



Technical Assistance Report

Project Number: 49367-001
Policy and Advisory Technical Assistance (PATA)
November 2016

Georgia: Livable Urban Areas: Integrated Urban Plans for Balanced Regional Development

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 7 October 2016)

Currency unit	–	lari (GEL)
GEL1.00	=	\$0.4283
\$1.00	=	GEL2.3350

ABBREVIATIONS

ADB	–	Asian Development Bank
CDIA	–	Cities Development Initiative for Asia
COE	–	center of excellence
IUP	–	integrated urban plan
MFF	–	multitranche financing facility
MRDI	–	Ministry for Regional Development and Infrastructure
PPI	–	public–private investment
TA	–	technical assistance
UMP	–	urban management partnership

NOTE

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

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POLICY AND ADVISORY TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 49367-001	
Project Name	Livable Urban Areas: Integrated Urban Plans for Balanced Regional Development	Department /Division	CWRD/CWUW
Country	Georgia	Executing Agency	Ministry of Regional Development and Infrastructure of Georgia
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Water and other urban infrastructure and services	Other urban services		0.15
	Urban flood protection		0.10
	Urban policy, institutional and capacity development		0.20
	Urban sanitation		0.10
	Urban sewerage		0.10
	Urban solid waste management		0.10
	Urban water supply		0.20
Transport	Urban public transport		0.05
	Total		1.00
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Medium
Environmentally sustainable growth (ESG)	Disaster risk management		
Regional integration (RCI)	Urban environmental improvement		
	Pillar 4: Other regional public goods		
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Client relations, network, and partnership development to partnership driver of change	Effective gender mainstreaming (EGM)	✓
	Civil society participation		
	Institutional development		
	Organizational development		
	Public financial governance		
Knowledge solutions (KNS)	Application and use of new knowledge solutions in key operational areas		
	Knowledge sharing activities		
	Pilot-testing innovation and learning		
Partnerships (PAR)	Bilateral institutions (not client government)		
	Civil society organizations		
	Implementation		
	Official cofinancing		
5. Poverty and SDG Targeting	Location Impact		
Project directly targets poverty and SDGs	No	Rural	Low
		Urban	High
6. TA Category:	B		
7. Safeguard Categorization	Not Applicable		
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		1.00	
Policy and advisory technical assistance: Technical Assistance Special Fund		1.00	
Cofinancing		0.00	
None		0.00	
Counterpart		0.01	
Government		0.01	
Total		1.01	

POLICY AND ADVISORY TECHNICAL ASSISTANCE AT A GLANCE

9. Effective Development Cooperation

Use of country procurement systems	No
Use of country public financial management systems	No

I. INTRODUCTION

1. The Government of Georgia has requested the Asian Development Bank (ADB) to provide policy and advisory technical assistance (TA) to enhance the planning of and the policies related to urban areas and secondary towns, to achieve more balanced regional development. Strategic priorities will include inclusive economic growth, tourism development, and agribusiness.¹ The development of livable urban areas with improved infrastructure and services will realize Georgia's potential for sustainable urban development as identified in the Georgia National Urban Assessment, 2016.² The TA will help Georgia mainstream integrated urban development in a participatory manner by masterplanning and prioritizing urban investments that promote the development of inclusive, environmentally responsible, and economically competitive urban clusters and economic corridors in alignment with ADB's Strategy 2020 and Urban Operational Plan, 2012–2020.³ The TA will build on existing operations in urban transport and services to develop an investment pipeline. It will initiate a programmatic approach to urban operations in Georgia, as discussed with the government during missions and in keeping with the concurrence reached on the impact, outcome, outputs, implementation arrangements, costs, financing arrangements, and outline terms of reference.⁴ The design and monitoring framework is in Appendix 1.⁵

II. ISSUES

2. Located in the Southern Caucasus region at the crossroads of Asia and Europe, Georgia is an important node for regional trade flows. In 2016, Georgia had a population of 3.7 million, of whom 57.2% lived in urban areas.⁶ ADB's Georgia National Urban Assessment, 2016 identified the following key challenges and opportunities for realizing Georgia's urban potential:

- (i) **Unplanned urbanization and uneven spatial distribution of the population.** Georgia predominantly consists of small urban settlements and one large city, Tbilisi, where almost half of the urban population lives. Urban growth and development has been uneven and unplanned,—concentrated in the Tbilisi-Rustavi urban area, Kutaisi, and Batumi—leading to disproportionate distribution in the national urban system. This affects the livability and economic growth of secondary towns and villages.
- (ii) **Urban infrastructure and services.** The lack of adequate basic infrastructure is a key obstacle to improving the quality of life in urban areas. Challenges include (a) unreliable drinking water supplies; (b) insufficient sewerage and sanitation facilities leading to the degradation of the natural environment and a poor quality of life; and (c) inadequate housing, open spaces, public transport systems (including intercity connections), and pedestrian facilities. The lack of access to water in secondary towns particularly affects women, as they are responsible for collecting, buying and fetching water for domestic use.

