under the PDA project.

¹³ Available upon request.

16. There is an internal audit department within MFARD and is adequately staffed to carry out internal audit functions of MFARD including all departments, corporations and other establishments of MFARD. Externally funded projects are also within the scope of the internal audit. MFARD will ensure that the PDA project falls within the scope of the internal audit department.

17. Under the on-going government funded Fisheries Harbors and Anchorages Development project, the PIMU maintains manual project records and reports are prepared using excel spread sheets. This is the practice for all projects implemented by MFARD. Since expenditure will be limited to consulting contracts and PIMU expenditure, this is considered acceptable, but will be further assessed for the ensuing loan.

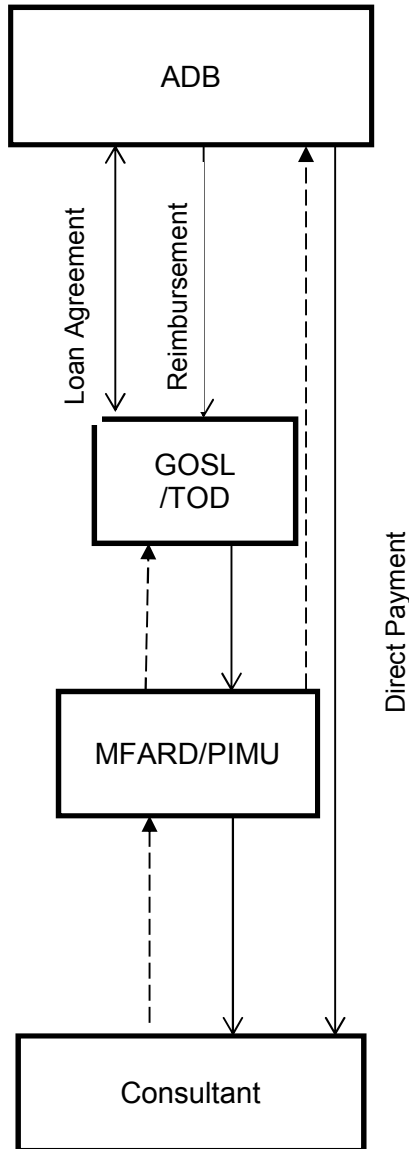
18. The PIMU accountant will maintain separate project accounts and records by funding source for all expenditures incurred on the PDA project and prepare project financial statements in accordance with Generally Accepted Accounting Principles. The project records should adequately identify the goods and services financed from loan proceeds by funding source, financing resources received, expenditure incurred as per project components and counterpart funds received.

19. The project financial statements will be annually audited by the Auditor General's Department (AGD). The audited project financial statements together with the auditor's opinion should be presented in the English language to ADB within 6 months from the end of the fiscal year by the MFARD. MFARD was briefed on the ADB policy on non-submission of the audited financial statements within the covenant period.

20. Compliance with financial reporting and auditing requirements will be monitored by review missions and followed up regularly with all concerned, including the external auditor.

21. ADB will only finance consultancy services contracts. ADB financing will not be used to fund incremental project management expenses, civil works or purchase of equipment. ADB's direct payment and reimbursement procedure will be used for payment of consultancy contracts. An imprest fund will not be opened. Given the nature of payments and the volume of the payments statements of expenditure (SOE) procedure is not proposed.

B. Fund Flow Diagram



---> Document Flow
—> Fund Flow

ADB = Asian Development Bank, GOSL = Government of Sri Lanka, MFARD = Ministry of Fisheries and Aquatic Resources Development, PIMU = Project Implementation and Monitoring Unit, TOD = Treasury Operations Department

22. Payments for counterpart expenses are also made by the PIMU. Government counterpart funds will be from the Ministry of Finance (MOF) through MFARD to PIMU. Counterpart funds are required to pay government financing of the consultancy contract and to cover PIMU expenses. It is the MFARD's responsibility to obtain sufficient budgetary provisions and counterpart funds for payments. MFARD should work closely with PIMU and MOF to obtain adequate budgetary provisions.

23. The proposed PDA does not include retroactive financing.

C. Risk Analysis

24. Key risks pertain to lack of budgetary provisions and no recent experience in ADB funded projects. A financial management action plan is proposed below. The financial management risk is considered Moderate. With the proposed risk mitigating measures, it is expected that the financial management capacity would be adequate.

Table 4: Risk Assessment

Area of Assessment	Risk Rating	Risk Assessment	Mitigation Measures
Country Specific	Moderate	Due to delay in submitting financial statements for audit and lack of resources within the Auditor General's Department (AGD), submission of audit opinion for ADB funded projects is delayed.	Periodic meetings with auditor general in respect of ADB-funded projects Capacity development for executing and implementing agencies on auditing, accountability and preparation of financial statements allowing sufficient time for audit to be carried out.
	Moderate	Insufficient budgetary provisions to cover ADB and counterpart fund requirement.	EA should closely work with MOF to obtain sufficient budgetary provisions and counterpart funds. EA should ensure proposed PDA is in the MFARD budget.
Entity Specific	Moderate	Last project implemented with ADB closed in 2011.	ADB can provide training on ADB project management requirements, project financial accounting, disbursement policies, and procedures to the PIMU staff.
Overall – Moderate			
Control Risk			
Executing Agency	Moderate	MFARD has implemented several ADB funded projects up until 2011. MFARD management letter 2014	The proposed PDA loan will fund only consultancy contracts. PIMU will not procure any equipment.

