

Assam Public Financial Management Strengthening Project

Draft Terms of Reference: Consultancy for Policy and Institutional Reform for Strengthening PPP Framework and enabling Environment for the Government of Assam.

1. **Background:** Government of Assam (GoA) had notified its Policy on Public Private Partnership (PPP) in 2008 to accelerate much needed infrastructure and better service delivery on time and within budget. The Policy was supported by some guidelines and a small PPP Cell was put in place within the Planning and Development Department. Institutionally, there is an Apex Committee headed by the Chief Minister and an Empowered Committee under the Chief Secretary. Additionally, an Annual Budget allocation under Project Development Fund is being made for project development to be undertaken in PPP mode. GoA has prepared a Perspective Plan for development in Assam, which includes identification of projects and based on preliminary feasibility studies, projects which could be executed under PPP mode.
2. During last few years of notification and implementation, the objectives of the policy could not be materialized at desired level and pace and the above arrangements has not resulted in any significant translation into actual PPP projects. A policy by itself cannot solve problems: it has to be implemented and an implementation strategy requires to be meticulously planned which demands efficiency to implement a reform and institutionalize it. This is more so in PPP projects, where the association with the private partner is for longer period in contrast to traditionally procured projects. There is always a risk of reverting to past practices unless strong efforts are made to institutionalize the reforms. In this backdrop, Planning & Development Department, Govt. of Assam has decided to review the current policy along with other parameters of PPP framework in order to identify and address limitations, if any, and to define clearly on the underlying principles of PPP which can be used by the implementing departments/agencies to conceptualize the overall PPP programs/projects. Further, Government of Assam also proposes to strengthen the technical capacity of the PPP cell already constituted under the Planning & Development Department.
3. GoA is taking up the *Assam Public Financial Management Strengthening Project* (PFM Project) with financing from the World Bank. The overall objective of the project is to improve public expenditure management and tax administrative in the state. Accordingly, as part of the project, GoA is keen to review & strengthen the existing policy, regulatory and institutional framework for PPP, which is over 8 years old and address any limitations which inhibit interest in PPP projects.
4. **Objective of the assignment:** The overall objective of the consultancy is to support GoA in developing an enabling environment for PPPs through a review of the PPP investment climate framework, the PPP policy (including social and political factors), legal and regulatory framework and the institutional arrangements; and support to build capacity of key stakeholders in selected line departments on how to identify, contract and manage PPPs (including risk sharing arrangements).

Detailed Scope of Work: The consultant will assist GoA's efforts to build Assam's attractiveness to private investors to PPP, and promoting better public understanding and acceptance of private participation in infrastructure and other sectors. The consultant would prepare report on policy reforms that are required to create world class infrastructures and suggest institutional, regulatory and procedural reforms for its realization based on best practices across various states/countries. With this broad framework, the consultants are expected to take-up following tasks/activities:

- (i) Review existing policies, procedures, legal, regulatory, institutional, financial and commercial framework for implementation of infrastructure and other projects under PPP mode (AS IS study) and identify gaps.
- (ii) Based on the AS IS and Gap Analysis -
 - a) Suggest appropriate institutional mechanism including advice on setting-up of an autonomous body/entity to strengthen technical capabilities of PPP Cell including its organizational structure, roles and responsibilities, operating guidelines etc.
 - b) Suggest modifications or re- formulate the PPP policy and related guidelines/formats/checklists.
 - c) Suggest measures to refine PPP project development processes (project planning, project formulation, project management) and due diligence processes including identifying, screening, risk assessment/risk sharing (both for large projects and O & M/Management/small projects).
- (iii) Suggest capacity building strategy and measures and mechanism for continuous training. Develop need based training modules based on the target participants and conduct first round of training.
- (iv) Suggest a Communication Strategy directed at key stakeholders in the public and private sector; Hold awareness workshops about PPP in the state; obtain stakeholder feedback; and develop appropriate content for a revamped PPP website

Approach and Instructions to be Undertaken:- As a part of the assignment, the consultant is required to undertake the following:

- **Stakeholder Consultations:** The Consultant is required to conduct stakeholder consultations at various stages of the project based on requirement. This would be with concerned departments/organization and other stakeholders as may be required. Detailed Feedback from the Stakeholders needs to be captured in the Final Report.
- **Research-and-Information oriented sources:** The consultant to examine and adopt the PPP policies & regulatory framework of other states including recommendation of Draft PPP Policy notified by GoI and report of ‘The Committee on Revisiting & Revitalizing the PPP Model of Infrastructure Development’ taking into account the merits and suitability for the state of Assam.
- **Institutional Arrangements:** The consultant while formulating the framework for dedicated institutional authority should synchronize the roles and objective of proposed authority vis-à-vis High Powered Committees viz. Empowered Committee on PPP/Apex Authority already constituted under current PPP policy to avoid the duplication of authorities/processes.
- **Implement ability of the Reforms:** Government of Assam desires that reforms could be recommended in a way that it could be implemented on the ground based on overall development vision of the State.

Deliverables and Timelines:

Deliverable	Description	Timeline (T=date of commencement)
PHASE 1		
Inception report	Action Plan and detailed and sequenced Work Plan, timelines. Identification of all stakeholders and plan for	T+ 2 weeks.

	interactions and delivery with bar chart and brief of assessment conducted	
AS IS study report	Report on existing policies, procedures, legal, regulatory, institutional, financial and commercial framework for implementation of infrastructure and other projects under PPP mode and identified related issues/gaps	T + 6 weeks
Draft Report on PPP Reforms	Report on details of PPP Reforms including institutional mechanism; revisions to policy and procedures; and PPP development process along with suggested capacity building strategy and training modules and Communication Strategy	T+12weeks
Training and Communication	First round of training to target audience Stakeholder workshops Content for revamped PPP website	T + 16
Final Report on PPP Reforms	Final Report incorporating suggestions/ Feedback from the stakeholders	2weeks after receiving the final feedback

Details of Key Professionals required

The following are the team members the consultant is expected to be deployed at the minimum to undertake the assignment:

S. No	Key Personnel	Qualification & Experience
1	PPP Specialist and Team Leader	Professional degree in business administration, finance (CA/ CFA), economics or related area with a minimum of 10 years of professional experience in project finance, advising governments on policy, institutional, and regulatory frameworks for PPPs and in PPP project development
2	Institutional/Governance Specialist	Management graduate or equivalent professional qualification with a minimum of 15 years of professional experience of which at least 5 years in providing guidance on efficient institutional structures and arrangements required to support infrastructure services, including processes, policies and procedures that enable effective infrastructure services.
3	Legal Expert	Law graduate with a minimum of 10 years of professional experience of which 5 years in providing legal services within the PPP framework that includes legal strategy formulation, PPP documentation, risk and compliance reviews, bidding strategies and public procurement rules etc.
4	Communication Expert	Professional Degree in any discipline. At least 8 years' experience in preparation of public communications plans; preferably including experience in implementing these plans in PPP domain. Extensive experience in stakeholder consultation and facilitation, PPP advocacy, and awareness building is required.

Consultants to note that the above list is minimum and indicative in nature only for key personnel to be evaluated. Consultants would have to select and depute support team members required for the study and delivery.