

ASIAN DEVELOPMENT BANK

TAR: OTH 38459

**TECHNICAL ASSISTANCE
FOR
PROMOTING SOUTH ASIAN
REGIONAL ECONOMIC COOPERATION**

September 2004

ABBREVIATIONS

ADB	–	Asian Development Bank
ASEAN	–	Association of Southeast Asian Nations
HIV/AIDS	–	human immunodeficiency virus/ acquired immunodeficiency syndrome
SAARC	–	South Asian Association for Regional Cooperation
SASEC	–	South Asia Subregional Economic Cooperation
SRMTS	–	SAARC Regional Multimodal Transport Study
TA	–	technical assistance

TA CLASSIFICATION

Poverty Classification	–	Other
Sector	–	Multisector
Subsector	–	Communication, energy, environment, human development, tourism, trade and investment, transport
Themes	–	Regional cooperation, sustainable economic growth, governance

Following the Board approval of the R-paper, *Review of ADB's Poverty Reduction Strategy*, staff instructions to replace the PI/CPI classification with a new tracking system are under preparation, in line with para. 83 of the R-paper.

NOTE

In this report, "\$" refers to US dollars.

This report was prepared by M. Nagata.

I. INTRODUCTION

1. The 12th summit meeting of the South Asian Association for Regional Cooperation (SAARC), held on 4–6 January 2004 in Islamabad, has opened new avenues of regional cooperation among the South Asian countries. The Islamabad Declaration¹ reaffirms the “centrality of SAARC for promoting regional cooperation” and emphasizes the need to increase its efficiency and effectiveness. The Islamabad Declaration identified several priority areas of potential cooperation among the SAARC countries. In view of the improved prospects for regional cooperation in South Asia, Asian Development Bank (ADB) and the SAARC Secretariat started the discussion for mutual cooperation to this end, and signed a memorandum of understanding on 12 April 2004. In parallel, ADB and the SAARC Secretariat discussed possible ADB assistance to assess regional cooperation prospects in South Asia, and to identify specific programs and projects that will foster closer economic linkages between the SAARC member countries. A fact-finding mission visited Kathmandu from 31 March to 2 April 2004, followed by a consultation mission from 1 to 3 June 2004, and held discussions with the Secretary General and other senior officials of the SAARC Secretariat to determine the scope and implementation arrangements of the proposed subregional technical assistance (TA).² Appendix 1 provides the TA framework.

II. BACKGROUND AND RATIONALE

2. ADB is mandated by its Charter to foster regional cooperation in the Asia and Pacific Region and contribute to the acceleration of economic development. ADB has considerable experience in promoting subregional and regional cooperation initiatives, including the Greater Mekong Subregion program, Central Asian Regional Economic Cooperation, and South Asia Subregional Economic Cooperation (SASEC). ADB’s experience in promoting subregional and regional cooperation has differed across regions because of varying sociological, political, and economic factors. The main lessons learned are that subregional and regional cooperation initiatives result in better allocation and use of resources through trade liberalization, better connectivity and knowledge sharing, and creation of opportunities for an increased level of productive investments. Subregional and regional cooperation also enhances social development by facilitating joint delivery of essential public services and by reducing the negative externalities, particularly through reducing conflicts. Improved understanding and trust through cooperation can also contribute to peace and stability in the region. Such opportunities for regional cooperation and potential benefits to be gained from cooperation also exist in the whole Asia and Pacific Region, and important lessons on effective and efficient implementation of cooperative activities may be learned from other subregional and regional cooperation initiatives.

3. SAARC was formed in 1985 by the heads of states of Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka, to promote collaboration and mutual assistance in economic, social, cultural, technical, and scientific fields, and to strengthen cooperation among the member states in international forums on matters of common interest. The SAARC Secretariat is in Kathmandu, Nepal, and eight sector/theme-specific SAARC centers are distributed in the SAARC member states.³

¹ The Islamabad Declaration was signed at the Twelfth SAARC Summit held on 4–6 January 2004 in Islamabad, Pakistan.

² The TA first appeared in *ADB Business Opportunities* (Internet edition) on 30 July 2004.

³ These include centers for agricultural information (Dhaka); meteorological research (Dhaka); tuberculosis (Kathmandu); documentation (New Delhi); human resource development (Islamabad); culture (Kandy); coastal zone management (Malé); and information (Kathmandu). The establishment of the latter three centers has been approved but yet to be done.

