

ATTACHED TECHNICAL ASSISTANCE

A. Introduction

1. Heavy rainfall in the eastern catchment of Pakistan near the end of the monsoon in September 2015 resulted in heavy flooding in eastern, central, and southern Pakistan. The flooding was compounded by incoming flood waters from the rivers entering Pakistan from India. Rainfall levels in some areas were the highest ever recorded. The catchment areas of the Punch, Ravi, Jhelum and Chenab rivers caused much of the flooding. The floods killed 367 people and injured another 600. Flooding and rains affected 44 districts. Based on damage data released by the National Disaster Management Authority about 110,000 houses were partially damaged or destroyed, and more than 1 million acres of cropland and 250,000 farmers were affected in more than 3,616 villages.

2. The disaster relief phase was led by the National Disaster Management Authority and the provinces' disaster management authorities, with support from the country's army, district administrations, and the United Nations (UN). It has been completed in all the affected areas. The district agencies managed to reopen most roads and plug breaches in flood protection works immediately after the floods, using hired labor and machinery. However, many roads, flood management structures, and bridges that suffered major damage could not be restored because they require redesigning and in many cases additional resources. The same is true for education, health and drinking water facilities, which are either temporarily restored or closed.

3. At the request of the Government of Pakistan, the Asian Development Bank (ADB) and the World Bank helped the affected provinces and regions estimate the reconstruction and rehabilitation costs after the flooding. This was followed by Government of Pakistan request in March 2015 for support from ADB to reconstruct and rehabilitate the structures damaged by 2014 floods. After reviewing the damage, ADB has indicated to the government that it will provide \$218.04 million under the proposed Flood Emergency Reconstruction and Resilience Project (FERRP). The FERRP will finance the rehabilitation and reconstruction of priority roads, bridges, irrigation, and flood protection structures. It will also strengthen the disaster risk management (DRM) capacity of the implementing agencies.

4. The government has also requested that ADB attach a capacity development technical assistance (TA) project to the FERRP. The proposed TA is needed to ensure that the emergency assistance is implemented as effectively, fully, and quickly as possible. The fact that the FERRP will reconstruct priority infrastructure that is crucial to the socioeconomics activities and well-being of the affected population and some of this infrastructure must be in place for the next flooding season in September. This means that speed and efficiency in design, procurement, and construction are key to the FERRP's success. The TA is also needed to ensure that the damaged infrastructure is built to safer and higher multihazard resistant standards that address Pakistan's high disaster risks. The TA will also help ensure transparency and accountability in the implementation process. Although government systems do include processes for fast-tracking reconstruction, many of the seven implementing agencies are not familiar with these government systems or with ADB's fiduciary, procurement, reporting, and social and environmental safeguards requirements. Many have never implemented an ADB-financed project. Because the damage is widespread, implementation will be decentralized and carried out at the district level, where these capacities are even more limited.

5. The fiduciary, safeguard, and procurement risks confronting the project are high in many cases and need to be mitigated. In addition, the TA will help the FERRP achieve its aim of developing DRM capacity at the provincial and districts levels. This includes supporting multi-hazard vulnerability and risk assessments (MHVRA), pilot DRM activities, and efforts to mainstream DRM and climate change in the development planning process. This is a new field for most agencies and requires close technical support and linkages to the DRM-strengthening opportunities at the federal and international levels. The government of Pakistan was consulted and it concurs with the results, implementation arrangements, cost estimate, financing arrangements, and terms of reference of the proposed TA.

6. The objective of the proposed TA is to kick-start all essential project management functions, maintain a high level of dedicated due diligence capacity on all project operations to allow fast-track implementation, and shift the focus in DRM activities from post disaster responses towards disaster preparedness, mitigation and adaptation.

7. The broad terms of reference agreed with the government for the TA project include support for (i) establishing management systems in implementing agencies, including monitoring, procurement, financial, and reporting arrangements; (ii) augmenting the social safeguards, procurement, contract management, and technical due diligence capacity of the implementing agencies to fast-track implementation; and (iii) developing linkages to enhance DRM capacities, coordinate MHVRA and disaster mapping activities, and share DRM knowledge.¹ The TA will be implemented over 36 months starting from 1 July 2015 and cover the geographic area of the FERRP.

B. Output and Key Activities

8. The outputs of the TA will be (i) timely establishment of project management systems in implementing agencies for reporting, monitoring, financial management, and internal controls that meet international best practices; (ii) timely submission of quality procurement, technical and safeguard documents that meet ADB requirements; and (iii) establish DRM data and knowledge that is shared through a common knowledge-sharing platform. The TA will support the following activities to achieve these outputs.