Area of Assessment	Risk Rating	Risk Assessment	Mitigation Measures
		highlights some weaknesses in use of allocations, monitoring and records of fixed assets.	
Fund Flow	Moderate	MFARD has the capacity to manage the funds. However, insufficient budgetary provisions may lead the PIMU to use ADB advance for counterpart funds as well.	To minimize this risk imprest fund procedure will not be used and direct payment procedure is recommended. MFARD should ensure timely release of counterpart funds from MOF.
Staffing	Low	The PIMU is adequately staffed to undertake this PDA project. Additional support staff will be recruited.	Additional support staff will be recruited. Existing PIMU staff to be assigned with PDA responsibilities will also require Management Services Department (MSD) approval.
Accounting policies and procedure	Moderate	MFARD follows cash basis of accounting. Annual appropriation account is prepared based on existing Financial Regulations and various treasury circulars. Financial regulation 626, requires accrual basis accounting to be followed for donor funded projects.	Ministry of Finance and Institutes of Chartered Accountants of Sri Lanka are taking action to follow Sri Lanka Public Sector Accounting Standards (SLPSAS) it is yet to be practiced by the respective Ministries. The government's aim is to have all public sector institutes follow accrual basis from 2017. PIMU will be required to prepare project financial statement on accrual basis. PIMU staff needs training on ADB project financial management and reporting requirements. ADB to conduct training programs on ADB project financial management and reporting.
Internal Audit	Low	MFARD has an internal audit department which functions well	Audit scope to include the proposed PDA project. Audit management committee meetings are to be held quarterly and PDA findings to be discussed.

Area of Assessment	Risk Rating	Risk Assessment	Mitigation Measures
External Audit	Moderate	<p>AGD to carry out the external audit.</p> <p>There is an identifiable delay in submitting APFS across the ADB funded projects in Sri Lanka and this PDA project is likely to experience the delay.</p>	<p>PIMU to prepare project financial statements within two months of the fiscal year end and forward the same to AGD allowing sufficient time frame to conduct the audit.</p> <p>A copy of the Audited Project Financial Statement (APFS) to be submitted to ADB within 6 months from the fiscal year end.</p> <p>Close monitoring of preparation of on time project financial statements and periodic meetings with auditor general in respect to ADB-funded projects to reduce the delay in APFS submission.</p>
Budgeting	High	<p>It is evident from MFARD audit report that appropriation allocation provisions are not fully spent.</p> <p>Due to improper budgeting, MOF decreases the allocation and does not provide the entire request in full. This may impact on fund flow.</p>	<p>MFARD and PIMU should prepare realistic budget and to obtain sufficient provisions and funds when necessary from MoF.</p> <p>Ensure proposed PDA is in the MFARD budget when the PDA is effective to begin activities.</p>
Reporting and monitoring	Low	<p>Delay in preparation of periodic progress reports and financial statements due to manual recording system and use of excel spread sheets</p> <p>(Recording of the project expenses are in manual and excel spreadsheet is used to prepare final accounts.)</p>	<p>Periodic progress reports to be prepared including financial progress. Project progress report should contain information on cumulative expenditure, a comparison with actual and budget released, physical and financial progress.</p> <p>PDA will have few transactions. Therefore data integrity can be easily ensured.</p>
Information Systems	Moderate	<p>Project accounts are maintained manually.</p> <p>Use of excel spreadsheet can be observed in</p>	<p>There are relatively small numbers of transactions expected during the project period.</p> <p>Explore the possibility of procuring off-the-shelf accounting package for the</p>

Area of Assessment	Risk Rating	Risk Assessment	Mitigation Measures
		generating various reports, reconciliations and preparing final accounts. These methods are prone to errors and have a negative impact on the accuracy of the financial figures. Due to the relatively small number of transactions such errors can be recognized	ensuing loan.
Overall – Moderate			

H=High, S=Substantial, M=Moderate, or Low.

ADB=Asian Development Bank, AGD=Auditor General's Department, APFS=audited project financial statement, EA=executing agency, MFARD=Ministry of Fisheries and Aquatic Resources Development, MOF=Ministry of Finance, MSD=Management Services Department, PDA=project design advance, PIMU=Project Implementation and Monitoring Unit, SLPSAS=Sri Lanka Public Sector Accounting Standards

D. Proposed Action Plan

25. The proposed action plan for financial management related activities are as follows:

Table 5: Financial Management Action Plan

Action Plan	Responsibility	Timeframe
Management Services Department (MSD) approval for existing PIMU staff to be assigned with additional PDA responsibilities should be obtained.	MFARD	By PDA approval date
Ensure proposed PDA is in the MFARD budget and sufficient budgetary provisions for counterpart and foreign aid are received in time when the PDA is effective.	MFARD and PIMU	MFARD should include adequate provision request in coming year's budget. MFARD should ensure availability of sufficient provisions by PDA effective date
Timely submission of Audited Project Financial Statements	PIMU to prepare financial statements within two months of the fiscal year end allowing sufficient time for AGD to conduct the audit.	Within 2 months of the FY end

AGD=Auditor General's Department, MFARD=Ministry of Fisheries and Aquatic Resources Development, PDA=Project Design Advance, PIMU=Project Implementation and Monitoring Unit

E. Disbursement

26. The PDA loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2015, as amended from time to time),¹⁴ and detailed arrangements agreed upon between the Government and ADB. Online training for project staff on disbursement policies and procedures is available at: http://wpqr4.adb.org/disbursement_elearning. Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

27. ADB's disbursement procedures (direct payment and reimbursement) will be used for withdrawal of project funds. Withdrawal applications will be authorized by the PIMU and sent directly to ADB. The PIMU will be responsible for (i) preparing disbursement projections, (ii) requesting budgetary allocations for foreign aid allocation and counterpart funds, (iii) collecting supporting documents, and (iv) preparing and submitting withdrawal applications to ADB in accordance with Loan disbursement Handbook (2015, as amended from time to time).