¹ The TA is included as Preparing City/Regional Development Plans in ADB. 2015. *Georgia: Country Operations Business Plan, 2016–2018*. Manila.

² ADB. 2016. *Realizing the Urban Potential in Georgia: National Urban Assessment*. Manila.

³ ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila; and ADB. 2013. *Urban Operational Plan, 2012–2020*. Manila.

⁴ The inception mission for the Sustainable Urban Transport Investment Program, tranche 4 (aide memoire, 26 January–9 February 2016); and the loan review mission for the MFF Urban Services Improvement Investment Program (22 February–2 March 2016). A coordination meeting with the government was held on 15 September 2016.

⁵ The TA first appeared in the business opportunities section of ADB's website on 19 September 2016.

⁶ National Statistics Office of Georgia (Geostat) 2016. http://www.geostat.ge/index.php?action=page&p_id=152&lang=eng. Georgia held a census in 2014 after 2002. Data for 2016 is based on the 2014 census.

- (iii) **Urban governance and institutions.** There is a limited capacity for implementing spatial planning and urban development mandates at both the national and local levels. The local self-government code decentralized infrastructure planning and implementation responsibilities without commensurate financial and human resources. Cities and towns are required to prepare or update master plans, but have insufficient funding and capacity to do this. There are no clear procedures that aid citizens' right of participation in the urban planning process. Although more women are participating in politics, women in Georgia remain underrepresented in decision-making.
- (iv) **Financial sustainability.** Low rates of cost recovery and limited spending on infrastructure operation and maintenance endanger the sustainability of the infrastructure.⁷ Local governments depend on other financial sources from national ministries or the national companies established under these ministries for capital investments. There is an opportunity to integrate financial sustainability in the planning and implementation of urban infrastructure projects.

3. Georgia's urban vision, as outlined in the Social-Economic Development Strategy of Georgia (Georgia 2020), is to leverage its strategic location to become a logistics hub and develop regionally competitive, well-connected, and livable urban areas based on integrated urban planning through an inclusive and adaptive approach (footnote 6). This is consistent with ADB's country operations business plan for Georgia, 2016–2018 and ADB's Midterm Review of Strategy 2020.⁸ The government's priority to support balanced regional development based on tourism and cultural heritage clusters requires the provision of adequate urban and tourism infrastructure in the towns and surrounding villages through investment planning and management.

4. The TA is aligned with ADB's country partnership strategy for Georgia, 2014–2018, which recommends developing municipal plans to make essential drinking water, sewerage, and sanitation services more accessible, reliable, and energy-efficient. It will also encourage sustainable urban transport, including low-carbon mobility and mass transport systems, particularly in secondary towns, which are potential agribusiness and tourism hubs (footnote 6). The TA will provide the government with integrated urban planning and policy formulation support for the preparation of masterplans, policy recommendations, and a medium- to long-term investment plan. This plan will prioritize projects that (i) address sector issues; (ii) address institutional, operational, and financial sustainability; and (iii) implement long-term, sustainable development goals for the urban areas. The projects prioritized for financing will be prepared and linked with follow-on investments such as a project design advance loan, which will fund detailed engineering designs, cost estimates, bidding documents, and other relevant project preparatory activities for procurement-ready projects under ADB's proposed Sustainable Cities Development Investment Program (footnote 7).

⁷ ADB. 2014. *Georgia: Country Partnership Strategy, 2014–2018*. Manila; and Government of Georgia. 2014. *Social-Economic Development Strategy of Georgia (Georgia 2020)*. Tbilisi.

⁸ A proposed investment loan is on standby for 2018 and confirmed for 2019. A project design advance loan of \$10 million is confirmed for 2017. ADB. 2015. *Georgia: Country Operations Business Plan, 2016–2018*. Manila; and ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila.