4. Owing to recent history between some member states as well as wide ranging diversity in the region in terms of size of countries and level of development, SAARC has not made significant progress in implementing a cooperation agenda on economic issues. As a result, SAARC's intraregional trade as a proportion of total trade has remained small and has increased marginally from 3.0% in 1985 to 4.2% in 2002. Intraregional investment flows were also insignificant, and regional economies have not been able to reap any substantial benefits of regional cooperation.

5. Given the unsupportive political and economic conditions in South Asia for pursuing regional cooperation agenda, ADB has been taking project-based and subregional approaches based on mutual economic interests and political will to work together among participating countries. Thus, ADB has been supporting the SASEC program, involving four SAARC countries—Bangladesh, Bhutan, India, and Nepal. The four countries are grouped under the South Asian Growth Quadrangle (SAGQ) initiative, which identified five priority sectors for cooperation: transport, energy, environment, tourism, and trade and investment, and requested ADB assistance. ADB approved TAs 5936 (SASEC phases I)⁴ and 6010 (SASEC phase II)⁵ to assist the participating countries in (i) identifying and prioritizing subregional projects; (ii) developing action programs; and (iii) preparing a needs assessment, including human resource development, for implementing the action program in the five priority sectors. Information and communication technology was added as the sixth priority sector under the SASEC phase II TA.

6. Following a successful ADB-organized ministerial conference in mid-2003 to promote transport, transit, and trade by exploring the feasibility of using the two corridors connecting land-locked Central Asian countries to the sea ports of South Asia via Afghanistan,⁶ and based on the findings and recommendations of small-scale technical assistance, provided separately to Afghanistan and Pakistan in early 2003, ADB approved TA 6156 the Subregional Economic Cooperation in South and Central Asia (SECSCA).⁷ ADB also approved two TA grants to conduct technical feasibility studies of the Turkmenistan-Afghanistan-Pakistan Natural Gas Pipeline Project.⁸ In addition, other subregional cooperation initiatives are being explored through two separate small-scale TAs, for the Maldives and Sri Lanka.

7. The renewed commitment to SAARC from all its member states could make the Islamabad Declaration a watershed in regional cooperation in South Asia. The Islamabad Declaration highlights the scope for enhancing regional cooperation in poverty alleviation strategies (based on the SAARC Social Charter, which was also adopted at the 12th SAARC summit), energy, transport, trade and investment, transit, communication, tourism, creation of a regional food bank, human development, water sharing, and environment. The Islamabad Declaration also emphasizes measures to combat terrorism, and development of mutually beneficial links between SAARC and other regional and international organizations. A framework agreement for implementing the South Asia Free Trade Agreement (SAFTA) was also signed during the summit.

⁴ ADB. 2000. *Technical Assistance for Identification and Prioritization of Subregional Projects in South Asia*. Manila.

⁵ ADB. 2001. *Technical Assistance for South Asia Subregional Economic Cooperation*. Manila.

⁶ The Conference was held in Manila from 31 July to 1 August 2003 and was attended by ministers from Afghanistan, Pakistan, Tajikistan, and Uzbekistan, with Iran as an observer.

⁷ ADB. 2003. *Technical Assistance for Subregional Economic Cooperation in South and Central Asia*. Manila (for \$600,000)

⁸ ADB was invited as a facilitating development partner for the design and implementation of the project, which consists of a 1,600 km gas pipeline that can transport up to 30 billion cubic meters of natural gas annually from Dauletabad fields in southeast Turkmenistan to consumers in Afghanistan, and Pakistan, and possibly to India.

8. ADB can play a strong supportive and catalytic role assisting SAARC to realize some of the major regional cooperation agendas of the Islamabad Declaration, particularly in the areas where greater strategic impact is expected and ADB has comparative strengths and substantial experience. While this TA will build and extend on the work already undertaken with ADB support, such as the SASEC and SECSCA programs, these ongoing project-based subregional initiatives will be maintained.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

9. The objectives of the TA are to (i) assist the SAARC Secretariat, including its eight sector/theme-specific centers, to implement the regional cooperation activities effectively in the selected priority areas, as outlined in the Islamabad Declaration; (ii) enhance the capacity of the SAARC Secretariat, its centers, and government entities of the member states for effective planning, processing, and implementation of the key regional cooperation agenda; and (iii) support collaborative activities to strengthen cooperation between SAARC and the Association of Southeast Asian Nations (ASEAN) and other regional organizations.