28. Statement-of-expenditure (SOE) procedure is not proposed for this PDA loan.

29. Before submitting the first withdrawal application, MFARD should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person. There is no minimum value proposed for this PDA.

F. Accounting

30. The MFARD will maintain separate PDA project accounts and records by funding source for all expenditures incurred on the PDA project. PDA Project accounts will follow international accounting principles and practices. Project financial statements shall include at the minimum a statement of receipt and payment with accompanied notes and schedules. These shall be prepared to ensure maximum alignment to international accounting standards.

G. Auditing

31. The MFARD will cause the detailed consolidated PDA project accounts to be audited in accordance with International Standards on Auditing in accordance with the Government's audit regulations by an auditor acceptable to ADB. The audited project financial statements will be submitted in the English language to ADB within 6 months of the end of the fiscal year by the executing agency.

32. The audit report for the project financial statements will include a management letter and auditor's opinions, which cover: (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loan were used only for the purpose of the project; and (iii) whether the borrower or executing agency was in compliance with the financial covenants contained in the legal agreements, if any.

33. ADB shall disclose the annual audited financial statements for the PDA Project and the opinion of the auditors on the financial statements within 14 days of the date of ADB's confirmation of their acceptability by posting them on ADB's website

¹⁴ Available at: <http://www.adb.org/documents/loan-disbursement-handbook>

34. The Government and MFARD have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts. ADB reserves the right to verify the PDA project's financial statements to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting

35. All advance contracting will be undertaken in conformity with ADB's *Procurement Guidelines* (2015, as amended from time to time)¹⁵ and ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time).¹⁶ On the request of the Government, ADB will undertake the selection of the consultancy firm for the detailed designs and MFARD will negotiate and sign the contract. The Government and MFARD have been advised that approval of advance contracting does not commit ADB to finance the PDA project. The call for expressions of interest from consultancy firms to undertake the detailed designs under the PDA was issued on 25 July 2016. It is expected that the consultancy contract will be awarded in March 2017.

B. Procurement of Consulting Services

36. Consultants will be recruited according to ADB's *Guidelines on the Use of Consultants*.¹⁷ The terms of reference for all consulting services are detailed in Section D.

37. A consulting firm with an estimated 91 person-months (national) and two individual consultants (3.5 person months each) will be recruited to prepare the detailed engineering designs and bid documents for proposed civil works under the ensuing loan. The consulting firm will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality: cost ratio of 90:10.

C. Procurement Plan

Basic Data

Project Name: Project Design Advance for Northern Province Sustainable Fisheries Development Project	
PDA Loan Amount: \$1.3 million	Executing Agency: Ministry of Fisheries and Aquatic Resources Development
Date of first procurement Plan: July 2016	Date of this Procurement Plan: February 2017

Recruitment of Consulting Firm		
Type	Prior / Post	Comments
Quality- and Cost-Based Selection (QCBS)	Prior	90:10. ADB will undertake the selection and MFARD will negotiate and sign the contract

List of Consulting Services

Package number	Description	Estimated value	Recruitment method	Review	Advertise date	Type of proposal	Comments
1	Detailed Design team	\$1.25 million	QCBS	Prior	Q3 2016	Full technical proposal	National
2.	Harbor	\$0.14 million	ICS	Prior	Q1 2017	N/A	International

¹⁵ Available at: <http://www.adb.org/Documents/Guidelines/Procurement/Guidelines-Procurement.pdf>

¹⁶ Available at: <http://www.adb.org/Documents/Guidelines/Consulting/Guidelines-Consultants.pdf>

¹⁷ Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

	Design Engineer						
3.	Environment Specialist	\$0.14 million	ICS	Prior	Q1 2017	N/A	International

D. Consultant's Terms of Reference

For Detailed Design Consultants (National Firm)

a Background

38. The Government of the Sri Lanka has requested ADB to provide financial assistance for development of fisheries infrastructure facilities along the coast line under the Northern Province Sustainable Fisheries Development Project. The project will revive the fisheries sector in the four conflict affected coastal districts of Jaffna, Mannar, Mullaitivu, and Killinochchi. The project aims to: (i) develop climate resilient infrastructure facilities, (ii) develop sustainable aquaculture, (iii) improve management of coastal and fishery resources, and (iv) strengthen the capacities of the fishery societies and related institutions. ADB will provide funding through a loan to the Government of Sri Lanka to develop the two fishery harbors, eight anchorages and 25 landing sites. Feasibility studies will be made available to the consultant. The Ministry of Fisheries and Aquatic Resources Development is the executing agency.

b Objectives and Purpose of the Consultancy Services

39. The consultant team will perform the detailed engineering design of offshore structures, dredging, reclamation, shore facilities with architectural, structural, mechanical and services which are required for the fishery harbors, anchorages and landings sites. The consultant will undertake the detailed engineering design of the fishery harbors, anchorages and landing sites according to the recommendations of the feasibility reports and other modification which should be included but not identified during the feasibility study stage. In addition to the above the consultant should prepare the bills of quantities (BOQ), engineer's estimate and bidding documents according to the ADB procurement guidelines and assist the PIMU to procure suitable contractors to undertake the works related to fishery harbors, anchorages and landing sites.

40. The consultant has to perform a number of activities which are explained in the following paragraphs. In general the consultant is responsible for ensuring effective and timely completion of the design to the highest standards.

