

TERMS OF REFERENCE FOR CONSULTANTS

A. Legal expert (2 positions, national, 6 person-months each, intermittent)

1. The consultant will help in reviewing the existing institutional and legal framework for origination, structuring and financing of PPPs to identify gaps, determine the extent of constraints on mobilization of long term financing due to these gaps and provide recommendations and support implementation of possible reforms.
2. More specifically, the consultant is expected to undertake the following tasks:
 - Review and analysis of the existing legal framework for the origination and structuring of PPP transactions, including the recently enacted Federal PPP Authority Act;
 - Review of relevant rules, regulations, and guidelines applicable to debt issuance (both listed and unlisted) for infrastructure finance.
 - Review and analysis of the existing institutional framework for the origination and structuring of PPP transactions;
 - Review and analysis of the existing regulatory framework for the origination and structuring of PPP transactions;
 - Review and analysis of the existing financial support mechanisms for the origination and structuring of PPP transactions of GOP;
 - Identify enabling regulation, law and policy issues and concerns for the PPP framework;
 - Preparation of Strategy paper on recommended reforms and implementation of the reforms in the legal, regulatory and institutional framework
3. The consultant will also support development of institutional framework for federal viability gap fund (VGF) and project development facility (PDF) including development of PDF and VGF utilization rules and guidelines

B. Legal expert (1 position, international, 3 person-months, intermittent)

4. The consultant will provide support to the legal experts (nat'l) in reviewing the existing institutional and legal framework for origination, structuring and financing of PPPs to identify gaps, determine the extent of constraints on mobilization of long term financing due to these gaps and provide recommendations in line with international best practices and support implementation of possible reforms.
5. More specifically, the consultant is expected to undertake the following tasks:
 - Review of the legal framework, regulatory framework, institutional framework, and financial support mechanisms for PPPs in the region and other developed markets as applicable and develop a comparison matrix of key positions of international best practices and structures;
 - Review and analysis of the existing legal framework for the origination and structuring of PPP transactions, including the recently enacted Federal PPP Authority Act keeping in view international best practices;
 - Review and analysis of the existing institutional framework for the origination and structuring of PPP transactions keeping in view international best practices;
 - Review and analysis of the existing regulatory framework for the origination and structuring of PPP transactions keeping in view international best practices;
 - Review and analysis of the existing financial support mechanisms for the origination and structuring of PPP transactions of GOP keeping in view international best practices;

- Advise the legal experts (national) in identifying enabling regulation, law and policy issues and concerns for the PPP framework;
- Assist in the preparation of strategy paper on recommended reforms and implementation of the reforms in the legal, regulatory and institutional framework

6. The consultant will also support the legal experts (national) in the development of institutional framework for federal viability gap fund (VGF) and project development facility (PDF) including development of PDF and VGF utilization rules and guidelines

C. Infrastructure Financing expert (4 positions, national, 7 person-months each, intermittent)

7. The consultants will help in reviewing the existing institutional and legal framework for origination, structuring and financing of PPPs to identify gaps, determine the extent of constraints on mobilization of long term financing due to these gaps and provide recommendations and support implementation of possible reforms, in selected sectors.

8. More specifically, the consultant is expected to undertake the following tasks for each selected sector:

- Market study to determine sectoral focus and priority for PPPs
- Prepare report on selected sectors that are well-suited for mobilizing private sector investments in the form of PPPs, which:
 - (i) identifies gaps in sector regulation and enforcement mechanisms,
 - (ii) recommends reforms and measures to support private sector investments; and
 - (iii) develops a detailed deal pipeline for potential PPP projects.
- Facilitate preparation of an infrastructure project to be delivered as a PPP project.
- Give inputs to other consultants as required by ADB

D. PPP experts (2 positions, international, 4 person-months each, intermittent)

9. The consultant will provide support in enhancing the infrastructure finance and PPP capacities in the Finance Division, Planning Commission and key line ministries.