10. The main outputs of the TA are (i) a road map to improve regional connectivity through major modes of transport to facilitate the movements of goods and people,⁹ (ii) enhanced capacity of the SAARC organizations and its member states in carrying out cooperation activities in the priority areas, and (iii) strengthened cooperation between SAARC and other regional organizations.

B. Methodology and Key Activities

11. The TA will include four components:

- (i) **SAARC Regional Multimodal Transport Study.** The study will
 - (a) analyze the current constraints and challenges, and potential benefits of improved regional transport connectivity through several transport modes; and
 - (b) prepare a road map for enhancing regional connectivity, and develop a time-bound investment action plan with possible external assistance.
- (ii) **Capacity building.** This component will
 - (a) assist the SAARC organizations and its members' government entities in capacity building and human resource development in the priority areas and sectors identified in the Islamabad Declaration, and to be agreed with ADB; and
 - (b) emphasize training of the trainers using SAARC centers.
- (iii) **Conferences, workshops, and seminars.** This component will entail conducting conferences, workshops, and seminars in the priority areas, including activities related to exploring the possibilities for SAARC cooperation with ASEAN and other regional organizations.

⁹ Out of several areas for cooperation included in the Islamabad Declaration, the SAARC Secretariat has obtained an endorsement, from the SAARC Standing Committee, only for carrying out a regional multimodal transport study and capacity-building activities in the priority areas. The studies in other priority areas will be considered in the later stage of ADB-SAARC cooperation based on the memorandum of understanding signed by the two institutions.

- (iv) **Logistics services and support.** This component will, with the assistance of experienced consultants based at ADB's headquarters and Nepal Resident Mission, assist the SAARC Secretariat to implement the TA activities and produce outputs effectively and efficiently.

12. In view of the broad range of commitments made at the recent SAARC summit in Islamabad, and because any activities to be covered by the TA require all SAARC member states' unanimous endorsement, the TA will take a "process approach" by which some activities, such as training and convening conferences, will be determined during TA implementation. For this purpose, the SAARC Secretariat and ADB will determine the milestones for implementing such specific activities at the TA inception and later stages.

C. Cost Estimates and Financing

13. The total cost of the TA is estimated at \$500,000, which will be financed on a grant basis by ADB's TA funding program. The SAARC Secretariat and SAARC member states will make in-kind contributions. The detailed cost estimates and financing plan are shown in Appendix 2.

D. Implementation Arrangements

14. The TA will be implemented over a 16-month period beginning in October 2004. Of the four components under the TA, the following three will be implemented by the SAARC Secretariat and/or the SAARC centers under ADB's overall supervision (i) SAARC Regional Multimodal Transport Study (SRMTS); (ii) capacity building; and (iii) conferences, workshops, and seminars. The logistics services and support component will be done by ADB in close coordination with the SAARC Secretariat.

15. Within ADB, an ADB TA team will be established, comprising staff of the South Asia Operations and Coordination Division, South Asia Transport and Communications Division, Nepal Resident Mission, and consultants, as well as other ADB divisions and other resident missions as appropriate. The South Asia Operations Coordination Division will be responsible for overall TA implementation and maintain close coordination with the SAARC Secretariat and within ADB, while the South Asia Transport and Communications Division will take a lead role for monitoring and overseeing the SRMTS.

16. The three components to be implemented by the SAARC Secretariat will be carried out under the overall guidance of the SAARC Standing Committee comprising seven foreign secretaries of the SAARC member states. The SAARC Secretariat will coordinate and communicate with the Standing Committee, the governments concerned, and all stakeholders involved in the TA implementation, and keep in close touch with ADB.

17. The SRMTS will be implemented in two phases: phase I—national transport sector reviews; and phase II—road map for regional connectivity. The SRMTS will be undertaken by a team of consultants comprising national sector experts and regional sector experts (domestic consultants) to be engaged for 24 person-months and 9 person-months, respectively (a total of 33 person-months).

18. The SRMTS will use, as inputs, a background paper, a review of SAARC Regional Transport Connectivity, which is being prepared by ADB. The background paper includes the detailed scope and terms of reference of the SRMTS for discussion and final determination at

the inception workshop¹⁰ scheduled within 2004. The workshop will provide recommendations and clear direction for the SRMTS to be conducted by national and regional sector experts. In each SAARC country, a national TA team will be established, comprising the staff of the relevant agencies and national sector experts. The national sector experts will prepare individual country studies. The regional sector experts, who are eminent transport specialists to be recruited from the SAARC countries and who have access to individual countries' data and information, will synthesize the individual country studies, prepare a draft report from regional perspectives for discussion at the second workshop, and finalize the SRMTS incorporating comments. The consultants' team will work under the overall supervision of the SAARC Secretariat and the guidance of the ADB TA team. The SAARC Secretariat and the ADB TA team will meet, as necessary, to assess the progress of work. The SAARC Secretariat will consult, coordinate, and communicate with the concerned governments and the SAARC Technical Committee on Transport,¹¹ when appropriate. The final report will be submitted to the Standing Committee for its endorsement.