III. THE POLICY AND ADVISORY TECHNICAL ASSISTANCE

A. Impacts and Outcome

5. The TA will be aligned with the following impacts: (i) inclusive economic growth and improved livability in the selected urban areas in Georgia; and (ii) cities and human settlements made inclusive, safe, resilient, and sustainable.⁹ These are aligned with the government's Social-Economic Development Strategy of Georgia (footnote 6) and Sustainable Development Goal 11.¹⁰

6. The outcome will be capacity for integrated urban planning and management of livable urban areas enhanced. By addressing capacity issues, the TA will initiate support to address the larger development problem of infrastructure deficits and the lagging economic growth of cities, secondary towns, and urban areas.

B. Methodology and Key Activities

7. The outputs and key activities of the TA are as follows:

- (i) Integrated urban plans (IUPs) for selected cities, secondary towns, and urban areas prepared by incorporating economic competitiveness, inclusiveness, environmental sustainability, climate change resilience, and disaster risk management to improve the planning of urban infrastructure and services. A “My Livable City” campaign will be conducted to (a) create an inclusive and participatory vision for the urban area, and (b) sustain ownership of the ensuing investment program. Investments will be prioritized, using a multicriteria economic analysis, to lead into an investment loan. Inclusive urban area guidelines for adapting the built environment for differently abled persons, senior citizens, women, and children will be prepared to integrate gender concerns and universal design.
- (ii) Urban management partnerships (UMPs) to improve core planning and management competency identified. This output will include a capacity needs assessment, peer-to-peer learning activities, and knowledge products.
- (iii) Institutional and financial sustainability mechanisms for the sustained provision of urban infrastructure. This output will include an assessment of municipal finances and the possible structuring of a model for resilient infrastructure finance facilities within the institutional context and functioning of the existing Municipal Development Fund of Georgia. The mobilization of new financing sources and partnerships—such as development charges or fees, loans, bonds, carbon finance, value-capture taxes (impact fees and tax-increment financing), and public–private investments—will be reviewed to incentivize small and medium-sized enterprises. An institutional capacity assessment will review planning and implementation capacity for the potential application of financing modalities, such as a sector project, financial intermediation, results-based lending, and/or results-based lending with MFF, and its scope of operation.¹¹

⁹ To be selected subject to agreement with the government.

¹⁰ United Nations. 2015. *Transforming Our World: The 2030 Agenda for Sustainable Development*. New York.

¹¹ The modalities were presented to and discussed with the Ministry for Regional Development and Infrastructure and Municipal Development Fund of Georgia during the inception mission (29 January–9 February 2016) for the Sustainable Urban Transport Investment Program, tranche 4 (Loan 3273-GEO).

8. The TA will be conducted in three stages to align with the programmatic approach outlined in the flowchart in Supplementary Appendix A. In the first phase (through February 2017), the TA team will collect basic data and liaise with the national government to develop a selection matrix of urban areas for the preparation of IUPs. During the second phase (February–December 2017), the TA team will prepare the IUPs and identify UMPs. The team will collaborate with ADB’s Economic Analysis and Operational Support Division to establish a valuation methodology to capture co-benefits from multisector urban projects to prioritize investments using a multicriteria economic analysis and the city infrastructure investment prioritization programming tool kit. During the third phase (July 2017–September 2018), the TA will leverage parallel financing support from the Cities Development Initiative for Asia for the studies for prioritized projects linking to investment loans.¹² The team will leverage technical advisory support from the Urban Sector Group to mobilize the centers of excellence in the cities if there is a matching and identified need.¹³

9. The TA is included in ADB’s country operations business plan, and it is assumed that the multiple agencies involved will continue their political commitment and support for the TA activities. Possible risks include a genuine lack of citizen interest in the urban planning process; however, international expertise will transfer knowledge and raise awareness during stakeholder consultations. The TA will build on concepts and lessons from previous and ongoing ADB loans and TA projects, including the contextualized application of existing models of city development plans such as green city action plans, and linking to a follow-on investment program.¹⁴

C. Cost and Financing

10. The TA is estimated to cost \$1,010,000, of which \$1,000,000 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 counterpart staff, domestic transportation for counterpart staff to attend stakeholder consultations and site visits, and other in-kind contributions.¹⁵