41. Detailed Engineering Design: The consultant will be responsible for the detailed engineering design of the fishery harbor. The tasks to be performed include but not limited to:

- i. Review of preliminary designs prepared during the project preparatory stage and undertake the detailed design of the offshore structures and shore facilities according to the recommendations of the feasibility study. The design should be based on best international standards and recommended practices. The lists of the offshore structures and shore facilities in paragraph 42 should be considered as a guideline. The required structures and facilities should be selected considering the requirements and the situation of the site following the discussions with Ceylon Fishery Harbors Corporation (CFHC) under the Ministry of Fisheries and Aquatic Resources Development and PIMU and the fisher

community. CFHC approval must be taken for the Master plan of the list of selected structures and facilities.

- ii. Undertake necessary surveys, investigations, and laboratory tests for the detailed design including but not limited to: topographic surveys, bathymetric surveys, sediment survey, geotechnical investigations, water level and current measurements and water quality assessments.
- iii. Analyze the sustainability of the offshore structures and facilities through physical/ numerical modeling and simulations.
- iv. Analyze and update wave transformation, hydrodynamics, sediment transport and wave disturbance, and potential coastal and environmental impacts due to proposed development, including phased development through numerical and/or physical modeling and simulations and operations.
- v. Estimate the annual requirement of dredging through numerical and/or physical modeling and simulations.
- vi. Implement mitigation measures for the impacts due to new constructions including but not limited to sand erosions and accumulations.
- vii. Adoption of the green/blue economy concept to address waste management, reduce energy consumption, and use of solar energy for electricity generation;
- viii. Prepare detailed engineering design drawings and accurate cost estimates.
- ix. Prepare specifications and terms of reference for the construction.
- x. Prepare bidding documents including but not limited to bill of quantities, engineer's estimate, design drawings and construction schedules.

42. Assist PIMU to procure suitable contractors for the construction stage. Tasks include:

- i. Update the bidding documents prepared under the PPTA.
- ii. Train EA staff on ADB's procurement procedures and bid evaluations.
- iii. Advice on the construction and the contract risks and recommend appropriate mitigation measures.
- iv. Recommend preferred equipment and construction methods.
- v. Facilitate the tendering process to select suitable contractor/s.

43. Following considerations should be ensured in the process of designing the fishery harbors:

- i. Safe berthing of different types of fishing vessels currently operating from the area as well as future fleet that may operate.
- ii. Harbor basin shall be adequate to accommodate the current fleet and projected fleet. The projected horizon could be taken as 50 years.
- iii. Harbor basin shall have sufficient depths to accommodate current fleet and projected fleet.
- iv. Access channels to the harbor shall be sufficiently deep and shall provide safe navigation during the rough season of the sea.

44. List of offshore and onshore structures and facilities for the fishery harbor:
Offshore structures and facilities:

- i. Rubble packed gabion boxes/caissons or concrete breakwaters, groins, quay wall etc.
- ii. Harbor basin of minimum depth of -3.0 mean sea level (MSL) and -5.0 MSL as required by the Ceylon Fisheries Harbor Corporation.

- iii. A quay wall or jetty of +1.5 MSL crest height and of minimum width of 8 m with cast iron bollards, rubber fenders, stainless steel chains and shackles.
- iv. Harbor entrance mouth 60-80m width and access channel depth will depend on the depth of the basin.
- v. Navigation lights at the harbor entrance and for access channel.

Onshore structures and facilities:

- i. Auction hall with opened surrounding.
- ii. Net mending hall with 1 m height peripheral wall and 1 m high gates.
- iii. Off loading building of temperature -10^o C.
- iv. Two storied administration office for harbor manager, deputy harbor manager and staff.
- v. Quarters for harbor manager and deputy harbor manager.
- vi. Office facilities for the fishing community and community hall.
- vii. Fuel tanks for Diesel and Kerosene.
- viii. Fuel/lubricant sales office and dispensing unit (80 Ltr/min) for diesel and kerosene.
- ix. Sanitary facilities for fishermen.
- x. Security office with accommodation.
- xi. Internal roads, parking and boundary wall/ chain link fence of 2.4 m height and gates.
- xii. Cold storage of 20 ton capacity.
- xiii. Weigh bridge with weighing limit beyond 40 ton with control room.
- xiv. Provision for fishing gear shop facilities.
- xv. Storage room of boat engine.
- xvi. Slipway and boat repair yard.
- xvii. Treatment plant for wastewater disposal.
- xviii. Provision for solar energy power.
- xix. Reverse Osmosis (RO) plant for water purification.
- xx. Water sump of 75,000 L capacity and overhead tank of 25,000 L capacity.
- xxi. Water, electricity and telecommunication connections from National Water Supply and Drainage board, Ceylon Electricity Board, and Sri Lanka Telecom respectively.
- xxii. Generator supply fixed with a transformer.
- xxiii. Radio communication system and building.
- xxiv. Office for the fishery inspector.
- xxv. Accommodation for the fishery inspector.
- xxvi. Office for the coast guard.
- xxvii. Accommodation for the coast guard.
- xxviii. Landscaping.

