

## ATTACHED TECHNICAL ASSISTANCE

### A. Introduction

1. Capacity development technical assistance (TA) will support the capacity development of the Secretariat of the Kulhudhuffushi Council (SKC) and the Public Works Services (PWS) of the Ministry of Housing and Infrastructure (MHI) in the operation, maintenance, and financial management of Kulhudhuffushi Harbor to help support its operational sustainability so that the socioeconomic benefits of the project are maintained throughout its economic life. The TA will also enhance harbor safety and promote income-generating livelihood opportunities for local residents in Kulhudhuffushi and the surrounding islands.

2. The scope of the TA was discussed with the MHI as the implementing agency during the fact-finding for the project on 6–13 March 2016. The MHI, the Ministry of Economic Development (MED), and the SKC were also consulted on the TA activities that will require their involvement.

### B. Outputs and Key Activities

3. To achieve the TA objectives (para. 1), the TA will be implemented in four components: (i) capacity development training, (ii) harbor safety campaign and training, (iii) harbor user charging, and (iv) income-generating livelihood opportunities.

4. **Capacity development training component.** The key output of this component will be enhanced institutional capacity of the SKC and PWS in sustainable harbor operation, maintenance, safety, and financial management in Kulhudhuffushi. The training program will be delivered to SKC and PWS staff responsible for day-to-day operation and maintenance of the existing and the new harbor. The TA also involves development of tool kits and a performance monitoring mechanism for harbor operation and maintenance. Due to potential staff turnover, the training program and the resulting streamlined harbor operation and maintenance systems need to be institutionalized as part of the standard practice within the SKC and PWS.

5. **Harbor safety campaign and training component.** The key output of this component will be enhanced harbor safety in Kulhudhuffushi. This will be achieved through a harbor safety campaign that covers safety for passengers, harbor administrative staff, cargo workers, and local communities living within the harbor vicinity. Training for boat and/or vessel operators and captains and/or drivers will also be conducted, including the provision for passenger safety in an emergency or unexpected extreme weather conditions. Consultations and coordination with Maldives Ports Limited in Malé, the state-owned port authority, may be required to explore possible training cooperation. Activities under this component will be performed in consultation with the Maldives Transport Authority and MED.

6. **Harbor user charging component.** The key outputs of this component will be (i) a feasibility study of introducing harbor user charges for Kulhudhuffushi, and (ii) action plans for implementation by the government. Activities under this component will be performed in consultation with the Maldives Transport Authority and MED.

7. **Income-generating livelihood opportunities component.** The key outputs of this component will be local residents trained in income-generating livelihood opportunities. Training will be conducted to increase awareness of local residents of business opportunities that could be expected following the development of the new harbor. The business development service

center in Kulhudhuffushi established under Asian Development Bank (ADB) assistance will be consulted and involved where appropriate to conduct the training under this component.<sup>1</sup> Under the TA, local residents will be expected to use the trading facilities of the harbor to set small businesses on a rental basis, which will contribute to the funding for operation and maintenance of the harbor facilities by the SKC.

8. In accordance with the TA outputs, the TA will carry out the following key activities:
- (i) review the relevant recommendations for capacity development during the project preparatory stage;
  - (ii) prepare and perform a training program in harbor operation, maintenance, and financial management;
  - (iii) review any previous studies and tool kits in harbor maintenance and performance monitoring for Kulhudhuffushi Harbor, recommend improvements where necessary, and perform a hands-on training program in using the tool kits;
  - (iv) compile training materials and tool kits into a harbor operation and maintenance manual that will be used as future reference by the SKC and PWS;
  - (v) in consultation with the SKC and PWS, institutionalize the training programs as part of the standard operation for staff training in both agencies;
  - (vi) prepare and perform a harbor safety awareness program for passenger, administrative staff, cargo workers and local residents living at the vicinity of the harbor in Kulhudhuffushi;
  - (vii) prepare and perform a training program for vessel captains and/or drivers in passenger safety;
  - (viii) review any existing regulatory and institutional framework for introducing harbor user charging in public harbors, and recommend any improvement measures at both the national and local levels;
  - (ix) conduct workshops and focus group discussion as part of the stakeholder engagements and public consultations for a plan to introduce harbor user charging in Kulhudhuffushi;
  - (x) conduct feasibility study for implementing harbor user charges in Kulhudhuffushi, taking into account technical aspects and socioeconomic development impacts;
  - (xi) develop recommendation and action plans for introducing harbor user charging in Kulhudhuffushi and for implementation in all public harbors in the Maldives;
  - (xii) review regulatory and institutional framework for business activities in public harbors; and
  - (xiii) prepare and perform a training program in income-generating livelihood opportunities for local residents.

