



Technical Assistance Report

Project Number: 53141-001
Knowledge and Support Technical Assistance (KSTA)
July 2019

Strengthening Project Design, Procurement, and Implementation in Asia and the Pacific

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Asian Development Bank

ABBREVIATIONS

DMC	–	developing member country
NPF	–	new procurement framework
PPFD	–	Procurement, Portfolio and Financial Management
TA	–	technical assistance
TASF	–	Technical Assistance Special Fund

NOTE

In this report, “\$” refers to United States dollars.

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CONTENTS

Page

KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE

I.	INTRODUCTION	1
II.	ISSUES	1
III.	THE TECHNICAL ASSISTANCE	2
	A. Impact and Outcome	2
	B. Outputs, Methods, and Activities	2
	C. Cost and Financing	3
	D. Implementation Arrangements	4
IV.	THE PRESIDENT'S DECISION	5

APPENDIXES

1.	Design and Monitoring Framework	6
2.	Cost Estimates and Financing Plan	8
3.	List of Linked Documents	9

KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 53141-001	
Project Name	Strengthening Project Design, Procurement, and Implementation in Asia and the Pacific	Department/Division	PPFD/PFPM
Nature of Activity	Capacity Development	Executing Agency	Asian Development Bank
Modality	Regular		
Country	REG (All DMCs)		
2. Sector		Subsector(s)	
✓ Public sector management	Public administration	ADB Financing (\$ million)	
		2.25	
		Total	2.25
3. Strategic Agenda		Subcomponents	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Climate Change Information	
		Climate Change impact on the Project	
		Low	
4. Drivers of Change		Components	
Governance and capacity development (GCD)	Client relations, network, and partnership development to partnership driver of change	Gender Equity and Mainstreaming	
	Institutional development		
	Organizational development		
Knowledge solutions (KNS)	Application and use of new knowledge solutions in key operational areas		
	Knowledge sharing activities		
Partnerships (PAR)	Pilot-testing innovation and learning		
	Implementation	✓	
	Private Sector		
	Regional organizations		
Private sector development (PSD)	Public sector goods and services essential for private sector development		
5. Poverty and SDG Targeting		Location Impact	
Geographic Targeting	No	Regional	
Household Targeting	No		
General Intervention on Poverty	No		
SDG Targeting	Yes		
SDG Goals	SDG5, SDG9, SDG17		
6. Risk Categorization		Complex	
7. Safeguard Categorization Safeguard Policy Statement does not apply			
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		2.25	
Knowledge and Support technical assistance: Technical Assistance Special Fund		2.25	
Cofinancing		0.00	
None		0.00	
Counterpart		0.00	
None		0.00	
Total		2.25	
Currency of ADB Financing: USD			

I. INTRODUCTION

1. The regional knowledge and support technical assistance (TA) of the Asian Development Bank (ADB) aims to deepen the knowledge and the institutional capacities of its developing member countries (DMCs) for project design and readiness, procurement, monitoring of project implementation, and evaluation of project outcomes. The TA will improve the portfolio quality across regional departments and mitigate causes of project implementation delays. This entails (i) enhancing project design capacity; (ii) strengthening procurement planning and bid evaluation, contract management, and project management capacity; (iii) taking stock of and developing studies on best practices needed for project implementation and portfolio management, which can be shared and replicated across the DMCs; and (iv) providing capacity development programs to the executing and implementing agencies primarily through training, workshops, and clinics, to increase their understanding and improve the application of processes, policies, and guidelines of the new procurement framework (NPF) approved in 2017.¹ The overarching goal is to strengthen DMCs' ability to successfully design and implement ADB-financed projects.

2. The TA is included in the 2019 Technical Assistance Special Fund corporate priority list for the Procurement, Portfolio and Financial Management Department (PPFD) and builds on the following TA projects: (i) Enhancing Capacity for Effective Project Implementation;² (ii) Enhancing Procurement Performance of Developing Member Countries in ADB Projects;³ and (iii) Supporting Developing Member Countries in Implementing ADB's Second-Generation Procurement Reforms.⁴ The design and monitoring framework is in Appendix 1.

II. ISSUES

3. ADB's Strategy 2030⁵ emphasizes the need to strengthen governance and institutional capacity to enable executing and implementing agencies to effectively plan, design, finance, procure, and implement ADB projects. ADB continues to enforce rigorous environmental and social safeguards, adhere to standards for efficient procurement and financial management, as well as implement anticorruption measures in all ADB projects and programs. As a major development knowledge partner, ADB assists DMCs in undertaking critical reforms to build country systems by applying advanced technology, reducing life-cycle costs, assuring the financial viability of investments, and maintaining infrastructure assets. It also contributes to maintaining and raising standards of project implementation in the international development community. In addition to supporting capacity building and policy dialogue within and across DMCs, ADB uses TA resources to pilot-test innovative approaches and solutions in specific areas and sectors with a view to replicating successful outcomes. By strengthening local capacity in these areas, DMCs will improve their governance and help make ADB investments sustainable.