45. The table below outlines the major activities and major outputs with the expected completion dates.

Table 6: Summary Major Outputs and Activities

Major Activities	Expected Completion Date	Major Outputs	Expected Completion Date
Consultant team mobilize	March 2017	Inception Report including	April 2017

Major Activities	Expected Completion Date	Major Outputs	Expected Completion Date
Undertake necessary surveys, investigations, measurements and tests	April 2017	design criteria	May 2017
		Report on bathymetric and sediment survey	May 2017
		Report on topographic survey	May 2017
		Report on geotechnical investigations	June 2017
		Report on Wave climate	June 2017
		Mid Term Report	June 2017
Numerical and /or physical modeling and detailed engineering design of the offshore structures	June 2017	Report on detailed design of the offshore structures	July 2017
	June 2017	Master plan and Architectural drawings	August 2017
Preparation of Master plan for all the facilities			
Detailed engineering design for shore facilities	June 2017	Report on detailed design of shore facilities	July 2017
Detailed engineering design for mechanical, electrical and plumbing works	August 2017	Mechanical, electrical and plumbing designs and layouts	September 2017
Preparation of technical specifications	August 2017	Submission of technical specifications	September 2017
Update/prepare environmental impact assessment (EIA/IEE)	August 2017	Environmental Assessments	September 2017
Finalize resettlement plans	August 2017	Final resettlement plan	August 2017
Quantity calculation and cost estimation	August 2017	Bill of quantities & Engineer's Estimate	September 2017
Preparation of bidding documents including evaluation criteria (first set)	August 2017	Bidding document	September 2017
		Draft Final Report on Detailed designs and other aspects	October 2017
		Final Report on detailed designs and other aspects	November 2017
Facilitate tendering process	August 2017 onwards	Procurement of contractor for first package	January 2018
Project management and advisory support to the ministry and PMU	Throughout	Progress Reports	monthly and final report on Procurement in May 2018

46. The consultants will be procured according to ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time). A quality and cost based selection method at a ratio of 90:10 will be used based on full technical proposal. The time frame for the entire consultancy services is 15 months. However, the design team is expected to complete the detailed designs within 9 months, the services of the procurement specialist will go beyond this intermittently over another 6 months. CVs for the key experts must be provided and they will be evaluated. CVs for non- key experts too should be provided and they would be evaluated on a pass-fail basis. The number of personnel per expertise is identified in parenthesis. The individual terms of reference for the consultants are summarized in section E.

Table 7: Summary of Consulting Services Requirement of Key Experts and Non Key Experts

Positions	Person-Months Required
National (Key Experts)	
Team Leader/Harbor Design Engineer	6.0
Harbor Design Engineer (2)	12.0
Coastal Engineer (2)	6.0
Structural Engineer (4)	16.0
MEP Engineer (2)	10.0
Procurement Specialist (1)	5.0
Sociologist (1)	3.0
Environmental Specialist (1)	5.0
Non-Key Experts	
Architect (3)	9.0
Surveyor (3)	6.0
Quantity Surveyor (2)	4.0
CAD Draftsman (1, Structural)	3.0
CAD Draftsman (1, Architectural)	3.0
CAD Draftsman (1, MEP)	3.0
Total	91.0

E. Individual Terms of Reference

47. Team Leader/Harbor Design Engineer – (6 person months)

The consultant will have a postgraduate degree in harbor design engineering/coastal engineering or a related discipline and have around 15 years of relevant experience. The expert should be competent in planning, designing, project management, quality assurance and quality

control measures. The team leader is responsible for overall delivery of the design and procurement related requirements. Key tasks include:

- a) Set up an effective strategy and organizational structure for the consultant team. Prepare and implement all administrative systems and procedures needed to ensure the effective design of fishery harbors, anchorages and landing sites in accordance with the scope of works, relevant regional, international experience and best international standards.
- b) Carry out a comprehensive review of the feasibility studies and assessments done to-date and draw attention to changes which may have become necessary since their preparation.
- c) Be responsible for overall direction, mentoring of the consultant team, coordination of inputs and management of individual consultants to develop designs to satisfy the technical specifications.
- d) Be responsible for the overall management of the design, engineering team and their activities. Review design reports, calculations and drawings. Provide expert advice as required and ensure outputs are complete, well prepared using consistent formats and their content are prepared to the highest standards.
- e) Have the overall responsibility for the timely delivery and quality of all the outputs in formats that are acceptable to the government and ADB.
- f) Communicate clear instructions to the team members.
- g) Generate and share comprehensive and detailed reports about team performance, mission-related objectives, and deadlines.
- h) Manage relationships between government, PIMU, ADB and all other stake holders,
- i) Attend bi-monthly design meetings with the client and ADB.
- j) Advice on alternative design proposals, their benefits and risks.
- k) Manage the flow of day-to-day operations.
- l) Coordinate with and assist PIMU on any relevant activities related to the design.
- m) Ensure the final deliverables are aligned with the end user's requirements.
- n) Submit quarterly progress reports to government and ADB.

48. Harbor Design Engineer –(2x6 person-months):

The consultant will have a postgraduate degree in harbor design engineering and have around 10 years of relevant experience. The consultant will be responsible for analyzing and designing offshore structures and implementing mitigation measures to address the impact due to the construction of the fishery harbor. Key tasks include:

- a) Data collection through surveys, investigations, and laboratory tests and other means, analysis of coastal processes in the project area.
- b) Undertake the detailed engineering designs of the coastal structures based on assessment of the coastal processes.
- c) Analyze site-specific problems identify significant coastal trends that may indicate coastal process changes due to the construction of the fishery harbor.
- d) Undertake physical/ mathematical modeling of the fishery harbor.
- e) Implement suitable mitigation measures for the impact due to the construction of the fishery harbor.
- f) Estimate the annual dredging requirement for the maintenance of the basin after the construction of the fishery harbor.

- g) Coordinate with the environmental specialist and identify and analyze environmental issues.
- h) Recommend preferred equipment and construction methods.
- i) Coordinate with the other team members.

49. Coastal Engineer (2x3 person-months)

The consultant will have a post graduate degree in coastal engineering and have 10 years of related experience. The consultant will be responsible for assessing the impact of project interventions on coastal processes and identify the areas of accretion, erosion and suitable coast protection measures.

