

## PROJECT PREPARATORY TECHNICAL ASSISTANCE

### A. Justification

1. The proposed investment program aims to support the efforts of Guangxi Zhuang Autonomous Region (Guangxi) of the People's Republic of China (PRC) for promoting regional cooperation and integration (RCI), particularly with neighboring Viet Nam. Given the nature of RCI, the investment program will cover various sectors and will have impacts not only on Guangxi, but also on the other side of the border. Various subprojects in multiple sectors have been proposed for financing under a Multitranche Financing Facility (MFF). A project preparatory technical assistance (PPTA) will be needed to help the executing agency prepare and design the MFF, and properly address the RCI dimension of the investment program.

### B. Major Outputs and Activities

2. The PPTA will engage international and national consultants to (i) conduct sector reviews to identify key issues to be addressed by the investment program, (ii) identify subprojects in the first tranche of the MFF and help the executing agency prepare preliminary feasibility studies, which may include technical, financial, economic, and socioeconomic analysis; cost estimates; environmental and social impact assessment; preparation of institutional and capacity development plans; and a study for initial benchmark indicators, (iii) conduct pre-implementation work for the investment program, (iv) assist the executing agency and implementing agencies in assessing preliminary engineering designs and specifications; verifying detailed cost estimates; recommending procurement arrangements and preparing terms of references for procurement consulting services during MFF implementation, (v) suggest key features in contractual agreements or other necessary legal or institutional arrangements, and (vi) contribute to the preparation of the facility administration manual.

### C. Cost Estimates and Proposed Financing Arrangement

3. The PPTA is estimated to cost \$1,100,000, of which \$950,000 equivalent will be financed on a grant basis from ADB (TASF other sources). The government will provide counterpart support in the form of counterpart staff, office facilities, office supplies, secretarial assistance, local transportation, communication facilities for consultants, as well as access to necessary data and relevant documents subject to proper confidentiality. The detailed cost estimate is presented in Table A4.1.

**Table A4.1: Cost Estimates and Financing Plan**  
(\$'000)

Item	Total Cost
A. ADB Financing	
1 Consultants	
a. Remuneration and Per Diem	
i. International Consultants	420
ii. Domestic Consultants	235
b. International and Local Travel	140
c. Reports, Manuals, Communications	5
2 Workshops and meetings	
a. Facilitators (Interpreters and Translators)	15
b. Seminars, workshops, and surveys <sup>a</sup>	65

c. Resource persons	10
3 Miscellaneous Administration and Support Costs	10
4 Contingencies	50
<b>Total</b>	<b>950</b>

Note: The government will provide counterpart support of \$150,000 equivalent in the form of office space, counterpart staff and other services to the consultants, assistance in arranging meetings with counterpart agencies, and other in-kind contributions.

<sup>a</sup> For training, stakeholder participation, social surveys (especially regarding resettlement), awareness-raising events, and other related workshops within the People's Republic of China. An advance payment facility will be established within the project executing agency to facilitate events and workshops. If ADB staff acts as resource persons and/or facilitators, travel costs may be charged to the TA with the prior agreement of the executing agency.

#### D. Consulting Services

4. The PPTA will engage 8 international consultants for 16 person-months and 12 national consultants for 29 person-months total in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time), and proceeds will be disbursed in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). Given the varied nature of consulting assignments and the complexity of the investment program in terms of multiple sectors covered and the extensive domestic and bilateral coordination required, it would be difficult to identify a firm to handle such a complex process. Therefore, it is recommended that consultants will be individually engaged. The executing agency is expected to exercise strong ownership in implementing the PPTA, with full support by the ADB project team members who will take the responsibility of consolidating inputs from individual consultants and produce final reports. An Advance Payment Facility may be used for training and workshop administration by the executing agency. The TA will be implemented over a period of May 2016 to November 2016. The outline terms of reference for the TA consultants are described in paragraphs 5 to 23.

