



Pakistan: Enhancing Public-Private Partnerships in Punjab Project

Project Name	Enhancing Public-Private Partnerships in Punjab Project												
Project Number	49128-002												
Country	Pakistan												
Project Status	Active												
Project Type / Modality of Assistance	Grant Loan Technical Assistance												
Source of Funding / Amount	<table border="1"><tr><td colspan="2">Grant 0562-PAK: Enhancing Public-Private Partnerships in Punjab</td></tr><tr><td>Department for International Development</td><td>US\$ 19.62 million</td></tr><tr><td colspan="2">Loan 3636-PAK: Enhancing Public-Private Partnerships in Punjab</td></tr><tr><td>Ordinary capital resources</td><td>US\$ 100.00 million</td></tr><tr><td colspan="2">TA 9469-PAK: Enhancing Public-Private Partnerships in Punjab</td></tr><tr><td>Government of the United Kingdom</td><td>US\$ 4.01 million</td></tr></table>	Grant 0562-PAK: Enhancing Public-Private Partnerships in Punjab		Department for International Development	US\$ 19.62 million	Loan 3636-PAK: Enhancing Public-Private Partnerships in Punjab		Ordinary capital resources	US\$ 100.00 million	TA 9469-PAK: Enhancing Public-Private Partnerships in Punjab		Government of the United Kingdom	US\$ 4.01 million
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Strategic Agendas	Inclusive economic growth												
Drivers of Change	Governance and capacity development Partnerships												
Sector / Subsector	Finance - Infrastructure finance and investment funds												
Gender Equity and Mainstreaming	Effective gender mainstreaming												
Description	<p>The project will provide financing for the project development facility (PDF) to support line departments in engaging the assistance of experienced transaction advisors. The ADB loan will be used to fund a dedicated viability gap fund (VGF) window that will be managed by the Planning and Development Department (PDD).</p> <p>The project is aligned with the following impact: private sector investments and overall employment in Punjab increased. The project will have the following outcome: sustainable and fiscally responsible public-private partnership (PPP) projects that offer value for money (VFM) increased. The outputs are (i) PDF and VGF resources for PPP projects augmented, and (ii) PPP institutional capacity enhanced and strengthened.</p>												
Project Rationale and Linkage to Country/Regional Strategy	<p>To attain its growth objectives, the Government of Punjab (GOPb) has identified key drivers of change including upgrading its infrastructure, revival of private sector investment, and quality provision of social services. Its available budget resources, however, fall short to fund much needed public infrastructure and public service investments. To bridge the financing gap and address the province's infrastructure deficit, GOPb has established legal and institutional framework to facilitate the structuring, approval and implementation of PPPs. A PDF to support the use of transaction advisory services and a VGF for the public financing portion of PPPs were also established. However, the absence of skills and resources of key decision making bodies pose the risk that approved PPP projects are not well structured and offer limited or no VFM which may expose GOPb to significant contingent liabilities, operational, and fiscal risks.</p> <p>The institutional structure and capacity in Punjab for PPPs need to be enhanced and improved through (i) proper identification and structuring of eligible PPP projects that offer VFM, (ii) a sound policy that guides the use of public resources (like the VGF), and (iii) strong risk management policies and systems identify and mitigate potential project and fiscal related risks emanating from PPP supported projects.</p>												
Impact	Private sector investments and overall employment in Punjab increased.												
Project Outcome													
Description of Outcome	Viable PPP projects that offer value-for-money increased.												
Progress Toward Outcome	The loan was declared effective on 17 May 2018.												
Implementation Progress													

Description of Project Outputs	PDF and VGF resources for PPP projects augmented. PPP institutional capacity enhanced and strengthened.
Status of Implementation Progress (Outputs, Activities, and Issues)	i) PDF and VGF assignment accounts are in the process of being established under the Project. ii) Consultants recruitment is on going under the attached Technical Assistance for capacity development.
Geographical Location	Nation-wide

