

PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Justification

1. There is an urgent need to support the government in the development of the urban water supply and sanitation sector in Cambodia and to identify appropriate projects and implementation options with them, including potential engagement with the private sector. The government has identified a number of priority projects to be covered under the ensuing loan project and has prepared outline technical studies for some of the proposed project components. A project preparatory technical assistance (PPTA) is required to review the available studies and designs, prepare additional studies and designs, and develop a project suitable for ADB funding in terms of technical, financial, economic, institutional, sector policy, legal, and safeguard contexts, in conjunction with the country partnership strategy (CPS), operational experience, and lessons from evaluations of previous projects.

B. Major Outputs and Activities

2. The PPTA will (i) review and assist in the update of long and medium term development plans for the sector; (ii) assist the EA to prioritize project components; (iii) determine the feasibility of the proposed investments for infrastructure construction and service improvements covering (a) preliminary engineering designs, (b) cost estimates and financing plans, (c) financial and economic viability and sustainability, (d) environmental and social soundness (including documentation and consultation), and (e) detailed implementation and procurement arrangements; (iv) prepare an institutional development and capacity building program; and (v) prepare a terms of reference (TOR) for a capacity development TA to assist the Ministry of Industry, Mines and Energy (MIME) in developing the sector and implementing institutional changes to strengthen economic and technical regulation. The major outputs and activities of the PPTA are summarized in Table A4.1.

Table A4.1: Summary of Major Outputs and Activities

Major Activities	Major Outputs	Expected Completion Date
1. Preparatory Activities	Inception report	30 November 2012
1.1 Conduct stakeholder consultations		
1.2 Establish TA methodology		
1.3 Develop work program		
2. Sector Analysis, Data Collection, and Review of MIME Proposed Sub-projects	Interim Report	31 January 2013
2.1 Review sector strategy and recommend improvements		
2.2 Refine project rationale		
2.3 Review existing data and feasibility studies, and identify data gaps		
2.4 Surveys and data collection		
2.5 Confirm and prioritize water supply sub-projects		
3. Feasibility Assessment:	Draft Final Report	30 April 2013
3.1 Update existing and prepare new feasibility studies		
3.2 Prepare preliminary engineering designs		
3.3 Prepare cost estimates and financing plan	Final report	30 June 2013
3.4 Assess economic and financial viability and sustainability		
3.5 Assess environmental and social soundness, and prepare IEEs and RPs		
3.6 Develop detailed implementation arrangements		
4. Institutional Strengthening and Capacity Development	Draft final report	30 April 2013
4.1 Identify key stakeholders		

4.2	Assess institutional capacity constraints		
4.3	Develop institutional capacity building plan	Final report	30 June
4.4	Prepare terms of reference for strengthening sector regulation TA		2013
4.5	Prepare sanitation strategy with MIME		
4.6	Prepare RRP, PAM, and procurement plans		

IEE = initial environmental examination; MIME = Ministry of Economy and Finance; PAM = project administration manual; RP = resettlement plan; RRP = Request and Recommendation of the President; TA = technical assistance.

Source: Asian Development Bank.

C. Cost Estimate and Proposed Financing Arrangement

3. The PPTA is estimated to cost \$800,000, financed on a grant basis by ADB's Technical Assistance Special Fund. The government was advised that approval of the PPTA does not commit ADB to finance any ensuing project. The detailed cost estimate is presented in Table A4.2.

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

Item	Total Cost
A. ADB Financing^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (19 person-months)	427.0
ii. National consultants (32 person-months)	122.0
b. International and local travel	48.0
c. Reports and communications	8.0
2. Equipment (computer, printer, etc.) ^b	12.0
3. Workshops, training, seminars, and conferences ^c	
a. Facilitators	9.0
b. Workshops/training	15.0
4. Vehicles ^d	18.0
5. Surveys	27.0
6. Miscellaneous administration and support costs (including CAD technicians for design & drawing production)	24.0
7. Representative for contract negotiations	10.0
8. Contingencies ^e	80.0
Total	800.0

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

^b Equipment

Type	Quantity	Cost
Desktop and laptop computers with software, 1 color laser printer, 1 black and white laser printer, 1 photocopy machine, and office furniture.	1 set	\$12,000

^c Workshops, training, seminars, and conferences

Purpose	Venue
Inception, interim, and draft final workshops	MIME Offices or hotel, Phnom Penh

^d Vehicle

	Expected length of use
Vehicle hire for consultants use for fieldwork (multiple locations) and liaison purpose	6-8 months

^e Contingencies may be used to engage additional international procurement expertise to assist the EA with advance actions, ADB procedures and documentation, and recruitment of the project implementation assistance consultant.

Source: Asian Development Bank estimates

D. Consulting Services

4. All consultants will be engaged through a firm(s). The PPTA will require 7 positions and 19 person-months (pm) of international consulting services and 10 positions and 32 pm of national consulting services. ADB will select and engage consultants according to ADB's

Guidelines on Use of Consultants (2010, as amended from time to time) and other arrangements satisfactory to ADB for the selection and engagement of domestic consultants. The quality and cost-based selection method, using the quality cost ratio of 90:10 will be followed, since a high degree of technical quality is required. Simplified technical proposals will be necessary.

