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GOVERNMENT OF _____
MINISTRY OF _____

TERMS OF REFERENCE

**ADVISORY SERVICES IN SUPPORT OF THE ESTABLISHMENT OF A PUBLIC
PRIVATE PARTNERSHIP UNIT IN THE MINISTRY OF _____**

[date]

1. INTRODUCTION

1.1 The purpose of this document is to set out the Terms of Reference for the supply of advisory services to the Ministry of _____ (Ministry) of the Government of [country]. The work to be undertaken by the advisors (the Consultants) will involve facilitating the successful establishment of a Public-Private Partnership Unit (the PPP Unit) within the Ministry and assisting with the identification, procurement and achievement of financial closure of two pilot PPP projects.

2. BACKGROUND¹

2.1 The Government of [country] adopted a Privatisation Policy in [date] in an effort to increase private sector participation in service delivery so as to enhance efficiency, and reduce the size of the public sector. The _____ Agency (Agency) was established at the same time to coordinate the Government's privatisation process. Privatisation was defined broadly to include, divestiture, outsourcing, service contracts and Public Private Partnerships.

¹ This section should be adjusted according to the privatization back ground of each country.

2.2 In [date], the Government adopted a PPP Policy and Implementation Framework (the PPP Policy) through [law, decree or directive] of [date], so as to provide clear guidance to adopting PPP as a method of procurement for selected public infrastructure and services projects. (The PPP Policy is attached as Annex A to these Terms of Reference). The Government further directed that a PPP Unit be established under the Ministry. The PPP Policy called for the PPP Unit to assume responsibility for (i) ensuring that the selected projects would be carried out by the individual Government Ministries or local authorities (the Line Ministries/Local Authorities) in conformity with the PPP Policy; (ii) coordinating future PPP Projects, with regard to project planning, financial approval, and processing; (iii) harmonising the roles of other concerned Government entities, including the Line Ministries, the Agency and the Ministry of Transport (MT).

2.4 The Ministry has now decided that the PPP Unit should be under the Ministry Division of Development and Budget.

2.3 The Government has recently finalised National Development Plan (NDP), covering the period ___ to ___. NDP emphasises the Government's commitment to increasing the role of the private sector in the economy. That commitment is born out of the desire to increase efficiency in the delivery of public infrastructure and services, by leveraging private sector management, technical and financial competencies and thereby accelerating the pace of development in the country.

2.4 For many years, private sector involvement in the provision of public infrastructure in [country] was limited to service contracts for construction, design and maintenance. NDP sets the target public expenditure level for the period at _____ billion. The amount is divided between Recurrent Expenditures of _____ billion and Development Expenditures of _____ billion. The cumulative deficit over the NDP period is estimated at _____ billion. An enhanced degree of involvement by the private sector in the provision of public infrastructure, through the PPP initiative, is seen as a way of augmenting public resources and capacities.

2.5 It should also be noted that [country]'s financial sector has had excess liquidity for many years, due to a shortage of viable private investment opportunities. The introduction of PPPs would provide investment opportunities for this excess liquidity, and help to deepen [country]'s capital markets.

3. OBJECTIVES OF THE ASSIGNMENT

3.1 The assignment has two key objectives.

3.2 The first key objective is to provide the Ministry with the advisory services necessary to establish an effective PPP Unit within the Ministry.

3.3 The second key objective is to assist the PPP Unit and the responsible Line Ministries in identifying, procuring and reaching financial close on two pilot PPP projects. These two pilot projects should be comparatively modest in size and scope, and should be selected, with the assistance of the Consultants, on the basis of ease and speed of completion.

4. DETAILED DESCRIPTION OF THE SCOPE OF WORK

4.1 Having regard to the objectives described in Paragraph 3, above, and the provisions of the PPP Policy, the Consultants shall:

- a) prepare any required primary and secondary legislation, or legislative amendments, necessary for the establishment of the PPP Unit and the implementation of the other aspects of the PPP Policy;
- b) design the operating model of the PPP Unit at the Ministry – its organisation and management structure, staffing requirements, skill requirements, job descriptions, training requirements, key processes, information requirements, and systems requirements;
- c) advise the Ministry on the most efficient relationship between the PPP Unit and (i) the PPP agencies at Line Ministries and Local Authorities; (ii) the Agency; (iii) the MT;
- d) prepare the documents necessary to guide the implementation of the PPP Unit, including draft procedures and operating manuals;

