

Project Administration Manual

Project Number: 37075-023
Loan and/or Grant Number(s): GXXXX
24 October 2017

Islamic Republic of Afghanistan: Proposed Grant for Qaisar–Dari Bum Road Project

ABBREVIATIONS

| | | |
|-------|---|---|
| ADB | – | Asian Development Bank |
| ADF | – | Asian Development Fund |
| CAREC | – | Central Asia Regional Economic Cooperation |
| CPS | – | country partnership strategy |
| EMP | – | environmental management plan |
| GDP | – | gross domestic product |
| OCB | – | open competitive bidding |
| km | – | kilometer |
| MFF | – | multi-tranche financing facility |
| MOF | – | Ministry of Finance |
| MPW | – | Ministry of Public Works |
| NPA | – | National Procurement Authority |
| PAM | – | project administration manual |
| PMO | – | project management office |
| QCBS | – | quality- and cost based selection |
| RRP | – | report and recommendation of the President to the Board |
| SOE | – | statement of expenditures |
| SPS | – | Safeguard Policy Statement |
| TOR | – | terms of reference |

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Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The 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 Finance and Ministry of Public Works are wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by the Ministry of Finance and Ministry of Public Works of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At grant negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the grant agreement. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the PAM and the grant agreement, the provisions of the grant agreement shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP), 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 PAM.

I. PROJECT DESCRIPTION

1. The proposed grant will finance the construction of a 151-Kilometer section of road in the northwestern Afghanistan from Qaisar to Dari Bum, which is the last missing link of the national ring road (the Ring Road) and the top priority on the nation's strategic corridors. The road section is also part of the Central Asia Regional Economic Cooperation Program (CAREC) strategic corridor. The proposed project will also include community development works; strengthen capacity for the implementing agency; and provide capacity building for stakeholders involved in the transport sector on climate change and disaster risk reduction.

2. Surrounded by six countries, Afghanistan's strategic location along the ancient Silk Route provides crucial link for Central Asia, South Asia, and the Middle East. It is also, a conduit to access ports in Pakistan and on the Caspian Sea for trade with Europe and the Middle East. Due to the country's geographic terrain and pattern of human settlement, road transport is the most common mode of transport in Afghanistan. In the two decades of wars and conflicts since 1980, 70% of transport infrastructure, mainly road structures, was damaged by different warring factions or deteriorated in the absence of maintenance. Following the intervention of the United States in 2001, reconstruction of the country began, with the support of the development partners including the Asian Development Bank (ADB), who has been the major donor in the rehabilitation and reconstruction of regional and national roads. Afghanistan's location also places the country at high risk from disasters triggered by natural hazards, such as floods, drought, landslides, earthquake, which often damages roads and impact the performance of the transport sector.

3. The Ring Road, with a total length of 2,210 km, is the backbone of the Afghanistan's transport network and the principal conduit for national and international passenger and freight traffic. More than 80 percent of Afghans now live within 50 km of the Ring Road. The Ring Road interconnects the country's four major cities namely Kabul, Kandahar, Herat and Mazar-e-Sherif, and passes through secondary cities such as Doshi, Pul-e-Khumry, Faryab, Badghis, and Ghazni. Rehabilitation of the Ring Road started in 2002, with the southern part (Kabul-Kandahar-Herat section) completed under Rehabilitation of Economics Facilities and Services program of the USAID together with the assistance of JICA and the Government of Saudi Arabia. For the northern part, the World Bank has completed Kabul- Doshi section and the Islamic Development Bank (IsDB) has completed Doshi- Polykhumri section. In addition, IsDB is also financing the ongoing construction of Doshi-Pul-e-Khumri section, while the Government of Saudi Arabia is financing the ongoing construction of Armalik-Leman section. ADB is committed to financing the remaining part of the Ring Road, and in 2010, completed the section from Pul-e-Khumri to Qaisar. Qaisar to Leman is the final missing link of the Ring Road, and remains to be completed.

4. The proposed section, between Qaisar to Dari Bum, will close the gap and enable the Ring Road to fully perform its role as the backbone of the national transport system. When completed, the Ring Road will substantially improve regional connectivity and intercity efficiency, reduce operating costs, improve safety, and increase communities' access to social services and infrastructure. A community development component, which will address basic infrastructure such as rural access roads, culverts, mosques, small-scale irrigation schemes, etc., will be included in the proposed project to support local communities within the project road area, and increase communities' engagement in the project thereby contributing towards the sustainability of the project. A capacity building component on mainstreaming climate change and disaster risk in the transport sector will also be included in the proposed project, to strengthen resilience of the sector. The proposed project will also provide development of institutional capacity for the MPW and support for operation of the PMO to ensure successful implementation of ADB transport program. Overall, the proposed project will benefit Afghanistan's economy through investment and job

creation in the areas. It will also contribute indirectly to stability and security in this remote part of the country.

5. The proposed project is ranked first among the investment priorities of the road improvement master plan. The proposed project is programmed under the Afghanistan National Development Strategy¹ (ANDS) and part of a strategic international and regional corridor. The proposed project is relevant to achieving results of the Interim Country Partnership Strategy 2017-2018 and included in the Country Operations Business Plan 2017-2020.

6. The proposed project's impacts will be increased national trade in and through northwestern Afghanistan. The outcome will be an efficient and reliable road network developed in northwest Afghanistan. The outputs will be (i) the last missing link of national Ring Road constructed, (ii) roadside infrastructure needs for 60 local communities installed or constructed; (iii) institutional capacity of MPW and PMO developed; and (iv) disaster reduction and climate change adaptation capacity in the road sector improved.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Table 1: Project Readiness Activities

| Indicative Activities | 2017 | | | | | | Responsible Individual/Unit/Agency/Government |
|---|------|-----|------|-----|-----|-----|---|
| | July | Aug | Sept | Oct | Nov | Dec | |
| Advance contracting actions | | | X | | | | MOF/MPW/ADB |
| Establish project implementation arrangements | | | X | | | | MOF/MPW/ADB |
| ADB Board approval | | | X | | | | ADB |
| Grant signing | | | | X | | | MOF/ADB |
| Government legal opinion provided | | | | | X | | MOF/MOJ/ADB |
| Government budget inclusion | | | | | X | | MPW/MOF |
| Grant effectiveness | | | | | | X | MOF/ADB |

ADB = Asian Development Bank, MOF = Ministry of Finance, MOJ = Ministry of Justice, MPW = Ministry of Public Works.

Source: Asian Development Bank.

| | | 2017 | | 2018 | | | | 2019 | | | | 2020 | | | | 2021 | | | | 2022 | | | | |
|-----------|---|------|----|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|--|
| | | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | |
| 4.2 | Undertake climate change and DRR of the road sector (Mar 2019) | | | | | | | | | | | | | | | | | | | | | | | |
| 4.3 | Undertake probabilistic flood risk assessment for the road section (Dec 2018) | | | | | | | | | | | | | | | | | | | | | | | |
| 4.4 | Review and recommend changes in road design standards (Jun 2019) | | | | | | | | | | | | | | | | | | | | | | | |
| 4.5 | Deliver three trainings (Dec 2019) | | | | | | | | | | | | | | | | | | | | | | | |
| B. | Management Activities | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | Procurement plan key activities to procure contract packages | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | Consultant selection procedures | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | Environmental management plan key activities | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | Communication strategy key activities | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | Annual and/or midterm review | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | Project completion report | | | | | | | | | | | | | | | | | | | | | | | |

DED = detailed engineering design, DMF = design and monitoring framework, DRR = disaster risk reduction, LARP = land acquisition and resettlement plan.
Source: Asian Development Bank estimates.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

Table 3: Management Roles and Responsibilities

| Project Implementation Organizations | Management Roles and Responsibilities |
|--|---|
| Ministry of Finance (Recipient and Executing Agency) | <ul style="list-style-type: none"> • Facilitate negotiation, signing, and execution of the grant agreements • Monitoring project progress and instructing MPW to take corrective action to prevent significant variations and deviations from schedules and budgets (if any) • Ensure timely submission of the withdrawal applications to ADB |
| Ministry of Public Works (Implementing Agency) | <ul style="list-style-type: none"> • Focal point for communication with ADB on project related matters, and signatory to important documents such as consultancy service contracts, withdrawal applications, and audit reports • Ensure timely and efficient completion of project • Ensure coordination with other concerned government agencies and development partners • Ensure that PMO is fully staffed and functional during the entire period of implementation • Ensure compliance with grant covenants, ADB's guidelines, procedures, and policies |
| Program Management Office (Implementing Unit) | <ul style="list-style-type: none"> • Day-to-day implementation of the project, including administration of all civil works and consultancy contracts (instructing the supervision of the civil works and consultants, approving variations, suspending and terminating contracts) |
| ADB | <ul style="list-style-type: none"> • Supervise MPW's implementation of the project by: <ul style="list-style-type: none"> ▪ Selecting the civil works contractors and recruitment of consulting firms and individual consultants. ▪ Reviewing and facilitating approval of project implementation and procurement documents submitted by EA ▪ Disclosing project information to the public ▪ Fielding review missions ▪ Facilitating knowledge sharing |

ADB = Asian Development Bank, EA = executing agency, MPW = Ministry of Public Works, PMO = project management office.

Source: Asian Development Bank.

B. Key Persons Involved in Implementation

Executing Agency

Ministry of Finance

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Implementing Agency

Ministry of Public Works

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Asian Development Bank

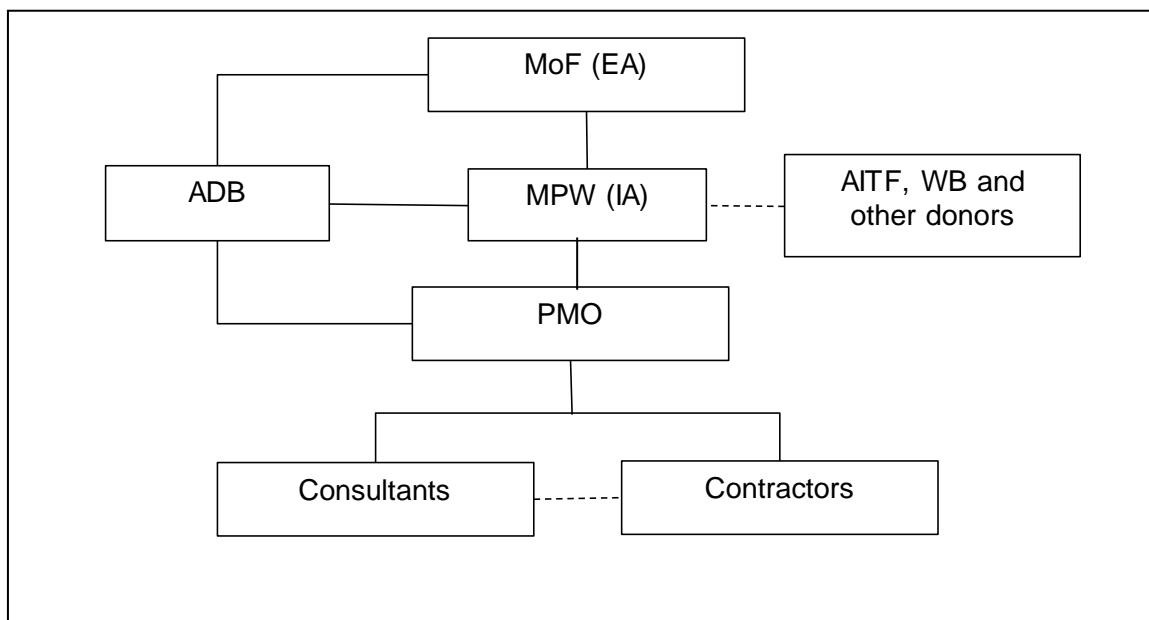
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C. Project Organization Structure



AITF = Afghanistan Infrastructure Trust Fund, ADB = Asian Development Bank, MOF = Ministry of Finance, MPW = Ministry of Public Works, PMO = Program Management Office, WB = World Bank.

IV. COSTS AND FINANCING

8. The project is estimated to cost \$334.0 million, including taxes, duties, and contingencies during the grant administration. The government has requested a grant not exceeding \$330.0 million from ADB's Special Funds resources (Asian Development Fund) to help finance civil works, consultancy services, equipment and financial support to the PMO. The government will contribute about \$4.0 million for safeguards component such as: land acquisition as well as incremental administrative expenses, communications and office facilities.