Table A4.3: Summary of Consulting Services Requirement

International Name of Positions	Person- months	National Name of Positions	Person- months
Team Leader/ Urban Water Supply and Sanitation Specialist	6	Deputy Team Leader/ Urban Water Supply Specialist	6
Senior Water Supply Engineer	4	Water Supply Engineer	6
Economist/ Finance Specialist	2	Urban Sanitation Specialist	2
Institutional Development Specialist	2	Finance Specialist	3
Environment Specialist	2	Economist	2
Social Safeguards Specialist	2	Institutional Development Specialist	3
Social Development/ Gender Specialist	1	Environment specialist	3
		Social Safeguards Specialist	3
		Social Development/ Gender Specialist	2
		Procurement Specialist	2

Source: Asian Development Bank.

5. The outline terms of reference for the PPTA consultants are described in paras. 6–12.
6. The Team Leader will (i) provide overall organization of the PPTA; (ii) guide, supervise, and coordinate the work of all team members; and (iii) take overall responsibility for preparing reports and consolidating reports prepared by all team members. The deputy team leader will assist the team leader to accomplish all tasks and coordinate the national team members.
7. The international and domestic urban water supply and sanitation specialists will (i) review existing plans, reports, standards, and studies; (ii) assess future development needs; and (iii) prepare recommendations for improvements and further work by the PPTA team. The international and national water supply engineers and national urban sanitation specialist will (i) consult key stakeholders to identify major issues and bottlenecks to service delivery; (ii) confirm the priority areas and finalize the infrastructure investment subprojects; (iii) collect and analyze information on infrastructure and civil works; (iv) prepare preliminary engineering design and cost estimates; and (v) prepare operation and maintenance plans. The national procurement specialist will (i) conduct the procurement capacity assessment; (ii) prepare a procurement plan; and (iii) identify specific advance actions with funding sources, time frame, and responsibilities.
8. The international economist/finance specialist and national finance specialist will (i) conduct financial management assessment and recommend measures to strengthen financial management; (ii) review tariff structures, cost recovery, and recommend appropriate actions; (iii) prepare a project financing plan and design the funds flow and disbursement mechanism; (iv) propose auditor arrangements; and (v) prepare a financial analysis for each subproject.
9. The international economist/finance specialist and national economist will (i) conduct socioeconomic surveys and prepare baseline data, (ii) conduct a 'strength, weakness, opportunities and threats' SWOT analysis, (iii) refine the project rationale, and (iv) prepare economic analyses for individual project components and the project as a whole, following ADB's guidelines.

10. The international and national institutional development specialists will (i) identify policy, institutional, and human resource bottlenecks for urban management; (ii) assess the managerial, technical, and administrative capacities; (iii) review existing training programs; (iv) prepare an institutional analysis; (v) develop capacity development programs; and (v) prepare a TOR for a TA to develop capacity and strengthen regulation of the urban water supply sector.

11. The international and national environment specialists will (i) accomplish ADB's rapid environmental assessment (REA) checklist/s to support the Project's over-all environmental categorization to be approved by ADB's Chief Compliance Officer; (ii) based on the approved categorization, prepare the required environmental assessment report for each urban area identifying direct, indirect, cumulative and induced impacts of the project; (iii) ensure that the environmental assessment reports conform to ADB's Safeguard Policy Statement 2009.

12. The international and national social safeguards specialist will (i) collect adequate data for the ADB project team and prepare resettlement plans (RPs) and a resettlement framework, if required; (ii) ensure that the RPs conform to ADB's Safeguards Policy Statement 2009; (iii) help the Government initiate a participatory process for RP preparation; (iv) assess the capacity of the responsible institutions to prepare, update, and implement RPs, and propose capacity building and training programs, and (v) prepare IP categorization checklist, IP Plan and IP Framework, if required, and ensure that IPs conform to ADB's SPS 2009; assess the capacity of responsible institutions to prepare IPP. The international national social development/ gender specialists will prepare gender action plans that will be formulated through a participatory process. The specialists will also work together and will (i) help conduct socioeconomic surveys; (ii) review the Government policies and strategies for poverty reduction and gender development; (iii) conduct a public perception survey to identify public problems and development priorities; (iv) conduct a poverty and social analysis; (v) prepare a poverty and social strategy; (vi) prepare a gender action plan and other social action plans; and (vii) prepare an SCS and the CPP.

E. Implementation Arrangements

13. The Department of Potable Water Supply, MIME will be the executing agency, while the selected provincial waterworks will be the implementing agencies. The PPTA consultants will be based in Phnom Penh at office accommodation provided by MIME. The project implementation units at each provincial waterworks will provide temporary office space to the consultants when they travel to the field. The government will provide qualified counterpart staff, office administrative support services and logistics, and necessary data and reports. The executing agency and ADB will be responsible for supervision of the quality of the PPTA work.

14. Disbursements under the PPTA will be done in accordance with the ADB's *Technical Assistance Disbursement Handbook (May 2010, amended from time to time)*. The consultants may procure equipment through shopping according to ADB's *Procurement Guidelines*. The equipment procured will be transferred to the project management unit upon completion of the PPTA.

15. The proposed PPTA processing and implementation schedule is listed in Table A4.4.

Table A4.4: Proposed Technical Assistance Processing and Implementation Schedule

Major Milestones	Expected Completion Date
TA commencement	1 November 2012
Inception report	30 November 2012
Interim report	31 January 2013
Draft final report	30 April 2013

Final report	30 June 2013
Financial closure	31 December 2013