- e) develop an indicative budget for the PPP Unit, and recommendations on how this budget is to be funded;
- f) develop pro forma initial Standard PPP Bidding Documents;
- g) assist the Ministry in the recruitment of staff for the PPP Unit;
- h) provide initial training sessions, in respect of the above-noted materials, for the staff of the PPP Unit once they have been recruited;
- i) support the PPP Unit in hosting a 'Government Stakeholders Awareness Seminar', whereby the PPP Unit is introduced to (i) the relevant Line Ministries and Local Authorities; (ii) the Agency; (iii) the MT; and (iv) other concerned agencies of the Government of [country];
- j) support the PPP Unit in hosting a 'Public Awareness Seminar', to increase public awareness of the benefits of PPP initiatives; and
- k) support the PPP Unit in the identification and implementation of two pilot PPP projects as described above in Subparagraph 3.3.

5. DELIVERABLES

5.1 The Consultants shall provide the following deliverables to the Ministry:

- a) within one month following the inception of the contract for advisory services, the Consultants will provide the Ministry with an **INCEPTION REPORT**, which shall
 - outline in detail the activities that the Consultants will undertake to provide the required advisory services;
 - provide a detailed timetable for the delivery of the required advisory services, in MS Project format; and
 - identify and explain any proposed modifications to the Consultants' initial methodology as set out in the Consultants' Technical Proposal;
- b) within two weeks following the delivery of the Inception Report, the Consultants will give a presentation to the Ministry in respect of the Inception Report and, within two weeks following this presentation, the Consultants will provide the Ministry with a **REVISED INCEPTION REPORT**, reflecting any amendments to the initial Inception Report agreed to by the Consultants and the Ministry;

- c) within two months following the inception of the contract for advisory services, the Consultants will provide the Ministry with the **DRAFT LEGISLATION TO IMPLEMENT THE PPP POLICY**, which shall provide the text, with explanatory notes of the proposed legislation described in Subparagraph 4.1(a) above;
- d) within two weeks following the delivery of the Draft Legislation to Establish the PPP Unit, the Consultants will give a presentation to the Ministry in respect of the Draft Legislation and, within two weeks following this presentation, the Consultants will provide the Ministry with the **REVISED DRAFT LEGISLATION TO IMPLEMENT THE PPP POLICY**, reflecting any amendments to the initial Draft Legislation agreed to by the Consultants and the Ministry;
- e) within three months following the inception of the contract for advisory services, the Consultants will provide the Ministry with a **REPORT ON THE OPERATING MODEL FOR THE PPP UNIT**, as described in Subparagraphs 4.1(b) and (c) above, which shall outline in detail the recommendations of the Consultants as to the organisation and management structure of the PPP Unit, including its staffing requirements, skill requirements, job descriptions, training requirements, key processes, information requirements, systems requirements and interfaces with external entities (such as regulated entities, government bodies, the media and the public);
- f) within two weeks following the delivery of the Report on the Operating Model for the PPP Unit, the Consultants will give a presentation to the Ministry in respect of the Operating Model Report and, within two weeks following this presentation, the Consultants will provide the Ministry with a **REVISED REPORT ON THE OPERATING MODEL FOR THE PPP UNIT**, reflecting any amendments to the initial Operating Model Report agreed to by the Consultants and the Ministry;
- g) within four months following the inception of the contract for advisory services, the Consultants will provide the Ministry with a **REPORT ON THE DRAFT PROCEDURES, OPERATING MANUALS AND BUDGET FOR THE PPP UNIT**, as described in Subparagraphs 4.1(d) and (e) above, which shall

- outline in detail the recommendations of the Consultants as to the procedures to be followed by, and the operating manuals to be used by, the PPP Unit; and
 - outline in detail the recommendations of the Consultants as to an indicative budget for the PPP Unit, and recommendations on how the Unit's budgets are to be funded;
- h) within two weeks following the delivery of the Report on the Draft Procedures, Operating Manuals and Budget for the PPP Unit, the Consultants will give a presentation to the Ministry in respect of the Procedures, Manuals and Budget Report and, within two weeks following this presentation, the Consultants will provide the Ministry with a **REVISED REPORT ON THE DRAFT PROCEDURES, OPERATING MANUALS AND BUDGET FOR THE PPP UNIT**, reflecting any amendments to the initial Procedures, Operating Manuals and Budget Report agreed to by the Consultants and the Ministry;
- i) within five months following the inception of the contract for advisory services, the Consultants will provide the Ministry with a **REPORT ON PRO FORMA INITIAL STANDARD PPP BIDDING DOCUMENTS**, as described in Subparagraph 4.1(f) above, which shall provide the text, with explanatory notes, of the pro forma initial Standard PPP Bidding Documents to be used by the PPP Unit; and
- j) within two weeks following the delivery of the Report on Pro Forma Initial Standard PPP Bidding Documents, the Consultants will give a presentation to the Ministry in respect of the Report on Pro Forma Initial Standard PPP Bidding Documents and, within two weeks following this presentation, the Consultants will provide the Ministry with a **REVISED REPORT ON PRO FORMA INITIAL STANDARD PPP BIDDING DOCUMENTS**, reflecting any amendments to the initial Report on Pro Forma Initial Standard PPP Bidding Documents agreed to by the Consultants and the Ministry.

