



Technical Assistance Report

Project Number: 47267-001
Capacity Development Technical Assistance (CDTA)
February 2014

Republic of the Union of Myanmar: Support for
Public–Private Partnership Framework Development
(Financed by the Government of the United Kingdom)

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 5 February 2014)

Currency unit	–	kyat/s (MK)
MK1.00	=	\$0.0010
\$1.00	=	MK973

ABBREVIATIONS

ADB	–	Asian Development Bank
ICB	–	international competitive bidding
MNPED	–	Ministry of National Planning and Economic Development
MOEP	–	Ministry of Electric Power
PPP	–	public–private partnership
RFP	–	request for proposal
TA	–	technical assistance

TECHNICAL ASSISTANCE CLASSIFICATION

Type	–	Capacity development technical assistance (CDTA)
Targeting classification	–	General intervention
Sector (subsectors)	–	Multisector (public expenditure and fiscal management, energy sector development, transport management and policies, urban sector development)
Themes (subthemes)	–	Private sector development (public–private partnerships), capacity development (institutional development), governance (public administration), economic growth (promoting economic efficiency and enabling business environment)
Location (impact)	–	Rural (low), urban (high), national (high)
Partnership	–	Government of the United Kingdom

NOTES

- (i) The fiscal year (FY) of the Government of Myanmar begins on 1 April and ends on 31 March. “FY” before a calendar year denotes the year in which the fiscal year starts, e.g., FY2013 begins on 1 April 2013 and ends on 31 March 2014.
- (ii) In this report, "\$" refers to US dollars.

Vice-President	S. Groff, Operations 2
Director General	J. Nugent, Southeast Asia Department (SERD)
Director	S. Hattori, Public Management, Financial Sector and Trade Division, SERD
Team leader	G. Hauber, Principal Public-Private Partnership Specialist, SERD
Team members	A. Fox, Principal Procurement Specialist, Procurement Division 2, Operations Services and Financial Management Department T. Hla, Financial Sector Economist, SERD J. Kim, Lead Energy Specialist, Southeast Asia Energy Division, SERD R. Lacson, Operations Assistant, SERD E. Talja, Associate Project Officer, SERD

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

CONTENTS

	Page
I. INTRODUCTION	1
II. ISSUES	1
III. THE PROPOSED TECHNICAL ASSISTANCE	2
A. Impact and Outcome	2
B. Methodology and Key Activities	2
C. Cost and Financing	4
D. Implementation Arrangements	4
IV. THE PRESIDENT'S RECOMMENDATION	5
 APPENDIXES	
1. Design and Monitoring Framework	6
2. Cost Estimates and Financing Plan	9
3. Outline Terms of Reference for Consultants	10
 SUPPLEMENTARY APPENDIXES (available on request)	
A. Development Partner Activities in Support of the Electric Power Sector in Myanmar	
B. Summary Consultant List and Level of Effort	
C. Consultant Deliverables	

I. INTRODUCTION

1. The Government of Myanmar has requested support from the Asian Development Bank (ADB) to develop the framework, processes, and institutional management structure for public–private partnerships (PPPs) in Myanmar. ADB has been requested to focus first on the private investment initiatives of the Ministry of Electric Power (MOEP). Lessons from this work will then be shared with the Ministry of National Planning and Economic Development (MNPED) and other ministries to inform national-level PPP design and management. ADB, in its role as lead PPP development coordinator in Myanmar, has consulted extensively with the government, the private sector, and development partners through multiple missions undertaken from May 2013 to form the proposed technical assistance (TA).¹ The government concurs with the impact, outcome, outputs, and key activities as presented in the design and monitoring framework in Appendix 1. The TA is included in the country operations business plan, 2014–2016.²

II. ISSUES

2. The Government of Myanmar became a representative democracy in late 2010, at which time several international sanctions were lifted, and outstanding sovereign debts were restructured, repaid or forgiven. These developments removed barriers to international investment, signaling a new era of growth and development. After decades of underinvestment in infrastructure and public services, the government has moved swiftly to advance national development by (i) embracing PPPs in core infrastructure investment areas in which the private sector has expressed interest; and (ii) capitalizing on strong development partner and bilateral government offers of support to address development in areas not conducive to private sector participation, or where it is best to maintain government ownership. From the government’s perspective, this strategy makes optimal use of available financial and human resources, with the potential of achieving significant advances in national development.

3. The government, of its own volition, has begun various forms of PPPs in multiple sectors of the economy, including telecommunications, electricity, natural resources, housing, civil aviation, roads, and public transport. Rapid progress has been made in appointing private sector counterparts despite the absence of sector or national policy frameworks and attendant processes, or institutional management functions dedicated to PPPs. However these developments have yet to yield sustainable economic benefits for the government.

