



# Technical Assistance Report

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Project Number: 55180-002  
Transaction Technical Assistance (TRTA)  
December 2021

## Republic of Kiribati: Preparing the Health Infrastructure and Systems Project

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Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 16 November 2021)

Currency unit	–	australian dollar (A\$)
A\$1.00	=	\$0.747
\$1.00	=	A\$1.34

## ABBREVIATIONS

ADB	–	Asian Development Bank
MHMS	–	Ministry of Health and Medical Services
TRTA	–	transaction technical assistance

## NOTE

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

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## TRANSACTION TECHNICAL ASSISTANCE AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number:</b> 55180-002	
<b>Project Name</b>	Preparing the Health Infrastructure and Systems Project	<b>Department/Division</b>	PARD/PASP
<b>Nature of Activity</b>	Project Preparation	<b>Executing Agency</b>	Asian Development Bank
<b>Modality</b>	Regular		
<b>Country</b>	Kiribati		
<b>2. Sector</b>	<b>Subsector(s)</b>	<b>ADB Financing (\$ million)</b>	
✓ Health	Health system development		0.80
		<b>Total</b>	<b>0.80</b>
<b>3. Operational Priorities</b>		<b>Climate Change Information</b>	
✓ Addressing remaining poverty and reducing inequalities		GHG Reductions (tons per annum)	0.000
✓ Accelerating progress in gender equality		Climate Change impact on the Project	Medium
		<b>ADB Financing</b>	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
		<b>Cofinancing</b>	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
<b>Sustainable Development Goals</b>		<b>Gender Equity and Mainstreaming</b>	
SDG 1.4		Effective gender mainstreaming (EGM)	✓
SDG 3.2, 3.8, 3.c			
SDG 5.6			
SDG 10.4			
		<b>Poverty Targeting</b>	
		Geographic Targeting	✓
<b>4. Risk Categorization</b> Complex			
<b>5. Safeguard Categorization</b> Safeguard Policy Statement does not apply			
<b>6. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>0.80</b>	
Transaction technical assistance: Technical Assistance Special Fund		0.80	
<b>Cofinancing</b>		<b>0.00</b>	
None		0.00	
<b>Counterpart</b>		<b>0.05</b>	
Government		0.05	
<b>Total</b>		<b>0.85</b>	
<b>Currency of ADB Financing:</b> US Dollar			

## I. THE ENSUING PROJECT

1. The proposed upgrade of health service delivery in Kiribati through the Kiribati Health Infrastructure and Systems Project (KHISP) will provide improved quality and coverage of health services, particularly in South Tarawa, through investments in hospital infrastructure and health worker training. The following output areas are expected to be delivered: (i) health service delivery strengthened, (ii) capacity to delivery essential care improved, and (iii) infection control practices strengthened. The total indicative cost for the project is \$27 million, of which \$25 million is in Asian Development Fund grant resources. The proposed project will be aligned with the investments made in the health sector by the Government of New Zealand and the World Bank and address the need to strengthen the building blocks of the health system.

## II. THE TECHNICAL ASSISTANCE

### A. Justification

2. The proposed transaction technical assistance (TRTA) will provide technical analysis and assessments to assist the government and the Asian Development Bank (ADB) develop the proposed KHISP. The TRTA is justified given the scope of activities and specialized nature of skills required for the project. The project preparation will also require consultations with various stakeholders such as private companies, development partners, and communities to ensure that it will be in line with the current and future demand for health service delivery. Due diligence will be undertaken based on the proposed project design. The TRTA will also build the capacity of the Ministry of Health and Medical Services (MHMS) to implement the ensuing project and enhance project readiness for timely implementation start-up given ADB's new engagement with MHMS. The TA is included in ADB's country operations business plan for eleven small Pacific island countries.<sup>1</sup>

### B. Outputs and Activities

3. **Output 1: Project scoping and design completed.** This output will develop the project, including scoping and designing of key project components to meet the desired outcome of strengthened health services to improve health outcomes in Kiribati. The project will focus on selected health facilities (Betio hospital and Tungaru Central hospital) together with broader health investments in national health standards and health workforce capacity. It will address key design issues and public health investments to improve infection control. The output will also identify other investments in the health system to improve the effectiveness of health infrastructure including health service delivery management. At the same time, the scoping exercise will determine the most effective sequencing of outputs and strategic alignment and collaboration with the ongoing investments in the health sector by other development partners including the Government of New Zealand and the World Bank.

4. **Output 2: Project due diligence undertaken.** The TRTA will support all required due diligence based on the project design. It is expected to be done concurrently with finalizing the scope as some findings might lead to adjustments in the design with financial and cost implications. Due diligence includes economic and financial assessment, poverty, social and gender analysis, environmental safeguards assessment and instruments, financial management and strategic procurement planning, risk assessment and management plans, cost estimates and financing plan and project implementation arrangements including monitoring and evaluation,

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<sup>1</sup> ADB. 2021. *Eleven Small Pacific Island Countries: Country Operations Business Plan (2021–2023)*. Manila.

among others. Based on these assessments and analyses, all the required project and linked documents will be prepared based on ADB requirements and standards.

5. **Output 3: Support to project readiness and project management capacity of the implementing agency.** This output will support project preparation and readiness by providing for an advisory role in finalizing the design of the project, overall implementation arrangements and assessing implementation risks and recommending effective mitigation measures, in coordination with key government and relevant industry stakeholders. This output also includes assisting the government during project start-up, such as preparation for the recruitment of a project management unit, managing the mobilization period and preparing any draft bidding documents required and providing coordination support with key government agencies and other relevant stakeholders such as sharing the outcome of the TRTA and soliciting inputs and concurrence where necessary. The capacity of the executing and implementing agencies for project preparation and implementation will also be strengthened. Key activities include (i) assessing the institutional set-up and identifying gaps with regards to project preparation and implementation; and (ii) organizing training, capacity building exercises and activities to address identified gaps and areas requiring improved capacity.

