



Technical Assistance Cluster Subproject Report

PUBLIC

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Supporting Integrity Due Diligence for Private Sector Projects (Subproject 1)

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Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
IDD	–	integrity due diligence
NSO	–	Non-Sovereign Operations
PSOD	–	Private Sector Operations Department
PSTS	–	Private Sector Transaction Support Division

NOTE(S)

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

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ANNEXES

<http://www.adb.org/Documents/LinkedDocs/?id=57279-002-TARreport>

1. Cluster Subproject Cost Estimates and Financing Plan
2. Terms of Reference for Consultants

TRANSACTION TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 57279-002	
Project Name	Supporting Integrity Due Diligence for Private Sector Projects (Subproject 1)	Department/Division	PSOD/PSTS
Nature of Activity	Project Preparation, Capacity Development	Executing Agency	Asian Development Bank
Modality	Subproject		
Country	REG (All DMCs)		
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Finance	Banking systems and nonbank financial institutions		0.044
	Housing finance		0.044
	Infrastructure finance and investment funds		0.044
	Small and medium enterprise finance and leasing		0.044
Agriculture, natural resources and rural development	Agricultural production		0.044
	Agro-industry, marketing, and trade		0.044
Education	Education sector development		0.044
Energy	Conventional energy generation		0.044
	Oil and gas transmission and distribution		0.044
	Renewable energy generation - solar		0.044
	Renewable energy generation - wind		0.044
Health	Health system development		0.044
Transport	Multimodal logistics		0.044
	Rail transport (non-urban)		0.044
	Road transport (non-urban)		0.044
Water and other urban infrastructure and services	Urban water supply		0.044
		Total	0.704
3. Operational Priorities		Climate Change Information	
✓ OP1: Addressing remaining poverty and reducing inequalities		GHG Reductions (tons per annum)	0
✓ OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability		Climate Change impact on the Project	Low
✓ OP5: Promoting rural development and food security		ADB Financing	
✓ OP6: Strengthening governance and institutional capacity		Adaptation (\$ million)	0.000
		Mitigation (\$ million)	0.000
		Cofinancing	
		Adaptation (\$ million)	0.000
		Mitigation (\$ million)	0.000
Sustainable Development Goals		Gender	
SDG 1.a		No gender elements (NGE)	✓
SDG 2.3			
SDG 3.6, 3.c		Poverty Targeting	
SDG 4.7		Geographic Targeting	✓
SDG 6.3			
SDG 7.1, 7.2, 7.3, 7.a, 7.b			
SDG 8.10, 8.4			
SDG 9.1, 9.3, 9.4			
SDG 11.1			
SDG 12.8			
4. Risk Categorization	Risk Categorization does not apply		
5. Safeguard Categorization	Safeguard Policy Statement does not apply		
6. Financing			

TRANSACTION TECHNICAL ASSISTANCE AT A GLANCE

Modality and Sources	Amount (\$ million)
ADB	0.700
Transaction technical assistance: Technical Assistance Special Fund	0.700
Cofinancing	0.000
None	0.000
Counterpart	0.000
None	0.000
Total	0.700

Currency of ADB Financing: US Dollar

I. THE TECHNICAL ASSISTANCE CLUSTER SUBPROJECT

A. Overall Progress of the Technical Assistance Cluster

1. This is the first subproject under the REG: Business Development and Implementation Support for Non-Sovereign Operations technical assistance (TA) cluster.

B. Cluster Subproject Outcome

2. The TA is aligned with the following impacts: (i) private sector investment in Asia and the Pacific enhanced, (ii) development impact as the key objective of private sector pursued, and (iii) private sector projects meeting best-practice integrity standards prepared. The TA will have the following outcome: ADB's private sector investment, complying with its integrity standards, increased in Asia and the Pacific.

C. Cluster Subproject Outputs

3. Output 1: Private sector projects identified and screened, and Integrity Due Diligence (IDD conducted.)

4. Output 2: Capacity strengthened of private sector companies to meet ADB's integrity requirements for private sector investment.

5. Output 3: Solutions identified to mitigate IDD related risks in ADB's private sector projects.

D. Cluster Subproject Cost and Financing

6. The TA cluster subproject financing amount is \$700,000¹ which will be financed on a grant basis by ADB's Technical Assistance Special Fund (\$200,000 - TASF-donor contribution, \$500,000 - TASF-income transfer).

7. The total TA cluster subproject amount is broken down per output in Table 1.

Table 1: Cost Breakdown per Output

Output	Indicative Cost (\$)	Percentage of TA Amount (%)
Output 1:	600,000	86
Output 2:	50,000	7
Output 3:	50,000	7
Total	700,000	100

TA = technical assistance.

Source(s): Asian Development Bank estimates.

¹ The estimate amount for Subproject 1 is \$3 million. But the initial TA amount to be processed for Subproject 1 will be based on PSOD's available TASF budget for 2023. Supplementary TA projects will be processed in the succeeding years to increase the TA amount.

E. Implementation Arrangements

8. Implementation arrangements are summarized in Table 2.

Table 2: Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	November 2023 – 31 December 2028		
Executing agency	Asian Development Bank		
{Implementing agencies}	PSOD's Private Sector Transaction Support Division will administer the TA and will engage integrity due diligence consultants as needed.		
Consultants	To be selected and engaged by ADB		
	Individual: To be determined, based on identified need and/or opportunity	International and national expertise (no. of person-months – to be determined)	\$700,000
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(s): Asian Development Bank estimates.

9. The project preparatory and development activities proposed under the TA will generally be sector-specific and early stage in nature and will primarily entail carrying out market surveys, research and scoping, and project sourcing. Such activities will typically be carried out by consultants appointed on a retainer basis, covering multiple sponsors across a sector, and may not be associated with a single project or private sector sponsor. Therefore, the requirement under paragraph 5 of Attachment 1 of the TA Staff Instructions² for recovery of costs incurred under the TA will not generally be applicable.

10. **Consulting services.** ADB will engage consultants following the ADB Procurement Policy (2017, as amended from time to time).³

² ADB. 2023. Business Processes for Technical Assistance. *Staff Instructions based on Operations Manual section on Technical Assistance, OM D12*. Manila.

³ Terms of Reference for Consultants (Annex 2).