Table 4: Summary Cost Estimates
(\$ million)

| Item | Amount ^a |
|--|---------------------|
| A. Base Cost^b | |
| 1. Output 1: Qaisar-Dari Bum link of the national Ring Road constructed | 270.0 |
| 2. Output 2: Roadside infrastructure for 60 local communities installed/constructed | 19.0 |
| 3. Output 3: Capacity building program for MPW and PMO implemented. | 10.0 |
| 4. Output 4: Disaster risk reduction and climate change adaptation capacity in the road sector improved. | 5.0 |
| Subtotal (A) | 304.0 |
| B. Contingencies^c | 30.0 |
| Total (A+B+C) | 334.0 |

^a Includes taxes and duties of 13 million. Such amount does not represent an excessive share of the project cost.

^b In mid-2017 prices as of 30 June 2017.

^c Physical contingencies computed at 9% for civil works; and 2% for consultancy services, field research and development, training, surveys, and studies. Price contingencies computed at 2.5% on foreign exchange costs and 5.5% on local currency costs for 2017, 5.8% for 2018, and 6.0% for 2019 to 2022; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

Source: Asian Development Bank estimates.

A. Cost Estimates Preparation and Revisions

9. The cost estimates were prepared by ADB and the Ministry of Public Works (MPW). The cost estimates were based on June 2017 prices.

B. Key Assumptions

10. The following key assumptions underpin the cost estimates and financing plan:
- (i) Exchange rate: AFN 68.398 = \$1.00 (as of 14 July 2017).
 - (ii) Price contingencies were calculated based on price inflation data sourced from ADB's Economic and Research Department. Price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 5: Escalation Rates for Price Contingency Calculation
(%)

| Item | 2018 | 2019 | 2020 | 2021 | 2022 | Average |
|----------------------------------|------|------|------|------|------|---------|
| Foreign rate of price inflation | 1.5% | 1.5% | 1.5% | 1.6% | 1.6% | 1.3% |
| Domestic rate of price inflation | 5.7% | 6.2% | 6.4% | 6.4% | 6.4% | 5.2% |

Source: Asian Development Bank estimates.

C. Detailed Cost Estimates by Expenditure Category

Table 6: Detailed Cost Estimates by Expenditure

| Item | Cost ^a | % of Total Cost |
|---|-------------------|-----------------|
| A. Investment Costs^b | | |
| 1 Civil Works | 262.0 | 78.4% |
| 2 Equipment | 2.0 | 0.6% |
| 3 Consulting Services | 30.0 | 9.0% |
| a. Project Management | 22.0 | 6.6% |
| b. Community Development Projects | 1.0 | 0.3% |
| c. Capacity building for PMO | 2.0 | 0.6% |
| d. Capacity building for climate change and DRR | 5.0 | 1.5% |
| 4 Support to PMO | 6.0 | 1.8% |
| 5 Safeguards Component (land acquisition, resettlement) | 4.0 | 1.2% |
| Subtotal (A) | 304.0 | 91.0% |
| B. Contingencies^c | | |
| 1 Physical | 23.0 | 6.9% |
| 2 Price | 7.0 | 2.1% |
| Subtotal (B) | 30.0 | 9.0% |
| Total Project Cost (A+B) | 334.0 | 100.0% |

DRR = disaster risk reduction, PMO = project management office.

Note: Numbers may not sum precisely because of rounding.

^a Includes taxes and duties of \$13 million. Such amount does not represent an excessive share of the project cost.

^b In mid-2017 prices as of 30 June 2017.

^c Physical contingencies computed at 9% for civil works; and 2% for consultancy services, field research and development, training, surveys, and studies. Price contingencies computed at 2.5% on foreign exchange costs and 5.5% on local currency costs for 2017, 5.8% for 2018, and 6.0% for 2019 to 2022; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

Source: Asian Development Bank estimates.

D. Allocation and Withdrawal of Grant Proceeds

11. In the Grant Agreement to be shared and agreed with the government, the Schedule entitled 'Allocation and Withdrawal of Grant Proceeds' will contain both narrative paragraphs and the 'Table of Allocation and Withdrawal of Grant Proceeds.'

| ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS | | | |
|---|--------------------------------------|---|---|
| Number | Item | Total Amount Allocated for ADB Financing (\$) Category | Basis for Withdrawal from the Grant Account |
| 1 | Works, Goods and Consulting Services | 330,000,000 | 100% of total expenditure claimed |
| | Total | 330,000,000 | |

ADB = Asian Development Bank.

E. Detailed Cost Estimate by Financier**Table 7: Detailed Cost Estimates by Financier**

| Item | Asian Development Bank | | Government | | Total Cost ^a C |
|---|------------------------|------------------------------|-------------|------------------------------|------------------------------|
| | Amount A | % of Cost Category A/C | Amount B | % of Cost Category B/C | |
| A. Investment Costs^b | | | | | |
| 1 Civil Works | 262.0 | 100.0% | 0.0 | 0.0% | 262.0 |
| 2 Equipment | 2.0 | 100.0% | 0.0 | 0.0% | 2.0 |
| 3 Consulting Services | 30.0 | 100.0% | 0.0 | 0.0% | 30.0 |
| a. Project Management | 22.0 | 100.0% | 0.0 | 0.0% | 22.0 |
| b. Community Development Projects | 1.0 | 100.0% | 0.0 | 0.0% | 1.0 |
| c. Capacity building for PMO | 2.0 | 100.0% | 0.0 | 0.0% | 2.0 |
| d. Capacity building for climate change and DRR | 5.0 | 100.0% | 0.0 | 0.0% | 5.0 |
| 4 Support to PMO | 6.0 | 100.0% | 0.0 | 0.0% | 6.0 |
| 5 Safeguards Component (land acquisition, resettlement) | 0.0 | 0.0% | 4.0 | 100.0% | 4.0 |
| Subtotal (A) | 300.0 | 98.7% | 4.0 | 1.3% | 304.0 |
| B. Contingencies^c | | | | | |
| 1 Physical | 23.0 | 100.0% | 0.0 | 0.0% | 23.0 |
| 2 Price | 7.0 | 100.0% | 0.0 | 0.0% | 7.0 |
| Subtotal (B) | 30.0 | 100.0% | 0.0 | 0.0% | 334.0 |
| Total Project Cost (A+B) | 330.0 | 98.8% | 4.0 | 1.2% | |
| % Total Project Cost | | 98.8% | | 1.2% | |

DRR = disaster risk reduction, PMO = project management office.

Note: Numbers may not sum precisely because of rounding.

^a Includes taxes and duties of 13 million. Such amount does not represent an excessive share of the project cost.

^b In mid-2017 prices as of 30 June 2017.

^c Physical contingencies computed at 9% for civil works; and 2% for consultancy services, field research and development, training, surveys, and studies. Price contingencies computed at 2.5% on foreign exchange costs and 5.5% on local currency costs for 2017, 5.8% for 2018, and 6.0% for 2019 to 2022; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

Source: Asian Development Bank's estimates.

F. Detailed Cost Estimates by Outputs and/or Components

Table 8: Detailed Cost Estimates by Output
(\$ million)

| Item | Output 1: Qaisar-Dari Bum link of the national Ring Road | | | Output 2: Roadside infrastructure facilities for local communities | | Output 3: Capacity building program for MPW and PMO | | Output 4: Capacity building program for disaster reduction and climate change | |
|---|--|--------------|-----------------------|---|-----------------------|--|-----------------------|---|-----------------------|
| | Total Cost ^a | Amou nt | % of Cost Category | Amount | % of Cost Category | Amount | % of Cost Category | Amount | % of Cost Category |
| A. Investment Costs^b | | | | | | | | | |
| 1. Civil Works | 262.0 | 245.0 | 93.5% | 17.0 | 6.5% | 0.0 | 0.0% | 0.0 | 0.0% |
| 2. Equipment | 2.0 | 0.0 | 0.0% | 0.0 | 0.0% | 2.0 | 100.0% | 0.0 | 0.0% |
| 3. Consulting Services | | | | | | | | | |
| a. Project Management | 22.0 | 22.0 | 100.0% | 0.0 | 0.0% | 0.0 | 0.0% | 0.0 | 0.0% |
| b. Community Development Projects | 1.0 | 0.0 | 0.0% | 1.0 | 100.0% | 0.0 | 0.0% | 0.0 | 0.0% |
| c. Capacity building for PMO | 2.0 | 0.0 | 0.0% | 0.0 | 0.0% | 2.0 | 100.0% | 0.0 | 0.0% |
| d. Capacity building for climate change and DRR | 5.0 | 0.0 | 0.0% | 0.0 | 0.0% | 0.0 | 0.0% | 5.0 | 100.0% |
| 4. Support to PMO | 6.0 | 0.0 | 0.0% | 0.0 | 0.0% | 6.0 | 100.0% | 0.0 | 0.0% |
| 5. Safeguards Component (land acquisition, resettlement) | 4.0 | 3.0 | 75.0% | 1.0 | 25.0% | 0.0 | 0.0% | 0.0 | 0.0% |
| Subtotal (A) | 304.0 | 270.0 | 88.8% | 19.0 | 6.3% | 10.0 | 3.3% | 5.0 | 1.6% |
| B. Contingencies^c | | | | | | | | | |
| 1. Physical | 23.0 | 21.4 | 93.0% | 1.5 | 6.4% | 0.0 | 0.2% | 0.1 | 0.4% |
| 2. Price | 7.0 | 6.1 | 87.3% | 0.4 | 6.3% | 0.0 | 0.4% | 0.1 | 1.1% |
| Subtotal (B) | 30.0 | 27.5 | 91.7% | 1.9 | 6.4% | 0.1 | 0.2% | 0.2 | 0.6% |
| Total Project Cost (A+B) | 334.0 | 297.5 | 89.1% | 20.9 | 6.3% | 10.1 | 3.0% | 5.2 | 1.5% |

DRR = disaster risk reduction, PMO = project management office.

Note: Numbers may not sum precisely because of rounding.

^a Includes taxes and duties of 13 million. Such amount does not represent an excessive share of the project cost.

^b In mid-2017 prices as of 30 June 2017.

^c Physical contingencies computed at 9% for civil works; and 2% for consultancy services, field research and development, training, surveys, and studies. Price contingencies computed at 2.5% on foreign exchange costs and 5.5% on local currency costs for 2017, 5.8% for 2018, and 6.0% for 2019 to 2022; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

Source: Asian Development Bank estimates.

G. Detailed Cost Estimates by Year**Table 9: Detailed Cost Estimates by Year**
(\$ million)

| Item | Total Cost | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------------|-------------|--------------|--------------|--------------|-------------|
| A. Investment Costs | | | | | | |
| 1 Civil Works | 262.0 | 20.6 | 81.9 | 85.1 | 60.3 | 14.1 |
| 2 Equipment | 2.0 | 0.0 | 2.0 | 0.0 | 0.0 | 0.0 |
| 3 Consulting Services | 30.0 | 4.7 | 8.2 | 8.6 | 7.3 | 1.2 |
| a. Project Management | 22.0 | 2.8 | 5.4 | 6.3 | 6.4 | 1.1 |
| b. Community Development Projects | 1.0 | 0.1 | 0.2 | 0.3 | 0.3 | 0.0 |
| c. Capacity building for PMO | 2.0 | 0.3 | 0.5 | 0.6 | 0.6 | 0.1 |
| d. Capacity building for climate change and DRR | 5.0 | 1.5 | 2.0 | 1.5 | 0.0 | 0.0 |
| 4 Support to PMO | 6.0 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| 5 Safeguards Component (land acquisition, resettlement) | 4.0 | 0.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Subtotal (A) | 304.0 | 26.5 | 93.3 | 94.9 | 68.8 | 16.5 |
| B. Contingencies | | | | | | |
| 1 Physical | 23.0 | 1.9 | 7.2 | 7.5 | 5.3 | 1.2 |
| 2 Price | 7.0 | 0.5 | 2.1 | 2.3 | 1.6 | 0.4 |
| Subtotal (B) | 30.0 | 2.4 | 9.3 | 9.7 | 7.0 | 1.6 |
| Total Project Cost (A+B) | 334.0 | 28.9 | 102.6 | 104.6 | 75.8 | 18.1 |
| % Total Project Cost | 100.0% | 8.6% | 30.7% | 31.3% | 22.7% | 5.4% |

DRR = disaster risk reduction, PMO = project management office.