4. The electric power sector has been a particular area of focus for application of this strategy. Only 26% of the population is connected to the grid, and existing grid systems are in need of major overhaul or replacement; consequently, the investment needs of the sector are staggering. To address this challenge, MOEP is engaged with ADB and other donors to overhaul and upgrade the existing state generation, transmission, and distribution system, and undertake advance planning and sector reforms through loan projects and TA.³ At the same time, MOEP has indicated that it has signed more than 60 memorandums of understanding with private sector investors to prepare, finance, build, and operate electric power generation projects. On the basis of these memorandums, four private investor groups have commenced construction of power generation projects, even in the absence of government-signed power

¹ ADB is currently the only development partner engaged in national level PPP framework and process support.

² ADB. 2013. *Country Operations Business Plan: Myanmar, 2014–2016*. Manila. The TA first appeared in the business opportunities section of ADB’s website on 26 November 2013.

³ Electric power sector development is being supported by the Japan International Cooperation Agency, the World Bank, and a number of bilateral governments agencies. See Supplementary Appendix A for an overview of proposed development partner programs.

purchase agreements. Chamber of commerce and industry observers have raised concerns that the direct negotiation of these private power generation projects may yield high electricity prices over long time periods, and may serve to constrain industrial growth. MOEP is therefore keen to move to a competitive bidding approach to power generation procurement, supported by contracts and processes that meet international PPP standards, in order to establish price benchmarks and assure fair and balanced outcomes.

5. The attraction of significant, underdeveloped natural resources combined with large-scale investment opportunities has encouraged foreign investors to flock to Myanmar. Investors have lodged numerous unsolicited proposals with the government, which vary widely in quality and intent. While such proposals may appear attractive in that they address core development needs, the government has little basis on which to evaluate whether the proposals and their proponents are of good quality, offer fair terms and conditions, and will deliver sustainable commercial, financial, and economic value. However, given the magnitude of Myanmar's development hurdles, and the absence of sufficient technical capacity and funding within government to develop projects themselves, the government has felt compelled to consider these proposals. This has resulted in an ad hoc approach to project selection and negotiations, making it difficult for the government to determine if it is achieving value for money. The government urgently needs to assert control over the development process and become more proactive in directing investment outcomes, while capitalizing on the current investor interest in the country. This will require development of appropriate policies and processes, identification of prioritized sector development projects, and use of improved tendering processes and documentation, backed by an enhanced institutional planning and management structure. In this process, the government can benefit from the large body of international PPP experience. It is in this context that the government has requested ADB support for development of a PPP framework.

III. THE PROPOSED TECHNICAL ASSISTANCE

A. Impact and Outcome

6. The impact of the TA will be to establish a strategy and plan to mobilize and manage PPPs in infrastructure at a national level. The outcome of the TA will be improved institutional capacity to direct and manage PPPs at the individual ministerial level. The impact will be measured by the creation of a national level PPP strategy by the end of FY2018, and the outcome will be measured by the establishment of at least one PPP institutional management unit within a sector ministry by FY2015. MOEP will be the initial beneficiary of TA support, and its experience will help inform national-level PPP development and management under the guidance of and in consultation with MNPED.

B. Methodology and Key Activities

7. The TA will provide the government with the tools to better direct and balance PPP project outcomes in the short term, and enable more holistic, sustainable national management of PPPs. For MOEP, the TA will help the government establish fair and balanced terms for private sector investment in power generation projects, establish principles for international competitive tendering, assist the government in prioritizing PPP investment projects, and strengthen the design and management of future PPP procurement. This will evolve into a sector-based strategy for PPP project identification, implementation, and management. Ultimately, sector level experience will help shape the nature of the national strategy and plan.

8. The TA will provide the government with draft tools, policies and organizational structures to better plan and manage PPP procurement.⁴ It will do so by providing recommendations on how to apply the PPP experience of MOEP nationally, informing the application of the framework to other ministries considering or engaging in PPPs. As appropriate, the TA will help determine, in close consultation with government, the nature of a prospective national PPP management structure, and how to develop deeper PPP management capabilities within specific sectors.