**Table A3.2: Summary of Consulting Services Requirement**

<b>Positions</b>	<b>Person-Months Required</b>
<b>International (subtotal)</b>	<b>16.0</b>
Environment specialist	2.0
Social development and resettlement specialist	3.0
Financial market and institutions specialist	1.5
SME specialist	1.0
Economist	2.0
Regional cooperation specialist (team leader)	3.0
Civil engineering and procurement specialist	2.0
Financial management specialist	1.5
<b>National (subtotal)</b>	<b>29.0</b>
Environment specialists (2)	4.0
Social development specialist	3.0
Resettlement specialist	3.0
Financial market and institutions specialist	2.0
SME specialist	2.0
Financial management specialist	2.0
Regional cooperation specialist (deputy team leader)	2.5
E-Commerce specialist	1.5
Civil engineering and procurement specialist	3.0
Senior water supply and sanitation engineer	2.0
Water supply and sanitation engineer	1.0
Project management and capacity building specialist	3.0

5. **Regional cooperation specialist and team leader** (International, 3 person-months). The consultant will have at least 10 years of experience in regional cooperation related work in developing countries. The consultant will hold a minimum of a master's degree in social, economics, finance, law or a related field applicable to this position. Experience in preparing ADB investment loans is desirable. The consultant will serve as the team leader of the international and national consultants and will work closely with the ADB project team to guide, coordinate, and supervise the inputs of each individual consultant; manage stakeholders and workshops; and take the responsibility for delivering all the outputs of the TA. Individually, the consultant will also review the policy environment related to Greater Mekong Subregion (GMS) cooperation that will affect the project design and implementation, with a focus on cooperation between the PRC and Viet Nam; and advise the executing agency and the ADB project team on maximizing the RCI dimensions and impacts of the subprojects under the MFF. The consultant will also assist the ADB project team in consolidating individual inputs from other consultants and producing a final report to ADB.

6. **Environment specialist** (International, 2 person-months). The consultant will have at least 10 years of experience in environment related work in developing countries, and should hold a minimum of a master's degree in environment or a related field applicable to this position. Experience in preparing ADB investment loans and familiarity with trans boundary environmental issues and environmental implications of cross border trade are desirable. The consultant will help the executing agency and the ADB project team to identify issues related to environment; assess their impacts; and suggest measures of mitigation by preparing initial environmental examination (IEE) and/or environmental assessment review framework (EARF).

7. **Social development and resettlement specialist** (International, 3 person-months). The consultant will have at least 10 years of experience in social development and social safeguards related work in developing countries, and should hold a minimum of a master's degree in social development or a related field applicable to this position. Experience in preparing ADB investment loans is desirable. The consultant will help the executing agency and the ADB project team to identify issues related to involuntary resettlement, indigenous peoples, labor and gender; assess their impacts; and suggest measures of mitigation by preparing resettlement plans, resettlement framework, ethnic minority development plan and gender action plan.

8. **Financial market and institutions specialist** (International, 1.5 person-months). The consultant will have at least 10 years of experience in financial market, financial institutions related work in developing countries. The consultant will hold a minimum of a master's degree in economics, finance, law or a related field applicable to this position. Experience in preparing ADB investment loans is desirable. The consultant will assist the executing agency and the ADB project team in conducting due diligence of participating financial institutions; recommending innovative cross-border financial services to support cross-border trade and investment; and proposing measures to support development of microfinance institutions in Guangxi and the neighboring border provinces of Viet Nam.

9. **Small and medium-sized enterprise (SME) specialist** (International, 1.5 person-months). The consultant will have at least 10 years of experience in SME development related work in developing countries. The consultant will hold a minimum of a master's degree in economics, finance, law or a related field applicable to this position. Experience in preparing ADB investment loans is desirable. The consultant will help the executing agency and ADB project team formulate a plan for business development services tailored to the needs of

Guangxi, and develop a training and capacity building plan for strengthening the SMEs in Guangxi. The consultant will also provide recommendations on improving access to financial services for the SMEs in Guangxi and the neighboring border areas in Viet Nam.

10. **Economist** (International, 2 person-months). The consultant will have at least 10 years of experience in economic analysis related work in developing countries. The consultant will hold a minimum of a master's degree in economics, finance, or a related field applicable to this position. Experience in preparing ADB investment loans is desirable. The consultant will help the executing agencies and ADB project team review the macroeconomic policy environment that will affect the project design and implementation, and assess the economic and financial viability of the investment program by conducting economic and financial analyses and calculating economic internal rate of return and financial internal rate of return.