19. The capacity-building programs will be implemented as agreed between the SAARC Secretariat and ADB, using existing SAARC centers and other facilities as appropriate. The details of capacity-strengthening needs will be identified by the SAARC Secretariat in consultation with its member states before and during TA implementation. Emphasis will be placed on the training of trainers in the priority sectors/areas included in the Islamabad Declaration. To this end, the SAARC Secretariat will submit the capacity-building programs for ADB review and concurrence.

20. As ADB TA team members, a senior sector advisor (international consultant) for quality control of the SRMTS and a program analyst (domestic consultant) providing logistics services to all activities under the TA will be recruited for 1.5 and 14 person-months, respectively. In addition, Nepal Resident Mission will be staffed by a TA implementation advisor (domestic consultant) for 16 months, for coordinating with the SAARC Secretariat and assisting TA implementation. An organization chart on the proposed implementation arrangements is presented in Appendix 3.

21. All consultants and experts under the TA will be engaged as individual consultants in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements acceptable to ADB for the engagement of the domestic consultants. The outline of the terms of reference for the consultants is given in Appendix 4.

IV. THE PRESIDENT'S DECISION

22. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$500,000 on a grant basis for Promoting South Asian Regional Economic Cooperation, and hereby reports this action to the Board.

¹⁰ To be attended by the SAARC Secretariat; the representatives of member states, including government officials and transport sector experts; and the ADB TA team.

¹¹ A technical committee on transport comprises senior officials of the line ministries of the SAARC member states and meets on an *ad hoc* basis to discuss regional and technical issues related to transport sector.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanism	Assumption and Risks
<p>Goal</p> <p>Effective cooperation among all South Asian countries, enabled by the South Asian Association for Regional Cooperation (SAARC), helps to promote peace, stability, amity, and progress in the region, reaffirming the centrality of SAARC for promoting regional cooperation and emphasizing the need to enhance its efficiency. (The Islamabad Declaration).</p>	<p>Implementation of cooperation activities, including projects and training, through a SAARC framework.</p>	<p>Reports by the SAARC Secretariat.</p> <p>SAARC Standing Committee meetings.</p>	
<p>Purpose</p> <p>Enhanced regional cooperation through the SAARC framework in implementing the regional cooperation initiatives in priority sectors outlined in the Islamabad Declaration, particularly:</p> <ul style="list-style-type: none"> • establishment of better transport connectivity in South Asia, thereby facilitating services and people among SAARC member states; • effective planning, processing, and implementation of the key regional cooperation agenda by the SAARC Secretariat and its member states; and • institutionalization of collaborative activities to strengthen cooperation between SAARC and the Association of Southeast Asian Nations (ASEAN) and other regional organizations. 	<p>Increase in cross-border traffic volume and movements of people in an efficient manner in South Asia region without creating adverse impacts.</p> <p>Numbers of (i) trainings organized based on the capacity-building program, and (ii) qualified participants in these trainings.</p> <p>Establishment of partnerships or strengthened cooperation between SAARC and regional organization and regular meetings with such organizations.</p>	<p>SAARC Standing Committee meetings, other meetings, and workshops to monitor the TA implementation. Regular monitoring meetings between the Asian Development Bank (ADB) and the SAARC Secretariat.</p> <p>SAARC reports, feasibility studies for the identified projects/programs, and ADB project processing/administration missions' back-to-office reports.</p> <p>SAARC reports, progress reports by TA implementation advisor, and ADB review mission.</p> <p>Programs of the conference/workshops/meetings (to be submitted by the SAARC Secretariat); SAARC reports; progress reports by TA implementation advisor; and monitoring of meetings between the SAARC Secretariat and ADB.</p>	<p>Macroeconomic and political conditions of the region.</p> <p>Commitment of the SAARC member states to regional cooperation under the SAARC framework.</p> <p>Financial resources of the SAARC member states to implement the identified projects/programs.</p> <p>Well-prepared programs and capable trainers and resource persons at the SAARC centers.</p> <p>Commitment by SAARC and other organizations to the identified collaborative activities.</p>