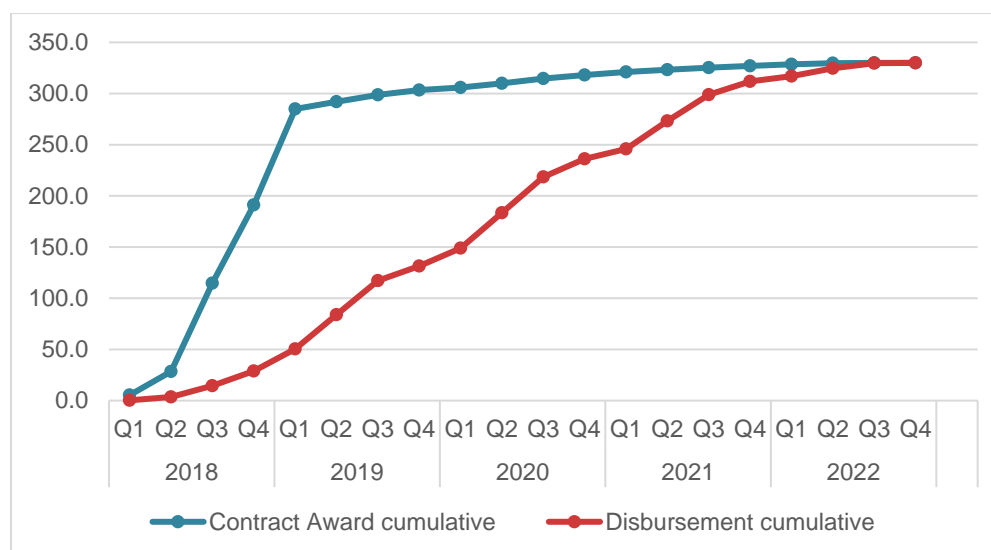
Source: Asian Development Bank estimates.

H. Contract and Disbursement S-Curve

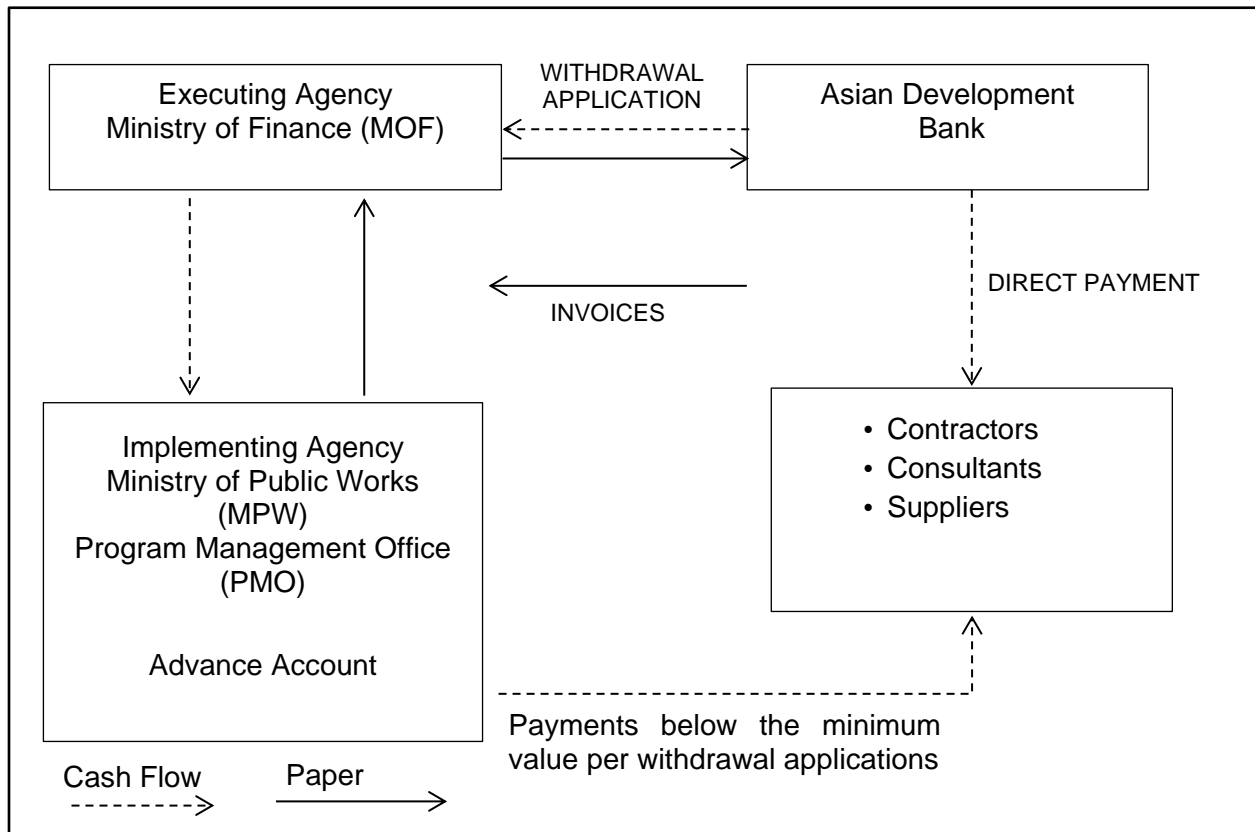
12. The graph and table below illustrate quarterly contract awards and disbursement projections over the life of the project.

Table 10: Quarterly Contract Awards and Disbursement Projection

| Year | Quarter | Contract Award | | | Disbursement | | |
|--------------|---------|--------------------------|-----------------|--------------------------|-----------------|-------|------|
| | | Projection \$ Million | Cumulative % | Projection \$ Million | Cumulative % | | |
| 2018 | Q1 | 5.4 | 5.4 | 2% | 0.3 | 0.3 | 0% |
| | Q2 | 23.1 | 28.5 | 9% | 3.3 | 3.6 | 1% |
| | Q3 | 86.3 | 114.8 | 35% | 10.9 | 14.5 | 4% |
| | Q4 | 76.3 | 191.1 | 58% | 14.4 | 28.9 | 9% |
| 2019 | Q1 | 93.8 | 284.9 | 86% | 21.6 | 50.5 | 15% |
| | Q2 | 7.1 | 292.0 | 88% | 33.4 | 83.9 | 25% |
| | Q3 | 6.7 | 298.7 | 91% | 33.3 | 117.2 | 36% |
| | Q4 | 4.7 | 303.4 | 92% | 14.3 | 131.5 | 40% |
| 2020 | Q1 | 2.5 | 305.9 | 93% | 17.5 | 149.0 | 45% |
| | Q2 | 4 | 309.9 | 94% | 34.5 | 183.5 | 56% |
| | Q3 | 4.7 | 314.6 | 95% | 35.0 | 218.5 | 66% |
| | Q4 | 3.5 | 318.1 | 96% | 17.7 | 236.1 | 72% |
| 2021 | Q1 | 3 | 321.1 | 97% | 9.7 | 245.9 | 75% |
| | Q2 | 2.2 | 323.3 | 98% | 27.3 | 273.2 | 83% |
| | Q3 | 2 | 325.3 | 99% | 25.7 | 298.9 | 91% |
| | Q4 | 1.7 | 327.0 | 99% | 13.0 | 311.9 | 95% |
| 2022 | Q1 | 1.5 | 328.5 | 100% | 5.2 | 317.1 | 96% |
| | Q2 | 1.1 | 329.6 | 100% | 7.6 | 324.6 | 98% |
| | Q3 | 0.4 | 330.0 | 100% | 5.1 | 329.7 | 100% |
| | Q4 | 0 | 330.0 | 100% | 0.3 | 330.0 | 100% |
| Total | | 330.0 | | 330.0 | | | |



I. Fund Flow Diagram



V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

13. The financial management assessment (FMA), which was conducted in August 2016 in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects and the Financial Due Diligence: A Methodology Note, was updated in July 2017. The FMA considered the capacity of the Ministry of Public Works (MPW) and the Project Management Office of MPW (PMO), including funds-flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements. Based on the updated assessment, the key financial management risks previously identified in 2016 were the MPW's weak capacity, and weak governance in areas of public financial management, procurement and corruption. However, this was compensated by the strengthened capacity of the PMO following its restructuring in 2015, and it was concluded that the overall pre-mitigation financial management risk of MPW and the PMO is moderate. The borrower has agreed to implement an action plan as key measures to address the deficiencies. The financial management action plan is provided in Table 11. {In the action plan table, summarize the key risks, activities to mitigate risks, staff and/or personnel responsible, and a timeline.

Table 11: Financial Management Action Plan

| Action | By When |
|---|----------------------------|
| Expedite the procurement and installation of modern accounting software and train relevant PMO staff in its use. | End of 2017 |
| An international financial management specialist will be recruited under the project to support PMO staff in the conduct of financial management. Support to focus on improving the timeliness of submission of APFSS of the project. | Entire duration of project |

APFSS = audited project financial statements, PMO = project management office.

B. Disbursement

a. Disbursement Arrangements for ADB

14. The grant proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time), and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.¹ Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

15. The PMO will be responsible for (i) preparing disbursement projections, (ii) requesting budgetary allocations for counterpart funds from MOF (if any), (iii) collecting supporting documents, and (iv) preparing and sending withdrawal applications to ADB.

16. **Advance fund procedure.** Separate advance accounts should be established and maintained for each funding source. The currency of the advance accounts is the US dollar. The advance accounts are to be used exclusively for ADB's share of eligible expenditures. The government who administers the advance account is accountable and responsible for proper use of advances to the advance account. The total outstanding balance to the respective advance account will not at any time exceed the estimated ADB financed expenditures to be paid from the

¹ Disbursement eLearning. http://wpqr4.adb.org/disbursement_elearning

respective advance account for the forthcoming six months or 10% of the loan amount. The request for initial and additional advances to the respective advance account should be based on Estimate of Expenditure Sheet² setting out the estimated expenditures for the forthcoming six months of project implementation. Supporting documents should be submitted to ADB or retained by the borrower in accordance with ADB's Loan Disbursement Handbook (2017, as amended from time to time) when liquidating or replenishing the advance account.

17. **Statement of expenditure procedure.**³ The SOE procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the advance account(s). The ceiling of the SOE procedure is the equivalent of [\$100,000] per individual payment. Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit. Reimbursement and liquidation of individual payments in excess of the SOE ceiling should be supported by full documentation when submitting the withdrawal application to ADB.

18. Before the submission of the first withdrawal application, the borrower 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. The minimum value per withdrawal application is set in accordance with the *Loan Disbursement Handbook* (2017, as amended from time to time). Individual payments below this amount should be paid (i) by the MPW and subsequently claimed to ADB through reimbursement, or (ii) through the advance fund procedure, unless otherwise accepted by ADB.

b. Disbursement Arrangements for Counterpart Fund

19. The PMO/ MPW will maintain separate project accounts and records by funding source for all expenditures incurred on the Qaisar–Dari Bum Road Project. The Project accounts will follow international accounting principles and practices.

C. Accounting

20. The PMO/MPW will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project following International Public Sector Accounting Standard for cash-based accounting. The MOF will prepare consolidated project financial statements in accordance with international accounting principles and practices.

D. Auditing and Public Disclosure

21. The MOF will cause the detailed consolidated project financial statements to be audited in accordance with International Standards on Auditing by an independent auditor acceptable to ADB. The audited project financial statements together with the auditor's opinion will be presented in the English language to ADB within 6 months from the end of the fiscal year by the MOF.

² Estimate of Expenditure sheet is available in Appendix 8A of ADB's *Loan Disbursement Handbook* (2017, as amended from time to time),

³ SOE forms are available in Appendix 7B of ADB's *Loan Disbursement Handbook* (2017, as amended from time to time).

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

23. The government, MOF and MPW have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.⁴ ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

24. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Public Communications Policy 2011.⁵ After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.⁶ Based on the updated financial management assessment (accessible from the list of linked documents in Appendix 2 of the RRP), it was concluded that the PMO of MPW has sufficient capacity and experience to utilize the advance account and SOE procedure as described.