9. The SKC and MHI have confirmed their support to the capacity development training component and confirmed the availability of their staff to participate in the training in harbor operation, maintenance, and financial management. The participation target is three staff from the SKC and 10 staff from the PWS.

10. The risk identified for the TA is the high staff turnover at the SKC, which will be addressed by institutionalizing the training programs as standard practice within the SKC, especially for new employees.

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<sup>1</sup> ADB. 2012. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Grant to the Republic of the Maldives for the Inclusive Micro, Small and Medium-Sized Enterprise Development Project*. Manila.

### C. Cost and Financing

11. The TA is estimated to cost \$543,200, of which \$500,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V). The government will provide counterpart support in the form of office accommodation, support facilities, counterpart staff, and other in-kind contributions. The cost estimates for the TA are shown in Table 1.

**Table 1: Cost Estimates and Financing Plan**  
(\$'000)

| Item   | Total Cost   |
|--|--------------|
| <b>Asian Development Bank<sup>a</sup></b>          |              |
| 1. Consultants                                     |              |
| a. Remuneration and per diem                       |              |
| i. International consultants (11 person-months)    | 243.7        |
| ii. National consultants (14 person-months)        | 81.2         |
| b. International and local travel                  | 60.0         |
| c. Reports and communications                      | 10.0         |
| 2. Equipment <sup>b</sup>                          | 2.0          |
| 3. Workshops, trainings, and seminars <sup>c</sup> | 35.0         |
| 5. Surveys   | 10.0         |
| 6. Miscellaneous administration and support costs  | 4.2          |
| 7. Representative for contract negotiations        | 10.0         |
| 8. Contingencies                                   | 43.9         |
| <b>Total</b>                                       | <b>500.0</b> |

Note: The technical assistance (TA) is estimated to cost \$543,200, of which contributions from the Asian Development Bank are presented in the table above. The government will provide counterpart support in the form of office accommodation, support facilities, counterpart staff and other in-kind contributions. The value of government contribution is estimated to account for 7.9% of the total TA cost.

<sup>a</sup> Financed by Asian Development Bank's Technical Assistance Special Fund (TASF-V).

<sup>b</sup> Comprises laptop, printers, and portable projectors, to be handed over to the Ministry of Housing and Infrastructure upon TA completion.

<sup>c</sup> Around 15 workshops, trainings, and seminars will be carried out, each with around 20 participants from various stakeholders at either the local or national levels.

Source: Asian Development Bank estimates.

### D. Implementation Arrangements

12. The executing agency for the TA is the Ministry of Finance and Treasury, and the implementing agency is the MHI. The MED will provide technical advice on various aspects under its oversight, such as in the harbor safety, harbor user charging, and income-generating livelihood opportunities components. The TA will be implemented over 18 calendar-months, from January 2017 to June 2018.

13. An international consulting firm will be recruited by ADB in accordance with the Guidelines on the Use of Consultants (2013, as amended from time to time). The consulting firm will be asked to submit a bio-data technical proposal, and the selection will be in accordance with quality- and cost-based selection method using a quality-cost ratio of 90:10. Disbursements under the TA will follow ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

14. The consulting service will be mobilized for a 6-month period, from July to December 2017. A summary of the required consulting services is in Table 2 and described in detail in the project administration manual.<sup>2</sup>

**Table 2: Summary of Consulting Services**

| Area of Expertise                                     | Duration<br>(person-months) |
|---|-----------------------------|
| <b>A. International</b>                               |                             |
| 1. Maritime Transport Specialist and Team Leader      | 5                           |
| 2. Asset Management Specialist                        | 2                           |
| 3. Harbor Operation Specialist                        | 2                           |
| 4. Transport Economist                                | 2                           |
| <b>Subtotal (A)</b>                                   | <b>11</b>                   |
| <b>B. National</b>                                    |                             |
| 1. Harbor Engineer and Deputy Team Leader             | 8                           |
| 2. Financial and Institutional Development Specialist | 3                           |
| 3. Social Development Specialist                      | 4                           |
| 4. Small and Medium Enterprise Specialist             | 4                           |
| <b>Subtotal (B)</b>                                   | <b>14</b>                   |
| <b>Total (A+B)</b>                                    | <b>25</b>                   |

Source: Asian Development Bank estimates.

15. All reports prepared under the TA will be disclosed during TA implementation. After TA implementation is completed, a TA completion report will be compiled and made publicly available. If warranted, a publication will be prepared to convey the knowledge and experience learned for replication in other similar transport projects.

<sup>2</sup> Project Administration Manual (accessible from the list of linked documents in Appendix 2 of the main text).