Continued on next page

TECHNICAL ASSISTANCE FRAMEWORK—Continued

Design Summary	Performance Indicators/Targets	Monitoring Mechanism	Assumption and Risks
<p>Outputs</p> <p>SAARC Regional Multimodal Transport Study (SRMTS) report with a road map for improving regional transport connectivity, paying due considerations to (i) major institutional and physical constraints hindering smooth movement of goods and people in South Asia, and (ii) social and environmental safeguards for the expanded/improved transport linkage/connectivity.</p> <p>Enhanced capacity of the SAARC Secretariat in carrying out regional cooperation activities and the SAARC member countries' institutions in the priority sectors, through training targeted staff of these institutions.</p> <p>Important lessons to be learned from other regional organizations as well as opportunities to enable the SAARC Secretariat to be an efficient and effective institution in implementing cooperation activities in South Asia.</p> <p>Effective TA implementation.</p>	<p>To ensure quality, the first workshop discussion (based on the report and documents) will be submitted by ADB and the second workshop discussion on the final report will be approved by SAARC Standing Committee.</p> <p>The submission of the capacity-building program by the SAARC Secretariat satisfactory to ADB, by the time of Inception mission.</p> <p>Conducting training in line with the program.</p> <p>Identification of collaborative activities and implementation.</p> <p>Coordination within ADB and among the SAARC Secretariat, SAARC centers, SAARC member states, ADB TA team, and others to conduct each component of the TA as scheduled (e.g., convening an inception workshop within 2004, and conducting capacity-building training in line with the program to be submitted by the SAARC Secretariat).</p>	<p>ADB TA teams' review of the draft reports, ADB review mission, and Standing Committee meetings.</p> <p>Reports from the SAARC Secretariat and centers, and monitoring of meetings between the SAARC Secretariat and centers and ADB TA team.</p> <p>Reports from the SAARC Secretariat and progress reports by TA implementation advisor.</p> <p>Correspondence between ADB and the SAARC Secretariat and its centers and member countries.</p> <p>Progress reports by TA implementation advisor and senior program analyst.</p>	<p>Validity of recommendations.</p> <p>Quality of outputs from national and regional sector experts (domestic/regional consultants).</p> <p>Adequacy of the programs.</p> <p>Better representation of the relevant officials and/or stakeholders in the programs from most of SAARC member states.</p> <p>Equal interest of ASEAN and other organizations in collaboration with SAARC.</p> <p>Availability of a core counterpart in the SAARC Secretariat.</p>

Continued on next page

TECHNICAL ASSISTANCE FRAMEWORK—Continued

Design Summary	Performance Indicators/Targets	Monitoring Mechanism	Assumption and Risks
<p>Activities</p> <p>Conduct the SRMTS, focusing on multimodal linkages/connectivity among South Asian countries.</p> <p>Capacity building and training activities in the priority sectors in line with the program submitted by the SAARC Secretariat and endorsed by ADB.</p> <p>Convene conferences, workshops, seminars, and meetings.</p> <p>Provision of logistic services and support by ADB TA team for effective and efficient TA implementation.</p>	<p>Inputs</p> <p>Fielding of 24 person-months of national sector experts to prepare the individual country reports, and 9 person-months of regional sector experts to synthesize the individual country reports and prepare the final report (\$154,000), and the engagement of a senior sector advisor to be recruited as the ADB TA team member for quality control of the SRMTS (\$43,000).</p> <p>\$90,000</p> <p>\$70,000</p> <p>Recruit and retain a TA implementation advisor for 16 months and a program analyst for 14 months (\$73,000).</p>		

COST ESTIMATES AND FINANCING PLAN
(\$)