10. More specifically, the consultant is expected to undertake the following tasks:

- Capacity development of senior staff in identified divisions and/or agencies through workshop and trainings;
- Develop TORs and requirements for specific positions or nodes to be created in identified divisions and/or agencies;
- Develop PPP policy document drafts for reforms in identified divisions and/or agencies
- Give inputs to other consultants as required by ADB

E. Private Sector Development Experts (5 positions, national, 6 person-months each, intermittent)

11. The consultants will be embedded in selected government departments and agencies, and their main activities are to advise the senior management of each department/ agency on important decisions to be made in the PPP process.

12. The consultant will carry out, but will not be limited to, the following tasks:

- support the relevant government department in identifying the projects suitable for private sector participation in public sector;
- support the relevant government department in identifying and implementing measures for incentivizing private sector participation in the sector

- support the relevant government department in preparing recommendation for viability gap fund utilization;
- supervising and monitoring PPP projects under implementation or in operation;
- facilitate the government department, including the PPP node where applicable, in work required for enhancing private sector participation.

F. Financial markets experts (2 positions, international, 3 person-months each, intermittent)

13. The consultant will provide support in diagnostic review and recommendations of reform in the institutional and legal framework of capital markets development and public debt management function.

14. More specifically, the consultant is expected to undertake the following tasks:

- Prepare report on participation in public debt and availability of secondary market for government bonds and other sovereign instruments, and recommendation for reform for development of debt capital markets (including scope for shariah compliant instruments and infrastructure bonds);
- Prepare report identifying the impact of public debt policy and management on the mobilization of long term financing from domestic commercial banks and other financiers, and recommendations for reform.
- Give inputs to other consultants as required by ADB.

G. Financial markets experts (2 positions, national, 3 person-months each, intermittent)

15. The consultant will provide support in diagnostic review and recommendations of reform in the institutional and legal framework of capital markets development and public debt management function, and support the international consultants in the execution of their tasks including preparation of report on public debt policy and management.

H. Coordination lead (1 position, national consultant, 25 person-months)

16. The consultant is expected to undertake the following tasks:

- Build a strong liaison between ADB, consultants and government implementation teams with regard to progress sharing and information dissemination.
- Support the periodic reporting requirement by the consultants.
- Setting up an efficient and effective reporting system based on the project timelines and deliverables.
- Identify risks which can hamper program delivery (time & cost wise) and alert ADB for any potential risk to escalate.
- Develop comprehensive reporting formats for consultants' outputs monitoring and synchronize with project.
- Prepare and send consolidated reports to ADB regularly.
- Digitize and maintain a record of all reports.
- Organizing around 10 awareness and/or capacity building workshops, as instructed by ADB, to be attended by the TA consultants and resource persons (who will be among the workshop facilitators) and various stakeholders, including legal experts, prospective sponsors and investors, prospective financiers, and government officials.

I. Consulting firm

17. The consulting firm will help in facilitating operationalization of PDFL in the finalization of its business plan, governance structure, products suite, operations, risk, audit, financial management and human resources manuals etc.

a. Financial market experts (1 position, international, 4 person-months)

18. The consultant will provide support to the financial market experts (nat'l) in carrying out, but will not be limited to, the following tasks:

- Identify the mandate and strategy of PDFL with the relevant stakeholders in the GOP;
- Develop a business and financing plan including: (a) project pipeline; (b) the array of financing products offered by PDFL; (c) PDFL's interface with the different government departments, institutions, and agencies; (d) PDFL's proposed relationship with domestic financiers;

b. Financial market experts (2 positions, national, 4 person-months each)

19. The consultant will carry out, but will not be limited to, the following tasks:

- Identify the mandate and strategy of PDFL with the relevant stakeholders in the GOP;
- Develop a business and financing plan including: (a) project pipeline; (b) the array of financing products offered by PDFL; (c) PDFL's interface with the different government departments, institutions, and agencies; (d) PDFL's proposed relationship with domestic financiers;

c. Financial management experts (1 position, international, 4 person-months)