5.2 After the establishment of the PPP Unit, the Consultants shall also provide initial training sessions, in respect of the above-noted materials, for

the staff of the PPP Unit, in accordance with Subparagraph 4.1(h) above. These initial training sessions shall be of at least two weeks in duration.

5.3 After the establishment of the PPP Unit, the Consultants shall also provide information packets for, and participate in, at least one 'Government Stakeholders Awareness Seminar', in accordance with Subparagraph 4.1(i) above.

5.4 After the establishment of the PPP Unit, the Consultants shall also provide information packets for, and participate in, at least one 'Public Awareness Seminar', in accordance with Subparagraph 4.1(j) above.

5.5 After the establishment of the PPP Unit, the Consultants shall also provide all documentation required for the identification and implementation of two pilot PPP projects, in accordance with Subparagraph 4.1(k) above.

5.6 Throughout the assignment, the Consultants shall submit, to the Ministry, monthly reports on the activities completed in the previous month and the planned activities for the next two months, reflecting decisions taken by the Ministry.

6. REPORTING REQUIREMENTS

6.1 The Consultants shall work under the general direction of the Project Manager appointed by the Ministry.

6.2 The Consultants' personnel will, on reasonable notice, participate in meetings and discussions as required by the Project Manager.

6.3 All meetings, discussions, presentations, training materials and deliverables shall be in the English language.

6.4 The Consultants shall provide to the Ministry 10 printed copies of each deliverable described in Paragraphs 5.1, 5.3, 5.4 and 5.5 above, and two printed copies of any training materials prepared pursuant to Paragraph 5.2 above. In addition, the Consultants shall also e-mail to the Project Manager an

electronic copy of each written deliverable, including presentations, training materials and monthly reports.

6.5 The Consultants shall also e-mail a copy of each written deliverable, including copies of any presentation or training materials, and monthly reports, to the World Bank Task Team Leader associated with this assignment and to the World Bank Legal Department, at projectlaw@worldbank.org.

6.6 The Consultants shall establish a password-protected electronic workroom containing electronic copies of each written deliverable (including presentations, training materials and monthly reports), which workroom shall be accessible to the Ministry, the Project Manager, the World Bank Task Team Leader and the World Bank Legal Department.

7. SKILLS REQUIRED ON THE CONSULTANTS' TEAM

7.1 The Consultants' team should include international and local transactional and legal specialists with:

- a) recent project experience in the development of PPP legal frameworks in Africa, including recent experience in the development of legislation and pro forma standard bidding documents for PPP transactions;
- b) recent project experience in the establishment of new PPP Units, including the provision of advisory services related to the organizational structure and procedures of such Units; and
- c) local knowledge of the principles applicable to the drafting of legislative and contractual instruments in [country].

8. ANTICIPATED DURATION

8.1 The assignment is to be completed within approximately thirty-six months following the inception of the contract for advisory services.

9. CONFLICTS OF INTEREST

9.1 The Consultants are required to comment on any potential conflicts of interest arising out of other assignments or a conflicting involvement in other assignments.

10. CONFIDENTIALITY

10.1 The Consultants agree to keep confidential all information that they receive, directly or indirectly, from the Ministry or any other stakeholder, as well as all copies or analyses that they make, or have been made by third parties, on the basis of such information (collectively, the Material). The Consultants shall use the Material exclusively for the purpose of preparing deliverables relevant to this assignment. The confidentiality obligations shall not apply to information in the public domain. The Consultants shall only permit access to the Material to persons within their organisations on a need-to-know basis. The Consultants shall explicitly inform such persons of the confidential nature of the Material and, prior to providing them the Material, subject them to the confidential obligations contained in these Terms of Reference.

Attachment: Annex A – The PPP Policy and Implementation Framework.