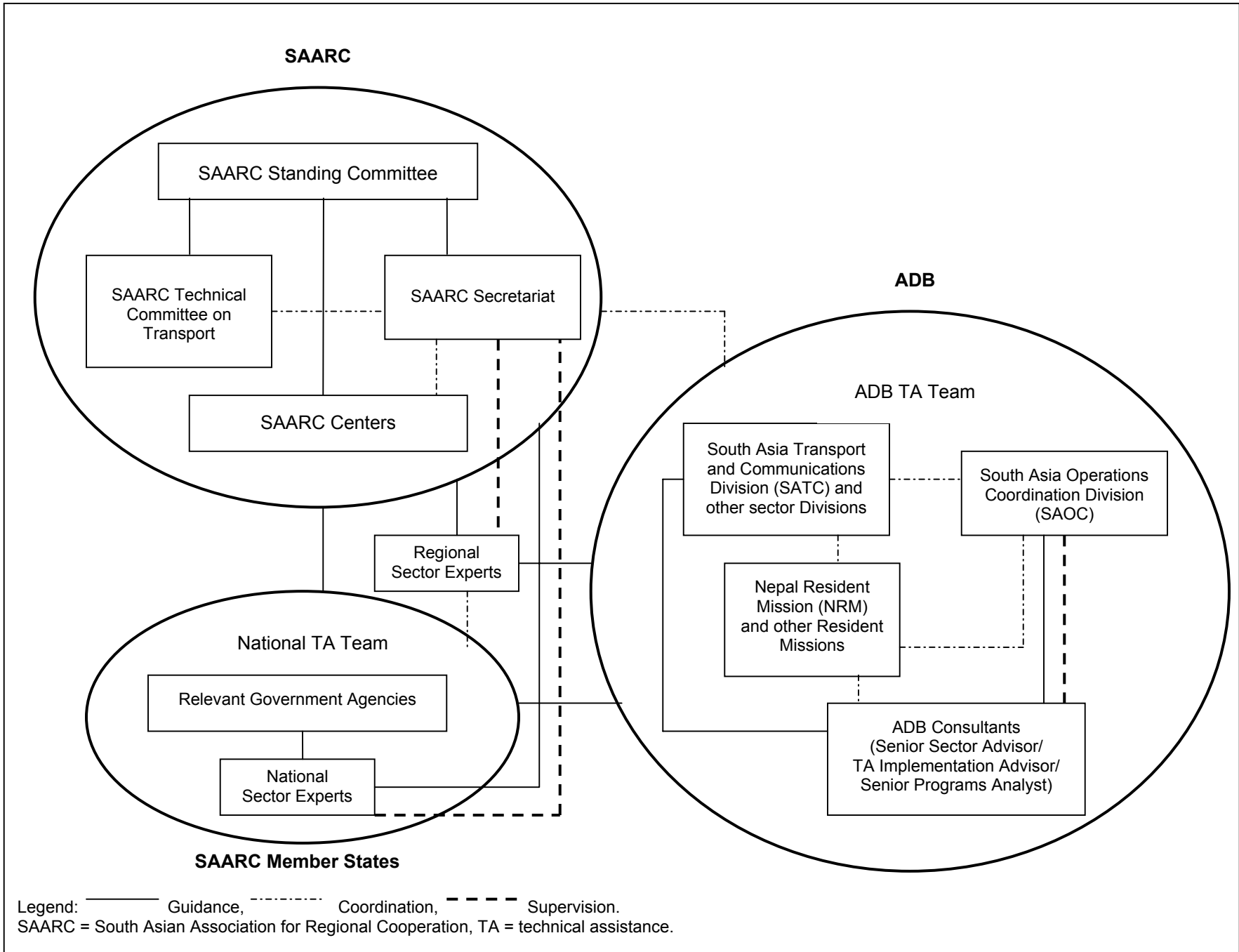
Item	Total Cost
Asian Development Bank (ADB) Financing^a	
A. Consultants	
1. Remuneration and Per Diem	
a. SAARC Regional Multimodal Transport Study	
i. Senior Sector Advisor (International)	33,000
ii. Regional Sector Experts (Domestic)	43,000
iii. National Sector Experts (Domestic)	79,000
b. Logistics Services and Support	
i. TA Implementation Advisor (Domestic)	48,000
ii. Senior Program Analyst (Domestic)	18,000
2. International Travel (Airfares Only)	
a. SAARC Regional Multimodal Transport Study	
i. Senior Sector Advisor	10,000
ii. Regional Sector Experts	7,000
iii. National Sector Experts	25,000
b. Logistics Services and Support	
i. TA Implementation Advisor	3,500
ii. Senior Program Analyst	3,500
B. Conferences, Workshops, and Seminars	
1. Conferences (Kathmandu and Others)	30,000
2. Regional Transport Workshops (Kathmandu)	25,000
3. Other Meetings and Workshops	15,000
C. Capacity Building	90,000
D. Technical and Administrative Support	
1. Publications	12,000
2. Administrative Expense	3,000
E. Equipment	15,000
F. Contingency	40,000
Total	500,000

SAARC = South Asian Association for Regional Cooperation, TA = technical assistance.

^a Financed by ADB's technical assistance funding program.

Source: ADB estimates.