20. The consultant will carry out, but will not be limited to, the following tasks:

- Provide support to the financial management experts (nat'l) in developing policies, manuals standard operating procedures, and systems for operations, risk management, audit, financial management, human resources, management information, etc in line with international best practices.

d. Financial management expert (2 positions, national, 6 person-months each)

21. The consultant will carry out, but will not be limited to, the following tasks:

- Develop policies, manuals standard operating procedures, and systems for operations, risk management, audit, financial management, human resources, management information, etc.

e. Risk management expert (1 positions, national, 3 person-months, intermittent)

22. The consultant's main activities will include the following:

- preparing templates, guidelines, checklists, and hands-on training manuals on how to evaluate PPPs, including appropriate debt-to-equity ratios, loan tenors, cost, and term sheet requirements for project viability (such as fee payment mechanisms, preconditions for a private operator to fulfill in meeting service obligations, default and risk clauses, and step-in rights of government);
- preparing an operational and organizational plan for risk management;
- assisting the PDF with risk analysis of proposed PPPs, with suitable mitigation strategies.

f. Environmental Safeguards Specialist (1 position, national, 4 person-months)

23. The Environmental Safeguards Specialist will support PDFL in development and implementation of the Environmental and Social Management System (ESMS) arrangement for projects, which incorporates the following elements; (i) environmental and social policies;

(ii) screening, categorization, and review procedure; (iii) organizational structure and staffing including skills and competencies in environmental and social areas; (iv) training requirements; and (v) monitoring and reporting.

24. The consultants will carry out, but will not be limited to, the following tasks:

- Develop the ESMS system (environment section)
- Assist the implementing unit in reviewing and evaluating project proposals and monitoring projects in accordance with the ESMS and other relevant regulations;
- Train the implementing unit on ADB's requirements and procedures for screening and categorizing subprojects;
- Train the implementing units in making rapid environmental assessment and categorizing subprojects in accordance with the ADB's Safeguard Policy Statement (SPS) 2009.

g. Social Safeguards Specialist (1 position, national, 4 person-months)

25. The Social Safeguards Specialist will support PDFL in development and implementation of the Environmental and Social Management System (ESMS) arrangement for projects, which incorporates the following elements; (i) environmental and social policies; (ii) screening, categorization, and review procedure; (iii) organizational structure and staffing including skills and competencies in environmental and social areas; (iv) training requirements; and (v) monitoring and reporting.

26. The consultants will carry out, but will not be limited to, the following tasks:

- Develop the ESMS system (social safeguards section)
- assist the implementing unit in reviewing and evaluating project proposals and monitoring projects in accordance with the ESMS and other relevant regulations;
- (ii) train the implementing unit on ADB's requirements and procedures for screening and categorizing subprojects, including how to review and assess draft concession agreements from a gender perspective; and
- train the implementing unit in making rapid social assessment and categorizing subprojects in accordance with the ADB's Safeguard Policy Statement (SPS) 2009.

h. Legal experts (1 position, national, 6 person-months)

27. The consultants will carry out, but will not be limited to, the following tasks:

- Advise PDFL on legal issues during TA implementation/arrangements
- Define and assist PDFL in amendments, modifications to regulations in relation to the business plan objectives;
- Develop templates of standard documentation for PDFL

i. Economist (1 position, national, 3 person-months)

28. The consultants will carry out, but will not be limited to, the following tasks:

- Gather and analyze relevant data, information, and reports, to draw lessons from success and failures in PPPs, globally and in Pakistan;
- Prepare reports on forecasted demand for electricity, transportation, water, sanitation, and other infrastructure areas over the next 5–15 years,
- Identify potential PPP projects that may attract private investors
- Provide timely and high-quality draft reports and other inputs;
- Other relevant duties as necessary.