4. Despite the high levels of sovereign investment, there is room to improve the efficiency and speed of project implementation in ADB DMCs. The major causes of poor project performance are (i) weak project design; (ii) detailed engineering designs prepared after project

¹ ADB. 2017. *Improving ADB Project Performance through Procurement Reforms*. Manila.

² ADB. 2012. *Technical Assistance for Enhancing Capacity for Effective Project Implementation*. Manila.

³ ADB. 2015. *Technical Assistance for Enhancing Procurement Performance of Developing Member Countries in ADB Projects*. Manila.

⁴ ADB. 2017. *Technical Assistance for Supporting Developing Member Countries in Implementing ADB's Second-Generation Procurement Reforms*. Manila.

⁵ ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

approval; (iii) weak counterpart capacity for procurement and project management, both in the number of staff and their skill levels, particularly in the key areas of procurement planning, bid preparation and evaluation, consultant recruitment, financial management, and contract management; (iv) lengthy and often complex implementation of environmental and social safeguards; and (v) limited access and exposure to international best practices on project implementation.

5. Lessons from ongoing TA projects also suggest that harmonizing training and capacity building with parallel efforts by regional departments is imperative to effectively narrow the DMCs' capacity gaps. Client feedback on programs carried out under prior TA suggests that the level of awareness of ADB's operational procedures has increased among DMCs, but some knowledge and skills gaps remain. PPFD fulfills its role as a regional knowledge connector and facilitator by sharing country cases and lessons, and tailoring customized in-depth technical sessions for DMCs. To meet the needs of executing and implementing agencies, the efforts of PPFD and regional departments will be more strategically coordinated to design and deliver more cohesive capacity-building programs. In addition, PPFD will make programs sustainable by using financial resources efficiently and developing effective and quality program designs. Program principles and tools will be embedded in practice and institutionalized to ensure replicability and sustainability.

6. Support on the use of the NPF is critical in the absence of familiarity with its application. The underlying causes of project implementation delays are often attributed to slow procurement and weak implementation capacity, which points to limited skills and experience in handling procurement processes and procedures, as well as complex contracts. Often, the executing and implementing agencies do not have the capacity to prepare quality bid documents and reports that meet ADB's standards, which results in resubmissions and delays to the procurement cycle. New features of the NPF—such as strategic procurement planning, contract management, and value for money—need to be better understood. Therefore, it is very important to strengthen the NPF implementation capacities of DMCs and provide timely support for projects covered under the new rules. The TA will support the implementation of the NPF.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

7. The TA is aligned with the following impact: Stronger institutional capacity for country development among DMCs. It is expected to have the following outcome: project design, procurement, and implementation performance in participating DMCs improved.

B. Outputs, Methods, and Activities

8. **Output 1: Project design, procurement, and implementation capacity strengthened.** The TA will support a range of capacity-building programs such as seminars, workshops, and training covering project design, project readiness, procurement, safeguards, financial management, and portfolio monitoring. While the TA allows flexibility in supporting evolving client needs, a larger share of resources will be allocated to DMCs that consistently demonstrate weak capacity for implementing ADB-financed projects. In close collaboration with regional departments and resident missions, the TA will also address DMC's specific needs by offering customized programs. The progress of the output will be measured through the participants' feedback on the knowledge acquired and the relevance to their tasks. Key activities linked to the outputs involve

- (i) delivering a wide range of regional capacity-building programs to better meet the procurement, financial management, and design and implementation challenges that DMCs face across the project cycle, such as project readiness, gender and safeguard requirements, and project evaluation; and
- (ii) organizing in-country capacity development programs in response to demands from executing and implementing agencies, such as training on the function and activities of the International Federation of Consulting Engineers (FIDIC).

9. **Output 2: DMCs' capacity to implement projects under the NPF enhanced.** The TA will support outreach programs to deepen the skills and knowledge of key executing and implementing agencies with regard to ADB's NPF. Using feedback captured through questionnaires and surveys, the programs will be designed to boost the problem-solving skills of participants to help them implement project operations proactively. The TA team will also determine the right mix and number of participants, with at least two to three representatives from the key executing and implementing agencies that are administering ADB-financed projects, in close consultation with regional departments. The technical assistance incorporates some gender elements in that it encourages women's attendance (at least 30% of program participants to be women). Key activities linked to the output involve

- (i) disseminating NPF communication materials quarterly;
- (ii) delivering at least one 3-day outreach session and at least one workshop on strategic procurement planning, contract management, and value for money in each participating DMC; and
- (iii) conducting hands-on training on how to apply the NPF to current and future transactions under the responsibility of the executing and implementing agencies.

