

PROJECT PREPARATORY TECHNICAL ASSISTANCE

A. Objectives

1. The TA objectives are to (i) design a project suitable for ADB financing, identifying appropriate project components to achieve desired results; (ii) review proposed components based on detailed due diligence assessment of technical, resettlement, social, economic, financial, environmental, public finance, procurement, and other institutional aspects and risks; and (iii) improve capacity on project development and implementation and increase involvement of affected persons. The first phase of the TA will include a review of the urban master plan for Hetian city and recommendations for improvements, as appropriate, by Tongji University which will be selected through a single-source selection method and a lump sum contract with a value of \$60,000.¹ The second phase of the TA will be implemented by a single consulting firm with two specialized teams of experts - one to prepare a design and another to undertake due diligence.

B. Major Outputs and Activities

2. Phase 1 of the TA will consist of 3 outputs: (i) initial review report, (ii) detailed recommendations report, and (iii) capacity developed to incorporate changes. Phase 2 of TA will be implemented in two overlapping stages, by a single consulting firm. Under the first stage, a project design team will design the project including appropriate schemes for urban upgrading with resettlement. Under the second stage, another team from the same consulting firm will conduct due diligence assessments. The TA's outputs are summarized in Table A3.1.

Table A3.1: Summary of Major Outputs and Activities

Major Activities	Expected Completion Date	Major Outputs	Expected Completion Date
Tongji University (SSS)			
Review of Hetian Urban Plan	15 Aug 2016	Initial review report	15 Aug 2016
Produce and discuss recommendations	31 Aug 2016	Project technical design report	31 Aug 2016
Build capacity in urban planning	30 Sep 2016	Capacity development report	30 Sep 2016
Consulting Firm (FBS)			
A. Project design team			
Technical assessment	31 Dec 2016	Inception report	30 Sep 2016
Urban regeneration assessment	31 Dec 2016	Project technical design report	15 Jan 2017
B. Project due diligence team			
ADB's safeguards policy training	28 Feb 2017	Draft project safeguards documents, RPs, EMDP, GAP	15 Mar 2017
ADB's disbursement and procurement training	28 Feb 2017	FMA, PCA	15 Mar 2017
		Draft final report	15 Mar 2017
		Final report	15 Apr 2017

ADB = Asian Development Bank, EMDP = ethnic minority development plan, FMA = financial management assessment, FBS = fixed budget selection, GAP = gender action plan, PCA = procurement capacity assessment, RP = resettlement plan, SSS = single-source selection.

Source: Asian Development Bank.

C. Cost Estimate and Proposed Financing Arrangement

3. The TA is estimated to cost \$850,000 equivalent, of which \$750,000 equivalent will be

¹ A Single-Source Contract with Tongji University is in line with section 2.30 of the Guidelines of the Use of Consultants, as: (i) the assignment is small with a budget of less than \$100,000 and (ii) due to the unprecedented circumstances of the assignment aligned with Tongji's unique personnel and experience of exceptional worth in municipal urban planning.

financed on a grant basis by ADB's Technical Assistance Special Fund, other sources. HCG will provide in-kind support of \$100,000 equivalent. The detailed cost estimate is in Table A3.2.

Table A3.2: Cost Estimates and Financing Plan

Item	Total Cost (\$'000)
Asian Development Bank^a	
1. Single-source selection of Tongji University	60.0
2. Consultants (including remuneration, per diem, travel, reports, and communications)	597.0
3. Equipment ^b	5.0
4. Workshops and training ^c	7.0
5. Surveys	35.0
6. Miscellaneous administration costs (including translation/interpretation)	5.0
7. Contract negotiations	5.0
8. Contingencies	36.0
Total	750.0

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

^b Equipment will be turned over to the executing agency upon completion of technical assistance activities.

Type	Quantity	Cost
Desktop computer and wireless printers	1; 2 (1 color, 1 laser)	\$1,500
Photocopier and camera	1; 1	\$3,500

^c Workshops and training

Purpose	Venue
Project design workshops, safeguards and social development trainings, project financial management, disbursement, and procurement trainings, etc.	Hetian city, Xinjiang Uygur Autonomous Region

Source: Asian Development Bank estimates.

D. Consulting Services

4. Phase 1 of the TA will have a three person team of national consultants from Tongji University, 2 person-months per position, engaged through SSS method and a lump sum contract. Phase 2 of the TA will have a single consulting service package including teams of experts for the overlapping stages of project design and due diligence. The design team inputs will be 9 person-months for 3 international consultants and 9 person-months for 4 national consultants. The due diligence team inputs will be 10 person-months for 4 international consultants and 11 person-months for 4 national consultants (Table A3.3). The consulting firm will be engaged using fixed budget selection method with simplified technical proposal procedures. Recruitment of consulting services and procurement of equipment under the TA will be carried out in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time) and ADB's Procurement Guidelines (2015, as amended from time to time), respectively. Outline terms of reference are in paras. 5–19.

Table A3.3: Summary of Consulting Services Requirement

	Person-months		Person-months
Tongji University Team			
Urban development expert/ team leader	2.0	Urban development specialists (2, 2 PM ea.)	4.0
Project Design Team		Project Due Diligence Team	
International Experts		International Experts	
Urban development specialist/design team leader	4.0	Social development specialist/due diligence team leader	4.0
Water/wastewater/reclaimed water specialist	2.5	Environment specialist	2.5
Urban upgrading / resettlement specialist	2.5	Gender equality specialist	2.0
		Economist	1.5
National Experts		National Experts	
Road specialist/design deputy team leader	3.0	Resettlement specialist/due diligence deputy team leader	4.0

Project Design Team		Project Due Diligence Team	
Social development specialist	2.0	Environment specialist	4.0
Public transportation specialist	2.0	Finance specialist	2.0
Solid waste management specialist	2.0	Economist	2.0

Source: Asian Development Bank.