9. The TA will (i) deliver to the government sound tendering processes and decision frameworks based on PPP principles; (ii) promote consistent, objective, and transparent application of PPP project development criteria to an international standard; and (iii) create recommendations for development of institutional management capacity for PPPs, first within MOEP and then at the national level. This work is encompassed in three outputs:

- a. **Output 1: Institutional structure for managing public–private partnership projects and finances developed.** This output will support development of an institutional basis for managing the selection, tendering, and implementation of PPP projects. Work under this output will first focus on MOEP to identify institutional and fiscal management requirements within the electric power sector. The TA will then use this experience to help determine resources, capabilities and management structure needed for national management of PPPs. Overall, work under this output will provide support to the government to enable it to (a) properly and consistently identify, develop, and procure PPP projects within sectors; and (b) manage financial risks potentially arising from PPPs at the sector level, and in aggregate at the national level. The PPP management activities under the TA will support development and adoption of an institutional framework and attendant policies and processes; the financial management activities under the TA will develop means to capture, quantify, and report the potential impacts of PPP contractual obligations on sector operations and budgets, or through creation of contingent liabilities.
- b. **Output 2: Ministry of Electric Power private sector investment management capacity improved.** The TA will provide support to MOEP to improve its approach to identifying, designing, managing, tendering, and negotiating private sector participation in the electric power sector. Using existing principles of competitive bidding and procurement criteria,⁵ the TA will further refine and establish criteria, processes, analytic methods, and documentation to provide a sound basis for government tendering of projects with private sector participation, prepared to an international standard. The TA will help MOEP assess its investment pipeline to prioritize projects for competitive bidding, and, for a subset of these projects, undertake analysis to generate preliminary project profiles. The TA will recommend steps by which to prepare short-listed projects for tendering.
- c. **Output 3: Public–private partnership knowledge shared.** The TA will facilitate stakeholder consultations and awareness raising with respect to PPPs. It will

⁴ The government requested this bottom-up approach given that it is already engaged with several prospective private sector investors. Starting with a top-down framework would do little to mitigate the potential risks associated with currently proposed projects.

⁵ ADB has provided advanced support to develop a competitive bidding framework and certain contract and process documentation through consultants provided under ADB. 2012. *Technical Assistance to the Republic of the Union of Myanmar for Capacity Development and Institutional Support*. Manila.

support dissemination of information on regional and global approaches to PPP policies, practices and projects, and information on recommended approaches for Myanmar. Workshops will be conducted to help relevant government entities understand and adopt PPP principles, seek feedback to refine such principles in the Myanmar context, and provide training on how to apply them to projects and improve government capacity to manage PPPs. The TA will help the government learn from experienced regional and international PPP entities regarding their experience in developing, implementing, and managing PPPs, with respect to electric power and other sectors.⁶ A national web portal for PPPs will be developed to share information about national PPP policy and project developments; this will serve as a platform for ongoing dissemination of PPP developments in Myanmar.⁷

10. The government recognizes the risks that can arise from ministries' continued reliance on directly appointed, negotiated bases for pursuing PPP projects. It seeks immediate support to help strengthen the broader government's understanding and use of PPPs on a competitive tender basis. The TA has prioritized work with the MOEP as it is both a ministry with a large program of prospective PPP projects needing support and has the political will to pursue a transition to transparent selection and negotiation of PPP projects. The TA will also help to build PPP awareness among and integrate the operations of associated ministries that must be consulted as part of PPP framework or project development activities.

11. TA implementation could be impacted by changes in civil service or political leadership that may occur during development of institutions responsible for PPPs. This could occur through the shifting of personnel or the restructuring of ministries during TA implementation. Ministerial staff require material capacity development to better manage PPP-related activities. While the TA will undertake capacity building activities, there is risk that the government may seek to advance PPP project implementation ahead of completing needed training. To help mitigate this risk, the ministries involved have undertaken to form a core PPP task force and steering committee to work with the TA consulting team throughout TA implementation.

C. Cost and Financing

12. The TA is estimated to cost \$2,020,000 of which \$2,000,000 will be financed on a grant basis by the Government of the United Kingdom and administered by ADB. ADB and the Government of the United Kingdom will enter into an appropriate grant arrangement to document roles, actions and responsibilities. The Government of Myanmar will provide counterpart support in the form of counterpart staff, office accommodation, communications facilities, and other in-kind contributions. The cost estimate is in Appendix 2.

D. Implementation Arrangements

13. The TA will commence 1 April 2014 and finalize deliverables by 30 September 2015; final closure of the TA will be by 31 December 2015. MNPED will serve as the executing agency

⁶ Preliminary proposals are to examine the case of private power investment in the Philippines energy market, through consultations with the Department of Energy, as well as the Philippine experience in developing its revamped PPP Center. Interaction with either the United Kingdom Private Finance Initiative under HM Treasury or the Public and Private Investment Management Center, Korean Development Institute are also proposed. In addition, case studies on private power investment programs in relevant countries are proposed.