9. **Strengthening management capacities.** Activities to strengthen management capacities will include (i) assistance for establishing financial systems for the project overall and for each implementing agency, (ii) assistance in establishing disbursement procedures that meet both ADB and government requirements, (iii) establishing internal financial controls and accounting and pre-audits protocols to control fiduciary risk, and (iv) assistance in establishing a monitoring and reporting system for the project as a whole and in each implementing agency.

10. **Strengthening operational capacities.** Activities to strengthen operational capacities will include (i) assistance in the preparation of documents and detailed terms of references for the recruitment of the project consultants; (ii) assistance in preparing bidding documents for works and goods, evaluating the bids, and negotiating with contractors and suppliers in line with ADB guidelines; (iii) assistance in preparing documents and implementing and monitoring

¹ The TA first appeared in the business opportunities section of ADB's website on 13 May 2015.

safeguard action plans, including support for information sharing, consultations, disclosure, and safeguards monitoring and reporting procedures; and (iv) advising the implementing agencies on the technical due diligence protocol of subprojects and the DRM component.

11. **Mainstreaming disaster risk management.** Activities to help mainstream DRM will include (i) support for linkages of the DRM activities included in the scope of project to national and international platforms; (ii) engagement with the DRM national advisory group to develop a common scope and methodology for MHVRA; (iii) technical advice on and review of MHVRA, DRM and climate change plans developed at the district and provincial levels; and (iv) awareness and dialogue on policy and legal framework with provincial and federal governments to mainstreaming DRM and climate change plans in the development planning process.

C. Cost and Financing

12. The TA is estimated to cost \$2.2 million, of which \$2.0 million 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 staff, office, utilities, and other in-kind contributions.

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

Item	Amount
A. Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	200,000.0
ii. National consultants	1,320,000.0
b. International and local travel	75,000.0
c. Reports and communications	25,000.0
2. Equipment (GPS enabled mobiles)	10,000.0
3. Training, seminars, and conferences	
a. Facilitators	20,000.0
b. Training program	100,000.0
4. Surveys	100,000.0
5. Miscellaneous administration and support cost	50,000.0
8. Contingencies	100,000.0
Subtotal (A)	480,000.0
Total	2,000,000.0

GPS = Global Positioning System.

Note: The technical assistance is estimated to cost \$2.2 million of which contribution from the Asian Development Bank is presented in the table above. The government will provide counterpart support worth \$0.2 million in the form of staff, office, utilities, and other in-kind contributions. The equipment purchased under the TA will be handed over to the project's executing agencies after completion of the TA.

^a Financed by the Asian Development Bank's Technical Assistance Special Fund-V.

Source: Asian Development Bank estimates.

D. Implementation Arrangements

13. Individual consultants will be required for the project. The precise number and mix of individual consultants needed is not yet clear. The implementing agencies are independent of

each other in most cases, and their demands for consultancy may vary greatly. Because of this, it is proposed that the TA-financed consultants be hired under a flexible arrangement on retainer or output-based contracts spread over the project implementation period. This model increases management load initially but ADB has used it successfully in other emergency projects in Pakistan.² The areas of expertise and services required are summarized in Table 2 and described in detail in the project administration manual.³

Table 2: Summary of Consulting Services

Area of Expertise	Duration (person-months)
A. International	
Contract management	4
DRM specialist	4
Subtotal (A)	8
B. National	
Procurement specialists (4 persons)	30
Financial management specialists (2 persons)	20
Chartered accountants (2 persons)	12
Environmental specialists (2–4 persons)	24
Resettlement specialists (2–4 persons)	24
Gender specialists (2 persons)	30
Legal advisors for contracts (2–4 persons)	24
Technical advisors (4–6 persons)	33
Monitoring and evaluation specialists (2–4 persons)	24
Economist	4
DRM and climate change specialist (2 persons)	20
Subtotal (B)	245
Total (A+B)	253

DRM = Disaster Risk Management.
Source: Asian Development Bank.

14. The planning and development departments of Punjab and Ministry of Kashmir Affairs and Gilgit Baltistan will be the executing agencies. Each of the seven implementing agencies is expected to be supported by three part-time individual consultants. ADB's Pakistan Resident Mission will administer the project. The TA requirements are based on risk assessments for each implementing agency, and a deployment plan, and the broad terms of reference for each consultant will be developed and agreed with each implementing agency during implementation. The government has agreed that the resident mission will hire the consultants, manage their contracts, and process their claims. All consultants will be engaged by ADB in accordance with its Guidelines on the Use of Consultants (2013, as amended from time to time). Procurement of minor equipment will be conducted in accordance with ADB's Procurement Guidelines (2013, as amended from time to time) and other arrangements satisfactory to ADB for procurement. Disbursements under the TA will be in accordance with the ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

² ADB. 2005. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Grants to the Islamic Republic of Pakistan for the Earthquake Emergency Assistance Project*. Manila.

³ Project Administration Manual (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).