10. **Output 3: Knowledge products on better project preparation and implementation produced.** In its capacity as a regional knowledge partner, the TA team will support the production of knowledge products to improve national and regional expertise on key project design and implementation aspects of the project cycle. Virtual platforms will also be used to provide other learning options. The output will thus support institutional knowledge retention through learner-centric and flexible access to cases or references anytime and anywhere. The program topic will be selected carefully and in close consultation with regional departments to improve DMCs' transaction practices. Knowledge products and solutions will be provided by

- (i) designing e-learning modules;
- (ii) hosting knowledge-sharing sessions and events;
- (iii) disseminating knowledge and lessons learned;
- (iv) publishing case studies; and
- (v) organizing regional study tours for executing and implementing agencies to learn from international best practice.

C. Cost and Financing

11. The TA budget is estimated at \$2,250,000, to be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF 6). The key expenditure items are in Appendix 2.

D. Implementation Arrangements

12. ADB will administer the TA through PPF. The department's Portfolio Management Division, supported by the Procurement Divisions 1 and 2, will be responsible for overall TA coordination in close collaboration with the Office of the Director General of PPF and the Financial Management Division. Regional departments will be consulted prior to engaging with DMC counterparts. PPF will maintain close coordination with regional departments during the implementation of the TA, including sector and thematic groups as necessary, to respond to emerging client needs.

13. The implementation arrangements are summarized in the table.

Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	August 2019–August 2023		
Executing agency	ADB		
Implementing agency	ADB		
Consultants	To be selected and engaged by ADB		
	Individual: FIDIC specialist	International (3 person-months)	\$90,000
	Individual: procurement specialist	International (3 person-months)	\$70,000
	Individual: learning and development specialist	International (3 person-months)	\$70,000
	Individual: e-learning modules development specialist	International (4 person-months)	\$87,000
	Individual: graphic design specialist	International (4 person-months)	\$87,000
	Individual: communication specialist	International (3 person-months)	\$70,000
	Individual: program monitoring specialist	International (5 person-months)	\$110,000
	Individual: e-learning modules development specialist	National (3 person-months)	\$19,000
	Individual: project implementation specialist	National (6 person-months)	\$50,000
Procurement	To be procured by ADB		
	Request for quotation ^a	3 contracts	\$5,000
Disbursement	The TA resources will be disbursed in line with ADB's <i>Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time).		
Asset turnover or disposal arrangement upon TA completion	Upon TA completion, the equipment will remain with the Procurement, Portfolio and Financial Management Department.		

ADB = Asian Development Bank, FIDIC = International Federation of Consulting Engineers, TA = technical assistance.

^a Purchase of LCD projector, software license, and learning management system.

Source: Asian Development Bank.

14. **Consulting services.** ADB will engage individual international and national consultants for a total of 34 person-months of inputs.⁶ The consultants will need to have expertise in the design and delivery of procurement-related capacity-building programs, e-learning modules, and other capacity-building elements; effective communications of and outreach on project outputs; and production of knowledge materials.

15. **Knowledge partnerships.** ADB will pursue knowledge partnerships with other multilateral development banks and training institutions in the course of implementing the TA.

16. **Procurement.** Procurement of goods and consulting and non-consulting services will follow the ADB Procurement Policy and Regulations (2017, as amended from time to time) and its associated staff instructions.

17. **Communication strategy and plan.** The TA will support increase DMCs awareness of critical aspect of project design and implementation for quality project delivery. In close consultation with Department of Communications, communication strategy and plan will be developed for clear messaging for awareness raising efforts. To do so the TA team will use ADB's websites such as ADB.org, Asian Development Blogs, Development Asia and its ADB Knowledge Events subpage, and ADB eLearn and social media platforms such as Twitter, Facebook, LinkedIn, and other applications and virtual platforms to (i) preserve and share knowledge, (ii) provide inputs and create new contents, (iii) increase PPFDF brand awareness, and (iv) obtain new findings and introduce innovation. The TA will also produce knowledge products of selected programs and other relevant materials to operations and share them with DMCs. Monitoring and follow up activities will also be planned. TA outputs will comply with ADB's branding guidelines, including video production guideline, in developing knowledge products.

IV. THE PRESIDENT'S DECISION

18. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$2,250,000 on a grant basis for Strengthening Project Design, Procurement, and Implementation in Asia and the Pacific, and hereby reports this action to the Board.

⁶ Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 3).