⁴ ADB's approach and procedures regarding delayed submission of audited project financial statements:

- (i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- (ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the loan may be suspended if the audit documents are not received within the next 6 months.
- (iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the loan.

⁵ Public Communications Policy: <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

⁶ This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2011. *Public Communications Policy*. Paragraph 97(iv) and/or 97(v).

VI. PROCUREMENT AND CONSULTING SERVICES

25. The procurement process of the civil works packages, recruitment of the construction supervision consultant, and capacity development consultant will be started as advance procurement. However, there will be no retroactive financing.

A. Advance Contracting and Retroactive Financing

26. All advance contracting and retroactive financing will be undertaken in conformity with ADB Procurement Regulations (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time). The issuance of invitations to bid under advance contracting and retroactive financing will be subject to ADB approval. The borrower, MOF and MPW, have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the project.

27. **Advance contracting.** Advance contracting will be used for the selection of the civil works packages and recruitment of construction supervision consultant for the project. The intention is to complete the selection process, prior to grant effectiveness, to allow project implementation to commence immediately after the grant has been declared effective.

28. **Retroactive financing.** There will be no retroactive financing.

B. Procurement of Goods, Works, and Consulting Services

29. For procurement of goods, works, non-consulting and consulting services in the project, ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time) shall apply.

30. Open competitive bidding (OCB) procedures will be used for civil works contracts estimated to cost \$5.0 million or more, and supply contracts valued at \$2.0 million or higher. Shopping will be used for contracts for procurement of works and equipment worth less than \$100,000.00

31. Before the start of any procurement, ADB and the government will review the public procurement laws of the central and state governments to ensure consistency with ADB's Procurement Regulations (2017, as amended from time to time).

32. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and OCB guidelines is in Section C.

33. All consultants will be recruited in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).⁷ The terms of reference for all consulting services are detailed in Section D.

34. An estimated 1,898 person-months (528 international, 1,370 national) of consulting services are required to (i) facilitate project management and implementation, and (ii) strengthen the institutional and operational capacity of MPW and PMO. Consulting firms will be engaged

⁷ 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/>

using the quality- and cost-based selection (QCBS) method with a standard quality–cost ratio of 80:20, for supervising consultant; and 90:10 for capacity development.

35. For the consulting services of capacity building of the Ministry of Public Works, the government has agreed that ADB carries out the recruitment of consultants. This is to minimize the risk of procurement delays.

C. Procurement Plan

Basic Data

| | |
|---|---|
| Project Name: Qaisar - Dari Bum Road Project | |
| Project Number: 37075-023 | Approval Number: |
| Country: Afghanistan, Islamic Republic of | Executing Agency: Ministry of Finance |
| Project Procurement Classification: | Implementing Agency: |
| Project Procurement Risk: Moderate | N/A |
| Project Financing Amount: US\$ 334,000,000 ADB Financing: US\$ 330,000,000 Cofinancing (ADB Administered): Non-ADB Financing: US\$ 4,000,000 | Project Closing Date: 31 December 2022 |
| Date of First Procurement Plan: 11 October 2017 | Date of this Procurement Plan: 11 October 2017 |

D. Procurement Plan Methods, Thresholds, Review and 18-Month Procurement Plan

a. Procurement and Consulting Methods and Thresholds

Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

| Procurement of Goods and Works | | |
|--|---|---|
| Method | Threshold | Comments |
| Open Competitive Bidding for Goods (International advertisement) | US\$ 2,000,000 and Above | Prior review. |
| Open Competitive Bidding for Goods (National advertisement) | Between US\$ 100,000 and US\$ 1,999,999 | Prior review. |
| Open Competitive Bidding for Works (National advertisement) | US\$ 5,000,000 and Above | Prior review. |
| Open Competitive Bidding for Works | Between US\$ 100,000 and US\$ 4,999,999 | Prior review. Based on AFG procurement plan template in OpsPedia |
| Shopping for Works | Up to US\$ 99,999 | Prior review. Based on AFG procurement plan template in OpsPedia. |

| Consulting Services | |
|--|--------------|
| Method | Comments |
| Quality- and Cost-Based Selection for Consulting Firm | prior review |
| Individual Consultants Selection for Individual Consultant | prior review |

b. Goods and Works Contracts Estimated to Cost \$1 Million or More

The following table lists goods and works contracts for which the procurement activity is either ongoing or expected to commence within the next 18 months.

| Package Number | General Description | Estimated Value | Procurement Method | Review (Prior/Post) | Bidding Procedure | Advertisement Date (quarter/year) | Comments |
|----------------|---|-----------------|--------------------|---------------------|-------------------|-----------------------------------|--|
| CD-1 | Community development package (Package 1) | 1,700,000.00 | OCB | Prior | 1S1E | Q1 / 2018 | Prequalification of Bidders: N Domestic Preference Applicable: N Advance Contracting: Y Bidding Document: Small Works |
| CD-2 | Community development package (Package 2) | 1,700,000.00 | OCB | Prior | 1S1E | Q1 / 2018 | Prequalification of Bidders: N Domestic Preference Applicable: N Advance Contracting: Y Bidding Document: Small Works |
| CD-3 | Community development package (Package 3) | 1,700,000.00 | OCB | Prior | 1S1E | Q1 / 2018 | Prequalification of Bidders: N Domestic Preference Applicable: N Advance Contracting: N Bidding Document: Small Works |
| CD-4 | Community development package (Package 4) | 1,700,000.00 | OCB | Prior | 1S1E | Q1 / 2018 | Prequalification of Bidders: N Domestic Preference Applicable: N Advance Contracting: N Bidding Document: Small Works |
| CD-5 | Community development package (Package 5) | 1,700,000.00 | OCB | Prior | 1S1E | Q2 / 2018 | Prequalification of Bidders: N Domestic |

| Package Number | General Description | Estimated Value | Procurement Method | Review (Prior/Post) | Bidding Procedure | Advertisement Date (quarter/year) | Comments |
|----------------|---|-----------------|--------------------|---------------------|-------------------|-----------------------------------|--|
| | | | | | | | Preference Applicable: N Advance Contracting: N Bidding Document: Small Works |
| CD-6 | Community development package (Package 6) | 1,700,000.00 | OCB | Prior | 1S1E | Q2 / 2018 | Prequalification of Bidders: N Domestic Preference Applicable: N Advance Contracting: N Bidding Document: Small Works |
| CD-7 | Community development package (Package 7) | 1,700,000.00 | OCB | Prior | 1S1E | Q3 / 2018 | Prequalification of Bidders: N Domestic Preference Applicable: N Advance Contracting: N Bidding Document: Small Works |
| CD-8 | Community development package (Package 8) | 1,700,000.00 | OCB | Prior | 1S1E | Q3 / 2018 | Prequalification of Bidders: N Domestic Preference Applicable: N Advance Contracting: N Bidding Document: Small Works |
| CD-9 | Community development package (Package 9) | 1,700,000.00 | OCB | Prior | 1S1E | Q4 / 2018 | Prequalification of Bidders: N Domestic Preference Applicable: N |

| Package Number | General Description | Estimated Value | Procurement Method | Review (Prior/Post) | Bidding Procedure | Advertisement Date (quarter/year) | Comments |
|----------------|---|-----------------|--------------------|---------------------|-------------------|-----------------------------------|--|
| | | | | | | | Advance Contracting: N Bidding Document: Small Works |
| CD-10 | Community development package (Package 10) | 1,700,000.00 | OCB | Prior | 1S1E | Q4 / 2018 | Prequalification of Bidders: N Domestic Preference Applicable: N Advance Contracting: N Bidding Document: Small Works |
| CW-1 | Reconstruction and rehabilitation of section 1 of Qaisar to Dara-e-Bum Road | 82,500,000.00 | OCB | Prior | 1S1E | Q3 / 2017 | Prequalification of Bidders: N Domestic Preference Applicable: Y Advance Contracting: Y Bidding Document: Large Works |
| CW-2 | Reconstruction and rehabilitation of section 2 of Qaisar to Dara-e-Bum Road | 72,500,000.00 | OCB | Prior | 1S1E | Q1 / 2018 | Prequalification of Bidders: N Domestic Preference Applicable: Y Advance Contracting: N Bidding Document: Large Works |
| CW-3 | Reconstruction and rehabilitation of section 3 of Qaisar to Dara-e-Bum Road | 90,000,000.00 | OCB | Prior | 1S1E | Q3 / 2018 | Prequalification of Bidders: N Domestic Preference Applicable: Y Advance |

| Package Number | General Description | Estimated Value | Procurement Method | Review (Prior/ Post) | Bidding Procedure | Advertisement Date (quarter/year) | Comments |
|----------------|--------------------------|-----------------|--------------------|----------------------|-------------------|-----------------------------------|--|
| | | | | | | | Contracting: N Bidding Document: Large Works |
| Goods-1 | Equipment to support PMO | 2,000,000.00 | OCB | Prior | 1S1E | Q1 / 2018 | Prequalification of Bidders: N Domestic Preference Applicable: N Advance Contracting: N Bidding Document: Goods Comments: Procurement method to be confirmed |

c. Consulting Services Contracts Estimated to Cost \$100,000 or More

The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

| Package Number | General Description | Estimated Value | Recruitment Method | Review (Prior/ Post) | Advertisement Date (quarter/year) | Type of Proposal | Comments |
|-----------------|---|-----------------|--------------------|----------------------|-----------------------------------|------------------|--|
| CB-1 | Capacity building consultant for climate change and disaster risk reduction | 5,000,000.00 | QCBS | Prior | Q3 / 2017 | FTP | Assignment: International Quality-Cost Ratio: 90:10 Advance Contracting: Y Comments: International Assignment: 98 person-months, National Assignment: 192 person-months |
| Indiv-Support 1 | Individual consultants and support to PMO | 2,000,000.00 | ICS | Prior | Q1 / 2018 | | Assignment: International Expertise: TBD Advance Contracting: N |

E. Indicative List of Packages Required Under the Project

The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

| Goods and Works | | | | | | | |
|-----------------|---------------------|------------------------------|-------------------------------|--------------------|---------------------|-------------------|----------|
| Package Number | General Description | Estimated Value (cumulative) | Estimated Number of Contracts | Procurement Method | Review (Prior/Post) | Bidding Procedure | Comments |
| None | | | | | | | |

| Consulting Services | | | | | | | |
|---------------------|---------------------|------------------------------|-------------------------------|--------------------|---------------------|------------------|----------|
| Package Number | General Description | Estimated Value (cumulative) | Estimated Number of Contracts | Recruitment Method | Review (Prior/Post) | Type of Proposal | Comments |
| None | | | | | | | |

F. National Competitive Bidding

1. General

National competitive bidding for the procurement of goods and related services shall conform to the provisions for Open Tender without prequalification as prescribed in the *Procurement Law* of October 2005 and elaborated in the *Rules of Procedure for Public Procurement* issued by the Ministry of Finance in April 2007, with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of the ADB Procurement Regulations.

2. Registration and Other Pre-Bid Requirements

- (i) Bidding shall not be restricted to Shortlists or Standing Lists.
- (ii) No bid shall be declared as ineligible on the grounds of debarment without ADB's prior concurrence.
- (iii) No bid shall be declared ineligible on the grounds of government regulations that restrict sources without ADB's prior concurrence.
- (iv) Foreign suppliers and contractors from ADB member countries shall be allowed to bid, without registration, licensing, and other government authorizations. However, in case these foreign suppliers and contractors are declared winning bidders, the requirements may be completed after award and before signing of contract, without unreasonable costs or additional requirements.

3. Prequalification

Post qualification shall be used unless prequalification is explicitly provided for in the loan agreement/procurement plan. Irrespective of the procedure applied (whether prequalification or post qualification), no domestic or foreign contractor shall be precluded from

participation.

If prequalification is undertaken, the prequalification criteria should include "Eligibility Requirements", "Financial Situation", "Pending Litigation", and "Experience". Technical Capacity (personnel and equipment) should not be part of the prequalification criteria.

Interested bidders shall be given a minimum period of 28 days for the preparation and submission of prequalification applications.