IMPLEMENTATION ARRANGEMENT



OUTLINE TERMS OF REFERENCE

1. Under the technical assistance (TA), consultants, mostly domestic consultants, will be recruited for two components: (i) the South Asian Association for Regional Cooperation (SAARC) Regional Multimodal Transport Study (SRMTS); and (ii) logistics services and support.

A. Regional Transport Study

1. Objectives

2. The main objective of the SRMTS is to prepare a road map to improve regional connectivity through the major modes of transport (road, rail, seaports, inland waterways, and civil aviation) to facilitate trade and travel among SAARC member states. The road map will explore the possible ways for establishing better connectivity between key political/economic centers of SAARC member states so as to promote intraregional movements of goods, services, and people. The SRMTS will identify the major physical, institutional–nonphysical constraints hindering the smooth movement of goods and people between the SAARC member states and recommend an integrated and multimodal approach to overcome these constraints to enhance regional connectivity. The SRMTS will augment outputs under ongoing ADB assistance to subregional cooperation among the SAARC member states.

2. Scope of the Study

3. The SRMTS will be implemented in two phases. Phase I—national transport sector reviews—will be conducted in each SAARC country and will entail detailed analysis of subregional and regional corridors that would connect key locations and economic centers of the SAARC countries and neighboring countries in an efficient manner. The number of corridors will be limited to those connecting country capitals or key economic centers so as to create maximum impact for the improvement. Parallel exercises will be carried out for identifying (i) areas for which capacity-building activities and/or reforms are needed, (ii) projects that will yield quick and visible impacts, and (iii) options for conducting empirical studies on the poverty reduction impact.

4. Phase II—road map for regional connectivity—will look into specific proposals for establishing improved multimodal transport links in the region and develop a time-bound investment action plan with possible external assistance. In identifying viable links based on assessments of physical, financial, and institutional factors of the individual projects and their linking, the phase II study will also identify associated safeguard issues that need to be addressed, including measures to prevent or minimize risks of air pollution and HIV/AIDS,¹ human trafficking, and money laundering. In addition, proposals for improving transport links should, where possible and appropriate, distinguish national and regional components. Regional components could be considered for financing from the regional indicative planning figures of the Asian Development Bank (ADB).

3. Areas of Focus

5. To establish reliable, effective, efficient, and fully integrated multimodal transport connectivity between the SAARC member states, the SRMTS will focus on the following specific aspects.

¹ HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome.

- (i) **Roads, rail and inland water transport subsectors.** The SRMTS will identify key regional corridors and major border points/gateways, and assess the physical and nonphysical (documentation, procedures, and institutional) constraints to smooth movement of goods and people between the SAARC member states, by road, rail, and inland water, or a combination of these modes.
- (ii) **Land ports.** The SRMTS will identify the land ports, which will act as the major gateways for overland traffic movement between the SAARC member states, which would need to be upgraded and expanded. The SRMTS will also assess the physical and nonphysical (documentation, procedures, etc.) constraints.
- (iii) **Civil aviation.** The SRMTS will identify key air routes to be connected, examine the current civil aviation operations, assess the physical and institutional constraints to the smooth movement of freight and passengers between the SAARC member states, and identify possible routes to be served by scheduled or charter flights.
- (iv) **Ports and shipping.** The SRMTS will (i) identify the key shipping routes and their connection with major seaports in South Asia, including those in the Maldives and Sri Lanka, and their connectivity with major trading partner cities in South Asia; (ii) assess the adequacy of the current port facilities and level of their efficiency; and (iii) examine the adequacy of current shipping operations, and assess the physical and institutional constraints at the sea ports to the efficient movement of freight and (where applicable) passengers, between the SAARC member states.

4. Scope of work

6. The SRMTS will be carried out by a team of national sector experts and regional sector experts. By the time the SRMTS commences, ADB will prepare a background paper with detailed scope of work and terms of references for both phases of the SRMTS.² The background paper will be discussed and finally determined at the inception workshop to be held within 2004, which will be attended by the representatives of the SAARC Secretariat and its member states, transport experts from South Asia region, and the ADB TA team. The work of national sector experts and regional sector experts may include but not limited to the following.

a. National Sector Experts (domestic, 24 person-months)

7. National sector experts of each of seven SAARC member states will be engaged for a national transport sector review, based on the terms of reference to be prepared by ADB and agreed at the inception workshop. The total inputs of the experts will be 24 person-months but their engagement will vary from one country to another depending on the existing or planned