⁷ Website ownership will vest with the government and, as part of counterpart funding, it will be responsible for maintaining the website upon TA conclusion. The TA will train government staff to modify and maintain the website.

and MOEP as the implementing agency. MOEP will nominate a multi-disciplinary task force to develop and implement MOEP PPP arrangements. A coordinating committee will be established among broader government agencies and managed by MNPED.⁸ Together, MNPED and MOEP will serve as focal points for the TA and provide consultative bodies for the development of frameworks, organizational design, and operating criteria. The coordinating committee will facilitate inter-ministerial consultation regarding policy, approvals or decision making that falls outside the authority or relevant scope of MNPED and MOEP, and will support national-level approval of key policy and process outputs from the TA. For output 2, MOEP will be required to provide all available information, access to sites, and any needed support to gather information needed by the TA team in assessing candidate PPP projects.

14. To ensure timely and efficient coordination with the government and to help guide TA delivery, ADB will commit approximately 8 person-months of staff resource-person services over the term of the TA.⁹ The TA will finance consultant services (43.5 person-months of international and 31.6 person-months of national consultant services). All consultants will be recruited through a firm (except those experts whose early mobilization is necessary to undertake initial activities) using quality- and cost-based selection, with a quality-cost ratio of 80:20. Consultants will be recruited in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). Goods and services to be financed from the TA will be in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). Items estimated to cost less than \$100,000 will be procured through shopping. TA proceeds will be disbursed in accordance with the ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). An overview of the consultant terms of reference is provided in Appendix 3.

15. The TA consultant team, drawing from periodic progress reports produced by the consultants in consultation with MNPED and MOEP, will regularly document TA progress, challenges encountered, and solutions proposed over the implementation period. Stakeholder communications, including publications and workshops, will be produced as a core output of the TA. Work products will highlight the support for the TA provided by the Government of the United Kingdom. Updates on TA progress and outcomes will be provided to ADB's PPP community of practice for further dissemination within ADB. Given the rapidly evolving nature of the policy and investment environment in Myanmar, interim progress reports will be of critical importance and will be used to provide inputs and feedback to help inform the direction of subsequent work activities. The overall outcomes of the TA will be published on a government website developed under the TA, to support broad distribution of new policies, processes, investment opportunities and opportunities for consultation. An international PPP forum will be held at the end of the TA to disseminate information on the PPP program and prospective investment opportunities.

IV. THE PRESIDENT'S RECOMMENDATION

16. The President recommends that the Board approve ADB administering technical assistance not exceeding the equivalent of \$2,000,000 to the Government of Myanmar to be financed on a grant basis by the Government of the United Kingdom for Support for Public-Private Partnership Framework Development.

⁸ The coordinating committee will consist of representatives of the Ministry of Energy and Ministry of Finance, with ad hoc participation from the Ministry of Environmental Conservation and Forests and members of the National Energy Management Committee. It is expected that the President's office may become involved at a later stage.

⁹ It is expected that ADB staff will participate as resource persons in the areas of PPP, procurement, safeguards, and public financial management. For ADB resource persons, only travel costs are included in the TA budget.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact A strategy and plan to mobilize and manage public–private partnerships in infrastructure is established.</p>	<p>A national level strategy and plan for PPPs is adopted by the end of FY2018 (Baseline: no strategy, FY2013)</p>	<p>Government announcement of a national PPP strategy</p>	<p>Assumption Government sustains the political will to pursue private sector participation in public projects</p> <p>Risk Negative experiences with PPP projects being pursued on a direct appointment basis lessens the government’s commitment to PPPs</p>
<p>Outcome Institutional capacity to direct and manage public–private partnerships at the ministerial level is improved.</p>	<p>At least one PPP unit established and operational in a sector line ministry by FY2015 (Baseline: no institutional arrangements, FY2013)</p>	<p>Government announcement of PPP unit formation</p> <p>Executing and implementing agency memoranda</p>	<p>Assumption Ministries with approval authority over PPP matters and/or that provide complementary inputs cooperate with the MOEP</p> <p>Risk Major changes in the government’s structure or of government officials modify the PPP agenda or priorities</p>
<p>Outputs</p> <p>1. Institutional structure for managing PPP projects and financing developed.</p> <p>2. Private sector investment management capacity in MOEP improved.</p>	<p>Organizational plan, processes and policies for sector-based PPP management adopted by FY2014 (Baseline: No structure, FY2013)</p> <p>Draft tools and recommendations for PPP financial management delivered by FY 2014. (Baseline: None, FY2013)</p> <p>Competitive bidding guidelines adopted by implementing agency by FY2014. (Baseline: no guidelines, FY2013)</p>	<p>Government adoption of PPP management plans, processes and policies in practice</p> <p>Implementing agency memoranda</p> <p>Project profiles</p>	<p>Assumption Implementing agency has projects available for selection that are appropriate for international competitive bidding</p> <p>Risks Government ministries lack sufficient staff or capacity to address matters related to privately financed projects.</p> <p>Changes to government staffing impact continuity and capacity to work with TA</p>