4. Advertising

Bidding of OCB contracts estimated at \$500,000 or more for goods and related services and OCB contracts estimated at \$1,000,000 or more for works shall be advertised on ADB's website via the posting of the Procurement Plan.

5. Bidding Documents

Procuring entities shall use standard bidding documents acceptable to ADB, based ideally on the standard bidding documents issued by ADB.

6. Bidding Period

Procuring entities shall allow for a minimum of four weeks for submission of bids.

7. Bid Security

Where required, bid security shall be in the form of a bank guarantee or check from a reputable bank and should not be more than two percent of the estimated value of contract to be procured.

8. Preferences

No preference of any kind shall be given shall be given to domestic bidders or for domestically manufactured goods.

9. Evaluation

No bid shall be rejected on the grounds of price, or for any other reason(s) not related to the evaluation and qualification criteria, without ADB's prior concurrence.

Prompt payment discounts offered by bidders shall not be considered in bid evaluation.

10. Price Negotiations

Price negotiation shall be allowed only after receiving ADB's prior concurrence.

11. Advance Payments

No advance payment shall be made without an advance payment security in the form of a bank guarantee or check from a reputable bank.

12. Government-Owned Enterprises

Government-owned enterprises in Afghanistan shall be eligible to participate only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not a dependent agency of the procuring entity, or the Project Executing Agency, or the Implementing Agency.

13. Right to Inspect/Audit

A provision shall be included in all OCB works and goods contracts financed by the Bank (ADB) requiring suppliers and contractors to permit ADB to inspect their accounts and records and other documents relating to the bid submission and the performance of the contract, and to have them audited by auditors appointed by ADB.

14. Anti-Corruption Policy

- (i) The Borrower shall reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the contract in question.
- (ii) ADB will declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by ADB, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for, or in executing, ADB-financed contract, as indicated in paragraph 1.14 (a) of ADB's Procurement Regulations.

15. Disclosure of Decision on Contract Awards

At the same time that notification of award of Contract is given to the successful bidder, the results of bid evaluation shall be published in a local newspaper, or well-known freely accessible website identifying the bid and lot numbers and providing information on (i) name of each bidder who submitted a Bid, (ii) bid prices as read out at bid opening, (iii) name of bidders whose bids were rejected and the reasons for their rejection, and (iv) name of the winning bidder, and the price it offered, as well as duration and summary scope of the contract awarded. The executing agency/implementing agency/contracting authority shall respond in writing to unsuccessful bidders who seek explanations on the grounds on which their bids are not selected.

16. Eligibility

The eligibility of bidders shall be as defined under section I of the Guidelines; accordingly, no bidder or potential bidder should be declared ineligible for reasons other than those provided in section I of the Guidelines, as amended from time to time.

G. Consultant's Terms of Reference

36. The terms of reference for consulting services are provided below.

**TERMS OF REFERENCE FOR CONSULTING SERVICES
PROJECT MANAGEMENT AND CONSTRUCTION SUPERVISION****A. Introduction**

36. The Government of the Islamic Republic of Afghanistan has requested the Asian Development Bank (ADB) to provide financing for the **Qaisar-Dari Bum Road Project**. This support will be financed through grants provided by ADB. The Executing Agency for the proposed project will be the Ministry of Finance, and the Implementing Agency will be the Ministry of Public Works (MPW).

37. This Terms of Reference (TOR) is for the role of Project Manager and Construction Supervision Consultant (the Consultant) for the **Qaisar-Dari Bum Road Project** (the Project). The civil works will be conducted in accordance with the International Federation of Consulting Engineers (FIDIC) contract. The Consultant will assist the MPW (“the Client”) in administering the civil work contract and supervising the construction works to ensure its quality and timely completion.

B. Scope of Work

38. This Consultant, designated as the Engineer for the Project, will:

- (i) administer the construction contracts following the International Federation of Consulting Engineers (FIDIC) contract conditions;
- (ii) ensure that all works comply with the approved engineering designs and technical specifications, agreed schedule and budget, terms and conditions of the contracts, standard engineering practice, and ADB’s safeguards policy;
- (iii) provide general guidance and issue instructions to contractors;
- (iv) make engineering decisions in consultation with the PMO Director, and
- (v) advise the Project Director on work progress, quality control, and implementation issues, if any.
- (vi) support Employer in Project Management

39. The specific tasks of the Consultant will include, but not be limited to the following:

1. Design Review

- (i) Review the detailed engineering design for its correctness and safety prior to the start of civil works. Submit a report on the findings and propose modifications or corrections to any defects or omissions.

2. Supervision and Administration

- (i) Ensure that the construction methods proposed by the contractor for carrying out the works are satisfactory.
- (ii) Inspect contractor's construction equipment; results of material and soil tests; safety of the works, property and personnel; and schedule of mitigation measures for adverse environmental impacts. Notify contractors to remedy works and materials that fail to comply with the specifications.
- (iii) Monitor and supervise (a) progress of contractors' works vis-à-vis contract schedule, and (b) quality of contractors' works vis-à-vis applicable technical specifications and design.
- (iv) Check that "as built" drawings are prepared by the contractors for all works as construction progresses.
- (v) Ensure that road safety design requirements are implemented following the contract specifications.
- (vi) Develop quality assurance system and quality control plan for provisions of cement-concrete pavement.
- (vii) Establish procedures to verify contractor performance and report progress and problems on time, including quality control reports, quantity survey records, requests for variation or change orders, and contractor's claims and invoices.
- (viii) Evaluate any proposed changes (e.g., time, scope and cost) by the contractor during the course of the Project.
- (ix) Review and certify work volume, and process interim and final payments of the contractors. Ensure timely submission of contractors' interim payment certificates, and release of payment.
- (x) Ensure project financial management procedures are in place and are strictly followed, specifically relating to payments, financial accounting, requests for time extension, and contractors' claims and invoices.

3. Safeguards Compliance Monitoring

- (i) Carry out the following duties related to environmental mitigation⁸ during construction: (a) ensure that all the environmental mitigation measures required to be implemented are incorporated in the contract documents; (b) supervise and monitor the implementation of environmental mitigation plan (EMP); and (c) in case of unexpected environmental impacts, coordinate with the Project Director to recommend necessary mitigation measures to the Committee of Roads and ADB for implementation.

⁸ With particular reference to the technical requirements of sound environmental standards on the basis of ADB's *Environmental Guidelines for Selected Infrastructure development Projects (Highways and Roads)* during construction.

- (ii) Assist in monitoring and reporting of the land acquisition and resettlement plan (LARP) implementation.
- (iii) Monitor contractors' compliance with and performance of required actions regarding HIV/AIDS, human trafficking, and labor core standards in accordance with the contract documents, such as awareness and education of laborers and workers.
- (iv) Ensure that the contractor does not involve child labor in the execution of the civil works contracts in accordance with the provisions of the contract agreement.

4. Documentation and Reporting

- (i) Report and update the works implementation schedule, highlight any unforeseen delays, and timely propose corrective measures.
- (ii) Undertake project performance monitoring and evaluation⁹ and reporting up to project completion. Collect baseline survey data based on the indicators in the project's design and monitoring framework; and measure the indicators overtime during the assignment period. Design a simple MS Excel or similar system for recording the baseline and periodic data.
- (iii) Prepare and submit reports as indicated in Section F – Deliverables in this Terms of Reference (TOR).
- (iv) Develop and maintain a storage and retrieval system of records documenting information supplied by the field teams, decisions made at meetings, progress on civil works, certified achievements and milestones, financial records, any deviations from or changes to the contract plans (scope, cost, materials, time), correspondences, site diaries, test data and quality control reports, quantity survey records, as-built drawings, and progress reports.
- (v) The Project Director may require the Consultant to perform other tasks consistent with the above scope, including preparation of technical appraisals/additional contract documentation, and review and comment on the contractor's proposals.

5. The Project Director will authorize additional services that do not affect the scope of the supervision work, at the rates established in the construction supervision contract, or at the rates mutually agreed upon when the services require the use of specialists not listed in the contract.

C. Staffing Inputs

- (i) The Client will select an international firm, in association with national consultants, to carry out the tasks in this TOR. The procedure in recruiting the Consultant will follow ADB's *Guidelines on the Use of Consultants*.
- (ii) Consulting services require a total of 298 person-months of international experts and 942 person-months of national experts, and will take place over 42 months, and additional work of relevant specialists during defects liability period.

⁹ Following the project framework and ADB's *Project Performance Management System Handbook*.

- (iii) The Consultant will provide highly qualified professionals and supporting staff, and all necessary services required for the cost effective and timely completion of the consulting services. The Consultant's representative will be a full-time professional resident engineer in the project area.

Proposed Staffing

| | PERSONEL | No. | Total Input/Month |
|-----------|--|-----|----------------------|
| A. | Key International Consultants | | |
| 1. | Team Leader/Senior Highway Engineer (1 each) | 1 | 36 |
| 2. | Sr. Bridge/ Structure Engineer (1 each) | 1 | 32 |
| 3. | Geotechnical Engineer (1 each) | 1 | 4 |
| 4. | Materials/Pavement Engineer (1 each) | 1 | 32 |
| 5. | Senior Resident Engineer (3 each) | 3 | 108 |
| 6. | Contract Specialist (1 each) | 1 | 4 |
| 7. | Sr. Quantity Surveyor (1 each) | 1 | 18 |
| 8. | Environment Specialist (1 each) | 1 | 8 |
| 9. | Resettlement Specialist (1 each) | 1 | 8 |
| 10. | Chief Surveyor (1 each) | 1 | 12 |
| 11. | Security Coordinator (1 each) | 1 | 36 |
| | Subtotal (A): Key International Consultants | | 298 |
| B. | Key National Consultants | | |
| 1. | Deputy Team Leader (1 each) | 1 | 36 |
| 2. | Resident Engineer (1 each) | 3 | 102 |
| 3. | Bridge/Structural Engineer (3 each) | 3 | 96 |
| 4. | Materials/Pavement Engineer (3 each) | 3 | 96 |
| 5. | Site Inspector (9 each) | 9 | 306 |
| 6. | Accountant (1 each) | 1 | 36 |
| 7. | Quantity Surveyor (3 each) | 3 | 102 |
| 8. | Resettlement Specialist (3 each) | 3 | 18 |
| 9. | Environmental Specialist (3 each) | 3 | 18 |
| 10. | Security Officer (3 each) | 3 | 96 |
| 11. | Surveyors (3 each) | 3 | 36 |
| | Subtotal (B): Key National Consultants | | 942 |
| | TOTAL (A+B) | | 1,240 |

TERMS OF REFERENCE FOR CONSULTING SERVICES CAPACITY BUILDING OF MINISTRY OF PUBLIC WORKS

A. Introduction

1. The Government of the Islamic Republic of Afghanistan has requested the Asian Development Bank (ADB) to provide financing for the **Qaisar-Dari Bum Road** Project. This support will be financed through grants provided by ADB. The executing agency for the proposed project will be the Ministry of Finance, and the Implementing Agency will be the Ministry of Public Works (MPW).

2. The terms of reference (ToR) is to develop the capacity of MPW.

B. Scope of Work

3. The consultant team will comprise of international and national consultants, the overall scope of the project is to develop the capacity of MPW. The specific objective is to:

- (i) development of standards, guidelines, and operation manuals for the Afghanistan's national highway,
- (ii) strengthening of MPW's organizational structure through technical reform and capacity building program including the establishment of a technical division, and
- (iii) development of a national accreditation process that would develop and strengthened the pool of local engineers.

4. The specific tasks of the consultant will include but not limited to:

- (i) The consultant will develop road construction standards, guidelines, and operation manuals for the Afghanistan's national highway
- (ii) The consultant will conduct an organizational assessment of MPW determine the best approach to strengthen MPW. The consultant should consider existing technical division, and determine the current responsibilities of MPW, and whether it requires additional support to deliver its tasks.
- (iii) The consultant should look at whether MPW needs to shift its current focus towards regulatory and supervisory strength and less involvement with actual design or construction work
- (iv) The consultant will provide technical and advisory services for planning, design, implementation, and management of an agency-wide professional development and certification program in the MPW. The Certification Program shall be based on the principles and practices of the National Institute for Certification in Engineering Technologies (www.nicet.org) or NICET. The outcome of the project is for the MPW to adopt the NICET Certification standard for the professional development and career management of their engineering workforce in charge of the construction inspection.