D. Implementation Arrangements

11. The TA will be implemented from November 2016 to December 2018. The Ministry for Regional Development and Infrastructure (MRDI) will be the executing agency. ADB will administer the TA through the Urban Development and Water Division of the Central and West Asia Department. The government will set up a steering committee chaired by the MRDI to guide the TA. National government agencies and sub-agencies related to regional infrastructure and the delivery of urban services—the Ministry of Finance, the Ministry of Economy and Sustainable Development, the Municipal Development Fund of Georgia, the United Water Supply Company of Georgia, the Roads Department, the Georgia National Tourism Administration, the National Agency for Cultural Heritage Preservation of Georgia, and local governments of selected cities, towns and urban areas—will assign a senior staff member to the steering committee. All members will report to the MRDI and will participate in the critical

¹² This will include studies for cities or urban areas that focus on integrated water supply and sanitation, sustainable urban transport, and other urban infrastructure as identified during the prescreening process with the government. City officials must apply to the Cities Development Initiative for Asia (CDIA) core management team for approval of the funding based on their selection criteria. CDIA will administer its funds and recruit and supervise its consultants.

¹³ ADB has signed memorandums of understanding with several centers of excellence through partnership agreements. The TA team will explore the potential for collaborating with the COEs with regard to identified needs as the TA progresses, and will coordinate with the Urban Sector Group and other focal points for the COEs.

¹⁴ ADB. 2012. *Technical Assistance for Green Cities—A Sustainable Urban Future in Southeast Asia*. Manila.

¹⁵ ADB. 2014. *Georgia: Country Partnership Strategy, 2014–2018*. Country Cost-Sharing Arrangements And Eligible Expenditure Financing Parameters (accessible from the list of linked documents in Appendix 2). Manila.

activities. The Urban Development and Water Division, ADB's Georgia Resident Mission, and the steering committee will cooperate with nongovernment organizations, and other development partners.

12. ADB will engage an international consulting firm using performance-based, quality- and cost-based selection, with 90:10 weightage for technical and financial expertise. The performance-based terms of reference and quality- and cost-based selection method are appropriate for this complex and highly specialized assignment, as this enables consultants to submit innovative proposals for preparing the IUPs considering the latest tools and methodologies. This selection method is proposed due to the importance of specific technical skills required to deliver the task, including the complex integration of urban planning, environmental management, climate resilience, financial sustainability, and institutional capacity development. The firm's consulting inputs include international (25 person-months) and national specialists (40 person-months) to carry out the TA activities (Appendix 3). The proposing entities will determine the number and nature of the experts that they require to achieve the contract objectives in accordance with their proposed approach and methodology. ADB needs at least four key international experts, one of whom will act as team leader; these will include (i) an urban and regional planner, (ii) an urban economist, (iii) an environmental engineer and climate change specialist, and (iv) a social development and gender specialist.

13. Additionally, a senior urban policy specialist (international independent, 5 person-months) on urban finance and governance will recommend infrastructure financing mechanisms. An urban development researcher (international independent, 8 person-months) will coordinate the TA outputs and coordinate with key divisions within ADB and other agencies to achieve cross-sector synergies. International experts (5 person-months) will be engaged through the Centers of Excellence to conduct activities for peer-to-peer learning under the UMP. These individual consultants will be recruited using individual consultants selection. A suitable nongovernment organization, noncommercial entity, or consulting firm will be engaged using consultants' qualifications selection, based on highly specialized expertise and previous project experience, to develop the inclusive urban area guidelines in collaboration with the consulting team. ADB will engage the consultants in accordance with its Guidelines on the Use of Consultants (2013, as amended from time to time). The TA proceeds will be disbursed in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

14. The TA will finance (i) knowledge products and regional knowledge-sharing events, (ii) side events at regional conferences, and (iii) the participation of staff and government officials to disseminate good practices and lessons learned through the implementation of the TA in collaboration with the Urban Sector Group and other groups within the Sustainable Development and Climate Change Department. The TA will be evaluated once all stated activities have been completed and the outcome is achieved. Livable urban area citizens' scorecards will be proposed as a sustainable monitoring mechanism to enable local governments to monitor quality-of-life indicators, subject to government agreement and citizen interest. Community-based organizations and women's groups will be invited to help develop the criteria for scoring and mobilizing the citizen's feedback mechanism.