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks																					
	Preliminary project profiles for PPP projects issued by FY2014. (Baseline: no screening)		consulting team																					
3. PPP knowledge shared.	Workshops and forums conducted. (Baseline: Ad hoc workshops from multiple sources, FY2013)	Attendance sheets, minutes of workshops Presentations and papers published Public announcements																						
Activities with Milestones 1. Output 1: Institutional structure for managing PPP projects and financing developed (Apr 2014–Sep 2015) 1.1. Institutional development for PPP project management (Apr 2014–Sep 2015) 1.1.1. Cross-government needs assessment conducted (Apr–Sep 2014) 1.1.2. Draft institutional and policy framework developed (Jul 2014–Feb 2015) 1.1.3. Institutional and policy development process supported (Jan–Sep 2015) 1.2. Institutional development for PPP financial management (Jul 2014–Sep 2015) 1.2.1. Government PPP fiscal management capacity assessed (Jul–Nov 2014) 1.2.2. Financial risk management institutional, policy, and operating structure proposed (Oct 2014–Mar 2015) 1.2.3. Financial liabilities monitoring and management tools developed (Dec 2014–May 2015) 1.2.4. Institutional structure for fiscal management evolved (Jan–Sep 2015) 2. Output 2: MOEP private sector investment management capacity improved (Apr 2014–Mar 2015) 2.1. Draft competitive bidding framework reviewed and refined (Apr–Aug 2014) 2.2. Ministerial PPP management structure and operational processes defined (May 2014–Jan 2015) 2.3. Candidate MOEP generation projects screened for further development (Jun–Dec 2014) 2.4. Preparation of preliminary project profiles for shortlisted projects (Jul 2014–Mar 2015) 3. Output 3: PPP knowledge shared (Apr 2014–Jun 2015) 3.1. Training on international competitive bidding conducted (Apr–Sep 2014) 3.2. Shortlisted generation projects reviewed (Jul–Dec 2014) 3.3. International study tours for PPP knowledge sharing conducted (Jul 2014–Mar 2015) 3.4. Workshops on PPP management for projects delivered (Jul 2014–May 2015) 3.5. Workshops and stakeholder consultations on PPP financial management conducted (Aug 2014–May 2015)		Inputs Government of the United Kingdom: \$2,000,000 <table border="1" data-bbox="997 699 1442 1234"> <thead> <tr> <th data-bbox="997 699 1135 762">Item</th> <th data-bbox="1135 699 1442 762">Amount (\$'000)</th> </tr> </thead> <tbody> <tr> <td data-bbox="997 762 1135 825">Consulting Services and per diem</td> <td data-bbox="1135 762 1442 825">1,050</td> </tr> <tr> <td data-bbox="997 825 1135 856">International travel</td> <td data-bbox="1135 825 1442 856">80</td> </tr> <tr> <td data-bbox="997 856 1135 888">Domestic travel</td> <td data-bbox="1135 856 1442 888">40</td> </tr> <tr> <td data-bbox="997 888 1135 951">Reports and communications</td> <td data-bbox="1135 888 1442 951">10</td> </tr> <tr> <td data-bbox="997 951 1135 1014">Workshop and conferences</td> <td data-bbox="1135 951 1442 1014">200</td> </tr> <tr> <td data-bbox="997 1014 1135 1045">Surveys</td> <td data-bbox="1135 1014 1442 1045">100</td> </tr> <tr> <td data-bbox="997 1045 1135 1140">Miscellaneous administrative and support costs</td> <td data-bbox="1135 1045 1442 1140">120</td> </tr> <tr> <td data-bbox="997 1140 1135 1171">Contingency:</td> <td data-bbox="1135 1140 1442 1171"></td> </tr> <tr> <td data-bbox="997 1171 1135 1203"> Cost</td> <td data-bbox="1135 1171 1442 1203">100</td> </tr> <tr> <td data-bbox="997 1203 1135 1234"> Foreign Exchange</td> <td data-bbox="1135 1203 1442 1234">300</td> </tr> </tbody> </table> <p data-bbox="997 1234 1442 1402">Note: The government will provide counterpart support in the form of counterpart staff, office accommodation, communications services, and other in-kind contributions.</p>	Item	Amount (\$'000)	Consulting Services and per diem	1,050	International travel	80	Domestic travel	40	Reports and communications	10	Workshop and conferences	200	Surveys	100	Miscellaneous administrative and support costs	120	Contingency:		Cost	100	Foreign Exchange	300
Item	Amount (\$'000)																							
Consulting Services and per diem	1,050																							
International travel	80																							
Domestic travel	40																							
Reports and communications	10																							
Workshop and conferences	200																							
Surveys	100																							
Miscellaneous administrative and support costs	120																							
Contingency:																								
Cost	100																							
Foreign Exchange	300																							

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
3.6. Website for PPPs in Myanmar developed and maintained (Jun 2014–Jun 2015)	3.7. Public PPP investment forum conducted (Apr–May 2015)		

ADB = Asian Development Bank, FY = fiscal year, MOEP = Ministry of Electric Power, PPP = public–private partnership, TA = technical assistance.