11. **Civil engineering and procurement specialist** (International, 2 person-months). The consultant will have at least 10 years of experience in civil engineering and procurement package design related work in developing countries. The consultant will hold a minimum of a master's degree in engineering, management, economics, finance, law or a related field applicable to this position. Experience in preparing ADB investment loans is desirable. The consultant will work with the executing agency, the ADB project team and other consultants to identify and review technical issues related to any civil works under the investment program and recommend proper measures to address any adverse impact; assess the procurement needs of goods and services and prepare procurement plans with proper contract packaging; and recommend measures to strengthen the capacity of the executing agency and implementing agencies with regard to procurement.

12. **Financial management specialist** (international, 1.5 person-months). The consultant will have at least 10 years of experience in financial management related work in developing countries. The consultant will hold a minimum of a master's degree in economics or finance, with CPA or CFA certificate. Experience in preparing ADB investment loans is desirable. The consultant will support the executing agency and the ADB project team in assessing the financial management system of the executing agency and implementing agencies; designing fund flow and disbursement mechanism of the investment program; identifying gaps and needs of capacity building including that for managing imprest fund and statement of expenditure procedures; and recommending measures for improvement and risk mitigation.

13. **Regional cooperation specialist and deputy team leader** (National, 2.5 person-months). The consultant will have at least 10 years of experience in regional cooperation related work in developing countries. The consultant will hold a minimum of a master's degree in social, economics, finance, law or a related field applicable to this position. Experience in preparing ADB investment loans is desirable. The national consultant will support the international regional cooperation specialist and the team leader in reviewing the policy environment related to GMS cooperation that will affect the project design and implementation, with a focus on cooperation between the PRC and Viet Nam; and advising the executing agency and the ADB project team on maximizing the RCI dimensions and impacts of the subprojects under the MFF. The consultant will also assist the team leader and the ADB project team in consolidating individual inputs from other consultants and producing a final report to ADB.

14. **Environment specialists** (National, 2 persons for 4 person-months in total). The consultant will have at least 10 years of experience in environment related work in developing countries. The consultant will hold a minimum of a master's degree in environment or a related field applicable to this position. Experience in preparing ADB investment loans is desirable. The

national consultant will support the international environment specialist to identify issues related to environment; assess their impacts; and suggest measures of mitigation by preparing IEE and/or EARF.

15. **Social development specialist** (National, 3 person-months). The consultant will have at least 10 years of experience in social development related work, particularly ethnic minorities in the PRC. The consultant will hold a minimum of a master's degree in social development or a related field applicable to this position. Experience in preparing ADB investment loans is desirable. The national consultant will support the international social safeguards specialist in identifying issues related to indigenous peoples including resettlement, labor, gender, human trafficking, communicable diseases, etc.; assess their impacts; and suggest measures of mitigation by preparing an ethnic minority planning framework and ethnic minority development plan for Tranche 1.

16. **Resettlement specialist** (National, 3 person-months). The consultant will have at least 10 years of experience in involuntary resettlement work in the PRC. The consultant will hold a minimum of a master's degree in social development or a related field applicable to this position. Experience in preparing ADB investment loans is desirable. The national consultant will support the international social safeguards specialist in identifying issues related to resettlement; assess their impacts; and suggest measures of mitigation by preparing a resettlement framework and resettlement plans for Tranche 1.

17. **Financial market and institutions specialist** (National, 2 person-months). The consultant will have at least 10 years of experience in financial market, financial institutions related work in developing countries. The consultant will hold a minimum of a master's degree in economics, finance, law or a related field applicable to this position. Experience in preparing ADB investment loans is desirable. The national consultant will support the international financial market and institutions specialist in conducting due diligence of participating financial institutions; recommending innovative cross-border financial services to support cross-border trade and investment; and proposing measures to support development of microfinance institutions in Guangxi and the neighboring border provinces of Viet Nam.

18. **SME specialist** (National, 2 person-months). The consultant will have at least 10 years of experience in SME development related work in developing countries. The consultant will hold a minimum of a master's degree in economics, finance, law or a related field applicable to this position. Experience in preparing ADB investment loans is desirable. The national consultant will support the international SME specialist in formulating a plan for business development services tailored to the needs of Guangxi, and developing a training and capacity building plan for strengthening the SMEs in Guangxi. The consultant will also provide recommendations on improving access to financial services for the SMEs in Guangxi and the neighboring border areas in Viet Nam.