IV. THE PRESIDENT'S DECISION

15. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$1,000,000 on a grant basis to Georgia for Livable Urban Areas: Integrated Urban Plans for Balanced Regional Development, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Impacts the TA is Aligned With			
Inclusive economic growth and improved livability in the selected urban areas in Georgia (Georgia 2020) ^a Cities and human settlements made inclusive, safe, resilient, and sustainable (Sustainable Development Goal 11) ^b			
Results Chain	Performance Indicators with Targets and Baselines^c	Data Sources and Reporting Mechanisms	Risks
Outcome Capacity for integrated urban planning and management of livable urban areas enhanced	By 2018 a. Capacity of at least three government agencies and 50 staff (of whom at least 30% are women) on integrated urban planning and management enhanced (Baseline: Not applicable) b. An interagency coordination committee established to implement multisector projects (Baseline: Not applicable)	a. TA report b. Government decision	National and city governments and leadership change their development priorities
Outputs 1. IUPs for selected cities, secondary towns, and urban areas prepared 2. Urban management partnerships to improve core planning and management competency identified	1a. IUPs for at least three cities, secondary towns, or urban areas finalized and endorsed by the Government of Georgia as the basis for investments by Q3 2018 (Baseline: Not applicable) 1b. At least 100 citizens and decision makers (of whom 30% are women) participated in city visioning and consultation workshops for preparing the IUPs by Q3 2018 ^d (Baseline: Not applicable) 1c. Inclusive urban area guidelines for adapting the built environment for differently abled persons, senior citizens, youth, women, and children issued by the government by Q1 2018 (Baseline: Not applicable) 2a. At least 70% of participants from government agencies (of whom 30% are women) find the training workshop useful for planning, delivering, and managing integrated urban infrastructure and services in each of the selected urban areas by Q3 2018 (Baseline: 0) 2b. At least one partnership agreement endorsed by the government by Q2 2018 2c. At least two knowledge products such as a technical study or working paper, at least one of which has a distinct section on gender issues in urban planning, developed and disseminated by Q3 2018	1a. Government decision 1b. Stakeholder consultation and focus group reports 1c. Guidelines issued by the government 2a. Training and workshop evaluation reports 2b. TA report 2c. ADB publications	Genuine lack of citizen interest in the urban planning process

Results Chain	Performance Indicators with Targets and Baselines ^c	Data Sources and Reporting Mechanisms	Risks
3. Institutional and financial sustainability mechanisms for the sustained provision of urban services improved	3a. Recommendations on urban financing modality accepted by the government by Q3 2018 (Baseline: Not applicable) 3b. An institutional capacity building plan for each key urban service provider (water supply and sanitation, solid waste management, and urban transport) with key performance indicators endorsed by Q2 2018 (Baseline: Not applicable)	3a–b. TA report	
Key Activities with Milestones <ol style="list-style-type: none"> 1. IUPs for selected cities, secondary towns, or urban areas prepared <ol style="list-style-type: none"> 1.1 Collect data and prepare a long list of cities and urban clusters in consultation with the government from November to February 2017. 1.2 Develop a selection matrix and short-list cities from November 2016 to February 2017. 1.3 Conduct in-country workshops and technical discussions from February to September 2018. 1.4 Conduct citywide visioning with stakeholder consultations, focus groups, and a “design charrette” competition from February to September 2017. 1.5 Conduct rapid assessments of investment needs for selected cities and urban areas from February to September 2017. 1.6 Prioritize investments by September 2017. 1.7 Develop an investment program for short-, medium-, and long-term investments by December 2017. 1.8 Develop inclusive urban area guidelines, citizens’ scorecards, a community-awareness component, and awareness-raising materials from March 2017 to March 2018. 1.9 Prepare IUPs by September 2017, finalized by September 2018, and endorsed by September 2018. 2. Urban management partnerships to improve core planning and management competency identified <ol style="list-style-type: none"> 2.1 Identify potential learning partners for selected urban areas from July to December 2017. 2.2 Hold in-country training workshops and technical discussions by March 2018. 2.3 Prepare an urban twinning or peer-to-peer learning program, and implement a road map for livable urban areas by March 2018. 2.4 Engage government staff through workshops or conferences by September 2018. 2.5 Develop knowledge products and technical papers from October 2017 to September 2018. 3. Institutional and financial sustainability mechanisms for the sustained provision of urban infrastructure improved <ol style="list-style-type: none"> 3.1 Review and assess institutional capacity, financial systems, and governance by June 2017. 3.2 Recommend appropriate channeling mechanisms for finance and institutional coordination by March 2018. 3.3 Develop capacity-building plans for each key urban service provider by March 2018. 			
Inputs ADB: \$1,000,000 Technical Assistance Special Fund (TASF-V) Note: The government will provide counterpart support in the form of counterpart staff, domestic transportation for counterpart staff to attend stakeholder consultations and site visits, and other in-kind contributions.			
Assumptions for Partner Financing Cities Development Initiative for Asia’s commitment to studies for prioritized projects is subject to receiving qualified applications from cities or relevant national government ministries to be assessed by their core management team based on Cities Development Initiative for Asia’s selection criteria.			