Key tasks include:

- a) Data collection and analysis of coastal processes and relevant studies of the project area.
- b) Identification of the environmental impacts and suggesting mitigation methods to incorporate in the designs.
- c) Work in close consultations with the Coast Conservation Department (CCD) in finalizing the alternative options for coastal impact mitigation.
- d) Assist the harbor design engineer in realignment of structures (if required) so that fishing vessels can use safe berthing and safe navigation.
- e) Analyze and elaborate possible alternative concepts for coastal stabilization.

50. Structural Engineer (4x4 person-months):

The consultant will have a postgraduate degree in structural engineering and have around 10 years of relevant experience. The consultant will be responsible for designing all structural elements of the harbor. Key tasks include:

- a) Review the existing layout and liaise with the coastal engineer to finalize the layout plans to meet feasible structural requirements.
- b) Conduct required soil investigations in the vicinity of the proposed buildings.
- c) Undertake detailed structural designs of all structural elements of the structures and facilities of the fishery harbor.
- d) Recommend preferred equipment and construction methods.
- e) Coordinate with the team members.

51. MEP Engineer (2x5 person-months):

The consultant will have a degree in mechanical or electrical engineering or building service engineering and have around 10 years of relevant experience. The consultant will be responsible for designing all mechanical, electrical and plumbing requirements of the harbor. Key tasks include:

- a) Planning and preparation of specifications for the mechanical electrical and plumbing designs.
- b) Designing of solar energy system to introduce instead of power generations from non-renewable energy sources.
- c) Planning and designing all mechanical, electrical and plumbing requirements
- d) Liaise with the CAD MEP draftsman to prepare mechanical drawings, electrical and plumbing layouts.
- e) Recommend preferred equipment and construction methods.
- f) Coordinate with the team members.

52. Procurement Specialist (5 person-months):

The consultant will hold a degree in a relevant discipline and have 5 years of experience in procurement practices and have previous experience with ADB-funded projects. The consultant will work according to the recommendations of the project preparatory technical assistance (PPTA) team of consultants and update the master bidding documents in line with ADB's Procurement Guidelines. Key tasks include:

- a) Prepare contract packages, the standard criteria and check lists for evaluation of the tenders for the selection of suitable contractors for the construction stage. Assist the PIMU to prepare necessary procurement notices.
- b) Advice on procurement strategies in accordance with the governments' and the ADB's procurement guidelines. Ensure all the procurement is carried out according to the ADB guidelines. Advice on the timelines of the procurement.
- c) Work with engineers to finalize cost estimates, tender documents and bill of quantities.
- d) Assist PIMU with award of contracts.
- e) Update the procurement plan according to the actual implementation schedule and agreed changes, ..
- f) Undertake training to the government on the relevant guidelines, ADB's procurement procedures to counterpart staff.

53. Sociologist (3 person-months):

The consultant will have a master's degree in social sciences and 8 years of relevant work experience. Prior experience in preparing resettlement plans for ADB or World Bank funded projects is required. The consultant will use the findings of the PPTA and update and finalize the resettlement plans based on final designs. Key tasks include:

- a) Liaise with the fisher community, societies and community leaders and lead consultations with them.
- b) Identify any new social issues that may arise from the community due to the implementation of the proposed infrastructure project.
- c) Identify the mitigation measures to overcome these social issues.
- d) Update the resettlement plan (RP) prepared in accordance with ADB's SPS 2009 requirement for Involuntary Resettlement (IR), and specifically appendix 2 of SPS 2009.
- e) The RP preparation work will at least involve: survey for making an inventory of loss due to land acquisition and involuntary resettlement, and socio –economic survey for 100% PAPs. This survey will also identify vulnerable group and indigenous people that will be affected by land acquisition and involuntary resettlement associated with the proposed project.
- f) Identify alternative locations for the fisher community to operate from and to engage in fishing activities during the implementation of the project.

54. Environmental specialist (5 person-months):

The consultant will have a postgraduate degree in environmental science/management/ engineering and have 10 years of relevant experience. Prior experience in working on ADB or World Bank funded projects is considered an advantage. The consultant will be responsible to update/upgrade the environmental assessment/s prepared under the PPTA and prepare any additional environmental assessments required for government clearances. The consultant will

work closely with the independent international environment specialist to be recruited as an individual consultant:

- a) Review and revise based on detailed designs the environmental impact assessment/s undertaken during the project preparatory stage. Draw attention to the changes which may have become necessary since their preparation and make recommendations.
- b) Ensure that the environmental factors and mitigation measures are incorporated in the designs.
- c) Undertake additional studies/surveys if required to finalize the environmental assessment/s to meet the Coast Conservation Department's and Government of Sri Lanka's regulatory requirements. Ensure that all assessments meet both ADB's Safeguard Policy Statement 2009, and government of Sri Lanka's requirements.
- d) The assessment/s should identify the area of impact, assess the potential impacts (not only at the project site but related facilities such as borrow sites, quarry sites, disposal sites) and describe suitable mitigation measures, include a comprehensive environmental management plan (EMP) which identifies clearly the responsibilities and institutional arrangements for implementation. This EMP will be attached to the bidding documents for the respective contracts, therefore detailed (site specific and not generic) EMPs will be prepared. The report shall follow the outlines presented in Annex to Appendix 1 of the SPS 2009.
- e) Ensure relevant stakeholders and affected persons are adequately consulted and all consultation should be well documented. Ensure key information on project, impacts, and proposed mitigation and management measures are provided to affected persons in a manner that is easily understood (in the local language) and in a place which is readily accessible.
- f) Coordinate with relevant agencies and obtain the necessary environmental clearances and approvals.