C. Key Personnel

5. The Client will select international and national consultants to carry out the tasks of the TOR. The procedure for the recruitment of the Consultant will follow ADB's *Guidelines on the Use of Consultants*.

6. Consulting services require a total of **96** person-months of international experts and **140** person-months of national experts, and will take place over 24 months.

D. Qualification Requirements and Responsibilities of Key Personnel

7. All team members, both international and domestic, must be proficient in both written and spoken English. The qualification requirements for each team member follows.

- (i) **Team Leader/ Construction Standard Specialist: [International, 1 person, total 12 person-months]**. The Team Leader is a civil engineer or highway engineer preferably with a postgraduate degree in road engineering or associated fields. The Team Leader should have 15 years experience, and a qualified expert in road design, construction, and in developing road design standards and manuals. Experience in FCAS countries is an advantage.
- (ii) **Design Standards and Manual Specialist: [International, 1 person, total 10 person-months]**. The specialist is a civil engineer or highway engineer preferably with a postgraduate degree in road engineering or associated fields. The Specialist needs to have 10 years of relevant experience in road design, or development of construction codes, standards and Manuals, and preferably with 10 years relevant experience. Experience in FCAS countries is an advantage.
- (iii) **Survey Standards Specialist: [International, 1 person, total 10 person-months]**. The specialist has a degree in Geodesy or equivalent. The Specialist needs to have 10 years of relevant experience in development of survey standards and maps for road design and construction. Experience in FCAS countries is an advantage.
- (iv) **Construction Standards Specialist: [International, 1 person, total 10 person-months]**. The specialist is a civil engineer or highway engineer preferably with a postgraduate degree in road engineering or associated degree. The Specialist has 10 years' relevant experience in construction of the transportation project. Experience in FCAS countries is an advantage.
- (v) **Team Leader/ Construction design and institutional development Specialist: [International, 1 person, total 12 person-months]**. The Team Leader is a civil engineer or highway engineer, with a postgraduate degree in road engineering or associated fields. The Team Leader is a qualified expert in road design and construction; with strong experience in capacity development and institutional reform. The Team leader should have at least 15 years of relevant experience. Experience in FCAS countries is an advantage.
- (vi) **Geodesy and GIS Specialist: [International, 1 person, total 10 person-months]**. The specialist has a degree in Geodesy or civil engineering and is a recognized qualified expert in ground survey and preparing survey plans, use of GIS for design purposes and field works including construction of road projects standards, with 10 years of relevant experience. Experience in FCAS countries is an advantage.

- (vii) **Transportation Design Specialist: [International, 1 person, total 10 person-months]**. The specialist is a civil engineer or highway engineer preferably with a postgraduate degree in road engineering or associated degree, and is a recognized qualified expert in road design, construction projects, with 10 years experience. Experience in FCAS countries is an advantage.
- (viii) **Construction Inspection Specialist: [International, 1 person, total 10 person-months]**. The specialist is a civil engineer or highway engineer preferably with a postgraduate degree in road engineering or associated degree, and is a recognized qualified expert in inspection, quality control and quality assurance of the road construction project, with 10 years of relevant experience: Experience in FCAS countries is an advantage.
- (ix) **Team Leader/ Construction and engineering certification Specialist: [International, 1 person, total 12 person-months]**. The Team Leader is a civil engineer or highway engineer preferably with a postgraduate degree in road engineering or associated fields, and is a recognized qualified expert in road design and construction, having knowledge and experience in certification of engineering technologies will be plus point, with 15 years of relevant experience. The team leader needs to have a proven track record of successfully completing assignments of a similar nature including hands-on experience in maintaining records, advising with the day-to-day coordination of works, and coordinating the review and update of designs and cost estimates as required. Experience in FCAS countries is an advantage.
- (x) **Design Standards and Manual Specialist: [national, 2 persons, total 20 person-months]**. The specialist is a civil engineer or highway engineer preferably with a postgraduate degree in civil engineering or postgraduate degree in road engineering or associated fields, and is recognized qualified expert in road design, or development the construction code, standards and Manuals, and preferably with 7 years' relevant experience or more. Fluency in written and spoken English is a must.
- (xi) **Survey Standards Specialist: [national, 2 persons, total 20 person-months]**. The specialist has a postgraduate degree in Geodesy or equivalent, and is a recognized qualified expert in the development of survey standards and maps for road design and construction, and preferably with 7 years' relevant experience or more. Fluency in written and spoken English is a must.
- (xii) **Construction Standards Specialist: [national, 3 persons, total 20 person-months]**. The specialist is a civil engineer or highway engineer preferably with a postgraduate degree or postgraduate degree in road engineering or associated degree, and is a recognized qualified expert in construction of the transportation project, and preferably with 7 years' relevant experience. Fluency in written and spoken English is a must.
- (xiii) **Geodesy and GIS Specialist: [national, 1 person, total 20 person-months]**. The specialist has a degree in Geodesy or civil engineering, and is a recognized qualified expert in the ground survey and preparing survey plans, use of GIS for design purposes and field works including construction of road projects, and

preferably with 7 years of relevant experience or more. Fluency in written and spoken English is a must.

- (xiv) **Transportation Design Specialist: [national, 3 persons, total 20 person-months]**. The specialist is a civil engineer or highway engineer preferably with a postgraduate degree in road engineering or associated degree, and is a recognized qualified expert in design of the road construction project, and preferably with 7 years' relevant experience. Fluency in written and spoken English is a must.
- (xv) **Construction Inspection Specialist: [national, 2 persons, total 20 person-months]**. The specialist is a civil engineer or highway engineer preferably with a postgraduate degree in road engineering or associated degree, and is a recognized qualified expert in inspection, quality control and quality assurance of the road construction project, and preferably with 7 years of relevant experience. Fluency in written and spoken English is a must.
- (xvi) **Road construction project trainer: [national, 2 persons, total 20 person-months]**. The specialist is a civil engineer or highway engineer preferably with a postgraduate degree in road engineering or associated degree, and is a recognized qualified expert in training and mentoring of the road engineers in road design, construction and project management, and preferably with 7 years of relevant experience. Fluency in written and spoken English is a must.

**TERMS OF REFERENCE FORCONSULTING SERVICES
CAPACITY BUILDING FOR CLIMATE CHANGE
AND DISASTER RISK REDUCTION**

A. Introduction

1. The rugged terrain, arid climate and low levels of socioeconomic development in Afghanistan make it prone to disasters triggered by natural hazards, including floods, droughts, landslides, avalanches and earthquake. Flooding has been the most frequently occurring natural hazard, especially in the north, central and eastern parts of Afghanistan, affecting the lives, livelihoods and assets including roads. With climate change the flood and drought risk are likely to increase in the future. Moreover, located in a tectonically active part of the world, Afghanistan is at risk from earthquake hazards, which causes fatalities and damage to infrastructure. With transportation infrastructure being a high development priority of the Government of Afghanistan, it is essential that planning, design, construction, maintenance and operation of road infrastructure factors measures to reduce risks from climate change and disasters. This requires raising awareness, improving design standards and strengthening capacity of all relevant stakeholders on mainstreaming disaster and climate resilience in road sector operations.

2. The services of Capacity Building for Climate Change and Disaster Risk Reduction (CCDRR) consultants (the Consultant) will include supporting the Ministry of Public Works (MPW) working in closely partnership with the Afghanistan National Disaster Management Authority (ANDMA) and National Environmental Protection Agency (NEPA) in (i) undertaking climate change and disaster risk assessment of the road sector in order to identify key risks and propose measures to strengthen resilience; (ii) undertaking a review of current design standards and technical specifications used for road construction in Afghanistan – the Afghan Interim Road Standards and provide recommendations for factoring climate and disaster risk considerations in the standards, where relevant; (iii) conducting capacity building for all relevant stakeholders, namely, the staff from MPW, the project management office (PMO) of ADB transport projects, and the local contractors; and (iv) providing technical inputs to the Supervision Consultants to incorporate climate change and disaster risk consideration in the review of detailed engineering design and community outreach programme under the proposed Qaisar to Dari Bum road project.

B. Objective

3. The primary objective of the services to be provided by the Consultant is to strengthen capacity of MPW and local contractors on incorporating climate change and disaster risk considerations in road sector operations.

C. Scope of Work

4. The Consultant team will comprise of international and national specialists with expertise in disaster risk reduction, climate change adaptation, flood risk modeling, disaster risk assessment and different aspects of road engineering. The Consultant will adopt a two-stage approach to perform their scope of work.

5. The first stage will include:

- (i) Undertaking a **climate change and disaster risk assessment for the road sector** of Afghanistan. The assessment will build on existing assessments and databases (such as road sector GIS asset inventory) undertaken by the government and other

development partners, where relevant, and identify climate change and disaster risks to the existing and planned road infrastructure in the country. The results of the assessment will provide an improved understanding on the potential impacts of climate change and disaster risk on road sector, including, identifying existing assets/road sections that are critical for managing risks. The assessment will result in recommendations for strengthening climate and disaster resilience in the context of road asset management process. The results of the assessment will feed into Afghanistan Disaster Risk Info (<http://disasterrisk.af.geonode.org/>), which is a public platform for creating, sharing and accessing geospatial data and maps for disaster risk-related decision making.

- (ii) Undertaking **probabilistic flood risk assessment** for the proposed Qaisar to Dari Bum road project. The assessment will build on the disaster risk management decision making tool developed by MPW with support from the World Bank, currently focusing on earthquakes and landslides, and expand its scope to include data on flood risk. The result of the assessment will inform the design work of the proposed road project. (need to update once have more information form the World Bank/MPW)
- (iii) Undertaking a **review of current design standards used for road construction** in Afghanistan - the Afghan Interim Road Standards and provide recommendations for factoring climate and disaster risk considerations in the standards, where relevant. The review will also factor in relevant guidelines for road construction by other ministries, where relevant, such as the ones proposed by Ministry of Irrigation Water Resources and Environment from environmental safeguard purposes. The recommendations on improving road design standards from climate change and disaster risk angle will be developed based on extensive consultations with relevant national stakeholders, including various ministries and scientific organizations.

6. The second stage will include

- (i) Conducting **sensitization workshops for decision makers** on strengthening climate change and disaster resilience in the transport sector. Based on the findings of the assessments and reviews undertaken in first stage, and global good practices and case studies, the workshops will sensitize decision makers from key ministries/agencies, including MPW, Ministry of Finance, ANDMA, NEPA. The workshops will aim at raising awareness on the adverse impacts of climate change and disaster risk on the transport sector, and interventions – policy, financial and technical required to manage the risks.
- (ii) Developing and delivering **trainings targeted at MPW staff** (at national and provincial level) and PMO staff on integrating climate change and disaster risk considerations into road design, construction, maintenance and operations. The training modules will pay specific attention to topics related to hydrology, slope protection work, erosion control, bioengineering and their role in strengthening climate and disaster resilience. The training courses will also include staff from ANDMA and NEPA.
- (iii) Developing and delivering **training courses targeted at local contractors** on designing and constructing climate and disaster resilient roads.

D. Schedule and Personnel

7. The services will be carried out by an international firm(s) in association with national consultants, to be selected by the Implementing Agency in accordance with ADB's Guidelines on the Use of Consultants (2013), as amended from time to time.