ADB = Asian Development Bank, IUP = integrated urban plan, Q = quarter, TA = technical assistance.

^a Government of Georgia. 2014. *Social-Economic Development Strategy of Georgia (Georgia 2020)*. Tbilisi.

^b United Nations. 2015. *Transforming Our World: The 2030 Agenda for Sustainable Development*. New York.

^c Most baselines are not available as this is the first time that integrated urban plans will be prepared and associated activities conducted.

^d Visioning is an effective participatory planning process that can be used to develop a strategic urban vision for the city. ADB. 2016. *GrEEEn Solutions for Livable Cities*. Manila.

Source: ADB.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (43 person-months) ^b	615.0
ii. National consultants (40 person-months)	125.0
iii. Nongovernment organization, noncommercial entity, or national consultants	35.0
b. International and local travel	100.0
c. Reports, publications and communications	15.0
2. Workshops, training, seminars, and conferences	80.0
3. Surveys	10.0
4. Miscellaneous administration and support costs	10.0
5. Contingencies	10.0
Total	1,000.0

Note: The technical assistance is estimated to cost \$1,010,000, of which contributions from the Asian Development Bank (ADB) are presented in the table above. The government will provide counterpart support in the form of counterpart staff, domestic transportation for counterpart staff to attend stakeholder consultations and site visits, and other in-kind contributions. The value of government contribution is estimated to account for 1% of the total technical assistance cost.

^a Financed by ADB's Technical Assistance Special Fund (TASF-V).

^b Includes consulting firm (25 person-months), international experts (5 person-months) and independent individual consultants (13 person-months).

Source: ADB estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. ADB will engage an international consulting firm using performance-based terms of reference and quality- and cost-based selection method for this assignment. The required skills involve integrated urban and regional planning, masterplans, city visioning and participatory planning, community monitoring scorecards, performance indicators and benchmarking, resilient urban infrastructure and services, the application of information and communication technology in urban management, policy and regulatory reviews, municipal finance, the corporatization of utilities, tariff reform, and innovative finance mechanisms. The selected firm will have experience in urban planning, infrastructure development, working in partnership with city and national governments, urban policy and strategy, and the application of innovative tools and methodologies for efficient urban management. The firm's consulting inputs include international (estimated 25 person-months) and national specialists (estimated 40 person-months) to carry out the TA activities.

A. Scope of Services

2. The firm will report to the Asian Development Bank (ADB) project officer through the assignment team leader. The consultants will develop a selection matrix of urban areas or secondary cities based on strategic priorities. In each urban area, the consultants will do the following:

- (i) Prepare an integrated urban plan covering
 - (a) citywide visioning in conjunction with a strengths, weakness, opportunities, and threats analysis and an urban area investment action plan. The visioning will cover all stakeholders, including the government, communities, businesses, schools, civil society organizations, women, children, and youth; and will include consultation workshops or focus groups, as well as a design charrette for schools, communities, and businesses;
 - (b) an urban profile covering economic competitiveness, environmental sustainability, and equity aspects, which will assess and review the following:
 - i. urbanization trends, municipal finances, governance, and institutional capacity to undertake urban development programs and projects; and
 - ii. existing medium- and long-term urban sector plans, such as
 - a. policies, plans, standards, and studies for urban infrastructure investments, spatial planning, design, and management;
 - b. socioeconomic development plans and city masterplans, social equity concerns, and policy and institutional reforms;
 - c. subsector development plans, including urban roads and drainage, water supply and sanitation, solid waste management, urban transport, housing, heating and electricity, street lighting, energy efficiency, urban renewal, and national tourism development strategies;
 - d. construction standards and building codes, including certification; and
 - e. sustainability of investments, including the vulnerability of critical infrastructure to climate change;