² ADB (South Asia Operations Coordination Division, South Asia Transport and Communications Division, and staff consultants) will prepare, using its own resources, a background paper on SAARC regional transport connectivity review. The paper includes the examination of major transport modes in South Asia from regional connectivity viewpoint. The paper will also identify major institutional and physical constraints hindering movement of goods and people among the SAARC member states; draw from other completed studies and projects, and recommend an integrated and multimodal approach to overcome these obstacles to enhance regional connectivity. The paper will include detailed scope and terms of reference for the work conducted under TA.

transport modes for subregional and regional connectivity of the country concerned.³ The national sector experts' responsibilities will include:

- (i) working as members of the national TA team to be established in each SAARC member state and comprising government officials and sector experts;
- (ii) reviewing the current status of the transport sector and its development plans of the country concerned, with special attention to the ongoing and planned initiatives for regional linkages;
- (iii) identifying viable transport sector programs and projects enhancing efficient connectivity with other SAARC member states and other countries;
- (iv) reviewing the institutional capacity of the agencies concerned in the country and identify areas where capacity-building activities and/or reforms are needed; and
- (v) preparing a national transport sector review report, including graphical presentation and maps, with special attention to regional connectivity.

2. Regional Sector Experts (domestic, 9 person-months)

8. In phase II, qualified regional sector experts from the SAARC member states will be recruited for a total of 9 person-months to determine specific proposals for establishing improved links in the region, and as appropriate, further elaborate these concepts. The work will include:

- (i) reviewing and synthesizing the national transport sector review reports of all SAARC member states prepared by the national sector experts;
- (ii) recommending an integrated and multimodal approach to enhance regional connectivity within the region by examining the costs and benefits of implementing specific regional programs and projects as well as institutional constraints identified in the national transport sector reviews;
- (iii) examining environmental and social safeguards for the enhanced regional connectivity;
- (iv) finalizing a regional study developing a road map for integrated regional transport infrastructure and services provision both publicly and privately financed, adequate to serve the needs of the SAARC member states; and
- (v) identifying ways of formalizing ties and among the national transport agencies to enable planning and implementation of regional activities in the transport sector.

3. Senior Sector Advisor (international, 1.5 person-months)

9. A senior sector advisor will work, on an intermittent basis, as an ADB TA team member and provide assistance in ensuring the quality of the SRMTS. The responsibilities will include

³ More inputs will be provided in countries with large land area, like Bangladesh, India, and Pakistan.

- (i) reviewing the draft national studies by domestic consultants (phase I report) and draft regional study (phase II report), and providing comments from an international best practices point of view; and
- (ii) attending the inception and the second workshops as a resource person and ADB TA team member, and providing guidance to improve the SRMTS.

B. Logistics Services and Support

1. Objectives

10. Two individual consultants, a TA implementation advisor and a senior program analyst, will be required to help ADB and the SAARC Secretariat implement the TA efficiently and effectively.

2. Scope of Work

a. Technical Assistance Implementation Advisor (domestic, 16 person-months)

11. The TA implementation advisor will be stationed at Nepal Resident Mission and will:

- (i) work as an ADB TA team member and assist ADB in effective and efficient TA implementation through liaising and coordinating with the SAARC Secretariat as a focal person, and ensuring the smooth flow of documents and communications among all stakeholders⁴ involved in TA implementation;
- (ii) help prepare conferences, workshops, seminars, and meetings under the TA, in close consultation with the SAARC Secretariat;
- (iii) prepare TA-related documents and papers as required;
- (iv) manage the information database related to TA implementation; and
- (v) participate in ADB missions or conferences, workshop, and meetings, as required.

b. Senior Program Analyst (domestic, 14 person-months)

12. The senior program analyst will be recruited at ADB's headquarters for 14 months to:

- (i) prepare a checklist of logistics requirements/assignments and provide support for SRMTS, capacity-building and training activities; and conferences, workshops, and meetings under the TA;
- (ii) assist ADB staff in TA administration, including the budget preparation and liquidation of all individual activities under the TA;

⁴ Stakeholders under the TA include the SAARC Secretariat and its centers, all consultants, SAARC member states, ADB TA team members, other ADB divisions, and ADB resident missions, as appropriate.

- (iii) prepare and maintain a comprehensive and orderly filing system for TA, and update files regularly;
- (iv) help ensure the smooth flow of documents and communications related to TA implementation;
- (v) assist the TA implementation advisor in managing the database on TA implementation;
- (vi) help draft routine communications; and
- (vii) participate in conferences, workshops, seminars, and meetings as required.