5. **Urban development expert/ team leader** (national, 2 person-months). Experience: (i) Preferably at least 20 years in a senior role in advising PRC urban development projects. Role: Coordinate the team, responsible for deliverables, and provide high-level advice.
6. **Urban development specialists** (national, 2 person-months each). Experience: (i) Preferably at least 15 years in a senior role in researching PRC urban development projects. Role: Provide guidance to HCG including capacity development delivery and reporting.
7. **Urban development specialist/Design team leader** (international, 4 person-months). Experience: (i) Preferably at least 10 years managing project design financed by international finance institutions (IFIs) and preferably at least 15 years of experience in designing urban projects. Role: Coordinate team and formulate technical design for inclusive urban regeneration.
8. **Road specialist/Design deputy team leader** (national, 3.0 person-months). Experience: (i) Preferably at least 7 years in a senior role in managing the design of projects financed by IFIs and at least 10 years work experience in detailed engineering and design of urban roads, including non-motorized transport. Role: Assist with team leadership and technical road design that meets needs and fits urban upgrading and redevelopment models.
9. **Water/wastewater/reclaimed water specialist** (international, 2.5 person-months). Experience: Relevant graduate degree in water and wastewater engineering and at least 10 years in designing and implementing water, wastewater, and reclaimed water systems in urban development projects. Role: Assist with technical water and wastewater design that meets government needs and fits with urban upgrading and redevelopment models.
10. **Urban upgrading/resettlement specialist** (international, 2.5 person-months). Experience: Graduate degree in a relevant field with at least 10 years in resettlement issues in IFI-funded investment projects, particularly with ethnic minorities. Role: Formulate a technical design that is inclusive and minimizes land acquisition and resettlement.
11. **Social development specialist** (national 2 person-months). Experience: Preferably graduate degree in a relevant field with experience in surveys and analyses with at least 10 years of work experience in resettlement and indigenous peoples. Role: Provide specialized inputs into the deliberations on the strategies and models for urban regeneration.
12. **Public transportation specialist** (national, 2 person-months). Experience: Preferably have a graduate degree in urban public transport planning, or related degree, preferably at least 10 years in design of urban public transport systems. Role: Develop a design for the public transport component, integrated with and supporting other components and bus service.
13. **Solid waste management specialist** (national, 2 person-months). Experience: Professionally qualified, with a minimum of a graduate degree in civil engineering or a related field, and should preferably have at least 8 years work experience in solid waste management. Role: Develop an urban sanitation component design that supports the other components.
14. **Social development specialist/Due diligence team leader** (international 4 person-months). Experience: Preferably graduate degree in a relevant field with experience in surveys and analyses with at least 15 years of international work experience in resettlement, indigenous peoples, and gender and social impact assessments. Role: Lead due diligence team ensuring

all requirements are completed on time, including safeguard consultations.

15. **Resettlement specialist/Due diligence deputy team leader** (national, 4 person-months). Experience: Graduate degree in a relevant field with at least 10 years in resettlement issues in IFI-funded investment projects. Role: Assist with team leadership. Formulate a technical design for urban regeneration that is inclusive for all and minimizes LAR.

16. **Environment specialists** (international 2.5 person-months; national, 3 person-months). Experience: Professionally qualified and preferably have at least 8 years work experience in environmental impact assessment. Role: Undertake all assessments as required by ADB Safeguard Policy Statement, in addition to comprehensive water balance analysis.

17. **Gender equality specialist** (international, 2 person-months). Experience: Relevant professional qualifications and preferably 10 years of experience with gender equality and gender responsive project design, particularly with ethnic minorities. Role: Review project components and provide inputs to improve the design in terms of gender equality.

18. **Economist** (international 1.5 person-months; national, 2 person-months). Experience: Relevant qualifications in economics, preferably 10 years work experience, and demonstrated practical experience in project evaluation vis-à-vis government urban development plans, geographical context, and technical scope adopted by the project. Role: Undertake economic due diligence required by ADB guidelines and policies.

19. **Finance specialist** (national, 2 person-months). Experience: Relevant qualifications in accounting such as a professional accountancy qualification, preferably 10 years work and demonstrated experience in estimating financial internal rate of returns. Role: All financial management assessments required by ADB guidelines and policies.

E. Implementation Arrangements

20. Tongji University will work from July to September 2016. The phase 2 consulting firm's design team will be mobilized for 5 months from September 2016 to January 2017. The firm's project due diligence team will assess the project design over 6 months, from November 2016 to April 2017. The TA will be financially closed in July 2017. XUARG will be the executing agency. Workshops and training will be administered by the consulting firms. TA funds will be disbursed in accordance with ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time). The proposed TA implementation schedule is in Table A3.3.

Table A3.3: Technical Assistance Processing and Implementation Schedule

Major Milestones	Expected Completion Date
Tongji University team	
Initial review report	15 Aug 2016
Project technical design report	31 Aug 2016
Capacity development report	30 Sep 2016
Project design team	
Commencement of specialized studies	1 Sep 2016
Inception report	30 Sep 2016
Project technical design report	1 Jan 2017
Project due diligence team	
Commencement of work	1 Nov 2016
Inception report submission	1 Dec 2016
Draft final report submission	15 Mar 2017
Final tripartite meeting (loan fact-finding mission)	31 Mar 2017
Final report submission	15 Apr 2017
Financial closure of the project preparatory technical assistance	31 July 2017

Source: Asian Development Bank.