- iii. potential for regional development approach such as clustered cities and economic corridors for tourism and local economic development;
 - (c) the identification of future spatial development policies related to
 - i. land management, including mixed land use, densification, quality of affordable housing, public space management, women's safety, street lighting, home zones, urban farming, and technologies related to heritage conservation and green buildings; and
 - ii. sustainable urban transport for transit-oriented development and tourism infrastructure;
 - (d) infrastructure resilience, adequacy, coverage, and efficiency of urban services;
 - (e) water supply and sanitation investment needs and policies related to
 - i. water resource management and governance; the use of a relevant regulatory framework; demand-side management and planning; institutional coordination and capacity; water security (household, economic, and environmental); the control of waterborne diseases; and resilience to water-related disasters;
 - ii. water supply infrastructure—coverage, access, and service quality; energy efficiency; and nonrevenue water;
 - iii. sanitation and wastewater management—access to sanitation, sewerage collection, recycling and disposal facilities; and
 - iv. flood control, including efficient street drainage.
 - (f) solid waste management investment needs, including policies and applications; a regulatory framework; planning; institutional coordination and capacity; sewerage and septage collection; treatment plants and technology; and e-waste disposal;
 - (g) the potential for redeveloping and retrofitting
 - i. cultural heritage buildings (conservation and urban regeneration);
 - ii. brownfields, including industrial, housing, and informal settlements;
 - iii. buildings to improve energy efficiency; and
 - iv. innovative, low-carbon technologies for urban infrastructure;
 - (h) good practice examples and their potential for replication, including:
 - i. environmental infrastructure, disaster risk management, and the climate resilience of critical urban infrastructure and services; and
 - ii. livelihoods and creation of jobs through improved tourism, agrobusiness, green industries, logistics hubs, and low-carbon transport;
 - (i) the prioritization of investments using a multicriteria economic analysis to establish a valuation methodology to capture co-benefits from multisector urban projects in collaboration with the team leader and Economic Analysis and Operational Support Division; and
 - (j) an investment program comprising short-, medium-, and long-term investments with an implementation plan, including institutional responsibilities, co-benefits, key timelines, and costing.
- (ii) Compare the urban profile(s) by benchmarking with other cities in the region to establish the comparative advantage and unique selling point of the urban area in relation to the strategic priorities of tourism development, local economic development, and agribusiness.
 - (iii) Prepare inclusive urban area guidelines in coordination with a local nongovernment organization to adapt the built environment for differently abled

persons, senior citizens, youth, women, and children; this output will include a community awareness component to improve resource efficiency and civic responsibility through inclusive planning and institutional strengthening for follow-on investments.

- (iv) Identify and scope urban management partnerships (UMPs) to develop core capacities. This output will include
 - (a) a capacity needs assessment to assess core capacity and institutional structures for integrated urban planning, program and project formulation, and the management of service delivery to develop the UMPs;
 - (b) a capacity building road map for implementing the integrated urban plans (IUPs), including skills development training, key timelines, and costing;
 - (c) a communication strategy and change management plan; and
 - (d) urban twinning and peer-to-peer learning activities.
- (v) Organize a workshop and focus group discussions on the IUPs with relevant stakeholders, ensure translation services as required, and review all deliverables with and obtain the approval of the government executing agency.

3. The consultants will (i) develop a comprehensive livability database comprising environment quality data and urban profiles, (ii) develop the IUP, and (iii) provide long-term recommendations, including:

- (i) policy and institutional reform, readiness to address identified challenges in each participating town, and the identification of best practices within urban areas;
- (ii) the identification of medium- and long-term goals and actions with key performance indicators;
- (iii) the identification of options and integrated solutions for smart, sustainable, and energy-efficient water supply, sanitation, solid waste management, and public transport that use low-carbon technology, geographic information systems, and information technology solutions;
- (iv) financial mechanisms for accessing resources, including public-private investments (PPIs);
- (v) an institutional mechanism for implementation and capacity development plans; alignment with global targets and the applicability of international environment monitoring indicators, the monitoring of livability performance, and the structuring of a comprehensive database comprising environment quality data, quality-of-life indicators, and urban profiles; and the development of a citizens' scorecard through community participation; and
- (vi) knowledge products and technical papers as identified by the project officer and in accordance with ADB's *Handbook of Style and Usage*.