55. Architect (3x3 person-months):

The consultant will have a postgraduate degree/Membership of the institute of Architecture in architecture and have 10 years of relevant experience. The consultant will be responsible for all architectural layouts and designs of the facilities provided in the proposed fishery harbor. Key tasks include:

- a) Incorporate waste management, energy conservation and green harbor concept in designing.
- b) Consider the easiness of the administration and maintenance in the designs.
- c) Ensure easy access and enough parking space for the harbor users.
- d) Optimize the use of land and reservation for future development.
- e) Ensure the overall aesthetic appearance is pleasant.
- f) Design of architectural layout plans of the proposed facilities in the proposed fishery harbor/anchorages.
- g) Design of detailed architectural drawings.
- h) Coordinate with the structural engineer in designing facilities.
- i) Liaise with the CAD draftsman (architectural) to prepare architectural layouts and drawings of the facilities.
- j) Coordinate with the team members.

56. Hydrographic/Land Surveyor (3x2 person-months):

The consultant will have a degree in surveying or be a licensed surveyor and have 5 years of relevant experience. The consultant will be responsible for all surveying related activities. Key tasks include:

- a) Undertake topographic and bathymetric surveys.
- b) Coordinate with the coastal engineer and the architect/structural engineer in deciding the surveying requirements.
- c) Prepare topographic layout drawings and hydrographic drawings.
- d) Assisting to the MFARDD/PIMU for land acquisition process.
- e) Coordinate with the team members.

57. Quantity Surveyor (2x2 person-months):

The consultant will have a degree/diploma/certificate in quantity surveying and have 5 years of relevant experience. The consultant will be responsible for taking quantities and preparation of the bill of quantities. Key tasks include:

- a) Conduct a market survey in the area, assessing the prices of the construction materials and labor.
- b) Revise the schedules of rates for buildings, coastal structures and other facilities.
- c) Estimate quantities and prepare the bill of quantities for the proposed structures and facilities.
- d) Prepare the engineer's estimate for all proposed items in the bill of quantities.
- e) Liaise with the coastal engineer, structural engineer, MEP engineer, architect and the draftsmen in taking quantities.
- f) Coordinate with the team members.

58. CAD Draftsman - Structural (3 person-months):

The consultant will have a diploma/certificate in draftsmanship and have 5 years of relevant experience. The consultant will be responsible for preparation of all structural drawings. Key tasks include:

- a) Liaise with the structural engineer and coastal engineer in preparation of structural drawings.
- b) Prepare all structural drawings.
- c) Coordinate with the team members.

59. CAD Draftsman - Architectural (3 person-months):

The consultant will have a diploma/certificate in draftsmanship and have 5 years of relevant experience. The consultant will be responsible for preparation of all structural drawings. Key tasks include:

- a) Liaise with the architect in preparation of architectural drawings.
- b) Prepare all architectural drawings.
- c) Coordinate with the team members.

60. CAD Draftsman – MEP (3 person-months):

The consultant will have a diploma/certificate in draftsmanship and have 5 years of relevant experience. The consultant will be responsible for preparation of all drawings and layouts related to mechanical, electrical and plumbing works. Key tasks include:

- a) Liaise with the MEP engineer in preparation of drawings and layouts.

- b) Prepare all drawings and layouts related to mechanical, electrical and plumbing works.
- c) Coordinate with the team members.

**Table 8: Cost Estimation and Financing Plan
for Consultancy team**

(\$'000)

Item	Total Cost
Asian Development Bank	
1 Consultants	
a. Remunerations and per diem	
National Consultants	414.30
b. Local travel	54.00
2 Equipment (computer, printer, etc.)	7.00
3 Software	17.00
4 Workshops, seminars, and conferences	7.50
5 Studies, surveys and reports	486.00
6 Miscellaneous administration and support costs	4.80
7 Contingencies	74.30
Total	1,064.90

For Individual Consultants

61. Harbor Design Engineer (International, 3.5 person months):

The consultant will have a post graduate civil engineering degree or equivalent and over 15 years' experience in maritime engineering preferably in coastal/harbor/marine civil related infrastructure (including numerical modeling for harbor works). The consultant will review and validate, the detailed engineering design including the design reports, design calculations and design drawings. In case of difference of opinion between design review consultant and design consultant, decision of the employer shall be final. The consultant will work with the design team leader and the PIMU to (i) support the PIMU and ADB; (ii) provide ongoing review of harbor and anchorage design work carried out by the consultant team. The design review and validation shall include but not limited to the following tasks:

- a) Review and comments on all deliverables related to engineering designs prepared by the detailed design team. This includes design criteria, manuals, detailed engineering drawings etc.,
- b) Review and ensure that the design meets all the standards and parameters specified in terms of the TOR for design consultants, technical specifications and best international practices.

- c) Technical support to the PIMU and ADB.
- d) Review and comment on technical issues associated with the project design criteria submitted by the consultant team ensuring best international standards and recommended practices to achieve sustainable development, climate change mitigation measures and fitness for purpose criteria are included.
- e) Coordinate appropriate review stages with the consultant team.
- f) Review and comment on technical issues associated with the project final detailed design documents submitted by the consultant team.
- g) Review and comment on technical issues associated with the project cost estimate and bidding documents submitted by the consultant team.
- h) Provide advice on the necessity of proposed variations or extensions of time whether requested by the consultant team or the PIMU.
- i) Review any modifications to the final design documents.
- j) Provide general advice to the manager PIMU and ADB on technical matters as requested including environmental, operational and maintenance requirements.
- k) Identify additional studies and surveys (if required) for detailed design and provide cost estimates.
- l) Provide a consolidated report on the above focusing on the major components and elements but not limited to breakwater adequacy for climate change forces, breakwater global stability, breakwater settlement, channel stability, quay foundation adequacy, sea bed material dredgability, reclamation design and stability, pile structures adequacy, cost estimates and bidding documents.