**Table 1: Summary of Major Outputs and Activities**

<b>Major Outputs</b>	<b>Delivery Dates</b>
<b>Output 1: Project scope and design</b> Project scope and design including corresponding assessments and analysis	September 2022
<b>Output 2: Due diligence based on final project design</b> Economic and financial analysis Financial management assessment, cost estimates, funds flow and financing plan Strategic procurement planning including procurement capacity and risk assessment and preparation of bidding documents if required Poverty, social and gender analysis including gender action plan Risk assessment and management plans Safeguards due diligence and instruments Integrity due diligence Sector assessment Project administration manual and consultancy requirements	November 2022
<b>Output 3: Support to project readiness and project management capacity of the implementing agency</b> Advisory role to ensure effective project design and implementation arrangements and coordination within the project steering committee. Preparation of project management unit recruitment and mobilization and bidding document if required Project management capacity assessment and training and capacity building exercises to address identified capacity requirements for relevant government agencies	March 2022 to July 2023

Source: Asian Development Bank estimates.

### **C. Cost and Financing**

6. The total cost of the TRTA is estimated at \$850,000. ADB will support \$800,000 on a grant basis from ADB's Technical Assistance Special Fund (TASF-7). The government will provide the rest in the form of counterpart staff, office space, data, information, and other in-kind contributions. The key expenditure items are listed in Appendix 1. The government was informed that approval of the TRTA does not commit ADB to finance any ensuing project.

## D. Implementation Arrangements

7. ADB will administer the TRTA. The Pacific Department's Social Sectors and Public Sector Management Division will lead the TA implementation and will select, administer, evaluate, and supervise the consultants with support from the Kiribati Pacific Country Office. Both ADB and MHMS will supervise the consultants' outputs to be delivered for the ensuing project. The Government of New Zealand will participate in missions, review the project design and provide feedback. The ADB team will also work closely with the World Bank. The MHMS will guide project preparation including the technical aspects of the design through the project review team it will establish in consultation with stakeholders. The project steering committee is envisaged to continue its support during the implementation of the project.

8. The implementation arrangements are summarized in Table 2.

**Table 2: Implementation Arrangements**

Aspects	Arrangements		
Indicative implementation period	December 2021–July 2023		
Executing agency	Pacific Department, ADB		
Implementing agencies	Ministry of Health and Medical Services		
Project Steering Committee	Current membership includes: Ministry of Health and Medical Services, New Zealand Ministry of Foreign Affairs and Trade, ADB		
Consultants	To be selected and engaged by ADB		
	Quality- and cost-based selection	Consulting firm for project design, due diligence and project readiness and capacity building support	\$740,000
	Individual consultant selection	National and international experts in: public health; procurement specialist; social development safeguards; environmental officer	\$50,000
Disbursement	Disbursement of TA resources will follow ADB's <i>Technical Assistance Disbursement Handbook</i> (2020, as amended from time to time)		

ADB = Asian Development Bank, TA = technical assistance.

Source: Asian Development Bank.

9. **Consulting services.** ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated staff instructions.<sup>2</sup> ADB will recruit one international consulting firm with an estimated 33 person-months for project design, due diligence and project readiness and capacity building under the quality- and cost-based selection method with a quality cost ratio of 80:20 and full-technical proposal. The proposed key experts to be engaged are in Table 3. Lump-sum payments and/or output-based contracts will be considered.

<sup>2</sup> Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 2).

Supporting the firm, ADB will engage selected consultants (Table 4) recruited individually. The indicative list of technical inputs is in linked document 1.

**Table 3: Summary of Key Experts by the Consulting Firm**

<b>Key Experts*</b>	<b>Indicative person-months</b>
Health systems specialist /Team leader	8
Health architect	5
Clinical services expert	4
Health economist	1
Financial management specialist	4
Environmental expert	3
Social/gender safeguards expert	4
Procurement expert	4
<b>Total</b>	<b>33</b>

\*This does not include other non-key experts.

Source: Asian Development Bank.

**Table 4: Summary of Individual Consultants**

<b>Key Experts</b>	<b>Indicative person-months</b>
Public health specialist (national)	4
Procurement specialist (international)	2
Environmental officer (national)	4
Social/gender safeguards officer (national)	4
<b>Total</b>	<b>14</b>

Source: Asian Development Bank.



## COST ESTIMATES AND FINANCING PLAN

(\$'000)

Item	Amount
<b>Asian Development Bank<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	750.0
b. International and local travel	20.0
c. Reports and communications	10.0
2. Training, seminars, and conferences <sup>b</sup>	10.0
3. Contingencies	10.0
<b>Subtotal</b>	<b>800.0</b>
<b>Total</b>	<b>800.0</b>

Note: The technical assistance (TA) is estimated to cost \$850,000, of which contributions from the Asian Development Bank are presented in the table above. The government will provide counterpart support in the form of counterpart staff, office accommodation, and other in-kind contributions. The value of government contribution is estimated to account for about 6% of the TA cost.

<sup>a</sup> Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF 7).

<sup>b</sup> Includes rent of venue, cost of materials, refreshments, hiring of resource persons, honorarium and other travel related cost and other workshop related expenses. Advance payment may be applied for these expenditures.

Source: Asian Development Bank estimates.

**LIST OF LINKED DOCUMENTS**

<http://www.adb.org/Documents/LinkedDocs/?id=55180-002-TARreport>

1. Terms of Reference for Consultants