B. Key Expertise Required

4. The proposing entities will determine the number, nature and inputs of experts that they require to achieve the contract objectives in accordance with their proposed approach and methodology. ADB requires at least four key international experts, one of whom will act as team leader: (i) one urban and regional planner, (ii) one urban economist, (iii) one environmental engineer and climate change specialist, and (iv) one social development and gender specialist.

5. The urban and regional planner (international, intermittent) will combine the function of team leader with that of an expert in urban and regional planning, and should have

- (i) at least 15 years of experience in urban planning, master planning and development, urban renewal and rehabilitation, policy and management, institutional analysis, knowledge and capacity, and skill enhancement;
- (ii) demonstrated change management skills;
- (iii) demonstrated ability to supervise a team of experts, interface with the team, work with multiple stakeholders (including government, private, and development partner agencies), address contract execution issues as they arise, and ensure the timely delivery of contract outputs; and
- (iv) excellent English language skills, including the ability to deliver oral presentations and produce high-quality written reports.

6. The urban economist (international, intermittent) will have at least 10 years of experience in the economic analysis of urban sector projects, with experience in cost-benefit analysis for measuring cumulative benefits. Regional experience will be an advantage.

7. The environmental engineer and climate change expert (international, intermittent) will have at least 10 years of experience in environmental management, planning and policy, clean and energy-efficient technologies, and retrofits for urban infrastructure.

8. The social development and gender specialist (international, intermittent) will have at least 10 years of professional experience in social and community development, resettlement, gender, inclusiveness, and participatory methodologies.

9. The proposing entities should also include all other required non-key experts in their technical proposal, personnel work plan, and financial proposal, in accordance with their proposed approach and methodology. These experts may include international and national experts in urban design, graphics, sustainable transport, water and wastewater, solid waste management, capacity building, institutional coordination, urban finance, geographic information systems, information and communication technology, and translation. The multidisciplinary team will coordinate and contribute to all activities, conduct consultations and technical discussions through a translator, and work with local organizations to develop the inclusive urban area guidelines.

10. All experts engaged under the contract, whether key or non-key, must be citizens of one of the ADB-eligible countries.

C. Preparation of Proposal

11. The proposing entities must describe how they propose to deliver the contract outputs in the approach and methodology section of their proposal. This description should explicitly explain how they will achieve the outputs, including any existing activities upon which they may eventually build, as well as the details of the staff that will comprise the project team. Entities must also describe their experience in Georgia and their ability to operate in the country's language.

12. A single curriculum vitae must be submitted for each expert included in the proposal. During the technical evaluation of the proposals, ADB will score the curricula vitae of key experts, and will review and individually approve or reject the curriculum vitae of the proposed non-key experts.

13. All contract positions must be included and budgeted for in the financial proposal in accordance with the relevant person-month allocation as defined by the proposing entity.

D. Terms of the Assignment

14. Experts will be based at their home office, with field visits to Tbilisi, Georgia, and the selected urban areas for the duration of the assignment (18 months from the start date, around the first week of 2017). The experts' assignments will be intermittent in nature. The terms will be revised based on consultations with the parties involved in the assignment according to changes and/or additional requirements identified during implementation.

E. Other Expertise Required

15. A team of experts (international, intermittent) selected from the centers of excellence will coordinate with the consulting team to conduct the activities under the UMPs based on the priority needs identified in the selected cities. Centers of excellence will be procured through single source selection based on the memorandums of understanding signed with ADB.

16. A nongovernment organization, noncommercial entity, or consulting firm will be procured using consultants' qualifications selection to prepare the inclusive urban area guidelines based on their highly specialized expertise and previous experience undertaking universal design and inclusive city projects in Georgia.

17. The Cities Development Initiative for Asia will be responsible for procuring consultants for their funded activities.

18. The senior urban policy and finance specialist (international individual, intermittent, 5 person-months) will have at least 15 years of professional experience in urban and regional planning, urban renewal, policy and management, urban finance assessment, institutional analysis, and knowledge and capacity development. Experience with ADB is essential. The specialist will be responsible for the third output and coordinate with the team leader of the consulting firm in preparing integrated urban plans. The terms of reference is further outlined in Supplementary Appendix B.

19. The urban planning researcher and coordinator (international individual, intermittent, 8 person-months) will have at least 5 years of professional experience in urban planning, policy and institutional analysis, and knowledge and capacity development in urban management. Experience with ADB and/or development agencies is preferable. The consultant will coordinate the technical assistance. The terms of reference is further outlined in Supplementary Appendix B.