The consultant will submit an inception report within 3 weeks of initiating the assignment and then a midterm review report in the third month and final report in the 6th month of the assignment. The time frame will be 3.5 months over a 6 month period.

62. Environment Specialist (International, 3.5 person months)

The consultant will have a post-graduate degree in environmental sciences/management and have over 12 years of experience in coastal and marine ecology and fisheries. The specialist will work with the national environment specialist in the detailed design team to:

- a) Review and revise based on detailed designs the environmental impact assessment/s undertaken during the project preparatory stage..
- b) Ensure that the environmental factors and mitigation measures are incorporated in the designs.
- c) Together with national consultant identify additional studies/surveys if required and get them undertaken by the detailed design team to finalize the environmental assessment/s to meet the Coast Conservation Department's and Government of Sri Lanka's regulatory requirements. Ensure that all assessments meet both ADB's Safeguard Policy Statement 2009, and government of Sri Lanka's requirements.
- d) The assessment/s should identify the area of impact, assess the potential impacts (not only at the project site but related facilities such as borrow sites,

quarry sites, disposal sites) and describe suitable mitigation measures, include a comprehensive environmental management plan (EMP) which identifies clearly the responsibilities and institutional arrangements for implementation. This EMP will be attached to the bidding documents for the respective contracts, therefore detailed (site specific and not generic) EMPs will be prepared. The report for ADB shall follow the outlines presented in Annex to Appendix 1 of the SPS 2009.

- e) Ensure relevant stakeholders and affected persons are adequately consulted and all consultation should be well documented. Ensure key information on project, impacts, and proposed mitigation and management measures are provided to affected persons in a manner that is easily understood (in the local language) and in a place which is readily accessible.

VII. SAFEGUARDS

63. The PDA will finance only consultancy services for detailed engineering designs and is categorized C for environment, involuntary resettlement and indigenous peoples. The proposed ensuing project's safeguard impacts are being assessed under the on-going project preparatory technical assistance. The proposed initial safeguard categorizations of the ensuing project in accordance to ADB's Safeguards Policy Statement (SPS) 2009 are as follows: (i) Category B for environment, (ii) Category B for involuntary resettlement, and (iii) category C for indigenous peoples. The PDA-financed consultants will update the initial environmental examination and resettlement plan based on final detailed designs. The consultancy team includes an environment specialist and social safeguard specialist.

64. Prohibited investment activities. Pursuant to ADB's Safeguard Policy Statement (2009) (SPS), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS.

VIII. GENDER AND SOCIAL DIMENSIONS

65. These aspects are being covered under the PPTA and are not financed under the PDA.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

A. Monitoring and Evaluation

66. **PDA Project performance monitoring:** PDA Project performance will be monitored based on quarterly and consolidated reports provided by the MFARD. These reports will include: (a) progress achieved by activity as measured against the implementation schedule, (b) key implementation issues and solutions; (c) updated procurement plan; and (d) updated implementation plan for remaining implementation period. To ensure PDA projects continue to be both viable and sustainable, PDA project financial statements, together with the associated auditor's report, should be adequately reviewed. Only in the event that an ensuing loan is not approved, will MFARD submit a PDA project completion report to ADB within 6 months of physical completion of the PDA project.¹⁸

67. **Compliance monitoring:** Loan covenants on policy, legal, financial, economic, environmental, labor standards and others will be monitored regularly through various reports (monthly progress reports, quarterly progress reports, and annual reports), and discussions during review missions.

68. **Safeguards monitoring:** There will be no safeguard monitoring required during the PDA loan as it will only support preparation of detailed designs and updating of the environment assessments and resettlement plans. ADB and the relevant government agencies will review each of these updates.

B. Reporting

69. The MFARD will provide ADB with:

- (i) PDA project's quarterly progress reports in a format consistent with ADB's project performance reporting system;
- (ii) consolidated annual reports including (a) progress achieved by output as measured through the performance targets, (b) key implementation issues and solutions; (c) updated procurement plan and (d) updated implementation plan for next 12 months;¹⁹ and
- (iii) PDA project accounts and the executing agency AFSs, together with the associated auditor's report,

C. Stakeholder Communication Strategy

70. The PDA will maximize transparency by communicating relevant project information to stakeholders in various means. Surveys and consultations among stakeholders will be conducted during updating of social safeguard assessments and resettlement plans. Awareness workshops on project activities will be held.

¹⁸ Project completion report format is available at: <http://www.adb.org/sites/default/files/pai-6-07-a.pdf>

¹⁹ The regional departments will present the performance of the completed PDA in the project completion report of the ensuing loan. See para. 51 of ADB. 2013. [Project Design Advance](#). *Staff Instruction*. Manila.

X. ANTICORRUPTION POLICY

71. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the PDA project.²⁰ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all PDA project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the PDA project.²¹

72. To support these efforts, relevant provisions are included in the loan agreement and the bidding documents for the PDA project.

²⁰ Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

²¹ ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

XI. ACCOUNTABILITY MECHANISM

73. People who are, or may in the future be, adversely affected by the PDA project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted PDA projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.²²

²² For further information see: <http://www.adb.org/Accountability-Mechanism/default.asp>.

XII. RECORD OF PAM CHANGES

74. {All revisions/updates during course of implementation should be retained in this Section to provide a chronological history of changes to implemented arrangements recorded in the PAM.}