8. The services will be provided in Afghanistan.

9. The contract will be for a period of 30 months. The estimated person-months of key international and national consultant inputs are shown below. The Consultant is requested to propose the assignment of experts in accordance with the objectives and scope of services.

| | Key Expertise | No | Total Input (PM) |
|-----------|--|----|------------------|
| A. | International Consultants | | |
| 1. | Disaster Risk Assessment and Climate Change Specialist | 1 | 24 |
| 2. | Disaster Risk Assessment Specialist | 1 | 12 |
| 3. | Flood Risk Modeling Specialist | 1 | 12 |
| 4. | Exposure Database GIS Specialist | 1 | 10 |
| 5. | Structural Vulnerability Assessment Specialist | 1 | 10 |
| 6. | Road Design Engineer | 1 | 6 |
| 7. | Bridge Design Engineer | 1 | 6 |
| 8. | Drainage Design Engineer | 1 | 6 |
| 9. | Geotechnical Specialist | 1 | 6 |
| 10. | Transport Economist | 1 | 6 |
| | Subtotal (A): International Consultants | | 98 |
| B | National Consultants | | |
| 1. | Disaster Risk Reduction Specialist | 1 | 24 |
| 2. | Hydrologist | 1 | 24 |
| 3. | Geologist | 1 | 24 |
| 4. | GIS Specialist | 1 | 24 |
| 5. | Road Design Engineer | 1 | 24 |
| 6. | Bridge Design Engineer | 1 | 24 |
| 7. | Drainage Design Engineer | 1 | 24 |
| 8. | Capacity Building Specialist | 1 | 24 |
| | Subtotal (B): National Consultants | | 192 |
| | TOTAL (A+B) | | 290 |

10. The Consultant shall nominate any support staff positions they require in their Personnel Schedule.

E. Qualification Requirements and Responsibilities of Key Personnel

11. All team members, both international and national, must be proficient in written and spoken English. The required qualifications and responsibilities the key personnel are provided below:

- (i) **Disaster Risk Reduction and Climate Change Adaptation Specialist and Team Leader** (1 international, 24 person-months, full-time). The consultant should have a postgraduate or higher degree in structural engineering civil engineering, hydrology, geology or related field. The consultant must have at least 10 years of work experience in disaster risk reduction, and climate change adaptation especially in the context of transportation sector. Consultants with experience of working in Afghanistan and other countries in Central Asia will be preferred. Detailed tasks include: (i) leading the implementation of the project and being responsible for timely development of all outputs; (ii) supervising the team and ensuring the outputs developed by various team members are technically sound; (iii) maintaining day-to-day consultation with government agencies and all development partners; and (iv) leading the development of the training course on integrating climate change and disaster risk considerations in road sector operations.
- (ii) **Disaster Risk Assessment Specialist** (1 international, 12 person-months, intermittent). The specialist should have a postgraduate degree in geology, earth sciences or related field; and with training on disaster risk modeling. The consultant must have at least 8 years of relevant work experience in quantitative disaster risk modelling and good understanding of geophysical hazards in Afghanistan. Experience in undertaking climate change and disaster risk assessment in Afghanistan and other countries in Central Asia will be preferred. Detailed tasks include: (i) leading the work on disaster risk assessment for the transport sector, including developing the scope of the assessment addressing key indicators of hazard exposure; physical and economic vulnerability; and estimates of potential losses and combining results of the hazard assessment, exposure assessment, and vulnerability into comprehensive risk profile, including developing outputs in the form of probable maximum loss curves and maps; (ii) liaising with relevant government agencies and development partners to ensure access to existing data and institutionalization of data being collected under this project in Afghanistan Disaster Risk Info Platform; (iii) organizing consultations with decision makers to present the key findings of the disaster risk assessment; (iv) leading the development and delivery of climate change and disaster risk assessment related component of training courses.
- (iii) **Flood Risk Modeling Specialist** (1 international, 12 person-months, intermittent). The consultant should have a postgraduate or higher degree in hydrology, water resources management, or related field; and with training on flood risk modeling. The consultant must have at least 8 years of relevant work experience in quantitative flood risk modelling and good understanding of climate change issues in Afghanistan. Experience in undertaking flood risk modeling in Afghanistan and other countries in Central Asia will be preferred. Detailed tasks include: (i) in consultation with MPW and PMO staff determining the scope of flood risk modeling for selected basins in the area of the proposed road project; (ii) undertaking flood risk modeling utilizing existing decision support system for disaster risk management developed by MPW; (iii) communicating the key findings of the flood risk modeling in a form that is useful for the detailed engineering design of the proposed road project, the proposed output on disaster risk assessment, and the proposed review of road design standards; (iv) leading the development and delivery of flood risk modeling related training module for MPW and PMO staff.

- (iv) **Exposure Database GIS specialist** (1 international, 10 person-months, intermittent). The consultant should have a postgraduate degree in geography, information technology, or related field and with at least 8 years of relevant work experience. Good expertise on GIS and familiarity with open source disaster risk information platforms is required. Consultants with experience of working on similar projects in Afghanistan and other countries in Central Asia will be preferred. Detailed tasks include: (i) undertaking consultation with national agencies and development partners involved in road asset databases, including related software and platforms, and secure access; (ii) collecting exposure data and developing exposure maps (using GIS) of road network to feed into the disaster risk assessment; (iii) ensuring the exposure maps are accessible through the Afghanistan Disaster Risk Info Platform; (iv) contributing to specific sections of the output on disaster risk assessment.
- (v) **Structural Vulnerability Assessment Specialist** (1 international, 10 person-months, intermittent). The consultant should have a postgraduate degree in structural engineering, civil engineering, or related field. The consultant must have at least 8 years of relevant work experience in vulnerability assessment of infrastructure. Consultants with experience of working on similar projects in Afghanistan and other countries in Central Asia will be preferred. Detailed tasks include: (i) determining the scope of structural vulnerability assessment to feed into the disaster risk assessment; (ii) gathering the key indicators of physical vulnerability; (iii) undertaking vulnerability assessment by estimating potential disaster losses; (iv) ensuring the exposure maps are accessible through the Afghanistan Disaster Risk Info Platform; and (v) contributing to specific sections of the output on disaster risk assessment.
- (vi) **Road Design Engineer** (1 international, 6 person-months, intermittent). The consultant should have a postgraduate or higher degree in road engineering, highway engineering or related field. The consultant must have at least 8 years of work experience in road design especially in areas at risks from natural hazards. Familiarity with road design standards that have factored in climate change and disaster risk considerations will be required. Consultants with experience of working in Afghanistan and other countries in Central Asia will be preferred. Detailed tasks include: (i) leading the review of international road design standards that have factored climate change and disaster risk considerations; (ii) leading the review of currently used design standards for roads in Afghanistan and develop recommendations to strengthen climate change and disaster risk considerations; (iii) undertaking consultations with relevant stakeholders to present the recommendations and seek inputs before finalizing the recommendations; and (iv) leading the development and delivery of training module to integrate climate change and disaster risk considerations in road design.
- (vii) **Bridge Design Engineer** (1 international, 6 person-months, intermittent). The consultant should have a postgraduate or higher degree in civil engineering, structural engineering or related field. The consultant must have at least 8 years of work experience in bridge design. Familiarity with bridge design standards that have factored in climate change and disaster risk considerations will be required. Consultants with experience of working in Afghanistan and other countries in Central Asia will be preferred. Detailed tasks include (i) leading review of international bridge design standards that have factored climate change and

disaster risk considerations;(ii) leading the review of currently used design standards for bridges in Afghanistan and develop recommendations to strengthen climate change and disaster risk considerations; (iii) undertaking consultations with relevant stakeholders to present the recommendations and seek inputs before finalizing the recommendations; and (iv) leading the development and delivery of training module to integrate climate change and disaster risk considerations in bridge design.

- (viii) **Drainage Design Engineer** (1 international, 6 person-months, intermittent). The consultant should have a postgraduate or higher degree in hydrology, or related field. The consultant must have at least 8 years of work experience in drainage design. Familiarity with road drainage standards that have factored in climate change and disaster risk considerations will be required. Consultants with experience of working in Afghanistan and other countries in Central Asia will be preferred. Detailed tasks include: (i) leading review of international drainage design standards that have factored climate change and disaster risk considerations;(ii) leading the review of currently used design standards for drainage in Afghanistan and develop recommendations to strengthen climate change and disaster risk considerations; (iii) undertaking consultations with relevant stakeholders to present the recommendations and seek inputs before finalizing the recommendations; and (iv) leading the development and delivery of training module to integrate climate change and disaster risk considerations in drainage design.
- (ix) **Geotechnical Specialist** (1 international, 6 person-months, intermittent). The consultant should have a postgraduate or higher degree in civil engineering, soil mechanics, geology or related field. The consultant must have at least 8 years of work experience in geotechnical aspects of road projects. Consultants with experience of working in Afghanistan and other countries in Central Asia will be preferred. Detailed tasks include: (i) leading review of international standards for geotechnical engineering in the context of road sector and that have factored climate change and disaster risk considerations;(ii) leading the review of currently used geotechnical standards for road projects in Afghanistan and develop recommendations to strengthen climate change and disaster risk considerations; (iii) undertaking consultations with relevant stakeholders to present the recommendations and seek inputs before finalizing the recommendations; and (iv) leading the development and delivery of training module to integrate climate change and disaster risk considerations in geotechnical design.
- (x) **Transport Economist** (1 international, 6 person-months, intermittent). The consultant should have a postgraduate or higher degree in economics or related field. The consultant must have at least 8 years of work experience in relevant field, including experience in undertaking economic assessments and cost-benefit analysis in the context of climate change and disaster risk. Consultants with experience of working in Afghanistan and other countries in Central Asia will be preferred. Detailed tasks include: (i) estimating the economic costs of potential impacts of climate change and disaster risks to feed into the disaster risk assessment; and (ii) undertaking costs and benefits of proposed disaster risk reduction and climate change adaptation measures.

- (xi) **Disaster Risk Reduction Specialist** (1 national, 24 person-months, full-time). The consultant should have a graduate or postgraduate degree in civil engineering, hydrology, geology or related field. The consultant must have at least 5 years of work experience in disaster risk reduction projects in Afghanistan. Detailed tasks include: (i) leading day-to-day coordination with relevant government agencies and development partners; (ii) supporting the team leader in overall management of the project and supervising the national consultants; and (iii) contributing to the development and delivery of training courses.
- (xii) **Hydrologist** (1 national, 24 person-months, full-time). The consultant should have a graduate or postgraduate degree in hydrology, water resources management, or related field. The consultant must have at least 5 years of relevant work experience in flood risk assessment. Detailed tasks include: (i) supporting the international flood risk modeling specialist in the day-to-day coordination with relevant government agencies, (ii) collecting flood hazard and other relevant data, (iii) supporting in flood risk modeling and communicating the key findings in a form that is useful for decision making; and (iv) supporting the project supervision consultant team to factor the results of flood risk modeling in the detailed engineering design of the proposed road.
- (xiii) **Geologist** (1 national, 24 person-months, full-time). The consultant should have a graduate or postgraduate degree in geology or related field. The consultant must have at least 5 years of relevant work experience and good understanding of geophysical hazards – earthquake and landslides issues in Afghanistan. Detailed tasks include: (i) supporting the international disaster risk assessment specialist in the day-to-day coordination with relevant government agencies, (ii) collecting hazard and other relevant data, (iii) supporting in disaster risk assessment and communicating the key findings in a form that is useful for decision making; and (iv) supporting the delivery of training module on disaster risk assessment.
- (xiv) **GIS Specialist** (1 national, 24 person-months, full-time). The consultant should have graduate or postgraduate degree in geography, information technology, or related field and with at least 5 years of relevant work experience. Good expertise on GIS is required. Detailed tasks include: (i) supporting the international GIS specialist in day-to-day coordination with relevant government agencies; (ii) consulting national agencies on existing national asset databases, including related software and platforms, and secure access; and (iii) populating road exposure data in the Afghanistan Disaster Risk Info Platform.
- (xv) **Road Design Engineer** (1 national, 24 person-months, full-time). The consultant should have a graduate or postgraduate degree in civil engineering, highway engineering or related field. The consultant must have at least 5 years of work experience in road design especially in areas at risks from natural hazards. Familiarity with road design standards followed in Afghanistan will be required. Detailed tasks include: (i) supporting the international road design engineer in conducting review of currently used design standards for roads and develop recommendations to strengthen climate change and disaster risk considerations; (ii) undertaking consultations with relevant stakeholders to present the recommendations and seek inputs before finalizing the recommendations; and (iii) leading the delivery of training module to integrate climate change and disaster risk considerations in road design.