Source: Asian Development Bank estimates.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
Government of the United Kingdom^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	880.0
ii. National consultants	170.0
b. International and local travel	120.0
c. Reports and communications	10.0
2. Training, seminars, and conferences	200.0
3. Surveys	100.0
4. Miscellaneous administration and support costs ^b	120.0
5. Contingencies	0.0
a. Cost	100.0
b. Foreign Exchange ^c	300.0
Total	2,000.0

Note: The technical assistance (TA) is estimated to cost \$2,020,000 of which contributions from the Government of the United Kingdom are presented in the table above. The Government of Myanmar will provide counterpart support in the form of counterpart staff, office accommodation, communications facilities, and other in-kind contributions. The value of government contribution is estimated to account for approximately 1% of the total TA cost.

^a Administered by the Asian Development Bank (ADB). This amount includes ADB's administration fee, audit costs, bank charges, and provision for foreign exchange fluctuations (if any), to the extent that these items are not covered by the interest and investment income earned on this grant.

^b Includes a 5% administration fee for funds provided by the Government of the United Kingdom and administered by ADB.

^c Under ADB Project Administration Instructions, Section 4.05 paragraph 8, ADB must set aside 15% of grant funds received in currencies other than United States dollars to account for fluctuations in currency during TA implementation.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The technical assistance (TA) will support the Government of Myanmar to develop policies, processes, and institutional management structures for public–private partnerships (PPPs). Under output 1, the TA team will design institutional management arrangements, policies, and processes appropriate to oversee development and implementation of PPPs. This work will focus initially on the Ministry of Electric Power (MOEP), and then the team will use this experience to inform the design of a national-level PPP strategy and management framework. The TA will support development of tools and monitoring principles for managing the fiscal implications of contracts that arise from PPP projects. Under output 2, the consulting team will support MOEP in refining criteria, processes, analytic methods, and documentation to provide a sound basis for PPP project tendering. Output 2 will support screening, assessment, and creation of a prioritized shortlist of electric power generation projects suitable for PPPs, developing preliminary investment profiles for each project. It will also assess MOEP’s PPP institutional management requirements and propose an appropriate organizational structure and attendant operational processes. Under output 3, principles of PPPs, lessons from other countries, and details of the evolving Myanmar PPP program will be shared through a series of workshops and forums. The TA will culminate with a public PPP investment forum for Myanmar. The executing agency for the TA will be the Ministry of National Planning and Economic Development (MNPED); MOEP will be the implementing agency.

A. Implementation Arrangements

2. Firm-based consultants will be used to deliver the TA. Individual consultants may be selectively used to cover advanced or special work required by the government. The majority of consultant work will be conducted in Myanmar, based out of government offices in Naypyitaw, with site visits or presentations elsewhere in Myanmar as required. An indicative allocation of consultant positions and their work time allocation are provided in Supplementary Appendix B.

B. Deliverables

3. The consultants will work together as a team to jointly deliver the following outputs:
- a. an ICB framework, which includes development of master framework requests for qualification and proposal, evaluation criteria and operating rules;
 - b. a project selection report that documents the process of narrowing the government’s project list to a prioritized subset;
 - c. preliminary project profiles that provide prefeasibility-level analysis of top priority projects suitable for competitive bidding;
 - d. institutional design and management for PPP project and finances through a needs assessment report, followed by designs, tools, analytics, and reporting requirements for PPP management, financial oversight, and liabilities management, initially for an MOEP PPP unit and followed by recommendations for general national management of PPP activities;
 - e. recommendations for a national strategy and plan for PPPs;
 - f. workshops, seminars, and communications—including capacity-building workshops on ICB procurement, management of PPP processes, and fiscal management of PPP contracts; an international study exchange; an international PPP forum in Myanmar; and development of a national PPP web portal;
 - g. a review of project screening and prefeasibility through presentations on the shortlisting process and preliminary development of projects; and

- h. a TA inception report, interim progress reports, and a final report.
4. A detailed description of the deliverables is provided in Supplementary Appendix C.