19. **Financial management specialist** (National, 2 person-months). The consultant will have at least 10 years of experience in financial management related work in developing countries. The consultant will hold a minimum of a master's degree in economics or finance, with CPA or CFA certificate. Experience in preparing ADB investment loans is desirable. The consultant will support the international financial management specialist and the executing agency and the ADB project team in assessing the financial management system of the executing agency and implementing agencies; designing fund flow and disbursement mechanism of the investment program; identifying gaps and needs of capacity building including

that for managing imprest fund and statement of expenditure procedures; and recommending measures for improvement and risk mitigation.

20. **E-commerce specialist** (national, 1.5 person-months). The consultant will have at least 5 years of experience in international trade and e-commerce. The consultant will hold a minimum of a master's degree in economics, management, finance, law or a related field applicable to this position. Experience in preparing ADB investment loans and knowledge about information technology is desirable. The national consultant will assess the current status and trends of cross-border e-commerce development in Asia, particularly in the PRC and Viet Nam; identify gaps and opportunities in e-commerce industry in Guangxi; recommend measures for improvement; and help improve the design of the e-commerce component of the MFF.

21. **Civil engineering and procurement specialist** (National, 3 person-months). The consultant will have at least 10 years of experience in civil engineering and procurement package design related work in developing countries. The consultant will hold a minimum of a master's degree in engineering, management, social, economics, finance, law or a related field applicable to this position. Experience in preparing ADB investment loans is desirable. The national consultant will support the international civil engineering and procurement specialist in identifying and reviewing technical issues related to any civil works under the investment program and recommending proper measures to address any adverse impact; assessing the procurement needs of goods and services and preparing procurement plans with proper contract packaging; and recommending measures to strengthen the capacity of the executing agency and implementing agencies with regard to procurement.

22. **Water supply and sanitation engineers** (National, 2 engineers including 1 senior engineer for 3 person-months in total). The consultant will have at least 10 years of experience water/waste water related work in developing countries. The consultant will hold a minimum of a master's degree in water resource management, urban, civil engineering, social, economics, finance, law or a related field applicable to this position. Experience in preparing ADB investment loans is desirable. The national consultant will identify and review technical and environmental issues related to water supply and sewage treatment projects under the MFF; recommend measures to improve the subproject design and mitigate any potential impacts; and support the international environment and safeguards specialist in preparing IEE and/or EARF.

23. **Project management and capacity building specialist** (National, 3 person-months). The consultant will have at least 10 years of experience in project management and capacity building related work in developing countries. The consultant will hold a minimum of a master's degree in engineering, management, social, economics, finance, law or a related field applicable to this position. Experience in preparing ADB investment loans is desirable. The national consultant will work with the executing agency, implementing agencies and the ADB project team to identify capacity building needs under the investment program, particularly related to project management; recommend measures to address the capacity gaps by preparing an institutional and capacity development plan covering the executing agency, implementing agencies, Project Management Office and Project Implementation Units.

## **E. Implementation Arrangements**

24. The TA will be implemented over the period of May 2016 to November 2016. The Guangxi Foreign Loan Projects Management Office, which is staffed by and physically located in the Guangxi Development and Reform Commission, will be the executing agency. The executing agency will be supported by the ADB project team and other agencies in the Guangxi,

including the Department of Finance and Foreign Loan Projects Management Office in the three border prefectures. The Guangxi government will provide counterpart support in the form of office space, counterpart staff, and other services to the consultants, assistance in arranging meetings with counterpart agencies, and other in-kind contributions.

25. The proposed TA processing and implementation schedule is listed in Table A3.3.

<b>Table 3.3: Technical Assistance Processing and Implementation Schedule</b>	
<b>Major Milestones</b>	<b>Expected Completion Date</b>
TA Approval	May 2016
Implementation commencement	May 2016
Fielding of consultants	June 2016
Submission of final reports	August 2016
Physical completion	November 2016
Financial closing	January 2017