DESIGN AND MONITORING FRAMEWORK

Impact(s) the TA is Aligned with Stronger institutional capacity for country development among DMCs (Strategy 2030) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Project design, procurement, and implementation performance in participating DMCs improved	By 2024: a. Average implementation delay reduced to 1.8 years (2018 baseline: 2.2 years) b. Time from invitation for bidding to contract signing reduced to 200 days for contracts \$10 million and above (2018 baseline: 268 days)	PFPM database Annual Portfolio Performance Report Annual Development Effectiveness Report Procurement Review System	Political instability in the targeted DMCs Possible high staff turnover in executing and implementing agencies
Outputs 1. Project design, procurement, and implementation capacity strengthened	By 2023: 1.a At least one regional and one headquarters-based capacity-building forum on project design, procurement, and implementation held annually (2018 baseline: 2) 1.b At least 200 participants from key executing and implementing agencies trained annually (2018 baseline: 160) 1.c Targeted capacity-building programs on project performance improvement held in at least two DMCs annually, with at least two staff from key executing and implementing agencies participating (2018 baseline: 1) 1.d At least 70% of the participants provide positive feedback and confirm deeper knowledge and understanding of project implementation (2018 baseline: none)	Annual PPFD capacity development project pipeline PPFD 3-year capacity-building program plan PPFD capacity-building program annual report Pre-program questionnaires Post-program surveys Consultants' progress reports Workshop and training program proceedings	
2. DMCs' capacity to implement projects under the NPF enhanced	By 2023: 2.a. At least 50% of key executing and implementing agencies managing procurement transactions adopting the NPF received on-the-job training (2018 baseline: 0) 2.b. At least 750 executing and implementing agency staff, of whom at least 30% are women, received training on how to apply the NPF (2018 baseline: 150)		

	people) 2.c. The percentage of bid evaluation reports that need to be resubmitted reduced to 25% (2018 baseline: 38%)		
3. Knowledge products on better project preparation and implementation produced	By 2023: 3.a. One e-learning course on project implementation designed and made available (2018 baseline: 0) 3.b. At least one knowledge product in the form of a handbook completed (2018 baseline: 0) 3.c. At least two program reports disseminated through appropriate communication channels. (2018 baseline: 1)		

Key Activities with Milestones

1. Project design, procurement, and implementation capacity strengthened

- 1.1 Identify a set of key executing and implementing agencies in participating DMCs for capacity development programs and events starting Q3 2019.
- 1.2 Engage and mobilize international and national consultants starting Q3 2019.
- 1.3 Organize and deliver training programs, seminars, workshops, and other capacity-building activities on project design, procurement, and contract management throughout TA implementation starting Q3 2019.
- 1.4 Disseminate capacity building programs through Development Asia and its ADB Knowledge Event subpage.

2. DMCs' capacity to implement projects under the NPF enhanced

- 2.1 Identify key executing and implementing agencies which adopts the NPF during implementation for outreach and training purposes starting Q4 2019.
- 2.2 Engage and mobilize international and national consultants to support NPF capacity-building starting Q1 2020.
- 2.3 Provide consulting support to executing and implementing agencies at key stages of NPF application throughout TA implementation starting Q1 2020.
- 2.4 Organize and deliver training programs, seminars, workshops, and other capacity-building activities on the NPF throughout TA implementation starting Q3 2020.

3. Knowledge products on better project preparation and implementation produced

- 3.1 Engage and mobilize international and national consultant(s) to support the production of a knowledge product and dissemination starting Q3 2019.
- 3.2 Prepare and disseminate a knowledge product through ADB.ORG, Development Asia, ADB Knowledge Evens subpage, and other relevant platforms starting Q1 2021.
- 3.3 Design, test, and upload e-learning course module(s) utilizing ADB eLearning starting Q3 2021.

Inputs

ADB: \$2,250,000 from the Technical Assistance Special Fund (TASF 6)

Note: Counterpart support will be in the form of counterpart staff, and other in-kind contributions.

ADB = Asian Development Bank; DMC = developing member country; FIDIC = International Federation of Consulting Engineers; NPF = new procurement framework; PFPM = Portfolio Management Division; PPFD = Procurement, Portfolio and Financial Management Department; Q = quarter; TA = technical assistance; TASF = Technical Assistance Special Fund.

^a ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila. Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN

(\$'000)

Item	Amount
A. Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	451.0
ii. National consultants	61.0
b. International and local travel	140.0
c. Reports and communications	1.0
2. Equipment^b	5.0
3. Training, seminars, workshops, forum, conferences and communications^c	1,367.0
4. Contingencies	225.0
Total	2,250.0

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF 6).

^b LCD projector, software license, learning management system. Upon completion of the technical assistance, the equipment will remain with the Procurement, Portfolio and Financial Management Department.

^c Includes travel cost of Asian Development Bank staff acting as resource persons and/or providing administrative support services to help implement the technical assistance.

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=53141-001-TARreport>

1. Terms of Reference for Consultants