C. International Project Consultants (43.5 person-months total)

5. **Public-private partnership financial and/or commercial consultant and team leader** (8 person-months). The consultant will be responsible for managing the activities and schedule of the TA team to deliver the scope described in B above and will serve as the key coordination point with the Asian Development Bank (ADB) TA manager. The consultant will work across all outputs, serving as lead and subject matter expert on PPP financial and/or commercial matters. The consultant will take the lead in developing public models to mobilize private investment in public services on a sustainable, financially viable, and economically productive basis. The consultant should have relevant education and at least 10 years of practical work experience in international project finance and international project development in PPP projects, with work experience in both developed and developing countries. Experience with ICB in the context of PPP projects and familiarity with international standard project finance documentation is required.

6. **Public-private partnership legal advisor** (5.5 person-months). The advisor will support the development of policies, rules, process, criteria, and supporting documentation appropriate for procuring, contracting, and managing PPPs through ICB, founded on the principles of international project finance. Work includes pre-qualification criteria (e.g., know-your-client standards, organization, and litigation), request for proposal (RFP) elements, model concession agreements, and project contracts. The consultant will advise the government regarding the principles of government guarantees and direct agreements that may be needed to support PPP financing. The consultant should have relevant education, professional accreditation, and at least 10 years of practical work experience in providing legal counsel to international project finance and PPP projects, with work experience in both developed and developing countries. Experience with international standard project finance documentation is required and familiarity with ICB in the context of PPP projects is preferred.

7. **Power engineering consultant** (6 person-months). The consultant will advise the government on technical aspects of request for qualifications and RFP ICB documentation, including determining government technical priorities, defining key parameters, developing specifications and performance standards, and protecting and/or promoting those in appropriate documentation and related processes. The consultant will help develop project screening criteria, development specifications, evaluation criteria, and similar aspects from an engineering perspective. The consultant will support the screening of potential projects, and will assist with the pre-feasibility work needed to develop the preliminary project profiles. The consultant should possess a relevant engineering degree and at least 10 years of practical work experience in developing, designing, tendering and/or implementing electric power generation projects. Work experience in both developed and developing countries is preferred. Experience with ICB in the context of PPP projects is required and familiarity with projects subject to limited recourse project financing is preferred.

8. **Civil engineering consultant** (7 person-months). The consultant will support development of project screening criteria, project design and technical specifications, and civil engineering aspects of prequalification and RFP evaluation criteria, and contribute to development of environmental compliance specifications that should be considered in PPP ICB documentation. The consultant will support development of a project implementation oversight

management approach for the government. The consultant will support project screening, providing recommendations on shortlisting and support development of preliminary project profiles. Work will include the conduct of preliminary feasibility studies necessary to develop a preliminary site layout, and determine rights-of-way, resource inputs, etc. The consultant will coordinate any land survey and geotechnical study inputs as needed. The consultant should possess a relevant engineering degree and at least 10 years of practical work experience in planning, developing, designing, and tendering and/or implementing electric power generation projects. Work experience in both developed and developing countries is preferred. Experience with ICB in the context of PPP projects is required and familiarity in working with international standard project finance documentation is preferred.

9. **Procurement expert** (4 person-months). The consultant will provide guidance and advice to the government on the creation of a robust and manageable PPP ICB framework. Work will include development of specifications, documentation, evaluation criteria, tender management, and decision processes to promote transparent, consistent, and objective bidding processes. The consultant will participate and provide leadership in workshops associated with procurement matters across all deliverables. The consultant should possess a relevant professional degree and at least 10 years of practical work experience in planning, developing, designing, and implementing tendering procedures for complex infrastructure projects. Work experience in both developed and developing countries is required and work for private sector entities in ICB is preferred. Familiarity working with international standard project finance documentation is preferred.

10. **Environmental safeguards specialist** (5 person-months). The consultant will help integrate environmental safeguards principles into the design, criteria, processes, and documentation associated with PPP project identification, development, and tendering. The consultant will help screen and prioritize potential PPP projects, applying appropriate environmental safeguards criteria. The consultant will contribute to development of preliminary project profiles and identification of potential environmental impacts or compliance matters and their prospective mitigation, while observing national, ADB, and Equator Principles environmental standards.¹ The consultant should possess a relevant degree and at least 10 years of practical work experience in planning, developing, designing, implementing, and/or monitoring environmental compliance aspects of complex infrastructure projects. Familiarity with electric power generation projects and internationally competitively bid projects is preferred. Work experience in both developed and developing countries is required as is in-depth knowledge of the Equator Principles.