Safeguard Categories

Environment	FI
Involuntary Resettlement	FI
Indigenous Peoples	FI

Summary of Environmental and Social Aspects

Environmental Aspects	The projects requiring VGF support may include projects that are category A for environment. The PDD will need to establish an environment and social management system (ESMS) with the PPP Cell as the ESMS focal for the project, acceptable to ADB, that fully incorporates the Safeguard Requirements (SR) (SR 1-3 including information disclosure and consultation) of ADB's Safeguard Policy Statement 2009 (SPS 2009).
Involuntary Resettlement	The due diligence indicates that public infrastructure PPP projects to be considered for VGF support will include construction of roads, housing and environment management schemes which may involve varying magnitude of land acquisition and resettlement (LAR) impacts. Land acquisition in the road and environment management projects is expected to be of significant scale. The number of displaced persons and the quantity of assets to be affected will be known after the PPP Nodes undertake social impacts assessment. An Environment and Social Management System (ESMS) will be established to screen all subprojects ensuring that the subprojects involving LAR impacts meet and comply with the requirements of ADB's Safeguard Policy Statement 2009 (SPS). The ESMS will incorporate (i) environment and social policies; (ii) screening, categorization and review procedure; (iii) organizational structure and staffing including skills and competencies in environment and social areas; (iv) training requirements; and (v) monitoring and reporting.
Indigenous Peoples	Punjab does not have the presence of any Indigenous Peoples (as SPS describes them to be) in and around the areas of proposed PPP projects. People of Punjab also do not recognize themselves as IPs. Nevertheless, presences of any IP groups and any impacts on such groups will be further assessed in the field as the time of impact assessment.

Stakeholder Communication, Participation, and Consultation

During Project Design	GOPb Planning and Development Department, Finance Department, sector departments with PPP portfolios, commercial banks and other private sector entities are the main stakeholders. The project incorporates the findings of and agreements reached during extensive consultations with the stakeholders.
During Project Implementation	The consultation will continue during project implementation. The project will use and build on the tested consultative approach that was previously and successfully implemented for PPPs in Punjab, including the use of resources from the attached transaction technical assistance project to engage in consultations with all stakeholders.

Business Opportunities

Consulting Services	The TA will require 321 person-months of national consulting services. The PPP Cell will be supported with a procurement specialist, an environmental safeguard specialist, an external resettlement monitoring specialist, and a social and gender specialist. The RMU will be provided with a project finance specialist and a project finance lawyer. The selected line departments will be supported with environmental safeguards specialists and social safeguards specialists.
Procurement	The executing agency and the implementing agency will not be directly involved in implementing the physical delivery of approved PPP projects. The relevant line departments will procure the PPP projects and will legally enter in to the respective concession agreements with the selected private sector concessionaires.

Responsible ADB Officer	Masood, Sana
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Pakistan Resident Mission
Executing Agencies	<i>Planning & Dev. Dept., Govt. of the Punjab</i> <i>Iftikhar Ali Sahoo</i> <i>BRDPHQ@BRDP.BWP.BRAIN.NET.PK</i> <i>CIVIL SECRETARIAT,</i> <i>LAHORE, PAKISTAN</i>

Timetable	
Concept Clearance	28 Apr 2017
Fact Finding	10 May 2017 to 17 May 2017
MRM	16 Oct 2017
Approval	15 Dec 2017
Last Review Mission	-
Last PDS Update	26 Sep 2018

Grant 0562-PAK

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
15 Dec 2017	13 Apr 2018	17 May 2018	30 Jun 2023	-	-

Financing Plan			Grant Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	19.62	Cumulative Contract Awards				
ADB	0.00	15 Dec 2017	0.00	0.00	0%	
Counterpart	0.00	Cumulative Disbursements				
Cofinancing	19.62	15 Dec 2017	0.00	0.00	0%	

Loan 3636-PAK

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
15 Dec 2017	13 Apr 2018	17 May 2018	30 Jun 2023	-	-

Financing Plan			Loan Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	200.00	Cumulative Contract Awards				
ADB	100.00	15 Dec 2017	0.00	0.00	0%	
Counterpart	100.00	Cumulative Disbursements				
Cofinancing	0.00	15 Dec 2017	0.03	0.00	0%	

TA 9469-PAK

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
15 Dec 2017	09 Jan 2018	09 Jan 2018	31 Dec 2022	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	4,008,724.00	0.00	0.00	0.00	0.00	4,008,724.00	15 Dec 2017	80,298.40

Request for Information

<http://www.adb.org/forms/request-information-form?subject=49128-002>

Date Generated

09 November 2018

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