- (xvi) **Bridge Design Engineer** (1 national, 24 person-months, full-time). The consultant should have a graduate or postgraduate degree in civil engineering, structural engineering or related field. The consultant must have at least 5 years of work experience in bridge design. Familiarity with bridge design standards followed in Afghanistan will be required. Detailed tasks include: (i) supporting the international bridge design engineer in conducting review of currently used design standards for bridge and develop recommendations to strengthen climate change and disaster risk considerations; (ii) undertaking consultations with relevant stakeholders to present the recommendations and seek inputs before finalizing the recommendations; and (iii) leading the delivery of training module to integrate climate change and disaster risk considerations in bridge design.
- (xvii) **Drainage Design Engineer** (1 national, 24 person-months, full-time). The consultant should have a graduate or postgraduate degree in hydrology, or related field. The consultant must have at least 5 years of work experience in road drainage design. Familiarity with road drainage standards followed in Afghanistan will be required. Detailed tasks include: (i) supporting the international drainage design engineer in conducting review of currently used design standards for drainage and develop recommendations to strengthen climate change and disaster risk considerations; (ii) undertaking consultations with relevant stakeholders to present the recommendations and seek inputs before finalizing the recommendations; and (iii) leading the delivery of training module to integrate climate change and disaster risk considerations in drainage design.
- (xviii) **Capacity Building Specialist** (1 national, 24 person-months, full-time). The consultant should have a graduate or postgraduate degree in civil engineering, hydrology, geology or related field. The consultant must have at least 5 years of work experience in capacity building projects in the road sector in Afghanistan. Detailed tasks include: (i) supporting the team leader in undertaking training needs assessment of relevant stakeholders involved in the road sector; (ii) leading the delivery of training course on integrating disaster and climate risk consideration in road sector operations.

F. Facilities and Support

12. Pursuant to Clause 38.1 of the General Conditions of Contract, the Client will provide one soft copy of the civil works contract documents and associated documents. In addition, the Client will ensure that the Contractor provides the facilities and services described below.
13. The Contractor will provide facilities and services for the Consultant within the Works area (the Site) as defined by the Contract. Full details of these facilities and services are provided in Annex 1. The Consultant is responsible for the provision of any additional Site facilities they may require.
14. The Consultant is responsible for the provision of:
- a. International and local transportation outside the Site.
 - b. All mobile and international communications.
 - c. Any office or accommodation facilities in Kabul or elsewhere outside the Site.
 - d. Any other facilities, services or support required by the Consultant.

G. Security

15. The Consultant is responsible for the security of its team members. A detailed security plan is not required with the proposal. A Consultant Security Plan will be discussed with the first ranked bidder during contract negotiations. The Consultant Security Plan must be finalized and agreed upon before mobilization.

H. Reporting Requirements

16. The Consultant will prepare and submit the following reports:

- a. Inception Report.
- b. Quarterly Progress Report, to be submitted within 14 days of the end of each quarter.
- c. Midterm report.
- d. Final Report.

17. The Consultant will submit the reports both electronically and in hard copy. Three hard copies will be submitted to the Government (one to the Ministry of Finance and two to the IA) and two hard copies will be submitted to the ADB (Afghanistan Resident Mission in Kabul). Electronic copies of reports shall be emailed to all the above parties. The formats of all reports are to be agreed upon.

VII. SAFEGUARDS

40. The project is categorized B for the environment and involuntary resettlement, and C for indigenous peoples. The project focuses on construction and rehabilitation of 151 km of road from Qaisar to Dari Bum. Construction of this project will need heavy machinery for digging and filling the existence right of way and will also need diversion of route in some area, which may need land acquisition and resettlement activities. To mitigate the diverse effects of the road construction on environment and involuntary resettlement, the road design will follow the existing dirt track alignment construction. The proposed subprojects for community development will be screened by the PMO to ensure that the subprojects with significant impacts on environment (category B or A) or the subprojects that will require involuntary resettlement will not be included.

41. The award of civil works contract will be conditional to the preparation, approval and disclosure of the updated/final initial environment examination (IEE) and land acquisition and resettlement plans (LARPs), while the commencement of works will be conditional to the full implementation of the LARPs. The contractors employed under the road project or community development subprojects shall comply with all applicable national, provincial, and local environmental laws and regulations; and will also comply with any corrective or preventative actions set out in safeguards monitoring reports that the implementing Agency may prepare from time to time to monitor any unanticipated environmental impact.

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

VIII. GENDER AND SOCIAL DIMENSIONS

43. Afghanistan has a Gender Development Index value of 0.6, ranking it 169 out of 188 countries in 2015.¹⁰ The situation of women has improved significantly in Kabul and other major cities. However, in the provinces and remote villages, traditional gender roles remain rigid and discriminatory towards women. Although some Afghan women undertake productive work outside their household spheres, this is not common, with the female labor force participation rate being just 16%. Presently inter-city transport such as travel on the targeted road links is heavily male dominated. However, the nature of the project means that the scope for making inroads on the gender situation will be narrow.

¹⁰ <http://hdr.undp.org/en/composite/GDI>

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Project Design and Monitoring Framework

| Impact the Project is Aligned with National trade in and through northwestern Afghanistan increased (Afghanistan National Development Strategy 2008–2013) ^a | | | |
|--|--|--|---|
| Results Chain | Performance Indicators with Targets and Baselines | Data Sources and Reporting | Risks |
| <p>Outcome An efficient and reliable road network in northwestern Afghanistan developed</p> | <p>By 2023:</p> <p>a. Number of provincial capitals and major towns (population of 8,000 or more) connected to the regional highway network increased by 15% (2017 baseline: 76%)</p> <p>b. Travel time between Herat and Mazar-e-Sharif reduced by 30% for freight traffic (2017 baseline: 16 hours)</p> <p>c. Vehicle operating cost on project road decreased by 30% (2017 baseline: 81 AF/km for cars and 9 AF/km for trucks)</p> | <p>a. Project performance monitoring surveys and evaluations by consultant and MPW</p> <p>b. Central Statistics Organization of Afghanistan</p> <p>c. Central Statistics Organization of Afghanistan</p> | <p>Political instability within the country</p> |
| <p>Outputs</p> <p>1. Qaisar–Dari Bum link of the national Ring Road constructed</p> <p>2. Roadside infrastructure facilities for 60 local communities installed or constructed</p> <p>3. Institutional capacity of MPW strengthened</p> | <p>By 2022:</p> <p>1. 151 km of national Ring Road between Qaisar and Dari Bum completed (2017 baseline: 0 km)</p> <p>2a. 80% of rural infrastructure for roadside communities functional by 2021 (2017 baseline: 0%)</p> <p>2b. Women meaningfully participate in the selection of community infrastructure, and the segregated process documented and certified by elders of the village estate council for each subproject (2017 baseline: 0)</p> <p>3a. National transportation standard, guidelines, and manuals developed by 2021</p> <p>3b. National certification process for engineers established and operational by 2021</p> <p>3c. Improve project management skills of at least 100 MPW staff by 2021</p> | <p>1–4. MPW's and consultants' progress reports</p> | <p>Deteriorating security situation in the country</p> <p>Major turnover of PMO staff during implementation</p> |

| | | | |
|---|---|--|--|
| <p>4. Disaster risk reduction and climate change adaptation capacity in the road subsector improved</p> | <p>4a. Climate change and disaster risk assessment for the road subsector available by 2021 (2017 baseline: not available)</p> <p>4b. Probabilistic flood risk assessment of road sections available by 2021 (2017 baseline: not available)</p> <p>4c. Climate- and disaster-resilient road design standards available by 2021 (2017 baseline: not available)</p> <p>4d. At least 50 MPW staff and contractors (of which 20% are local contractors) reporting improved skills in disaster risk reduction and climate change adaptation by 2019 (2017 baseline: 0)</p> | | |
| <p>Key Activities with Milestones</p> | | | |
| <p>1. Qaisar–Dari Bum link of the national Ring Road constructed</p> <p>1.1 Recruit construction supervision consultant by March 2018. 1.2 Award civil works contract by March 2018. 1.3 Complete detailed engineering design by September 2018. 1.4 Implement land acquisition and resettlement plan by December 2018. 1.5 Complete civil works by June 2022.</p> <p>2. Roadside infrastructure facilities for 60 local communities installed or constructed</p> <p>2.1 Conduct initial social and needs assessment of roadside communities by September 2018. 2.2 Implement community development component by December 2021.</p> <p>3. Institutional capacity of MPW strengthened</p> <p>3.1 Recruit consultants by March 2019. 3.2 Complete capacity building program by June 2021.</p> <p>4. Disaster risk reduction and climate change adaptation capacity in the road subsector improved</p> <p>4.1 Recruit consultants for capacity building on disaster risk reduction and climate change (January 2018). 4.2 Undertake climate change and disaster risk assessment of the road subsector (March 2019). 4.3 Undertake probabilistic flood risk assessment for the road section (December 2018). 4.4 Review and recommend changes in road design standards (June 2019). 4.5 Deliver three training units (December 2019).</p> | | | |
| <p>Inputs</p> <p>ADB: \$330,000,000 (grant) Government: \$4,000,000</p> | | | |
| <p>Assumptions for Partner Financing</p> <p>Not applicable.</p> | | | |

ADB = Asian Development Bank, km = kilometer, MPW = Ministry of Public Works, PMO = Program Management Office.

^a Government of Afghanistan. Ministry of Economy. 2014. *Afghanistan National Development Strategy 2008–2013*. Kabul. Source: Asian Development Bank.

B. Monitoring

44. **Project performance monitoring.** Project performance will be monitored based on quarterly consolidated reports provided by the MPW. These reports will include: (a) progress achieved by activities as measured against the Implementation Schedule (Section II.A), (b) key implementation issues and solutions; (c) updated procurement plan and (d) updated implementation plan for next 12 months. To ensure the Grant continues to be both viable and sustainable, Grant's financial statements, together with the associated auditor's report, should be adequately reviewed

45. **Compliance monitoring.** Grant covenants on policy, legal, financial, economic, environmental, labor standards and others will regularly be monitored through various reports (monthly progress reports, quarterly progress reports, and annual reports), and discussion during project review missions and tripartite review meeting (TPR).

46. **Safeguards monitoring.** The project focus will be on construction and rehabilitation of the road and safeguard issue will be regularly monitored through implementation of the LARP.

47. **Gender and social dimensions monitoring.** The project focus will be on the civil works to reconstruct and rehabilitate the road. However, gender and social dimension will be considered in implementation of small community project such as access road, community centers, clinic and schools.

C. Evaluation

48. Within 6 months of physical completion of the project, MPW will submit a project completion report to ADB.¹¹

D. Reporting

49. The MOF will provide ADB with (i) 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 indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; and (iii) a project completion report within 6 months of physical completion of the project. To ensure that projects will continue to be both viable and sustainable, project accounts and the executing agency audited financial statement together with the associated auditor's report, should be adequately reviewed.

E. Stakeholder Communication Strategy

50. MPW and ADB will maintain and regularly update its website with information on the Project, and regularly consult with the public, civil society organizations and development partners in respect of each of the preceding matters.

| Project Document | Means of Communication | Responsible Party | Frequency | Audience(s) |
|---------------------|------------------------|-------------------|---|----------------|
| Project Information | ADB's website | ADB | Initial PID no later than 30 calendar days of | General Public |

¹¹ Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

| Project Document | Means of Communication | Responsible Party | Frequency | Audience(s) |
|--|-------------------------------|--------------------------|--|---|
| Document (PID) | | | approval of the concept paper; quarterly afterward | |
| Report and Recommendation of the President (RRP) | ADB's website | ADB | No later than 14 days of Board approval of the Project Grants. | General Public |
| Project Grant Agreements | ADB's and MPW's website | ADB | No later than 14 days of Board approval of the project | General Public |
| Project Administration Manual (PAM) for Project Grants | ADB's and MPW's website | ADB | No later than 14 days of Board approval of the project, always available online after update | General Public, project contractors and consultants |

ADB = Asian Development Bank.

XI. ANTICORRUPTION POLICY

51. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.¹² 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 project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.¹³

52. To support these efforts, relevant provisions are included in the grant agreement and the bidding documents for the project.

¹² Anticorruption Policy: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

¹³ ADB's Integrity Office web site: <http://www.adb.org/integrity/unit.asp>

XII. ACCOUNTABILITY MECHANISM

53. People who are, or may in the future be, adversely affected by the 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 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 an effort in good faith 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.¹⁴

¹⁴ Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

54. All revisions and/or updates during the course of implementation should be retained in this section to provide a chronological history of changes to implemented arrangements recorded in the PAM, including revision to contract awards and disbursement s-curves.