11. **Social safeguards specialist** (5 person-months). The consultant will help integrate internationally-recognized social safeguards principles into the design, criteria, processes, and documentation associated with PPP project identification, development, and tendering. The consultant will help screen and prioritize potential PPP projects by applying appropriate social safeguards criteria, and contribute to development of preliminary project profiles development by identifying potential social impacts or compliance matters and their prospective mitigation, while observing national, ADB, and Equator Principles social safeguards standards. The consultant should possess a relevant degree and at least 10 years of practical work experience in planning, developing, designing, implementing and/or monitoring the social impact, resettlement, and rehabilitation aspects of complex infrastructure projects. Familiarity with electric power generation projects and ICB projects is preferred. Work experience in both

¹ The project should apply the Equator Principles III standard adopted 4 June 2013. See the website, www.equator-principles.com for full information on the compliance criteria currently in place.

developed and developing countries is required as is in-depth knowledge of the Equator Principles.

12. **Public financial management specialist** (3 person-months). The consultant will lead the team in assessing the government's current fiscal management capabilities and needs with respect to PPP oversight. The consultant will lead development of recommendations for financial management, reporting arrangements, and specification of recommended financial monitoring and assessment tools to assist the government in capturing, quantifying, assessing, and monitoring budgetary, subsidy, liability, contingent liability, and other fiscal risk exposures inherent to PPP contracts. The consultant will work with government to build capacity to identify and monitor these risks and will develop recommendations for a national reporting and management framework, including required institutional structures. The consultant should possess a relevant degree in finance or accounting and at least 8 years of practical work experience with national public financial management planning, budgeting, and debt management practices. Work experience in both developed and developing countries is required, with a requirement of demonstrated experience in early-stage developing markets. Familiarity with PPP structures in the public sector context is preferred.

D. National Project Consultants (31.6 person-months total)

13. All national consultants require excellent communication skills in the English and Myanmar languages.

14. **Financial specialist** (6.8 person-months). The consultant will support the international PPP financial and/or commercial consultant in the development of PPP project screening, development, structuring, assessment, modeling, bidding, and documentation activities. The consultant will support the team in developing financial risk data capture, and management tools for fiscal risks arising from PPP projects. The consultant should possess a relevant university degree in finance or accounting and have at least 7 years of practical work experience in a finance function within a government or private sector entity. Familiarity with commercial finance, international accounting standards, and private sector or corporatized state-owned entities is preferred.

15. **Legal advisor** (5.1 person-months). The consultant will provide the team with advice regarding compliance with and adaptation to national laws, regulations, rules and policies. The consultant will work closely with the international PPP legal advisor to help develop tendering processes, documentation, and contracts that balance international standards with national compliance. The consultant should have relevant legal education, professional accreditation, and at least 10 years of practical work experience providing legal advice in Myanmar. Strong preference is given to candidates with a focus and/or extensive experience in commercial law. Experience in advising private sector clients and with the development of law or government policy is preferred.

16. **Technical specialist** (7 person-months). The consultant will support the international power engineering consultant and international civil engineering consultant in the conduct and delivery of TA work, including development of appropriate PPP mechanisms, screening candidate pilot projects, and advising the team regarding project identification, specification, documentation, and implementation in Myanmar. The consultant should possess a relevant university degree in engineering or technical disciplines and have 7 years of relevant and practical work experience. Experience working with electric power systems or civil engineering

disciplines is strongly preferred. Experience in working with private sector entities or corporatized state-owned entities is preferred.

17. **Public finance management specialist** (2.7 person-months). The consultant will support the international public financial management consultant in delivering the required outputs. The consultant will provide guidance on integration of PPP-related risks within the national public financial management context, including budgeting, accounting, obligations creation, and their management. The consultant will support workshop design and conduct, and delivery of financial management work products. The consultant should possess a relevant university degree in finance or accounting and have at least 7 years of practical work experience in a finance function within a government or private sector entity. Familiarity with commercial finance and international accounting standards, and with private sector or corporatized state-owned entities is preferred.

18. **Safeguards specialist** (4 person-months). The consultant will support the international safeguards specialist in conducting studies and developing specifications, mitigation plans, and associated documents. The consultant should possess a relevant university degree and 7 years of practical work experience in social planning, land development, and/or environmental compliance issues. Familiarity with international social and environmental safeguards requirements is preferred.

19. **Operations specialist** (6 person-months). The consultant will support the implementation of the TA across all dimensions, including project implementation logistics and deliverables production. Primary responsibility will be to coordinate planning and delivery of all workshops and forums provided under the TA. The consultant will also coordinate between the TA team and website developers to assure web content is designed, developed, delivered, and maintained in accordance with the TA team's web design specifications. The consultant should possess a university degree and have 5 years of practical work experience. Demonstrated experience in project or event management, communications or similar fields is preferred, with preference given to work with technically oriented subject matter.